



Haggai International prides itself in corporate financial transparency in reporting. This year represents the thirteenth year in a row our external auditors completed a stringent audit with no audit adjustments. The audited financials for fiscal year ended March 31, 2025, are attached below.

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

The Haggai Team

**HAGGAI INTERNATIONAL INSTITUTE FOR
ADVANCED LEADERSHIP TRAINING, INC.
AND SUBSIDIARY**

**CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

As of and for the Years Ended March 31, 2025 and 2024

And Report of Independent Auditor

**HAGGAI INTERNATIONAL INSTITUTE FOR ADVANCED LEADERSHIP TRAINING, INC.
AND SUBSIDIARY
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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, 2025 and 2024, 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, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the 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 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 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

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, 2025 and 2024, 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.

Cherry Bekart LLP

Atlanta, Georgia
August 8, 2025

**HAGGAI INTERNATIONAL INSTITUTE FOR ADVANCED LEADERSHIP TRAINING, INC.
AND SUBSIDIARY**
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

MARCH 31, 2025 AND 2024

	2025	2024
ASSETS		
Cash and cash equivalents	\$ 4,156,170	\$ 4,488,861
Investments	60,320,497	62,360,787
Contributions receivable, net	1,578,366	2,442,007
Property and equipment, net	133,314	186,704
Other assets	721,188	587,383
Operating lease right-of-use assets, net	118,459	892,011
Total Assets	\$ 67,027,994	\$ 70,957,753
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable, accrued expenses, and deferred revenue	\$ 1,137,970	\$ 1,766,439
Annuities payable	1,004,270	1,051,355
Finance lease liability	25,997	40,034
Operating lease liability	148,539	917,762
Total Liabilities	2,316,776	3,775,590
Net Assets:		
Without Donor Restrictions:		
Board designated for upcoming fiscal year budget deficit	2,289,666	2,539,211
Board designated for strategic growth initiatives	222,326	246,071
Board designated for annuities	374,513	394,280
Board-designated endowment funds	12,823,465	13,155,498
Ending Gospel Poverty Foundation	31,753,310	34,000,040
Invested in property and equipment, net	133,314	186,704
Undesignated	14,891,301	13,766,052
Total Without Donor Restrictions	62,487,895	64,287,856
With Donor Restrictions:		
Restricted for specified purpose	644,957	452,300
Restricted for the passage of time	1,578,366	2,442,007
Total With Donor Restrictions	2,223,323	2,894,307
Total Net Assets	64,711,218	67,182,163
Total Liabilities and Net Assets	\$ 67,027,994	\$ 70,957,753

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 ACTIVITIES

YEAR ENDED MARCH 31, 2025

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenue and Other Support:			
Contributions and bequests from private foundations and the general public	\$ 5,847,983	\$ 672,000	\$ 6,519,983
Contributions from trustees	522,777	1,097,000	1,619,777
Total Contributions Revenue	6,370,760	1,769,000	8,139,760
Participants' fees	327,333	-	327,333
Receipts from affiliated organizations	105,105	-	105,105
Other	2,069	-	2,069
Net assets released from restrictions	2,439,984	(2,439,984)	-
Total Revenue and Other Support	9,245,251	(670,984)	8,574,267
Expenses:			
Program Services:			
Equipping	8,061,065	-	8,061,065
Other	1,214,932	-	1,214,932
Total Program Services	9,275,997	-	9,275,997
Supporting Services:			
Fundraising	3,596,618	-	3,596,618
Management and general	1,616,010	-	1,616,010
Total Supporting Services	5,212,628	-	5,212,628
Total Expenses	14,488,625	-	14,488,625
Change in net assets before investment return, net and change in value of split-interest agreements	(5,243,374)	(670,984)	(5,914,358)
Investment return, net	3,551,338	-	3,551,338
Change in value of split-interest agreements	(107,925)	-	(107,925)
Change in net assets	(1,799,961)	(670,984)	(2,470,945)
Net assets, beginning of year	64,287,856	2,894,307	67,182,163
Net assets, end of year	<u>\$ 62,487,895</u>	<u>\$ 2,223,323</u>	<u>\$ 64,711,218</u>

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 ACTIVITIES

YEAR ENDED MARCH 31, 2024

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
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	<u>1,676,764</u>	<u>300,000</u>	<u>1,976,764</u>
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	-	154,053
Net assets released from restrictions	<u>2,759,113</u>	<u>(2,759,113)</u>	<u>-</u>
Total Revenue and Other Support	<u>10,499,976</u>	<u>(157,794)</u>	<u>10,342,182</u>
Expenses:			
Program Services:			
Equipping	9,119,640	-	9,119,640
Other	<u>1,320,287</u>	<u>-</u>	<u>1,320,287</u>
Total Program Services	<u>10,439,927</u>	<u>-</u>	<u>10,439,927</u>
Supporting Services:			
Fundraising	3,986,736	-	3,986,736
Management and general	<u>1,488,310</u>	<u>-</u>	<u>1,488,310</u>
Total Supporting Services	<u>5,475,046</u>	<u>-</u>	<u>5,475,046</u>
Total Expenses Before Other Income	<u>15,914,973</u>	<u>-</u>	<u>15,914,973</u>
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 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	<u>(123,015)</u>	<u>-</u>	<u>(123,015)</u>
Change in net assets	28,518,240	(157,794)	28,360,446
Net assets, beginning of year	<u>35,769,616</u>	<u>3,052,101</u>	<u>38,821,717</u>
Net assets, end of year	<u>\$ 64,287,856</u>	<u>\$ 2,894,307</u>	<u>\$ 67,182,163</u>

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

YEAR ENDED MARCH 31, 2025

	Program Services		Program Services Total	Supporting Services		Supporting Services Total	Total Expenses
	Equipping	Other		Fundraising	Management and General		
Salaries and wages	\$ 2,889,499	\$ 565,629	\$ 3,455,128	\$ 1,570,579	\$ 646,503	\$ 2,217,082	\$ 5,672,210
Travel and related services	2,962,915	112,347	3,075,262	388,970	32,670	421,640	3,496,902
Professional fees	370,747	216,521	587,268	707,179	180,310	887,489	1,474,757
Employee benefits and payroll tax	425,153	137,367	562,520	398,332	202,016	600,348	1,162,868
Office expenses and software	283,264	31,204	314,468	137,005	103,905	240,910	555,378
Program grants to Haggai International							
Institute Asia	496,348	-	496,348	-	-	-	496,348
Printing and publications	73,182	67,974	141,156	285,341	4,234	289,575	430,731
Faculty fees	380,072	8,996	389,068	10,989	3,676	14,665	403,733
Rent	53,050	25,254	78,304	465	234,585	235,050	313,354
Miscellaneous	32,900	22,386	55,286	32,111	96,355	128,466	183,752
Domestic and international communications	52,332	9,915	62,247	22,610	9,528	32,138	94,385
Insurance	8,138	4,260	12,398	-	41,605	41,605	54,003
Payments to affiliates	3,004	6,007	9,011	21,026	-	21,026	30,037
Postage and freight	6,469	4,754	11,223	14,247	3,651	17,898	29,121
Equipment rental and maintenance	7,167	2,145	9,312	7,493	1,540	9,033	18,345
Property expenses	3,148	173	3,321	271	721	992	4,313
Depreciation and amortization	13,677	-	13,677	-	54,711	54,711	68,388
Total Expenses	\$ 8,061,065	\$ 1,214,932	\$ 9,275,997	\$ 3,596,618	\$ 1,616,010	\$ 5,212,628	\$ 14,488,625

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

YEAR ENDED MARCH 31, 2024

	Program Services		Program Services Total	Supporting Services		Supporting Services Total	Total Expenses
	Equipping	Other		Fundraising	Management and General		
Salaries and wages	\$ 3,579,494	\$ 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
Professional fees	243,849	167,446	411,295	456,276	202,589	658,865	1,070,160
Employee benefits and payroll tax	610,998	140,812	751,810	394,793	183,221	578,014	1,329,824
Office expenses and software	258,840	38,116	296,956	155,402	90,233	245,635	542,591
Program grants to Haggai International							
Institute Asia	432,349	-	432,349	-	-	-	432,349
Printing and publications	119,818	128,753	248,571	548,615	13,009	561,624	810,195
Faculty fees	424,222	4,315	428,537	20,075	-	20,075	448,612
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
Insurance	321,151	3,547	324,698	-	34,744	34,744	359,442
Payments to affiliates	3,791	7,583	11,374	26,540	-	26,540	37,914
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
Property expenses	937,815	1,205	939,020	3,546	1,314	4,860	943,880
Depreciation and amortization	39,037	-	39,037	-	57,267	57,267	96,304
Total Expenses	\$ 9,119,640	\$ 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 STATEMENTS OF CASH FLOWS

YEARS ENDED MARCH 31, 2025 AND 2024

	2,025	2024
Cash flows from operating activities:		
Change in net assets	(2,470,945)	\$ 28,360,446
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Change in value of split-interest agreements	107,925	123,015
Gain on sale of property and equipment	-	(4,488)
Gain on sale of Mid Pacific Center	-	(29,919,140)
Net realized and unrealized (gains) losses on investments	(3,482,123)	(4,032,316)
Depreciation and amortization	68,388	96,304
Amortization of operating lease right-of-use asset	271,552	298,521
Changes in operating assets and liabilities:		
Other assets	(133,805)	1,056,361
Contributions receivable	863,641	(407,347)
Accounts payable, accrued expenses, and deferred revenue	(628,469)	272,201
Operating lease liability	(267,223)	(272,770)
Net cash flows from operating activities	<u>(5,671,059)</u>	<u>(4,429,213)</u>
Cash flows from investing activities:		
Purchase of investments	(750,000)	(34,700,040)
Proceeds from investments	6,272,413	2,063,546
Purchases of property and equipment	(14,998)	(39,046)
Purchases of assets held for sale	-	(51,009)
Proceeds from sale of property and equipment	-	6,000
Net proceeds from sale of Mid Pacific Center	-	37,224,455
Net cash flows from investing activities	<u>5,507,415</u>	<u>4,503,906</u>
Cash flows from financing activities:		
Payments on finance lease	(14,037)	(13,369)
Payments to annuitants	(155,010)	(157,130)
Net cash flows from financing activities	<u>(169,047)</u>	<u>(170,499)</u>
Change in cash and cash equivalents	(332,691)	(95,806)
Cash and cash equivalents, beginning of year	4,488,861	4,584,667
Cash and cash equivalents, end of year	<u>4,156,170</u>	<u>\$ 4,488,861</u>
Supplemental cash flow information:		
Interest paid	<u>1,093</u>	<u>\$ 1,483</u>
Supplemental disclosure of noncash investing and financing activities:		
Return of contribution related to sale of Mid Pacific Center	<u>-</u>	<u>\$ 500,000</u>
Reduction of operating lease right-of-use asset and liability due to early termination of lease agreement	<u>502,000</u>	<u>\$ -</u>
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**
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2025 AND 2024

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 locations in Malaysia and Dubai. 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.

Haggai International Institute Asia is an independent organization that Haggai International provides grants to for equipping operations.

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, 2025 and 2024, 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.

**HAGGAI INTERNATIONAL INSTITUTE FOR ADVANCED LEADERSHIP TRAINING, INC.
AND SUBSIDIARY**
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2025 AND 2024

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. Distributions from the Foundation to Haggai International, if any, are made only upon approval of the Foundation's Board of Trustees.

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 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.

**HAGGAI INTERNATIONAL INSTITUTE FOR ADVANCED LEADERSHIP TRAINING, INC.
AND SUBSIDIARY**
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2025 AND 2024

Note 2—Summary of significant accounting policies (continued)

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.

Contributed non-financial assets, 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 7 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, 2025 and 2024.

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.

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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 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 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, 2025.

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.

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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:

	<u>2025</u>	<u>2024</u>
Cash and cash equivalents	\$ 4,156,170	\$ 4,488,861
Investments	60,320,497	62,360,787
Contributions receivable, net (less than one year)	<u>1,521,479</u>	<u>2,216,942</u>
Total financial assets	<u>65,998,146</u>	<u>69,066,590</u>
Less amounts not available to be used for general expenditures within one year:		
Donor restricted for specified purpose	644,957	452,300
Donor restricted for the passage of time	1,578,366	2,442,007
Board designated for annuities	374,513	394,280
Board-designated endowment funds	<u>12,823,465</u>	<u>13,155,498</u>
	<u>15,421,301</u>	<u>16,444,085</u>
Financial assets available to meet general expenditures within one year	<u>\$ 50,576,845</u>	<u>\$ 52,622,505</u>

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, 2025 were \$50,576,845, this balance is comprised of \$31,753,310 of financial assets of the Foundation and \$18,823,535 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, 2025 and 2024, the Board designated net assets for upcoming fiscal year budget deficit of \$2,289,666 and \$2,539,211, respectively, and for strategic initiatives of \$222,326 and \$246,071, 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.

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Note 4—Contributions receivable, net

At March 31, 2025 and 2024, Haggai's contributions receivable, net, received as pledges at the annual gala, consist of the following:

	<u>2025</u>	<u>2024</u>
Contributions receivable expected to be collected in:		
Less than one year	\$ 1,521,479	\$ 2,216,942
One to five years	59,881	242,985
	<u>1,581,360</u>	<u>2,459,927</u>
Less present value discount (5%)	(2,994)	(17,920)
Contributions receivable, net	<u>\$ 1,578,366</u>	<u>\$ 2,442,007</u>

Contributions receivable from trustees totaled \$1,097,000 and \$360,073 as of March 31, 2025 and 2024, respectively.

Note 5—Property and equipment, net

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

	<u>2025</u>	<u>2024</u>
Leasehold improvements	\$ 56,039	\$ 56,039
Furniture and office equipment	331,797	331,797
Software	321,465	306,465
Copiers - finance lease right-of-use assets	68,688	68,688
Property and equipment, at cost	<u>777,989</u>	<u>762,989</u>
Less accumulated depreciation	(644,675)	(576,285)
Property and equipment, net	<u>\$ 133,314</u>	<u>\$ 186,704</u>

Depreciation and amortization expense was \$68,388 and \$96,304 for the years ended March 31, 2025 and 2024, respectively.

Note 6—Sale of Mid Pacific Center

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.

During the year ended March 31, 2025, the Foundation distributed \$4,118,420 to Haggai International. All transactions between Haggai and the Foundation have been eliminated in consolidation.

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Note 7—Net assets with donor restrictions

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

	<u>2025</u>	<u>2024</u>
Restricted for the passage of time:		
Contributions receivable, net	\$ 1,578,366	\$ 2,442,007
Restricted for specified purpose:		
Digital learning	344,957	452,300
Leadership training (women)	300,000	-
Total net assets with donor restrictions	<u>\$ 2,223,323</u>	<u>\$ 2,894,307</u>

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:

	<u>2025</u>	<u>2024</u>
Expiration of time restrictions	\$ 2,332,641	\$ 2,193,972
Satisfaction of purpose restrictions:		
Digital learning	107,343	31,315
Leadership training (women)	-	300,000
Leadership training	-	233,826
	<u>\$ 2,439,984</u>	<u>\$ 2,759,113</u>

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 \$149,748 and \$176,272 for the years ended March 31, 2025 and 2024, respectively.

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, 2025, the monthly lease payment was \$25,000. The current lease agreement expires on September 30, 2025. As of March 31, 2025 and 2024, ROU assets under operating leases totaled \$948,144 and \$1,450,143, respectively. Accumulated amortization on operating lease ROU assets as of March 31, 2025 and 2024 was \$829,685 and \$558,132, respectively.

As of March 31, 2025 and 2024, ROU assets under equipment finance leases consists totaled \$68,688. Accumulated amortization as of March 31, 2025 and 2024 in the consolidated statements of financial position was \$42,358 and \$28,620, respectively.

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MARCH 31, 2025 AND 2024

Note 9—Leases (continued)

Future minimum lease payments under operating and finance leases as of March 31, 2025 are as follows:

<u>Years Ending March 31,</u>	<u>Finance</u>	<u>Operating</u>
2026	\$ 14,730	\$ 150,000
2027	12,275	-
Total lease payments	27,005	150,000
Less Interest	(1,008)	(1,461)
Present value of lease liabilities	<u>\$ 25,997</u>	<u>\$ 148,539</u>

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

	<u>2025</u>	<u>2024</u>
Lease costs:		
Operating lease cost, included in rent expense	\$ 24,710	\$ 24,327
Finance lease amortization of assets, included in depreciation and amortization	13,737	13,737
Finance lease interest, included in interest expense	1,483	1,483
Net operating and finance lease cost	<u>\$ 39,930</u>	<u>\$ 39,547</u>
Lease term (in months) and discount rate:		
Weighted average remaining lease term - operating leases	6	36
Weighted average remaining lease term - finance leases	23	35
Weighted average discount rate - operating leases	2.55%	2.55%
Weighted average discount rate - finance leases	2.88%	2.88%

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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 are descriptions 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 to the donors using assumptions regarding the discount rate and the expected mortality of the individual.

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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, 2025:

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Assets				
Investments:				
Money market	\$ 2,350,840	\$ 2,350,840	\$ -	\$ -
Equities:				
Domestic stocks	15,400,793	15,400,793	-	-
International stocks	566,376	566,376	-	-
Mutual funds - domestic	22,969,437	22,969,437	-	-
Mutual funds - international	4,292,978	4,292,978	-	-
Mutual funds - precious metals	1,649,616	1,649,616	-	-
Fixed income:				
Mutual funds - domestic	8,337,095	8,337,095	-	-
Government obligations	1,997,642	-	1,997,642	-
Mortgage-backed securities	901,515	-	901,515	-
Corporate bonds	1,854,205	-	1,854,205	-
Total investments	<u>\$ 60,320,497</u>	<u>\$ 55,567,135</u>	<u>\$ 4,753,362</u>	<u>\$ -</u>
Liabilities				
Annuities payable	<u>\$ 1,004,270</u>	<u>\$ -</u>	<u>\$ 1,004,270</u>	<u>\$ -</u>

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

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Assets				
Investments:				
Money market	\$ 35,501,450	\$ 35,501,450	\$ -	\$ -
Equities:				
Domestic stocks	7,103,965	7,103,965	-	-
International stocks	721,775	721,775	-	-
Mutual funds - domestic	7,425,358	7,425,358	-	-
Mutual funds - international	2,920,071	2,920,071	-	-
Mutual funds - precious metals	822,298	822,298	-	-
Fixed income:				
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	<u>\$ 62,360,787</u>	<u>\$ 60,369,255</u>	<u>\$ 1,991,532</u>	<u>\$ -</u>
Liabilities				
Annuities payable	<u>\$ 1,051,355</u>	<u>\$ -</u>	<u>\$ 1,051,355</u>	<u>\$ -</u>

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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.

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.

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MARCH 31, 2025 AND 2024

Note 11—Endowment funds (continued)

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, 2025 and 2024 was 8% of the December 31 fair value of the endowment investments preceding the fiscal years ended March 31, 2025 and 2024.

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, 2025 or 2024.

A summary of the endowment net asset composition by type of fund as of March 31, 2025 is as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Board designated endowment funds	\$ 12,823,465	\$ -	\$ 12,823,465

The changes in endowment assets for the year ended March 31, 2025 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment assets as of April 1, 2024	\$ 13,155,498	\$ -	\$ 13,155,498
Investment return, net	672,617	-	672,617
Release from board designated endowment funds	(1,004,650)	-	(1,004,650)
Endowment assets as of March 31, 2025	\$ 12,823,465	\$ -	\$ 12,823,465

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

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MARCH 31, 2025 AND 2024

Note 11—Endowment funds (continued)

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

	Without Donor Restrictions	With Donor 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	<u>\$ 13,155,498</u>	<u>\$ -</u>	<u>\$ 13,155,498</u>

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, 2025 and 2024, 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, 2025 and 2024, the total assets held under split-interest agreements were approximately \$1,378,783 and \$1,445,635, 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:

	2025	2024
Annuities payable	<u>\$ 1,004,270</u>	<u>\$ 1,051,355</u>

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.

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MARCH 31, 2025 AND 2024

Note 14—Transactions with affiliated organizations

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

	<u>2025</u>	<u>2024</u>
Contributions received:		
Haggai Institute (Australia)	\$ 62,113	\$ 744,482
Haggai Advanced Leadership Training Limited (United Kingdom)	42,992	67,144
	<u>\$ 105,105</u>	<u>\$ 811,626</u>

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

	<u>2025</u>	<u>2024</u>
Payments to:		
Haggai Institute (Australia)	\$ 4,865	\$ 10,245
Haggai Advanced Leadership Training Limited (United Kingdom)	25,172	27,669
	<u>\$ 30,037</u>	<u>\$ 37,914</u>

Amounts payable to Haggai Institute (Australia) and Haggai Advanced Leadership Training Limited (United Kingdom) at March 31, 2025 and 2024 totaled \$7,180 and \$9,064, respectively, and is reported in accounts payable, accrued expenses, and deferred revenue in the statements of financial position.

Note 15—Subsequent events

Haggai has evaluated subsequent events from the consolidated statement of financial position date of March 31, 2025 through August 8, 2025, the date the consolidated financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

**HAGGAI INTERNATIONAL INSTITUTE FOR ADVANCED LEADERSHIP TRAINING, INC.
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CONSOLIDATING STATEMENT OF FINANCIAL POSITION

MARCH 31, 2025

	General Operating Fund	Endowment Fund	Annuity Fund	Ending Gospel Poverty Foundation	Consolidated
ASSETS					
Cash and cash equivalents	\$ 4,097,847	\$ -	\$ 58,323	\$ -	\$ 4,156,170
Investments	14,423,262	12,823,465	1,320,460	31,753,310	60,320,497
Contributions receivable, net	1,578,366	-	-	-	1,578,366
Property and equipment, net	133,314	-	-	-	133,314
Other assets	721,188	-	-	-	721,188
Operating lease right-of-use assets, net	118,459	-	-	-	118,459
Total Assets	\$ 21,072,436	\$ 12,823,465	\$ 1,378,783	\$ 31,753,310	\$ 67,027,994
LIABILITIES AND NET ASSETS					
Liabilities:					
Accounts payable, accrued expenses, and deferred revenue	\$ 1,137,970	\$ -	\$ -	\$ -	\$ 1,137,970
Annuities payable	-	-	1,004,270	-	1,004,270
Finance lease liability	25,997	-	-	-	25,997
Operating lease liability	148,539	-	-	-	148,539
Total Liabilities	1,312,506	-	1,004,270	-	2,316,776
Net Assets:					
Without Donor Restrictions:					
Board designated for upcoming fiscal year budget deficit	2,289,666	-	-	-	2,289,666
Board designated for strategic initiatives	222,326	-	-	-	222,326
Board designated for annuities	-	-	374,513	-	374,513
Board-designated endowment funds	-	12,823,465	-	-	12,823,465
Ending Gospel Poverty Foundation	-	-	-	31,753,310	31,753,310
Invested in property and equipment, net	133,314	-	-	-	133,314
Undesignated	14,891,301	-	-	-	14,891,301
Total Without Donor Restrictions	17,536,607	12,823,465	374,513	31,753,310	62,487,895
With Donor Restrictions:					
Restricted for specified purpose	644,957	-	-	-	644,957
Restricted for the passage of time	1,578,366	-	-	-	1,578,366
Total With Donor Restrictions	2,223,323	-	-	-	2,223,323
Total Net Assets	19,759,930	12,823,465	374,513	31,753,310	64,711,218
Total Liabilities and Net Assets	\$ 21,072,436	\$ 12,823,465	\$ 1,378,783	\$ 31,753,310	\$ 67,027,994

See Report of Independent Auditor.

**HAGGAI INTERNATIONAL INSTITUTE FOR ADVANCED LEADERSHIP TRAINING, INC.
AND SUBSIDIARY
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, and deferred revenue	\$ 1,766,439	\$ -	\$ -	\$ -	\$ 1,766,439
Annuities payable	-	-	1,051,355	-	1,051,355
Finance lease liability	40,034	-	-	-	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	-	-	-	2,539,211
Board designated for strategic initiatives	246,071	-	-	-	246,071
Board designated for annuities	-	-	394,280	-	394,280
Board-designated endowment funds	-	13,155,498	-	-	13,155,498
Ending Gospel Poverty Foundation	-	-	-	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	-	-	-	2,442,007
Total With Donor Restrictions	2,894,307	-	-	-	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

See Report of Independent Auditor.

**HAGGAI INTERNATIONAL INSTITUTE FOR ADVANCED LEADERSHIP TRAINING, INC.
AND SUBSIDIARY**
CONSOLIDATING STATEMENT OF ACTIVITIES

YEAR ENDED MARCH 31, 2025

	Without Donor Restrictions				With Donor Restrictions	Consolidated
	General Operating Fund	Endowment Fund	Annuity Fund	Ending Gospel Poverty Foundation		
Revenue and Other Support:						
Contributions and bequests from private foundations and the general public	\$ 5,847,983	\$ -	\$ -	\$ -	\$ 672,000	\$ 6,519,983
Contributions from trustees	522,777	-	-	-	1,097,000	1,619,777
Total Contributions Revenue	6,370,760	-	-	-	1,769,000	8,139,760
Participants' fees	327,333	-	-	-	-	327,333
Receipts from affiliated organizations	105,105	-	-	-	-	105,105
Other	2,069	-	-	-	-	2,069
Net assets released from restrictions	2,439,984	-	-	-	(2,439,984)	-
Total Revenue and Other Support	9,245,251	-	-	-	(670,984)	8,574,267
Expenses:						
Program Services:						
Equipping	8,054,394	-	-	6,671	-	8,061,065
Other	1,214,932	-	-	-	-	1,214,932
Total Program Services	9,269,326	-	-	6,671	-	9,275,997
Supporting Services:						
Fundraising	3,596,618	-	-	-	-	3,596,618
Management and general	1,616,010	-	-	-	-	1,616,010
Total Supporting Services	5,212,628	-	-	-	-	5,212,628
Total Expenses	14,481,954	-	-	6,671	-	14,488,625
Change in net assets before investment return, net and change in value of split-interest agreements	(5,236,703)	-	-	(6,671)	(670,984)	(5,914,358)
Investment returns, net	912,202	672,617	88,158	1,878,361	-	3,551,338
Change in value of split-interest agreements	-	-	(107,925)	-	-	(107,925)
Interfund transfers	5,123,070	(1,004,650)	-	(4,118,420)	-	-
Change in net assets	798,569	(332,033)	(19,767)	(2,246,730)	(670,984)	(2,470,945)
Net assets, beginning of year	16,738,038	13,155,498	394,280	34,000,040	2,894,307	67,182,163
Net assets, end of year	\$ 17,536,607	\$ 12,823,465	\$ 374,513	\$ 31,753,310	\$ 2,223,323	\$ 64,711,218

See Report of Independent Auditor.

HAGGAI INTERNATIONAL INSTITUTE FOR ADVANCED LEADERSHIP TRAINING, INC. AND SUBSIDIARY

CONSOLIDATING STATEMENT OF ACTIVITIES

YEAR ENDED MARCH 31, 2024

	Without Donor Restrictions				With Donor Restrictions	Consolidated
	General Operating Fund	Endowment Fund	Annuity Fund	Arizona Friends of Haggai Fund		
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	-	-	-	-	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	-	-	-	-	5,475,046
Total Expenses Before Other Income	15,914,973	-	-	-	-	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 return, net	1,940,941	2,046,145	150,026	-	-	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)	-	-	(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

See Report of Independent Auditor.