SERGE GLOBAL, INC.

FINANCIAL STATEMENTS

YEAR ENDED MAY 31, 2026

(See Independent Auditors' Report)

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BEE BERGVALL & CO.
Certified Public Accountants
936 Easton Rd., PO Box 754, Warrington, PA 18976
215-343-2727 | www.bbcocpa.com

Independent Auditors' Report

Board of Directors
Serge Global, Inc.
Jenkintown, Pennsylvania

Opinion

We have audited the accompanying financial statements of Serge Global, Inc. (a nonprofit organization), which comprise the statement of financial position as of May 31, 2026, 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 Serge Global, Inc. as of May 31, 2026, and the changes in 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Serge Global, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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 Serge Global, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be 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 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 Serge Global, 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 Serge Global, 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.

Report on Summarized Comparative Information

We have previously audited Serge Global Inc’s 2025 financial statements and expressed an unmodified opinion on those audited financial statements in our report dated October 7, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended May 31, 2025, is consistent, in all material respects, with the audited financial statements from which it has been derived.



Bee, Bergvall & Co., P.C.
Certified Public Accountants

Warrington, PA
October 8, 2026

SERGE GLOBAL, INC.

Statements of Financial Position

May 31, 2026 and 2025

ASSETS

	2026	2025
Cash and Cash Equivalents	$ 1,295,304	$ 2,741,082
Accounts Receivable	91,064	15,908
Prepaid Expenses	381,311	741,668
Pledges Receivable	19,200	76,000
Advances to Missionaries	185,091	204,826
Investments	12,581,803	11,059,347
Notes Receivable	71,923	91,785
Security Deposits	166,900	200,629
Other Assets	358,974	358,974
Property and Equipment - Net of Accumulated Depreciation	119,490	292,687
Right to Use Asset - Net of Accumulated Amortization	861,997	1,102,569
Total Assets	$ 16,133,057	$ 16,885,475

LIABILITIES AND NET ASSETS

Accounts Payable	$ 597,976	$ 665,104
Deferred Revenue	51,271	64,005
Operating Lease Liability	1,096,859	1,356,499
Total Liabilities	1,746,106	2,085,608
Without Donor Restrictions		
Board Designated for Missionaries and Projects	11,723,405	12,671,165
Undesignated	1,987,553	1,668,599
Total Without Donor Restrictions	13,710,958	14,339,764
With Donor Restrictions	675,993	460,103
Total Net Assets	14,386,951	14,799,867
Total Liabilities and Net Assets	$ 16,133,057	$ 16,885,475

See accompanying notes to the financial statements

SERGE GLOBAL, INC.

Statements of Activities

For the Year Ended May 31, 2026
(With Summarized Comparative Totals for the Year Ended May 31, 2025)

	Without Donor Restrictions	With Donor Restrictions	2026 Totals	2025 Totals
Support and Revenue				
Contributions and Grants	$ 30,177,074	$ 678,842	$ 30,855,916	$ 29,186,797
Discipling Tuition	119,537	-	119,537	99,414
Investment Income (loss)	1,748,713	-	1,748,713	930,049
Other Income	248,443	-	248,443	208,396
Total Support and Revenue	32,293,767	678,842	32,972,609	30,424,656
Net Assets Released from Program Restrictions	462,952	(462,952)	-	-
Total Support, Revenue, and Reclassifications	32,756,719	215,890	32,972,609	30,424,656
Expenses				
Field Operations	27,661,457	-	27,661,457	24,462,664
Home Office	4,756,237	-	4,756,237	4,917,360
Fundraising	967,831	-	967,831	964,259
Total Expenses	33,385,525	-	33,385,525	30,344,283
Increase (Decrease) in Net Assets	(628,806)	215,890	(412,916)	80,373
Net Assets, Beginning of Year, as reported	14,339,764	460,103	14,799,867	14,719,494
Net Assets, End of Year	$ 13,710,958	$ 675,993	$ 14,386,951	$ 14,799,867

See accompanying notes to the financial statements

SERGE GLOBAL, INC.

Statements of Functional Expense

For the Year Ended May 31, 2026
(With Summarized Comparative Totals for the Year Ended May 31, 2025)

	Field Operations	Home Office	Fundraising	2026 Totals	2025 Totals
Books & Other Literature	$ 39,578	$ 2,557	$ 510	$ 42,645	$ 52,175
Business Meals	336,597	54,224	9,042	399,863	373,848
Computer Hardware & Software	59,114	41,957	1,536	102,607	98,021
Depreciation & Amortization	185,488	-	-	185,488	186,825
Diaconal Needs	152,025	-	-	152,025	114,642
Dues & Subscriptions	60,677	61,791	10	122,478	127,536
Education & Schooling	695,852	4,245	-	700,097	645,193
Foreign National Wages	259,803	-	-	259,803	239,826
Grants to Foreign Organizations	1,357,221	-	-	1,357,221	1,618,179
Insurance	62,238	178,233	-	240,471	250,761
Information Technology Services	15,548	135,754	309	151,611	127,253
Maintenance & Repairs	187,829	9,140	651	197,620	228,537
Medical Expenses & Supplies	524,119	-	-	524,119	390,368
Merchant Discounts	208,464	95,036	-	303,500	291,881
Ministry Account	15,090	-	-	15,090	6,400
Other	237,470	30,063	3,921	271,454	262,222
Outside Services	2,831,617	123,906	4,704	2,960,227	2,851,411
Outreach	247,648	-	-	247,648	194,347
Postage	15,987	22,023	18,362	56,372	57,948
Printing	44,274	15,782	27,374	87,430	97,013
Professional Services	360,482	52,395	30,883	443,760	402,483
Project Expenses	347,824	-	-	347,824	229,059
Promotions	6,001	13,244	1,179	20,424	16,351
Rent	106,837	309,454	1,100	417,391	347,165
Retreats & Conferences	157,073	30,074	375	187,522	192,322
Service Charges	23,121	20,906	-	44,027	54,123
Set Up Costs	105,160	-	-	105,160	180,664
Shipping & Freight	26,680	742	-	27,422	116,534
Sponsoring Conference & Education	993,209	69,308	403	1,062,920	366,043
Supplies & Cleaning	128,908	10,223	1,213	140,344	75,613
Travel	2,916,521	280,492	40,642	3,237,655	2,385,489
Utilities	38,198	10,818	1,535	50,551	51,883
Vehicle Expenses	115,101	-	-	115,101	18,637
Wages Payroll Taxes & Benefits	14,799,703	3,183,870	824,082	18,807,655	17,693,531
Total Expenses	$ 27,661,457	$ 4,756,237	$ 967,831	$ 33,385,525	$ 30,344,283

See accompanying notes to the financial statements

SERGE GLOBAL, INC.

Statements of Cash Flows

For the Years Ended May 31, 2026 and 2025

	2026	2025
Cash Flows from Operating Activities:		
Increase (Decrease) in Net Assets	$ (412,916)	$ 80,373
Adjustments to Reconcile Increase (Decrease) in Net Assets		
to Net Cash Provided by (Used in) Operating Activities		
Contributed Investments	(306,483)	(199,914)
Unrealized and Realized (Gain) Loss on Sale of Investments	(1,490,751)	(479,282)
Reduction in carrying amount of Right-of-Use asset - operating leases	240,572	92,764
Depreciation and Amortization	185,488	186,825
(Gain) Loss on disposal of capital assets	(588)	1,788
(Increase) Decrease in Assets:		
Accounts Receivable	(75,156)	35,443
Prepaid Expenses	360,357	(497,456)
Pledges Receivable	56,800	(40,056)
Advances to Missionaries	19,735	(141,013)
Security Deposits	33,729	(37,300)
Other Assets	-	63,712
Increase (Decrease) in Liabilities:		
Accounts Payable	(67,128)	(18,178)
Lease Liability	(259,640)	(136,906)
Deferred Revenue	(12,734)	23,510
Net Cash Provided by (Used in) Operating Activities	(1,728,715)	(1,065,690)
Cash Flows from Investing Activities:		
Proceeds from the Sale of Investments	11,968,160	2,104,459
Proceeds from the Sale of Equipment	1,010	-
Purchase of Investments	(11,693,382)	(2,101,038)
Purchase of Property and Equipment	(12,713)	(139,418)
Net Cash Provided by (Used in) Investing Activities	263,075	(135,997)
Cash Flows from Financing Activities:		
Issuance of Note	-	(95,000)
Principle payments on Note	19,862	3,215
	19,862	(91,785)
Net Increase (Decrease) in Cash	(1,445,778)	(1,293,472)
Cash and Cash Equivalents, Beginning of Year	2,741,082	4,034,554
Cash and Cash Equivalents, End of Year	$ 1,295,304	$ 2,741,082
Cash paid for interest	$ -	$ -
Cash paid for income taxes	$ -	$ -

See accompanying notes to the financial statements

SERGE GLOBAL, INC.

Notes to Financial Statements

May 31, 2026

NOTE 1. Summary of Significant Accounting Policies

The summary of significant accounting policies of Serge Global, Inc. is presented to assist in understanding the organization's financial statements. The financial statements and notes are representations of the organization's management, who is responsible for their integrity and objectivity. These accounting policies conform to generally accepted accounting principles except where noted and have been consistently applied in the preparation of the financial statements.

Nature of Entity: Serge Global, Inc ("Serge") is a mission sending agency founded in 1983; today, Serge has over 300 missionaries in 29 countries. The motive and power for Serge's mission is the gospel of grace at work in the life of a believer and the vision is to see movements of churches empowered by grace for the world's good and God's glory. This vision is pursued through incarnational ministry, with an emphasis on church planting, incarnating mercy, and equipping church leaders. Serge exists to see individuals, families, communities, and cultures so changed and renewed by the gospel of grace that they passionately pursue their role in the great story of redemption.

Tax Status: Serge is a Pennsylvania corporation recognized as a non-profit religious corporation exempt from federal income tax under the provisions of Section 501(c)(3) of the Internal Revenue Code and from Pennsylvania taxation under the applicable provisions of the Commonwealth's non-profit organization statutes.

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires Serge to report information regarding its exposure to various tax positions taken. Management has performed their evaluation and believes there are no unrecognized tax positions that are required to be disclosed.

The Organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits in progress for any tax period. The organization believes it is no longer subject to income tax examinations for the years prior to 2023.

The Organization's policy is to classify income tax related interest and penalties, if any, in interest expense and other expenses, respectively.

NOTE 1. Summary of Significant Accounting Policies (Continued)

Basis of Presentation: Financial presentation follows the recommendations of the Financial Accounting Standards Board under which the organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and donor-restricted net assets.

Comparative Information: The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with Serge's financial statements for the year ended May 31, 2025, from which the summarized information was derived.

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 of 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.

Credit Risk: The Organization maintains cash balances at several financial institutions. Accounts at these institutions are insured by the Federal Deposit Insurance Corporation up to $250,000. Cash balances exceeded the insurance limits as of May 31, 2026 by $835,409.

Cash and Cash Equivalents: For purposes of the statement of cash flows, Serge considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents. Funds held in money market accounts by external investment managers are reported as investments.

Accounts Receivable: Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for credit losses and an adjustment to a valuation allowance based on its assessment of the status of individual funding sources. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. Changes in the valuation allowance have not been material to the financial statements. At May 31, 2026, management considers all accounts receivable to be entirely collectible.

NOTE 1. Summary of Significant Accounting Policies (Continued)

Pledges Receivable: Unconditional pledges receivable are recognized as revenues or gains in the period received and as assets, decreases of liabilities, or expenses, depending on the form of the benefits received. Conditional pledges receivable are recognized when the conditions on which they depend are substantially met.

Investments: Serge carries investments in marketable securities with readily determinable fair values and all investments in debt securities at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets in the accompanying statement of activities.

Property, Equipment, and Depreciation: Property and equipment are recorded at cost, or if donated, at fair market value at the date of the gift. Depreciation is provided by the straight-line method over the estimated useful lives of the related assets ranging from three to thirty years. Assets that are valued over $1,000 and have estimated useful lives of more than one year are capitalized, while assets that are less than this threshold are directly expensed, as are all assets purchased for use in field operations.

Deferred Revenue: Deferred revenue represents tuition and fees received in advance for Serge's discipling programs.

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

> *Net Assets Without Donor Restrictions*: Net assets available for use in general operations and not subject to donor (or grantor) restrictions. These net assets can be used at the discretion of the organization's management and board of directors.
>
> *Net Assets With Donor Restrictions*: Net assets subject to donor-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.

Fund Accounting: Resources available to Serge are classified for accounting and reporting purposes into funds that are in accordance with specified activities or objectives. Board designated funds are allocated to specific purposes by action of the Board of Directors.

NOTE 1. Summary of Significant Accounting Policies (Continued)

Fund Accounting: *(continued)*

Externally restricted funds may only be utilized in accordance with the purpose established by the source of such funds and are in contrast with board designated funds over which the Board of Directors retains full control to use in achieving any of its specified purposes.

Revenue Recognition: Contributions are recognized when cash, an unconditional promise to give, or other assets are received. All contributions are available for unrestricted use unless specifically restricted by the donor. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met or the donor releases the restriction.

Revenue is recognized when earned. Tuition for the discipling programs is earned over time as the participants complete the course work. Serge utilizes certain software to measure course completion and recognizes revenue accordingly. Revenue is reported at the amount of consideration expected in exchange for the normal tuition rates.

Contributed Nonfinancial Assets: Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by Serge. A substantial number of volunteers have donated significant amounts of time to Serge's events and programs; however, the value of the volunteers' donated time is not recognized as a contribution in the financial statements since the recognition criteria were not met.

Donated marketable securities and other noncash donations are recorded as contributions at their estimated fair values at the date of donation.

Expense Allocation: Expenses are charged to programs and supporting services based on periodic time and expense studies or square footage. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the organization.

NOTE 1. Summary of Significant Accounting Policies (Continued)

Concentration of Credit Risk: Financial instruments that potentially subject Serge to concentrations of credit risk consist principally of temporary cash investments and accounts and pledges receivable. Serge places its temporary cash investments with several financial institutions and may occasionally maintain deposits in excess of federally insured limits. Concentrations of credit risk with respect to accounts and pledges receivable are limited due to the nature of Serge's customers and contributors.

Subsequent Events: Management has evaluated events for recognition or disclosure through the date of the auditors' report, which is the date the financial statements were available to be issued. No subsequent events requiring recognition or disclosure were noted.

NOTE 2. Liquidity and Availability

As part of the Organization'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. Board designated net assets without donor restrictions can be made available for general expenditures if deemed necessary.

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

Cash and Cash Equivalents	$ 1,295,304
Accounts Receivable	91,064
Investments	12,581,803
	13,968,171
Less Amounts Subject to Donor Restrictions	(675,993)
Financial assets available to meet general expenditures over the next 12 months	$ 13,292,178

NOTE 3. Investments

Investments are summarized below as of May 31, 2026:

Cash and Cash Equivalents	$	528,347
Mutual Funds - Fixed Income		179,340
Mutual Funds - Domestic Equities		1,410,239
Mutual Funds - International Equities		652,800
Exchange Traded Funds		2,098,936
Stocks		4,100,270
Bonds - Government and Corporate		3,459,500
Bonds - International		152,371
Investments	$	12,581,803

The following schedule summarizes the investment return, all of which is classified as unrestricted in the statement of activities:

Investment Income	$	314,510
Realized Gains (Losses)		1,521,437
Unrealized Gains (Losses)		(30,686)
Fees		(56,548)
Investment Income	$	1,748,713

NOTE 4. Security Deposits

When a missionary is sent overseas, he or she lives in a rented apartment; most often a security deposit is needed at the signing of the lease. The deposit total represents amounts currently outstanding as a security deposit on the relevant rental. Security deposits are as follows as of May 31, 2026:

North America	$ 20,000
Europe	101,440
Africa	29,543
Asia	4,235
South & Central America	11,682
Security Deposits	$ 166,900

NOTE 5. Property and Equipment

Property and equipment is composed of the following at May 31, 2026:

	Cost	Depreciation Expense	Accumulated Depreciation	Net Book Value
Furniture and Equipment	$ 149,243	$ 18,302	$ 132,392	$ 16,851
Vehicles	71,874	-	71,874	-
Computer Software	446,780	148,927	409,020	37,760
Leasehold Improvements	182,595	18,259	121,816	60,779
Land and Buildings	242,858	-	238,758	4,100
	$ 1,093,350	$ 185,488	$ 973,860	$ 119,490

NOTE 6. Net Assets

Net assets with restrictions are available for the following purposes:

Donor Restricted for Field Operations:		
BundiMedical Fund	$	682
BundiWater Fund		5,125
Bundibugyo (Christ) School		40,114
Dr. Jonah Memorial Leadership Fund		2,091
Uganda Relief Project		1,782
Kule Family Care Fund		2,771
Kenya Mercy (Famine Relief) Fund		891
Ireland Church Planters		100,530
Eye Love Africa		472,246
Europe Refugees		49,761
	$	675,993

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by the occurrence of other events specified by the donors.

The purpose for which restrictions were accomplished in 2026 was as follows:

Released from Donor Restriction for Field Operations:		
BundiMedical Fund	$	303
BundiWater Fund		4,281
Bundibugyo (Christ) School		207,886
Dr. Jonah Memorial Leadership Fund		2,370
Uganda Relief Project		5,605
Kule Family Care Fund		3,087
Kenya Mercy (Famine Relief) Fund		534
Ireland Church Planters		20,200
Eye Love Africa		193,426
Europe Refugees		25,260
	$	462,952

NOTE 6. Net Assets (Continued)

Net assets are designated by the Board for the following purposes:

Board Designated		
Support Raising	$	8,222,352
Projects-Field		2,439,322
Projects-Reserved Capital		1,061,731
	$	11,723,405

NOTE 7. Fair Value of Financial Instruments

Fair value is defined as the price that would be received to sell an asset or the price that would be paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Fair value measurements include a hierarchy which prioritizes the inputs used in determining valuations into three levels. The level in the fair value hierarchy within which the fair value measurement falls is determined based on the lowest level input that is significant to the fair value measurement.

The levels of the fair value hierarchy are as follows:

Level 1 - Fair value is based on unadjusted quoted prices in active markets that are accessible to the organization for identical assets. These generally provide the most reliable evidence and are used to measure fair value whenever available.

Level 2 - Fair value is based on significant inputs, other than Level 1 inputs, that are observable either directly or indirectly for substantially the full term of the asset through corroboration with observable market data. Level 2 inputs include quoted market prices in active markets for similar assets, quoted market prices in markets that are not active for identical or similar assets, and other observable inputs.

Level 3 - Fair value would be based on significant unobservable inputs. Examples of valuation methodologies that would result in Level 3 classification include option pricing models, discounted cash flows, and other similar techniques. Serge has no Level 3 assets.

NOTE 7. Fair Value of Financial Instruments (Continued)

The organization measures its investments on a recurring basis at fair value. Investments were measured using the following inputs as of May 31, 2026:

	Level 1	Level 2	Level 3	Total
Cash and Cash Equivalents	$ 528,347	$ -	$ -	$ 528,347
Mutual Funds - Fixed Income	-	179,340	-	179,340
Mutual Funds - Domestic Equities	1,410,239	-	-	1,410,239
Mutual Funds - International Equities	652,800	-	-	652,800
Exchange Traded Funds	2,098,936	-	-	2,098,936
Stocks	4,100,270	-	-	4,100,270
Bonds - Government and Corporate	-	3,459,500	-	3,459,500
Bonds - International	-	152,371	-	152,371
	$ 8,790,592	$ 3,791,211	$ -	$ 12,581,803

Mutual funds are valued at the net asset value ("NAV") of shares held by the Organization at year end. Marketable equity securities are valued at the closing price reported on the active market on which the individual securities are traded. Bond funds are valued at the closing price reported on the active market on which the individual bonds are traded. There was no change in the valuation techniques used to value these assets during the year, and there were no transfers between Level 1, Level 2, or Level 3 inputs.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization believes its valuation methods are appropriate and consistent, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The carrying amounts of cash and cash equivalents, accounts and pledges receivable, and accounts payable approximate fair value at May 31, 2026 due to the short-term nature of those instruments.

NOTE 8. Pension Plan

Serge maintains a defined contribution plan which covers substantially all employees, as defined in the plan. In 2026, Serge contributed to the plan $1,103,774.

NOTE 9. Revenue from Contracts with Customers

The change in the Organization's deferred revenue account for the year ended May 31, 2026 is comprised of the following:

Deferred Revenue, beginning of the year	$	64,005
Revenue recognized that was included at beginning of the year		(64,005)
Increase due in deferred revenue due to cash received during the year		51,271
Deferred Revenue, end of the year	$	51,271

NOTE 10. Leases

Serge leases office space in Jenkintown, Pennsylvania under a lease with an original date of May 2, 2013. The original lease term was 10 years and five months, with one five-year optional extension. In November of 2018 and then again in September of 2019, the lease was amended to include additional square footage. The amendment has a ten-year term, expiring on December 31, 2029 and monthly payments based on a specified rent per square footage. As of May 31, 2026, the monthly rent was $26,085. Serge also has an equipment lease which ends March 2029.

Lease assets are recognized at commencement date based on the value of the lease liability. Lease liabilities represent our contractual obligation to make lease payments. At the commencement date, the lease liabilities equal the present value of minimum lease payments over the lease term. As the implicit rate is not readily determinable in the leases, the Organization uses a risk-free rate (U.S. Treasury) calculate the present value of these lease payments. Leases with a term of 12 months or less are excluded from the liability; the Organization recognizes lease expense for these short-term leases on a straight-line basis over the lease term.

NOTE 10. Leases (Continued)

The Right to Use Asset as of May 31, 2026 is as follows:

Right to Use Asset	$ 2,395,312
Accumulated amortization	(1,533,315)
	$ 861,997

Future minimum operating lease payments are as follows:

Year ending May 31,	
2027	$ 279,771
2028	300,941
2029	322,691
2030	193,456
	$ 1,096,859

NOTE 11. Notes Receivable

In February of 2025, Serge extended a note in the amount of $95,000 to a missionary ("Borrower") for the purpose of purchasing housing. The note accrues interest at 5% and is due in 54 monthly installments of $2,000 per month. Payments commenced with the April 2025 payroll and are reflected as a reduction of the paycheck of the Borrower. If for any reason the Borrower should end their employment with Serge, the remaining balance of the loan will be the sole responsibility of the Borrower. The Serge support account of the Borrower will be used, if needed, to satisfy any remaining balance of the note.

Future note receipts are as follows:

Year ending May 31,	
2027	$ 20,878
2028	21,945
2029	23,068
2030	6,032
	$ 71,923