



**DARE 2 SHARE MINISTRIES,
INC. AND AFFILIATE**

Consolidated Financial Statements
With Independent Auditor's Report

December 31, 2025 and 2024

DARE 2 SHARE MINISTRIES, INC. AND AFFILIATE

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Dare 2 Share Ministries, Inc. and Affiliate
Wheat Ridge, Colorado

Opinion

We have audited the accompanying consolidated financial statements of Dare 2 Share Ministries, Inc. and Affiliate (a nonprofit organization), which comprise the consolidated 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 consolidated financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Dare 2 Share Ministries, Inc. and Affiliate 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 Consolidated Financial Statements* section of our report. We are required to be independent of Dare 2 Share Ministries, Inc. and Affiliate 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 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Dare 2 Share Ministries, Inc. and Affiliate's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Board of Directors
Dare 2 Share Ministries, Inc.
Wheat Ridge, Colorado

Auditor's Responsibilities for the Audit of the Consolidated 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 consolidated 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 consolidated 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 Dare 2 Share Ministries, Inc. and Affiliate'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Dare 2 Share Ministries, Inc. and Affiliate'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

Centennial, Colorado
May 7, 2026

DARE 2 SHARE MINISTRIES, INC. AND AFFILIATE

Consolidated Statements of Financial Position

| | December 31, | |
|--|---------------------|---------------------|
| | 2025 | 2024 |
| ASSETS: | | |
| Cash and cash equivalents | \$ 937,348 | \$ 981,101 |
| Investments | 3,630,009 | 3,162,081 |
| Board designated investments | 1,061,348 | 73,880 |
| Inventory–net | 19,104 | 40,533 |
| Prepaid expenses and other assets | 434,558 | 237,021 |
| Operating leases–right of use assets | 306,737 | 370,477 |
| Financing lease–right of use asset | 3,392 | 6,783 |
| Software, leasehold improvements, furniture, and equipment–net | 844,135 | 733,227 |
| | <u>\$ 7,236,631</u> | <u>\$ 5,605,103</u> |
| LIABILITIES AND NET ASSETS: | | |
| Liabilities: | | |
| Accounts payable | \$ - | \$ 6,516 |
| Accrued expenses | 135,302 | 127,137 |
| Performance obligation liabilities | 277,579 | 155,950 |
| Operating lease obligations | 346,557 | 412,775 |
| Financing lease obligation | 365 | 4,720 |
| Total liabilities | <u>759,803</u> | <u>707,098</u> |
| Net assets: | | |
| Net assets without donor restrictions | | |
| Operating | 5,331,303 | 4,731,963 |
| Board designated | 1,061,348 | 73,880 |
| | <u>6,392,651</u> | <u>4,805,843</u> |
| Net assets with donor restrictions | 84,177 | 92,162 |
| Total net assets | <u>6,476,828</u> | <u>4,898,005</u> |
| Total Liabilities and Net Assets | <u>\$ 7,236,631</u> | <u>\$ 5,605,103</u> |

See notes to financial statements

DARE 2 SHARE MINISTRIES, INC. AND AFFILIATE

Consolidated Statements of Activities

| | Year Ended December 31, | | | | | |
|----------------------------------|-------------------------------|----------------------------|------------------|-------------------------------|----------------------------|------------------|
| | 2025 | | | 2024 | | |
| | Without Donor Restrictions | With Donor Restrictions | Total | Without Donor Restrictions | With Donor Restrictions | Total |
| SUPPORT AND REVENUE: | | | | | | |
| Contributions | \$ 6,501,161 | \$ 624,857 | \$ 7,126,018 | \$ 5,359,734 | \$ 665,750 | \$ 6,025,484 |
| Contributed non-financial assets | 121,417 | - | 121,417 | 274,263 | - | 274,263 |
| Conference revenue—net | 214,565 | - | 214,565 | 272,440 | - | 272,440 |
| Sales | 15,460 | - | 15,460 | 46,894 | - | 46,894 |
| Honorarium income | 63,171 | - | 63,171 | 46,232 | - | 46,232 |
| Investment income | 157,312 | - | 157,312 | 150,024 | - | 150,024 |
| Other income | 32,699 | - | 32,699 | 24,515 | - | 24,515 |
| Total Support and Revenue | <u>7,105,785</u> | <u>624,857</u> | <u>7,730,642</u> | <u>6,174,102</u> | <u>665,750</u> | <u>6,839,852</u> |
| NET ASSETS RELEASED FROM: | | | | | | |
| Purpose restrictions | 632,842 | (632,842) | - | 675,552 | (675,552) | - |
| EXPENSES: | | | | | | |
| Program services: | | | | | | |
| Events and conferences | 1,163,630 | - | 1,163,630 | 1,049,611 | - | 1,049,611 |
| Resources and other | 1,780,357 | - | 1,780,357 | 2,111,716 | - | 2,111,716 |
| Gospel advancing ministries | 1,593,258 | - | 1,593,258 | 1,323,630 | - | 1,323,630 |
| | <u>4,537,245</u> | <u>-</u> | <u>4,537,245</u> | <u>4,484,957</u> | <u>-</u> | <u>4,484,957</u> |

(continued)

See notes to financial statements

DARE 2 SHARE MINISTRIES, INC. AND AFFILIATE

Consolidated Statements of Activities (continued)

| | Year Ended December 31, | | | | | |
|-------------------------------|-------------------------------|----------------------------|--------------|-------------------------------|----------------------------|--------------|
| | 2025 | | | 2024 | | |
| | Without Donor Restrictions | With Donor Restrictions | Total | Without Donor Restrictions | With Donor Restrictions | Total |
| Support activities: | | | | | | |
| General and administrative | 424,134 | - | 424,134 | 365,785 | - | 365,785 |
| Fundraising | 1,190,440 | - | 1,190,440 | 1,326,535 | - | 1,326,535 |
| | 1,614,574 | - | 1,614,574 | 1,692,320 | - | 1,692,320 |
| Total Expenses | 6,151,819 | - | 6,151,819 | 6,177,277 | - | 6,177,277 |
| Change in Net Assets | 1,586,808 | (7,985) | 1,578,823 | 672,377 | (9,802) | 662,575 |
| Net Assets, Beginning of Year | 4,805,843 | 92,162 | 4,898,005 | 4,133,466 | 101,964 | 4,235,430 |
| Net Assets, End of Year | \$ 6,392,651 | \$ 84,177 | \$ 6,476,828 | \$ 4,805,843 | \$ 92,162 | \$ 4,898,005 |

See notes to financial statements

DARE 2 SHARE MINISTRIES, INC. AND AFFILIATE

Consolidated Statement of Functional Expenses

For the Year Ended December 31, 2025

| | Program Services: | | | | Supporting Activities: | | | Total |
|----------------------------------|------------------------------|----------------------------|-----------------------------------|------------------------------|----------------------------------|----------------------------|-----------------------------------|----------------------------|
| | Events and Conferences | Resources and Other | Gospel Advancing Ministries | Program Services Total | General and Administrative | Fundraising | Supporting Activities Total | |
| Salaries and benefits | \$ 601,568 | \$ 694,619 | \$ 1,106,111 | \$ 2,402,298 | \$ 233,267 | \$ 490,932 | \$ 724,199 | \$ 3,126,497 |
| Professional fees | 149,066 | 634,990 | 123,814 | 907,870 | 21,736 | 92,842 | 114,578 | 1,022,448 |
| Events and production costs | 292,891 | 62,417 | 70,939 | 426,247 | 32,378 | 445,699 | 478,077 | 904,324 |
| Travel and entertainment | 11,379 | 16,984 | 156,162 | 184,525 | 74,527 | 68,797 | 143,324 | 327,849 |
| Depreciation and amortization | 16,995 | 139,240 | 25,811 | 182,046 | 7,380 | 13,205 | 20,585 | 202,631 |
| Occupancy | 42,423 | 34,045 | 50,547 | 127,015 | 36,072 | 18,287 | 54,359 | 181,374 |
| Advertising | 9,832 | 129,478 | 12,063 | 151,373 | - | 11,022 | 11,022 | 162,395 |
| Office and other | 21,178 | 34,121 | 39,882 | 95,181 | 14,065 | 13,871 | 27,936 | 123,117 |
| Postage and printing | 11,453 | 26,701 | 7,922 | 46,076 | 3,444 | 10,470 | 13,914 | 59,990 |
| Bank service fees | 6,845 | 387 | 7 | 7,239 | 1,265 | 15,547 | 16,812 | 24,051 |
| Cost of goods sold | - | 7,375 | - | 7,375 | - | 9,768 | 9,768 | 17,143 |
| Total Expenses | <u>\$ 1,163,630</u> | <u>\$ 1,780,357</u> | <u>\$ 1,593,258</u> | <u>\$ 4,537,245</u> | <u>\$ 424,134</u> | <u>\$ 1,190,440</u> | <u>\$ 1,614,574</u> | <u>\$ 6,151,819</u> |
| Percent of Total Expenses | <u>19%</u> | <u>29%</u> | <u>26%</u> | <u>74%</u> | <u>7%</u> | <u>19%</u> | <u>26%</u> | <u>100%</u> |

See notes to financial statements

DARE 2 SHARE MINISTRIES, INC. AND AFFILIATE

Consolidated Statement of Functional Expenses

For the Year Ended December 31, 2024

| | Program Services: | | | | Supporting Activities: | | | Total |
|----------------------------------|------------------------------|----------------------------|-----------------------------------|------------------------------|----------------------------------|----------------------------|-----------------------------------|----------------------------|
| | Events and Conferences | Resources and Other | Gospel Advancing Ministries | Program Services Total | General and Administrative | Fundraising | Supporting Activities Total | |
| Salaries and benefits | \$ 503,783 | \$ 941,044 | \$ 1,004,457 | \$ 2,449,284 | \$ 230,795 | \$ 301,676 | \$ 532,471 | \$ 2,981,755 |
| Professional fees | 142,185 | 576,861 | 55,094 | 774,140 | 19,376 | 148,664 | 168,040 | 942,180 |
| Events and production costs | 309,297 | 171,114 | 12,081 | 492,492 | - | 661,799 | 661,799 | 1,154,291 |
| Travel and entertainment | 15,727 | 60,929 | 152,152 | 228,808 | 53,890 | 78,330 | 132,220 | 361,028 |
| Depreciation and amortization | 12,341 | 108,632 | 16,572 | 137,545 | 12,786 | 4,517 | 17,303 | 154,848 |
| Occupancy | 33,971 | 48,762 | 47,213 | 129,946 | 36,449 | 12,876 | 49,325 | 179,271 |
| Advertising | 9,828 | 80,447 | 8,156 | 98,431 | - | 3,647 | 3,647 | 102,078 |
| Office and other | 11,970 | 86,705 | 23,749 | 122,424 | 9,065 | 23,286 | 32,351 | 154,775 |
| Postage and printing | 10,497 | 11,579 | 4,139 | 26,215 | 2,150 | 28,368 | 30,518 | 56,733 |
| Bank service fees | 12 | 2,498 | 17 | 2,527 | 1,274 | 32,955 | 34,229 | 36,756 |
| Cost of goods sold | - | 23,145 | - | 23,145 | - | 30,417 | 30,417 | 53,562 |
| Total Expenses | <u>\$ 1,049,611</u> | <u>\$ 2,111,716</u> | <u>\$ 1,323,630</u> | <u>\$ 4,484,957</u> | <u>\$ 365,785</u> | <u>\$ 1,326,535</u> | <u>\$ 1,692,320</u> | <u>\$ 6,177,277</u> |
| Percent of Total Expenses | <u>17%</u> | <u>34%</u> | <u>22%</u> | <u>73%</u> | <u>6%</u> | <u>21%</u> | <u>27%</u> | <u>100%</u> |

See notes to financial statements

DARE 2 SHARE MINISTRIES, INC. AND AFFILIATE

Consolidated Statements of Cash Flows

| | December 31, | |
|--|--------------|-------------|
| | 2025 | 2024 |
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Change in net assets | \$ 1,578,823 | \$ 662,575 |
| Adjustments to reconcile change in net assets to net cash provided (used) by operating activities: | | |
| Depreciation and amortization | 202,631 | 154,848 |
| Reinvested interest and dividends | (158,792) | (127,387) |
| Donated stock | (338,593) | (247,523) |
| Non-cash lease expense | (2,479) | (371) |
| Change in operating assets and liabilities: | | |
| Inventory–net | 21,429 | (1,459) |
| Prepaid expenses and other assets | (197,537) | 211,075 |
| Accounts payable | (6,516) | (17,628) |
| Accrued expenses | 8,165 | (42,090) |
| Performance obligation liabilities | 121,629 | 26,305 |
| Net Cash Provided by Operating Activities | 1,228,760 | 618,345 |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Purchases of software, furniture, and equipment | (310,147) | (216,648) |
| Purchases of investments | (2,667,176) | (3,574,715) |
| Proceeds from sale of investments | 1,709,165 | 1,680,664 |
| Net Cash Used by Investing Activities | (1,268,158) | (2,110,699) |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | |
| Principal payments on financing leases | (4,355) | (4,316) |
| Net Cash Used by Financing Activities | (4,355) | (4,316) |
| Change in Cash and Cash Equivalents | (43,753) | (1,496,670) |
| Cash and Cash Equivalents, Beginning of Year | 981,101 | 2,477,771 |
| Cash and Cash Equivalents, End of Year | \$ 937,348 | \$ 981,101 |

See notes to financial statements

DARE 2 SHARE MINISTRIES, INC. AND AFFILIATE

Notes to Consolidated Financial Statements

December 31, 2025 and 2024

1. NATURE OF ORGANIZATION:

Dare 2 Share Ministries, Inc. (D2S) is a nonprofit organization dedicated to mobilizing teenagers to relationally and relentlessly reach their generation for Christ. The passion of D2S is to impact Christian teenagers with the mission to influence their culture with the love of Jesus Christ. D2S accomplishes its goals by holding rallies and conferences as well as providing materials and publications. Additional D2S programs include its Gospel Advancing ministry, which is a ministry philosophy that focuses on evangelism and disciple-making. These ministries are led by Gospel Advancing leaders that are leaders who share the Gospel personally and mobilize teenagers to do the same. Support for the ministries of D2S consists primarily of donations from individuals, churches, and foundations.

During the year ended December 31, 2025, D2S formed Unlikely Fighters LLC, a wholly owned sole member LLC to explore the potential development of a film. As D2S is the sole member, Unlikely Fighters LLC is a controlled entity of D2S for the purposes of these consolidated statements. These consolidated financial statements therefore include the financial resources and activities of Unlikely Fighters LLC. All significant intercompany balances and transactions have been eliminated. Dare 2 Share Ministries, Inc. and Unlikely Fighters LLC are collectively referred to as Dare 2 Share Ministries, Inc. and Affiliate (D2S) in these consolidated financial statements.

D2S is 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, D2S is subject to federal income tax on any unrelated business taxable income. In addition, D2S is not classified as a private foundation within the meaning of Section 509(a) of the IRC.

2. SIGNIFICANT ACCOUNTING POLICIES:

D2S maintains its accounts and prepares its consolidated financial statements on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America. The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of any contingent assets and liabilities at the date of the consolidated financial statements, and the reported revenues and expenses during the reporting period. Actual results could differ from the estimates. Estimates that are particularly susceptible to significant change in the near term are related to depreciation of property and equipment, the allocation of functional expenses, valuation of contributed non-financial assets, valuation of right-of-use assets and lease obligations, and valuation of investments held at fair value. The significant accounting policies followed are described below to enhance the usefulness of the consolidated financial statements to the reader.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash held in checking, money market accounts, and petty cash on hand. As of December 31, 2025 and 2024, D2S's cash balances exceeded federally insured limits by approximately \$731,000 and \$722,000, respectively. D2S has not experienced any losses in such accounts.

DARE 2 SHARE MINISTRIES, INC. AND AFFILIATE

Notes to Consolidated Financial Statements

December 31, 2025 and 2024

2. SIGNIFICANT ACCOUNTING POLICIES, continued:

INVENTORY

Inventory consists of clothing and course materials. Inventory is valued at the lower of cost or net realizable value on the first-in, first-out method. As of December 31, 2025 and 2024, management recorded an allowance of \$0 and \$0, respectively, for obsolete inventory that is expected to be given away or sold at a discount.

INVESTMENTS

Investments and board designated investments consist of money market mutual funds and certificates of deposit. Money market mutual funds are carried at level one of the fair value hierarchy and certificates of deposit are held at amortized cost. Investment interest and dividends are recorded within investment and other income on the statements of activities.

FINANCING AND OPERATING LEASES - RIGHT OF USE ASSETS AND OBLIGATIONS

Some of D2S's contracts contain the right to control the use of property or assets and are therefore considered leases. D2S records right-of-use assets and lease obligations on the consolidated statements of financial position for the rights and obligations created by leases with initial terms of more than twelve months. D2S has elected to not separate lease and non-lease components.

PREPAID EXPENSES AND OTHER ASSETS

Prepaid expenses and other assets consist of prepaid expenses for upcoming events and capitalized production costs. Capitalized production costs consist of costs incurred mainly for the production of Shine curriculum, Gospelize program, and Gospel Advancing Ministry application. Amortization is computed on the straight-line basis over the estimated useful life of three years. Capitalized production costs were fully amortized as of December 31, 2025 and 2024.

SOFTWARE, LEASEHOLD IMPROVEMENTS, FURNITURE, AND EQUIPMENT

Software, leasehold improvements, furniture, and equipment are recorded at cost, or if donated, at its fair market value on the date of the gift. Items donated with restrictions regarding its use and contributions of cash to acquire furniture and equipment are reported as restricted support. Absent any donor stipulations, these restrictions expire when the asset is acquired or placed in service, and a reclassification is made from net assets with donor restrictions to net assets without donor restrictions at that time. D2S capitalizes all fixed assets greater than \$2,000 and expense amounts below this threshold as well as repairs and maintenance. Depreciation, excluding construction in progress, is computed on a straight-line basis over the estimated useful life of the assets as follows:

| | |
|---------------------------|---------------|
| Land improvements | 10 - 15 years |
| Building and improvements | 5 - 30 years |
| Furniture and equipment | 3 - 15 years |

PERFORMANCE OBLIGATION LIABILITIES

Performance obligation liabilities consists of registration fees collected for conferences that will be held in the next calendar year.

DARE 2 SHARE MINISTRIES, INC. AND AFFILIATE

Notes to Consolidated Financial Statements

December 31, 2025 and 2024

2. SIGNIFICANT ACCOUNTING POLICIES, continued:

NET ASSETS

The consolidated financial statements report amounts separately by class of net assets as follows:

Net assets without donor restrictions are those resources currently available at the discretion of the board for use in the operations of D2S. Board designated funds are internally designated by the board for specific purposes.

Net assets with donor restrictions are those resources stipulated by donors for specific purposes.

SUPPORT AND REVENUE

Contributions are recorded when made, which may be when cash is received, when unconditional promises are made, or when ownership of donated assets is transferred to D2S. Gifts of cash and other assets are reported as net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated amounts through purpose or time restrictions, or both. 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 restrictions to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. All contributions are considered available for unrestricted use unless specifically restricted by the donor.

Contributions of non-financial assets consist of donated goods, rent, and professional services. See additional information regarding these contributions in Note 10. Additionally, D2S also has a substantial amount of volunteers who donate time to the programs of D2S; however, these volunteer hours do not meet the criteria to be recorded under accounting standards.

Conference revenue is recorded when earned, which is at the point in time the conferences are held. Conference revenue is shown net of discounts and scholarships of \$24,585 and \$40,545, for the years ended December 31, 2025 and 2024, respectively. Performance obligation liabilities represent deposits and payments made in advance that span fiscal years. Performance obligation liabilities related to conference revenue as of December 31, 2025, 2024, and 2023, totaled \$277,579, \$155,950, and \$129,645, respectively. There were no accounts receivable related to conference revenue as of December 31, 2025, 2024, and 2023.

FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing program services and supporting activities of D2S have been summarized on a functional basis in the statements of activities and functional expenses. Accordingly, certain costs, such as depreciation, salaries, and benefits, have been allocated among the program services and supporting activities benefited. The functional allocation for depreciation and occupancy costs are based on the office space used for each department, and salaries and benefits expense is allocated based on the employee role and time spent between the major programs.

DARE 2 SHARE MINISTRIES, INC. AND AFFILIATE

Notes to Consolidated Financial Statements

December 31, 2025 and 2024

3. INVESTMENTS

As of December 31, 2025 and 2024, all investments are made up of mutual funds and cash and cash equivalents. The breakout of investments and board designated investments is:

| | December 31, | |
|------------------------------|------------------|------------------|
| | 2025 | 2024 |
| Investments | 3,630,009 | 3,162,081 |
| Board designated investments | 1,061,348 | 73,880 |
| | <u>4,691,357</u> | <u>3,235,961</u> |

The return on investments for the years ended December 31, 2025 and 2024, was \$158,792 and \$127,387, respectively, which is included in investment income on the consolidated statements of activities.

4. FAIR VALUE MEASUREMENTS:

Fair value is the exchange price that would be received for an asset or paid to transfer a liability (exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. There are three levels of inputs that may be used to measure fair values.

Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the Organization has the ability to access as of the measurement date.

Level 2: Significant other observable inputs other than Level 1 prices, such as:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs, other than quoted prices, that are:
 - observable; or
 - can be corroborated by observable market data.

If the asset or liability has a specified (contractual) term, the Level 1 input must be observable for substantially the full term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value.

DARE 2 SHARE MINISTRIES, INC. AND AFFILIATE

Notes to Consolidated Financial Statements

December 31, 2025 and 2024

4. FAIR VALUE MEASUREMENTS, continued:

Mutual funds: Valued at the closing price reported on the active market on which the individual securities are traded.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although D2S believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine fair value of certain financial instruments could result in different fair value measurements at the reporting date.

Assets measured at fair value on a recurring basis as of December 31, 2025, consist of the following:

| | Fair Value Measurements Using: | | | |
|---|--------------------------------|--------------|---------|---------|
| | Total | Level 1 | Level 2 | Level 3 |
| December 31, 2025: | | | | |
| Investments | | | | |
| Mutual funds | \$ 4,341,357 | \$ 4,341,357 | \$ - | \$ - |
| Reconciling items held at amortized cost: | | | | |
| Cash and cash equivalents | 350,000 | | | |
| Total Investments | \$ 4,691,357 | | | |

Assets measured at fair value on a recurring basis as of December 31, 2024, consist of the following:

| | Fair Value Measurements Using: | | | |
|--------------------|--------------------------------|--------------|---------|---------|
| | Total | Level 1 | Level 2 | Level 3 |
| December 31, 2024: | | | | |
| Investments | | | | |
| Mutual funds | \$ 3,235,961 | \$ 3,235,961 | \$ - | \$ - |
| Total Investments | \$ 3,235,961 | | | |

DARE 2 SHARE MINISTRIES, INC. AND AFFILIATE

Notes to Consolidated Financial Statements

December 31, 2025 and 2024

5. LIQUIDITY AND FUNDS AVAILABLE:

D2S has approximately \$4,567,000 and \$4,143,000 of financial assets available within one year of the statements of financial position date as of December 31, 2025 and 2024, respectively. This amount consists of cash and cash equivalents and investments less net assets with donor restrictions not expected to be spent within one year of \$0 and \$0, and excluding board designated investments of approximately \$1,061,000 and \$74,000 as of December 31, 2025 and 2024, respectively. D2S has certain donor-restricted net assets that are available for general expenditures within one year as of December 31, 2025 and 2024 because the restrictions are expected to be met by conducting the normal activities of D2S in the coming year.

D2S structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due. Management monitors cash flows closely through finance committee meetings and detailed financial analysis.

6. SOFTWARE, LEASEHOLD IMPROVEMENTS, FURNITURE, AND EQUIPMENT—NET:

Software, leasehold improvements, furniture, and equipment—net, consist of:

| | December 31, | |
|--|-------------------|-------------------|
| | 2025 | 2024 |
| Software and computers | \$ 1,150,564 | \$ 835,377 |
| Leasehold improvements | 269,113 | 269,113 |
| Website development | 231,911 | 231,911 |
| Furniture and equipment | 98,707 | 95,752 |
| | <u>1,750,295</u> | <u>1,432,153</u> |
| Construction in progress | 89,792 | 97,787 |
| | <u>1,840,087</u> | <u>1,529,940</u> |
| Less accumulated depreciation and amortization | <u>(995,952)</u> | <u>(796,713)</u> |
| | <u>\$ 844,135</u> | <u>\$ 733,227</u> |

Construction in progress consists of ongoing translation work for the Life in 6 Words app.

DARE 2 SHARE MINISTRIES, INC. AND AFFILIATE

Notes to Consolidated Financial Statements

December 31, 2025 and 2024

7. OPERATING LEASES—RIGHT OF USE ASSETS AND OBLIGATIONS:

D2S leases office space and equipment under noncancelable operating leases expiring in 2030. The discount rate represents the risk-free discount rate using a period comparable with that of the individual lease term on the inception date of the lease. The leases require monthly payments ranging from \$5,951 to \$6,129. Discount rates on these leases is 1.59%.

| | December 31, | |
|---------------------------------------|--------------|------------|
| | 2025 | 2024 |
| Operating lease right-of-use assets | \$ 306,737 | \$ 370,477 |
| Operating lease liabilities | \$ 346,557 | \$ 412,775 |
| Operating lease costs | \$ 69,827 | \$ 69,827 |
| Cash paid for operating lease | \$ 72,304 | \$ 70,198 |
| Weighted-average discount rate | 1.59% | 1.59% |
| Weighted-average remaining lease term | 4.58 years | 5.58 years |

Future minimum lease payments required under the operating lease that has an initial or remaining non-cancelable lease term in excess of one year are as follows:

| <u>Year Ending December 31,</u> | |
|---------------------------------|------------|
| 2026 | \$ 74,474 |
| 2027 | 76,707 |
| 2028 | 79,008 |
| 2029 | 81,379 |
| 2030 | 48,291 |
| Thereafter | - |
| | 359,859 |
| Less imputed interest | (13,302) |
| | \$ 346,557 |

DARE 2 SHARE MINISTRIES, INC. AND AFFILIATE

Notes to Consolidated Financial Statements

December 31, 2025 and 2024

8. FINANCING LEASE—RIGHT OF USE ASSET AND OBLIGATION:

D2S leases equipment under noncancelable financing leases expiring at various dates through 2026. The discount rate represents the risk-free discount rate using a period comparable with that of the individual lease term on the inception date of the lease. The lease requires monthly payments of \$365. Discount rates on the lease is 0.91%.

| | December 31, | |
|---------------------------------------|--------------|----------|
| | 2025 | 2024 |
| Financing lease right-of-use asset | \$ 3,392 | \$ 6,783 |
| Financing lease liability | \$ 365 | \$ 4,720 |
| Financing lease costs: | | |
| Amortization of right-of-use assets | \$ 3,392 | \$ 3,392 |
| Interest on lease liabilities | \$ 25 | \$ 64 |
| Weighted-average discount rate | 0.91% | 0.88% |
| Weighted-average remaining lease term | 0.08 years | 1.08 |

All future minimum payments are expected to be paid within one year.

9. NET ASSETS WITH DONOR RESTRICTIONS:

Net assets with donor restrictions are available for the following purposes:

| | December 31, | |
|---------------------|--------------|-----------|
| | 2025 | 2024 |
| Global Cohorts | \$ 42,646 | \$ 45,816 |
| Kingdom Collab | 41,531 | - |
| GA Research Project | - | 38,022 |
| LMS | - | 8,324 |
| | \$ 84,177 | \$ 92,162 |

DARE 2 SHARE MINISTRIES, INC. AND AFFILIATE

Notes to Consolidated Financial Statements

December 31, 2025 and 2024

10. CONTRIBUTED NON-FINANCIAL ASSETS

D2S's contributions of non-financial asset activity is summarized below:

| | December 31, | |
|-------------------------------|-------------------|-------------------|
| | 2025 | 2024 |
| Donated rent | \$ 121,260 | \$ 119,995 |
| Donated professional services | 157 | 3,001 |
| Donated goods | - | 151,267 |
| | <u>\$ 121,417</u> | <u>\$ 274,263</u> |

Donated rent is valued by using the discount explicit on the invoices received for rental services provided, as well as valued at the estimated fair market value based on rates that would have been paid for comparable properties located in similar locations. Donated professional services and donated goods, which consisted of book donations, are valued at the amounts explicit on the vendor invoices. During the years ended December 31, 2025 and 2024, no amounts were monetized and there were no associated donor restrictions on the contributed services.

11. INTENTIONS TO GIVE:

During the years ended December 31, 2025 and 2024, D2S obtained intentions to give during the President's Gathering. The intentions to give are subject to unilateral change by the donor and are not considered unconditional. Therefore, they are not recognized prior to the receipt of the contributions and are not recorded as contributions receivable in the statements of financial position. Intentions to give are approximately \$2,301,000 and \$2,388,000, as of December 31, 2025 and 2024, respectively.

12. COMMITMENTS:

Each year, D2S enters into several contracts for the upcoming conference season; these contracts are within the typical operations of D2S. D2S entered into several contracts with venues, speaker honorariums, and other services totaling \$1,369,527 and \$1,455,816, as of December 31, 2025 and 2024, respectively. If an event is cancelled, D2S may still be required to pay some of the contract.

13. DEFINED CONTRIBUTION PLAN:

D2S has a defined contribution plan covering all employees who have worked for D2S for more than six months. D2S matches contributions up to 3%. These employer matches totaled \$47,121 and \$40,463, for the years ended December 31, 2025 and 2024, respectively.

14. RELATED PARTY TRANSACTIONS:

During the years ended December 31, 2025 and 2024, D2S received donations from members of the board of directors totaling approximately \$1,181,000 and \$520,000, respectively, which is included in contributions on the statements of activities.

DARE 2 SHARE MINISTRIES, INC. AND AFFILIATE

Notes to Consolidated Financial Statements

December 31, 2025 and 2024

15. SUBSEQUENT EVENTS:

Management has evaluated subsequent events through the date that the consolidated financial statements were available to be issued, May 7, 2026, and determined there were no events that occurred that required disclosure. No events occurring after this date were evaluated for inclusion in these consolidated financial statements.