



**INTERNATIONAL STUDENTS, INC.
AND AFFILIATE**

Consolidated Financial Statements
With Independent Auditor's Report

September 30, 2025 and 2024

INTERNATIONAL STUDENTS, INC. AND AFFILIATE

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INDEPENDENT AUDITOR'S REPORT

Board of Trustees
International Students, Inc. and Affiliate
Colorado Springs, Colorado

Opinion

We have audited the accompanying consolidated financial statements of International Students, Inc. and Affiliate, which comprise the consolidated statements of financial position as of September 30, 2025 and 2024, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of International Students, Inc. and Affiliate as of September 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. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are required to be independent of International Students, Inc. and Affiliate and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

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

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

Board of Trustees
International Students, Inc. and Affiliate
Colorado Springs, Colorado

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of International Students, Inc. and Affiliate's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about International Students, Inc. and Affiliate's ability to continue as a going concern for a reasonable period of time.

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

Capin Crouse LLC

Colorado Springs, Colorado
January 26, 2026

INTERNATIONAL STUDENTS, INC. AND AFFILIATE

Consolidated Statements of Financial Position

	September 30,	
	2025	2024
ASSETS:		
Cash and cash equivalents	\$ 1,931,789	\$ 2,455,946
Investments	7,160,589	6,264,046
Prepaid expenses and other assets	227,674	294,192
Property and equipment—net	2,764,937	2,790,544
Total Assets	\$ 12,084,989	\$ 11,804,728
LIABILITIES AND NET ASSETS:		
Liabilities:		
Accounts payable	\$ 168,817	\$ 121,340
Accrued expenses and other liabilities	244,591	193,972
Annuities payable	43,870	45,984
Total liabilities	457,278	361,296
Net assets:		
Without donor restrictions:		
Operating	4,978,139	5,062,347
Board designated	200,000	200,000
	5,178,139	5,262,347
With donor restrictions:		
Field ministries	5,390,133	5,300,733
Ministry projects	1,059,439	880,352
	6,449,572	6,181,085
Total net assets	11,627,711	11,443,432
Total Liabilities and Net Assets	\$ 12,084,989	\$ 11,804,728

See notes to consolidated financial statements

INTERNATIONAL STUDENTS, INC. AND AFFILIATE

Consolidated Statements of Activities

	Year Ended September 30,					
	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE:						
Field ministry contributions	\$ -	\$ 13,223,468	\$ 13,223,468	\$ -	\$ 12,721,819	\$ 12,721,819
General fund contributions	967,488	-	967,488	1,040,264	-	1,040,264
Other contributions	-	96,126	96,126	-	145,860	145,860
Rental income	237,716	-	237,716	235,012	-	235,012
Other income	151,019	-	151,019	64,269	-	64,269
Investment income	381,950	-	381,950	432,606	-	432,606
Contributed services and nonfinancial assets	-	50,017	50,017	-	70,758	70,758
Total Support and Revenue	1,738,173	13,369,611	15,107,784	1,772,151	12,938,437	14,710,588
NET ASSETS RELEASED:						
Purpose and time restrictions	11,205,713	(11,205,713)	-	10,973,865	(10,973,865)	-
Administrative assessments	1,895,411	(1,895,411)	-	1,804,548	(1,804,548)	-
Total Net Assets Released	13,101,124	(13,101,124)	-	12,778,413	(12,778,413)	-

(continued)

See notes to consolidated financial statements

INTERNATIONAL STUDENTS, INC. AND AFFILIATE

Consolidated Statements of Activities

(continued)

	Year Ended September 30,					
	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
EXPENSES:						
Program services	\$ 11,874,271	\$ -	\$ 11,874,271	\$ 11,217,503	\$ -	\$ 11,217,503
Supporting activities:						
Management and general	1,181,881	-	1,181,881	1,098,756	-	1,098,756
Fundraising:						
Direct and allocated						
fundraising	1,282,232	-	1,282,232	1,243,819	-	1,243,819
Volunteer recruitment	585,121	-	585,121	557,976	-	557,976
	3,049,234	-	3,049,234	2,900,551	-	2,900,551
Total Expenses	14,923,505	-	14,923,505	14,118,054	-	14,118,054
Change in Net Assets	(84,208)	268,487	184,279	432,510	160,024	592,534
Net Assets, Beginning of Year	5,262,347	6,181,085	11,443,432	4,829,837	6,021,061	10,850,898
Net Assets, End of Year	\$ 5,178,139	\$ 6,449,572	\$ 11,627,711	\$ 5,262,347	\$ 6,181,085	\$ 11,443,432

See notes to consolidated financial statements

INTERNATIONAL STUDENTS, INC. AND AFFILIATE

Consolidated Statement of Functional Expenses

Year Ended September 30, 2025

	Supporting Activities:				Total
	Program Services	Management and General	Fundraising	Volunteer Recruitment	
Salaries and employee benefits	\$ 9,247,735	\$ 676,250	\$ 1,025,216	\$ 473,058	\$ 11,422,259
Travel and meals	681,797	8,677	55,481	39,989	785,944
Ministry operations	645,310	909	58,805	35,455	740,479
Facilities	397,408	17,411	48,153	9,743	472,715
Professional fees	234,005	205,464	15,237	4,048	458,754
National staff conference	226,432	3,365	21,686	13,711	265,194
Interest and bank charges	46,739	138,371	1,775	201	187,086
Other	161,025	-	20,637	5,386	187,048
Grants to Others	105,120	-	-	-	105,120
Donor Care	63,432	2,143	5,484	3,168	74,227
Depreciation and amortization	1,449	63,677	384	-	65,510
Postage	18,222	24,052	12,121	11	54,406
Literature and printing	11,749	17,117	11,107	176	40,149
Office supplies	15,505	17,817	3,362	8	36,692
Telephone	18,343	6,628	2,784	167	27,922
	\$ 11,874,271	\$ 1,181,881	\$ 1,282,232	\$ 585,121	\$ 14,923,505
Percent of total expenses *	79.6%	7.9%	8.6%	3.9%	100%

* This schedule reflects implementation of the *Not-for-Profit Entities Other Expenses* subtopic of the Financial Accounting Standards Board Accounting Standards Codification which requires that the cost of all volunteer recruitment, even of those volunteers involved in direct ministry, be classified as supporting activities expenses.

See notes to consolidated financial statements

INTERNATIONAL STUDENTS, INC. AND AFFILIATE

Consolidated Statement of Functional Expenses

Year Ended September 30, 2024

	Supporting Activities:				Total
	Program Services	Management and General	Fundraising	Volunteer Recruitment	
Salaries and employee benefits	\$ 8,643,057	\$ 574,007	\$ 975,197	\$ 442,883	\$ 10,635,144
Ministry operations	970,736	78,945	83,942	49,797	1,183,420
Travel and meals	690,668	12,544	58,893	42,885	804,990
Facilities	380,586	-	53,566	10,118	444,270
Professional fees	209,113	173,828	16,123	3,451	402,515
Other	123,969	20,549	17,360	5,239	167,117
Interest and bank charges	47,653	108,911	1,589	153	158,306
Depreciation and amortization	9,753	68,247	2,413	-	80,413
Donor care	57,814	1,288	5,882	3,297	68,281
Postage	7,434	24,871	14,224	2	46,531
Office supplies	16,645	18,905	3,536	7	39,093
Grants to others	36,869	-	-	-	36,869
Telephone	17,937	6,732	3,149	-	27,818
Literature and printing	5,269	9,929	7,945	144	23,287
	<u>\$ 11,217,503</u>	<u>\$ 1,098,756</u>	<u>\$ 1,243,819</u>	<u>\$ 557,976</u>	<u>\$ 14,118,054</u>
Percent of total expenses *	79.4%	7.8%	8.8%	4.0%	100%

* This schedule reflects implementation of the *Not-for-Profit Entities Other Expenses* subtopic of the Financial Accounting Standards Board Accounting Standards Codification which requires that the cost of all volunteer recruitment, even of those volunteers involved in direct ministry, be classified as supporting activities expenses.

See notes to consolidated financial statements

INTERNATIONAL STUDENTS, INC. AND AFFILIATE

Consolidated Statements of Cash Flows

	Year Ended September 30,	
	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 184,279	\$ 592,534
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation and amortization	65,510	80,413
Reinvested dividends	(320,887)	(171,940)
Net realized and unrealized gains on investments	(33,390)	(79,060)
Change in value of annuities	5,197	5,680
Change in operating assets and liabilities:		
Prepaid expenses and other assets	104,489	(73,622)
Accounts payable	47,477	4,449
Accrued expenses and other liabilities	12,648	(75,092)
Net Cash Provided by Operating Activities	65,323	283,362
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of investments	216,579	1,004,592
Purchases of investments	(758,845)	(2,228,731)
Purchases of property and equipment	(39,903)	-
Net Cash Used by Investing Activities	(582,169)	(1,224,139)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payments on annuities	(7,311)	(7,660)
Net Cash Used by Financing Activities	(7,311)	(7,660)
Net Change in Cash and Cash Equivalents	(524,157)	(948,437)
Cash and Cash Equivalents, Beginning of Year	2,455,946	3,404,383
Cash and Cash Equivalents, End of Year	\$ 1,931,789	\$ 2,455,946

See notes to consolidated financial statements

INTERNATIONAL STUDENTS, INC. AND AFFILIATE

Notes to Consolidated Financial Statements

September 30, 2025 and 2024

1. NATURE OF ORGANIZATIONS:

International Students, Inc. exists to share Christ's love with international students and to equip them for effective service in cooperation with the local church and others. The ministry directly relates to sharing the Gospel with non-believing international students and equipping Christian international students to be effective witnesses, as well as befriending the students while they are "strangers in our midst." International Students, Inc.'s vision is to see every international student befriended, led to a personal relationship with Christ, and disciplined for His service to impact every nation with the Gospel of Jesus Christ.

There are now close to 1.5 million international students and scholars studying at American colleges and universities. They represent the best and brightest of 220 countries around the world. Approximately 71% come from countries in the "10/40 Window," and many come from countries that restrict access to the Gospel. They are often open to developing friendships with Americans, and many are curious about American culture, Christianity, or the Bible.

Their time in America will give them many impressions they will carry for their entire lives. When they return home they will take up positions of influence. What if they could return home as strong, committed Christians, well-prepared to make an impact for Christ in their homeland? International Students, Inc.'s strategy to reach these future leaders is straightforward: develop teams of committed, trained workers (International Students, Inc. staff, volunteers, local churches, and workers in other international student ministries) on the campuses where international students are enrolled, graciously and unconditionally reach out to them with the love and Good News of Jesus Christ, and then train, equip, and support those who desire to be disciples of Jesus Christ. This approach incapsulates the single program of International Students, Inc.

International Students, Inc. formed International Students International to conduct ministry in countries outside the United States.

International Students, Inc. is a nonprofit corporation, incorporated under the laws of the District of Columbia in 1953, and International Students International is a nonprofit corporation, incorporated under the laws of Colorado in 2004. Both organizations are exempt from federal income tax under Section 501(c)(3) and comparable state laws. However, both organizations are subject to federal income tax on any unrelated business taxable income. International Students, Inc. is classified as a church under Section 170(b)(1)(A)(i) of the Internal Revenue Code (IRC) of 1986, as amended. International Student International is classified as a publicly supported organization under Section 170(b)(1)(A)(vi) of the Code. Neither organization is classified as a private foundation under Section 509(a) of the Code.

INTERNATIONAL STUDENTS, INC. AND AFFILIATE

Notes to Consolidated Financial Statements

September 30, 2025 and 2024

1. NATURE OF ORGANIZATIONS, continued:

REPORTING ENTITY

These consolidated financial statements include the international and U.S. operations, which are conducted under the joint ministries agreement, and all contributions remitted to or from International Student Ministries Canada (ISMC) for specific projects and missionary support accounts. These consolidated statements do not include the assets, liabilities, net assets, revenues, and expenses of ISMC not held by or remitted to International Students, Inc. under the joint ministries agreement because ISMC is not controlled by International Students, Inc.

ISMC is incorporated under the laws of Canada as a nonprofit organization. It qualifies as a registered charity under the provisions of the Income Tax Act. International Students, Inc. and ISMC conduct their activities under a joint ministries agreement executed on August 25, 1997.

PRINCIPLES OF CONSOLIDATION

The consolidated financial statements include the consolidated financial resources and activities of International Students, Inc. and International Students International (collectively referred to as ISI). All material transactions and balances between these entities have been eliminated.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

ISI maintains its accounts and prepares its consolidated financial statements on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America. The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts and disclosures at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The significant accounting policies followed are described below to enhance the usefulness of the consolidated financial statements to the reader. Estimates that are particularly susceptible to significant change in near term are related to depreciation, valuation of contributed services, and allocation of expenses on a functional basis.

CASH AND CASH EQUIVALENTS

For purposes of the consolidated statements of cash flows, cash and cash equivalents are defined as actual currency, demand deposits, and highly liquid investments with original maturities of three months or less, except for money market accounts, which ISI includes within investments as part of its overall investments portfolio strategy and cash equivalents pending reinvestment in accordance with its investment strategy. As of September 30, 2025 and 2024, amounts in excess of the federally insured limit were approximately \$726,000 and \$580,000, respectively. ISI has not experienced any losses in such accounts, and it believes it is not exposed to any significant credit risk on cash and cash equivalents.

INTERNATIONAL STUDENTS, INC. AND AFFILIATE

Notes to Consolidated Financial Statements

September 30, 2025 and 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

INVESTMENTS

Investments in equity securities with readily determinable market values and all debt securities are reported at fair market value with gains and losses (including unrealized) included in the consolidated statements of activities unless otherwise noted. Investments received by gift are recorded at quoted market price upon donation and thereafter reported in accordance with the above provisions. Certificates of deposit that have a secondary market are held at fair value, and other certificates of deposit are carried at amortized cost, plus any accrued interest.

PROPERTY AND EQUIPMENT

Property and equipment are recorded at cost or, if donated, estimated fair value at the date of receipt. Items, or groups of items, in excess of \$2,500 are capitalized, with lesser amounts expensed in the year purchased. Depreciation is provided on the straight-line method over an estimated useful life of three to forty years, except for land which is not depreciated. Depreciation on construction in progress begins when the project is placed into service. Repairs and maintenance are expensed as incurred.

ANNUITY AGREEMENTS

ISI has established a gift annuity plan whereby donors may contribute assets to ISI in exchange for the right to receive a fixed dollar annual return during their lifetimes. This transaction provides for a portion of the transfer to be considered a charitable contribution for income tax purposes. The difference between the amount of the annuity and the liability for future payments, determined on an actuarial basis, is recognized as contribution income at the date of the gift. Upon the death of the annuitant (or the last joint annuitant), income distributions cease. The actuarial liability for annuities payable is evaluated annually and any surplus or deficiency is recognized as change in value of annuities in other income on the consolidated statements of activities.

CLASSES OF NET ASSETS

Net assets without donor restrictions include resources that are used to support current operations, including amounts invested in property and equipment. Included in this amount is \$200,000 of funds designated by the board as a reserve for building expenses.

Net assets with donor restrictions include donor-restricted contributions for specified exempt purposes. Support from donors for significant programs like field ministry staff and related ministry projects are included in net assets with donor restrictions.

INTERNATIONAL STUDENTS, INC. AND AFFILIATE

Notes to Consolidated Financial Statements

September 30, 2025 and 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

SUPPORT AND REVENUE

Field ministry, general fund, and other contributions are recorded when made, which may be when cash or other assets are received or unconditionally promised. Gifts of cash and other assets are reported as restricted support if they are received with donor stipulations that limit the use of the donated amounts. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is satisfied, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions. An assessment of approximately 15% is applied against restricted gifts for general overhead purposes. Bequests are recorded as income at the time ISI has an established right to the bequest and the proceeds are measurable. All contributions are considered available for unrestricted use unless specifically restricted by the donor.

ISI rents office space to various tenants. Rental income is recognized monthly as it is earned on a straight-line method over the course of the lease.

Other income consists of various amounts including registration fees for conferences and training. These amounts are recorded when earned and recognized at the point in time that the performance obligation is satisfied, which is when the event occurred. There were no material accounts receivable or performance contract obligations as of September 30, 2025, 2024, or 2023.

Contributed services and nonfinancial assets of \$50,017 and \$70,758 relate to volunteers who work with ISI's various Teaching English as a Second Language (TESL) programs and household goods donated to ISI to be distributed to international students for the years ended September 30, 2025 and 2024, respectively, as described in Note 8.

Expenses are recorded when incurred in accordance with the accrual basis of accounting.

FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing various program services and supporting activities have been summarized on a functional basis in the consolidated statements of activities and consolidated statements of functional expenses. Accordingly, certain costs, such as salaries and employee benefits, facilities, supplies, printing, postage, and depreciation, have been allocated among the program services and supporting activities benefited. Salaries and employee benefits have been allocated based on time and effort expended. Facilities are allocated based on square footage of space utilized. All other expenses are allocated based on the underlying nature of the expense.

INTERNATIONAL STUDENTS, INC. AND AFFILIATE

Notes to Consolidated Financial Statements

September 30, 2025 and 2024

3. LIQUIDITY AND FUNDS AVAILABLE:

The following table reflects ISI's financial assets as of September 30, 2025 and 2024 reduced by amounts not available for general expenditure within one year. Financial assets are considered unavailable when illiquid or not convertible to cash within one year, designated by the board, or restricted by donors for a non-general use that is not expected to be fulfilled within one year.

	September 30,	
	2025	2024
Financial assets:		
Cash and cash equivalents	\$ 1,931,789	\$ 2,455,946
Investments	7,160,589	6,264,046
Financial assets, at year-end	<u>9,092,378</u>	<u>8,719,992</u>
Less those unavailable for general expenditure within one year, due to:		
Board designated net assets unavailable for use within one year	(200,000)	(200,000)
Certificates of deposit with maturity beyond one year	<u>(1,798,265)</u>	<u>(1,888,663)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 7,094,113</u>	<u>\$ 6,631,329</u>

ISI has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. Management monitors cash flows through board meetings and detailed financial analysis. ISI also had a \$400,000 line of credit that it can draw upon in the event of an anticipated liquidity need. The line of credit expired in June 2025 and was not renewed. See Note 7 for further information regarding ISI's line of credit.

ISI has approximately \$6,450,000 and \$6,181,000 of donor-restricted net assets that are available for general expenditures within one year of September 30, 2025 and 2024, respectively, as the restrictions are expected to be met by conducting the normal activities of ISI in the coming year.

INTERNATIONAL STUDENTS, INC. AND AFFILIATE

Notes to Consolidated Financial Statements

September 30, 2025 and 2024

4. INVESTMENTS:

Investments consist of:

	September 30,	
	2025	2024
Annuity investments:		
Equity mutual funds	\$ 17,760	\$ 16,012
Exchange-traded funds	133,683	117,191
Money market funds	3,710	4,018
	<u>155,153</u>	<u>137,221</u>
Operating investments:		
Certificates of deposit	4,438,669	4,297,310
Money market funds	2,566,767	1,829,515
	<u>7,005,436</u>	<u>6,126,825</u>
	<u>\$ 7,160,589</u>	<u>\$ 6,264,046</u>

Operating investment income is as follows:

	Year Ended September 30,	
	2025	2024
Interest and dividends	\$ 348,560	\$ 353,546
Net realized and unrealized gains	33,390	79,060
	<u>\$ 381,950</u>	<u>\$ 432,606</u>

INTERNATIONAL STUDENTS, INC. AND AFFILIATE

Notes to Consolidated Financial Statements

September 30, 2025 and 2024

5. FAIR VALUE MEASUREMENTS:

ISI uses appropriate valuation techniques to determine fair value based on inputs available. When available, ISI measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 3 inputs are only used when Level 1 or Level 2 inputs are not available. ISI has some certificates of deposit that have a secondary market and are held at fair value (Level 2). Other certificates of deposit are held at amortized cost. The following tables presents the fair value measurements of assets recognized in the accompanying consolidated statements of financial position measured at fair value on a recurring basis and the level within the Fair Value Measurement Topic of the FASB Accounting Standard Codification (ASC) fair value hierarchy in which the fair value measurements fall at September 30, 2025 and 2024:

	Total as of September 30, 2025	Fair Value Measurement Using:		
		Level 1	Level 2	Level 3
Investments and assets held at fair value:				
Certificates of deposit	\$ 2,640,404	\$ -	\$ 2,640,404	\$ -
Equity mutual funds	17,760	17,760	-	-
Fixed income exchange-traded funds	133,683	133,683	-	-
	<u>2,791,847</u>	<u>\$ 151,443</u>	<u>\$ 2,640,404</u>	<u>\$ -</u>
Investments and assets held at other than fair value:				
Certificates of deposit	1,798,265			
Money market accounts	2,570,477			
	<u>4,368,742</u>			
Total investments	<u>\$ 7,160,589</u>			

INTERNATIONAL STUDENTS, INC. AND AFFILIATE

Notes to Consolidated Financial Statements

September 30, 2025 and 2024

5. FAIR VALUE MEASUREMENTS, continued:

	<u>Total as of September 30, 2024</u>	<u>Fair Value Measurement Using:</u>		
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments and assets held at fair value:				
Certificates of deposit	\$ 2,942,055	\$	\$ 2,942,055	\$ -
Equity mutual funds	16,012	16,012	-	-
Fixed income exchange-traded funds	117,191	117,191	-	-
	<u>3,075,258</u>	<u>\$ 133,203</u>	<u>\$ 2,942,055</u>	<u>\$ -</u>
Investments and assets held at other than fair value:				
Certificates of deposit	1,355,255			
Money market accounts	1,833,533			
	<u>3,188,788</u>			
Total investments	<u>\$ 6,264,046</u>			

Following is a description of the valuation methodologies used for instruments measured at fair value on a recurring basis and recognized in the accompanying consolidated statements of financial position, as well as the general classification of such instruments pursuant to the valuation hierarchy.

Level 1 Fair Value Measurements

The fair values of exchange-traded funds and mutual funds and equities are determined by reference to quoted market prices and other relevant information generated by market transactions.

Level 2 Fair Value Measurements

Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.

Level 3 Fair Value Measurements

Model-based techniques using significant assumptions that are not observable. These unobservable assumptions reflect estimates of assumptions that market participants would use.

INTERNATIONAL STUDENTS, INC. AND AFFILIATE

Notes to Consolidated Financial Statements

September 30, 2025 and 2024

6. PROPERTY AND EQUIPMENT–NET:

Property and equipment–net consists of:

	September 30,	
	2025	2024
Land	\$ 832,327	\$ 832,327
Building and building improvements	2,440,700	2,415,700
Equipment	42,713	42,713
Furniture and fixtures	124,383	124,383
	<u>3,440,123</u>	<u>3,415,123</u>
Accumulated depreciation	(690,090)	(624,579)
	<u>2,750,033</u>	<u>2,790,544</u>
Construction in progress	14,904	-
	<u>\$ 2,764,937</u>	<u>\$ 2,790,544</u>

7. LINE OF CREDIT:

ISI had an unsecured line of credit in the amount of \$400,000 with a financial institution which expired in June 2025 and was not renewed. The interest rate is a floating rate equal to the greater of the Prime Rate plus 3.0% or the Floor Rate of 5.0%. There were no draws on the line of credit during the years ended September 30, 2025 and 2024.

INTERNATIONAL STUDENTS, INC. AND AFFILIATE

Notes to Consolidated Financial Statements

September 30, 2025 and 2024

8. CONTRIBUTED SERVICES AND NONFINANCIAL ASSETS:

During the years ended September 30, 2025 and 2024, ISI recognized contributed services and nonfinancial assets as follows:

	<u>September 30,</u>	
	<u>2025</u>	<u>2024</u>
Contributed services	\$ 28,455	\$ 53,223
Household goods and other items	21,562	17,535
	<u>\$ 50,017</u>	<u>\$ 70,758</u>

Contributed services represent volunteers who work with ISI's various Teaching English as a Second Language (TESL) programs. ISI calculates the value of these contributed services using an estimated hourly rate based on an average of published TESL teacher rates in the United States. These amounts are reflected as contributed services revenue and program services expenses on the consolidated statements of activities, and the services are restricted for use in field ministries. ISI has additional volunteers who contribute a significant number of ministry hours each year. The services these volunteers contribute do not meet the criteria for recognition according to current technical standards and are therefore not included in these consolidated financial statements.

Household goods and other items are received with donor restrictions to be used in field ministries. The items are received by ISI and then given to international students to use. ISI estimates the fair value of the donated goods based on the value that would be received for selling similar products in the United States.

9. COMMITMENTS:

ISI has entered into various operating lease agreements with other organizations for leasing of ISI's office space. The expected monthly lease payments range from \$500 to \$5,000 and are based on current agreements. Any renewals will increase the projected numbers based on the new agreements. The future minimum rental income expected is:

<u>Year Ending September 30,</u>	
2026	\$ 157,100
2027	77,502
2028	68,069
2029	70,147
2030	58,318
	<u>\$ 431,136</u>

INTERNATIONAL STUDENTS, INC. AND AFFILIATE

Notes to Consolidated Financial Statements

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10. RETIREMENT PLAN:

ISI contributes a percentage of salary to a Section 403(b) salary reduction, tax-sheltered annuity plan for eligible, participating employees. ISI matches 5% of headquarter staff's eligible salaries, and up to 5% of field staff's eligible salaries. Total employer contributions for the years ended September 30, 2025 and 2024 were \$234,836 and \$221,973, respectively.

11. SUBSEQUENT EVENTS:

Management has evaluated subsequent events through the date that the consolidated financial statements were available to be issued, January 26, 2026, and determined there were no events that occurred that required disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these consolidated financial statements.