World Impact, Inc. and Subsidiaries.

Combined Financial Statements

For the Years Ended June 30, 2024 and 2023
(With Independent Auditors' Report Thereon)

World Impact, Inc. and Subsidiaries

Combined Financial Statements
June 30, 2024and 2023

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FINANCIAL STATEMENTS

CRAIG
ACCOUNTANCY
A PROFESSIONAL CORPORATION

CERTIFIED PUBLIC ACCOUNTANTS
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Independent Auditors' Report

Board of Directors
World Impact, Inc. and Subsidiaries
Los Angeles, California

Opinion

We have audited the accompanying financial statements of World Impact, Inc. And Subsidiaries (a nonprofit organization) which comprise the statement of financial position as of June 30, 2024 and 2023, and the related statement of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of World Impact, Inc. And Subsidiaries as of June 30, 2024 and 2023 and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of World Impact & Subsidiaries and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. 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 Combined Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about World Impact, Inc. And Subsidiaries' ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Combined Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of World Impact, Inc. And Subsidiaries'+- internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about World Impact, Inc. And Subsidiaries' ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was performed for the purpose of forming an opinion on the combined financial statements as a whole. The combining information on pages 19 through 20 are presented for purposes of additional analysis and not a required part of the combined financial statements. Such supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the combined financial statements. The information has been subjected to the auditing procedures applied in the audits of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the combined financial statements as a whole.

Craig Accountancy

October 25, 2024
Orange, California

World Impact, Inc. and Subsidiaries

Combined Statement of Financial Position
June 30, 2024 and 2023

	June 30,	
	2024	2023
ASSETS		
Cash and cash equivalents (note 2d)	$ 1,560,066	$ 4,120,932
Investments (note 3)	23,489,445	21,757,062
Accounts receivable	79,837	99,373
Property sales proceeds receivable	0	47,450
Notes receivable (note 10)	339,770	349,710
Other assets	74,006	39,255
Operating Lease Right-of-Use Asset	17,001	17,042
Land, buildings, and equipment - net (note 5)	3,928,686	4,664,676
Total Assets	$29,488,811	$31,095,500
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable	$ 123,223	$ 78,955
Accrued expenses	423,349	370,146
Lease Liability - Operating	17,067	17,042
Other liabilities (note 2h)	71,428	77,841
Total Liabilities	635,067	543,984
Net assets:		
Without Donor Restriction:		
Undesignated	10,394,232	7,598,716
Designated by the Board	14,724,828	18,726,055
Total Without Donor Restriction	25,119,060	26,324,771
With Donor Restriction: (note 8)		
Purpose Restricted	2,598,309	2,985,052
Time Restricted for Future Periods	3,135	109,302
Perpetual in Nature	1,133,240	1,132,391
Total With Donor Restriction	3,734,684	4,226,745
Total Net Assets	28,853,744	30,551,516
Total Liabilities and Net Assets	$29,488,811	$31,095,500

See Independent Auditors' Report and Accompanying Notes to Combined Financial Statements.

World Impact, Inc. and Subsidiaries

Combined Statement of Activities
For the Year Ended June 30, 2024

	Without Donor Restriction	With Donor Restriction	Total
Support, Revenue & Reclassifications:			
Contributions:			
General public, churches, & foundations	$ 1,720,266	$ 1,404,412	$ 3,124,678
Non-cash donations	17,323	21,559	38,882
Investment earnings (note 3)	2,301,891	126,641	2,428,532
Interest on notes receivable	17,309	0	17,309
Registration Fees	4,192	0	4,192
Rental revenue (note 6)	786,818	0	786,818
Sales of goods	1,777	0	1,777
School Income	2,466	0	2,466
Service income	61,004	0	61,004
Gain(Loss) on sale of assets	1,675,981	0	1,675,981
Other	57,670	0	57,670
Net assets released from restrictions:			
Reduction in federal reversionary interest	54,669	(54,669)	0
Other projects	197,317	(197,317)	0
Scholarships	118,110	(118,110)	0
Ministry	852,590	(852,590)	0
Staff support	821,987	(821,987)	0
Total Support, Revenue & Reclassifications	8,691,370	(492.061)	8,199,309
EXPENSES:			
Program services:			
Ministry	2,774,383	0	2,774,383
TUMI	2,065,628	0	2,065,628
	4,840,011	0	4,840,011
Supporting services:			
Fundraising	1,403,435	0	1,403,435
Management & general	3,653,635	0	3,653,635
	5,057,070	0	5,057,070
Total Expenses	9,897,081	0	9,897,081
Change in Net Assets	(1,205,711)	(492,061)	(1,697,772)
Net Assets, Beginning of Year	26,324,771	4,226,745	30,551,516
Net Assets, End of Year	$25,119,060	$ 3,734,684	$28,853,744

See Independent Auditors' Report and Accompanying Notes to Combined Financial Statements.

World Impact, Inc. and Subsidiaries

Combined Statement of Activities
For the Year Ended June 30, 2023

	Without Donor Restriction	With Donor Restriction	Total
Support, Revenue & Reclassifications:			
Contributions:			
General public, churches, & foundations	$ 2,986,188	$ 2,382,670	$ 5,368,858
Non-cash donations	35,747	2,854	38,601
Grants	70,000	0	70,000
Rental revenue (note 6)	925,117	0	925,117
Investment earnings (note 3)	1,270,729	75,624	1,346,353
Interest on notes receivable	17,747	0	17,747
Registration Fees	8,492	0	8,492
Sales of goods	3,129	0	3,129
Service income	71,817	0	71,817
Gain(Loss) on sale of assets	1,551,588	103,983	1,655,571
Other	108,564	0	108,564
Net assets released from restrictions:			
Reduction in federal reversionary interest	54,669	(54,669)	0
Other projects	965,673	(965,673)	0
Scholarships	71,380	(71,380)	0
Staff support	1,014,315	(1,014,315)	0
Total Support, Revenue & Reclassifications	9,155,155	459,094	9,614,249
EXPENSES:			
Program services:			
Ministry	3,025,389	0	3,025,389
TUMI	1,982,628	0	1,982,628
	5,008,017	0	5,008,017
Supporting services:			
Fundraising	1,921,761	0	1,921,761
Management & general	3,063,310	0	3,063,310
	4,985,071	0	4,985,071
Total Expenses	9,993,088	0	9,993,088
Change in Net Assets	(837,933)	459,094	(378,839)
Net Assets, Beginning of Year	27,162,704	3,767,651	30,930,355
Net Assets, End of Year	$26,324,771	$ 4,226,745	$30,551,516

See Independent Auditors' Report and Accompanying Notes to Combined Financial Statements.

World Impact, Inc. and Subsidiaries

Combined Statement of Functional Expenses
For the Year Ended June 30, 2024

	Program Services			Supporting Services			
	Ministry	TUMI	Total Program Services	Fundraising	Management & General	Total Supporting Services	Total
Depreciation	$ 282,936	$ 17,062	$ 299,998	$ 0	$ 14,276	$ 14,276	$ 314,274
Fundraising Expense	0	0	0	310,443	0	310,443	310,443
Health Insurance	90,387	361,730	452,117	99,902	394,061	493,963	946,080
Liability/ Property Insurance	154,474	12,622	167,096	0	73,543	73,543	240,639
Occupancy	230,068	0	230,068	0	100,191	100,191	330,259
Office Admin	96,648	157,631	254,279	0	294,826	294,826	549,105
Other Employee Benefits	268,404	164,518	432,922	88,348	369,613	457,961	890,883
Professional Fees	12,259	15,241	27,500	201,715	378,834	580,549	608,049
Program Services	445,065	170,466	615,531	0	0	0	615,531
Repairs, Maintenance & Equip.	180,006	22,809	202,815	0	215,379	215,379	418,194
Lease Expense	0	0	0	0	8,850	8,850	8,850
Salaries & Wages	1,014,136	1,143,549	2,157,685	703,027	1,804,062	2,507,089	4,664,774
Total	$2,774,383	$2,065,628	$4,840,011	$1,403,435	$3,653,635	$5,057,070	$9,897,081

See Independent Auditors' Report and Accompanying Notes to Combined Financial Statements.

World Impact, Inc. and Subsidiaries

Combined Statement of Functional Expenses
For the Year Ended June 30, 2023

	Program Services			Supporting Services			
	Ministry	TUMI	Total Program Services	Fundraising	Management & General	Total Supporting Services	Total
Depreciation	$ 324,979	$ 23,119	$ 348,098	$ 0	$ 16,204	$ 16,204	$ 364,302
Fundraising Expense	0	0	0	599,031	0	599,031	599,031
Health Insurance	263,540	249,163	512,703	78,481	261,759	340,240	852,943
Liability/ Property Insurance	150,521	13,126	163,647	0	68,468	68,468	232,115
Occupancy	249,870	2,668	252,538	0	118,704	118,704	371,242
Office Admin	51,607	137,473	189,080	0	318,052	318,052	507,132
Other Employee Benefits	218,627	162,541	381,168	76,383	275,942	352,325	733,493
Professional Fees	317,110	13,273	330,383	608,178	346,464	954,642	1,285,025
Program Services	296,050	170,984	467,034	0	0	0	467,034
Repairs, Maintenance & Equip.	308,914	61,877	370,791	0	69,796	69,796	440,587
Lease Expense	0	0	0	0	6,137	6,137	6,137
Salaries & Wages	844,171	1,148,404	1,992,575	559,688	1,581,784	2,141,472	4,134,047
Total	$3,025,389	$1,982,628	$5,008,017	$1,921,761	$3,063,310	$4,985,071	$9,993,088

See Independent Auditors' Report and Accompanying Notes to Combined Financial Statements.

World Impact, Inc. and Subsidiaries

Combined Statement of Cash Flows
June 30, 2024 and 2023

	June 30,	
	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	$ (1,697,772)	$ (378,839)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	314,274	364,302
Donated assets	(38,882)	(38,601)
Realized Loss on investments	54,680	(45,915)
Unrealized (gain) loss on investments	(1,417,582)	(680,531)
(Gain) loss on sale of assets	(1,672,267)	(1,655,571)
Net change in:		
Accounts receivable	19,536	(61,975)
Property sale proceeds receivable	47,450	1,835,167
Other assets	(34,751)	77,169
Right of use assets-operating	41	(17,402)
Accounts payable	44,268	(322,123)
Accrued expenses	53,202	59,270
Lease liability -operating	25	17,402
Other liabilities	(6,413)	(6,462)
Net Cash (Used in) Provided by Operating Activities	(4,334,191)	(854,109)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Net decrease (increase) investments in Limited Liability Companies	77,509	6,435
Proceeds from sale of investments	3,743,647	286,161
Purchases of investments	(423,036)	(7,542,983)
Purchase of Interest in Limited Liability Companies	(1.265.567)	(33,565)
Purchases of land, buildings, and equipment	(369,168)	(369,168)
Net Cash Used in Investing Activities	1,763,385	(7,653,120)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Principal payments received on notes receivable	9,940	9,502
Net Cash Provided by Financing Activities	9,940	9,502
Change in Cash and Cash Equivalents	(2,560,866)	(8,497,727)
Cash and Cash Equivalents, Beginning of Year	4,120,932	12,618,659
Cash and Cash Equivalents, End of Year	$ 1,560,066	$ 4,120,932

See Independent Auditors' Report and Accompanying Notes to Combined Financial Statements.

1. Nature of the Organization

World Impact Inc. and Subsidiaries (The Ministry) was established in 1971 as a California, non-profit, religious organization, headquartered in Los Angeles. World Impact Inc., as the primary entity, ministers to the physical and spiritual needs of the urban poor. This is carried out collectively with the related entities listed in Note 2 below. The work is accomplished by providing the following services:

- Seminary level training for men and women in the city,
- Resourcing, empowering and partnering with urban church planters to transform their neighborhoods,
- Empowering indigenous urban Christian leaders who do vibrant ministry among the urban poor,
- Partners with reentry homes, local churches, and mentors to move leaders toward success,
- Urban Leadership Retreats
- Christian education for under-resourced students

All of the aforementioned activities are consistent with the Ministry's exempt function purpose. Revenue consists primarily of contributions from individuals, churches, and foundations.

2. Summary of Significant Accounting Policies:

(a) Basis of Accounting

The Ministry utilizes the accrual basis of accounting. These financial statements are presented in conformity with the standards enumerated in the AICPA Audit and Accounting Guide, *Not-for-Profit-Organizations*.

(b) Combined Financial Statements

The activities of the following organizations are combined in the Ministry's financial statements, as required by Statement of Position 94-3, *Reporting of Related Entities by Not-for-Profit Organizations*, issued by the American Institute of Certified Public Accountants:

- The Evangelical Committee of Newark, Inc. Is a controlled charitable religious not-for-profit entity utilized to house assets within the State of New Jersey.

- Faith Works, Rolling J Ranch are subsidiary not-for-profits with no activity in the years under audit.

(c) Financial Statement Presentation

The classification of a not-for-profit organization's net assets and its support, revenue and expenses is based on the existence or absence of donor-imposed restrictions. It requires the amounts for each of the classes of net assets be displayed in the Statement of Financial Position and the amounts of change in each of those classes of net assets be displayed in the Statement of Activities.

(continued)

2. Summary of Significant Accounting Policies - continued:

(c) Financial Statement Presentation - continued:

In accordance with U.S. generally accepted accounting principles (U.S. GAAP). The Ministry reports information regarding s financial position and activities according to two classes of net assets: net assets without donor restriction and net assets with donor restriction.

Net Assets Without Donor Restriction - net assets that are available for general use to support operations. The only limits on their use are the broad limits resulting from the nature of Ministry activities, the environment in which it operates, and the purposes specified in its corporate documents.

The Ministry's Board of Directors has designated a portion of its net assets without donor restrictions as a board designation for the acquisition and improvement of its land and improvements and for other Ministry operational needs,

Net Assets With Donor Restriction - net assets that are subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or programmatic purposes specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

(d) Cash and Cash Equivalents

For purposes of the combined statements of financial position and cash flows, cash and cash equivalents include cash on hand, cash on deposit, money market accounts used for operational purposes, and certificates of deposit with a maturity of less than three months. These accounts may, at times, exceed federally insured limits. The Ministry has not experienced any losses in these accounts.

(e) Investments

The Ministry carries its investments in accordance with FASB ASC 958, Not -for-Profit Entities. Unrealized gains and losses are included in the change of net assets. These effects are included in changes in net assets without donor restrictions because gains and losses are unrestricted.

Investments are carried as follows:

! Certificate of deposit and money market accounts are carried at fair market value.
! Investments in equity securities with readily determinable fair values are reported at fair value.
! Investments in marketable debt securities are carried at fair value.
! Investments in mutual funds are carried at fair value.
! Donated investments are recorded at market value on the date of donation and thereafter carried in accordance with the above provisions.

(f) Inventory

Inventory is stated at weighted-average unit cost for it's the Urban Ministry Institute. For the last three years there has been no inventory.

2. Summary of Significant Accounting Policies - continued:

(g) Land, Buildings & Equipment

Expenditures for land, buildings and equipment over $ 1,000 are capitalized at cost. Donated items are recorded at fair market value on the date of the gift. Depreciation is computed utilizing the straight line method over the estimated useful life of the asset, ranging from 5 years for equipment and 10 to 25 years for buildings. Improvements for buildings are capitalized at cost in excess of $50,000, depreciated over their estimated useful life, utilizing the straight line method.

Capital assets acquired through federal grants and contracts where the federal government retains a reversionary interest are capitalized and depreciated. The funding sources retain an interest in the property improved as the result of the use of grant funds; therefore, its disposition as well as the ownership of any sale proceeds, is subject to regulation.

(h) Other Liabilities

Other liabilities consist primarily of a deferred deposit for an easement which is being amortized over the term of the agreement.

(I) Contributed Services

The value of donated services that create or enhance non-financial assets or, require specialized skills, are recorded when received. Such donated services are recorded in the financial statements at fair market value. Accurate records have been maintained and an objective basis was used to measure the value of these services. The Ministry also received donated services that did not meet the above requirements and accordingly are not recorded in the combined financial statements.

(j) Non-Cash Donations

The Ministry receives a significant amount of donated non-cash gifts, which are recorded as support at the estimated fair market value on the date of the gift. Non-cash donations are comprised of the following types of items: land, buildings, and equipment; stocks, bonds, and other investments.

(k) Functional Allocation of Expenses

The Organization has adopted the American Institute of Certified Public Accountants' Statement of Position 98-2, *Accounting for Costs of Activities of Not-for-Profit Organizations and State and Local Governmental Entities that Include Fund Raising*. The costs of providing the various program services and supporting activities have been summarized on a functional basis in the combined statement of activities. Accordingly, certain costs, such as salaries, general expenses and depreciation, have been allocated among the program services and supporting activities.

(l) Use of Estimates

The preparation of combined financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

(continued)

2. <u>Summary of Significant Accounting Policies - continued:</u>

(m) Advertising

Advertising is used to promote programs and services offered by the Ministry. Advertising costs are expensed as incurred. For the years ended June 30, 2024and 2023 advertising costs were $43,542 and $44,854 respectively.

(n) Income Taxes

The Ministry is exempt from federal income tax as an organization described in Section 501(c)(3) of the Internal Revenue Code and from state income tax pursuant to state law. The Ministry is further classified as a public charity and not a private foundation for federal tax purposes. The Ministry has not incurred unrelated business income taxes. As a result, no tax provision or liability has been provided for in the accompanying financial statements. Furthermore, the Ministry has not taken any material uncertain tax positions for which the associated tax benefits may not be recognized under accounting principles generally accepted in the United States of America.

(o) Recently Adopted Accounting Standards

The Ministry adopted the requirements of the guidance effective June 30, 2022 and has elected to apply the provisions of this standard to the beginning of the period of adoption, through a cumulative effect adjustment, with certain practical expedients available. Lease disclosures for the year ended June 30, 2022 are made under prior lease guidance in FASB ASC 840.

The Ministry has elected to adopt the package of practical expedients available in the year of adoption. The Ministry has elected to adopt the available practical expedient to use hindsight in determining the lease term and in assessing impairment of the Ministry's ROU asset.

As a result of the adoption of the new lease accounting guidance, the Ministry recognized on July 1, 2022 a lease liability of $8,604, which represented the present value of the remaining operating lease payments using the Ministry's incremental borrowing rate, and a right-of-use asset of $8,604.

(p) Revenue Recognition

Contributions/grants are recognized as revenue when they are received or unconditionally promised as prescribed by ASC 958-605, *Not -for-Profit Entities - Revenue Recognition.* The Ministry reports gifts of cash, grants and other assets as support with donor restrictions if they are received with donor Stipulations that limit the use of the donated assets. When a donor stipulation expires, that is, when a stipulated time restriction ends or the purpose is accomplished, net assets with donor restriction are reclassified to net assets without donor restrictions and reported as net assets released from restriction. Conditional promises to give are not recorded as contributions until they become unconditional; that is when the barrier has been overcome and right of release/right of return no longer exists.

Donor restricted funds whose restrictions are met within the same accounting period as its receipt are recorded and reported as revenue with donor restrictions and net assets released from restriction, as the donor restrictions have been met.

(q) Reclassifications

Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported net assets.

2. Summary of Significant Accounting Policies - continued:

(r) Underwater endowments

The ministry considers its endowments to be underwater if the fair value is less than the sum of (1) the original value of the initial and subsequent gift amounts donated and (2) any accumulations to the endowments required to be held in perpetuity per donor direction. The ministry has no underwater endowment funds as of June 30, 2024 or 2023.

(s) Leases

The Ministry leases office equipment . The Ministry determines if an arrangement is a lease at inception. The operating leases are included in operating lease right-of-use (ROU) asset and lease liability - operating on the statements of financial position.

ROU assets represent the Ministry's right to use an underlying assets for the lease term and lease liabilities represent the Ministry's obligation to make lease payments arising from the leases. ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. As most leases do not provide information about the implicit discount rate, the Ministry uses a risk-free rate based on the five-year treasury rate available at the commencement date in determining the present value of lease payments. The operating lease ROU asset also includes any lease payments made and excludes lease incentives. The lease terms may include options to extend or terminate the lease when it is reasonably certain that the Ministry will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

The Ministry has elected not to separate nonlease components from lease components and instead accounts for each separate lease component and the nonlease component as a single lease component.

3. Investments:

A summary of the investments is as follows as of June 30, 2024:

	June 30,	
	2024	2023
Bond funds	$ 6,301,481	$ 5,493,857
Equity funds	15,889,193	16.229.640
Investments in Limited Liability Companies	1,298,771	33,565
	$23,489,445	$ 21,757,062
Investment income consists of:		
Unrealized gain (loss) on investments	$ 1,417,582	$ 680,531
Equity Increases in Limited Liability Companies	77,509	(6,435)
Realized gain (loss) on investments	(54,680)	45,915
Interest and dividends	988,121	626,342
	$ 2,428,532	$ 1,346,353

4. Fair Value Measurements:

FASB ASC 820, formerly Statement of Financial Accounting Standards No.157, Fair Value Measurements defines fair value, establishes a framework of measurement under GAAP and enhances disclosures. Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principle or most advantageous market between market participants on the measurement date.

The fair values of investments are based on the framework established in FASB ASC 820 which establishes a three-level hierarchy for determining fair value. The valuations for each of these levels are determined as follows:

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

Level 2 - Quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in inactive markets or model-based valuations where significant assumptions are observable.

Level 3 - Model-based techniques using significant assumptions that are not observable. These unobservable assumptions reflect estimates of assumptions that market participants would use.

The table below presents the level within the fair value hierarchy at which investments are measured at June 30, 2024:

	Total	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Bond funds	$ 6,301,481	$ 6,301,481	$ 0	$ 0
Equity funds	15,889,193	15,889,193	0	0
Investment in LLC's	1,298,771	0	1,298,771	0
	$23,489,445	$22,190,674	$1,298,771	$ 0

5. Land, Building & Equipment:

Land, buildings, and equipment consist of the following:

	June 30, 2024	June 30, 2023
Land	$ 1,801,479	$ 2,144,455
Buildings & Improvements	12,375,483	13,271,142
Equipment & Vehicles	569,834	887,205
	14,746,796	16,302,802
Less accumulated depreciation	(10,818,110)	(11,638,126)
Construction in progress	0	0
Totals	$ 3,928,686	$ 4,664,676

6. Rental Revenue:

The Ministry rents some of its property to church plants, housing tenants, and others. The agreements have terms of less than one year, with most on a month-to-month basis. For the years ended June 30, 2024 and 2023, total rental income was $786,818 and $925,117, respectively.

(continued)

7. Pension Plan:

Prior to January 2015, the Ministry maintained a money purchase pension plan (the Plan) covering missionaries upon commencement of service . Annual contributions were made to the Plan's trust administrators comprising 25% of the total yearly compensation for all participants, with forfeitures credited toward continued contribution. The funds were deposited in a separate trust account in the name of the Plan's trustees having responsibility for investment. Vesting was based on years of service, with 100% vesting after seven years.

Beginning January 1, 2015, all funds held within The Plan were transferred to a 401(a) plan managed by OneAmerica. Employee's were able to select investment options. All subsequent contributions (both employee and employer) are directed to a 403(b) plan; also managed by OneAmerica. The contribution rates for Missionary employees remained at the aforementioned percentage. Support Staff are eligible to participate in the 403(b) but are limited to a $1,000 per year match. Vesting is based on years of service, with 100% vesting after six years. Both the 401(a)/403(b) are independently reviewed by NFP Retirement each year. Contributions made during the years ended June 30, 2024 and 2023 were $285,633 and $250,504, respectively.

8. Net Assets With Donor Restriction:

Net assets with donor restrictions are available for the following purposes or periods as of June 30, 2024 and 2023:

	June 30,	
	2024	2023
Subject to program expenditure for a specified purpose:		
Pastoral leadership training projects	$ 330,133	$ 136,997
Ministry activity	1,294,233	1,865,026
Staff Support	77,006	39,104
Capital improvements	54,521	54,521
Associates	0	0
Endowment investment income restricted for scholarships	151,771	144,091
Health care facility with federal reversionary interest	690,645	745,313
Total purpose restriction	2,598,309	2,985,052
Subject to passage of time:		
Other projects	3,135	109,302
Subject to be held in perpetuity (see Note 9)	1,133,240	1,132,391
Totals	$3,734,684	$4,226,745

9. Endowments:

The endowments consists of several funds established for a variety of purposes. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Adoption of Relevant Law

The Ministry has implemented the State Prudent Management of Institutional Funds Act (SPMIFA). This requires preservation of the fair value of the original gift, as of the date of donation, absent explicit donor stipulations to the contrary.

9. Endowments (continued):

In as much, permanently restricted net assets are classified as (a) the original value of the gift donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, (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. In accordance with SPMIFA, the Ministry considers the following factors in making a determination to appropriate (for expenditure) or accumulate (add to corpus) donor-restricted endowment funds:

- The duration and preservation of the fund,
- The purposes of the Ministry and the donor-restricted endowment fund,
- General economic conditions,
- The possible effect of inflation and deflation,
- The expected total return from income and the appreciation of investments,
- Other resources of the Ministry, and
- The investment policies of the Ministry.

Changes in endowment net assets for the year ended June 30, 2024 and 2023:

Description	Balance 6-30-2023	Additions	Deletions	Balance 6 -30-2024
Education Endowment Fund	$1,000,000	$ 0	$ 0	$1,000,000
Doris Firsht Endowment Fund	82,391	849	0	83,240
Missionary Endowment Fund	50,000	0	0	50,000
	$1,132,391	$ 849	$ 0	$1,133,240

Return Objectives and Risk Parameters

The Ministry has adopted investment and spending 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 those assets of donor restricted funds the Ministry must hold in perpetuity or for a donor-specified period(s). Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to produce results that would reasonably be expected from a diversified portfolio of money market funds; certificates of deposit; mutual funds; and other instruments whose investment goal is to maximize the rate of return consistent with an overriding policy of preservation of capital.

Strategies Employed for Achieving Objectives

The Ministry is focused on the generation of income rather than capital gains. Investments are to be low-risk and turned over infrequently. Preservation of capital is the overriding factor.

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Ministry has a policy of appropriating for distribution the interest and dividend income generated by the investments. This policy is derived from the donor's desire to provide resources for ministry projects in perpetuity. Accordingly, over the long term, the Ministry expects the current spending policy to allow its endowment to maintain the original corpus. This is consistent with the Ministry's objective to maintain the purchasing power of the endowment assets held in perpetuity.

10. Notes Receivable:

For value received as the result of the sale of the property located at 5533 Long Beach Blvd on January 30, 2014, the Ministry entered into a secured Note and Deed of Trust (Note) with the Lovely Family Trust, for

(continued)

10. Notes Receivable (continued):

the principal sum of Four Hundred and Twenty Three Thousand Dollars ($423,000) , bearing a rate of 5% per annum on the unpaid principal balance. The terms require 60 monthly payments in the amount Two Thousand Two Hundred Seventy Dollars and 75/100 ($2,270,76), commencing March 1, 2014 and on the first day of each month thereafter until February 1, 2021, at which time the entire principle balance, together with interest due thereon, shall become due and payable.

However, the Note remains outstanding, with monthly payments being timely made, but the principal payoff payment remains in technical default. In as much, Management has opted not to pursue any legal remedy at this time. As of June 30, 2024 the outstanding balance was $339,770

11 Contributed Non-Cash Donations:

For the year ended June 30, 2024, contributed non-cash donations recognized within the Statement of Activities included:

	Without Donor Restrictions	With Donor Restrictions	Balance as of June 30, 2024	Without Donor Restrictions	With Donor Restrictions	Balance as of June 30, 2023
Securities	$35,217	$ 0	$35,217	$35,747	$ 0	$35,747
Autos	0	0	0	0	0	0
Books/Supplies	3,665	0	3,665	2,854	0	2,854
	$38,882	$ 0	$38,882	$38,601	$ 0	$38,601

Non-Cash Donations Valuation Technique & Inputs: Contributed In-Kind-Gifts are valued at the estimated fair value on the basis of estimates of wholesale values, or market values, that would be received for selling similar items in the United States.

There were no contributed professional services recognized.

Donor Restrictions: There were non-cash donations that were restricted. These donations are utilized for the intended program purpose.

12. Liquidity and availability:

	June 30, 2024	June 30, 2023
Total financial assets at year-end:		
Cash & cash equivalents	$ 1,560,066	$ 4,120,932
Investments at fair value	23,489,445	21,757,062
Accounts receivable	79,837	99,373
Property sales proceeds receivable	0	47,450
Notes receivable	339,770	349,710
Total financial assets at year-end	25,469,118	26,374,527
Less amounts not available to be used within one year:		
Accounts receivable - long term	(79,211)	(80,373)
Donor-restricted endowments	(1,133,240)	(1,131,904)
Notes receivable - long term	(339,770)	(349,710)
Total amounts not available to be used within one year	(1,552,221)	(1,561,987)
Financial assets available to meet cash needs for general expenditures within one year	$23,916,897	$24,812,540

(continued)

012. Liquidity and availability (continued):

The Ministry receives significant contributions and promises to give by donors, and considers contributions restricted for programs which are ongoing, major and central to its annual operations to be available to meet cash needs for general expenditures.

The Ministry manages its liquidly and reserves following three guiding principles: operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs, and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged. The Ministry operates with a balanced budget and anticipates recognizing sufficient revenue to cover general expenditures not covered by donor-restricted resources.

13. Concentration of Credit Risk:

The Ministry maintains cash in demand deposits and money market accounts within a number of federally insured institutions. At times, balances in these accounts may be in excess of federally insured limits. It has not experienced any losses and believes it is not exposed to any significant credit risk.

The Ministry provides facilities for retreats and conferences, maintains thrift stores and owns rental property. Additionally, donations are a material revenue source funding charitable activities. In today's changing economic environment there are pressures which might affect donations. However, management believes it is diversified enough to withstand significant downturns.

14. Subsequent Events:

The Ministry has evaluated subsequent events through October 25, 2024, the date on which the financial statements were available to be issued.

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OTHER FINANCIAL INFORMATION

World Impact, Inc. and Subsidiaries

Combining Statement of Financial Position by Division
June 30, 2024 and 2023

	World Impact USA	Evangelical Committee of Newark, Inc.	June 30, 2024	June 30, 2023
ASSETS:				
Cash and cash equivalents	$ 1,558,467	$ 1,599	$ 1,560,066	$ 4,120,932
Investments	23,489,445	0	23,489,445	21,757,062
Accounts receivable	79,837	0	79,837	99,373
Property sale proceeds receivable	0	0	0	47,450
Notes receivable	339,770	0	339,770	349,710
Other assets	74,006	0	74,006	39,255
Operating lease right-of-use asset	17,001	0	17,001	17,042
Land, buildings & equipment - net	3,853,962	74,724	3,928,686	4,664,676
Total assets	$29,412,488	$ 76,323	$29,488,811	$31,095,500
LIABILITIES AND NET ASSETS:				
Liabilities:				
Accounts payable	$ 123,223	$ 0	$ 123,223	$ 78,955
Accrued expenses	423,349	0	423,349	370,146
Lease liability -operating	17,067	0	17,067	17,042
Other liabilities	71,428	0	71,428	77,841
	635,067	0	635,067	543,984
Net assets:				
Without Donor Restriction:				
Undesignated	10,392,633	1,599	10,394,232	7,598,716
Designated by the Board	14,650,104	74,724	14,724,828	18,726,055
Total Without Donor Restriction	25,042,737	76,323	25,119,060	26,324,771
With Donor Restriction:				
Purpose Restricted	2,598,309	0	2,598,309	2,985,052
Time Restricted for Future Periods	3,135	0	3,135	109,302
Perpetual in Nature	1,133,240	0	1,133,240	1,132,391
Total With Donor Restriction	3,734,684	0	3,734,684	4,226,745
Total Net Assets	28,777,421	76,323	28,853,744	30,551,516
Total Liabilities and Net Assets	$29,412,488	$ 76,323	$29,488,811	$31,095,500

World Impact, Inc. and Subsidiaries

Combining Statement of Activities by Division
For the Years Ended June 30, 2024 and 2023

	World Impact USA	Evangelical Committee of Newark, Inc.	June 30, 2024	June 30, 2023
SUPPORT AND REVENUE:				
Cash contributions	$ 3,124,678	$ 0	$ 3,124,678	$ 5,368,858
Non-cash contributions	38,882	0	38,882	38,601
Grants	0	0	0	70,000
Investment earnings	2,428,532	0	2,428,532	1,346,353
Interest on notes receivable	17,309	0	17,309	17,747
Registration Fees	4,192	0	4,192	8.492
Rental revenue	786,818	0	786,818	925,117
Sales of goods	1,777	0	1,777	3,129
School Income	2,466	0	2,466	0
Service income	61,004	0	61,004	71,817
Gain (loss) on sale of assets	1,673,268	3,713	1,675,981	1,655,571
Other income	57,670	0	57,670	108,564
Total Support and Revenue	8,195,596	3,713	8,199,309	9,614,249
EXPENSES:				
EXPENSES:				
Program services:				
Ministry	2,765,176	9,207	2,774,383	3,025,389
TUMI	2,065,628	0	2,065,628	1,982,628
Total Program Services	4,830,804	9,207	4,840,011	5,008,017
Supporting services:				
Fundraising	1,403,435	0	1,403,435	1,921,761
Management & general	3,652,114	1,521	3,653,635	3,063,310
Total Supporting Services	5,055,549	1,521	5,057,070	4,985,071
Total Expenses	9,886,353	10,728	9,897,081	9,993,088
Transfers for ministry program services	(2,332)	2,332	0	0
Change in Net Assets	$(1,688,425)	$ (9,347)	$(1,697,772)	$ (378,839)

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