

REPORT OF INDEPENDENT AUDITORS AND
CONSOLIDATED FINANCIAL STATEMENTS FOR

VAPOR MINISTRIES

DECEMBER 31, 2025

VAPOR MINISTRIES
TABLE OF CONTENTS
DECEMBER 31, 2025

	<u>Pages</u>
INDEPENDENT AUDITOR'S REPORT	<i>i - ii</i>
CONSOLIDATED FINANCIAL STATEMENTS	
Consolidated Statement of Financial Position	1
Consolidated Statement of Activities	2
Consolidated Statement of Functional Expenses	3
Consolidated Statement of Cash Flows	4
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS	5 - 20
SUPPLEMENTARY INFORMATION	21
Combining Schedule of Financial Position	22
Combining Schedule of Activities	23

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Vapor Ministries
Sylacauga, Alabama

Opinion

We have audited the accompanying consolidated financial statements of Vapor Ministries (the Organization), which comprise the consolidated statements of financial position as of December 31, 2025, the related consolidated statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Vapor Ministries as of December 31, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization 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 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 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 the Organization's ability to continue as a going concern within one year after the date that the combined 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 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 combined 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 combined 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 the Organization'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 combined financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization'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 Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements of Vapor Ministries taken as a whole. The combining financial schedules of Vapor Ministries are presented for purposes of additional analysis and are not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and, in our opinion, is fairly stated in all material respects in relation to the consolidated financial statements taken as a whole.

Valenti, Rackley & Assoc., LLC

Valenti, Rackley & Associates, LLC
Certified Public Accountants

July 28, 2026

VAPOR MINISTRIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2025

ASSETS

Cash and cash equivalents:		
Unrestricted	\$	3,792,578
Restricted		<u>2,665,635</u>
Total cash and cash equivalents		6,458,213
Receivables		-
Prepaid expenses		317,317
Inventory		641,453
Investments:		
Unrestricted		2,040,054
Restricted		149,162
Leased assets		4,232,421
Property and equipment, net		<u>13,850,805</u>
 TOTAL ASSETS	 \$	 <u><u>27,689,425</u></u>

LIABILITIES AND NET ASSETS

Liabilities		
Accounts payable and accrued expenses	\$	952,436
Lease liabilities		<u>4,232,421</u>
 Total liabilities		 <u>5,184,857</u>
Net Assets		
Without donor restrictions		19,872,671
With donor restrictions		<u>2,631,897</u>
 Total net assets		 <u>22,504,568</u>
 TOTAL LIABILITIES AND NET ASSETS	 \$	 <u><u>27,689,425</u></u>

See accompanying notes to the financial statements.

VAPOR MINISTRIES
CONSOLIDATED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2025

	Net Assets		
	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS, AND OTHER SUPPORT			
Contributions:			
Cash	\$ 3,684,161	\$ 7,954,541	\$ 11,638,702
In-kind:			
Thrift store	6,806,130	-	6,806,130
Other	31,853	-	31,853
Sales	6,703,841	-	6,703,841
Cost of goods sold	(6,607,355)	-	(6,607,355)
Investment income	610,153	-	610,153
Other income	717,853	-	717,853
Gain on asset disposal	3,200	-	3,200
Net assets released from restrictions	7,844,134	(7,844,134)	-
TOTAL REVENUES AND OTHER SUPPORT	19,793,970	110,407	19,904,377
EXPENSES AND LOSSES			
Functional expenses:			
Program:			
Sustainable centers	3,985,256	-	3,985,256
Thrift store	6,033,412	-	6,033,412
Supporting services:			
Management and general	1,923,123	-	1,923,123
Fundraising	739,568	-	739,568
TOTAL EXPENSES	12,681,359	-	12,681,359
CHANGE IN NET ASSETS	7,112,611	110,407	7,223,018
NET ASSETS, BEGINNING OF YEAR	12,760,060	2,521,490	15,281,550
NET ASSETS, END OF YEAR	\$ 19,872,671	\$ 2,631,897	\$ 22,504,568

VAPOR MINISTRIES
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2025

	Program					Supporting Services			Total Expenses
	Sustainable Centers			Thrift		Management and General		Total	
	Africa	Haiti	Subtotal	Store	Total	Fundraising			
Personnel expenses									
Staff salaries	\$ 570,076	\$ 350,306	\$ 920,382	\$ 3,027,586	\$ 3,947,968	\$ 786,968	\$ 202,500	\$ 989,468	\$ 4,937,436
Payroll taxes	126,085	61,821	187,906	217,337	405,243	83,490	15,491	98,981	504,224
Other employee benefits	155,171	64,205	219,376	293,702	513,078	156,430	30,070	186,500	699,578
Total personnel expense	851,332	476,332	1,327,664	3,538,625	4,866,289	1,026,888	248,061	1,274,949	6,141,238
Other expenses									
Professional/other fees	110,483	54,598	165,081	225,937	391,018	150,489	11,040	161,529	552,547
Advertising/promotion	10,920	10,920	21,840	30,342	52,182	9,545	6,877	16,422	68,604
Office expenses	146,837	168,264	315,101	129,812	444,913	121,161	388	121,549	566,462
Occupancy	112,508	43,000	155,508	992,403	1,147,911	15,020	-	15,020	1,162,931
Travel	220,680	85,992	306,672	21,903	328,575	30,185	126,107	156,292	484,867
Conferences, conventions and meetings	-	-	-				-	-	
	54,704	48,046	102,750	13,109	115,859	170,514	327,681	498,195	614,054
Depreciation expense	184,095	145,214	329,309	265,899	595,208	120,387	-	120,387	715,595
Insurance	19,427	17,434	36,861	82,186	119,047	52,302	-	52,302	171,349
Supplies	243,670	158,293	401,963	114,601	516,564	40,232	17,868	58,100	574,664
Sales tax	13,033	12,744	25,777	451,151	476,928	562	-	562	477,490
Dues and subscriptions	53,879	41,537	95,416	62,592	158,008	112,730	1,546	114,276	272,284
Training	83,656	52,008	135,664	47,309	182,973	16,936	-	16,936	199,909
Other expenses	51,054	87,828	138,882	57,543	196,425	56,172	-	56,172	252,597
Grants/other assistance	248,621	178,147	426,768	-	426,768	-	-	-	426,768
Total other expenses	1,553,567	1,104,025	2,657,592	2,494,787	5,152,379	896,235	491,507	1,387,742	6,540,121
Total functional expenses	\$ 2,404,899	\$ 1,580,357	\$ 3,985,256	\$ 6,033,412	\$ 10,018,668	\$ 1,923,123	\$ 739,568	\$ 2,662,691	\$ 12,681,359

See accompanying notes to the financial statements.

VAPOR MINISTRIES
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2025

CASH FLOWS FROM OPERATING ACTIVITIES

Cash received from contributions and thrift store sales	\$ 19,065,219
Payments to employees (or for their benefit) for services provided	(6,141,238)
Payments to vendors	<u>(5,485,567)</u>
Net cash provided by (used in) operating activities	<u>7,438,414</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of investments	(415,320)
Gain on sale of investments	3,200
Purchase of fixed assets	<u>(6,188,435)</u>
Net cash provided by (used in) investing activities	<u>(6,600,555)</u>

NET CHANGE IN CASH 837,859

CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR 5,620,354

CASH AND CASH EQUIVALENTS, END OF YEAR \$ 6,458,213

Non cash: Inkind contributions of \$6,837,983 were received and the corresponding expense is recorded as \$6,806,130 cost of goods sold and \$31,853 office expense.

See accompanying notes to the financial statements.

VAPOR MINISTRIES
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

NOTE 1 – DESCRIPTION OF THE ORGANIZATION

The mission of Vapor Ministries is to establish sustainable centers for alleviating poverty and multiplying Christian disciples in third-world environments. Centers for humanitarian aid and disciple-making are in Nairobi, Kenya: N’gong, Kenya; Togoville, Togo; Sokome, Togo; Dilaire, Haiti; Ferrier, Haiti; and Ouanaminthe, Haiti. At these centers, Vapor Ministries provides sustainable employment, provision of clean water, critical care humanitarian aid grants, and education stipends, while also providing impoverished children with free-of-charge sports memberships in discipleship sports leagues and operating various micro-businesses.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

Vapor Ministries consists of five separate legal entities organized in the United States of America: (1) Vapor Ministries, Inc., (2) Vapor Thrift Store, LLC, (3) Vapor Books, LLC, (4) Agano Development, LLC and (5) Vapor Sports Ministries, Inc. These financial statements present the financial position and activities of these entities on a consolidated basis.

The consolidated entities are related as follows:

- Vapor Ministries, Inc. is the sole owner of Vapor Thrift Store, LLC, Vapor Books, LLC, and Agano Development, LLC
- Vapor Ministries, Inc. appoints the directors of Vapor Sports Ministries, Inc.

FASB ASC 958-810-25-3 requires consolidation treatment when certain relationships exist. In this case, consolidation is required based on majority ownership of Vapor Thrift Store, LLC, Vapor Books, LLC, and Agano Development, LLC by Vapor Ministries, Inc. and the ability of Vapor Ministries, Inc. to appoint majority voting interest in the board of directors of Vapor Sports Ministries, Inc., coupled with its economic interest therein.

Additional information regarding the five entities is provided below:

- *Vapor Ministries, Inc.* The entity solicits contributions and makes grants to Vapor Sports Ministries, Inc. to fund the entity’s programs. Major sources of revenue are contributions and funding received from Vapor Thrift Store, LLC.
- *Vapor Thrift Store, LLC.* The entity, through the sale of donated, second-hand merchandise, generates resources to fund the program activities of Vapor Ministries, Inc., and, indirectly, Vapor Sports Ministries, Inc.
- *Vapor Books, LLC.* The entity is an Alabama limited liability company organized as of July 30, 2021, under the LLC Law to publish and distribute a book on the life story of the founder of Vapor Ministries and its global mission of serving those experiencing extreme poverty around the world, and to produce documentary films and other media on the global mission and activities of Vapor Ministries.

VAPOR MINISTRIES
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- *Agano Development, LLC*. The entity is an Alabama limited liability company organized as of March 13, 2025, under the LLC Law to hold land and build a future thrift store.
- *Vapor Sports Ministries, Inc.* The entity builds and operates centers for humanitarian aid and disciple-making. Funding is provided by grants from Vapor Ministries, Inc.

The headquarters for the four entities is located at 338 Talladega Springs Rd., Sylacauga, Alabama.

The financial statements of Vapor Ministries have been prepared in accordance with U.S. generally accepted accounting principles ("US GAAP"), which require Vapor Ministries to report information regarding its financial position and activities according to the following net assets classifications:

- *Net assets without donor restrictions*. Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of Vapor Ministries' management and the board of directors.
- *Net assets with donor restrictions*. Net assets subject to stipulations imposed by donors. Some donor restrictions are temporary in nature; these restrictions will be met by actions of Vapor Ministries or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

Measure of Operations

The statement of activities reports all changes in net assets, including changes in net assets from operating and nonoperating activities. Operating activities consist of those items attributable to Vapor Ministries' ongoing humanitarian aid and disciple-making activities and interest and dividends earned on investments. Nonoperating activities are limited to resources that generate return from investments and other activities considered to be of a more unusual or nonrecurring nature.

Cash and Cash Equivalents

Vapor Ministries' cash consists of cash on deposit with banks and small amounts of petty cash. Cash equivalents, if any, represent money market funds or short-term investments with original maturities of three months or less from the date of purchase, except for those amounts that are held in an investment portfolio which are invested for long-term purposes.

VAPOR MINISTRIES
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Concentrations of Credit Risk

Financial instruments that potentially subject Vapor Ministries to concentrations of credit risk consist primarily of cash and cash equivalents. Vapor Ministries maintains its cash and cash equivalents in various bank accounts that, at times, may exceed federally insured limits. Vapor Ministries' cash and cash equivalents have been placed with high credit quality financial institutions. Vapor Ministries has not experienced, nor does it anticipate, any losses with respect to such accounts.

Investments

Investments are reported at cost, if purchased, or at fair value, if donated. Thereafter, investments are reported at their fair value in the statements of financial position, and changes in fair value are reported as investment return in the statements of activities.

Purchases and sales of securities are reflected on a trade-date basis. Gains and losses on sales of securities are based on average cost and are recorded in the statements of activities in the period in which the securities are sold. Interest is recorded when earned. Dividends are accrued as of the ex-dividend date.

Fair value Measurement

Fair value is defined as the price that would be received to sell an asset in the principal or most advantageous market for the asset in an orderly transaction between market participants on the measurement date. Fair value should be based on the assumptions market participants would use when pricing an asset. US GAAP establishes a fair value hierarchy that prioritizes investments based on those assumptions. The fair value hierarchy gives the highest priority to quoted prices in active markets (observable inputs) and the lowest priority to an entity's assumptions (unobservable inputs). Vapor Ministries groups assets at fair value in three levels, based on the markets in which the asset and liabilities are traded, and the reliability of the assumptions used to determine fair market value. These levels are:

Level 1 Unadjusted quoted market prices for identical assets or liabilities in active markets as of the measurement date.

Level 2 Other observable inputs, either directly or indirectly, including:

- Quoted prices for similar assets/liabilities in active markets;
- Quoted prices for identical or similar assets in non-active markets;
- Inputs other than quoted prices that are observable for the asset/liability; and
- Inputs that are derived principally from or corroborated by other observable market data.

Level 3 Unobservable inputs that cannot be corroborated by observable market data.

VAPOR MINISTRIES
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributions Receivable

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Discount amortization is included in contribution revenue. Conditional promises to give are not included in support until the conditions are met.

Other Receivables

Other receivables are recorded at the amount due Vapor Ministries. Discounts are not applied, and no interest is accrued.

Vapor Ministries uses an allowance method to determine uncollectible receivables. No allowance has been recorded based on management's assessment of collectability.

Revenue Recognition

Vapor Ministries recognizes revenue in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers*, as amended. ASU 2014-09 applies to exchange transactions with customers that are bound by contracts or similar arrangements and establishes a performance obligation approach to revenue recognition. Vapor Ministries records the following exchange transaction revenue in its consolidated and combining statements of activities and changes in net assets for the year ending December 31, 2025:

Thrift Store sales and other sales of inventory. Vapor Ministries operates four thrift stores, which sell donated merchandise on a retail basis to customers. Vapor Ministries also sells promotional inventory to customers at their headquarters and sells copies of a book that the Organization has published. The performance obligation is the delivery of the goods to the customer. The transaction price is established by management. As each item is individually priced, no allocation of the transaction price is necessary. Vapor Ministries recognizes revenue as the customer pays and takes possession of the merchandise. At the thrift store, only electronic merchandise is sold with the right of return and returns are only allowed within a 48-hour period after the sale. Since refunds are not significant, no liability for probable customer returns is necessary.

Inventory

Thrift store inventory consists of donated merchandise held for sale at the thrift store. Since counting and valuing inventory on hand is impractical, Vapor Ministries estimates and records inventory at December 31st based on average monthly sales during January, February and March of the subsequent year. Other inventory, such as promotional items held at the main office, is valued at cost.

VAPOR MINISTRIES
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Intra-Entity Balances and Transactions Eliminations

Intra-entity eliminations of balances and transactions have been made in consolidating the entities to keep from overstating assets, liabilities, revenues and expenses. These eliminating adjustments are reported on the Combining Schedule of Financial Position and Combining Schedule of Activities in the supplementary information section of the financial statements.

Property and Equipment

Property and equipment are stated at cost at the date of purchase or, for donated assets, at fair market value at the date of the donation, less accumulated depreciation. Depreciation is calculated using the straight-line method over the lesser of estimated useful lives of the assets or the lease term. The useful lives range from three to twenty-seven- and one-half years. Vapor Ministries' policy is to capitalize renewals and betterments acquired for greater than \$5,000 and expense normal repairs and maintenance as incurred. Vapor Ministries' management periodically evaluates whether events or circumstances have occurred indicating that the carrying amount of long-lived assets may not be recoverable.

Prepaid Expenses and Deferred Revenue

Payments made to vendors that will benefit subsequent periods are recorded as prepaid items. Amounts received that will benefit subsequent periods are recorded as deferred revenue.

Contributions

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Donor restricted contributions are reported as an increase in net assets with donor restrictions. 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 as net assets released from restrictions.

Contributed property and equipment are recorded at fair value at the date of donation. Contributions with donor-imposed stipulations regarding how long the contributed assets must be used are recorded as net assets with donor restrictions; otherwise, the contributions are recorded as net assets without donor restrictions.

In-kind Donations

Thrift store merchandise, which consists of donated clothing, household goods, furniture, home improvement items, and various other items, is held for sale at the thrift stores. Contribution revenue is recorded for the value of merchandise donated. Donated merchandise value is based on the amount at which the merchandise is sold. The cost of merchandise sold is, therefore, equal to sales revenue.

In-kind donations, other than thrift store donations, are valued at fair market value as of the date of receipt.

VAPOR MINISTRIES
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Vapor Ministries receives volunteer services in furtherance of Vapor Ministries' mission. These services are not reflected in the accompanying statement of activities because they do not meet the necessary criteria for recognition under US GAAP.

Functional Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities. Functional expenses are specifically allocated to the various programs and supporting services whenever practical and, when this is impractical, allocations are made based on time spent on the program or service or the best estimate of management.

Each quarter management allocates staff salary and the associated overhead expenses to programs based on quarterly interviews with each staff person working at the headquarters (Sylacauga office). These interviews are used to determine estimates of where that individual spent his or her time. All activities carried out by the employees at the Sylacauga office which can be directly linked to Vapor Ministries' programs are classified as program expenses. Activities specifically and directly linked to fundraising are recorded as fundraising expenses. Management uses a weighted average of the general-to-program allocation (with the weighting based on total compensation) to allocate the headquarters office overhead expenses.

Use of Estimates

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect certain amounts and disclosures. Actual results could differ from those estimates.

Income Taxes

The entities that make up Vapor Ministries are exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code, however the organizations are not exempt from tax imposed upon unrelated business activity income. The entities currently have no unrelated business activity income, and accordingly, no provision for income taxes has been recorded. Vapor Ministries does not believe there are any material uncertain tax positions. The entities are no longer subject to U.S. federal income tax examination by tax authorities for years before 2023.

Vapor Thrift Store, LLC, Vapor Books, LLC, and Agano Development, LLC are single-member limited liability companies, disregarded entities for tax purposes and are consolidated with Vapor Ministries, Inc. for Form 990 filing. A separate Form 990 is filed for Vapor Sports Ministries, Inc.

Under U.S. Internal Revenue Service regulations, Vapor Thrift Store, LLC, Vapor Books, LLC, and Agano Development, LLC, as disregarded entities, falls under the IRC section 501(c)(3) tax exemption of Vapor Ministries, Inc.

VAPOR MINISTRIES
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases

Vapor Ministries is a lessee in multiple noncancelable operating leases. If the contract provides Vapor Ministries with the right to substantially all the economic benefits and the right to direct the use of the identified asset, it is considered to be or contain a lease. Right-of-use (ROU) assets and lease liabilities are recognized at the lease commencement date based on the present value of the future lease payments over the expected lease term. ROU assets are also adjusted for any lease prepayments made, lease incentives received, and initial direct costs incurred.

Lease liabilities are initially and subsequently recognized based on the present value of their future lease payments. Variable payments are included in the future lease payments when those variable payments depend on an index or a rate. Increases (decreases) to variable lease payments due to subsequent changes in an index or rate are recorded as variable lease expense (income) in the future period in which they are incurred.

ROU assets for operating leases are subsequently measured throughout the lease term at the amount of the remeasured lease liability (i.e., present value of the remaining lease payments), plus unamortized initial direct costs, plus (minus) any prepaid (accrued) lease payments, less the unamortized balance of lease incentives received, and any impairment recognized.

ROU assets for finance leases are amortized on a straight-line basis over the lease term. Operating leases with fluctuating lease payments: For operating leases with lease payments that fluctuate over the lease term, the total lease costs are recognized on a straight-line basis over the lease term.

Vapor Ministries has elected the short-term lease exemption for all leases with a term of 12 months or less for both existing and ongoing operating leases to not recognize the asset and liability for these leases. Lease payments for short-term leases are recognized on straight-line basis.

Vapor Ministries has elected to use the practical expedient to not separate lease and non-lease components for real estate.

Vapor Ministries has elected the option to use the risk-free rate determined using a period comparable to the lease terms as the discount rate for leases where the implicit rate is not readily determinable. The risk-free rate option has been applied to the real estate class of assets.

Right-of-use assets and liabilities as of December 31, 2025 are presented as separate line items on the Vapor Ministries' consolidated statements of financial position.

VAPOR MINISTRIES
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

NOTE 3 – AVAILABILITY AND LIQUIDITY

The following represents Vapor Ministries' financial assets on December 31, 2025:

Financial assets at year end:	
Cash and cash equivalents	\$ 6,458,213
Accounts receivable	-
Investments	149,162
Other asset	2,040,054
Total financial assets	<u>8,647,429</u>
Less amounts not available to be used within one year:	
Net assets with donor restrictions	2,631,897
Cash held for payment of deferred compensation	33,738
Investments held for payment of deferred compensation	149,162
Investments in a limited liability company	69,719
Less net assets with purpose restrictions to be met in less than one year	<u>(2,511,941)</u>
	<u>372,575</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 8,274,854</u>

Vapor Ministries strives to maintain the appropriate levels of financial assets to achieve the dual purposes of: (1) ensuring long-term financial integrity and stability, with conservative cash reserve limits for unforeseen circumstances, and (2) ensuring maximum impact of contributed funds, by releasing the correct amounts to pending projects.

Vapor Ministries' goal is to generally maintain financial assets to meet 90 days of operating expenses.

NOTE 4 – RESTRICTED CASH

Restricted cash consists of \$33,738 held in a brokerage account for use in providing deferred compensation benefits to an employee and \$2,631,897 held for payment of net assets with donor restrictions for a total of \$2,665,635. Also see Note 7.

NOTE 4 – INVENTORY

The value of the thrift store inventory on December 31, 2025 was \$641,453.

NOTE 6 - RECEIVABLES

Receivables consist of trade receivable of \$0.

VAPOR MINISTRIES
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

NOTE 7 – INVESTMENTS

Unrestricted investments include a limited partnership interest in Trivela Pathway, LP, with a total capital account balance of \$69,719 as of December 31, 2025. This investment was funded through a combination of a reinvested distribution from Pineridge Sports, LLC and subsequent capital contributions.

In accordance with ASC 820, the investment in Trivela Pathway, LP is classified within the Level 3 category of the fair value hierarchy due to the absence of observable market inputs and the illiquid nature of the underlying investment.

Remaining unrestricted investments consist of investments in the amount of \$1,970,335, which are classified as Level 1 investments in the fair value hierarchy.

Total unrestricted investments are \$2,040,054.

Restricted investments consist of investments set aside by management for use in providing deferred compensation benefits to an employee in the amount of \$149,162. In the fair value hierarchy, the investment is a Level 1 investment.

VAPOR MINISTRIES
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

NOTE 8 – PROPERTY AND EQUIPMENT, NET

Changes in property and equipment, net for the year were as follows:

	Beginning Balance	Additions	Disposals/ Transfers	Ending Balance
Land	\$ 227,369	\$ 913,919	\$ -	\$ 1,141,288
Construction in progress	1,035,560	1,192,545	(1,117,229)	1,110,876
Buildings	4,506,262	2,093,096	-	6,599,358
Land and building improvements	1,033,640	224,054	-	1,257,694
Leasehold improvements	3,740,579	2,703,532	-	6,444,111
Other assets	1,354,364	178,522	-	1,532,886
Total property and equipment	<u>11,897,774</u>	<u>7,305,668</u>	<u>(1,117,229)</u>	<u>18,086,213</u>
Accumulated depreciation for:				
Buildings	(905,762)	(196,640)	-	(1,102,402)
Land and building improvements	(610,640)	(68,911)	-	(679,551)
Leasehold improvements	(1,311,358)	(257,642)	-	(1,569,000)
Other assets	(692,053)	(192,402)	-	(884,455)
Total accumulated depreciation	<u>(3,519,813)</u>	<u>(715,595)</u>	<u>-</u>	<u>(4,235,408)</u>
Total property and equipment, net	<u>\$8,377,961</u>	<u>\$ 6,590,073</u>	<u>\$(1,117,229)</u>	<u>\$ 13,850,805</u>

Depreciation expense for the year was \$715,595.

VAPOR MINISTRIES
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

NOTE 9 – NET ASSETS WITH DONOR RESTRICTIONS AND NET ASSETS RELEASED FROM RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes:

Subject to Expenditure for Specified Purpose	Beginning Balance	Increases	Released from Restrictions	Reclassification	Ending Balance
Trips	\$ 6,572	\$ 197,234	\$ (181,639)	\$ -	\$ 22,167
Hasmin's Friends	50,000	325,064	(298,843)	-	76,221
Events	5,000	296,303	(301,303)	-	-
Thrift Capital Fund	2,159,710	3,941,950	(4,719,184)	-	1,382,476
Activities	-	-	-	-	-
Africa	137,120	2,877,819	(1,850,644)	(180,000)	984,295
Haiti	163,088	149,200	(145,550)	-	166,738
Other specified purposes	-	1,100	(181,100)	180,000	-
Total	\$ 2,521,490	\$ 7,788,670	\$ (7,678,263)	\$ -	\$ 2,631,897

The above net assets released from restriction were released upon satisfaction of their purpose restriction.

NOTE 10 –SALES INCOME, COST OF GOODS SOLD AND IN-KIND CONTRIBUTIONS

Sales, cost of goods sold, and in-kind contributions are as follows:

Sales income:

Retail sales	
Thrift store	\$ 6,606,845
Other	820
Bulk sales - thrift store	-
Other sales	96,176
Total sales	<u>\$ 6,703,841</u>

Cost of goods sold - thrift store:

Beginning inventory	\$ 442,168
Purchases	510
in-kind contributions	6,806,130
Cost of goods available for sale	7,248,808
Ending inventory	(641,453)
Cost of goods sold	<u>\$ 6,607,355</u>

VAPOR MINISTRIES
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

NOTE 11 – INTRA-ENTITY TRANSACTIONS AND BALANCES AND ELIMINATIONS IN CONSOLIDATION

Intra-entity transactions:

During the year ended December 31, 2025, the following cash transfers were made between the consolidated entities:

- Vapor Ministries, Inc. transferred \$1,442,254 (net) to Vapor Thrift Stores, LLC to support the entity's programs.
- Vapor Ministries, Inc. transferred \$4,134,795 to Vapor Sports Ministries, Inc. to fund programs.

Intra-entity balances:

At December 31, 2025:

- Vapor Thrift Stores, LLC had a payable to Vapor Ministries, Inc. in the amount of \$268,021 and Vapor Ministries, Inc. had a corresponding receivable from Vapor Thrift Stores, LLC in the amount of \$268,021.
- Vapor Books, LLC had a payable to Vapor Ministries, Inc. in the amount of \$40,462 and Vapor Ministries, Inc. had a corresponding receivable from Vapor Books, LLC in the amount of \$40,462.
- Agano Development, LLC had a payable to Vapor Ministries, Inc. in the amount of \$248,178 and Vapor Ministries, Inc. had a corresponding receivable from Agano Development, LLC in the amount of \$248,178.
- Vapor Ministries, Inc. had a prepaid amount of \$238,153 for amounts paid to Vapor Sports Ministries in 2025 for use in January 2026. Vapor Sports Ministry had a deferred revenue of \$238,153 for amounts received in 2025 for use in January 2026.

The revenues, expenses and balances represented by the above have been eliminated in preparing these consolidated financial statements.

NOTE 12 – LEASES

Vapor Ministries leases certain real estate at various terms under long-term non-cancelable operating lease agreements. The leases expire at various dates through 2039 and provide for renewal options ranging from three years to fifteen years. Vapor Ministries includes in the determination of the right-of-use assets and lease liabilities any renewal options when the options are reasonably certain to be exercised. Vapor Ministries' operating leases provide for increases in future minimum annual rental payments. Additionally, some of the operating lease agreements require Vapor Ministries to pay real estate taxes and insurance.

The weighted-average discount rate is based on the discount rate implicit in the lease. Vapor Ministries has elected the option to use the risk-free rate determined using a period comparable to the lease terms as the discount rate for leases where the implicit rate is not readily determinable. We have applied the risk-free rate option to the real estate class of assets.

VAPOR MINISTRIES
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

NOTE 12 – LEASES AND OTHER AGREEMENTS (CONTINUED)

Operating Leases - Thrift stores

Greystone. Vapor Thrift Stores, LLC entered into a 10-year agreement to lease commercial property, located at 5443 Highway 280, Birmingham, Alabama, for use as a retail store. In 2024, the lease was extended another 3 years ending December 31, 2032. The initial lease liability was amended to include the extended period and was recorded in the amount of \$2,034,938. As of December 31, 2025, the value of the lease liability was \$1,216,586. Vapor Ministries is required to make monthly principal and interest payments that gradually increase over the lease period. The risk-free rate used as the discount is .89%. The building has a useful life of 13 years and the value of the right-to-use asset as of December 31, 2025, was \$1,216,586 net of accumulated amortization of \$818,352.

Vestavia. Vapor Thrift Stores, LLC entered into a 5-year agreement (with an additional 5-year renewal option) to lease commercial property, located at 1069 Montgomery Highway, Birmingham, Alabama for use as a retail store and a central processing center. The initial lease liability was recorded in the amount of \$1,929,276. As of December 31, 2025, the value of the lease liability was \$557,894. Vapor Ministries is required to make monthly principal and interest payments that escalate at the rate of the greater of (a) the percentage increase in the Consumer Price Index from March of the previous year to March of the then current year, or (b) 2% each year over the lease period. The 2% increase is used in the calculation of the right-of-use asset and the lease liability. The risk-free rate used as the discount is 2.91%. The building has a useful life of 10 years and the value of the right-to-use asset as of December 31, 2025 was \$557,894 net of accumulated amortization of \$1,371,382.

Westover. Vapor Thrift Stores, LLC entered into a 3-year lease ending July 2026 to lease commercial property, located at 11271 US Hwy 280, Sterrett, AL 35147 for use as a retail store and a central processing center. The initial lease liability was recorded in the amount of \$201,643. As of December 31, 2025, the value of the lease liability was \$41,087. Vapor Ministries is required to make monthly principal and interest payments that gradually increase over the lease period. The risk-free rate used as the discount is 4.10%. The building has a useful life of 3 years and the value of the right-to-use asset as of December 31, 2025 was \$41,087 net of accumulated amortization of \$160,556.

CPC Warehouse. Vapor Thrift Stores, LLC entered into a 5-year lease ending August 2029 to lease warehouse property, located at 224, 226 Distribution Drive, Homewood AL for use as a central processing center beginning September 1, 2024. The initial lease liability was recorded in the amount of \$263,205. As of December 31, 2025, the value of the lease liability was \$203,109. Vapor Ministries is required to make monthly principal and interest payments that gradually increase over the lease period. The risk-free rate used as the discount is 5.0%. The building has a useful life of 5 years and the value of the right-to-use asset as of December 31, 2025 was \$203,109 net of accumulated amortization of \$60,096.

VAPOR MINISTRIES
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

NOTE 12 – LEASES AND OTHER AGREEMENTS (CONTINUED)

Pell City. Vapor Thrift Stores, LLC entered into a 10-year lease ending September 2035 to lease warehouse property, located in Pell City, AL for use as a thrift store beginning October 1, 2025. The initial lease liability was recorded in the amount of \$1,556,818. As of December 31, 2025, the value of the lease liability was \$1,523,151. Vapor Ministries is required to make monthly principal and interest payments that gradually increase over the lease period. The risk-free rate used as the discount is 5.0%. The building has a useful life of 10 years and the value of the right-to-use asset as of December 31, 2025 was \$1,523,151 net of accumulated amortization of \$33,668.

Operating Lease - Foreign Operations

Gichagi Center, Nairobi, Kenya. Vapor Ministries entered into an agreement with Africa Inland Church Registered Trustees, Nairobi, Kenya, to rent land and sports facilities beginning October 1, 2016. The lease agreement expired October 1, 2024, upon which date it was automatically renewed for an additional period of fifteen years through October 1, 2039. The lease is Kshs. 150,000 per month (approximately US \$1,500), payable quarterly in advance. The initial lease liability was recorded in the amount of \$433,879. As of December 31, 2025, the value of the lease liability was \$315,354. Vapor Ministries is required to make monthly principal and interest payments which escalate 5% each year two years over the lease period. The risk-free rate used as the discount is 1.84%. The building has a useful life of 22 years and the value of the right-to-use asset as of December 31, 2025 was \$315,354 net of accumulated amortization of \$118,525. The book value of leasehold improvements made to this property was \$42,244 as of December 31, 2025.

Kawangware Center, Nairobi, Kenya. Vapor Ministries entered into a mutual agreement with World Hope for use of land and facilities owned by World Hope. The agreement expired on May 13, 2019. A new agreement was entered into on April 1, 2024. The lease term is five years with automatic renewal unless terminated with six month notice by either party, with an expected intent of 15 years of occupancy via three 5-year terms. Monthly rent is \$2,000 for the first 5-year term, increasing by \$500 monthly for each of the next two 5-year terms. The initial lease liability was recorded in the amount of \$307,004. As of December 31, 2025, the value of the lease liability was \$289,829. The risk-free rate used as the discount is 5%. The building had a useful life of 15 years, and the value of the right-to-use asset as of December 31, 2025 was \$289,829, net of accumulated amortization of \$17,175. The book value of leasehold improvements made to this property was \$268,760 as of December 31, 2025.

Kawangware Fitness Center, Nairobi, Kenya. Vapor Ministries entered into a lease agreement for a fitness center located in Lavington, Nairobi, Kenya. The lease commenced on May 1, 2025 and expires on July 31, 2030. Monthly rent under the agreement begins at KSh 220,000 per month and increases annually over the lease term. Rent is payable annually in advance. The final lease period is for three months, from May 1, 2030 through July 30, 2030. The Organization recognized a right-to-use asset and corresponding operating lease liability of approximately \$105,819 at lease commencement. The lease liability was calculated using a discount rate of 5% and the contractual lease payments translated into U.S. dollars using the exchange rate in effect at the commencement date. At December 31, 2025, the operating lease liability was approximately \$85,663, and the related right-to-use asset was approximately \$85,663, net of accumulated amortization of \$20,156.

VAPOR MINISTRIES
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

NOTE 12 – LEASES AND OTHER AGREEMENTS (CONTINUED)

Other Agreements – Foreign Operations

Ouanaminthe, Haiti. On July 15, 2012, Vapor Ministries entered into an agreement with the City of Ouanaminthe, Haiti to make specified improvements to the stadium in exchange for the right to manage and have access to a stadium for Vapor Football Leagues and discipleship for the initial period beginning July 15, 2012 through July 15, 2019 (7 years). The agreement includes three successive options for renewal of the agreement, each for an additional seven years, of which the first of the three 7-year options has been exercised. At the expiration of this agreement, including any renewals, Vapor Ministries shall have no further interest in the stadium and shall surrender the stadium in its existing condition. The Agreement may be extended beyond the terms listed above by amendment by the parties. The book value of leasehold improvements made to this property was \$69,878 as of December 31, 2025.

For years subsequent to 2025, the present value of future minimum lease payments under the lease agreements are as follows:

<u>Year Ended 12/31</u>	<u>Thrift Stores</u>	<u>Foreign Operations</u>	<u>Total</u>
2026	\$ 680,606	\$ 63,383	\$ 743,989
2027	652,558	69,195	721,753
2028	546,396	70,595	616,991
2029	416,386	77,120	493,506
2030	381,876	60,855	442,731
2031-2035	1,361,009	292,919	1,653,928
2036-2040	-	227,372	227,372
Total payments	\$ 4,038,831	\$ 861,439	\$ 4,900,270
Less amount representing interest expense	<u>(497,005)</u>	<u>(170,844)</u>	<u>(667,849)</u>
Present value of future lease payments	<u>\$ 3,541,826</u>	<u>\$ 690,595</u>	<u>\$ 4,232,421</u>

VAPOR MINISTRIES
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

NOTE 13 – CONCENTRATIONS OF OPERATIONS OUTSIDE THE UNITED STATES OF AMERICA

The carrying amounts of net assets located outside the United States of America as of December 31, 2025 are as follows:

Location	Cash	Property and Equipment, net	Total Net Assets
Kenya	\$ 52,803	\$ 965,895	\$1,018,698
Togo	171,371	1,610,901	1,782,272
Haiti	154,410	2,355,266	2,509,676
Total foreign net assets	<u>\$ 378,584</u>	<u>\$ 4,932,062</u>	<u>\$5,310,646</u>

NOTE 14 – ADVERTISING AND PROMOTION

Vapor Ministries generally expenses the cost of advertising and promotion as incurred. Advertising costs incurred for larger projects are not expensed until the initial advertising takes place. For the year ended December 31, 2025, advertising and promotion costs of \$68,604 have been expensed.

NOTE 15 – SUBSEQUENT EVENTS

Vapor Ministries has evaluated and considered the need to recognize or disclose subsequent events through July 28, 2026, which represents the date that these financial statements were available to be issued. Subsequent events past this date, as they pertain to the year ended December 31, 2025, have not been evaluated by Vapor Ministries.

SUPPLEMENTARY INFORMATION

VAPOR MINISTRIES
COMBINING SCHEDULE OF FINANCIAL POSITION
AS OF DECEMBER 31, 2025

	Vapor Ministries, Inc.	Vapor Thrift Store, LLC	Vapor Books, LLC	Agano Development, LLC	Intra-Entity Eliminations	Subtotal	Vapor Sports Ministries, Inc.	Intra-Entity Eliminations	Consolidated Total
ASSETS									
Cash:									
Unrestricted	\$ 2,581,825	\$ 580,600	\$ 456	\$ 115,393	\$ -	\$ 3,278,274	\$ 514,304	\$ -	\$ 3,792,578
Restricted	2,665,635	-	-	-	-	2,665,635	-	-	2,665,635
Receivables:									
Trade receivable	-	-	-	-	-	-	-	-	-
Intra company	556,661	-	-	-	(556,661)	-	-	-	-
Prepaid expenses	482,596	72,874	-	-	-	555,470	-	(238,153)	317,317
Inventory	-	641,453	-	-	-	641,453	-	-	641,453
Investments:									
Unrestricted	3,080,054	-	-	-	(1,040,000)	2,040,054	-	-	2,040,054
Restricted	149,162	-	-	-	-	149,162	-	-	149,162
Leased assets	-	3,541,826	-	-	-	3,541,826	690,595	-	4,232,421
Property and equipment	4,107,273	5,683,246	-	1,168,739	-	10,959,258	7,126,955	-	18,086,213
Accum. depreciation	(919,138)	(1,121,377)	-	-	-	(2,040,515)	(2,194,893)	-	(4,235,408)
TOTAL ASSETS	\$ 12,704,068	\$ 9,398,622	\$ 456	\$ 1,284,132	\$ (1,596,661)	\$ 21,790,617	\$ 6,136,961	\$ (238,153)	\$ 27,689,425
LIABILITIES AND NET ASSETS									
Liabilities:									
Accounts payable	\$ 479,102	\$ 26,292	\$ -	\$ -	\$ -	\$ 505,394	\$ 2,704	\$ -	\$ 508,098
Accrued salaries and benefits	238,538	205,800	-	-	-	444,338	-	-	444,338
Deferred revenue	-	-	-	-	-	-	238,153	(238,153)	-
Intra company	-	268,021	40,462	248,178	(556,661)	-	-	-	-
Lease liabilities	-	3,541,826	-	-	-	3,541,826	690,595	-	4,232,421
Total liabilities	717,640	4,041,939	40,462	248,178	(556,661)	4,491,558	931,452	(238,153)	5,184,857
Net Assets:									
Member's capital	-	-	-	1,040,000	(1,040,000)	-	-	-	-
Without donor restrictions	9,354,531	5,356,683	(40,006)	(4,046)	-	14,667,162	5,205,509	-	19,872,671
With donor restrictions	2,631,897	-	-	-	-	2,631,897	-	-	2,631,897
Total net assets	11,986,428	5,356,683	(40,006)	1,035,954	(1,040,000)	17,299,059	5,205,509	-	22,504,568
TOTAL LIABILITIES AND NET ASSETS	\$ 12,704,068	\$ 9,398,622	\$ 456	\$ 1,284,132	\$ (1,596,661)	\$ 21,790,617	\$ 6,136,961	\$ (238,153)	\$ 27,689,425

VAPOR MINISTRIES
COMBINING SCHEDULE OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2025

	Vapor Ministries, Inc.	Vapor Thrift Store, LLC	Vapor Books, LLC	Agano Development, LLC	Intra-Entity Eliminations	Subtotal	Vapor Sports Ministries, Inc.	Intra-Entity Eliminations	Consolidated Total
NET ASSETS WITHOUT DONOR RESTRICTIONS									
REVENUES, GAINS, AND OTHER SUPPORT									
Contributions	\$ 4,703,908	\$ 2,432,002	\$ -	\$ -	\$ (3,451,749)	\$ 3,684,161	\$ 4,164,795	\$ (4,164,795)	\$ 3,684,161
In-kind contributions	31,853	6,806,130	-	-	-	6,837,983	-	-	6,837,983
Retail sales	-	6,606,845	408	-	-	6,607,253	411	-	6,607,664
Other sales	-	-	-	-	-	-	96,177	-	96,177
Cost of goods sold	-	(6,607,355)	-	-	-	(6,607,355)	-	-	(6,607,355)
Investment income (loss)	610,153	-	-	-	-	610,153	-	-	610,153
Other income	716,143	1,710	-	-	-	717,853	-	-	717,853
Gain on asset disposal	3,200	-	-	-	-	3,200	-	-	3,200
Released from restrictions	7,844,134	-	-	-	-	7,844,134	-	-	7,844,134
TOTAL REVENUES, GAINS, AND OTHER SUPPORT	13,909,391	9,239,332	408	-	(3,451,749)	19,697,382	4,261,383	(4,164,795)	19,793,970
EXPENSES AND LOSSES									
Functional expenses:									
Program expense	5,066,671	-	-	-	-	5,066,671	3,113,380	(4,194,795)	3,985,256
Vapor Thrift Store	2,621,779	6,833,382	-	-	(3,421,749)	6,033,412	-	-	6,033,412
Supporting services:									
Management and general	1,919,077	-	-	4,046	-	1,923,123	-	-	1,923,123
Fundraising	739,568	-	-	-	-	739,568	-	-	739,568
TOTAL EXPENSES AND LOSSES	10,347,095	6,833,382	-	4,046	(3,421,749)	13,762,774	3,113,380	(4,194,795)	12,681,359
CHANGE IN NET ASSETS	3,562,296	2,405,950	408	(4,046)	(30,000)	5,934,608	1,148,003	30,000	7,112,611
NET ASSETS, BEGINNING OF YEAR	5,792,235	2,950,733	(40,414)	-	-	8,702,554	4,057,506	-	12,760,060
NET ASSETS, END OF YEAR	\$ 9,354,531	\$ 5,356,683	\$ (40,006)	\$ (4,046)	\$ (30,000)	\$ 14,637,162	\$ 5,205,509	\$ 30,000	\$ 19,872,671
NET ASSETS WITH DONOR RESTRICTIONS									
REVENUES									
Contributions	\$ 7,954,541	\$ -	\$ -	\$ -	\$ -	\$ 7,954,541	\$ -	\$ -	\$ 7,954,541
Released from restrictions	(7,844,134)	-	-	-	-	(7,844,134)	-	-	(7,844,134)
CHANGE IN NET ASSETS	110,407	-	-	-	-	110,407	-	-	110,407
NET ASSETS, BEGINNING OF YEAR	2,521,490	-	-	-	-	2,521,490	-	-	2,521,490
NET ASSETS, END OF YEAR	\$ 2,631,897	\$ -	\$ -	\$ -	\$ -	\$ 2,631,897	\$ -	\$ -	\$ 2,631,897
TOTAL NET ASSETS END OF YEAR	\$ 11,986,428	\$ 5,356,683	\$ (40,006)	\$ (4,046)	\$ (30,000)	\$ 17,269,059	\$ 5,205,509	\$ 30,000	\$ 22,504,568