



## FRONTIERS USA

Financial Statements  
With Independent Auditor's Report

June 30, 2025 and 2024

# FRONTIERS USA

## Table of Contents

	<u>Page</u>
Independent Auditor's Report	1
Financial Statements	
Statements of Financial Position	3
Statements of Activities	4
Statements of Cash Flows	6
Notes to Financial Statements	8

## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Frontiers USA  
Tempe, Arizona

### ***Opinion***

We have audited the accompanying financial statements of Frontiers USA (a nonprofit organization), which comprise the statements of financial position as of June 30, 2025 and 2024, and the related statements of activities, 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 Frontiers USA as of June 30, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Basis for Opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of Frontiers USA 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 Frontiers USA'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  
Frontiers USA  
Tempe, Arizona

***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 Frontiers USA'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 Frontiers USA'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*

Tempe, Arizona  
September 22, 2025

# FRONTIERS USA

## Statements of Financial Position

	June 30,	
	2025	2024
<b>ASSETS:</b>		
Cash and cash equivalents	\$ 9,613,885	\$ 9,542,815
Board designated cash and cash equivalents	1,853,890	1,614,847
Investments	15,654,260	13,904,895
Contributions receivable	190,000	203,500
Staff advances	436,984	394,325
Prepaid expenses and other assets	156,618	220,809
Land, building, and equipment–net	2,445,737	2,381,702
<b>Total Assets</b>	<b>\$ 30,351,374</b>	<b>\$ 28,262,893</b>
<b>LIABILITIES AND NET ASSETS:</b>		
<b>Liabilities:</b>		
Accounts payable	\$ 110,762	\$ 94,522
Accrued expenses	402,206	329,745
Amounts due to affiliates	459,594	125,978
<b>Total liabilities</b>	<b>972,562</b>	<b>550,245</b>
<b>Net assets:</b>		
Without donor restrictions:		
Undesignated	7,935,925	7,647,658
Board designated–investment reserve	1,213,586	1,124,543
Board designated–insurance reserve	640,304	490,304
Investment in land, building, and equipment	2,445,737	2,381,702
	12,235,552	11,644,207
With donor restrictions–fieldworker accounts, projects, and time	17,143,260	16,068,441
<b>Total net assets</b>	<b>29,378,812</b>	<b>27,712,648</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 30,351,374</b>	<b>\$ 28,262,893</b>

See notes to financial statements

# FRONTIERS USA

## Statements of Activities

	Year Ended June 30,					
	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE:						
Contributions	\$ 2,364,810	\$ 41,174,825	\$ 43,539,635	\$ 2,356,675	\$ 39,146,825	\$ 41,503,500
Investment return, net	1,444,132	-	1,444,132	1,912,846	-	1,912,846
Other income	126,572	-	126,572	148,274	-	148,274
Net assets released from restrictions:						
Administrative assessments	3,273,057	(3,273,057)	-	3,123,108	(3,123,108)	-
Satisfaction of field worker and project restrictions	36,826,949	(36,826,949)	-	35,875,227	(35,875,227)	-
Total Support and Revenue	44,035,520	1,074,819	45,110,339	43,416,130	148,490	43,564,620
EXPENSES:						
Field worker compensation	29,480,948	-	29,480,948	28,748,011	-	28,748,011
Ministry expense	6,908,108	-	6,908,108	6,821,023	-	6,821,023
International office assessment	1,109,146	-	1,109,146	997,341	-	997,341
Finance/human resources	1,041,959	-	1,041,959	756,353	-	756,353
Information technology	1,003,899	-	1,003,899	975,684	-	975,684
Receipting	713,918	-	713,918	702,969	-	702,969
USA director and board	587,331	-	587,331	267,821	-	267,821
Development	511,159	-	511,159	515,976	-	515,976
Building and occupancy	511,124	-	511,124	493,174	-	493,174
Communications	419,866	-	419,866	402,860	-	402,860
Training	379,108	-	379,108	417,890	-	417,890
Recruiting	364,636	-	364,636	288,594	-	288,594
Overseas placement and support	294,619	-	294,619	272,826	-	272,826
Church-based teams/church relations	71,525	-	71,525	93,873	-	93,873
Administrative services	46,829	-	46,829	49,426	-	49,426
Total Expenses	43,444,175	-	43,444,175	41,803,821	-	41,803,821

(continued)

See notes to financial statements

# FRONTIERS USA

## Statements of Activities (continued)

	Year Ended June 30,					
	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Change in Net Assets	591,345	1,074,819	1,666,164	1,612,309	148,490	1,760,799
Net Assets, Beginning of Year	11,644,207	16,068,441	27,712,648	10,031,898	15,919,951	25,951,849
Net Assets, End of Year	<u>\$ 12,235,552</u>	<u>\$ 17,143,260</u>	<u>\$ 29,378,812</u>	<u>\$ 11,644,207</u>	<u>\$ 16,068,441</u>	<u>\$ 27,712,648</u>

See notes to financial statements

# FRONTIERS USA

## Statements of Cash Flows

	Year Ended June 30,	
	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 1,666,164	\$ 1,760,799
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation and amortization	217,560	218,199
Realized and unrealized gain on investments	(575,666)	(1,095,781)
Loss on disposal of equipment	-	2,427
Changes in operating assets and liabilities:		
Contributions receivable	13,500	(13,500)
Staff advances	(42,659)	(236,396)
Prepaid expenses and other assets	64,191	49,442
Accounts payable	16,240	43,698
Accrued expenses	72,460	13,376
Amounts due to affiliates	333,616	124,415
Net Cash Provided by Operating Activities	<u>1,765,406</u>	<u>866,679</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of investments	(4,973,633)	(3,603,143)
Proceeds from sale of investments	3,799,935	3,775,184
Capital purchases	(281,595)	(127,203)
Net Cash Provided (Used) by Investing Activities	<u>(1,455,293)</u>	<u>44,838</u>
Change in Cash and Cash Equivalents	310,113	911,517
Cash and Cash Equivalents, Beginning of Year	<u>11,157,662</u>	<u>10,246,145</u>
Cash and Cash Equivalents, End of Year	<u>\$ 11,467,775</u>	<u>\$ 11,157,662</u>

(continued)

See notes to financial statements



# FRONTIERS USA

## Statements of Cash Flows (continued)

	Year Ended June 30,	
	2025	2024
CASH, CASH EQUIVALENTS, AND BOARD DESIGNATED CASH AND CASH EQUIVALENTS CONSISTS OF:		
Cash and Cash Equivalents	\$ 9,613,885	\$ 9,542,815
Board Designated Cash and Cash Equivalents	<u>1,853,890</u>	<u>1,614,847</u>
	<u>\$ 11,467,775</u>	<u>\$ 11,157,662</u>
SUPPLEMENTAL INFORMATION:		
Write-off of fully depreciated fixed assets	<u>\$ 30,387</u>	<u>\$ 219,599</u>

See notes to financial statements

# FRONTIERS USA

## Notes to Financial Statements

June 30, 2025 and 2024

1. NATURE OF ORGANIZATION:

MIO Frontiers was incorporated in California in 1982, and was organized as a not-for-profit religious corporation exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC). It was also exempt from state income taxes. During the year ended June 30, 2021, MIO Frontiers was dissolved as a corporation and was reincorporated in Arizona as Frontiers USA (Frontiers). In July 2021, Frontiers received notice from the Internal Revenue Service (IRS) recognizing Frontiers under the employee identification number previously issued to MIO Frontiers. This notice also provided the determination that Frontiers has been classified as a publicly supported organization, which is not a private foundation, under Section 509(a) of the IRC. In December 2020, Frontiers requested a determination letter from the IRS reclassifying Frontiers as an “association of churches.” In a letter dated August 25, 2021, the IRS granted association of churches status to Frontiers. Contributions by the public are deductible for income tax purposes. Income for Frontiers primarily consists of contributions from individuals and churches. Frontiers continues to be exempt from state income taxes.

The mission of Frontiers is to plant churches that lead to movements among the least-evangelized peoples of the world through recruiting, training, sending, and serving fieldworkers. Some of Frontiers’ fieldworkers are self-supporting (tent-makers); therefore, only contributions to the mission work of Frontiers is reflected in Frontiers' financial statements.

Frontiers works in partnership with the international movement of Frontiers in accordance with the International Cooperative Agreement. The Frontiers International Office, located in England, provides vision, coordination, and leadership to the Frontiers movement. The financial statements of Frontiers are not consolidated with Frontiers International in accordance with U.S. generally accepted accounting principles under the Accounting Standards Codification (ASC) consolidation rules.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Frontiers uses estimates and assumptions in preparing financial statements in accordance with accounting principles generally accepted in the United States of America. These estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of any contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were assumed in preparing the financial statements. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

### CASH AND CASH EQUIVALENTS

For statements of financial position and cash flow purposes, cash and cash equivalents include cash and all highly liquid investments with an original maturity of ninety days or less. Such accounts may, at times, exceed federally insured limits. At June 30, 2025 and 2024, Frontiers' cash balances on deposit exceeded federally insured limits by approximately \$10,294,000 and \$10,057,000, respectively.

# FRONTIERS USA

## Notes to Financial Statements

June 30, 2025 and 2024

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

#### BOARD DESIGNATED CASH AND CASH EQUIVALENTS

Board designated cash and cash equivalents consist of amounts restricted by the board for the investment and insurance reserves.

#### INVESTMENTS

Investments in equity securities are reported at fair value based on quoted prices in active markets for identical assets, which is Level 1 of the fair value hierarchy. Investments in debt securities are reported at fair value based on significant other observable inputs, which is Level 2 of the fair value hierarchy. Donated securities are recorded at fair value on the date of the gift and sold as soon as possible thereafter. Unrealized gains or losses in fair value are recognized in the year in which they occur. Investment securities are exposed to various risks, such as changes in interest rates or credit ratings and market fluctuations. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is possible that the value of Frontiers' investments and total net assets balance could fluctuate materially.

#### CONTRIBUTIONS RECEIVABLE

Contributions receivable are reported as income when the unconditional promise to give is made. Contributions receivable are recorded at net realizable value as all contributions receivable are expected to be collected within one year. Management believes these receivables are fully collectible, therefore no allowance for uncollectible accounts is necessary for June 30, 2025 or 2024.

#### STAFF ADVANCES

Staff advances consist of amounts due to Frontiers from fieldworkers for various purposes. Management believes these amounts are fully collectible, therefore no allowance for uncollectible amounts is necessary for June 30, 2025 or 2024.

#### LAND, BUILDING, AND EQUIPMENT

Expenditures of \$1,000 or more for land, building, and equipment are capitalized at cost. Repairs and maintenance are expensed as incurred. Donated items are recorded at the fair market value on the date of the gift. Depreciation, excluding land, is computed on the straight-line method over the estimated useful lives of the assets, ranging from two to twenty years. During the years ended June 30, 2025 and 2024, depreciation expense was \$217,560 and \$218,199, respectively.

# FRONTIERS USA

## Notes to Financial Statements

June 30, 2025 and 2024

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

#### NET ASSETS

The financial statements report amounts by class of net assets:

*Net assets without donor restrictions* are those net assets currently available at the discretion of the board for use in Frontiers' operations, those designated by the board for specified purposes, and those resources invested in land, building, and equipment. The board designated investment reserves reflected on the statements of financial position are calculated at a maximum of 7.5% of total investment holdings, including the portion held as cash. The board designated insurance reserve is being held for use in a possible transition to a self-insured plan or plans.

*Net assets with donor restrictions* are contributed with donor stipulations for specific operating purposes. See Note 7 for a summary of net assets with donor restrictions.

#### PUBLIC 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 the ministry. Frontiers records contributions as donor restricted if they are received with donor stipulations that limit their use either through purpose or time restrictions, or both. When donor restrictions expire, that is, when the purpose restriction is fulfilled or the time restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Frontiers receives donated investments and other non-cash gifts, which are recorded as contributions at the estimated fair market value on the date of the gift. Investment income is recognized when earned. Other income consists of revenue from various events and is recorded when the event is held (point in time).

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

#### CONTRIBUTED SERVICES

Accounting standards require that the value of contributed services that create or enhance non-financial assets or require specialized skills be recorded. Many volunteers have contributed significant amounts of their time to Frontiers activities; however, since the above requirements were not met, the value of the contributed services is not recorded in the financial statements.

# FRONTIERS USA

## Notes to Financial Statements

June 30, 2025 and 2024

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

#### FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing various programs and supporting services are summarized on a functional basis in Note 10. Expenses are directly charged to the appropriate activity, where feasible. The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Such expenses require allocation on a reasonable basis that is consistently applied. Allocated expenses include depreciation and office and occupancy costs, which are allocated on a square footage basis; and personnel costs (not directly charged), which are allocated based on estimates of time and effort. Frontiers evaluates the allocation methodology periodically.

Accounting standards require all costs which contain any fundraising appeal to be allocated to fundraising unless all of the following three tests are met: purpose, audience, and content. The allocation of these joint costs is disclosed in Note 10 to the financial statements.

### 3. LIQUIDITY:

The following reflects Frontiers' financial assets as of June 30, 2025 and 2024, reduced by amounts not available for general expenditure within one year of the statements of financial position date:

	June 30,	
	2025	2024
Financial assets:		
Cash and cash equivalents	\$ 9,613,885	\$ 9,542,815
Board designated cash and cash equivalents	1,853,890	1,614,847
Investments	15,654,260	13,904,895
Contributions receivable	190,000	203,500
Financial assets, at year end	<u>27,312,035</u>	<u>25,266,057</u>
Less those unavailable for general expenditure within one year due to:		
Board designated reserves	<u>(1,853,890)</u>	<u>(1,614,847)</u>
	<u>(1,853,890)</u>	<u>(1,614,847)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 25,458,145</u>	<u>\$ 23,651,210</u>

Frontiers manages its liquid resources by employing a number of different measures. Frontiers focuses on generating adequate contributions to cover its activities, while investing excess cash in investments to maximize earnings in light of Frontiers' risk tolerance. Expenses are reviewed frequently as part of the monitoring process over budget-to-actual results. Frontiers has certain donor restricted net assets limited to use for fieldworkers or other specific purposes or time restrictions which are ongoing, major, and central to its annual operations. Based upon timing and expended use of funds, all amounts are considered to be available for general expenditure within one year.

# FRONTIERS USA

## Notes to Financial Statements

June 30, 2025 and 2024

### 4. FAIR VALUE MEASUREMENTS:

Fair value is the exchange price that would be received for an asset or paid to transfer a liability (exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. There are three levels of inputs that may be used to measure fair values:

Level 1: Quoted prices for identical instruments traded in active markets.

Level 2: Significant other observable inputs other than Level 1 prices, such as:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs, other than quoted prices, that are:
  - observable; or
  - can be corroborated by observable market data.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs. Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2025 and 2024.

Equity securities: Reported at fair value based on quoted prices in active markets for identical assets, which is Level 1 of the fair value hierarchy. Investments in debt securities are reported at fair value based on significant other observable inputs, which is Level 2 of the fair value hierarchy.

Fixed income securities: Reported at fair value based on significant other observable inputs, which is Level 2 of the fair value hierarchy.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although Frontiers believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine fair value of certain financial instruments could result in different fair value measurements at the reporting date.

# FRONTIERS USA

## Notes to Financial Statements

June 30, 2025 and 2024

### 4. FAIR VALUE MEASUREMENTS, continued:

Fair values of assets measured on a recurring basis at June 30, 2025 and 2024, are:

	Fair Value Measurements Using:			
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	2025			
Investments:				
Equities	\$ 3,496,754	\$ 3,496,754	\$ -	\$ -
Fixed income	12,157,506	-	12,157,506	-
	<u>\$ 15,654,260</u>	<u>\$ 3,496,754</u>	<u>\$ 12,157,506</u>	<u>\$ -</u>
	Fair Value Measurements Using:			
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	2024			
Investments:				
Equities	\$ 4,616,658	\$ 4,616,658	\$ -	\$ -
Fixed income	9,288,237	-	9,288,237	-
	<u>\$ 13,904,895</u>	<u>\$ 4,616,658</u>	<u>\$ 9,288,237</u>	<u>\$ -</u>

### CHANGES IN FAIR VALUE LEVELS

The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported at the beginning of the reporting period.

Management evaluated the significance of transfer between levels based upon the nature of the financial instrument and size of the transfer relative to total assets. For the years ended June 30, 2025 and 2024, there were no significant transfers in or out of Levels 1, 2 or 3.

# FRONTIERS USA

## Notes to Financial Statements

June 30, 2025 and 2024

5. LAND, BUILDING, AND EQUIPMENT—NET:

Land, building, and equipment—net consist of:

	June 30,	
	2025	2024
Land	\$ 1,740,000	\$ 1,740,000
Building and improvements	4,063,678	3,904,862
Furniture and fixtures	331,777	330,124
Office equipment	566,458	487,569
Website and software development projects	390,902	379,052
	<u>7,092,815</u>	<u>6,841,607</u>
Less accumulated depreciation and amortization	<u>(4,647,078)</u>	<u>(4,459,905)</u>
	<u>\$ 2,445,737</u>	<u>\$ 2,381,702</u>

6. LINE OF CREDIT:

Frontiers had a line of credit from a financial institution in the amount of \$1,000,000 with a variable interest rate with an effective rate of 8.85% and a maturity date of September 21, 2024. As of June 30, 2024, there were no outstanding borrowings on the line of credit. The line of credit was not renewed upon maturity.



# FRONTIERS USA

## Notes to Financial Statements

June 30, 2025 and 2024

7. NET ASSETS:

Net assets consist of:

	June 30,	
	2025	2024
Net assets without donor restrictions:		
Undesignated	\$ 7,935,925	\$ 7,647,658
Board designated—investment reserve	1,213,586	1,124,543
Board designated—insurance reserve	640,304	490,304
Investment in land, building, and equipment	2,445,737	2,381,702
	<u>\$ 12,235,552</u>	<u>\$ 11,644,207</u>
Net assets with donor restrictions:		
Restricted by purpose:		
Fieldworkers	\$ 14,421,782	\$ 13,833,046
Projects	1,871,478	1,915,395
	<u>16,293,260</u>	<u>15,748,441</u>
Restricted by time	<u>850,000</u>	<u>320,000</u>
	<u>\$ 17,143,260</u>	<u>\$ 16,068,441</u>

8. 403(b) RETIREMENT PLAN:

Frontiers maintains a 403(b) retirement plan for its employees. Employees who work 20 hours or more per week and have obtained the age of twenty-one are eligible to participate in the plan and to receive employer matching contributions on their discretionary contributions. During the year ended June 30, 2024, the employer match was 50% of the first 6% of employee discretionary contributions effective on the first day of employment. Effective July 1, 2024, new employees were automatically enrolled as a participant in the plan at a rate of 6% on a post-tax basis, which allows them to receive the maximum employer match. Additionally, as of July 1, 2024, employees became eligible to participate in the plan as of the first day of the month following their date of hire. During the years ended June 30, 2025 and 2024, Frontiers' contributions to the 403(b) plan were \$404,754 and \$352,275, respectively.

9. INTERNATIONAL OFFICE ASSESSMENT:

The contributions raised by Frontiers' fieldworkers are assessed a fee to fund fieldworker oversight and other contracted services provided by the international office. These amounts are included in international office assessments in the statements of activities.

# FRONTIERS USA

## Notes to Financial Statements

June 30, 2025 and 2024

### 10. FUNCTIONAL ALLOCATION OF EXPENSES:

The table below presents expenses by both their nature and function for the years ending:

	2025			
	Program Activities	Management and General	Fundraising	Total
Salaries and benefits	\$ 28,308,075	\$ 1,568,749	\$ 2,914,037	\$ 32,790,861
Grants to other organizations	2,656,751	-	-	2,656,751
Travel and meals	2,067,075	6,599	436,778	2,510,452
Training and conferences	1,104,659	14,079	219,890	1,338,628
Office expenses	481,322	549,012	231,268	1,261,602
Payments to affiliates	1,127,324	-	4,544	1,131,868
Outside services	365,347	175,675	78,254	619,276
Other fieldworker expenses	273,148	-	68,287	341,435
Depreciation and amortization	163,106	29,191	25,263	217,560
All other expenses	384,240	103,752	87,750	575,742
	<u>\$ 36,931,047</u>	<u>\$ 2,447,057</u>	<u>\$ 4,066,071</u>	<u>\$ 43,444,175</u>
	<u>85.0%</u>	<u>5.6%</u>	<u>9.4%</u>	<u>100%</u>

# FRONTIERS USA

## Notes to Financial Statements

June 30, 2025 and 2024

### 10. FUNCTIONAL ALLOCATION OF EXPENSES, continued:

	2024			
	Program Activities	Management and General	Fundraising	Total
Salaries and benefits	\$ 27,369,304	\$ 1,287,888	\$ 2,883,872	\$ 31,541,064
Grants to other organizations	2,237,424	-	-	2,237,424
Travel and meals	2,058,812	1,346	440,997	2,501,155
Training and conferences	984,359	3,725	197,962	1,186,046
Office expenses	481,394	517,409	242,045	1,240,848
Payments to affiliates	1,015,602	-	4,565	1,020,167
Outside services	523,740	153,800	96,923	774,463
Other fieldworker expenses	368,366	-	92,092	460,458
Depreciation and amortization	164,817	24,559	28,823	218,199
All other expenses	489,617	77,228	57,152	623,997
	<u>\$ 35,693,435</u>	<u>\$ 2,065,955</u>	<u>\$ 4,044,431</u>	<u>\$ 41,803,821</u>
	<u>85.4%</u>	<u>4.9%</u>	<u>9.7%</u>	<u>100%</u>

As stated in Note 2, Frontiers incurs costs for fieldworker deputation which includes time spent performing fundraising functions. These costs are referred to as joint costs and are allocated to program services and fundraising. Joint cost allocations are as follows:

	June 30,	
	2025	2024
Program services	\$ 1,685,974	\$ 1,665,776
Fundraising	3,342,467	3,302,805
	<u>\$ 5,028,441</u>	<u>\$ 4,968,581</u>

### 11. SUBSEQUENT EVENTS:

Subsequent events were evaluated through September 22, 2025, which represents the date the financial statements were available to be issued. Subsequent events after that date have not been evaluated.