

Haggai International prides itself in corporate financial transparency in reporting. This year represents the twelfth year in a row our external auditors completed a stringent audit with no audit adjustments. The audited financials for fiscal year ended March 31, 2024, are attached below.

Please contact Louisa Mouchet, Chief Financial Officer at 770-810-1408 or louisam@haggai-international.org if you need any clarification or have questions about the ministry's finances.

The Haggai Team

CONSOLIDATED FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

As of and for the Years Ended March 31, 2024 and 2023

And Report of Independent Auditor



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Report of Independent Auditor

To the Board of Trustees Haggai International Institute for Advanced Leadership Training, Inc. and Subsidiary Peachtree Corners, Georgia

Opinion

We have audited the accompanying consolidated financial statements of Haggai International Institute for Advanced Leadership Training, Inc. and Subsidiary (collectively, "Haggai") (a nonprofit organization), which comprise the consolidated statements of financial position as of March 31, 2024 and 2023, 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 Haggai as of March 31, 2024 and 2023, 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 Haggai 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 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 Haggai's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

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 Haggai'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 Haggai'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 audits, significant audit findings, and certain internal control related matters that we identified during the audits.

Report on Supplementary Information

Cherry Bekaert LLP

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating statements of financial position and consolidating statements of activities, as of and for the years ended March 31, 2024 and 2023, are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Atlanta, Georgia August 6, 2024

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

MARCH 31, 2024 AND 2023

	9	2024	2023
ASSETS			
Cash and cash equivalents	\$	4,488,861	\$ 4,584,667
Investments		62,360,787	25,692,019
Contributions receivable, net		2,442,007	2,034,660
Property and equipment, net		186,704	288,743
Other assets		587,383	1,643,744
Operating lease right-of-use assets, net		892,011	1,190,532
Assets held for sale, net		-	 6,710,995
Total Assets	\$	70,957,753	\$ 42,145,360
LIABILITIES AND NET ASSETS			
Liabilities:			
Accounts payable, accrued expenses, and deferred revenue	\$	1,766,439	\$ 994,238
Annuities payable		1,051,355	1,085,470
Finance lease liability		40,034	53,403
Operating lease liability		917,762	 1,190,532
Total Liabilities		3,775,590	 3,323,643
Net Assets:			
Without Donor Restrictions:			
Board designated for upcoming fiscal year budget deficit		2,539,211	2;144,054
Board designated for strategic growth initiatives		246,071	3,707,006
Board designated for annuities		394,280	367,269
Board designated endowment funds		13,155,498	12,060,080
Ending Gospel Poverty Foundation		34,000,040	_
Invested in property and equipment, net		186,704	288,743
Undesignated		13,766,052	17,202,464
Total Without Donor Restrictions		64,287,856	 35,769,616
With Donor Restrictions:			
Restricted for specified purpose		452,300	992,441
Restricted for the passage of time		2,442,007	2,059,660
Total With Donor Restrictions		2,894,307	 3,052,101
Total Net Assets		67,182,163	38,821,717
Total Liabilities and Net Assets	Φ.	70,957,753	\$ 42,145,360

CONSOLIDATED STATEMENT OF ACTIVITIES

		thout Donor		ith Donor		Total
Revenue and Other Support:						
Contributions and bequests from private						
foundations and the general public	\$	4,857,133	\$	2,301,319	\$	7,158,452
Contributions from trustees		1,676,764		300,000		1,976,764
Total Contributions Revenue		6,533,897		2,601,319		9,135,216
Participants' fees		241,287		=		241,287
Receipts from affiliated organizations		811,626		-		811,626
Other		154,053		- 8		154,053
Net assets released from restrictions	-	2,759,113		(2,759,113)		
Total Revenue and Other Support		10,499,976		(157,794)		10,342,182
Expenses: Program Services:						
Equipping		9,119,640		-		9,119,640
Other		1,320,287				1,320,287
Total Program Services		10,439,927				10,439,927
Supporting Services:						
Fundraising		3,986,736		_		3,986,736
Management and general		1,488,310		_		1,488,310
Total Supporting Services		5,475,046	6	-		5,475,046
Total Expenses	_ /	15,914,973		-		15,914,973
Change in net assets before investment return, net	ŀ			5		
and change in value of split-interest agreements		(5,414,997)		(157,794)		(5,572,791)
Investment return, net		4,137,112		-		4,137,112
Gain on sale of Mid Pacific Center		29,919,140		-		29,919,140
Change in value of split-interest agreements		(123,015)			1	(123,015)
Change in net assets		28,518,240		(157,794)		28,360,446
Net assets, beginning of year		35,769,616		3,052,101		38,821,717
Net assets, end of year	\$	64,287,856	\$	2,894,307	\$	67,182,163

CONSOLIDATED STATEMENT OF ACTIVITIES

		hout Donor	With Donor Restrictions		Total
Revenue and Other Support:					
Contributions and bequests from private					
foundations and the general public	\$	4,526,729	\$	2,346,124	\$ 6,872,853
Contributions from trustees		1,860,196	-	300,000	 2,160,196
Total Contributions Revenue		6,386,925		2,646,124	9,033,049
Participants' fees		234,968			234,968
Receipts from affiliated organizations		116,584		-	116,584
Other		211,423		-	211,423
Net assets released from restrictions		2,911,715		(2,911,715)	
Total Revenue and Other Support		9,861,615	-	(265,591)	 9,596,024
Expenses: Program Services:					
Equipping		6,380,066			6,380,066
Other		1,248,780		-	1,248,780
Total Program Services		7,628,846			7,628,846
Supporting Services:					
Fundraising		3,659,103		-	3,659,103
Management and general		1,460,734		-	 1,460,734
Total Supporting Services		5,119,837		-	 5,119,837
Total Expenses Before Other Income		12,748,683			 12,748,683
Change in net assets before investment return, net	t	(2 887 069)		(265,591)	(3,152,659)
and change in value of split-interest agreements		(2,887,068)		(200,091)	(3, 132,039)
Investment return, net		(1,941,935)		_	(1,941,935)
Change in value of split-interest agreements		(11,467)	_	· -	 (11,467)
Change in net assets		(4,840,470)		(265,591)	(5,106,061)
Net assets, beginning of year		40,610,086		3,317,692	 43,927,778
Net assets, end of year	\$	35,769,616	\$	3,052,101	\$ 38,821,717

HAGGAI INTERNATIONAL INSTITUTE FOR ADVANCED LEADERSHIP TRAINING, INC. AND SUBSIDIARY CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

	Program Services	Servic	ses	Program	Supportin	Supporting Services	Supporting	2
				Services		Management	Services	Total
	Equipping	Ų	Other	Total	Fundraising	and General	Total	Expenses
Salaries and wages	\$ 3,579,494	69	569,945	\$ 4,149,439	\$ 1,519,747	\$ 585,366	\$ 2,105,113	\$ 6,254,552
Travel and related services	1,947,604		183,461	2,131,065	711,167	37,013	748,180	2,879,245
Employee benefits and payroll tax	610,998		140,812	751,810	394,793	183,221	578,014	1,329,824
Professional fees	243,849		167,446	411,295	456,276	202,589	658,865	1,070,160
Property expenses	937,815		1,205	939,020	3,546	1,314	4,860	943,880
Printing and publications	119,818		128,753	248,571	548,615	13,009	561,624	810,195
Office expenses and software	258,840		38,116	296,956	155,402	90,233	245,635	542,591
Faculty fees	424,222		4,315	428,537	20,075	•	20,075	448,612
Program grants	432,349		•	432,349		ī	•	432,349
Insurance	321,151		3,547	324,698	1	34,744	34,744	359,442
Rent	54,833		26,765	81,598	379	250,689	251,068	332,666
Miscellaneous	25,168		23,328	48,496	73,920	18,522	92,442	140,938
Domestic and international communications	84,899		9,700	94,599	21,440	9,379	30,819	125,418
Postage and freight	22,342		8,064	30,406	24,085	3,712	27,797	58,203
Equipment rental and maintenance	13,430		7,247	20,677	30,751	1,252	32,003	52,680
Payments to affiliates	3,791		7,583	11,374	26,540	1	26,540	37,914
Depreciation and amortization	39,037		1	39,037	1	57,267	57,267	96,304
Total Expenses	\$ 9,119,640	8	1,320,287	\$ 10,439,927	\$ 3,986,736	\$ 1,488,310	\$ 5,475,046	\$ 15,914,973

The accompanying notes to the consolidated financial statements are an integral part of these statements.

HAGGAI INTERNATIONAL INSTITUTE FOR ADVANCED LEADERSHIP TRAINING, INC. AND SUBSIDIARY CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

	Program Services	Service	Se	Program	Supporting Services	g Services	Supporting	
				Services		Management	Services	Total
	Equipping	ō	Other	Total	Fundraising	and General	Total	Expenses
Salaries and wages	\$ 3,009,161	\$	613,071	\$ 3,622,232	\$ 1,712,274	\$ 586,508	\$ 2,298,782	\$ 5,921,014
Travel and related services	471,228	•	141,338	612,566	527,474	29,931	557,405	1,169,971
Employee benefits and payroll tax	502,963		136,370	639,333	379,200	188,653	567,853	1,207,186
Professional fees	361,655		152,276	513,931	356,853	207,197	564,050	1,077,981
Property expenses	641,996		592	642,588	467	1,743	2,210	644,798
Printing and publications	70,098		91,954	162,052	396,686	3,053	399,739	561,791
Office expenses and software	248,415		38,465	286,880	132,880	92,704	225,584	512,464
Faculty fees	285,029		2,474	287,503	11,246	80	11,254	298,757
Program grants	331,778		1	331,778))	ř.	1	331,778
Insurance	191,317		3,129	194,446	1	30,714	30,714	225,160
Rent	49,376		24,114	73,490	340	225,900	226,240	299,730
Miscellaneous	16,937		15,912	32,849	53,557	5,244	58,801	91,650
Domestic and international communications	78,692		11,505	90,197	26,465	10,568	37,033	127,230
Postage and freight	12,020		9,100	21,120	28,425	4,046	32,471	53,591
Equipment rental and maintenance	5,843		3,303	9,146	15,116	1,177	16,293	25,439
Payments to affiliates	2,588		5,177	7,765	18,120	1	18,120	25,885
Depreciation and amortization	100,970		1	100,970	1	73,288	73,288	174,258
Total Expenses	\$ 6,380,066	↔	1,248,780	\$ 7,628,846	\$ 3,659,103	\$ 1,460,734	\$ 5,119,837	\$ 12,748,683

The accompanying notes to the consolidated financial statements are an integral part of these statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

YEARS ENDED MARCH 31, 2024 AND 2023

Cash flows from operating activities:		2024		2023
Change in net assets	\$	28,360,446	\$	(5,106,061)
Adjustments to reconcile change in net assets to		Constitution Const		,
net cash flows from operating activities:				
Change in value of split-interest agreements		123,015		11,467
Gain on sale of property and equipment		(4,488)		(10,182)
Gain on sale of Mid Pacific Center		(29,919,140)		
Net realized and unrealized (gains) losses on investments		(4,032,316)		1,952,117
Depreciation and amortization		96,304		174,258
Amortization of operating lease right-of-use asset		298,521		259,611
Changes in operating assets and liabilities:	×	1 050 201		(429 440)
Other assets		1,056,361 (407,347)		(438,419) 125,377
Contributions receivable Accounts payable, accrued expenses, and deferred revenue		272,201		45,062
Operating lease liability		(272,770)		(259,611)
Net cash flows from operating activities	-	(4,429,213)	-	(3,246,381)
That again have from aparating activities	•	(1,120,210)		(-11
Cash flows from investing activities:				
Purchase of investments		(34,700,040)		-
Proceeds from investments		2,063,546		3,633,437
Purchases of property and equipment		(39,046)		(3,654)
Purchases of assets held for sale		(51,009)		(62,592)
Proceeds from sale of property and equipment		6,000		10,182
Net proceeds from sale of Mid Pacific Center	-	37,224,455		
Net cash flows from investing activities	-	4,503,906		3,577,373
Cash flows from financing activities:				
Payments on finance lease		(13,369)		(12,992)
Payments to annuitants		(157,130)		(157,602)
Net cash flows from financing activities		(170,499)		(170,594)
Change in cash and cash equivalents		(95,806)		160,398
Cash and cash equivalents, beginning of year		4,584,667		4,424,269
Cash and cash equivalents, beginning of year	\$	4,488,861	\$	4,584,667
ouen and ouen equivalence, end of year	===	.,,	_	
Supplemental cash flow information:	_			
Interest paid	\$	1,483	<u>\$</u>	1,739
Supplemental disclosure of noncash investing and				
financing activities:				
Right-of-use assets obtained in exchange for operating				
lease liabilities upon adoption of ASC 842	\$		\$	1,450,143
Return of contribution related to sale of Mid Pacific Center	\$	500,000	\$	-
	_	715.5		

The accompanying notes to the consolidated financial statements are an integral part of these statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2024 AND 2023

Note 1—Organization and purpose

Haggai International Institute for Advanced Leadership Training, Inc. ("Haggai International"), is a nonprofit organization incorporated in the state of Georgia in 1962. The purpose of this organization is to equip and inspire strategically positioned leaders to more effectively demonstrate and present the Gospel of Jesus Christ and to prepare others to do the same so that every nation is redeemed and transformed through the Gospel of Jesus Christ. Haggai receives funding primarily from public sources.

Haggai International's leadership training programs are primarily conducted in English in person at a location in Malaysia and also virtually. It also conducts programs in Chinese in Singapore, Spanish in Latin America, and Arabic in the Middle East. The training sessions are directed, coordinated, and funded by Haggai International, whose administrative offices are located in Peachtree Corners, Georgia.

On September 11, 2023, the Ending Gospel Poverty Foundation, Inc. (the "Foundation") was formed. The Foundation is a nonprofit corporation formed and organized to receive, maintain, and administer assets exclusively for the purpose of supporting Haggai International, which is the sole member of the Foundation.

Haggai International also has affiliated organizations in Australia, Haggai Institute Australia, and the United Kingdom, Haggai Advanced Leadership Training Limited, that are not included in the accompanying consolidated financial statements. These affiliated organizations are autonomous and are incorporated in their respective countries. All of the affiliates engage primarily in fundraising activities to support the equipping sessions of Haggai International.

Note 2—Summary of significant accounting policies

Basis of Consolidation – The accompanying consolidated financial statements include the accounts of Haggai International and the Foundation (collectively, "Haggai"). Haggai consolidates the Foundation because it has an economic interest and control in the Foundation. All significant intercompany balances and transactions have been eliminated.

Basis of Presentation – The consolidated financial statements of Haggai have been prepared on the accrual basis of accounting and are presented in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Consolidated Financial Statement Presentation – Haggai reports information regarding its consolidated financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions.

Net Assets Without Donor Restrictions – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of Haggai. These net assets may be used at the discretion of Haggai's management and the Board of Trustees (the "Board"). Haggai has chosen to provide further classification information about net assets without donor restrictions on the consolidated statements of financial position. The sub-classifications are as follows:

Board-Designated Funds – Occasionally the Board will designate a portion of net assets without donor restrictions to certain reserve funds for designated purposes. As of March 31, 2024 and 2023, the Board has designated reserve funds for the following items: (1) to fund an upcoming budget deficit, (2) for certain strategic growth initiatives, and (3) for Haggai's annuities subject to annuity and similar agreements under which Haggai assumes a legal liability to the donor or his or her designee, for a specified period of time.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2024 AND 2023

Note 2—Summary of significant accounting policies (continued)

Board-Designated Endowment – Represents a board designated endowment established by the Board specifying that the capital of the board designated endowment would be retained and invested; that there would be no withdrawal of capital except upon approval of the Board; and that the earnings from the endowment's investments be retained except upon approval of the Board, whose approval shall allow the earnings to be used for the operations of Haggai.

Ending Gospel Poverty Foundation - Represents the net assets of the Foundation.

Invested in Property and Equipment – Represents net assets invested in property and equipment, net of accumulated depreciation.

Undesignated – Represents the cumulative net assets without donor restrictions excluding those net assets invested in property and equipment, board designated and Foundation as described above.

Net Assets With Donor Restrictions – Net assets that contain donor-imposed time or purpose restrictions that have not currently been met. Some donor restrictions are temporary in nature; those restrictions will be met by actions of Haggai or by the passage of time.

It is Haggai's policy to report donor-restricted contributions and investment gains whose restrictions are met in the same reporting period in which the contributions or investment gains are recognized as an increase in net assets without donor restrictions. All other donor-restricted contributions and investment gains are reported as an increase in net assets with donor restrictions. When restrictions expire, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions.

Cash and Cash Equivalents – Haggai considers all highly liquid investments that have an original maturity of three months or less when purchased and can be readily converted to cash on demand without penalty, to be cash equivalents, with the exception of cash or money market funds held for reinvestment which are included as investments. The Federal Deposit Insurance Corporation covers \$250,000 for substantially all depository accounts. Haggai from time to time may have amounts on deposit in excess of the insured limits. Haggai believes it mitigates any risk by depositing cash with major financial institutions.

Contributions – All contributions are considered to be available for unrestricted use unless specifically restricted by the donor for a specific purpose or time period. Contributions subject to donor-imposed stipulations are recorded as net assets with donor restrictions and are reclassified to net assets without donor restrictions when the donor-imposed restriction has been fulfilled or the stipulated time period has elapsed. Contributions subject to donor-imposed stipulations whose restrictions are met in the same reporting period are reported as contributions without donor restrictions.

Contributions and pledges, including unconditional promises to give (contributions receivable), are recognized as revenue in the period that the contribution or pledge is received, or the unconditional promise is made. Conditional promises to give are not recognized until they become unconditional; that is, when the conditions on which they depend are substantially met.

Contributions to be received after one year are discounted at a rate commensurate with the risk associated with the contribution. Amortization of discounts is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions. An allowance for uncollectible contributions receivable, if any, is provided based upon management's judgment, including such factors as prior collection history, the type of contribution, and other relevant factors.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2024 AND 2023

Note 2—Summary of significant accounting policies (continued)

In-kind contributions, if any, are recognized as contributions if the item (a) creates or enhances non-financial assets or (b) requires specialized skill, are performed by people with those skills, and would otherwise be purchased by Haggai.

Investments – Investments are carried at fair value. Investment income is credited to net assets without donor restrictions unless otherwise designated by the donor. Haggai's corporate stocks consist of a diversified portfolio of common stocks. All of the mutual funds are diversified across strategies, managers, and geography. Haggai's investments do not represent significant concentrations of market risk in as much as Haggai's investment portfolio is diversified among issuers. Haggai's policy is to include cash and cash equivalents held in the investment portfolio as investments. For purposes of the consolidated statements of cash flows, gross purchases and proceeds from investments include only amounts that were converted to (from) cash as defined by Haggai's accounting policy.

Property and Equipment – Property and equipment is stated at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, ranging from 3 to 30 years. Equipment additions and improvements in excess of \$5,000 are capitalized. Normal repairs and maintenance costs are expensed as incurred. If donors stipulate restrictions on the use of donated assets, the contributions are recorded as support with donor restrictions. In the absence of such stipulations, contributions of property and equipment are recorded as support without donor restrictions.

Long-Lived Asset Impairment – Haggai evaluates the recoverability of the carrying value of long-lived assets whenever events or circumstances indicate the carrying amount may not be recoverable. If a long-lived asset is tested for recoverability and the undiscounted estimated future cash flows expected to result from the use and eventual disposition of the asset is less than the carrying amount of the asset, the asset cost is adjusted to fair value and an impairment loss is recognized as the amount by which the carrying amount of a long-lived asset exceeds fair value. No asset impairment was recognized during the years ended March 31, 2024 and 2023.

Fund Accounting – Haggai uses these funds internally to account for the activity of Haggai. The funds maintained by Haggai are as follows:

- The General Operating Fund represents net assets without donor restrictions and net assets with donor restrictions available for support of the programs and activities of Haggai.
- The Endowment Fund includes net assets without donor restrictions designated by the Board.
- The Annuity Fund represents net assets without donor restrictions subject to annuity and similar agreements under which Haggai assumes a legal liability to the donor or his or her designee for a specified period of time.
- The Ending Gospel Poverty Foundation Fund represents net assets without donor restrictions of the Foundation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2024 AND 2023

Note 2—Summary of significant accounting policies (continued)

Leases – Haggai leases certain office space and equipment. The determination of whether an arrangement is a lease is made at the lease's inception. For contracts entered into on or after the effective date or at the inception of a contract, Haggai assessed whether the contract is, or contains, a lease. The assessment is based on: (1) whether the contract involves the use of a distinct identified asset, (2) whether Haggai obtains the right to substantially all the economic benefit from the use of the asset throughout the period, and (3) whether Haggai has the right to direct the use of the asset.

Right-of-use ("ROU") assets and lease liabilities are recognized at the commencement date based on the present value of the future minimum lease payments over the lease term. Renewal and termination clauses are factored into the determination of the lease term if it is reasonably certain that these options would be exercised by Haggai. Lease assets are amortized over the lease term unless there is a transfer of title or purchase option reasonably certain of exercise, in which case the asset life is used. Certain of Haggai's lease agreements include variable payments. Variable lease payments not dependent on an index or rate primarily consist of common area maintenance, property tax, and property insurance charges and are not included in the calculation of the ROU asset and lease liability and are expensed as incurred. To determine the present value of lease payments, Haggai uses the implicit rate when it is readily determinable. As most of Haggai's leases do not provide an implicit rate, Haggai has elected to utilize the risk-free discount rate to calculate lease assets and liabilities.

Functional Allocation of Expenses – The costs of providing the various program and supporting services have been summarized on a functional basis in the consolidated statements of activities and consolidated statements functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. All expenses, excluding depreciation and grant disbursements, are allocated on the basis of management estimates of time and effort. Depreciation has been allocated based on the estimated usage of the asset. Total expenses on the consolidated statements of functional expenses do not include investment management fees, which are netted against investment returns. Total expenses on the consolidated statements of functional expenses do not include changes in the value of split-interest agreements.

Income Taxes – Haggai International is exempt from income taxation under Section 501(a) as entities described in Section 501(c)(3) of the Internal Revenue Code of 1986 ("IRC"), as amended and, therefore, no provision for income taxes has been made in the accompanying consolidated financial statements. Haggai has evaluated the effect of the guidance provided by accounting principles generally accepted in the United States of America ("U.S. GAAP") and believes it continues to satisfy the requirements of tax-exempt organizations and, therefore, had no uncertain income tax positions at March 31, 2024.

Use of Estimates – The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of support and revenue and expenses during the reporting period. Actual results could differ from those estimates.

Adopted Accounting Pronouncements – On April 1, 2023, Haggai adopted Accounting Standards Update ("ASU") 2016-13, Financial Instruments – Credit Losses (Topic 326). This guidance replaces the existing incurred loss impairment guidance and establishes a single allowance framework for financial assets carried at amortized cost based on expected credit losses. The estimate of expected credit losses requires the incorporation of historical information, current conditions, and reasonable and supportable forecasts. Haggai adopted this new accounting standard and all of the related amendments using the modified retrospective method. There was no adjustment to beginning net assets as a result of adopting this standard. Adoption of the new standard did not materially impact Haggai's change in net assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2024 AND 2023

Note 3—Liquidity and availability of resources

The following represents Haggai's financial assets, net of amounts not available to be used for operating expenditures, that is, without donor restrictions or other restrictions limiting their use, within one year, at March 31:

	Washington	2024	2023
Cash and cash equivalents	\$	4,488,861	\$ 4,584,667
Investments		62,360,787	25,692,019
Contributions receivable, net (less than one year)		2,216,942	2,034,660
Total financial assets	_	69,066,590	32,311,346
Less amounts not available to be used for general expenditures within one year:			
Donor restricted for specified purpose		452,300	992,441
Donor restricted for the passage of time		2,442,007	2,059,660
Board designated for annuities		394,280	367,269
Board designated endowment funds	<u>-</u>	13,155,498	 12,060,080
		16,444,085	15,479,450
Financial assets available to meet			
general expenditures within one year	\$	52,622,505	\$ 16,831,896

Haggai considers all expenditures related to its ongoing activities of program and supporting services to be operating expenditures.

Although Haggai's financial assets available to meet general expenditures over the next 12 months at March 31, 2024 were \$52,622,505, this balance is comprised of \$34,000,040 of financial assets of the Foundation and \$18,622,465 of financial assets available to meet operating expenditures within one year. The Foundation's financial assets, which consist primarily of investments, are managed to preserve and enhance, through time, its investment portfolio and thereby fund future Board approved projects of Haggai International.

The Board has designated funds for certain purposes as detailed in the consolidated statements of financial position. As of March 31, 2024 and 2023, the Board designated net assets for upcoming fiscal year budget deficit of \$2,539,211 and \$2,144,054, respectively, and for strategic initiatives of \$246,071 and \$3,707,006, respectively, were not included above as they are expected to be available and utilized within one year for operating expenses.

Haggai's goal is generally to maintain financial assets to meet three months of operating expenses, approximately \$4.5 million. As part of Haggai's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures and liabilities become due. Haggai invests cash in excess of daily requirements in money market funds. Occasionally, the Board will designate a portion of operating surplus to certain designated reserve funds.

The Board has set aside a quasi-endowment fund to be used or available under certain situations as the Board may deem prudent. Over the long term, Haggai expects the current policy to allow this quasi-endowment to grow the purchasing power of the endowment assets held for a specified term as well as to provide additional growth through new gifts. Board designated funds and endowments and the Foundation's financial assets could be made available to cover operating expenses, if necessary.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2024 AND 2023

Note 4—Contributions receivable, net

At March 31, 2024 and 2023, Haggai's contributions receivable, net, received as pledges at the annual gala, consist of the following:

*	## T	2024	2023
Contributions receivable expected to be collected in: Less than one year One to five years	\$	2,216,942 242,985	\$ 2,034,660
Less present value discount (5%)		2,459,927 (17,920)	2,034,660
Contributions receivable, net	\$	2,442,007	\$ 2,034,660

Note 5—Property and equipment, net

Property and equipment, net consist of the following at March 31:

	2024	2023
Leasehold improvements	\$ 56,039	\$ 48,805
Furniture and office equipment	331,797	1,106,775
Software	306,465	291,465
Automobiles	-	59,200
Copiers - finance lease right-of-use assets	68,688	68,688
Property and equipment, at cost	762,989	1,574,933
Less accumulated depreciation	(576,285)	(1,286,190)
Property and equipment, net	\$ 186,704	\$ 288,743

Depreciation and amortization expense was \$96,304 and \$174,258 for the years ended March 31, 2024 and 2023, respectively.

Note 6—Sale of Mid Pacific Center

In July 2020, the Board approved a resolution to list the Mid Pacific Center ("MPC") for sale and began actively marketing the MPC through a listing agent. During fiscal year 2021, the Haggai Board engaged in discussions involving the potential sale of the MPC and reclassified on the consolidated statement of financial position under assets held for sale, net, MPC assets with a net book value of \$6,710,995 which consisted of the following at March 31, 2023:

Land		\$ 3,276,768
Building		16,697,146
Furniture and office equipment		5,421,788
Automobiles	_	32,130
Assets held for sale, at cost		25,427,832
Less accumulated depreciation	·	(18,716,837)
Assets held for sale, net	=	\$ 6,710,995

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2024 AND 2023

Note 6—Sale of Mid Pacific Center (continued)

On April 28, 2022, Haggai executed a purchase and sale agreement ("PSA") with the buyer at a sales price of \$35,000,000. This began the due diligence, inspection, and entitlement process required for ultimate sale of the property. The PSA was amended multiple times with extensions of closing date and adjustments to the sales price.

On March 5, 2024, Haggai International conveyed the MPC real estate assets and assigned the PSA to the Foundation. The sale was completed by the Foundation on March 28, 2024, for a gross sales price of \$38,000,000. After deducting sale expenses, the net sale proceeds to the Foundation were \$37,224,455 of which \$3,224,414 was transferred to Haggai International. The resulting gain on the sale of \$29,919,140 is recorded in the consolidated statements of activities for the year ended March 31, 2024.

Note 7—Net assets with donor restrictions

Net assets with donor restrictions are available for the following purposes at March 31:

		2024		2023
Restricted for the passage of time: Contributions receivable, net	\$	2,442,007	\$	2,059,660
Restricted for specified purpose: Program support	, <u> </u>	452,300	2	992,441
Total net assets with donor restrictions	\$	2,894,307	\$	3,052,101

Net assets were released from donor-imposed restrictions by the passage of time or incurring expenses satisfying the restricted purposes during the years ended March 31 are as follows:

	2024			2023
Expiration of time restrictions	\$	2,193,972	\$	2,139,501
Satisfaction of purpose restrictions:				
Program support		565,141		772,214
	\$	2,759,113	\$	2,911,715

Note 8—Employee benefits

Haggai sponsors a defined contribution plan under which all employees are eligible to participate. Employees may defer a portion of their annual compensation pursuant to Section 401(k) of the IRC. Upon an employee's completion of minimum service requirements, Haggai matches 100% of the first 3% of each employee's contribution and 50% of the employee's contribution between 3% and 5% of eligible compensation. Haggai made contributions to the 401(k) plan of \$176,272 and \$142,045 for the years ended March 31, 2024 and 2023, respectively.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2024 AND 2023

Note 9—Leases

Haggai leases its primary office space under a lease agreement with monthly lease payments which increase on a yearly basis based upon increases in the Consumer Price Index. For the year ended March 31, 2024, the monthly lease payment was \$25,000. The current lease agreement expires on April 30, 2025, however for valuation purposes during the year ended March 31, 2023 Haggai determined a five-year lease term at implementation to be reasonable and extended the term through April 30, 2027. As of March 31, 2024 and 2023, ROU assets under operating leases totaled \$1,450,143. Accumulated amortization on operating lease ROU assets as of March 31, 2024 and 2023 was \$558,132 and \$259,611, respectively.

As of March 31, 2024 and 2023, ROU assets under equipment finance leases consists totaled \$68,688. Accumulated amortization as of March 31, 2024 and 2023 in the consolidated statements of financial position was \$28,620 and \$14,882, respectively.

Future minimum lease payments under operating and finance leases as of March 31, 2024 are as follows:

Years Ending March 31,	Finance		Operating	
2025	\$	14,730	\$	308,250
2026		14,730		317,498
2027		12,275		327,022
Total lease payments		41,735		952,770
Less Interest		(1,701)		(35,008)
Present value of lease liabilities	\$	40,034	\$	917,762

Required supplemental information relating to Haggai's leases for the years ended March 31, 2024 and 2023 are as follows:

2	2024		_	2023
Lease Costs:				
Operating lease cost, included in rent expense	\$	24,327	\$	292,935
Finance lease amortization of assets, included in depreciation				
and amortization		13,737		13,737
Finance lease interest, included in interest expense		1,483		1,739
Net operating and finance lease cost	\$	39,547	\$	308,411
Lease Term (in months) and Discount Rate:				
Weighted average remaining lease term - operating leases		36		48
Weighted average remaining lease term - finance leases		35		47
Weighted average discount rate - operating leases		2.55%		2.55%
Weighted average discount rate - finance leases		2.88%		2.88%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2024 AND 2023

Note 10—Fair value measurements

Fair Value Measurement ASC 820 defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants at the measurement date. ASC 820 establishes a three-level fair value hierarchy that prioritizes the inputs used to measure fair value. This hierarchy requires entities to maximize the use of observable inputs and minimize the use of unobservable inputs. The three levels of inputs used to measure fair value are as follows:

- Level 1 Quoted market prices for identical assets or liabilities to which an entity has access at the measurement date.
- Level 2 Inputs and information other than quoted market indices included in Level 1, that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include:
 - Quoted prices for similar assets or liabilities in active markets;
 - · Quoted prices for identical or similar assets in markets that are not active;
 - · Observable inputs other than quoted prices for the asset or liability; and
 - Inputs derived principally from, or corroborated by, observable market data by correlation or by other means.
- Level 3 Unobservable inputs for the asset or liability should be used to measure the fair value to the extent that observable inputs are not available.

Observable inputs reflect the assumptions market participants would use in pricing the asset or liability developed from sources independent of the reporting entity and unobservable inputs reflect the reporting entities own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances.

Haggai has segregated all financial assets and liabilities that are measured at fair value on a recurring basis (at least annually) and all nonfinancial assets and liabilities into the most appropriate level within the fair value hierarchy based on the inputs used to determine the fair value at the measurement date.

Following is a description of the valuation methodologies used for assets and liabilities measured at fair value:

- Money market and mutual funds are valued at the net asset value of shares held by Haggai at year-end, which are based on the quoted prices reported in the active market.
- Equities listed on national and international exchanges are principally valued at the regular trading session
 closing price on the exchange or market in which such securities are principally traded on the last business
 day of each period presented using the market approach.
- Government obligations, corporate bonds, and real estate securities are fixed income securities valued
 on the basis of evaluated prices provided by independent pricing services when such processes are
 believed to reflect the fair market value of such securities using the income approach.
- Mortgage-backed securities are asset-backed fixed income securities valued on the basis of evaluated prices provided by independent pricing services when such processes are believed to reflect the fair market value of such securities using the income approach.
- Split-interest agreements are valued at the present value of the expected future cash flows to be paid do
 the donors using assumptions regarding the discount rate and the expected mortality of the individual.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2024 AND 2023

Note 10—Fair value measurements (continued)

The following table summarizes those assets and liabilities measured at fair value on a recurring basis as of March 31, 2024:

	March 31, 2024							
		Total		Level 1		Level 2		Level 3
Assets							4	
Investments:								
Money market	\$	35,501,450	\$	35,501,450	\$	-	\$	1/ <u>2</u>
Equities:								
Domestic stocks		7,103,965	1	7,103,965		=0		-
International stocks		721,775		721,775		-		-
Mutual funds - domestic		7,425,358		7,425,358				-
Mutual funds - international		2,920,071	54	2,920,071		-		-
Mutual funds - precious metals		822,298		822,298		-		-
Fixed income:				9				
Mutual funds - domestic		5,874,338		5,874,338		-		-
Government obligations		799,199		-		799,199		-
Mortgage-backed securities		605,175		-		605,175		-
Corporate bonds		587,158				587,158		
Total investments	\$	62,360,787	\$	60,369,255	\$	1,991,532	\$	-
Liabilities								
Annuities payable	_\$	1,051,355	_\$		\$	1,051,355	_\$_	J -

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2024 AND 2023

Note 10—Fair value measurements (continued)

The following table summarizes those assets and liabilities measured at fair value on a recurring basis as of March 31, 2023:

	March 31, 2023							
		Total		Level 1		Level 2	Level	3
Assets								
Investments:								
Money market	\$	993,756	\$	993,756	\$	-	\$	-
Equities:								
Domestic stocks		6,559,405		6,559,405		-		-
International stocks		572,022		572,022		-		-
Mutual funds - domestic		8,321,022		8,321,022		_		-
Mutual funds - international		2,984,130		2,984,130		_		-
Mutual funds - precious metals		1,279,297		1,279,297		-		-
Fixed income:								
Mutual funds - domestic		3,614,842		3,614,842		≅ %		-
Government obligations		578,532		-		578,532		-
Mortgage-backed securities		237,557		-		237,557		-
Corporate bonds		551,456		_		551,456		
Total investments	\$	25,692,019	\$	24,324,474	\$	1,367,545	\$	
Liabilities								
Annuities payable	\$	1,085,470	\$		\$	1,085,470	\$	

Note 11—Endowment funds

Haggai's endowments include funds designated by the Board to function as endowments. Net assets associated with endowment funds, including funds designated by the Board to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law – The Board has interpreted the State Prudent Management of Institutional Funds Act ("SPMIFA") as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, Haggai classifies as net assets with donor restrictions – restricted in perpetuity (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in net assets with donor restrictions – restricted in perpetuity is classified as net assets with donor restrictions – restricted (for specific purpose or the passage of time) until those amounts are appropriated for expenditure by the organization in a manner consistent with the standard of prudence prescribed by SPMIFA.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2024 AND 2023

Note 11—Endowment funds (continued)

In accordance with SPMIFA, Haggai considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- (1) The duration and preservation of the fund.
- (2) The purposes of the organization and the donor-restricted endowment fund.
- (3) General economic conditions.
- (4) The possible effect of inflation and deflation.
- (5) The expected total return from income and the appreciation and depreciation of investments.
- (6) Other resources of Haggai.
- (7) The investment policies of Haggai.

Haggai has adopted investment policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include board designated funds. Under this policy, as approved by the Board, the endowment assets are invested in a manner that is intended to produce results that exceed the price and yield results of appropriate benchmarks without putting the assets at imprudent risk.

To satisfy its long-term objectives, Haggai relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). Haggai targets a diverse asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

The following is a summary of the asset allocation guidelines with allowable ranges for each asset type. The asset allocation may temporarily fluctuate outside of the allowable ranges from time to time based on market conditions and cash flow:

Asset Category	Minimum	Maximum
Cash	0%	15%
Fixed income	10%	30%
Equity	50%	75%
Precious metals	0%	10%
Real estate / Alternatives	0%	10%

Over the long term, Haggai expects the current policy to allow its endowment to grow the purchasing power of the endowment assets held for a specified term as well as to provide additional growth through new gifts. The Board has approved a policy allowing Haggai to begin withdrawing from the endowment effective April 2018. The annual amount that may be withdrawn from the endowment is subject to the annual review and approval by the Board. The Board approved withdrawal for the years ended March 31, 2024 and 2023 was 8% of the December 31 fair value of the endowment investments preceding the fiscal years ended March 31, 2024 and 2023.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2024 AND 2023

Note 11—Endowment funds (continued)

Underwater Endowment Funds – From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or the applicable state law requires Haggai to retain as a fund of perpetual duration. Haggai has interpreted SPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law. There were no underwater endowments as of March 31, 2024 or 2023.

A summary of the endowment net asset composition by type of fund as of March 31, 2024 is as follows:

	Without Donor Restrictions		With Donor Restrictions		 Total
Board designated endowment funds	\$	13,155,498	\$		\$ 13,155,498

The changes in endowment assets for the year ended March 31, 2024 are as follows:

	Restrictions		Restrictions		 Total
Endowment assets as of April 1, 2023	\$	12,060,080	\$	-	\$ 12,060,080
Investment return, net		2,046,145			2,046,145
Release from board designated endowment funds		(950,727)			(950,727)
Endowment assets as of March 31, 2024	\$	13,155,498	\$		\$ 13,155,498

A summary of the endowment net asset composition by type of fund as of March 31, 2023 is as follows:

	 thout Donor estrictions	10.00	Donor ictions	Total
Board designated endowment funds	\$ 12,060,080	\$	-	\$ 12,060,080

The changes in endowment assets for the year ended March 31, 2023 are as follows:

, e	Without Donor	With Donor	
	Restrictions	Restrictions	Total
Endowment assets as of April 1, 2022	\$ 14,132,618	\$ -	\$ 14,132,618
Investment return, net	(875,238)	-	(875,238)
Release from board designated endowment funds	(1,197,300)		(1,197,300)
Endowment assets as of March 31, 2023	\$ 12,060,080	\$ -	\$ 12,060,080

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2024 AND 2023

Note 12—Related party transactions

Members of the Board and senior management may, from time to time, be associated either directly or indirectly with companies doing business with Haggai. For the Board and senior management, Haggai requires annual disclosure of significant financial interests in, or employment or consulting relationships with, entities doing business with Haggai. When such relationships exist, measures are taken to appropriately manage the actual or perceived conflict in the best interests of Haggai. Haggai has a written conflict of interest policy that requires, among other things, that no member of the Board can participate in any decision in which he or she has material financial interest. Each trustee is required to certify compliance with the conflict of interest policy on an annual basis and indicate whether Haggai does business with an entity in which a trustee has material financial interest. When such relationships exist, measures are taken to mitigate any actual or perceived conflict, including requiring that such transactions be conducted at arm's length, for good and sufficient consideration, based on terms that are fair and reasonable to and for the benefit of Haggai and in accordance with applicable conflict of interest laws. There were no material related party transactions during the years ended March 31, 2024 and 2023, other than those recorded and disclosed elsewhere in the consolidated financial statements or the notes to the consolidated financial statements.

Note 13—Split-interest agreements

Haggai has a program to receive contributions under charitable gift annuities. Haggai has segregated these assets as separate and distinct funds, independent from other funds, and not to be applied to payment of the debts and obligations of Haggai or any other purpose other than annuity benefits specified in the agreements. In addition, this portfolio of assets meets all requirements concerning permissible investments and mandated reserves as required by law. Haggai agrees to pay a stated return annually to the donors for their lifetime and upon the death of the donor or termination of the agreement, the remaining assets are available for the unrestricted use of Haggai.

At March 31, 2024 and 2023, the total assets held under split-interest agreements were approximately \$1,422,727 and \$1,433,498, respectively, and are included in investments on the consolidated statements of financial position.

Annuities payable to donors as of March 31 consist of the following:

	2024			2023
Annuities payable	\$	1,051,355	\$	1,085,470

Annuities payable to donors is the present value of the expected future cash flows to be paid to the donors. Assumptions are made regarding the discount rate and the expected mortality of the individual(s) if the termination of the agreement is dependent on life expectancy.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2024 AND 2023

Note 14—Transactions with affiliated organizations

Haggai received the following contributions from affiliated organizations during the years ended March 31:

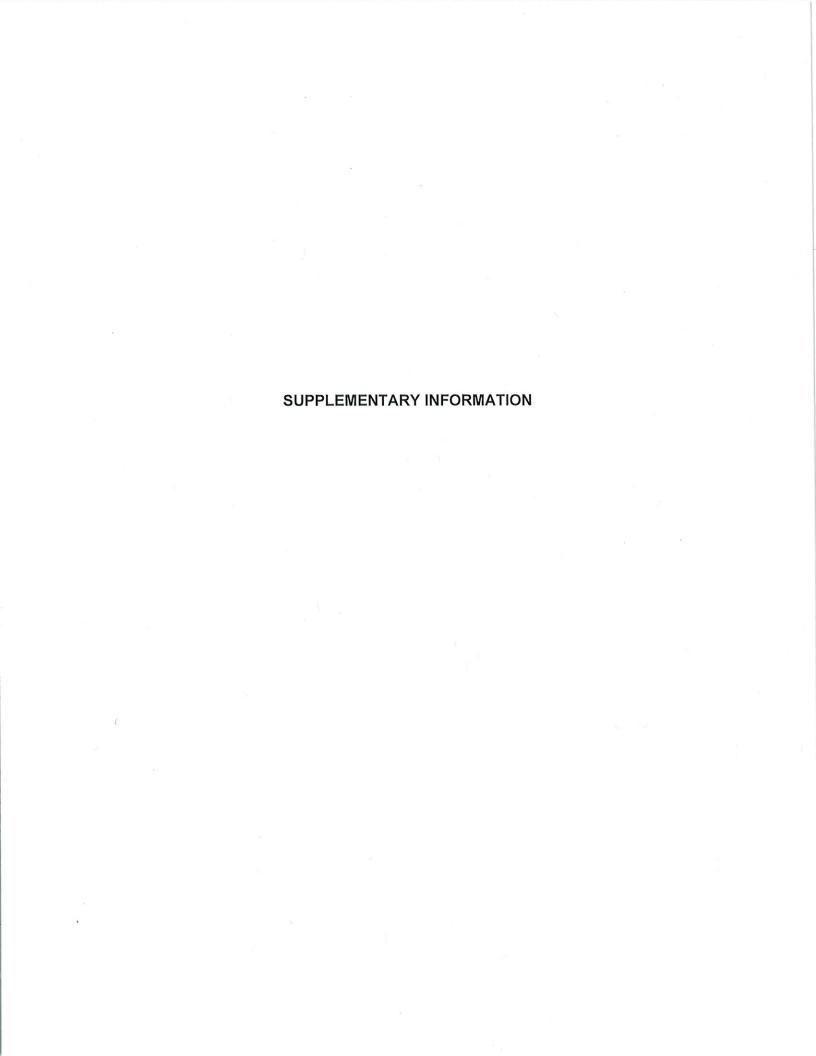
	2024		2023
Contributions received:	60		
Haggai Institute (Australia)	\$	744,482	\$ 30,110
Haggai Advanced Leadership Training Limited (United Kingdom)		67,144	 86,474
	\$	811,626	\$ 116,584

Haggai made the following payments to affiliated organizations during the years ended March 31:

	 2024	 2023
Payments to:		
Haggai Institute (Australia)	\$ 10,245	\$ 4,727
Haggai Advanced Leadership Training Limited (United Kingdom)	27,669	 21,158
	\$ 37,914	\$ 25,885

Note 15—Subsequent events

Haggai has evaluated subsequent events from the consolidated statement of financial position date of March 31, 2024 through August 6, 2024, the date the consolidated financial statements were available to be issued.



CONSOLIDATING STATEMENT OF FINANCIAL POSITION

MARCH 31, 2024

		General Operating Fund		Endowment Fund		Annuity Fund		Ending Gospel Poverty Foundation		Consolidated	
ASSETS											
Cash and cash equivalents	\$	4,442,604	\$	-	\$	46,257	\$	-	\$	4,488,861	
Investments		13,805,871		13,155,498		1,399,378		34,000,040		62,360,787	
Contributions receivable, net		2,442,007				,		-		2,442,007	
Property and equipment, net		186,704		-		-				186,704	
Other assets		587,383		-		-		-		587,383	
Operating lease right-of-use assets, net		892,011								892,011	
Total Assets	\$	22,356,580	\$	13,155,498	\$	1,445,635	\$	34,000,040	\$	70,957,753	
LIABILITIES AND NET ASSETS						*					
Liabilities:											
Accounts payable, accrued expenses,								8		*	
and deferred revenue	\$	1,766,439	\$	-	\$	-	\$		\$	1,766,439	
Annuities payable				-		1,051,355		-		1,051,355	
Finance lease liability	(40,034		-		-		1		40,034	
Operating lease liability		917,762				-				917,762	
Total Liabilities	_	2,724,235				1,051,355				3,775,590	
Net Assets:											
Without Donor Restrictions:											
Board designated for upcoming fiscal											
year budget deficit		2,539,211		-		-		-		2,539,21	
Board designated for strategic initiatives		246,071				-		-		246,071	
Board designated for annuities		-		2		394,280		-		394,280	
Board designated endowment funds		-		13,155,498		-		-		13,155,498	
Ending Gospel Poverty Foundation		-		22		,-		34,000,040		34,000,040	
Invested in property and equipment, net		186,704		-		-				186,704	
Undesignated	_	13,766,052		-			_	-		13,766,052	
Total Without Donor Restrictions		16,738,038	_	13,155,498		394,280	_	34,000,040		64,287,856	
With Donor Restrictions:											
Restricted for specified purpose		452,300		-				-		452,300	
Restricted for the passage of time	_	2,442,007		2				-		2,442,007	
Total With Donor Restrictions	_	2,894,307		=3		-	_	-		2,894,307	
Total Net Assets	_	19,632,345		13,155,498		394,280		34,000,040		67,182,163	
Total Liabilities and Net Assets	\$	22,356,580	\$	13,155,498	\$	1,445,635	\$	34,000,040	\$	70,957,753	

CONSOLIDATING STATEMENT OF FINANCIAL POSITION

MARCH 31, 2023

General Operating Fund		Operating	Endowment Fund		Annuity Fund		Arizona Friends of Haggai Fund		Consolidated	
ASSETS								7		,
Cash and cash equivalents	, \$	4,543,566	\$	-	\$	41,101	\$	-	\$	4,584,667
Investments		12,220,301		12,060,080		1,411,638		-		25,692,019
Contributions receivable, net		2,034,660		-		-		-		2,034,660
Property and equipment, net		288,743		<i>y</i> = •		-		-		288,743
Other assets		1,643,744		2		=		-		1,643,744
Operating lease right-of-use assets, net		1,190,532		-		-		-		1,190,532
Assets held for sale, net	_	6,710,995								6,710,995
Total Assets	\$	28,632,541	\$	12,060,080	\$	1,452,739	\$		\$	42,145,360
LIABILITIES AND NET ASSETS										
Liabilities:										
Accounts payable, accrued expenses,				٠.						
and deferred revenue	\$	994,238	\$	-	\$	-	\$	-	\$	994,238
Annuities payable		1 -		-		1,085,470		-		1,085,470
Finance lease liability		53,403						-		53,403
Operating lease liability		1,190,532		<u>=</u>		L		1=1		1,190,532
Total Liabilities		2,238,173	_	<u> </u>	_	1,085,470			_	3,323,643
Net Assets:										
Without Donor Restrictions:										
Board designated for upcoming fiscal										
year budget deficit		2,144,054		-		_		-		2,144,054
Board designated for strategic initiatives		3,707,006		_		-		_		3,707,006
Board designated for annuities		-		_		367,269		_		367,269
Board designated endowment funds		2		12,060,080				√ <u>-</u>		12,060,080
Invested in property and equipment, net		288,743		-		-		140		288,743
Undesignated		17,202,464		-			-	-		17,202,464
Total Without Donor Restrictions		23,342,267		12,060,080		367,269		-	_	35,769,616
With Donor Restrictions:										
Restricted for specified purpose		992,441		=		-		-		992,44
Restricted for the passage of time		2,059,660	. <u> </u>	-		-				2,059,660
Total With Donor Restrictions		3,052,101		-		-		, -		3,052,10
Total Net Assets	_	26,394,368	_	12,060,080		367,269				38,821,71
Total Liabilities and Net Assets	\$	28,632,541	\$	12,060,080	\$	1,452,739	\$	_	\$	42,145,360

CONSOLIDATING STATEMENT OF ACTIVITIES

		Without Dono				
	General	Williout Bollo	i restrictions	Ending	With	
	Operating Fund	Endowment Fund	Annuity Fund	Gospel Poverty Foundation	Donor Restrictions	Consolidated
Revenue and Other Support:	runu	ruitu	rund	Toundation	Restrictions	Consonance
Contributions and bequests from private						
foundations and the general public	\$ 4,857,133	\$ -	\$ -	\$ -	\$ 2,301,319	\$ 7,158,452
Contributions from trustees	1,676,764	-	-	·	300,000	1,976,764
Total Contributions Revenue	6,533,897	-	-		2,601,319	9,135,216
Participants' fees	241,287	7	-	-		241,287
Receipts from affiliated organizations	811,626	-		-	-	811,626
Other	154,053	-	· ·	-	-	154,053
Net assets released from restrictions	2,759,113				(2,759,113)	_
Total Revenue and Other Support	10,499,976				(157,794)	10,342,182
Expenses:						
Program Services:						
Equipping	9,119,640	=	12	-		9,119,640
Other	1,320,287					1,320,287
Total Program Services	10,439,927					10,439,927
Supporting Services:		×				
Fundraising	3,986,736	-				3,986,736
Management and general	1,488,310					1,488,310
Total Supporting Services	5,475,046					5,475,046
Total Expenses	15,914,973	<u>.</u>				15,914,973
Change in net assets before investment return, net						
and change in value of split-interest agreements	(5,414,997)		-		(157,794)	(5,572,791)
Investment returns, net	1,940,941	2,046,145	150,026	= -	-	4,137,112
Gain on sale of Mid Pacific Center	-	50 · · · · · · · · · · · · · · · · · · ·	-	29,919,140		29,919,140
Change in value of split-interest agreements	, -	-	(123,015)	-	. =	(123,015)
Interfund transfers	(3,130,173)	(950,727)		4,080,900		
Change in net assets	(6,604,229)	1,095,418	27,011	34,000,040	(157,794)	28,360,446
Net assets, beginning of year	23,342,267	12,060,080	367,269		3,052,101	38,821,717
Net assets, end of year	\$ 16,738,038	\$ 13,155,498	\$ 394,280	\$ 34,000,040	\$ 2,894,307	\$ 67,182,163

CONSOLIDATING STATEMENT OF ACTIVITIES

		Without Donor				
	General	Millout Bollo	Redificions	Arizona	With	
	Operating Fund	Endowment Fund	Annuity Fund	Friends of Haggai Fund	Donor Restrictions	Consolidated
Revenue and Other Support:						
Contributions and bequests from private						
foundations and the general public	\$ 4,526,729	\$ -	\$ -	\$ -	\$ 2,346,124	\$ 6,872,853
Contributions from trustees	1,860,196			<u>-</u>	300,000	2,160,196
Total Contributions Revenue	6,386,925		-		2,646,124	9,033,049
Participants' fees	234,968	-		-	-	234,968
Receipts from affiliated organizations	116,584	_	-	•	-	116,584
Other	211,423	-	-	-	-	211,423
Net assets released from restrictions	2,911,715				(2,911,715)	
Total Revenue and Other Support	9,861,615				(265,591)	9,596,024
Expenses:						
Program Services:						
Equipping	6,380,066	-	=	123	-	6,380,066
Other	1,248,780					1,248,780
Total Program Services	7,628,846				·	7,628,846
Supporting Services:						
Fundraising	3,659,103		-		-	3,659,103
Management and general	1,441,680	<u> </u>		19,054		1,460,734
Total Supporting Services	5,100,783			19,054		5,119,837
Total Expenses Before Other Income	12,729,629			19,054		12,748,683
Change in net assets before investment return, net						
and change in value of split-interest agreements	(2,868,014)	-	-	(19,054)	(265,591)	(3,152,659)
Investment return, net	(530,420)	(875,238)	(212,030)	(324,247)	-	(1,941,935)
Change in value of split-interest agreements		3-3	(11,467)). - :	ē	(11,467)
Interfund transfers	6,690,440	(1,197,300)	(1,016,261)	(4,476,879)		
Change in net assets	3,292,006	(2,072,538)	(1,239,758)	(4,820,180)	(265,591)	(5,106,061)
Net assets, beginning of year	20,050,261	14,132,618	1,607,027	4,820,180	3,317,692	43,927,778
Net assets, end of year	\$ 23,342,267	\$ 12,060,080	\$ 367,269	\$ -	\$ 3,052,101	\$ 38,821,717