



MEDICAL AMBASSADORS INTERNATIONAL

Financial Statements
With Independent Auditor's Report

December 31, 2025

MEDICAL AMBASSADORS INTERNATIONAL

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Medical Ambassadors International
Modesto, California

Opinion

We have audited the accompanying financial statements of Medical Ambassadors International, which comprise the statement of financial position as of December 31, 2025 and the related statements of activities, functional expenses, and cash flows for the year 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 Medical Ambassadors International as of December 31, 2025, and the changes in its net assets and its cash flows for the year 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. 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 Medical Ambassadors International 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 Medical Ambassadors International's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Board of Directors
Medical Ambassadors International
Modesto, California

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 Medical Ambassadors International'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 Medical Ambassadors International'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

Ontario, California
July 1, 2026

MEDICAL AMBASSADORS INTERNATIONAL

Statement of Financial Position

December 31, 2025

ASSETS:

Cash and cash equivalents	\$ 1,028,007
Investments	1,091,036
Prepaid expenses and other assets	19,118
Financing lease–right-of-use assets	29,462
Property and equipment–net	<u>422,051</u>

Total Assets	<u><u>\$ 2,589,674</u></u>
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LIABILITIES AND NET ASSETS:

Liabilities:

Accounts payable	\$ 13,353
Accrued expenses	135,646
Financing lease obligation	<u>31,977</u>
Total liabilities	<u>180,976</u>

Net assets:

Without donor restrictions	720,451
With donor restrictions	<u>1,688,247</u>
Total net assets	<u>2,408,698</u>

Total Liabilities and Net Assets	<u><u>\$ 2,589,674</u></u>
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See notes to financial statements

MEDICAL AMBASSADORS INTERNATIONAL

Statement of Activities

Year Ended December 31, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT, REVENUE, AND RECLASSIFICATIONS:			
Contributions	\$ 1,443,910	\$ 1,911,027	\$ 3,354,937
Donated securities	10,101	-	10,101
Federal grant income	144,522	-	144,522
Investment income	55,146	-	55,146
Other income	4,131	-	4,131
Net assets released from restrictions:			
Satisfaction of ministry project restrictions	1,901,087	(1,901,087)	-
Total Support, Revenue, and Reclassifications	<u>3,558,897</u>	<u>9,940</u>	<u>3,568,837</u>
OPERATING EXPENSES:			
Program services:			
Field ministry and programs	2,602,711	-	2,602,711
Supporting activities:			
General and administrative	413,140	-	413,140
Fundraising	455,593	-	455,593
	<u>3,471,444</u>	<u>-</u>	<u>3,471,444</u>
Change in Net Assets	87,453	9,940	97,393
Net Assets, Beginning of Year	<u>632,998</u>	<u>1,678,307</u>	<u>2,311,305</u>
Net Assets, End of Year	<u>\$ 720,451</u>	<u>\$ 1,688,247</u>	<u>\$ 2,408,698</u>

See notes to financial statements

MEDICAL AMBASSADORS INTERNATIONAL

Statement of Functional Expenses

Year Ended December 31, 2025

		Supporting Activities:		
	Field Ministry and Programs	General and Administrative	Fundraising	Total
Grants to other organizations	\$ 1,494,727	\$ -	\$ -	\$ 1,494,727
Salaries and benefits	793,328	285,713	271,809	1,350,850
Outside services	57,328	44,297	115,860	217,485
Office expense	79,214	22,406	50,494	152,114
Field transportation	65,384	1,597	30	67,011
Training	66,064	331	74	66,469
Travel and meetings	28,579	9,249	12,253	50,081
Depreciation and amortization	-	35,419	-	35,419
Promotional expenses	10,978	5,811	1,691	18,480
Utilities	6,753	3,227	2,927	12,907
Other expenses	356	5,090	455	5,901
	<u>\$ 2,602,711</u>	<u>\$ 413,140</u>	<u>\$ 455,593</u>	<u>\$ 3,471,444</u>

See notes to financial statements

MEDICAL AMBASSADORS INTERNATIONAL

Statement of Cash Flows

Year Ended December 31, 2025

CASH FLOWS FROM OPERATING ACTIVITIES:

Change in net assets	\$ 97,393
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:	
Depreciation and amortization	35,428
Net realized and unrealized (gain) loss on investments	(55,146)
Donated investments	(10,101)
Net change in:	
Prepaid expenses and other assets	(3,910)
Accounts payable	(2,249)
Accrued expenses	(72)
Net Cash Provided by Operating Activities	<u>61,343</u>

CASH FLOWS FROM INVESTING ACTIVITIES:

Purchases of investments	(175,662)
Proceeds from sale of investments	5,616
Net Cash Used by Investing Activities	<u>(170,046)</u>

CASH FLOWS FROM FINANCING ACTIVITIES:

Principal payments on financing lease	<u>(19,509)</u>
Net Cash Used by Financing Activities	<u>(19,509)</u>

Change in Cash and Cash Equivalents	(128,212)
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Cash and Cash Equivalents, Beginning of Year	<u>1,156,219</u>
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Cash and Cash Equivalents, End of Year	<u><u>\$ 1,028,007</u></u>
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NON-CASH TRANSACTIONS AND SUPPLEMENTAL DISCLOSURE:

Interest paid related to financing leases	<u><u>\$ 1,570</u></u>
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See notes to financial statements

MEDICAL AMBASSADORS INTERNATIONAL

Notes to Financial Statements

December 31, 2025

1. NATURE OF ORGANIZATION:

Medical Ambassadors International (the Organization) was incorporated in 1980 in California. The Organization 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, 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 exists to recruit, train, and support national leaders among developing peoples to take responsibility to reach their own people physically and spiritually. Using the Community Health Evangelism model, the Organization trains nationals in basic preventive medical care as well as evangelism and discipleship of their neighbors. The goal is to promote healthier families, more self-reliant communities, and stronger churches. The Organization's primary source of revenue is from tax-deductible contributions from the public.

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 significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

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. Accordingly, actual results could differ from those estimates. Estimates that are particularly susceptible to significant change in the near term are related to valuation of investments, depreciation of property and equipment, valuation of right-of-use assets and lease obligations, and allocation of functional expenses.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash on hand, cash on deposit, money market accounts, and certificates of deposit with an original maturity date of 90 days or less. These accounts may, at times, exceed federally insured limits. The Organization has not experienced any losses in such accounts. At December 31, 2025, the Organization's cash balances exceeded federally insured limits by approximately \$715,000.

INVESTMENTS

Investments consist of money market funds, mutual funds, and fixed-income securities. Money market funds and mutual funds are carried at fair value based on quoted prices. Fixed-income securities are carried at fair value based on other observable inputs. Interest income and the realized and unrealized gains or losses on investments are reported as investment income without donor restriction unless a donor or law restricts its use.

MEDICAL AMBASSADORS INTERNATIONAL

Notes to Financial Statements

December 31, 2025

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

PREPAID EXPENSES AND OTHER ASSETS

Prepaid expenses and other assets consist primarily of advance payments for operational expenses in future periods. These amounts are recorded at cost and expensed or applied as the related benefits are realized or deposits are returned.

PROPERTY AND EQUIPMENT-NET

The Organization capitalizes buildings, and equipment expenditures greater than \$1,000. Depreciation of buildings and equipment is provided over the estimated useful lives of the respective assets on a straight-line basis. Land, building, and equipment are stated at cost or estimated fair value at date of receipt if donated. Repairs and maintenance are expensed when incurred. Depreciation expense for the year ended December 31, 2025 was \$17,794.

Estimated useful lives are:

Land	Not depreciable
Building and building improvements	10-30 years
Furniture and equipment	3-10 years

FINANCING LEASE–RIGHT-OF-USE ASSETS AND OBLIGATIONS

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

NET ASSETS

The financial statements report amounts by class of net assets:

Net assets without donor restrictions are currently available at the discretion of the board and management for use in the Organization's operations.

Net assets with donor restrictions are contributed with donor stipulation for specific operating purposes or capital projects.

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Notes to Financial Statements

December 31, 2025

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

PUBLIC SUPPORT, REVENUE, AND EXPENSES

Contributions 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. The Organization records contributions as net assets with donor restrictions if they are received with donor stipulations that limit their use 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. The Organization receives noncash gifts that are recorded as support at the estimated fair value on the date of the gift. Goods given to the Organization that do not have an objective basis for valuation are not recorded.

During the year ended December 31, 2025, the Organization received an Employee Retention Credit (ERC) of \$144,522, based on qualified wages. The ERC was collected during the year December 31, 2025; therefore, no allowance has been recorded. However, laws and regulations concerning government programs, including the ERC, established by the Coronavirus Aid, Relief, and Economic Security (CARES) Act are complex and subject to varying interpretation. Claims made under the CARES Act may also be subject to retroactive audit and review. There can be no assurance that regulatory authorities will not challenge the Organization's claim to the ERC, and it is not possible to determine the impact (if any) this would have upon the Organization.

Investment and other income is recognized 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 statements of activities. Accordingly, certain costs, such as depreciation and utilities, have been allocated among the program services and supporting activities based upon square footage and payroll and other expenses are allocated based on estimate of time incurred.

MEDICAL AMBASSADORS INTERNATIONAL

Notes to Financial Statements

December 31, 2025

3. LIQUIDITY AND FUNDS AVAILABLE:

The following reflects the Organization's financial assets as of the statement of financial position date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statement of financial position date. Missionary support is considered available for general expenditure within the year. The Organization maintains liquidity sufficient to meet general obligations. Financial assets available for general expenditure within one year of December 31, 2025 consist of:

Financial assets:

Cash and cash equivalents	\$ 1,028,007
Investments	1,091,036
Financial assets, end of year	<u>2,119,043</u>

Less:

Donor-imposed restrictions not expected to be used within one year	<u>(457,973)</u>
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Financial assets available to meet cash needs for general expenditures within one year

\$ 1,661,070

The Organization structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due. Management monitors cash flows closely through board meetings and detailed financial analysis. Management estimated that, as of December 31, 2025, approximately \$1,230,274 of net assets with donor restrictions were available and expected to be used for general expenditures within the next twelve months.

4. INVESTMENTS:

Investments as of December 31, 2025, consist of:

Fixed-income securities	\$ 947,733
Mutual funds	143,303
	<u>\$ 1,091,036</u>

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Notes to Financial Statements

December 31, 2025

5. 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 entity 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.

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. There have been no changes in the methodologies used at December 31, 2025.

Fixed income securities: Valued using pricing models that maximize the use of observable inputs. These valuation methods include using yields currently available on comparable securities issued by similar issuers with comparable credit ratings, benchmark yield curves, and other market-corroborated data.

Mutual funds: Valued at the closing price as reported by the fund. Mutual funds are open-end funds that are registered with the SEC and are actively traded. These funds are required to publish their daily net asset value and to transact at that price.

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 the Organization 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.

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Notes to Financial Statements

December 31, 2025

5. FAIR VALUE MEASUREMENTS, continued:

Fair values of assets measured on a recurring basis at December 31, 2025, are as follows:

	Total	Fair Value Measurements Using:		
		Level 1	Level 2	Level 3
Assets:				
Held at fair value:				
Fixed-income securities	\$ 947,733	\$ -	\$ 947,733	\$ -
Mutual funds	143,303	143,303	-	-
Total assets measured at fair value	<u>\$ 1,091,036</u>	<u>\$ 143,303</u>	<u>\$ 947,733</u>	<u>\$ -</u>

6. FINANCING LEASE—RIGHT-OF-USE ASSETS AND OBLIGATIONS:

The Organization leases equipment under one noncancellable financing lease, expiring in 2028. The discount rate represents the risk-free discount rate using a period comparable with that of the individual lease term as of the adoption date. Monthly payments under the lease total \$1,334 and the discount rate used is 3.94%. The lease agreement includes variable payments determined annually by the lessor, up to 15% per year, which are not determinable at the lease commencement and are not included in the measurement of the lease asset and liabilities. Variable lease payments paid during the year ended December 31, 2025 were \$20,712.

Financing lease—right-of-use assets	\$ 29,462
Financing lease obligations	\$ 31,977
Financing lease costs:	
Amortization of assets	\$ 14,731
Interest on lease liabilities	\$ 1,570
Cash paid on financing lease	\$ 20,712
Weighted-average discount rate	3.65%
Weighted-average remaining lease term	2 years

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

<u>Year Ending December 31,</u>	
2026	\$ 18,682
2027	16,013
2028	1,334
	<u>36,029</u>
Less: imputed interest	<u>(4,052)</u>
	<u>\$ 31,977</u>

MEDICAL AMBASSADORS INTERNATIONAL

Notes to Financial Statements

December 31, 2025

7. PROPERTY AND EQUIPMENT-NET:

Property and equipment-net, as of December 31, 2025, consist of:

Land	\$ 185,489
Building and building improvements	389,460
Furniture and equipment	<u>271,214</u>
	846,163
Less accumulated depreciation	<u>(424,112)</u>
	<u>\$ 422,051</u>

8. NET ASSETS WITH DONOR RESTRICTIONS:

Net assets with donor restrictions, as of December 31, 2025, consist of:

Field initiatives and projects	\$ 859,570
Missionary support	498,145
Regional ministries	<u>330,532</u>
	<u>\$ 1,688,247</u>

9. RETIREMENT PLAN:

The Organization has a defined contribution pension program that covers certain employees. Employees may make voluntary contributions to the plan through a salary reduction agreement. Currently, the Organization makes no employer contributions.

10. SUBSEQUENT EVENTS:

Management has evaluated subsequent events through the date that the financial statements were available to be issued, July 1, 2026. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements. The following items have occurred subsequent to December 31, 2025:

During April 2026, the Organization entered into an agreement to sell property for \$925,000. The proceeds from the sale, and resulting gain on sale of approximately \$451,000, will be recognized in accordance with the terms of the sale agreement.