



TURNING POINT FOR GOD AND SUBSIDIARIES

Consolidated Financial Statements
With Independent Auditor's Report

June 30, 2026 and 2025

TURNING POINT FOR GOD AND SUBSIDIARIES

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Turning Point for God and Subsidiaries
Lakeside, California

Opinion

We have audited the accompanying consolidated financial statements of Turning Point for God and Subsidiaries, which comprise the consolidated statements of financial position as of June 30, 2026 and 2025, 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 Turning Point for God and Subsidiaries as of June 30, 2026 and 2025, 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 Turning Point for God and Subsidiaries 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 Turning Point for God and Subsidiaries'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 Directors
Turning Point for God and Subsidiaries
Lakeside, California

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 Turning Point for God and Subsidiaries'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 Turning Point for God and Subsidiaries'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
September 23, 2026

TURNING POINT FOR GOD AND SUBSIDIARIES

Consolidated Statements of Financial Position

	June 30,	
	2026	2025
ASSETS:		
Current assets:		
Cash and cash equivalents	\$ 9,344,984	\$ 19,891,297
Accounts receivable	213,372	730,772
Promises-to-give-net	120,000	120,000
Prepaid expenses and other assets	3,569,821	5,402,064
Inventory-net	7,417,876	8,087,826
	20,666,053	34,231,959
Promises-to-give, net of current portion	568,000	641,000
Restricted investments	4,000,000	-
Life insurance cash surrender value	2,978,343	2,833,795
Assets held for deferred compensation	2,333,247	2,090,481
Operating leases-right-of-use-assets	940,059	1,963,716
Cash restricted for long-term purposes	3,886,010	-
Capitalized production and event costs-net	10,085,693	3,780,578
Property, equipment, and long-lived assets-net	31,853,616	27,730,105
Total Assets	\$ 77,311,021	\$ 73,271,634
LIABILITIES AND NET ASSETS:		
Liabilities:		
Current liabilities:		
Accounts payable	\$ 7,831,918	\$ 10,112,673
Accrued expenses and other liabilities	1,892,558	1,714,367
Operating lease obligations, current portion	931,080	1,782,497
Long-term debt, current portion	7,318,352	8,159,676
	17,973,908	21,769,213
Operating lease obligations, net of current portion	26,196	243,172
Deferred compensation liabilities	2,333,247	2,090,481
Long-term debt, net of current portion	19,644,127	14,869,257
Total liabilities	39,977,478	38,972,123
Net assets:		
Net assets without donor restrictions	32,495,554	33,127,498
Net assets with donor restrictions	4,837,989	1,172,013
Total net assets	37,333,543	34,299,511
Total Liabilities and Net Assets	\$ 77,311,021	\$ 73,271,634

See notes to consolidated financial statements

TURNING POINT FOR GOD AND SUBSIDIARIES

Consolidated Statements of Activities

	Year Ended June 30,					
	2026			2025		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT, REVENUE, AND RECLASSIFICATIONS:						
Contributions	\$ 104,378,507	\$ 4,851,910	\$ 109,230,417	\$ 99,542,619	\$ 1,161,432	\$ 100,704,051
Revenue:						
Sales, net of discounts	3,398,481	-	3,398,481	3,253,465	-	3,253,465
Special events	899,964	-	899,964	864,160	-	864,160
Gain on sale of property and equipment	29,028	-	29,028	28,071	-	28,071
Interest, investment, and other	761,140	-	761,140	955,572	-	955,572
	<u>5,088,613</u>	<u>-</u>	<u>5,088,613</u>	<u>5,101,268</u>	<u>-</u>	<u>5,101,268</u>
Net assets released from:						
Satisfaction of program restrictions	1,185,934	(1,185,934)	-	3,732,285	(3,732,285)	-
Total Support, Revenue, and Reclassifications	<u>110,653,054</u>	<u>3,665,976</u>	<u>114,319,030</u>	<u>108,376,172</u>	<u>(2,570,853)</u>	<u>105,805,319</u>
EXPENSES:						
Program activities	89,067,639	-	89,067,639	87,988,969	-	87,988,969
	<u>89,067,639</u>	<u>-</u>	<u>89,067,639</u>	<u>87,988,969</u>	<u>-</u>	<u>87,988,969</u>

(continued)

See notes to consolidated financial statements

TURNING POINT FOR GOD AND SUBSIDIARIES

Consolidated Statements of Activities (continued)

	Year Ended June 30,					
	2026			2025		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
EXPENSES, continued:						
Supporting activities:						
Fund-raising	14,807,936	-	14,807,936	13,901,394	-	13,901,394
General and administrative	7,409,423	-	7,409,423	7,102,042	-	7,102,042
	<u>22,217,359</u>	<u>-</u>	<u>22,217,359</u>	<u>21,003,436</u>	<u>-</u>	<u>21,003,436</u>
Total Expenses	<u>111,284,998</u>	<u>-</u>	<u>111,284,998</u>	<u>108,992,405</u>	<u>-</u>	<u>108,992,405</u>
Change in Net Assets	(631,944)	3,665,976	3,034,032	(616,233)	(2,570,853)	(3,187,086)
Net Assets, Beginning of Year	<u>33,127,498</u>	<u>1,172,013</u>	<u>34,299,511</u>	<u>33,743,731</u>	<u>3,742,866</u>	<u>37,486,597</u>
Net Assets, End of Year	<u>\$ 32,495,554</u>	<u>\$ 4,837,989</u>	<u>\$ 37,333,543</u>	<u>\$ 33,127,498</u>	<u>\$ 1,172,013</u>	<u>\$ 34,299,511</u>

See notes to consolidated financial statements

TURNING POINT FOR GOD AND SUBSIDIARIES

Consolidated Statement of Functional Expenses

Year Ended June 30, 2026

	Ministries and Programs	Supporting Activities: General and Administrative	Fund-raising	Total
Salaries and benefits	\$ 18,435,743	\$ 3,583,880	\$ 3,831,220	\$ 25,850,843
Product shipping and fulfillment costs	17,332,326	538,579	6,323,777	24,194,682
Television airtime and production costs	19,543,473	-	-	19,543,473
Professional services	8,488,741	1,363,266	1,475,569	11,327,576
Radio airtime and production	9,019,638	-	-	9,019,638
Office, IT, and occupancy	4,960,702	1,390,031	1,893,084	8,243,817
Depreciation and amortization	4,291,738	159,582	12,185	4,463,505
Conferences, travel, and meetings	2,620,695	9,944	1,272,101	3,902,740
Digital broadcasting	1,798,212	-	-	1,798,212
Interest	1,264,446	66,550	-	1,330,996
Grants to others	1,089,871	-	-	1,089,871
Insurance	141,520	297,591	-	439,111
Other	80,534	-	-	80,534
Total expenses	<u>\$ 89,067,639</u>	<u>\$ 7,409,423</u>	<u>\$ 14,807,936</u>	<u>\$ 111,284,998</u>

See notes to consolidated financial statements

TURNING POINT FOR GOD AND SUBSIDIARIES

Consolidated Statement of Functional Expenses

Year Ended June 30, 2025

		Supporting Activities:		
	Ministries and Programs	General and Administrative	Fund-raising	Total
Salaries and benefits	\$ 17,494,921	\$ 3,399,630	\$ 3,699,078	\$ 24,593,629
Product shipping and fulfillment costs	16,366,161	516,385	5,821,066	22,703,612
Television airtime and production costs	21,225,026	-	-	21,225,026
Professional services	7,182,474	1,439,617	1,681,277	10,303,368
Radio airtime and production	9,525,763	-	-	9,525,763
Office, IT, and occupancy	4,490,736	1,292,231	1,634,756	7,417,723
Depreciation and amortization	4,747,657	129,118	18,642	4,895,417
Conferences, travel, and meetings	2,224,941	12,009	1,046,575	3,283,525
Digital broadcasting	2,375,894	-	-	2,375,894
Interest	888,392	46,758	-	935,150
Grants to others	1,283,776	-	-	1,283,776
Insurance	126,067	266,294	-	392,361
Other	57,161	-	-	57,161
Total expenses	<u>\$ 87,988,969</u>	<u>\$ 7,102,042</u>	<u>\$ 13,901,394</u>	<u>\$ 108,992,405</u>

See notes to consolidated financial statements

TURNING POINT FOR GOD AND SUBSIDIARIES

Consolidated Statements of Cash Flows

	Year Ended June 30,	
	2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 3,034,032	\$ (3,187,086)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation and amortization	4,463,505	4,895,417
Gain on sale of property, equipment, and long-lived assets	(29,028)	(28,071)
Non-cash lease adjustment	(44,736)	(21,826)
Contributions restricted for long-term purposes	(4,536,010)	(500,000)
Changes in operating assets and liabilities:		
Accounts receivable	517,400	(22,450)
Promises-to-give	73,000	80,000
Prepaid expenses and other assets	1,832,243	(1,817,486)
Inventory	669,950	(290,766)
Accounts payable	(4,295,385)	(646,211)
Accrued expenses and other liabilities	178,191	(71,080)
Net Cash Provided (Used) by Operating Activities	<u>1,863,162</u>	<u>(1,609,559)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Film production costs incurred	(3,372,278)	(100,944)
Purchases of property, equipment, and long-lived assets	(4,262,979)	(482,567)
Purchases of restricted investments	(4,000,000)	-
Proceeds from sale of property, equipment, and long-lived assets	60,000	48,500
Increase in life insurance cash surrender value	(144,548)	(152,666)
Net Cash Used by Investing Activities	<u>(11,719,805)</u>	<u>(687,677)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from debt obligations	1,400,000	2,126,612
Principal payments on debt obligations	(2,739,670)	(2,324,462)
Contributions restricted for long-term purposes	4,536,010	500,000
Net Cash Provided By Financing Activities	<u>3,196,340</u>	<u>302,150</u>
Change in Cash, Cash Equivalents, and Cash Restricted for Long-term Purposes	(6,660,303)	(1,995,086)
Cash, Cash Equivalents, and Cash Restricted for Long-term Purposes, Beginning of Year	<u>19,891,297</u>	<u>21,886,383</u>
Cash, Cash Equivalents, and Cash Restricted for Long-term Purposes, End of Year	<u>\$ 13,230,994</u>	<u>\$ 19,891,297</u>

(continued)

See notes to consolidated financial statements

TURNING POINT FOR GOD AND SUBSIDIARIES

Consolidated Statements of Cash Flows (continued)

	Year Ended June 30,	
	2026	2025
SUMMARY OF CASH, CASH EQUIVALENTS, AND CASH RESTRICTED FOR LONG-TERM PURPOSES:		
Cash and cash equivalents	\$ 9,344,984	\$ 19,891,297
Cash restricted for long-term purposes	3,886,010	-
	<u>\$ 13,230,994</u>	<u>\$ 19,891,297</u>
NON-CASH TRANSACTIONS AND SUPPLEMENTAL DISCLOSURES:		
Right-of-use assets obtained in exchange for lease obligations	<u>\$ 737,482</u>	<u>\$ 143,612</u>
Cash paid for interest (\$145,408 and \$180,844, respectively, capitalized)	<u>\$ 1,460,139</u>	<u>\$ 1,157,399</u>
Property and equipment obtained through debt obligations	<u>\$ 1,273,217</u>	<u>\$ 7,429,318</u>
Capitalized production and event costs and property, equipment, and long-lived assets obtained through accounts payable	<u>\$ 212,636</u>	<u>\$ 1,801,994</u>
Change in deferred compensation assets and liabilities	<u>\$ 236,916</u>	<u>\$ 196,460</u>

See notes to consolidated financial statements

TURNING POINT FOR GOD AND SUBSIDIARIES

Notes to Consolidated Financial Statements

June 30, 2026 and 2025

1. NATURE OF ORGANIZATION:

Turning Point for God (the Organization) was incorporated in 1984 in California as a not-for-profit corporation exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC) and comparable state laws. However, Turning Point for God is subject to federal income tax on any unrelated business taxable income. In addition, Turning Point for God is not classified as a private foundation within the meaning of Section 509(a) of the IRC. It has been recognized by the IRS as a public charity under Section 509(a)(2) and is considered a church under Section 170 (b)(1)(A)(i).

The Organization is a religious organization dedicated to spreading the Gospel of Jesus Christ throughout the world through the use of radio, television, internet, mobile devices, email, and print. The Organization also offers Christian messages on CDs, DVDs, books, and related study materials as part of its exempt purpose. Substantially all of the above materials are produced by Dr. David Jeremiah, Founder/Chief Executive Officer (CEO) of the Organization, who is also the senior pastor of Shadow Mountain Community Church.

Turning Point Ministries Foundation (the Foundation) was established to serve as a supporting organization to hold and invest assets on behalf of the Organization. Due to shared board members and economic control, this entity is required to be consolidated in the financial statements of Turning Point for God.

During the year ended June 2026, Turning Point Productions, LLC ("TPP LLC"), All That Glitters, Productions LLC ("ATGP LLC"), and Why The Cross Productions, LLC ("WTCP LLC") were established as subsidiaries of the Organization. TPP LLC is fully owned by the Organization and ATGP LLC and WTCP LLC are fully owned by TPP LLC. The entities exist to manage production activities for specific film projects. As subsidiaries of Turning Point for God, the entities are exempt from federal and state taxes.

The Organization, the Foundation, TPP LLC, ATGP LLC, and WTCP LLC are collectively referred to as Turning Point in the consolidated financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The consolidated financial statements of Turning Point have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. Estimates that are particularly susceptible to significant change in the near term are related to the allowance for uncollectible promises-to-give, allowance for slow moving or obsolete inventory, depreciation of property, equipment, and long-lived assets, amortization of capitalized production and event costs, allocation of expenses on a functional basis, and valuation of right-of-use assets and lease obligations.

TURNING POINT FOR GOD AND SUBSIDIARIES

Notes to Consolidated Financial Statements

June 30, 2026 and 2025

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

PRINCIPLES OF CONSOLIDATION

Due to the board of directors composition, the Foundation is a controlled affiliate of the Organization. The Organization controls TPP LLC through sole membership and TPP LLC controls ATGP LLC and WTCP LLC through sole membership. The consolidated financial statements of Turning Point include the consolidated financial resources and activities of the Organization, the Foundation, TPP LLC, ATGP LLC, and WTCP LLC. All significant intercompany balances and transactions have been eliminated.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash on hand, cash on deposit, and money market accounts. These accounts may, at times, exceed federally insured limits. Turning Point has not experienced any losses in such accounts. As of June 30, 2026 and 2025, cash and cash equivalents on deposit at financial institutions that exceed federally insured balances total approximately \$5,948,000 and \$4,772,000, respectively.

ACCOUNTS RECEIVABLE

Accounts receivable are recorded at net realizable value and represent receivables from related parties and other miscellaneous amounts earned that have not been received as of year end. Interest is not charged on delinquent receivables. Management has evaluated the receivables for collectibility and determined them fully collectible; therefore, no allowance for credit losses has been recorded.

PROMISES-TO-GIVE

Promises-to-give are recognized as income when made unconditionally, and recorded at fair value based upon estimated future cash flows. Promises-to-give that are expected to be collected within one year are recorded at net realizable value. 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 these amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are expected to be received, ranging from 4.87%-6.44%. Promises-to-give are reported net of allowances for uncollectible accounts.

INVENTORY

Inventory represents duplicated media, study guides, books, raw material supplies, and other Bible resources. During the years ended June 30, 2026 and 2025, all inventory was stated at the lower of cost or net realizable value using average cost. Management periodically evaluates the inventory for obsolete or slow moving inventory. During the years ended June 30, 2026 and 2025, Turning Point computed obsolescence reserve based on recent sales. For items which have sold less than 100 units in the previous two fiscal years, there is a 100% reserve, unless meeting an exception criteria, such as if the inventory is to be donated or to be discontinued. For the years ended June 30, 2026 and 2025, reserves for obsolete inventory were \$1,416,868 and \$1,256,514, respectively. See Note 5 for further detail.

TURNING POINT FOR GOD AND SUBSIDIARIES

Notes to Consolidated Financial Statements

June 30, 2026 and 2025

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

RESTRICTED INVESTMENTS

Investments consist of a certificate of deposit and equities without readily determinable fair values. The certificate of deposit is carried at amortized cost and was \$4,000,000 and \$0 as of June 30, 2026 and 2025, respectively. The equities without readily determinable fair values are reported at cost minus impairment. As of June 30, 2026 and 2025, Turning Point owned 50,000 shares of a privately held stock. As the realization is unknown, the stock originally valued at \$1,000,000, was fully reserved for, resulting in \$0 as of June 30, 2026 and 2025. The certificate of deposit is restricted as collateral on Turning Point's debt. Donated securities held for investment purposes are recorded at fair value on the date of the gift and are carried in accordance with the above policy.

DEFERRED COMPENSATION ASSETS AND LIABILITIES

Assets held for deferred compensation consist of mutual funds held at fair value using quoted market prices for identical assets in active markets (Level 1 of the fair value hierarchy). These assets are to fund the deferred compensation liability, which is payable to certain employees of Turning Point under a non-qualified deferred 457(b) and 409(a) compensation plan (the Plan). Investment gains totaling \$236,916 and \$196,460 for the years ended June 30, 2026 and 2025, respectively, are recorded when earned and included in interest, investment, and other within the consolidated statements of activities. Employer contributions to the Plan totaled approximately \$6,000 and \$0 during the years ended June 30, 2026 and 2025, respectively.

OPERATING LEASES—RIGHT-OF-USE ASSETS AND OBLIGATIONS

Turning Point has contracts that contain the right to control the use of property or assets, and are therefore considered leases. Turning Point records right-of-use assets and lease obligations on the consolidated statements of financial position for the rights and obligations created by leases with initial terms of more than twelve months.

CASH RESTRICTED FOR LONG-TERM PURPOSES

Cash restricted for long-term purposes consists of cash and cash equivalents restricted by donors for the expressed use of producing the *Why the Cross?* film.

CAPITALIZED PRODUCTION AND EVENT COSTS

Capitalized production and event costs consist of capitalized costs related to the production of various films and events (including television, concert, and in-person events). These production and event costs are being amortized over five to ten years, which is the time period in which the most benefits from the film and events will occur. Management has elected to record the entire year of amortization every December. Amortization expense for the years ended June 30, 2026 and 2025 of \$1,193,738 and \$1,839,817, respectively, was recorded within depreciation and amortization expense on the consolidated statements of activities.

TURNING POINT FOR GOD AND SUBSIDIARIES

Notes to Consolidated Financial Statements

June 30, 2026 and 2025

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

PROPERTY, EQUIPMENT, AND LONG-LIVED ASSETS

Expenditures over \$5,000 for property, equipment, and long-lived assets are capitalized at cost, with lesser amounts, including repairs and maintenance, expensed as incurred. Donated items are recorded at fair market value on the date of the gift. Depreciation and amortization expense is computed on the straight-line method over the estimated useful lives of the assets, except for land and construction in progress which are not depreciated. The estimated useful lives are as follows:

Buildings and improvements	3 to 39 years
Production equipment	5 to 7 years
Computer equipment and software	5 to 10 years
Furniture and office equipment	5 to 10 years
Vehicles and other	5 years
Website development	3 to 5 years
Airship Genesis	3 years

NET ASSETS

The consolidated financial statements report amounts by classification of net assets as follows:

Net assets without donor restrictions are those resources currently available at the discretion of management for use in Turning Point's operations and those resources invested in property, equipment, and long-lived assets.

Net assets with donor restrictions are those resources which are stipulated by donors for specific operating purposes, capital projects, or film production. Promises-to-give that are restricted for future periods are classified as net assets with donor restrictions until they are collected.

SUPPORT, REVENUE, AND EXPENSES

Contributions are recorded when cash or unconditional promises-to-give have been received or ownership of donated assets is transferred to Turning Point. Conditional promises-to-give are recognized when the conditions on which they depend are substantially met. Turning Point records support as contributions with donor restrictions if they are received with donor stipulations that limit their use through purpose or time restrictions, or both. When donor restrictions expire, that is, when the purpose restriction is fulfilled or the time restriction expires, the net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions. Turning Point receives contributions of nonfinancial assets that are recorded as support at the estimated fair market value on the date of the gift. Contributions of nonfinancial assets given to Turning Point that do not have an objective basis for valuation are not recorded. Turning Point received approximately \$3,759,000 and \$1,086,000, of investment gifts for the years ended June 30, 2026 and 2025, respectively. These gifts were immediately liquidated.

TURNING POINT FOR GOD AND SUBSIDIARIES

Notes to Consolidated Financial Statements

June 30, 2026 and 2025

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

SUPPORT, REVENUE, AND EXPENSES, continued

Books, study guides, and other publications are either sold or provided upon request for a contribution of any amount, which is referred to as contribution premiums. The estimated fair market value of such premiums distributed, which are included in contribution income on the consolidated statements of activities, total approximately \$25,219,000 and \$22,612,000, for the years ended June 30, 2026 and 2025, respectively. Sales related to books, study guides, and other publications are recognized at a point in time when the sale occurs. There are no accounts receivable or performance obligation liabilities as of June 30, 2026, 2025, and 2024 related to sales revenue.

Special events revenue is recorded at a point in time and consists of approximately \$900,000 and \$864,000 for the years ended June 30, 2026 and 2025, respectively. Special events revenue includes amounts received from cruises and tours sponsored by Turning Point. Related special events costs of approximately \$1,364,000 and \$878,000, are included in program activities on the consolidated statements of activities for the years ended June 30, 2026 and 2025, respectively. There are no accounts receivable or performance obligation liabilities as of June 30, 2026, 2025, and 2024 related to special events revenue.

Interest, investment, and other income is recorded when earned. Expenses are recorded when incurred, in accordance with the accrual basis of accounting.

FUNCTIONAL ALLOCATION OF EXPENSES

The consolidated statements of functional expenses report certain categories of expenses that are attributable to one or more program or supporting functions of Turning Point. These expenses include depreciation, interest, information technology, and facilities operations. Depreciation and facilities operations are allocated based on square footage occupancy. Interest is allocated to the functional categories which have benefited from the proceeds of the external debt. Costs of other categories were allocated on estimates of time and effort.

ALLOCATION OF JOINT COSTS

Turning Point allocates all costs containing a fund-raising appeal to fund-raising unless all of the criteria of purpose, audience, and content are met. Joint cost allocations are:

	Year Ended June 30,	
	2026	2025
Program activities	\$ 3,475,137	\$ 3,241,327
Fund-raising	373,669	350,022
	<u>\$ 3,848,806</u>	<u>\$ 3,591,349</u>

TURNING POINT FOR GOD AND SUBSIDIARIES

Notes to Consolidated Financial Statements

June 30, 2026 and 2025

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

RECLASSIFICATIONS

Certain reclassifications were made to prior year balances to conform to current year presentation. Assets held for deferred compensation and deferred compensation liabilities, both totaling \$2,090,481 as of June 30, 2025, were added to the consolidated statements of financial position. Additionally, investment earnings on deferred compensation assets and salaries and benefits expense were added, both totaling \$196,460 for the year ended June 30, 2025. There was no impact on change in net assets or net assets in total as a result of these reclassifications.

3. LIQUIDITY AND FUNDS AVAILABLE:

The following table reflects Turning Point's financial assets as of June 30, 2026 and 2025, reduced by amounts not available for general expenditure because of contractual or donor-imposed restrictions within one year of the consolidated statements of financial position date.

	June 30,	
	2026	2025
Financial assets:		
Cash and cash equivalents	\$ 9,344,984	\$ 19,891,297
Accounts receivable	213,372	730,772
Promises-to-give-net	688,000	761,000
Restricted Investments	4,000,000	-
Life insurance cash surrender value	2,978,343	2,833,795
Cash restricted for long-term purposes	3,886,010	-
Financial assets, at year-end:	21,110,709	24,216,864
Less those unavailable for general expenditure within one year, due to:		
Cash restricted for long-term purposes	(3,886,010)	-
Investments restricted as debt collateral	(4,000,000)	-
Promises-to-give-net collectible beyond one year	(568,000)	(641,000)
Financial assets available to meet cash needs for general expenditures within one year	\$ 12,656,699	\$ 23,575,864

As part of Turning Point's liquidity management, it structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due. Turning Point has certain donor-restricted net assets totaling \$383,979 and \$531,013 that are available for general expenditures within one year of June 30, 2026 and 2025, respectively, as the restrictions are expected to be met by conducting the normal activities of Turning Point in the coming year. To help manage unanticipated liquidity needs, Turning Point also has committed to a line of credit in the amount of \$7 million which it could draw upon. Turning Point had approximately \$180,000 remaining to draw upon at June 30, 2026. See Note 9 for more information on the line of credit.

TURNING POINT FOR GOD AND SUBSIDIARIES

Notes to Consolidated Financial Statements

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4. PROMISES-TO-GIVE:

Promises-to-give receivable consists of:

	June 30,	
	2026	2025
Unconditional promises-to-give before discount for present value of cash flows	\$ 2,001,000	\$ 2,121,000
Less discount for present value of cash flows	(158,000)	(205,000)
Less allowance for uncollectible promises-to-give	(1,155,000)	(1,155,000)
	688,000	761,000
Less current portion	(120,000)	(120,000)
Promises-to-give, net of current portion	<u>\$ 568,000</u>	<u>\$ 641,000</u>

Amounts as of June 30, 2026, are due in:

Less than one year	\$ 120,000
One to five years	400,774
Greater than five years	167,226
	<u>\$ 688,000</u>

5. INVENTORY:

Inventory consists of:

	June 30,	
	2026	2025
Books and Bibles	\$ 6,008,576	\$ 6,238,047
CDs and videos	1,387,728	1,439,476
Study guides	880,578	1,028,074
Bible resources	540,554	565,182
Inventory supplies	17,308	73,561
	8,834,744	9,344,340
Less reserve for obsolete inventory	(1,416,868)	(1,256,514)
	<u>\$ 7,417,876</u>	<u>\$ 8,087,826</u>

TURNING POINT FOR GOD AND SUBSIDIARIES

Notes to Consolidated Financial Statements

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6. OPERATING LEASES – RIGHT-OF-USE ASSETS AND OBLIGATIONS:

The Organization leases property, vehicles and equipment under various operating leases expiring at various dates through June 2028. The discount rate represents the risk-free discount rate using a period comparable with that of the individual lease term on the inception date of the lease. The leases require monthly payments ranging from \$1,013 to \$87,871. Discount rates on these leases range from 2.88% to 4.56%.

	June 30,	
	2026	2025
Operating lease right-of-use assets	\$ 940,059	\$ 1,963,716
Operating lease obligations	\$ 957,276	\$ 2,025,669
Operating lease costs	\$ 1,917,814	\$ 1,888,101
Cash paid for operating leases	\$ 1,962,550	\$ 1,909,927
Weighted-average discount rate	3.69%	3.48%
Weighted-average remaining lease term	0.67 years	1.22 years

Future minimum lease payments required under the operating leases that have an initial or remaining non-cancelable lease term in excess of one year are as follows:

<u>Year Ending June 30,</u>	
2027	\$ 931,080
2028	39,290
	<u>970,370</u>
Less imputed interest	<u>(13,094)</u>
	<u>\$ 957,276</u>

As of June 30, 2026, Turning Point has an additional operating lease that has not yet commenced with approximate annual payments ranging between \$2,050,000 and increasing by 4% annually to \$2,940,000 in year 10. This lease will commence subsequent to June 30, 2026, upon substantial completion of the building and has a lease term of 10 years.

TURNING POINT FOR GOD AND SUBSIDIARIES

Notes to Consolidated Financial Statements

June 30, 2026 and 2025

7. CAPITLALIZED PRODUCTION AND EVENT COSTS–NET:

Capitalized production and event costs–net consist of:

	June 30,	
	2026	2025
Film production costs	\$ 12,801,349	\$ 9,313,228
Event costs	4,010,732	-
	16,812,081	9,313,228
Less accumulated amortization	(6,726,388)	(5,532,650)
	<u>\$ 10,085,693</u>	<u>\$ 3,780,578</u>

8. PROPERTY, EQUIPMENT, AND LONG-LIVED ASSETS–NET:

Property, equipment, and long-lived assets–net consist of:

	June 30,	
	2026	2025
Land	\$ 1,273,651	\$ 1,273,651
Buildings and improvements	31,182,977	17,587,820
Production equipment	11,942,658	11,576,068
Computer equipment and software	5,809,737	5,187,919
Furniture and office equipment	4,275,981	3,517,240
Website development	925,986	916,375
Bible Strong Kids	648,344	648,344
Vehicles and other	361,677	184,275
	56,421,011	40,891,692
Less accumulated depreciation and amortization	(24,739,591)	(21,513,186)
	31,681,420	19,378,506
Construction in progress	172,196	8,351,599
	<u>\$ 31,853,616</u>	<u>\$ 27,730,105</u>

Depreciation expense was recorded in the amount of approximately \$3,257,000 and \$3,043,000, for the years ended June 30, 2026 and 2025, respectively. Amortization expense, related to website development was approximately \$12,000 for both years ended June 30, 2026 and 2025. Capitalized interest, included within buildings and improvements, totaled \$145,408 and \$180,844 as of June 30, 2026 and 2025, respectively.

TURNING POINT FOR GOD AND SUBSIDIARIES

Notes to Consolidated Financial Statements

June 30, 2026 and 2025

9. LONG-TERM DEBT:

Long-term debt consists of:

	June 30,	
	2026	2025
A \$10,000,000 construction line of credit with a financial institution, secured by real property with a net book value of approximately \$20,330,000. Interest rate of 5.75%. In July 2024, the construction line of credit converted to a term loan upon maturity with monthly payments, including principal and interest, of \$110,324 based on a five-year amortization. Loan matures April 2029 with a balloon payment due of \$6,135,091.	\$ 8,584,190	\$ 9,382,150
A \$8,000,000 construction line of credit with a financial institution, secured by real property with a net book value of approximately \$20,330,000. Interest rate of 6.25%. In September 2025, the construction line of credit converted to a term loan upon maturity with monthly payments, including principal and interest, of \$90,184 based on a five-year amortization. A balloon payment for the remaining balance is due upon maturity in March 2029.	7,558,289	6,726,783
Revolving \$7,000,000 line of credit with a financial institution, secured by real property with a net book value of approximately \$20,330,000. Interest rate of prime minus 0.25% (effectively 6.50% and 7.25% as of June 30, 2026 and June 30, 2025, respectively). The line of credit matures March 2027.	6,820,000	6,920,000
A \$4,000,000 term loan with a financial institution, secured by a certificate of deposit held at the lending financial institution with a value of approximately \$4,000,000. Interest rate of 7.00%. The line of credit matures December 2027.	4,000,000	-
	26,962,479	23,028,933
Less current portion	(7,318,352)	(8,159,676)
	<u>\$ 19,644,127</u>	<u>\$ 14,869,257</u>

Subsequent to June 30, 2026, Turning Point refinanced the \$10,000,000 term loan and \$8,000,000 term loan together into a new term loan of \$16,022,470 with monthly payments, including principal and interest, of \$117,961, with interest calculated at 6.25% and a balloon payment due upon maturity. The loan matures July 2031 and is secured by real property with a net book value of approximately \$20,330,000.

TURNING POINT FOR GOD AND SUBSIDIARIES

Notes to Consolidated Financial Statements

June 30, 2026 and 2025

9. LONG-TERM DEBT, continued:

Annual minimum payments, considering the refinance subsequent to June 30, 2026, on the notes payable are as follows:

<u>Year Ending June 30,</u>	
2027	\$ 7,318,352
2028	4,433,956
2029	464,977
2030	495,312
2031	<u>14,249,882</u>
	<u>\$ 26,962,479</u>

Interest expense, including capitalized interest, for years ended June 30, 2026 and 2025 totaled approximately \$1,331,000 and \$935,000, respectively. Turning Point was in compliance with all financial and reporting covenants as of June 30, 2026 and 2025.

10. NET ASSETS WITH DONOR RESTRICTIONS:

Net assets with donor restrictions, restricted by purpose or time, consist of:

	<u>June 30,</u>	
	<u>2026</u>	<u>2025</u>
<i>Why the Cross?</i> film	\$ 3,886,010	\$ -
Time restricted	688,000	761,000
Global outreach	243,858	288,211
Other program restrictions	<u>20,121</u>	<u>122,802</u>
	<u>\$ 4,837,989</u>	<u>\$ 1,172,013</u>

TURNING POINT FOR GOD AND SUBSIDIARIES

Notes to Consolidated Financial Statements

June 30, 2026 and 2025

11. RELATED PARTY TRANSACTIONS:

The Founder/CEO of Turning Point is also the senior pastor of Shadow Mountain Community Church (the Church) in El Cajon, California. Various materials produced and sold by Turning Point are derived from sermons conducted on the premises of the Church.

For the years ended June 30, 2026 and 2025, the following transactions occurred between Turning Point and the Church: contributions to the Church were \$100,000 for both years; support of Spanish programming aired by Turning Point from the Church totaled \$30,000 for both years; and product purchases and other costs used by the Church purchased from Turning Point were approximately \$55,000 and \$96,000, respectively. Amounts owed to Turning Point by the Church were approximately \$6,000 for both years.

The President/Chief Operating Officer (COO) and Founder/CEO of Turning Point hold positions on the board of directors of Turning Point of Canada (the Canadian Charity). The Canadian Charity broadcasts religious programs provided by Turning Point throughout Canada. Turning Point provides fund-raising consulting, programming, product fulfillment, and general business consulting as needed by the Canadian Charity throughout the year. For the years ended June 30, 2026 and 2025, Turning Point invoiced approximately \$1,422,000 and \$1,509,000, respectively, for goods and services to the Canadian Charity. For the years ended June 30, 2026 and 2025, reimbursements from the Canadian Charity were approximately \$1,783,000 and \$1,259,000, respectively. Accounts receivable from the Canadian Charity were approximately \$145,000 and \$566,000, as of June 30, 2026 and 2025, respectively.

The President/COO and Founder/CEO of Turning Point hold positions on the board of directors for Turning Point for God of Great Britain. Turning Point for God of Great Britain broadcasts religious programs provided by Turning Point in Great Britain. Turning Point provides fund-raising consulting, programming, product fulfillment, and general business consulting as needed by Turning Point of United Kingdom. For the years ended June 30, 2026 and 2025, Turning Point contributed approximately \$253,000 and \$281,000, respectively, in goods and services to Turning Point for God of Great Britain. For the years ended June 30, 2026 and 2025, reimbursements from Turning Point for God of Great Britain were approximately \$92,000 and \$108,000, respectively. Accounts receivable from Turning Point for God of Great Britain were approximately \$9,000 and \$8,000, as of June 30, 2026 and 2025, respectively.

The President/COO and Founder/CEO of Turning Point hold positions on the board of directors for Turning Point for God of Australia. Turning Point for God of Australia broadcasts religious programs provided by Turning Point in Australia. Turning Point provides fund-raising consulting, programming, product fulfillment, and general business consulting as needed by Turning Point of Australia. For the years ended June 30, 2026 and 2025, Turning Point contributed approximately \$482,000 and \$640,000, respectively, in goods and services to Turning Point for God of Australia. Accounts receivable from Turning Point for God of Australia were approximately \$27,000 and \$64,000, as of June 30, 2026 and 2025, respectively.

TURNING POINT FOR GOD AND SUBSIDIARIES

Notes to Consolidated Financial Statements

June 30, 2026 and 2025

11. RELATED PARTY TRANSACTIONS, continued:

The Founder/CEO of Turning Point also holds a position on the board of directors for the Christian Unified School District. Contributions to the Christian Unified School District from Turning Point totaled approximately \$700,000, for both years ended June 30, 2025 and 2024.

A board member of Turning Point provided consulting services related to Turning Point's office remodel construction project. During the years ended June 30, 2026 and 2025 Turning Point paid the board member approximately \$46,000 and \$35,000, respectively, for the services rendered.

Turning Point purchases books authored by the Founder/CEO from various publishers at a discounted price negotiated by Turning Point, exclusive of any royalty. In addition, a designated amount of books are acquired and distributed through retail channels for ministry purposes once each year. Books acquired and distributed through retail channels result in standard royalties and agent fees for Dr. Jeremiah and his agent.

12. RETIREMENT PLAN:

Turning Point maintains a 403(b) defined contribution retirement program (the Program) with Guidestone Financial Resources of the Southern Baptist Convention for the benefit of its full-time and part-time employees who, after one year of consecutive service, have worked 1,000 or more hours in the past year of employment. Turning Point contributed 5% of gross wages to all eligible participants of the Program, vesting at 5 years. All employees of Turning Point may make voluntary contributions to the Program by way of elective salary deferrals.

Total retirement expense was approximately \$810,000 and \$714,000, for the years ended June 30, 2026 and 2025, respectively.

13. SUBSEQUENT EVENTS:

Management has evaluated subsequent events through the date that the consolidated financial statements were available to be issued, September 23, 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.