

SAT-7 NORTH AMERICA

Financial Statements
With Independent Auditor's Report

December 31, 2025 and 2024



SAT-7 NORTH AMERICA

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
SAT-7 North America
Easton, Maryland

Opinion

We have audited the accompanying financial statements of SAT-7 North America, which comprise the statements of financial position as of December 31, 2025 and 2024, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of SAT-7 North America as of December 31, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis For Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 SAT-7 North America and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 SAT-7 North America's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Board of Directors
SAT-7 North America
Easton, Maryland

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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 SAT-7 North America'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 SAT-7 North America'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

Lawrenceville, Georgia
March 9, 2026

SAT-7 NORTH AMERICA

Statements of Financial Position

	December 31,	
	2025	2024
ASSETS:		
Cash and cash equivalents	\$ 9,554,062	\$ 8,618,068
Investments	1,138,568	1,138,568
Prepaid expenses and other assets	336,507	247,093
Contributions receivable, net	51,600	121,600
Property and equipment, net	75,912	103,865
	\$ 11,156,649	\$ 10,229,194
LIABILITIES AND NET ASSETS:		
Liabilities:		
Accounts payable	\$ 233,119	\$ 290,526
Accrued expenses	120,913	125,418
SAT-7 International liabilities:		
Grant payable	1,299,323	890,514
Amounts held	1,723,007	1,951,455
Total liabilities	3,376,362	3,257,913
Net assets:		
Without restrictions	7,670,249	6,959,858
With donor restrictions	110,038	11,423
Total net assets	7,780,287	6,971,281
Total Liabilities and Net Assets	\$ 11,156,649	\$ 10,229,194

See notes to financial statements

SAT-7 NORTH AMERICA

Statements of Activities

	Year Ended December 31,					
	2025			2024		
	Without Restrictions	With Donor Restrictions	Total	Without Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE:						
Contributions:						
Cash and new contributions receivable	\$ 478,946	\$ 13,936,905	\$ 14,415,851	\$ 571,124	\$ 12,314,725	\$ 12,885,849
Investment income	277,502	-	277,502	394,420	-	394,420
Other income (loss)	-	-	-	(996)	-	(996)
	<u>756,448</u>	<u>13,936,905</u>	<u>14,693,353</u>	<u>964,548</u>	<u>12,314,725</u>	<u>13,279,273</u>
RECLASSIFICATIONS:						
Satisfaction of purpose restrictions	9,942,505	(9,942,505)	-	8,856,887	(8,856,887)	-
Administrative assessments	3,895,785	(3,895,785)	-	3,482,587	(3,482,587)	-
	<u>13,838,290</u>	<u>(13,838,290)</u>	<u>-</u>	<u>12,339,474</u>	<u>(12,339,474)</u>	<u>-</u>
EXPENSES:						
Program services	11,459,392	-	11,459,392	11,083,215	-	11,083,215
Supporting activities:						
Management and general	939,600	-	939,600	933,663	-	933,663
Fund-raising	1,485,355	-	1,485,355	1,436,173	-	1,436,173
	<u>13,884,347</u>	<u>-</u>	<u>13,884,347</u>	<u>13,453,051</u>	<u>-</u>	<u>13,453,051</u>
Change in Net Assets	710,391	98,615	809,006	(149,029)	(24,749)	(173,778)
Net Assets, Beginning of Year	<u>6,959,858</u>	<u>11,423</u>	<u>6,971,281</u>	<u>7,108,887</u>	<u>36,172</u>	<u>7,145,059</u>
Net Assets, End of Year	<u>\$ 7,670,249</u>	<u>\$ 110,038</u>	<u>\$ 7,780,287</u>	<u>\$ 6,959,858</u>	<u>\$ 11,423</u>	<u>\$ 6,971,281</u>

See notes to financial statements

SAT-7 NORTH AMERICA

Statements of Functional Expenses

	Year Ended December 31,							
	2025				2024			
	Program Services	Management and General	Fund-raising	Total	Program Services	Management and General	Fund-raising	Total
Program funding to SAT-7 Int'l	\$ 9,646,836	\$ -	\$ -	\$ 9,646,836	\$ 9,267,751	\$ -	\$ -	\$ 9,267,751
Salaries and related expenses:								
Management salaries	230,455	180,229	26,446	437,130	205,331	160,580	23,563	389,474
Other salaries and wages	438,381	275,491	227,478	941,350	461,942	275,692	243,709	981,343
Fringe benefits and related taxes	183,358	149,411	67,587	-	174,214	139,637	67,788	381,639
	<u>852,194</u>	<u>605,131</u>	<u>321,511</u>	<u>1,778,836</u>	<u>841,487</u>	<u>575,909</u>	<u>335,060</u>	<u>1,752,456</u>
Other expenses:								
Donor acquisition and other professional fees	270,490	154,862	883,136	1,308,488	250,484	188,284	815,534	1,254,302
Board management	-	5,188	-	5,188	-	2,943	-	2,943
Communications	11,247	8,485	4,840	24,572	11,079	8,165	4,838	24,082
Conferences, travel, and meetings	281,812	59,422	123,655	464,889	291,641	47,223	126,253	465,117
Depreciation and amortization	2,590	3,737	476	6,803	20,707	29,878	3,808	54,393
Insurance	3,683	5,314	677	9,674	3,738	5,393	687	9,818
Printing, mailing, and postage	339,406	29,271	137,981	506,658	350,574	17,521	137,217	505,312
Software and office items	51,134	68,190	13,079	132,403	45,754	58,347	12,776	116,877
	<u>960,362</u>	<u>334,469</u>	<u>1,163,844</u>	<u>2,458,675</u>	<u>973,977</u>	<u>357,754</u>	<u>1,101,113</u>	<u>2,432,844</u>
Total Expenses	<u>\$ 11,459,392</u>	<u>\$ 939,600</u>	<u>\$ 1,485,355</u>	<u>\$ 13,884,347</u>	<u>\$ 11,083,215</u>	<u>\$ 933,663</u>	<u>\$ 1,436,173</u>	<u>\$ 13,453,051</u>

See notes to financial statements

SAT-7 NORTH AMERICA

Statements of Cash Flows

	Year Ended December 31,	
	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 809,006	\$ (173,778)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation and amortization	6,803	54,393
Change in:		
Prepaid expenses and other assets	(89,414)	(131,683)
Contributions receivable	70,000	38,571
Accounts payable	(21,483)	43,376
Accrued expenses	(4,505)	15,844
Grant payable to SAT-7 International	408,809	(858,370)
Amounts held for SAT-7 International	(228,448)	99,667
Net Cash Provided (Used) by Operating Activities	950,768	(911,980)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment	(14,774)	(950)
Net Cash Used by Investing Activities	(14,774)	(950)
Net Change in Cash and Cash Equivalents	935,994	(912,930)
Cash and Cash Equivalents, Beginning of Year	8,618,068	9,530,998
Cash and Cash Equivalents, End of Year	\$ 9,554,062	\$ 8,618,068

See notes to financial statements

SAT-7 NORTH AMERICA

Notes to Financial Statements

December 31, 2025 and 2024

1. NATURE OF ORGANIZATION:

SAT-7 North America (SAT-7) is a not-for-profit Pennsylvania Corporation exempt from income taxes under section 501(c)(3) of the United States Internal Revenue Code (Code). SAT-7 is not considered to be a private foundation under section 509 of the Code. The organization is affiliated, in mission, with SAT-7 International, an organization providing Christian television and digital broadcasts to people in the Middle East and North Africa. SAT-7 provides resource development and ministry and managerial support throughout the United States in support of the mission of SAT-7 International.

Headquartered in Easton, Maryland, SAT-7 is funded through contributions and grants from over 14,000 individuals, foundations, and church organizations throughout North America. SAT-7 is a member of the Evangelical Council for Financial Accountability, the Better Business Bureau, and Missio Nexus.

2. SIGNIFICANT ACCOUNTING POLICIES:

BASIS OF ACCOUNTING

The financial statements have been prepared on the accrual basis of accounting. 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 the reported amounts and disclosures. Actual amounts could differ from these estimates. The significant accounting policies followed are described below.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents consists of checking and savings accounts, money market accounts, and bank certificates of deposit with short term maturities. These accounts may, from time to time, exceed federally insured limits; however, SAT-7 has not experienced any losses on these accounts. At December 31, 2025 and 2024, respectively, \$368,505 and \$383,136 related to contributions received after year-end, but dated and postmarked prior to year-end, are included in cash and cash equivalents.

INVESTMENTS

Investments in equity securities, exchange-traded funds, and mutual funds with readily determinable fair values and fixed income securities are recorded at fair value with gains and losses reported in the statements of activities. Donated investments are recorded at fair value at the date of donation and thereafter carried in conformity with the stated policy.

Other investments, consisting of donated limited partnership interests, are reported at fair value using estimates developed by management.

PROPERTY AND EQUIPMENT

Expenditures exceeding \$1,000 for property, equipment, and items that substantially increase the useful lives of existing assets are capitalized at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets, which range from three to seven years.

SAT-7 NORTH AMERICA

Notes to Financial Statements

December 31, 2025 and 2024

2. SIGNIFICANT ACCOUNTING POLICIES, continued:

GRANT PAYABLE TO SAT-7 INTERNATIONAL

See related party footnote for more information.

CLASSES OF NET ASSETS

The financial statements report amounts separately by classes of net assets according to the presence or absence of donor-imposed stipulations. The net asset classes are as follows:

Net assets without restrictions are those currently available for ministry purposes under the direction of the board of directors, those designated by the board for a specific use, and those invested in property and equipment.

Net assets with donor restrictions are those contributed with donor stipulations for specific operating purposes or programs. They are not currently available for ministry use until commitments regarding their use have been fulfilled. When a purpose restriction is satisfied, restricted net assets are reclassified to those without restrictions and reported in the statements of activities as net assets released from restrictions. Net assets with donor restrictions are available for staff support and programs.

SUPPORT, REVENUES, AND EXPENSES

Support is recognized when contributions are made, which may be when cash is received, unconditional promises to give are made, or ownership of other assets is transferred. During 2025, three donors contributed 26% of total contributions. During 2024, two donors contributed 18% of total contributions. Revenue is recognized when earned. Expenses are recorded when costs are incurred. SAT-7 reports gifts of materials and equipment as support without restrictions unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations regarding how long those long-lived assets must be maintained, SAT-7 reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

DONATED SERVICES

SAT-7 recognizes donated services that create or enhance non-financial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. For the years ended herein, SAT-7 did not record any donated services.

Significant contributions of personnel and time are provided to SAT-7 by individuals as a means of accomplishing its goals. Without these contributions, the ministry would not be as effective. It is SAT-7's policy not to record these contributions in the financial statements because they do not meet the criteria of skilled services required to be recorded under existing technical standards.

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Notes to Financial Statements

December 31, 2025 and 2024

2. SIGNIFICANT ACCOUNTING POLICIES, continued:

FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing the various program services and supporting activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the program services and supporting activities benefited based on estimated time of personnel and usage of services and supplies. All SAT-7 expenses are allocated based on specifically identifiable criteria. Therefore, there are no joint cost allocations to disclose.

UNCERTAIN TAX POSITIONS

The financial statement effects of a tax position taken or expected to be taken are recognized in the financial statements when it is more likely than not, based on the technical merits, that the position will be sustained upon examination. Interest and penalties, if any, are included in expenses in the statements of activities. As of December 31, 2025, SAT-7 had no uncertain tax positions that qualify for recognition or disclosure in the financial statements. SAT-7 files information tax returns in the U.S. and various states. SAT-7 is generally no longer subject to U.S. federal and state income tax examinations by tax authorities for years before 2021.

3. LIQUIDITY:

As part of SAT-7's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The following reflects SAT-7's financial assets that are available to meet general expenditures within one year of the statement of financial position date:

	December 31,	
	2025	2024
Cash and cash equivalents	\$ 9,554,062	\$ 8,618,068
Contributions receivable:		
Due in less than one year	60,000	130,000
Less allowance for uncollectability	(8,400)	(8,400)
Less:		
Board-designated reserve	(3,670,406)	(3,475,437)
Amounts held for SAT-7 International	(1,723,007)	(1,951,455)
	<u>\$ 4,212,249</u>	<u>\$ 3,312,776</u>

SAT-7 NORTH AMERICA

Notes to Financial Statements

December 31, 2025 and 2024

4. RELATED PARTY TRANSACTIONS:

As stated in Note 1, SAT-7 is affiliated, in mission, with SAT-7 International, an organization providing Christian media broadcasts to people in the Middle East and North Africa. SAT-7 International is headquartered in Cyprus, where it develops, produces, and broadcasts television and digital programs, via satellite and online, into regions of North Africa and the Middle East. SAT-7 provides resource development and ministry and managerial support throughout the United States in support of the mission of SAT-7 International through a joint ministries agreement (JMA). The JMA defines the relationship between SAT-7 International and SAT-7. The JMA gives SAT-7 International the ability to suspend or eliminate SAT-7's use of the name "SAT-7," including SAT-7 International's intellectual property related to the logo and brand. The president of SAT-7 International is an ex-officio, non-voting member of the SAT-7 board of directors. A member of the SAT-7 board of directors is a voting member of the SAT-7 International board of directors. As noted, SAT-7 provides resource development and ministry and managerial support to SAT-7 International.

SAT-7 provided the following for the years shown:

	Year Ending December 31,	
	2025	2024
Grants expense to SAT-7 International	\$ 9,361,061	\$ 8,844,069
Expenses paid by SAT-7 on behalf of SAT-7 International	285,775	423,682
Program funding to SAT-7 International per the statement of functional expenses	\$ 9,646,836	\$ 9,267,751

Grant payable to SAT-7 International represents a promise made prior to year-end to distribute funds to SAT-7 International during the subsequent fiscal year. This promise is communicated directly to SAT-7 International by SAT-7 management and board members.

5. INVESTMENTS:

Contributions of financial assets that are reported in these financial statements as investments were recorded at fair value on the date of donation using estimates developed by management. These assets are initially recognized and carried as "other investments" in accordance with Section 958-325, subparagraphs 25, 30, and 35, of the Financial Accounting Standards Board Codification. Any subsequent declines in the value of these investments shall be recognized if their aggregate fair value is less than their carrying amount; recoveries of aggregate fair value in subsequent periods shall be recorded in those periods subject only to the limitation that the carrying amount shall not exceed the original cost.

Valuation techniques: Fair values for limited partnership interests are based on the fair value of the underlying rental real estate property, less mortgage loans and operating liabilities against the property and a discount for lack of liquidity. While management believes this valuation method is reasonable, it is possible that material fluctuations will occur in the near term. The values determined using this method are reviewed for impairment each year.

SAT-7 NORTH AMERICA

Notes to Financial Statements

December 31, 2025 and 2024

5. INVESTMENTS, continued:

All investments are considered “other investments” per above and consists of:

	December 31,	
	2025	2024
Limited partnership interest in rental real estate:		
Property 1	\$ 781,169	\$ 781,169
Property 2	357,399	357,399
	\$ 1,138,568	\$ 1,138,568

6. CONTRIBUTIONS RECEIVABLE, NET:

SAT-7 regularly receives promises and intentions to give from its constituents. Promises to give are due to be collected in subsequent fiscal years and are reported as contributions receivable in the statements of financial position as an asset and recognized as restricted contributions in the statements of activities. The promises to give are reflected at the present value of estimated future cash flows using a discount rate of 1%.

Due to the unknown factors which may affect individual donors’ future cash flows, it is reasonably possible that the estimated future cash flows of contributions receivable could increase or decrease by a material amount in the near term. Management believes that the asset value reflected in the statements of financial position approximates fair value.

Contributions receivable are expected to mature as follows:

	December 31,	
	2025	2024
Amounts due in:		
Less than one year	\$ 60,000	\$ 130,000
One year to five years	-	-
More than five years	-	-
	60,000	130,000
Less allowance for uncollectability	(8,400)	(8,400)
	\$ 51,600	\$ 121,600

At December 31, 2025 and 2024, one pledge and three pledges, respectively, comprised 100% of the balance above.

SAT-7 NORTH AMERICA

Notes to Financial Statements

December 31, 2025 and 2024

7. PROPERTY AND EQUIPMENT, NET:

Property and equipment consists of:

	December 31,	
	2025	2024
Office and computer equipment	\$ 160,093	\$ 150,629
Computer software	233,782	228,472
Office furniture	17,716	17,716
Leasehold improvements	12,145	12,145
	423,736	408,962
Accumulated depreciation	(347,824)	(305,097)
	<u>\$ 75,912</u>	<u>\$ 103,865</u>

8. NET ASSETS:

Net assets consist of:

	December 31,	
	2025	2024
Without restrictions:		
Undesignated	\$ 3,923,931	\$ 3,380,556
Board-designated reserve	3,670,406	3,475,437
Net investment in property and equipment	75,912	103,865
	7,670,249	6,959,858
Donor-restricted for staff support and programs	110,038	11,423
	<u>\$ 7,780,287</u>	<u>\$ 6,971,281</u>

9. RETIREMENT PLAN:

SAT-7 sponsors a 401(k) retirement program covering all employees. SAT-7 matches employee contributions up to 5%. Employees are eligible for the match immediately, with vesting occurring 20% per year for each year of service. SAT-7 contributed \$53,595 and \$49,678 to the plan during 2025 and 2024, respectively.

10. SUBSEQUENT EVENTS:

Subsequent events have been evaluated through the date of this report, which represents the date the financial statements were available to be issued. Subsequent events after that date have not been evaluated.