

LANGHAM PARTNERSHIP USA, INC., NFP

**FINANCIAL STATEMENTS
AS OF JUNE 30, 2024 AND 2023**

TOGETHER WITH AUDITOR'S REPORT



Certified Public Accountants

4320 WINFIELD ROAD, SUITE 450
WARRENVILLE, IL 60555
630 665 4440

duganlopatka.com

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Langham Partnership USA, Inc., NFP:

Opinion

We have audited the accompanying financial statements of Langham Partnership USA, Inc., NFP which, which comprise the statement of financial position as of June 30, 2024 and 2023, and the related statements of activities, cash flows and functional expenses for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Langham Partnership USA, Inc., NFP as of June 30, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Langham Partnership USA, Inc., NFP. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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, which raise substantial doubt about Langham Partnership USA, Inc., NFP's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

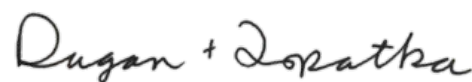
Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, we:

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

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



DUGAN & LOPATKA

LANGHAM PARTNERSHIP USA, INC., NFP
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2024 AND 2023

	2024	2023
<u>ASSETS</u>		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 1,132,428	\$ 1,212,794
Promises to give, current portion	-	68,554
Note receivable, current portion	12,000	12,000
Due from related party, current portion	831,262	-
Prepaid expenses	107,092	70,263
Investments	3,290,162	3,235,468
Total current assets	5,372,944	4,599,079
PROPERTY AND EQUIPMENT:		
Building and improvements	750,000	750,000
Website	105,000	60,000
Less - Accumulated depreciation	467,500	431,250
Net property and equipment	387,500	378,750
OTHER ASSETS:		
Note receivable, net of current portion	71,950	95,950
Total assets	\$ 5,832,394	\$ 5,073,779
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES:		
Accounts payable and accrued expenses	\$ 124,343	\$ 110,889
NET ASSETS:		
Without donor restrictions	1,793,091	1,764,744
With donor restrictions	3,914,960	3,198,146
Total net assets	5,708,051	4,962,890
Total liabilities and net assets	\$ 5,832,394	\$ 5,073,779

The accompanying notes are an integral part of this statement.

LANGHAM PARTNERSHIP USA, INC., NFP
STATEMENT OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
PUBLIC SUPPORT AND REVENUE:						
Contributions	\$ 4,901,710	\$ 2,620,942	\$ 7,522,652	\$ 3,683,208	\$ 2,841,299	\$ 6,524,507
Investment income	273,341	-	273,341	137,096	-	137,096
Other revenue	3,309	-	3,309	2,655	-	2,655
Total support and revenue	5,178,360	2,620,942	7,799,302	3,822,959	2,841,299	6,664,258
Net assets released from restrictions	1,904,128	(1,904,128)	-	2,854,606	(2,854,606)	-
Net public support and revenue	7,082,488	716,814	7,799,302	6,677,565	(13,307)	6,664,258
FUNCTIONAL EXPENSES:						
Program services	4,501,854	-	4,501,854	4,114,649	-	4,114,649
Management and general	677,311	-	677,311	551,499	-	551,499
Fundraising	1,874,976	-	1,874,976	1,725,370	-	1,725,370
Total functional expenses	7,054,141	-	7,054,141	6,391,518	-	6,391,518
CHANGE IN NET ASSETS	28,347	716,814	745,161	286,047	(13,307)	272,740
NET ASSETS, Beginning of year	1,764,744	3,198,146	4,962,890	1,478,697	3,211,453	4,690,150
NET ASSETS, End of year	\$ 1,793,091	\$ 3,914,960	\$ 5,708,051	\$ 1,764,744	\$ 3,198,146	\$ 4,962,890

The accompanying notes are an integral part of this statement.

LANGHAM PARTNERSHIP USA, INC., NFP
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from public support and revenue	\$ 7,592,989	\$ 6,586,237
Cash paid for programs services, employees and supplies	(7,886,132)	(6,348,631)
Interest and dividends received	169,835	62,516
	<u>(123,308)</u>	<u>300,122</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Payments (to) received from related party	24,000	12,050
Purchases of fixed assets	(45,000)	(60,000)
Net sales of investments	63,942	(2,000,551)
	<u>42,942</u>	<u>(2,048,501)</u>
CHANGE IN CASH AND CASH EQUIVALENTS	(80,366)	(1,748,379)
CASH AND CASH EQUIVALENTS, Beginning of year	<u>1,212,794</u>	<u>2,961,173</u>
CASH AND CASH EQUIVALENTS, End of year	<u>\$ 1,132,428</u>	<u>\$ 1,212,794</u>
RECONCILIATION OF CHANGE IN TOTAL NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Change in total net assets	\$ 745,161	\$ 272,740
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	36,250	18,750
Net realized and unrealized (gain) on investments	(118,636)	(87,315)
Decrease in promises to give	68,554	71,810
(Increase) in due from related party	(831,262)	-
(Increase) in prepaid expenses	(36,829)	(33,467)
Increase in accounts payable and accrued expenses	13,454	57,604
	<u>\$ (123,308)</u>	<u>\$ 300,122</u>

The accompanying notes are an integral part of this statement.

LANGHAM PARTNERSHIP USA, INC., NFP
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

	2024			2023				
	Program	Management and General	Fundraising	Total	Program	Management and General	Fundraising	Total
Scholarships and program expenses	\$ 3,073,834	\$ -	\$ -	\$ 3,073,834	\$ 2,790,495	\$ 1,500	\$ -	\$ 2,791,995
Salaries	646,987	125,371	552,659	1,325,017	593,686	122,920	506,451	1,223,057
Benefits	155,892	31,656	122,525	310,073	144,728	35,925	116,463	297,116
Lodging/meals/travel	132,077	126,476	218,030	476,583	148,279	124,632	159,691	432,602
Professional fees	206,347	307,117	91,824	605,288	129,468	167,112	90,788	387,368
Consulting fees	208,849	15,371	224,903	449,123	204,265	25,038	260,699	490,002
Printing and duplication	7,176	6,990	165,622	179,788	7,502	6,139	159,237	172,878
Meetings	6,132	2,063	371,368	379,563	6,314	5,077	315,471	326,862
Rent	-	-	10,800	10,800	-	-	10,100	10,100
Office supplies and equipment	12,934	13,271	13,069	39,274	12,938	10,640	11,242	34,820
Other expenses	216	3,588	15,637	19,441	35,946	6,950	19,039	61,935
Property and directors' insurance	-	17,603	-	17,603	-	12,582	-	12,582
Depreciation	36,250	-	-	36,250	18,750	-	-	18,750
Postage	360	2,024	39,866	42,250	1,300	8,834	39,690	49,824
Marketing	13,142	-	47,733	60,875	18,734	-	34,378	53,112
Bank and payroll service charges	42	24,873	1	24,916	2	23,456	1	23,459
Fax/telephone	1,616	908	939	3,463	2,242	694	2,120	5,056
	<u>\$ 4,501,854</u>	<u>\$ 677,311</u>	<u>\$ 1,874,976</u>	<u>\$ 7,054,141</u>	<u>\$ 4,114,649</u>	<u>\$ 551,499</u>	<u>\$ 1,725,370</u>	<u>\$ 6,391,518</u>
Total functional expenses								

The accompanying notes are an integral part of this statement.

LANGHAM PARTNERSHIP USA, INC., NFP
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Langham Partnership USA, Inc., NFP (LPUSA), the U.S. member of Langham Partnership International, has been working for over 40 years alongside Christian leaders around the world, especially in the global east and south, to equip them with skills and tools for growing the church with depth and maturity. LPUSA's vision is to see churches in the Majority World equipped for mission and growing to maturity in Christ through the ministry of pastors and leaders who believe, teach and live by the Word of God.

The mission of Langham Partnership International is to pursue its vision by equipping a new generation of Bible teachers through three integrated programs:

Langham Scholars Program: Provides financial support for evangelical doctoral students from the Majority World so they may train Christian pastors and leaders - usually at seminary or university level - with sound biblical teaching.

Langham Literature Program: Provides evangelical resources in multiple languages through grants and distribution and fosters the indigenous creation of resources through sponsored editing and writing and publisher development.

Langham Preaching Program: Partners with national leaders to nurture indigenous preaching movements for pastors and lay preachers all around the world. This partnership provides practical on-site support for preachers, organizing training seminars, providing resources, encouraging preachers' groups, and building a local movement committed to Bible exposition.

The financial statements were available to be issued on October 11, 2024, with subsequent events being evaluated through this date.

Accounting Method -

The financial statements of LPUSA have been prepared using the accrual basis of accounting, which recognizes revenues as they are earned and expenses as they are incurred.

Basis of Presentation -

Financial statement presentation follows the recommendations of the Accounting Standards Codification (ASC), *Financial Statements for Not-for-Profit Organizations*. Under the ASC, LPUSA is required to report information regarding two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Without donor restrictions - Net assets that are not subject to donor-imposed stipulations and may be expensed for any purpose in performing the primary objectives of LPUSA. These net assets may be used at the discretion of management and the board of directors.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Basis of Presentation - (Continued)

With donor restrictions - Net assets subject to donor-imposed stipulations. Some donor restrictions are temporary in nature; those restrictions will be met either by actions of LPUSA and/or the passage of time. Other donor restrictions are perpetual in nature, where the donor has stipulated the funds be maintained in perpetuity.

Estimates -

LPUSA prepares its financial statements in conformity with accounting principles generally accepted in the United States of America, which requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

Cash and Cash Equivalents -

For the purpose of the statement of cash flows, all highly liquid instruments with an original maturity of three months or less are considered to be cash equivalents.

Concentration of Risk -

LPUSA maintains several bank accounts. Accounts at banking institutions are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. The amount in excess of this insured amount at June 30, 2024 was approximately \$427,000. Cash is also maintained in non-federally insured accounts. LPUSA maintains its cash with high-quality financial institutions, which LPUSA believes limits these risks.

Investments -

LPUSA invests in various mutual funds, exchange traded funds, real estate investment trusts and stocks. Investment securities, in general, are exposed to various risks, such as interest risk, credit and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statement of financial position. Investments in marketable securities are stated at fair value based on quoted market prices.

Property and Equipment -

Property and equipment are stated at cost. Capital expenditures of \$1,000 (\$5,000 for computers) or greater and with a useful life of three or more years are capitalized. Depreciation is computed on the straight-line method over the estimated useful lives of the assets of 3 to 40 years. Donated fixed assets are recorded at fair market value on the date received. Fixed assets given to scholars to keep beyond their scholarship period are ministry expenses and are not capitalized.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Property and Equipment - (Continued)

The asset (building and improvements) on the statement of financial position is a house located in London, England. This house is the residence and office of the International Ministries Director. The land on which the house is situated is not owned by LPUSA due to laws in England regarding the ownership of land. The purchase price of the building includes the right to use the land for a period of 86 years.

Revenue Recognition for Contributions and Grants -

LPUSA recognizes contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give – that is, those with a measurable performance or other barrier and a right of return – are not recognized until the conditions on which they depend have been met.

Restricted Resources -

LPUSA reports gifts of cash and other assets as with donor restriction revenue if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

LPUSA reports gifts of land, buildings and equipment as without donor restriction revenue unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as with donor restriction revenue. Absent explicit donor stipulations about how long those long-lived assets must be maintained, LPUSA reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Donated Services -

A substantial number of unpaid volunteers have made significant contributions of their time to LPUSA. These volunteers have a significant impact on making the ministry effective. However, the value of these services is not reflected in the financial statements, because they do not meet the definition of donated services under the Accounting Standards Codification for *Contributions Received and Contributions Made*.

Allocation of Expenses -

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries, benefits, lodging/meals/travel, professional fees, consulting fees, conferences and meetings and other expenses which are allocated on the basis of estimated of time and effort.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Income Taxes -

LPUSA is exempt from income tax under Section 501(c)(3) of the U.S. Internal Revenue Code and state laws. Accordingly, no provision for income taxes has been established.

LPUSA files income tax returns in the U.S. federal jurisdiction, Illinois, and California. With few exceptions, LPUSA is no longer subject to U.S. federal, state and local, or non-U.S. income tax examinations by tax authorities for fiscal years before 2021. LPUSA does not expect a material net change in unrecognized tax benefits in the next twelve months.

(2) PROMISES TO GIVE:

Unconditional promises to give as of June 30, 2024 and 2023 are summarized as follows:

	<u>2024</u>	<u>2023</u>
Receivable in less than one year	\$ -	\$ 71,810
Receivable in more than one year	<u>-</u>	<u>-</u>
Total unconditional promises to give	-	71,810
Less – Discount rate of 4.75% to net present value	<u>-</u>	<u>3,256</u>
Net unconditional promises to give	<u>\$ -</u>	<u>\$ 68,554</u>

(3) INVESTMENTS:

	<u>2024</u>	<u>2023</u>
Investments consist of the following:		
Mutual funds	\$ 578,430	\$ 545,984
Common stocks	371,475	355,654
Exchange traded funds	2,320,819	2,314,436
Real estate investment trust	<u>19,438</u>	<u>19,394</u>
	<u>\$ 3,290,162</u>	<u>\$ 3,235,468</u>

(3) INVESTMENTS: (Continued)

	<u>2024</u>	<u>2023</u>
Investment income includes:		
Interest and dividends	\$ 169,835	\$ 62,516
Net realized and unrealized gains (loss)	118,636	87,315
Investment management fees	<u>(15,130)</u>	<u>(12,735)</u>
	<u>\$ 273,341</u>	<u>\$ 137,096</u>

(4) FAIR VALUE MEASUREMENTS:

The Accounting Standards Codification for Fair Value measurements establishes a single definition of fair value and a framework for measuring fair value, sets out a fair value hierarchy to be used to classify the source of information used in fair value measurement and expands disclosures about fair value measurements required under other accounting pronouncements. It does not change existing guidance as to whether or not an instrument is carried at fair value.

The standard established market and observable inputs as the preferred source of values, followed by assumptions based on hypothetical transaction in the absence of market inputs.

The valuation techniques are based upon observable and unobservable inputs. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect LPUSA's market assumptions. These two types of inputs create the following fair value hierarchy:

Level 1 - Quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date.

Level 2 - Observable inputs other than quoted prices within Level 1 that are observable for the asset or liability, either directly or indirectly; through corroboration with observable market data, such as quoted market prices for similar markets or quoted market prices that are not active.

Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. These inputs reflect management's own assumptions about the assumptions a market participant would use in pricing the asset or liability. This includes certain pricing models, discounted cash flow methodologies and similar techniques that use significant unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in methodologies used at June 30, 2024 and 2023.

Mutual Funds: Valued at the closing price reported on the active market on which the individual funds are traded.

(4) FAIR VALUE MEASUREMENTS: (Continued)

Exchange Traded Funds, REITs and Common Stocks: Valued at the closing price reported on the active market on which the individual securities are traded.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while LPUSA believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at June 30, 2024 and 2023.

Fair values of assets measured on a recurring basis at June 30, 2024 and 2023 are as follows:

	Assets at Fair Value as of June 30, 2024			
	Level 1	Level 2	Level 3	Total
Mutual funds	\$ 578,430	\$ -	\$ -	\$ 578,430
Common stocks	371,475	-	-	371,475
Exchange traded funds	2,320,819	-	-	2,320,819
Real estate investment trust	19,438	-	-	19,438
	<u>\$ 3,290,162</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,290,162</u>

	Assets at Fair Value as of June 30, 2023			
	Level 1	Level 2	Level 3	Total
Mutual funds	\$ 545,984	\$ -	\$ -	\$ 545,984
Common stocks	355,654	-	-	355,654
Exchange traded funds	2,314,436	-	-	2,314,436
Real estate investment trust	19,394	-	-	19,394
	<u>\$ 3,235,468</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,235,468</u>

(5) EMPLOYEE RETIREMENT PLAN:

LPUSA provides a 403(b)(7) retirement plan for eligible employees. LPUSA contributes six percent of eligible employees' compensation to the plan. LPUSA made contributions to the plan of \$77,625 and \$58,872 in 2024 and 2023, respectively.

(6) LEASE COMMITMENT:

LPUSA rents three office spaces under month-to-month leases. One lease is paid monthly and requires total monthly payments of \$600 per month. The second lease requires an annual payment of \$2,400. The third lease is paid \$300 monthly Rental expense for the years ended June 30, 2024 and 2023 amounted to \$10,800 and \$10,100, respectively.

(7) RELATED PARTY TRANSACTIONS:

LPUSA is the U.S. member of the Langham Partnership International. As such, LPUSA grants funds to its partner in the U.K. to carry out portions of the Literature, Scholars and Preaching programs. These grants represented 34% and 39% of LPUSA's total expenses in 2024 and 2023, respectively. 2019 was the first of a ten-year All in Campaign regarding transfers to their partners. The funds were distributed as follows:

	<u>2024</u>	<u>2023</u>
Literature Program	\$ 631,004	\$ 774,265
Preaching Program	884,859	874,530
Scholars Program	<u>888,257</u>	<u>842,882</u>
	<u>\$ 2,404,120</u>	<u>\$ 2,491,677</u>

LPUSA also provided a note receivable in the amount of \$831,262 to help Langham Partnership International with some cash flow concerns. The note receivable is due on demand and bears no interest.

(8) NET ASSETS:

Net assets with donor restrictions are as follows:

	<u>2024</u>	<u>2023</u>
Growth campaign	\$ 3,746,611	\$ 2,727,317
Preaching	94,669	188,594
Publishing	25,347	76,879
Scholars	11,718	86,752
Francophone	36,615	36,850
Time restricted pledges receivable	-	68,554
Other	<u>-</u>	<u>13,200</u>
Total net assets with donor restrictions	<u>\$ 3,914,960</u>	<u>\$ 3,198,146</u>

(9) CONDITIONAL GRANTS:

In December 2019, LPUSA received a three year grant agreement from a foundation in the amount of \$750,000. The grant agreement consists of three payments of \$250,000. Year two and three are contingent on LPUSA meeting certain measurable barriers in relation to progress being done on the grant. As of June 30, 2023, LPUSA has recognized \$750,000 as revenue, with no remaining balance as conditional. As of June 30, 2024 there were no conditional grants with remaining balances to be earned.

(10) NOTE RECEIVABLE:

In September, 2021, LPUSA made a payment to a related party official in the amount of \$120,000. In October 2023, the related party official's position with LPUSA changed and the individual was no longer related to LPUSA. In October 2023, the individual and LPUSA entered into a revised agreement for the note receivable. LPUSA agreed to forgive \$24,000 of the note receivable and the remaining balance of \$84,000 will be paid off by the individual in equal annual installments of \$12,000 beginning December 31, 2025 and ending December 31, 2031. The balance of the note receivable as of June 30, 2024 is \$83,950. Future receipts are as follows:

2025	\$	12,000
2026		12,000
2027		12,000
2028		12,000
2029		12,000
Thereafter		<u>23,950</u>
	\$	<u>83,950</u>

(11) LIQUIDITY AND AVAILABILITY:

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year, comprise the following:

	<u>2024</u>	<u>2023</u>
Financial Assets:		
Cash	\$ 1,132,428	\$ 1,212,794
Investments	3,290,162	3,235,468
Receivables	843,262	12,000
Promises to give, current portion	<u>-</u>	<u>68,554</u>
Total financial assets	<u>5,265,852</u>	<u>4,528,816</u>
Less: Donor imposed restrictions	<u>3,914,960</u>	<u>3,198,146</u>
Financial assets available to meet cash needs for general expenditures that are without donor or other restrictions limiting their use within one year	<u>\$ 1,350,892</u>	<u>\$ 1,330,670</u>

LPUSA manages its liquidity and reserves adhering to the following principles:

- operating within a prudent range of financial soundness and stability;
- maintaining adequate liquid assets to fund near-term operating needs;
- maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged.