MUST MINISTRIES, INC.

FINANCIAL REPORT
JUNE 30, 2025

Contents

Independent Auditor's Report

To the Board of Directors
MUST Ministries, Inc.
Marietta, Georgia

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of MUST Ministries, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 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 financial statements referred to above present fairly, in all material respects, the financial position of MUST Ministries, Inc. as of June 30, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 MUST Ministries, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government 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 and *Government 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 MUST Ministries, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about MUST Ministries, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 20, 2026 on our consideration of MUST Ministries, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of MUST Ministries, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering MUST Ministries, Inc.'s internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Atlanta, Georgia
January 20, 2026

STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2025 AND 2024

ASSETS	2025	2024
CURRENT ASSETS		
Cash and cash equivalents	$ 2,392,379	$ 2,698,580
Restricted cash - board designated	1,073,200	1,073,200
Restricted cash - donor restricted	1,484,339	1,903,701
Grants receivable, net	1,057,381	948,928
Promises to give, net	-	1,340
Other receivables, net	27,542	180
Inventories	714,116	578,658
Prepaid expenses	218,292	232,411
Total current assets	6,967,249	7,436,998
NONCURRENT ASSETS		
Investments	1,849,133	1,913,531
Security deposits	44,456	41,485
Right-of-use asset	642,210	712,353
Total noncurrent assets	2,535,799	2,667,369
PROPERTY AND EQUIPMENT, NET	25,994,706	25,636,880
Total assets	$ 35,497,754	$ 35,741,247
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	$ 953,251	$ 292,599
Accrued liabilities	389,203	408,955
Operating lease liabilities	212,281	166,270
Short-term debt	39,853	39,044
Total current liabilities	1,594,588	906,868
LONG-TERM LIABILITIES		
Deferred revenue	57,624	48,425
Operating lease liabilities, less current portion	440,189	554,654
Long-term debt, less current portion and unamortized debt issuance costs	1,066,552	1,103,791
Total long-term liabilities	1,564,365	1,706,870
Total liabilities	3,158,953	2,613,738
NET ASSETS		
Without donor restrictions		
Undesignated	29,781,262	30,149,268
Designated by the board	1,073,200	1,073,200
Total without donor restrictions	30,854,462	31,222,468
With donor restrictions	1,484,339	1,905,041
Total net assets	32,338,801	33,127,509
Total liabilities and net assets	$ 35,497,754	$ 35,741,247

See Notes to Financial Statements.

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2025

	Without Donor Restrictions	With Donor Restrictions	Totals
REVENUES, GAINS, AND OTHER SUPPORT			
Contributions	$ 4,928,656	$ 3,163,655	$ 8,092,311
Grants	4,119,688	-	4,119,688
Program fees	231,877	-	231,877
In-kind contributions	8,926,394	-	8,926,394
Special events, net of direct benefits to donors of $533,771	656,276	-	656,276
Realized and unrealized gain on investments	39,954	-	39,954
Merchandise sales	885,580	-	885,580
Other income	339,466	-	339,466
Net assets released from restrictions			
Satisfaction of program and time restrictions	3,584,357	(3,584,357)	-
Total revenues, gains, and other support	23,712,248	(420,702)	23,291,546
EXPENSES			
Program services	20,954,513	-	20,954,513
Supporting services			
Management and general	1,528,990	-	1,528,990
Fundraising	1,577,993	-	1,577,993
Total expenses	24,061,496	-	24,061,496
OTHER (LOSS)			
Loss on disposal of fixed assets	(18,758)	-	(18,758)
Total other (loss)	(18,758)	-	(18,758)
Change in net assets	(368,006)	(420,702)	(788,708)
Net assets, beginning of year	31,222,468	1,905,041	33,127,509
Net assets, end of year	$ 30,854,462	$ 1,484,339	$ 32,338,801

See Notes to Financial Statements.

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Totals
REVENUES, GAINS, AND OTHER SUPPORT			
Contributions	$ 5,228,094	$ 987,772	$ 6,215,866
Capital campaign grants and contributions	-	711,490	711,490
Grants	4,990,979	1,106,679	6,097,658
Program fees	236,418	-	236,418
In-kind contributions	9,538,369	-	9,538,369
Special events, net of direct benefits to donors of $475,066	759,912	-	759,912
Realized and unrealized gain on investments	36,752	-	36,752
Merchandise sales	529,734	-	529,734
Other income	596,139	-	596,139
Net assets released from restrictions			
Satisfaction of program and time restrictions	5,034,069	(5,034,069)	-
Total revenues, gains, and other support	26,950,466	(2,228,128)	24,722,338
EXPENSES			
Program services	21,835,600	-	21,835,600
Supporting services			
Management and general	1,757,373	-	1,757,373
Fundraising	1,456,832	-	1,456,832
Total expenses	25,049,805	-	25,049,805
OTHER (LOSS)			
Loss on disposal of fixed assets	(61,862)	-	(61,862)
Total other (loss)	(61,862)	-	(61,862)
Change in net assets	1,838,799	(2,228,128)	(389,329)
Net assets, beginning of year	29,383,669	4,133,169	33,516,838
Net assets, end of year	$ 31,222,468	$ 1,905,041	$ 33,127,509

See Notes to Financial Statements.

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2025

	Program Services	Supporting Services: Management and General	Supporting Services: Fundraising	Totals
Salaries and related expenses	$ 5,522,184	$ 1,032,571	$ 1,007,706	$ 7,562,461
Professional fees	367,905	72,465	16,636	457,006
Insurance	187,235	59,347	47,510	294,092
Advertising	35,309	13,852	6,213	55,374
Supplies	195,086	15,377	4,090	214,553
Food for direct services	457,996	-	-	457,996
Occupancy expenses	749,598	34,290	42,083	825,971
Supportive housing rent, utilities, and financial assistance	3,178,921	6,032	80	3,185,033
Repair and maintenance	330,171	7,260	5,510	342,941
Software	94,522	39,083	42,925	176,530
Printing and copying	84,027	27,028	24,131	135,186
Meals and entertainment	68,848	12,476	23,299	104,623
Interest expense and fees	78,513	33,974	66,255	178,742
Other expenses including bad debt expense	25,938	-	8,872	34,810
Donated materials and services	8,394,010	129,210	243,216	8,766,436
Total expenses before depreciation	19,770,263	1,482,965	1,538,526	22,791,754
Depreciation	1,184,250	46,025	39,467	1,269,742
Total expenses	$ 20,954,513	$ 1,528,990	$ 1,577,993	$ 24,061,496

See Notes to Financial Statements.

MUST Ministries, Inc.

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2024

	Program Services	Supporting Services: Management and General	Supporting Services: Fundraising	Totals
Salaries and related expenses	$ 5,141,040	$ 1,210,278	$ 964,026	$ 7,315,344
Professional fees	157,519	118,463	26,052	302,034
Insurance	163,118	54,208	35,111	252,437
Advertising	14,725	25,450	4,890	45,065
Supplies	371,234	18,585	8,232	398,051
Food for direct services	410,576	-	-	410,576
Occupancy expenses	757,576	30,831	44,045	832,452
Supportive housing rent, utilities, and financial assistance	3,822,152	5,197	194	3,827,543
Repair and maintenance	345,958	15,563	18,077	379,598
Software	49,325	58,675	60,913	168,913
Printing and copying	66,376	36,746	25,509	128,631
Meals and entertainment	55,150	18,091	41,010	114,251
Interest expense and fees	56,901	28,301	72,949	158,151
Other expenses including bad debt expense	15,494	8,832	6,545	30,871
Donated materials and services	9,353,897	101,520	119,158	9,574,575
Total expenses before depreciation	20,781,041	1,730,740	1,426,711	23,938,492
Depreciation	1,054,559	26,633	30,121	1,111,313
Total expenses	$ 21,835,600	$ 1,757,373	$ 1,456,832	$ 25,049,805

See Notes to Financial Statements.

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

	2025	2024
OPERATING ACTIVITIES		
Change in net assets	$ (788,708)	$ (389,329)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	1,269,742	1,111,313
Loss on disposal of property and equipment	18,758	61,862
Realized and unrealized (gain) on investments	(39,954)	(36,752)
Change in estimate of uncollectible promises to give	-	713
Amortization of loan costs	2,522	2,522
Donated property and equipment	(24,500)	-
(Increase) decrease in:		
Grants receivable	(108,453)	163,216
Promises to give	1,340	32,855
Other receivables	(27,362)	1,044,809
Inventories	(135,458)	36,433
Prepaid expenses	14,119	(91,151)
Security deposits	(2,971)	21,000
Increase (decrease) in:		
Accounts payable	660,652	(64,529)
Accrued liabilities	(19,752)	85,062
Deferred revenue	9,199	(13,027)
Operating lease liabilities, net	1,689	6,378
Net cash provided by operating activities	830,863	1,971,375
INVESTING ACTIVITIES		
Purchase of property and equipment	(1,621,826)	(2,456,411)
Proceeds from sale of property and equipment	-	26,390
Reinvested earnings on investments	104,352	737,585
Net cash (used in) investing activities	(1,517,474)	(1,692,436)
FINANCING ACTIVITIES		
Payments on long-term debt	(38,952)	(297,073)
Net cash (used in) financing activities	(38,952)	(297,073)
(Decrease) in cash and cash equivalents	(725,563)	(18,134)
Cash and cash equivalents, beginning of year	5,675,481	5,693,615
Cash and cash equivalents, end of year	$ 4,949,918	$ 5,675,481
Cash and cash equivalents, end of year		
Cash and cash equivalents	$ 2,392,379	$ 2,698,580
Restricted cash - board designated	1,073,200	1,073,200
Restricted cash - donor restricted	1,484,339	1,903,701
	$ 4,949,918	$ 5,675,481
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Interest paid	$ 23,488	$ 24,844
SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING ACTIVITIES		
Donated property and equipment	$ 24,500	$ -

See Notes to Financial Statements.

Notes To Financial Statements

NOTE 1. ORGANIZATION

MUST Ministries, Inc. ("MUST" or "Organization") began operations in 1971 as part of Urban Action, Inc. of Atlanta, Georgia. MUST was incorporated as a separate entity on January 20, 1993, pursuant to the Georgia Nonprofit Corporation Code. The mission of MUST is "Serving our Neighbors in Need . . . transforming lives and communities in response to Christ's call". The Organization provides comprehensive yet tailored solutions for individuals and families in poverty, which help remove barriers of housing, clothing, and food insecurities, as well as assist in finding employment and behavioral and primary care services. MUST assists clients by helping to restore and maintain dignity with the intent of empowering those it serves with a return to living independently. MUST provides services in 9 metro-Atlanta counties and has offices or facilities located in Marietta, Smyrna, and Canton, Georgia. MUST Ministries provides these wraparound services for more than 50,000 individuals, families, and children annually.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted by MUST are set forth below.

Basis of Accounting

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

MUST presents its financial statements in accordance with the Financial Accounting Standards Board (FASB)'s *Financial Statements of Not-for-Profit Entities* presentation and disclosure guidance. Under this guidance, MUST is required to report information regarding its financial position and activities according to two categories of net assets, as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net Assets With Donor Restrictions – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. There were $1,484,339 and $1,905,041 of net assets with donor restrictions as of June 30, 2025 and 2024, respectively.

Cash and Cash Equivalents

For purposes of the statement of cash flows, MUST considers all highly liquid investments with original maturities of three months or less when purchased to be cash equivalents.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Grants Receivable

Grants receivable are stated at unpaid balances, less an allowance for doubtful accounts. MUST provides for losses on grants receivable using the allowance method. The allowance is based on experience, third-party contracts, and other circumstances, which may affect the ability of federal, state, and local government agencies to meet their obligations. Receivables are considered impaired if full principal payments are not received in accordance with the contractual terms. It is MUST's policy to charge off uncollectible grants receivable when management determines the receivable will not be collected and no allowance for doubtful accounts is determined to be needed. There was no grant allowance for doubtful accounts at June 30, 2025 and 2024.

Promises to Give

Promises to give, less an allowance for uncollectible amounts, are discounted to reflect the time value of money. Contributions are considered available for general use unless specifically restricted by the donor.

Investments

In accordance with FASB, investments in equity securities with readily determinable fair values and all investments in debt securities shall be measured at fair value in the statement of financial position. Realized and unrealized gains and losses are recognized as changes in net assets in the periods in which they occur, and investment income is recognized as revenue in the period earned. Gains and investment income that are limited to specific uses by donor restrictions are reflected as increases in net assets without donor restrictions, if the restrictions are met in the same reporting period.

Property and Equipment

Property and equipment are recorded at cost, or if donated, at the fair market value on the date the asset is donated. Depreciation is computed over the estimated useful lives of these assets (2 to 40 years) using the straight-line method. Repairs and maintenance are charged to operations when incurred. Generally, betterments and renewals in excess of $1,000 are capitalized. When property and equipment is sold or otherwise disposed of, the asset account and related accumulated depreciation are removed, and any gain or loss is included in operations.

MUST reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

Inventory

Donated food and clothing items are recorded in inventory and recognized as in-kind support at the time of donation and expense upon distribution to MUST’s clients. Donated food and clothing inventory is recorded at the estimated fair market value using an industry standard valuation.

Revenue Recognition

In accordance with FASB, unconditional promises to give cash and other assets are reported at fair value at the date the promise is received. All contributions and investment income are available for general use unless specifically restricted by the donor. Amounts received and investment income earned that are designated for future periods or restricted by the donor for specific purposes are reported as increases in net assets with donor restrictions. Conditional promises to give are not recognized until they become unconditional; that is, when the conditions on which they depend are substantially met.

Revenue Recognition (Continued)

MUST records the value of donated property, goods, or services when there is an objective basis available to measure their value. Donated property, materials, and equipment are reflected as in-kind contributions in the accompanying statements at their estimated values at date of receipt. No amounts have been reflected in the statement of activities and changes in net assets for volunteer services because the criteria for recognition of such volunteer effort under FASB guidance have not been satisfied. Nevertheless, for the year ended June 30, 2025, over 7,000 volunteers have donated over 100,000 hours of their time to the program services of MUST.

Contributions received are recorded as with donor restrictions or without donor restrictions, depending on the existence and/or nature of any donor restrictions.

Donor-restricted support is reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. 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 and changes in net assets as net assets released from restrictions.

Grants and Contracts Support

MUST is funded, in part, by contracts with various federal, state, and local government agencies and other nonprofit agencies. These contracts are generally cost reimbursement contracts for specific expenses and require MUST to perform specific services to eligible populations. Any of the funding sources may, at their discretion, request reimbursement for expenses or return of funds, or both, as a result of noncompliance by MUST with the terms of the contracts.

Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Fair Value Presentation

As defined by FASB, 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. In determining fair value, MUST uses various methods including market, income, and cost approaches. Based on these approaches, MUST often utilizes certain assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and/or the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated, or generally unobservable inputs. MUST utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. Based on the observability of the inputs used in the valuation techniques, MUST is required to provide the following information according to the fair value hierarchy. The fair value hierarchy ranks the quality and reliability of the information used to determine fair values. Financial assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

Level 1 - Valuations for assets and liabilities traded in active markets, such as the New York Stock Exchange. Valuations are obtained from readily available pricing sources for market transactions involving identical assets or liabilities.

Level 2 - Valuations for assets and liabilities traded in less active dealer or broker markets. Valuations are obtained from third-party pricing services for identical or similar assets or liabilities.

Level 3 - Valuations for assets and liabilities that are derived from other valuation methodologies, including option pricing models, discounted cash flow models and similar techniques, and not based on market exchange, dealer, or broker traded transactions. Level 3 valuations incorporate certain assumptions and projections in determining the fair value assigned to such assets or liabilities.

For the fiscal years ended June 30, 2025 and 2024, the application of valuation techniques applied to similar assets and liabilities has been consistent. The fair value of investment securities is the market value based on quoted market prices, when available, or market prices provided by recognized broker dealers. If listed prices or quotes are not available, fair value is based upon externally developed models that use unobservable inputs due to the limited market activity of the instrument.

Functional Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities and changes in net assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The expenses that are allocated include occupancy expenses, supportive housing rent, utilities and financial assistance, repair and maintenance, and depreciation, which are allocated on a square footage basis, as well as salaries and related expenses, professional fees, insurance, and other, which are allocated on the basis of estimates of time and effort. For the years ended June 30, 2025 and 2024, MUST allocated 87% of expenses incurred towards Program Services, 6% toward Management and General, and 7% toward Fundraising.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

MUST Ministries, Inc. qualifies as a charitable organization as defined by Internal Revenue Code Section 501(c)(3) and, accordingly, is generally exempt from federal income taxes under Internal Revenue Code Section 501(a). It is however, required to file Federal Form 990 – Return of Organization Exempt from Income Tax. This is an informational return only. Accordingly, no provision for income taxes is made in the financial statements. Management evaluated MUST's tax positions and concluded that they have taken no uncertain tax positions that require adjustment to the financial statements to comply with the provisions on accounting for uncertainty in income taxes.

NOTE 3. LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, June 30, 2025 and 2024, comprise the following:

	2025	2024
Cash and cash equivalents	$ 2,392,379	$ 2,698,580
Grants receivable, net	1,057,381	948,928
Promises to give, net	-	1,340
	$ 3,449,760	$ 3,648,848

MUST structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition to financial assets available to meet general expenditures over the year, MUST anticipates covering its general expenditures by collecting sufficient contributions and grants and by utilizing donor-restricted resources from current and prior years' gifts.

NOTE 4. INVESTMENTS

The following tables set forth by level, within the fair value hierarchy, MUST's investments at fair value as of June 30, 2025:

	Level 1	Level 2	Level 3	Total
Pooled Investment at Community Foundation	$ -	$ 295,570	$ -	$ 295,570
Fixed income	1,553,563	-	-	1,553,563
Total	$ 1,553,563	$ 295,570	$ -	$ 1,849,133

MUST's investments at fair value as of June 30, 2024 are as follows:

	Level 1	Level 2	Level 3	Total
Pooled Investment at Community Foundation	$ -	$ 241,985	$ -	$ 241,985
Fixed income	1,671,546	-	-	1,671,546
Total	$ 1,671,546	$ 241,985	$ -	$ 1,913,531

NOTE 4. INVESTMENTS (CONTINUED)

The Cobb Community Foundation ("Community Foundation") holds a donor-established advised fund ("Fund") for the benefit of MUST. Under the terms of the agreement establishing the Fund, the principal is intended to be an endowment held in perpetuity and the earnings from the Fund are to be made available to MUST to support its general operations. The agreement granted variance power to the Community Foundation. Thus, the Fund is owned by the Community Foundation, and the Community Foundation has final authority and control over the disposition of the assets and earnings of the Fund. The total amount of the funds held at the Community Foundation at June 30, 2025 and 2024 was $395,570 and $341,984 respectively. This amount includes earnings and contributions in the amount of $295,570 and $241,985 made by MUST and donors which are reflected in the statement of financial position of MUST at June 30, 2025 and 2024, respectively.

It is the intention of the Board and management of MUST, to leave the contributions as part of the perpetual endowment, but MUST reserves the right to recover the funds in the future if MUST has the need for the funds. MUST has not recognized its potential for future distributions from the assets held in the Fund. Those distributions, if they occur, will be recognized as contributions when received or unconditionally promised.

NOTE 5. PROMISES TO GIVE

MUST receives capital contributions, both cash and promises to give, to allow for the acquisition and build out of facilities to support the operations of MUST.

No promises to give were held by MUST at June 30, 2025.

Promises to give consisted of the following at June 30, 2024:

	Operating	Capital	Total
Current	$ 1,340	$ -	$ 1,340
Less allowance for uncollectible promises to give	-	-	-
Promises to give, net	$ 1,340	$ -	$ 1,340

For the year ended June 30, 2025 and 2024, all promises to give were current. As a result, no discount on future promises to give was recorded.

NOTE 6. PROPERTY AND EQUIPMENT

Property and equipment, net, consists of the following as of June 30:

	2025	2024
Vehicles	$ 1,074,321	$ 1,034,678
Equipment	3,061,042	3,281,470
Land	2,453,393	2,453,393
Buildings and improvements	22,802,780	22,894,956
Construction in progress	1,583,088	230,310
	30,974,624	29,894,807
Less accumulated depreciation	(4,979,918)	(4,257,927)
Property and equipment, net	$ 25,994,706	$ 25,636,880

Depreciation expense for the years ended June 30, 2025 and 2024 was $1,269,742 and $1,111,313, respectively.

NOTE 7. VACATION AND ESSENTIAL DAYS PAYABLE

Employees earn vacation and essential day leave depending on years of service. Accrued vacation is paid upon an employee's termination. Accrued essential days off is not paid upon employee termination and, therefore, has not been accrued at year end. Liabilities for accumulated leave of $268,806 and $272,604 are included in the statement of financial position with accrued liabilities at June 30, 2025 and 2024, respectively.

NOTE 8. 403(b) THRIFT PLAN

MUST provides a 403(b) thrift plan which covers all eligible employees. Employees can make salary reduction contributions, and MUST may make matching contributions. Employees are eligible to participate in the salary reduction contributions after 30 days of employment and are eligible for an employer match after one year of employment. MUST matches 100% of the first 4% of salary reduction. MUST's contributions totaled $71,375 and $62,219 for the years ended June 30, 2025 and 2024, respectively.

NOTE 9. CONCENTRATIONS

MUST maintains deposit accounts at various banks which are insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000. MUST has the majority of all cash deposited in one financial institution, a concentration that comprised approximately 96% of the cash and investments balance at June 30, 2025 and 2024. Cash and cash equivalents and investment balances were in excess of the FDIC insured level by $6,247,872 and $6,913,549 as of June 30, 2025 and 2024, respectively. Management does not believe it is exposed to significant credit risk on cash and cash equivalents.

NOTE 10. LONG-TERM DEBT

In fiscal year 2018, MUST entered into a loan agreement to purchase a building located at 1280 Field Parkway to serve as a centralized donation center. The loan agreement provides a maximum principal amount of $1,394,000. The loan carried an interest rate of 2.07% at June 30, 2025 and 2024. Principal and interest of $5,201 is paid monthly starting November 2017. The loan agreement is set to expire on October 1, 2047. The loan is collateralized by the facility at 1280 Field Parkway. The principal balance outstanding on the loan was $1,112,143 and $1,151,095 at June 30, 2025 and 2024, respectively. MUST solicited funding from donors through a capital fundraising campaign to support the project.

Scheduled maturities on long-term debt are as follows:

For the year ending June 30,

2026	$	39,853
2027		40,679
2028		41,522
2029		42,382
2030		43,261
Thereafter		904,445
		1,112,143
Less unamortized debt issuance costs		(5,738)
Total	$	1,106,405

NOTE 11. LINES OF CREDIT

In June 2023, MUST entered into a line of credit of $5,000,000 with a financial institution. The line of credit initially bears interest at the Secured Overnight Financing rate plus 2.00% (8.25% at June 30, 2025). The line was renewed in June 2025 and matures in June 2026. The line is secured by property held by the Organization. The balance on the line of credit at June 30, 2025 and 2024 was $-.

NOTE 12. LEASES

The Organization currently leases certain buildings and equipment under operating leases, some of which are short-term rental agreements. In December 2022, the Organization entered into a five-year agreement with a company (the "landlord') for a non-cancellable operating lease for retail space. The lease payments began in June 2023. In December 2022, the Organization entered into a five-year agreement with a company (the "landlord") for a non-cancellable operating lease for storage space. The lease payments began in January 2023. In May 2025, the Organization entered into a three-year agreement with a company (the "landlord") for a non-cancellable lease for office space. The lease payments began in June 2025.

MUST accounts for their operating and financing lease agreements in accordance with GAAP and ASU No. 2016-02, ASC 842, *Leases*, which requires the recognition of a right-of-use asset and a lease liability based on the present value of the remaining lease payments. The following is a schedule by years of minimum future rentals on non-cancellable operating leases and the amortization of the net present value (NPV) of the right-of-use asset and lease liability as of June 30, 2025:

	Minimum Annual Lease Payments	Amortization of Right-To-Use Asset	Amortization of Operating Lease Liability
For the Year Ending June 30:			
2026	$ 249,457	$ 210,182	$ 212,281
2027	255,645	225,772	234,058
2028	206,768	206,256	206,131
Total	$ 711,870	$ 642,210	$ 652,470

Rent expense for the years ended June 30, 2025 and 2024 was approximately $264,586 and $251,978, respectively.

The following summarizes the weighted-average remaining lease term and discount rate for operating leases as of June 30, 2025:

Weighted-average remaining lease term	2.82 years
Weighted-average discount rate	7.00%

The following summarizes the weighted-average remaining lease term and discount rate for operating leases as of June 30, 2024:

Weighted-average remaining lease term	3.78 years
Weighted-average discount rate	7.09%

NOTE 13. IN-KIND CONTRIBUTIONS

In-kind contributions were received as follows for the year ended June 30:

	2025	2024
Food and meals	$ 6,199,290	$ 7,867,210
Clothing	593,134	588,023
Program supplies and services	631,618	974,143
Special events supplies and services	1,502,352	108,993
	$ 8,926,394	$ 9,538,369

MUST recognized contributed nonfinancial assets within revenue, including contributed food and meals, clothing, supplies, and professional services. Unless otherwise noted, contributed nonfinancial assets did not have donor-imposed restrictions.

Contributed clothing, food, and meals were used in program support. Contributed supplies and professional services were used in program and supporting services.

In valuing contributed food and meals, clothing, supplies, and services, MUST estimated the fair value based on established value for comparable goods by national organizations. In valuing contributed services, MUST estimated fair value based on current rates for similar services.

NOTE 14. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions were available for the following purposes at June 30:

	2025	2024
Subject to expenditure for specified purpose:		
Capital campaign	$ -	$ 58,709
Promises to give, restricted for capital	-	1,340
Summer lunch program	120,441	92,689
Food and neighborhood pantry	213,324	28,441
Clinic	24,948	120,501
Housing	233,995	38,888
Homeless families	796,854	1,482,056
Capital projects	-	79,774
Other programs	94,777	2,643
	$ 1,484,339	$ 1,905,041

Net assets with donor restrictions consist of the following at June 30:

	2025	2024
Cash	$ 1,484,339	$ 1,903,701
Promises to give	-	1,340
	$ 1,484,339	$ 1,905,041

NOTE 15. NET ASSETS RELEASED FROM RESTRICTIONS

Net assets were released from donor restrictions during the years ended June 30, 2025 and 2024 by incurring expenditures satisfying the restricted purposes specified by donors as follows:

	2025	2024
Satisfaction of purpose restrictions:		
Capital campaign	$ 390,289	$ 2,264,907
Summer lunch program	271,351	234,794
Food and neighborhood pantry	569,315	902,942
Clinic	165,695	352,249
Housing	320,381	129,461
Shelter operations	1,422,974	684,921
Capital projects	284,748	384,696
Other programs	159,604	80,099
	$ 3,584,357	$ 5,034,069

NOTE 16. SUBSEQUENT EVENTS

Management has evaluated subsequent events through January 20, 2026, the date the financial statements were available to be issued.

SINGLE AUDIT SECTION

Must Ministries, Inc.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2025

Programs	Federal Assistance Listing	Expenditures
		$
MAJOR PROGRAMS		
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT		
Continuum of Care Program	14.267	1,021,052
Georgia Department of Community Affairs:		
Continuum of Care Program (GA0168L4B012312, GA0170L4B062313, GA0217L4B012314, GA0217L4B012315)	14.267	744,682
TOTAL MAJOR PROGRAMS		$ 1,765,734
NONMAJOR PROGRAMS		
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT		
CDBG - Entitlement Grants Cluster		
Cobb County:		
Community Development Block Grant (CD24-C24CJ-P & F, CD25-C25CJ-P & F)	14.218	$ 476,408
Cherokee County:		
Community Development Block Grant (MU24S, CD22-MUST & MU23R, HMUST-TBRA 22)	14.218	33,179
		509,587
Cobb County:		
Emergency Solutions Grants Program (ES24-E24CJ, ES25-E25CJ-E)	14.231	37,089
Georgia Department of Community Affairs:		
Emergency Solutions Grants Program (23C180, 24C185, 23C181, 24C258, 24C286, 24C315)	14.231	155,320
		192,409
Cobb County:		
Home Investment Partnership Program (M-21-DC-13-0201)	14.239	921,560
Cherokee County:		
Home Investment Partnership Program (M-22-UC-13-0220)		168,570
		1,090,130
		1,792,126
U.S. DEPARTMENT OF TREASURY		
Cobb County:		
COVID-19: Coronavirus State and Local Fiscal Recovery Funds	21.027	161,422
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES		
Cobb County:		
Community Services Block Grant (CSBG-24-C24L, CSBG-25-C25L)	93.569	76,608
FEDERAL EMERGENCY MANAGEMENT AGENCY		
Cherokee County:		
Emergency Food and Shelter Program	97.024	32,148
TOTAL NONMAJOR PROGRAMS		2,062,304
TOTAL FEDERAL AWARDS		$ 3,828,038

The accompanying notes are an integral part of this schedule.

NOTE 1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of MUST Ministries, Inc. under programs of the federal government for the year ended June 30, 2025. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the basic financial statements.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance wherein certain types of expenditures are not allowable or are limited as to reimbursement. The Organization has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

To the Board of Directors
MUST Ministries, Inc.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of MUST Ministries, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2025, and the related statements of activities and changes in net assets, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated January 20, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered MUST Ministries, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of MUST Ministries, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of MUST Ministries, Inc.'s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether MUST Ministries, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Mauldin & Jenkins, LLC

Atlanta, Georgia
January 20, 2026

MAULDIN & JENKINS
CPAs & ADVISORS

Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance

To the Board of Directors
MUST Ministries, Inc.

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited MUST Ministries, Inc.'s compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of MUST Ministries, Inc.'s major federal programs for the year ended June 30, 2025. MUST Ministries, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, MUST Ministries, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of MUST Ministries, Inc. and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of MUST Ministries, Inc.'s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to MUST Ministries, Inc.'s federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on MUST Ministries, Inc.'s compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about MUST Ministries, Inc.'s compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, 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 MUST Ministries, Inc.'s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of MUST Ministries, Inc.'s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of MUST Ministries, Inc.'s internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Mauldin & Jenkins, LLC

Atlanta, Georgia
January 20, 2026

Must Ministries, Inc.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2025

SECTION I - SUMMARY OF AUDITOR'S RESULTS:

Financial Statements:

Type of auditor's report issued:	**Unmodified**	
	Yes	**No**
Internal control over financial reporting:		
Material weaknesses identified?		**X**
Significant deficiencies identified not considered to be material weaknesses?		**None reported**
Noncompliance material to the financial statements noted?		**X**

Federal Awards:

Internal controls over major programs:		
Material weaknesses identified?		**X**
Significant deficiencies identified not considered to be material weaknesses?		**None reported**
Type of auditor's report issued on compliance for major programs:	**Unmodified**	
Audit findings required to be reported in accordance with 2 CFR Section 200.516(a)?	**No**	

Identification of Major Programs:

U.S. Department of Housing and Urban Development Continuum of Care Program	**14.267**	
Dollar threshold used to distinguish between Type A and Type B programs	**$ 750,000**	
	Yes	**No**
Auditee qualified as low-risk auditee?	**X**	
Financial statement findings?		**X**
Findings and questioned costs for federal awards?		**X**

Section II – Financial Statement Findings

None Reported

Section III - Findings and Questioned Costs for Federal Awards

None Reported

SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2025

Section II – Financial Statement Findings

None Reported

Section III - Findings and Questioned Costs for Federal Awards

None Reported