SST
ACCOUNTANTS & CONSULTANTS

IRVING BIBLE CHURCH

FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT

DECEMBER 31, 2025 AND 2024

Irving Bible Church
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December 31, 2025 and 2024

SST ACCOUNTANTS & CONSULTANTS

INDEPENDENT AUDITORS' REPORT

To the Board of Elders
of Irving Bible Church

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of Irving Bible Church, which comprise the statements of financial position as of December 31, 2025 and 2024, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Irving Bible Church 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 (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 Irving Bible Church 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 Irving Bible Church's 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 auditors' 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, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these 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 Irving Bible Church'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 Irving Bible Church'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.

SST Accountants & Consultants

SST Accountants & Consultants PLLC

May 26, 2026

Irving Bible Church
Statements of Financial Position
December 31, 2025 and 2024

	2025	2024
ASSETS		
Cash and cash equivalents	$ 2,051,506	$ 2,766,894
Receivables	19,026	25,122
Prepaid expenses	222,781	130,884
Property and equipment, net	14,121,768	15,065,104
Annuity benefit	103,111	209,951
Operating lease right-of-use asset	22,636	33,775
TOTAL ASSETS	$ 16,540,828	$ 18,231,730
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable	$ 107,794	$ 218,496
Payroll and related liabilities	35,494	34,962
Deferred revenues	5,475	-
Amounts held for others	133,354	149,047
Annuity benefit obligation	118,870	237,740
Operating lease liability	22,004	33,355
TOTAL LIABILITIES	422,991	673,600
Net Assets		
Without donor restrictions		
Board designated	466,115	1,021,057
Undesignated	15,567,254	16,415,338
Total Net Assets Without Donor Restrictions	16,033,369	17,436,395
With donor restrictions	84,468	121,735
TOTAL NET ASSETS	16,117,837	17,558,130
TOTAL LIABILITIES AND NET ASSETS	$ 16,540,828	$ 18,231,730

The accompanying notes are an integral part of these financial statements.

Irving Bible Church
Statement of Activities and Changes in Net Assets
For the Year Ended December 31, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and Support			
Contributions	$ 5,934,975	$ 201,671	$ 6,136,646
Program revenues	180,732	-	180,732
Interest and investment revenue	78,160	-	78,160
Other revenues	83,580	-	83,580
	6,277,447	201,671	6,479,118
Net assets released from restrictions	238,938	(238,938)	-
Total Revenues and Support	6,516,385	(37,267)	6,479,118
Expenses			
Program services			
Worship and ministries	4,341,410	-	4,341,410
Mission and outreach	1,685,425	-	1,685,425
Supporting services			
General and administrative	1,725,803	-	1,725,803
Fundraising	166,773	-	166,773
Total Expenses	7,919,411	-	7,919,411
Change in Net Assets	(1,403,026)	(37,267)	(1,440,293)
Net Assets, Beginning of Year	17,436,395	121,735	17,558,130
Net Assets, End of Year	$ 16,033,369	$ 84,468	$ 16,117,837

The accompanying notes are an integral part of this financial statement.

Irving Bible Church
Statement of Activities and Changes in Net Assets
For the Year Ended December 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and Support			
Contributions	$ 6,021,542	$ 230,232	$ 6,251,774
Program revenues	274,849	-	274,849
Interest and investment revenue	97,320	-	97,320
Other revenues	106,900	-	106,900
	6,500,611	230,232	6,730,843
Net assets released from restrictions	203,800	(203,800)	-
Total Revenues and Support	6,704,411	26,432	6,730,843
Expenses			
Program services			
Worship and ministries	4,038,885	-	4,038,885
Mission and outreach	1,800,969	-	1,800,969
Supporting services			
General and administrative	2,118,098	-	2,118,098
Fundraising	146,481	-	146,481
Total Expenses	8,104,433	-	8,104,433
Change in Net Assets	(1,400,022)	26,432	(1,373,590)
Net Assets, Beginning of Year	18,836,417	95,303	18,931,720
Net Assets, End of Year	$ 17,436,395	$ 121,735	$ 17,558,130

The accompanying notes are an integral part of this financial statement.

Irving Bible Church
Statement of Functional Expenses
For the Year Ended December 31, 2025

	Worship & Ministries	Mission & Outreach	General & Admin	Fundraising	Total
Salaries and benefits	$ 2,204,400	$ 384,200	$ 708,627	$ 74,043	$ 3,371,270
Global and local missions	-	412,474	-	-	412,474
Ministries and programs	700,528	129,646	-	17,890	848,064
Gifts to others	-	289,015	-	-	289,015
Office operations	-	-	402,563	74,840	477,403
Facilities	637,273	212,423	212,423	-	1,062,119
Depreciation	773,003	257,667	257,667	-	1,288,337
Other expenses	26,206	-	144,523	-	170,729
	$ 4,341,410	$ 1,685,425	$ 1,725,803	$ 166,773	$ 7,919,411

Irving Bible Church
Statement of Functional Expenses
For the Year Ended December 31, 2024

	Worship & Ministries	Mission & Outreach	General & Admin	Fundraising	Total
Salaries and benefits	$ 1,877,284	$ 411,794	$ 777,194	$ 51,353	$ 3,117,625
Global and local missions	-	448,017	-	-	448,017
Ministries and programs	607,080	144,921	169,449	17,203	938,653
Gifts to others	-	285,219	-	-	285,219
Office operations	-	-	447,935	77,925	525,860
Facilities	640,281	213,427	213,427	-	1,067,135
Depreciation	892,773	297,591	297,591	-	1,487,955
Other expenses	21,467	-	212,502	-	233,969
	$ 4,038,885	$ 1,800,969	$ 2,118,098	$ 146,481	$ 8,104,433

The accompanying notes are an integral part of this financial statement.

Irving Bible Church
Statements of Cash Flows
For the Years Ended December 31, 2025 and 2024

	2025	2024
Cash Flows From Operating Activities		
Change in Net Assets	$ (1,440,293)	$ (1,373,590)
Adjustments to reconcile change in net assets		
to net cash used by operating activities:		
Depreciation	1,288,337	1,487,955
Amortization of annuity	(12,030)	(8,160)
Donated investments	(200,131)	(170,887)
Unrealized and realized gains, and reinvested dividends	(1,192)	1,288
Change in right-of-use asset and lease liability	(212)	(210)
Change in assets and liabilities:		
Receivables	6,096	(8,117)
Prepaid expenses	(91,897)	(49,911)
Accounts payable	(110,702)	(98,768)
Payroll and related liabilities	532	(15,956)
Deferred revenues	5,475	-
Amounts held for others	(15,693)	(847)
Net Cash Used by Operating Activities	(571,710)	(237,203)
Cash Flows From Investing Activities		
Purchase of property and equipment	(345,001)	(622,756)
Proceeds from sale of investments	201,323	193,269
Purchase of investments	-	(4,384)
Net Cash Used by Investing Activities	(143,678)	(433,871)
Net Change in Cash	(715,388)	(671,074)
Cash and Cash Equivalents, Beginning of Year	2,766,894	3,437,968
Cash and Cash Equivalents, End of Year	$ 2,051,506	$ 2,766,894
Supplemental Cash Flow Information		
Purchase of property and equipment via accounts payable	$ -	$ 98,426

The accompanying notes are an integral part of these financial statements.

Note 1: Nature of Operations

Irving Bible Church (Church) is a Texas nonprofit corporation located in Irving, Texas. The Church was formed to glorify Jesus Christ by leading people to know and make Him known. Our Vision: God is calling us, the people of Irving Bible Church, to become a multi-ethnic movement of missionary disciples, formed in the way of Jesus, for the sake of the world. Our Beliefs: In presenting our beliefs, we keep in mind three principles. In essential beliefs, we have unity. In nonessential beliefs, we have liberty. In all our beliefs, we show love.

The Church's support is derived primarily from members who are concentrated in the geographic area where the Church is located.

Note 2: Summary of Significant Accounting Policies

The summary of significant accounting policies of the Church is presented to assist in understanding the financial statements. The financial statements and notes are representations of the Church's management, which is responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America (U.S. GAAP) and have been consistently applied in the preparation of the financial statements.

Financial Statement Presentation

Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified as follows:

> <u>Net Assets With Donor Restrictions</u> - Net assets subject to donor-imposed stipulations that may or will be met by actions of the Church and/or the passage of time.
>
> <u>Net Assets Without Donor Restrictions</u> - Net assets not subject to donor-imposed stipulations. Net assets that are without donor restrictions but have been designated for a particular purpose by the Board, if any, are reflected as Board Designated Net Assets.

Revenues are reported as increases in net assets without donor restrictions unless use of the related asset is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Expirations of net assets with donor restrictions (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets. Contributions of assets other than cash are recorded at their estimated fair value.

Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and reported revenues and expenses. It is at least reasonably possible that the significant estimates used will change within the next year. Actual results could vary from estimates.

Note 2: Summary of Significant Accounting Policies (Continued)

Income Taxes

The Church is a Texas nonprofit corporation that is exempt from federal income taxes under Section 501(a) of the Internal Revenue Code (IRC) of 1986, as amended, as an organization described in Section 501(c)(3) of the IRC. The Church has been classified as an organization that is not a private foundation under IRC Section 509(a)(2), and as such, contributions to the Church qualify for deductions as charitable contributions. However, income generated from activities unrelated to the Church's exempt purpose is subject to tax under IRC Section 511.

Accounting for Uncertainty in Income Taxes

Management has concluded that any tax positions that would not meet the more-likely-than-not criterion of Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 740-10, *Accounting for Income Taxes*, would be immaterial to the financial statements taken as a whole. Accordingly, the accompanying financial statements do not include any provision for uncertain tax positions, and no related interest or penalties have been recorded in the statements of activities and changes in net assets or accrued in the statements of financial position. Federal and state tax returns, if any, of the Church are generally open to examination by the relevant taxing authorities for a period of three years from the date the returns are filed.

Cash and Cash Equivalents

The Church considers all investments with original maturity dates of ninety days or less to be cash equivalents. Cash equivalents were $12,393 and $35 as of December 31, 2025 and 2024, respectively. The Church places its cash, which, at times, may exceed federally insured limits, with high-credit quality financial institutions. The Church has not experienced any losses on such assets.

Property and Equipment

Property and equipment are stated at cost, if purchased, or at fair market value as of the date of donation, less accumulated depreciation. Such donations are reported as support without donor restrictions unless the donor has restricted the donated asset for a specific purpose. Major expenditures and those which substantially increase useful lives are capitalized. Maintenance and repairs, which do not improve or extend the lives of the respective assets, are included in the statements of activities and changes in net assets when incurred. When property and equipment are sold or otherwise disposed of, the asset and related accumulated depreciation are removed, and any resulting gain or loss is included in the statements of activities and changes in net assets.

Depreciation is calculated using the straight-line method at rates sufficient to depreciate the related costs over the estimated useful lives of the respective assets as follows:

Furniture and fixtures	5-7 years
Equipment	3 years
Building and building improvements	5-40 years
Parking lot	5 years

Impairment of Long-Lived Assets

The Church regularly evaluates its long-lived assets for indicators of impairment. Should impairment exist, the impairment loss would be measured based on the excess carrying value of the asset over the asset's fair value. No impairment losses were recognized for the years ended December 31, 2025 and 2024.

Note 2: Summary of Significant Accounting Policies (Continued)

Leases

The Church determines if a contract is classified as a lease at the contract's inception. Lease agreements are evaluated to determine whether the lease is a finance or operating lease. ROU assets and lease liabilities are recognized at the commencement date based on the net present value of lease payments over the lease term. The Church's lease does not provide an implicit rate; therefore, the Church uses its incremental borrowing rate, based on the information available at the commencement date to determine the present value of the lease payments over the lease term. Leases with an initial term of 12 months or less are not recorded on the accompanying statements of financial position and are recognized as lease expense on a straight-line basis over the lease term.

Investments

The Church receives donations of publicly traded securities. Donated securities are recorded at their fair market value as of the date of gift. Church policy is to convert securities to cash equivalents within thirty days of receipt. Because these securities are converted to cash almost immediately, the difference between fair value at receipt and the amount received upon sale is typically immaterial. Material differences in these amounts are recognized as realized gains or losses and reflected on the statements of activities and changes in net assets as net assets without donor restrictions. Immaterial differences are recognized as interest income. Proceeds from the sale of these securities are classified as cash inflows from operating activities in the statement of cash flows, as they are not held as an investment.

Revenue Recognition

The Church receives revenue for services that is recognized when the control of the promised service is transferred to customers in an amount that reflects the consideration the Church expects to be entitled to receive in exchange for those services under FASB ASC 606. The Church's service revenue is for ministry activities and is primarily paid in the period of service. Revenues for services in future periods are recorded as deferred revenue. Receivables primarily consist of funds owed from related ministries or facility rentals.

The Church recognizes contributions when cash, securities, other assets or an unconditional promise to give is received. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of the amounts expected to be collected. All contributions are considered available for unrestricted use unless specifically restricted by the donor or grantor. Conditional promises to give, those with a measurable performance or other barrier and a right to return, are not recognized until the conditions on which they depend have been met. Amounts received in advance of conditions being met are reported as refundable advances.

Functional Allocation of Expenses

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. Allocations are based on time and effort spent in each area. The expenses that are allocated include salaries and benefits, facilities, and depreciation, along with other program expenses. All other natural expense categories, using the key concept of direct conduct or direct supervision, are charged to the benefiting program or support service.

Date of Management's Review

The Church has evaluated subsequent events through May 26, 2026, which is the date the financial statements were available to be issued.

Note 3: Property and Equipment

At December 31, 2025 and 2024, property and equipment consisted of the following:

	2025	2024
Furniture and fixtures	$ 308,224	$ 308,224
Equipment	2,745,534	2,842,739
Building and improvements	25,932,829	25,628,375
Parking lot	147,602	147,602
Land	1,011,900	1,011,900
Total Property and Equipment	30,146,089	29,938,840
Less accumulated depreciation	(16,024,321)	(14,873,736)
Net Property and Equipment	$ 14,121,768	$ 15,065,104

Note 4: Operating Leases

The Church has obligations under noncancelable operating lease agreements for use of certain office equipment through November 2027.

The components of lease costs were as follows for the years ended December 31,

	2025	2024
Operating lease costs	$ 12,210	$ 12,210
Short-term lease costs	-	1,530
Non-lease components	1,742	3,258
Total lease costs	$ 13,952	$ 16,998

The Church's weighted average remaining lease term and discount rate relating to its operating leases were as follows for the years ended December 31,

	2025	2024
Weighted average remaining lease term (years)	1.83	2.83
Weighted average discount rate	3.94%	3.94%

Supplemental information related to the Church's leases for the years ended December 31,

	2025	2024
Cash paid for amounts included in measurement of lease liabilities	$ 12,420	$ 12,240

Future minimum annual lease payments required under these agreements are as follows:

For the year ending December 31,	
2026	$ 12,420
2027	10,350
Total lease payments	22,770
Less interest	(766)
Present value of lease liability	$ 22,004

Note 5: Retirement Plans

The Church has a voluntary 403(b)(7) retirement plan for all full-time employees which is managed by a third-party entity. Employees can make contributions, subject to certain limitations, on a pretax basis. The Church matches employee contributions up to 5% of each participating employee's salary for the first 5 years, and then increases 1% per subsequent year. The participating employees become vested in the Church contributions based on years of service in 20% increments beginning in the first year, with 20% vested at 1 year and 100% at 5 years. In 2025 and 2024, the Church's contributions were $99,543 and $90,228, respectively.

The Church provided a nonqualified retirement plan through the purchase of a five-year annuity to a former key employee using the proceeds of a previously owned life insurance policy. The Church is the owner of the annuity and maintains control of naming the annuitant and beneficiary of the annuity. The annuity is being paid out by the policy through December 2026. The net present value of the future annuity payments discounted by the 3% earnings rate is $103,111 and $209,951 as of December 31, 2025 and 2024, respectively, and the corresponding liability to the annuitant is $118,870 and $-237,740 as of December 31, 2025 and 2024, respectively.

Note 6: Related Ministries

The Church has a process whereby it starts, nurtures and ultimately "spins off" Christian ministries that become separate, independent 501(c)(3) nonprofit organizations. These ministries, once separated, do not share Board members or management. However, before they are spun off, the Church receives restricted contributions from donors for these specific ministries. In addition, the Church also covers certain costs during this time period.

In 2010, Kinwest Medical Clinic (Clinic) was created and filed for 501(c)(3) status. The Clinic is unable to receive donations or track its own revenues and expenses, so the Church receives donations and tracks the activity for the Clinic. These funds are treated as amounts held for others on the statements of financial position and are not in the statements of activities and changes in net assets. The Church held $133,354 and $148,817 for the Clinic as of December 31, 2025 and 2024, respectively.

In 2011, Water is Basic separated from the Church and obtained 501(c)(3) status in 2012. The Church does not receive a significant amount of donations for Water is Basic; these funds are treated as amounts held for others on the statements of financial position and are not reflected in the statements of activities and changes in net assets. The Church held $0 and $230 as of December 31, 2025 and 2024, respectively.

The Church pays certain expenses on behalf of related ministries. Amounts owed from related ministries totaled $15,105 and $16,927 as of December 31, 2025 and 2024, respectively.

Note 7: Net Assets

Net Assets Without Donor Restrictions

Included as a component of net assets without donor restrictions are amounts set aside, or designated, by the Church's leadership. The net assets without donor restrictions consisted of the following as of December 31:

	2025	2024
Board Designated		
Special projects	$ -	$ 271,057
Maintenance fund	466,115	750,000
Total Board Designated	466,115	1,021,057
Undesignated	15,567,254	16,415,338
Total Net Assets Without Donor Restrictions	$ 16,033,369	$ 17,436,395

Net Assets With Donor Restrictions

At December 31, 2025 and 2024, the purposes and corresponding balances remaining in net assets with donor restrictions were as follows:

	2025	2024
Missions		
Activities and projects	$ 7,586	$ 17,646
Ministry		
Benevolence	63,053	75,690
Alarm Congo	-	2,217
Other ministries and outreach	13,829	26,182
	$ 84,468	$ 121,735

Net assets with donor restrictions released from restrictions during 2025 and 2024 were as follows:

	2025	2024
Missions		
Activities and projects	$ 67,773	$ 31,027
Ministry		
Benevolence	135,394	144,135
Alarm Congo	2,217	-
Other ministries and outreach	33,554	28,638
	$ 238,938	$ 203,800

Note 8: Liquidity

As part of the Church's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. The policy is that monthly revenues are to cover monthly expenses. Monthly revenues and expenditures are deposited in and deducted from the operating accounts.

In addition, the Church is supported by restricted contributions. Because a donor's restriction requires resources to be used in a particular manner or in a future period, the Church must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditure within one year.

The following reflects the Church's financial assets, reduced by the amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statements of financial position date.

	2025	2024
Financial assets available at year end	$ 2,070,532	$ 2,792,016
Less those unavailable for general expenditures within one year, due to:		
Donor-imposed restrictions:		
Subject to appropriation and satisfaction of donor restrictions	(84,468)	(121,735)
Board designated:		
Amounts set aside for projects and ministry	-	(271,057)
Amounts set aside for the maintenance fund	(466,115)	(750,000)
Financial assets available to meet cash needs for general expenditures within one year	$ 1,519,949	$ 1,649,224