



**OPERATION BLESSING  
INTERNATIONAL RELIEF AND DEVELOPMENT CORPORATION  
AND AFFILIATED ORGANIZATIONS**

Consolidated Financial Statements

March 31, 2025 and 2024

(With Independent Auditors' Report Thereon)



KPMG LLP  
Suite 1510  
222 Central Park Avenue  
Virginia Beach, VA 23462

## **Independent Auditors' Report**

The Board of Directors

Operation Blessing International Relief and Development Corporation and affiliated organizations:

### *Opinion*

We have audited the consolidated financial statements of Operation Blessing International Relief and Development Corporation and affiliated organizations (collectively, Operation Blessing), which comprise the consolidated statements of financial position as of March 31, 2025 and 2024, and the related consolidated statements of activities and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Operation Blessing as of March 31, 2025 and 2024, and the results of its operations and its cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.

### *Basis for Opinion*

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of Operation Blessing 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 the consolidated financial statements in accordance with U.S. generally accepted accounting principles, 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 Operation Blessing's ability to continue as a going concern for one year after the date that the consolidated financial statements are issued.

### *Auditors' 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 auditors' 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 GAAS 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 GAAS, 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 Operation Blessing'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 Operation Blessing'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.

*KPMG LLP*

Virginia Beach, Virginia  
July 11, 2025

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Consolidated Statements of Financial Position

March 31, 2025 and 2024

<b>Assets</b>	<b>2025</b>	<b>2024</b>
Current assets:		
Cash and cash equivalents (note 1(c))	\$ 29,968,350	30,009,283
Contributions receivable, net (note 3)	3,810,380	3,571,340
Prepaid expenses and other	2,716,100	2,122,582
Gifts-in-kind inventories (note 1(e))	2,222,230	1,225,588
Total current assets	38,717,060	36,928,793
Property and equipment, net (note 4)	1,609,879	1,469,817
Operating lease right-of-use assets (note 6)	3,496,896	4,735,542
Long-term contributions receivable, net (note 3)	34,770	43,801
Other assets	148,076	145,129
Total assets	\$ 44,006,681	43,323,082
<b>Liabilities and Net Assets</b>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 1,707,366	1,658,909
Due to affiliate, net (note 7)	327,269	548,055
Current maturities of long-term debt (note 5)	249,146	240,109
Current portion of operating lease liabilities (note 6)	1,472,059	1,503,145
Deferred gifts-in-kind revenue (note 1(e))	2,222,230	1,225,588
Total current liabilities	5,978,070	5,175,806
Long-term debt (note 5)	230,892	480,038
Long-term operating lease liabilities (note 6)	2,097,312	3,317,700
Total liabilities	8,306,274	8,973,544
Net assets:		
Without donor restrictions	15,657,392	15,453,257
With donor restrictions (note 8)	20,043,015	18,896,281
Total net assets	35,700,407	34,349,538
Commitments and contingencies (note 12)		
Total liabilities and net assets	\$ 44,006,681	43,323,082

See accompanying notes to consolidated financial statements.

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Consolidated Statements of Activities

Years ended March 31, 2025 and 2024

	<b>2025</b>			<b>2024</b>		
	<b>Net assets without donor restrictions</b>	<b>Net assets with donor restrictions</b>	<b>Total</b>	<b>Net assets without donor restrictions</b>	<b>Net assets with donor restrictions</b>	<b>Total</b>
Revenue:						
Contributions (note 7)	\$ 18,860,651	23,864,192	42,724,843	19,605,655	15,559,118	35,164,773
Gifts-in-kind (note 1(e))	35,447,534	—	35,447,534	41,986,237	—	41,986,237
Other revenue	615,049	732,331	1,347,380	665,123	969,302	1,634,425
Net assets released from restrictions (note 9)	23,449,789	(23,449,789)	—	23,703,111	(23,703,111)	—
Total revenue	78,373,023	1,146,734	79,519,757	85,960,126	(7,174,691)	78,785,435
Expenses:						
Program expenses:						
Hunger Strike Force	6,631,557	—	6,631,557	7,595,366	—	7,595,366
Outreach and humanitarian relief	26,404,137	—	26,404,137	25,909,892	—	25,909,892
Gifts-in-kind (note 1(e))	37,270,278	—	37,270,278	43,976,924	—	43,976,924
Total program expenses	70,305,972	—	70,305,972	77,482,182	—	77,482,182
Supporting services expenses:						
Fundraising	6,087,268	—	6,087,268	5,262,513	—	5,262,513
General and administrative	1,775,648	—	1,775,648	1,923,069	—	1,923,069
Total supporting services expenses	7,862,916	—	7,862,916	7,185,582	—	7,185,582
Total expenses	78,168,888	—	78,168,888	84,667,764	—	84,667,764
Increase (decrease) in net assets	204,135	1,146,734	1,350,869	1,292,362	(7,174,691)	(5,882,329)
Net assets at beginning of year	15,453,257	18,896,281	34,349,538	14,160,895	26,070,972	40,231,867
Net assets at end of year	\$ 15,657,392	20,043,015	35,700,407	15,453,257	18,896,281	34,349,538

See accompanying notes to consolidated financial statements.

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Consolidated Statements of Cash Flows

Years ended March 31, 2025 and 2024

	<u><b>2025</b></u>	<u><b>2024</b></u>
Cash flows from operating activities:		
Increase (decrease) in net assets	\$ 1,350,869	(5,882,329)
Adjustments to reconcile increase (decrease) in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	685,015	1,125,561
Changes in assets and liabilities:		
Contributions receivable	(230,009)	(149,282)
Prepaid expenses and other	(593,518)	(316,194)
Due from affiliate	337,949	156,587
Operating lease right-of-use assets and liabilities	(12,828)	(103)
Accounts payable and accrued liabilities	48,457	216,555
Due to affiliate	(558,735)	467,741
Other assets	(2,947)	(10,805)
Net cash provided by (used in) operating activities	<u>1,024,253</u>	<u>(4,392,269)</u>
Cash flows from investing activities:		
Purchases of property and equipment	<u>(825,077)</u>	<u>(360,784)</u>
Net cash used in investing activities	<u>(825,077)</u>	<u>(360,784)</u>
Cash flows from financing activities:		
Payments of long-term debt	<u>(240,109)</u>	<u>(231,418)</u>
Net cash used in financing activities	<u>(240,109)</u>	<u>(231,418)</u>
Decrease in cash and cash equivalents	(40,933)	(4,984,471)
Cash and cash equivalents at beginning of year	<u>30,009,283</u>	<u>34,993,754</u>
Cash and cash equivalents at end of year	<u><u>\$ 29,968,350</u></u>	<u><u>30,009,283</u></u>
Supplemental disclosure of cash flow information:		
Cash paid during the period for interest	\$ 23,526	34,405
Supplemental disclosure of noncash investing activities:		
Acquisition of property and equipment in accounts payable at year-end	\$ —	2,163

See accompanying notes to consolidated financial statements.

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**(1) The Organization and Summary of Significant Accounting Policies**

**(a) Organization**

Operation Blessing International Relief and Development Corporation is a controlled affiliate of The Christian Broadcasting Network, Inc. (CBN). The mission of Operation Blessing International Relief and Development Corporation and its affiliated organizations (Operation Blessing) is to bring humanitarian relief to the world's poor and needy. This relief may take the form of in-kind contributions of food, clothing, medical supplies, equipment, and financial support, as well as the furnishing of services, transportation, and facilities. Additionally, Operation Blessing conducts its relief efforts, in part, by assisting charitable organizations worldwide whose purposes and activities are compatible with its own.

**(b) Basis of Presentation**

The consolidated financial statements include Operation Blessing International Relief and Development Corporation and its affiliated organizations under common control. All significant intercompany transactions and accounts have been eliminated in consolidation. The consolidated financial statements of Operation Blessing have been prepared on the accrual basis of accounting.

These consolidated financial statements have been prepared to focus on Operation Blessing as a whole and to present balances and transactions according to the existence or absence of donor-imposed restrictions. Net assets and revenue, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Operation Blessing's net assets are segregated into the following net asset groups:

*Net assets without donor restrictions* – Net assets not subject to donor-imposed stipulations.

*Net assets with donor restrictions* – Net assets subject to donor-imposed stipulations. Donor-imposed restrictions that are temporary in nature will be met by actions pursuant to the stipulations and/or the passage of time. Donor-imposed restrictions that are perpetual in nature neither expire by the passage of time nor can be fulfilled or otherwise removed by actions of Operation Blessing. Unrealized gains and losses from resources held in perpetuity can be either restricted or unrestricted.

Revenue is reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed stipulations. Contributions received and contributions receivable with donor-imposed restrictions are reported as increases to net assets with donor restrictions. Expirations of temporary restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications from net assets with donor restrictions to net assets without donor restrictions (note 8). Temporary restrictions on gifts to acquire long-lived assets are considered met in the period the assets are placed in service.

**(c) Cash and Cash Equivalents**

Operation Blessing considers all highly liquid financial instruments purchased with an original maturity of three months or less to be cash equivalents. Cash equivalents consisting of money market funds totaled \$29,184,282 and \$29,106,179 at March 31, 2025 and 2024, respectively, and are valued based

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on unadjusted quoted prices in active markets for identified assets that Operation Blessing has the ability to access at the measurement date.

**(d) Contributions Receivable**

Contributions receivable, which include unconditional promises to give to Operation Blessing, are recognized as revenue in the period the promise is made by the donor and are recorded at estimated net realizable value. Contributions to be received after one year, if any, are discounted at an appropriate discount rate commensurate with the risks involved. Amortization of the discount is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contribution. Conditional contributions to give are not recognized until the conditions on which they depend are substantially met. Contributions receivable from estate interests are recorded at Operation Blessing's percent interest in the estimated fair value based on the fair value of the underlying assets.

**(e) Gifts-in-Kind**

Gifts-in-kind are primarily comprised of medicines, medical supplies, canned and packaged food, produce, and other relief products. Contributed pharmaceuticals are restricted by donors for use outside the United States and are used in international humanitarian and disaster relief programs. In valuing contributed pharmaceuticals otherwise legally permissible for sale in the United States, Operation Blessing used the National Average Drug Acquisition Cost (NADAC), which approximates wholesale costs in the United States (the principal market). Food and other gifts-in-kind are recorded at their estimated fair wholesale value when received and used domestically and internationally for feeding programs, disaster relief and other humanitarian outreach. There is inherent uncertainty in determining the fair value of donated products. Gifts-in-kind revenue and expense are recognized in the year in which the product is distributed. Amounts at the end of the fiscal year that have not been distributed are included in gifts-in-kind inventories and deferred gifts-in-kind revenue.

Gifts-in-kind inventories and deferred gifts-in-kind revenue totaled \$2,222,230 and \$1,225,588 at March 31, 2025 and 2024, respectively. Medical gifts-in-kind revenue were \$4,346,099 and \$6,681,872 and food and other gifts-in-kind revenue were \$31,101,435 and \$35,304,365, for the years ended March 31, 2025 and 2024, respectively.

**(f) Property and Equipment, Net**

Property and equipment are stated at cost or at estimated fair value at date of gift if acquired by gift, less accumulated depreciation and amortization. Depreciation is computed utilizing the straight-line method over the estimated useful lives of the related assets, which is five years for medical equipment, disaster relief facilities, vehicles and equipment, office equipment and leasehold improvements, and three to five years for information technology and other equipment. Any gain or loss associated with property sold or retired is recorded in other revenue.



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***(g) Functional Allocation of Expenses***

Operation Blessing allocates its expenses on a functional basis among its various programs and supporting services. Expenses, including depreciation and amortization, that can be identified with a specific program or supporting service are allocated directly. Property and liability insurance is allocated based on the estimated risk of loss. Personnel costs related to worker's compensation and life and disability insurances, and medical claims expenses are allocated based on employee headcount.

***(h) Income Taxes***

Operation Blessing has been recognized by the Internal Revenue Service as tax exempt under Section 501(c)(3) of the Internal Revenue Code. Contributions to Operation Blessing qualify for a charitable contribution deduction to the extent provided by law.

Operation Blessing recognizes or derecognizes its tax positions based on a "more likely than not" threshold. This applies to positions taken or expected to be taken in a tax return. The consolidated financial statements do not include any uncertain tax positions.

***(i) Impairment of Long-Lived Assets***

Long-lived assets to be held and used are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future net cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized by the amount by which the carrying amount of the asset exceeds the fair value of the asset. Assets to be disposed of would be presented separately in the accompanying consolidated statements of financial position and reported at the lower of the carrying amount or fair value less costs to sell, and are no longer depreciated.

***(j) Use of Estimates***

The preparation of consolidated financial statements in conformity with U.S. generally accepted accounting principles (GAAP) requires management of Operation Blessing to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosures of contingencies at the date of the consolidated financial statements and revenue and expenses recognized during the reporting periods. Items subject to such estimates and assumptions include the valuation of contributions receivable, gifts-in-kind contributions, and the carrying amount of property and equipment. Actual results could differ from those estimates.

***(k) Subsequent Events***

The preparation of consolidated financial statements in conformity with GAAP requires entities to evaluate events that occur after the balance sheet date but before the consolidated financial statements are issued for potential recognition or disclosure. Entities are required to disclose the date through which subsequent events were evaluated, as well as the rationale for why that date was selected. In preparing these consolidated financial statements, Operation Blessing has evaluated events and transactions for potential recognition or disclosure through July 11, 2025.

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Operation Blessing is not aware of any specific events or transactions occurring after March 31, 2025 and up to July 11, 2025, the date the consolidated financial statements were issued, that could have a material impact on the presentation of the accompanying consolidated financial statements.

**(2) Liquidity and Availability**

The following represents Operation Blessing's financial assets at March 31, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Financial assets at year end:		
Cash and cash equivalents	\$ 29,968,350	30,009,283
Contributions receivable, net	3,845,150	3,615,141
Other	<u>300,377</u>	<u>288,615</u>
Total financial assets	<u>34,113,877</u>	<u>33,913,039</u>
Less amounts not available to be used within one year:		
Net assets with donor restrictions	20,043,015	18,896,281
Less net assets with time and purpose restrictions to be met in less than one year	<u>(19,208,111)</u>	<u>(18,277,833)</u>
	<u>834,904</u>	<u>618,448</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 33,278,973</u>	<u>33,294,591</u>

Operation Blessing regularly monitors liquidity and maintains liquidity reserves required to meet its operational needs. In addition to financial assets available to meet general expenditures over the next year, it anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources.

**(3) Contributions Receivable, Net**

Operation Blessing has net contributions receivable of \$3,845,150 and \$3,615,141 as of March 31, 2025 and 2024, respectively. Contributions receivable expected to be received after one year are netted against a present value discount of 6.80% equal to \$6,989 and 7.80% equal to \$8,793 at March 31, 2025 and

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2024, respectively. Contributions receivable, net, and the related discount, at March 31, 2025 and 2024 are expected to be received as follows:

	<u>2025</u>	<u>2024</u>
Within one year	\$ 3,810,380	3,571,340
One to five years	<u>41,759</u>	<u>52,594</u>
	3,852,139	3,623,934
Less present value discount	<u>(6,989)</u>	<u>(8,793)</u>
	<u>\$ 3,845,150</u>	<u>3,615,141</u>

**(4) Property and Equipment, Net**

Property and equipment and accumulated depreciation and amortization consist of the following at March 31, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Distribution center equipment	\$ 872,061	716,772
Disaster relief facilities, vehicles, and equipment	5,558,153	5,261,326
Information technology and other equipment	1,057,800	1,331,567
Office equipment	340,883	318,119
Leasehold improvements	<u>636,673</u>	<u>538,547</u>
	8,465,570	8,166,331
Accumulated depreciation and amortization	<u>(6,855,691)</u>	<u>(6,696,514)</u>
	<u>\$ 1,609,879</u>	<u>1,469,817</u>

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**(5) Long-Term Debt**

Long-term debt consists of the following at March 31, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Term note, collateralized by equipment, bears interest at a rate of 2.20% maturing August 2026	\$ 57,454	96,947
Term note, collateralized by equipment, bears interest at a rate of 2.17% maturing September 2026	55,284	91,154
Term note, collateralized by equipment, bears interest at a rate of 4.39% maturing May 2027	<u>367,300</u>	<u>532,046</u>
	480,038	720,147
Less:		
Current maturities	<u>(249,146)</u>	<u>(240,109)</u>
	<u>\$ 230,892</u>	<u>480,038</u>

Total interest expense in fiscal year 2025 and 2024 was \$22,686 and \$34,405, respectively.

Aggregate annual maturities of long-term debt at March 31, 2025 are as follows:

Year ending March 31:	
2026	\$ 249,146
2027	215,548
2028	<u>15,344</u>
	<u>\$ 480,038</u>

**(6) Leases**

Operation Blessing determines whether contractual arrangements contain a lease by evaluating whether those arrangements either implicitly or explicitly identify an asset, whether it has the right to obtain substantially all of the economic benefits from use of the asset throughout the term of the arrangement, and whether it has the right to direct the use of the asset.

Operation Blessing has entered into various long-term non-cancelable operating leases primarily for office and warehouse space and transportation equipment. The office and warehouse space operating leases expire at various dates through 2030, some of which have renewal options ranging from two to ten years and some have options to terminate at Operation Blessing's discretion. Real estate leases may have fixed payments or provide for increases in future minimum annual rental payments. Transportation equipment leases generally have fixed payments with expiration dates ranging through 2029. Renewal options are included in the lease term if it is reasonably certain that it will exercise those options. Operation Blessing has made an accounting policy election to not recognize right-of-use (ROU) assets or lease liabilities for

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qualifying leases with terms of 12 months or less. Lease expense for these leases is recognized on a straight-line basis over the lease term.

Operation Blessing has certain agreements with lease and non-lease components which are combined as a single lease component based on its practical expedient election. Real estate leases may require that it pay maintenance in addition to rent. Additionally, the real estate leases generally require payment of real estate taxes and insurance. Maintenance, real estate taxes, and insurance payments are generally variable and based on actual costs incurred by the lessor. Therefore, these amounts are not included when determining the ROU asset and lease liability.

The discount rate to determine the present value of the lease payments for a lessee is calculated on the basis of information available at the commencement date. A lessee should use the rate implicit in the lease whenever that rate is readily determinable. A lessee that is not a public business entity is permitted to use a risk-free discount rate for the lease, determined using a period comparable with that of the lease term, as an accounting policy election for all leases. Operation Blessing has elected to use the risk-free rate which corresponds with the term of the applicable lease.

The components of lease cost for the operating leases for the years ended March 31 are:

	<u>2025</u>	<u>2024</u>
Lease cost:		
Operating lease cost	\$ 1,674,939	1,916,431
Variable lease cost	333,870	314,658
Short-term lease cost	<u>284,144</u>	<u>305,740</u>
Total lease cost	<u>\$ 2,292,953</u>	<u>2,536,829</u>

The following table provides other key information related to operating leases at March 31:

	<u>2025</u>	<u>2024</u>
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	\$ 1,687,776	1,924,210
Right-of-use assets obtained in exchange for lease liabilities:		
Operating leases recognized	302,977	688,702

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Future minimum lease payments under noncancellable operating leases with terms greater than one year and the weighted average remaining lease term and weighted average discount rates as of March 31, 2025 are as follows:

Year ending March 31:		
2026	\$	1,551,362
2027		1,193,057
2028		652,757
2029		242,511
2030		56,323
Thereafter		<u>19,895</u>
		3,715,905
Effect of discounting		<u>(146,534)</u>
Present value of lease liabilities	\$	<u><u>3,569,371</u></u>
Weighted-average discount rate		2.83 %
Weighted-average remaining lease term in years		3

**(7) Related-Party Transactions**

CBN made contributions totaling \$11,824,717 and \$10,604,565 during the years ended March 31, 2025 and 2024, respectively, primarily in support of Operation Blessing's program activities. Due to affiliate, net, of \$327,269 and \$548,055 at March 31, 2025 and 2024, respectively, represent liabilities for certain cash advances and operating expenses paid by CBN on Operation Blessing's behalf.

**(8) Net Assets with Donor Restrictions**

Net assets with donor restrictions at March 31, 2025 and 2024 consist primarily of unexpended donor restricted funds, disaster relief property and equipment, net, and contributions receivable, net.

**(9) Net Assets Released from Restrictions**

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by the occurrence of other events specified by donors. Total net assets released were \$23,449,789 and \$23,703,111 for the years ended March 31, 2025 and 2024, respectively.

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**(10) Schedule of Functional Expenses**

The schedule of functional expenses for the year ended March 31, 2025 is as follows. Fiscal year 2024 ministry and program functional expenses are presented by individual program to match fiscal year 2025 presentation. There was no change in total program, fundraising, or general and administrative expenses.

	<b>Program</b>						
	<b>Hunger Strike Force</b>	<b>Outreach &amp; humanitarian</b>	<b>Gifts-in-Kind</b>	<b>Total Program</b>	<b>Fundraising</b>	<b>General and administrative</b>	<b>Total</b>
Employment expenses	\$ 2,330,053	6,502,761	675,685	9,508,499	3,129,954	272,949	12,911,402
Gifts-in-kind	—	61,371	35,385,834	35,447,205	—	—	35,447,205
Contributions	—	5,761,480	—	5,761,480	—	26,500	5,787,980
Purchased product	305,198	6,021,000	1,066,200	7,392,398	—	—	7,392,398
Transportation costs	1,203,118	538,811	—	1,741,929	—	—	1,741,929
Professional fees	11,203	1,769,672	—	1,780,875	683,231	879,632	3,343,738
Rent and utilities	1,267,105	912,604	7,494	2,187,203	21,936	164,221	2,373,360
Travel	156,149	2,087,238	50,095	2,293,482	124,942	35,837	2,454,261
Taxes and insurance	470,005	361,504	36,856	868,365	9,146	250,273	1,127,784
Promotional expenses	9,925	239,462	7,834	257,221	1,215,891	6,246	1,479,358
Airtime and production expense	—	79,704	—	79,704	790,078	—	869,782
Equipment and maintenance	187,213	1,114,769	388	1,302,370	16,774	10,575	1,329,719
Depreciation, amortization and other	691,588	953,761	39,892	1,685,241	95,316	129,415	1,909,972
	<u>\$ 6,631,557</u>	<u>26,404,137</u>	<u>37,270,278</u>	<u>70,305,972</u>	<u>6,087,268</u>	<u>1,775,648</u>	<u>78,168,888</u>

The schedule of functional expenses for the year ended March 31, 2024 is as follows:

	<b>Program</b>						
	<b>Hunger Strike Force</b>	<b>Outreach &amp; humanitarian</b>	<b>Gifts-in-Kind</b>	<b>Program</b>	<b>Fundraising</b>	<b>General and administrative</b>	<b>Total</b>
Employment expenses	\$ 2,811,060	5,922,222	746,858	9,480,140	2,597,511	474,680	12,552,331
Gifts-in-kind	—	116,052	41,870,185	41,986,237	—	—	41,986,237
Contributions	—	8,625,645	13,200	8,638,845	—	17,916	8,656,761
Purchased product	241,451	5,040,855	1,228,742	6,511,048	—	—	6,511,048
Transportation costs	1,723,189	409,089	—	2,132,278	—	—	2,132,278
Professional fees	7,800	1,087,221	250	1,095,271	284,630	820,456	2,200,357
Rent and utilities	1,296,814	832,573	7,071	2,136,458	14,104	176,708	2,327,270
Travel	184,265	1,474,222	28,120	1,686,607	61,079	43,706	1,791,392
Taxes and insurance	695,694	483,521	37,107	1,216,322	11,791	247,374	1,475,487
Promotional expenses	13,699	129,371	1,373	144,443	1,564,442	600	1,709,485
Airtime and production expense	—	51,963	—	51,963	686,604	—	738,567
Equipment and maintenance	217,748	665,004	32,061	914,813	24,470	15,012	954,295
Depreciation, amortization and other	403,646	1,072,154	11,957	1,487,757	17,882	126,617	1,632,256
	<u>\$ 7,595,366</u>	<u>25,909,892</u>	<u>43,976,924</u>	<u>77,482,182</u>	<u>5,262,513</u>	<u>1,923,069</u>	<u>84,667,764</u>

**OPERATION BLESSING  
INTERNATIONAL RELIEF AND DEVELOPMENT CORPORATION  
AND AFFILIATED ORGANIZATIONS**

Notes to Consolidated Financial Statements

March 31, 2025 and 2024

**(11) Retirement Plan**

Operation Blessing participates in a 401(k) retirement plan administered by CBN. All regular employees are eligible, and contributions are fully vested.

**(12) Commitments and Contingencies**

Operation Blessing is subject to various legal proceedings and claims, which arise in the ordinary course of its business. Management believes that the outcome of these matters will not have a material adverse effect on Operation Blessing's consolidated statements of financial position or consolidated statements of activities.