MENNONITE EDUCATION AGENCY, INC.
AND AFFILIATE
Elkhart, Indiana

CONSOLIDATED
FINANCIAL STATEMENTS
June 30, 2024 and 2023

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CONTENTS

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Mennonite Education Agency, Inc. and Affiliate
Elkhart, Indiana

Opinion

We have audited the consolidated financial statements of Mennonite Education Agency, which comprise the consolidated statements of financial position as of June 30, 2024 and 2023, and the related consolidated statements of activities and changes in net assets and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of Mennonite Education Agency, 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 (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 Mennonite Education Agency 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 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 Mennonite Education Agency's ability to continue as a going concern for one year from the date the consolidated financial statements are available to be issued.

(Continued)

Auditor's Responsibilities for the Audit of the 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 GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Mennonite Education Agency'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 Mennonite Education Agency'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.

Crowe LLP

Crowe LLP

South Bend, Indiana
October 17, 2024

	2024	2023
ASSETS		
Cash and cash equivalents	$ 461,976	$ 636,515
Investment in insurance reserve	8,730	13,779
Accounts receivable, net	5,134	4,658
Equipment		
Office equipment	34,618	34,618
Less accumulated depreciation	(34,618)	(33,623)
Net equipment	-	995
Investments	710,071	661,183
Investments - agencies	211,952,947	194,570,775
	212,663,018	195,231,958
	$ 213,138,858	$ 195,887,905
LIABILITIES AND NET ASSETS		
Accounts payable and other liabilities	$ 58,318	$ 98,368
Accrued payroll and related taxes	10,312	12,716
Benefits payable	15,310	26,133
Finance lease obligation	-	1,072
Due to agencies	211,952,947	194,570,775
Total liabilities	212,036,887	194,709,064
Net assets		
Without donor restrictions		
Undesignated	552,824	740,230
Board designated	258,901	142,860
Total without donor restrictions	811,725	883,090
With donor restrictions	290,246	295,751
Total net assets	1,101,971	1,178,841
	$ 213,138,858	$ 195,887,905

See accompanying notes to consolidated financial statements.

MENNONITE EDUCATION AGENCY, INC. AND AFFILIATE
CONSOLIDATED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
Years ended June 30, 2024 and 2023

	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, support, and gains						
Contributions - conferences and congregations	$ 116,952	$ -	$ 116,952	$ 127,795	$ -	$ 127,795
Contributions - Hispanic Ministries	-	31,259	31,259	-	39,241	39,241
Contributions - BIPOC Scholarship	-	27,434	27,434	-	36,044	36,044
Contributions - other	66,984	5,731	72,715	80,509	4,000	84,509
Program support from institutions	126,533	-	126,533	212,404	-	212,404
Bequests	45,251	-	45,251	92,207	-	92,207
Program service revenue - Hispanic Ministries	22,123	-	22,123	33,300	-	33,300
Program service revenue - consulting income	9,000	-	9,000	207,111	-	207,111
Program service revenue - investment fund expense reimbursement	30,400	-	30,400	24,579	-	24,579
Investment income	26,055	30,861	56,916	10,445	18,784	29,229
Other	38,511	-	38,511	17,321	-	17,321
Net realized and unrealized gains on investments	4,321	18,171	22,492	6,276	22,883	29,159
Net assets released from purpose and time restrictions	118,961	(118,961)	-	98,033	(98,033)	-
Total revenue, support, and gains	605,091	(5,505)	599,586	909,980	22,919	932,899
Expenses						
Program						
Institutional relations	106,780	-	106,780	95,621	-	95,621
Hispanic Ministries	253,624	-	253,624	201,926	-	201,926
BIPOC Scholarships	42,602	-	42,602	-	-	-
Racial/Ethnic Leadership Education	-	-	-	15,443	-	15,443
Church relations	54,293	-	54,293	65,391	-	65,391
Special projects	11,786	-	11,786	197,069	-	197,069
Total program	469,085	-	469,085	575,450	-	575,450
Supporting services						
General and administrative	133,357	-	133,357	147,736	-	147,736
Fundraising	38,622	-	38,622	54,512	-	54,512
First Fruits to Mennonite Church USA Executive Board	35,392	-	35,392	48,664	-	48,664
Total supporting services	207,371	-	207,371	250,912	-	250,912
Total expenses	676,456	-	676,456	826,362	-	826,362
Changes in net assets	(71,365)	(5,505)	(76,870)	83,618	22,919	106,537
Net assets, beginning of year	883,090	295,751	1,178,841	799,472	272,832	1,072,304
Net assets, end of year	$ 811,725	$ 290,246	$ 1,101,971	$ 883,090	$ 295,751	$ 1,178,841

See accompanying notes to consolidated financial statements.

MENNONITE EDUCATION AGENCY, INC. AND AFFILIATE
CONSOLIDATED STATEMENTS OF CASH FLOWS
Years ended June 30, 2024 and 2023

	2024	2023
Cash flows from operating activities		
Change in net assets	$ (76,870)	$ 106,537
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation	995	3,980
Net realized and unrealized gains on investments	(22,492)	(29,159)
Change in fair value of investment in insurance pool	5,049	563
Changes in assets and liabilities		
Accounts receivable	(476)	7,702
Investments - agencies	-	-
Accounts payable and other liabilities	(40,050)	(63,977)
Accrued payroll and related taxes	(2,404)	(7,808)
Benefits payable	(10,823)	(3,404)
Net cash from operating activities	(147,071)	14,434
Cash flows used in investing activities		
Proceeds from sale of investments	14,193	14,193
Purchases of investments	(40,589)	(24,266)
Net cash used in investing activities	(26,396)	(10,073)
Cash flows used in financing activities		
Principal payments on finance lease obligation	(1,072)	(4,190)
Net cash used in financing activities	(1,072)	(4,190)
Net change in cash and cash equivalents	(174,539)	171
Cash and cash equivalents, beginning of year	636,515	636,344
Cash and cash equivalents, end of year	$ 461,976	$ 636,515
Supplemental disclosure		
Investments - agencies operating activity:		
Net realized and unrealized gains	$ 18,708,020	$ 15,768,817
Net cash activity	(1,325,848)	(5,139,777)
Total increase in investments - agencies and due to agencies	$ 17,382,172	$ 10,629,040

See accompanying notes to consolidated financial statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization: Mennonite Education Agency, Inc. (MEA) works with elementary and secondary schools, colleges, universities, and seminaries to provide a Mennonite education experience to almost 10,000 students of all ages. MEA also works with conferences, congregations, and individuals throughout the church involved in the unique qualities of Mennonite education.

The Mennonite Education Agency Investment Fund LLC (the Fund) performs the duties of the investment committee. MEA is the sole member of the Fund and appoints 100% of the Fund's Board of Managers. The Fund is responsible for the continued oversight and direction of the pooled endowment fund.

MEA is one of three church-wide program boards of Mennonite Church USA. The other affiliated program boards consist of Mennonite Mission Network and MennoMedia. Mennonite Church USA consists of congregations that are affiliated with one another in regional district conferences. The conferences serve as the main administrative structure for congregations. The conferences are represented at a General Assembly that meets every two years to act in matters of interest to the Mennonite Church USA constituency. The Executive Board of Mennonite Church USA functions on behalf of the General Assembly when the Assembly is not in session.

MEA contributes approximately 10% of its next fiscal year's projected unrestricted revenue, adjusted for investment management fees and net assets released from restriction to Mennonite Church USA as its contribution under the First Fruits Program. For the years ended June 30, 2024 and 2023, amounts contributed to Mennonite Church USA were $35,392 and $48,664, respectively.

Basis of Consolidation: The accompanying consolidated financial statements include the accounts of Mennonite Education Agency, Inc. and Mennonite Education Agency Investment Fund LLC (collectively referred to as the Organization). All inter-organization accounts and transactions between affiliated organizations have been eliminated in consolidation.

Basis of Accounting: The consolidated financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Financial Statement Presentation: The consolidated financial statements report the changes in, and totals of each net asset class based on the existence of donor restrictions, as applicable. Net assets are classified as net assets without donor restrictions or net assets with donor restrictions and are detailed as follows:

> Net assets without donor restrictions are net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. The Board designated net assets represent those assets that are internally designated for endowment.
>
> Net assets with donor restrictions are net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature and will be met by actions of the Organization or by the passage of time.

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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

(Continued)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents: Cash and cash equivalents consist of bank deposits in accounts that are federally insured up to $250,000. Additionally, for purposes of the consolidated statements of cash flows, the Organization considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents. Cash and cash equivalents included in Investments – Agencies is for investment by the Agencies only and is not considered operating cash.

Investments: Investments are valued at their fair values in the consolidated statements of financial position. Unrealized gains and losses from investments owned by MEA are included in the change in net assets. See Notes 3 and 9 for additional information on the nature of the Organization's investments.

The Organization manages pooled long-term investment funds for 20 educational institutions and other church affiliated not-for-profit organizations (Investments – Agencies) along with investments owned by MEA. These investments are carried at fair value. Various administrative tasks are performed by Mennonite Foundation Inc., a subsidiary of the Everence board of directors, and managed by selected investment asset managers. The objective of the pooled long-term investment funds is to maximize capital appreciation and to protect the principal portion of the fund while following socially responsible investing and environmental, social, and governance (ESG) criteria. Asset managers, where possible, are required to follow specific guidelines set forth by the Organization. The Organization also determines an allowable payout rate from the earnings on these investments.

Accounts Receivable: The Organization's accounts receivable consists primarily of amounts due from Mennonite schools and other organizations. Management periodically reviews the accounts receivable aging and writes off any accounts that appear to be uncollectible.

Allowance for Credit Losses: The allowance for credit losses is determined by management based on the Organization's historical losses, specific customer circumstances, and general economic conditions. Periodically, management reviews accounts receivable and adjusts the allowance based on current circumstances and charges off uncollectible receivables when all attempts to collect have failed. The Organization does not accrue interest on past due accounts.

There is no allowance for credit losses recorded at June 30, 2024 and 2023 as management believes all amounts to be collectible.

Equipment: Equipment is stated at cost or, if donated to the Organization, at fair value on the date of acquisition. Additions and improvements are capitalized; expenditures for routine maintenance are charged to operations. Depreciation is provided over the estimated useful lives of the various classes of assets on the straight-line method. Depreciation expense for the years ended June 30, 2024 and 2023 was $995 and $3,980, respectively. Assets held under finance leases are being amortized over the shorter of their expected useful lives or the term of their respective lease agreements.

Due to Agencies: Due to agencies represents the pooled investment funds held for 19 educational institutions and other church affiliated not-for-profit organizations titled Investments – Agencies in the consolidated statements of financial position. The presentation reflects the agency relationship that the Organization maintains with each pool participant.

Contributions: Contributions received are recorded as revenue without donor restrictions or revenue with donor restrictions depending on the existence of donor restrictions and the nature of such restrictions, if they exist. Conditional promises to give, which are those that include a barrier and right of return, are recognized only when the conditions on which they depend are met.

(Continued)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 consolidated statements of activities and changes in net assets as net assets released from purpose and time restrictions.

Donor restricted gifts that are received for which their restricted purpose is met during the same year are initially recorded as net assets with donor restrictions and then reported as net assets released from restrictions and reclassified as net assets without donor restrictions.

Program Service Revenue: Program service revenue is measured at the fair value of the consideration received or receivable and consists of support from institutions, tuition for various educational programs, consulting income, and investment management fees. Program service revenue is recognized when earned, which is when the related performance obligations are provided.

Fair Value of Financial Instruments: The Organization's carrying amount for its financial instruments include cash and cash equivalents, Investments – Agencies, investment in insurance reserve, accounts receivable, accounts payable and other current liabilities, benefits payable, and capital lease obligation approximate fair value.

Income Taxes: MEA is exempt from income taxes on income from related activities under Section 501©(3) of the U.S. Internal Revenue Code and corresponding state tax law. Accordingly, no provision has been made for federal or state income taxes.

U.S. GAAP requires that a tax position is recognized as a benefit only if it is "more likely than not" that the tax position would be sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized is the largest amount of tax benefit that is greater than 50% likely of being realized on examination. For tax positions not meeting the "more likely than not" test, no tax benefit is recorded.

MEA does not expect the total amount of unrecognized tax benefits to significantly change in the next 12 months. MEA recognizes interest and/or penalties related to income tax matters in income tax expense. MEA did not have any amounts accrued for interest and penalties at June 30, 2024 and 2023.

Since the Fund is a single member limited liability company, all income is included in the taxable income of the individual member (MEA); thus, no federal or state income taxes are included in these consolidated financial statements.

Functional Allocation of Expenses: The costs of providing various programs and other activities have been summarized on a functional basis in the consolidated statements of activities and changes in net assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Reclassifications: Certain prior year amounts have been reclassified to conform with the current year presentation. These reclassifications had no effect on net income or net assets.

Subsequent Events: Management has performed an analysis of the activities and transactions subsequent to June 30, 2024 to determine the need for any adjustments to and/or disclosures within the consolidated financial statements for the year ended June 30, 2024. Management has performed their analysis through October 17, 2024, the date the consolidated financial statements were available to be issued.

(Continued)

NOTE 2 – LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following (including amounts the Board could undesignate):

	2024	2023
Cash and cash equivalents	$ 461,976	$ 636,515
Accounts receivable, net	5,134	4,658
Investments	710,071	661,183
	1,177,181	1,302,356
Less net assets with donor restrictions	(290,246)	(295,751)
Less board designated net assets	(258,901)	(142,860)
	$ 628,034	$ 863,745

The Organization has a policy of maintaining cash reserves equal to 25% of the operating expense budget for the next fiscal year. The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Organization typically collects accounts receivable within one year of the date of service.

The Organization's endowment fund consists of donor-restricted endowments. Income from donor- restricted endowments is restricted for specific purposes, with the exception of the amounts available for general use. Donor-restricted endowment funds are not available for general expenditure. Of the total amount of investments, $258,901 and $142,860 are designated by the Board of Directors as of June 30, 2024 and 2023, respectively, and must be undesignated to be spent for general expenditures.

NOTE 3 – INVESTMENTS

MEA's investments are in a pooled fund which is sponsored by the Fund. The following schedule reflects the fair value at June 30, of the investments owned by MEA by net asset classification. See Note 10 for more information.

	2024	2023
Pooled funds:		
Without donor restrictions:		
Undesignated	$ 160,924	$ 271,124
Designated	258,901	142,860
Total without donor restrictions	419,825	413,984
With donor restrictions	290,246	247,199
	$ 710,071	$ 661,183

NOTE 3 – INVESTMENTS (Continued)

The following schedule summarizes the investment return for the years ended June 30:

	2024	2023
Interest and dividends	$ 56,916	$ 29,229
Net realized and unrealized gains	22,492	29,159
	$ 79,408	$ 58,388

NOTE 4 – INVESTMENTS - AGENCIES

The Organization manages pooled long-term investment funds for 19 educational institutions and other church affiliated not-for-profit organizations along with investments owned by MEA. The following schedule reflects the fair value at June 30, 2024 and 2023 of these pooled investments. See Note 10 for the detailed composition of the underlying assets in which the endowment pool is invested.

	2024	2023
Pooled endowment funds	$ 211,895,164	$ 194,508,380
Pooled annuity funds	57,783	62,395
	$ 211,952,947	$ 194,570,775

In addition to quarterly income distributions, there were various withdrawals from the pooled endowment by endowment pool participants totaling approximately $1,916,000 and $1,475,000 during the years ended June 30, 2024 and 2023, respectively. There were no new endowment pool participants during the year ended June 30, 2024 and one new endowment pool participant during the year ended June 30, 2023. During the years ended June 30, 2024 and 2023, there were also various cash additions to the pooled endowment of approximately $9,051,981 and $4,114,728, respectively.

NOTE 5 – BENEFITS PAYABLE

A former CEO of Mennonite Board of Education, Inc. (the predecessor to MEA) was also under contract with Goshen College. As a Goshen College employee, the CEO was entitled to benefits provided by the college, which included full health insurance coverage for the faculty member and spouse until the time of death. It was concluded that Goshen College would manage the benefit and assume a portion of the liability based on the employee's years of service to Goshen College, and MEA would assume the balance. Goshen College pays 23.1% of the liability, and MEA pays 76.9% of the liability. MEA's portion of the liability was $15,310 and $26,133 at June 30, 2024 and 2023, respectively.

(Continued)

NOTE 6 – NET ASSETS WITH DONOR RESTRICTIONS

The Organization's net assets with donor restrictions are donor-restricted for specific purposes. At June 30, net assets restricted by purpose are as follows:

	2024	2023
BIPOC Scholarship	$ 30,785	$ 45,955
LaJunta Mennonite School of Nursing (Note 11)	259,345	247,199
Anabaptist Servant Scholarship	116	117
Spring It Forward	-	2,480
	$ 290,246	$ 295,751

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors as follows:

	2024	2023
BIPOC Scholarship	$ 42,602	$ -
Racial/Ethnic Leadership Education	-	15,443
LaJunta Mennonite School of Nursing	11,250	11,000
Hispanic Ministries	62,628	60,629
Anabaptist Servant Scholarship	-	4,000
Spring it Forward	2,481	6,961
	$ 118,961	$ 98,033

NOTE 7 – EMPLOYEE BENEFIT PLAN

The Organization contributed an amount equal to 3% of compensation to a defined contribution plan plus a match of employee contributions up to another 3% of annual wages for each employee working 20 hours or more each week for the years ended June 30, 2024 and 2023. Total contributions were $12,524 and $13,476 for the years ended June 30, 2024 and 2023, respectively.

NOTE 8 – INVESTMENT IN INSURANCE RESERVE

The Organization is in a pool with five other entities, referred to as the Mennonite Educators Benefit Plan (MEBP), to pay for major medical expenses of covered employees. Each participating entity made an initial investment into the MEBP. The participating entities submit to the plan health care claims incurred by their employees during the fiscal year. At fiscal year end the participating entities are responsible for their proportionate share of the claims incurred. Each entity's proportionate share is determined by the MEBP.

The MEBP has established policies for determining the ownership of the net assets of the MEBP. The amount recorded as "investment in insurance reserve" has been determined based on these policies as of June 30, 2024 and 2023 to be $8,730 and $13,779, respectively. The Organization's share of income or loss of the pool is recorded in the consolidated statements of activities and changes in net assets.

Should the MEBP ever dissolve, final disposition is subject to MEBP membership policies.

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NOTE 9 – FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

U.S. GAAP defines fair value as the price that would be received for an asset or paid to transfer a liability (an exit price) in the Organization's principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date.

A fair value hierarchy requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. Three levels of inputs may be used to measure fair value:

Level 1: Quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access as of the measurement date.

Level 2: Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3: Significant unobservable inputs that reflect the Organization's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

In many cases, a valuation technique used to measure fair value includes inputs from multiple levels of the fair value hierarchy. The lowest level of significant input determines the placement of the entire fair value measurement in the hierarchy.

The following tables present the financial instruments carried at fair value on a recurring basis as of June 30, 2024 and 2023, by valuation hierarchy, all of which were based on the market approach, which uses prices and other relevant information generated by market transactions involving identical or comparable assets. The tables also present alternative investments that are valued at net asset value (NAV) and are not presented within the fair value hierarchy based on U.S. GAAP.

Assets Measured on a Recurring Basis: Assets measured at fair value on a recurring basis are summarized below:

	Fair Value Measurements at June 30, 2024				
	Level 1	Level 2	Level 3	NAV	Total
Investments:					
Cash and cash equivalents	$ 9,742,849	$ -	$ -	$ -	$ 9,742,849
Equity securities - large cap	66,203,369	-	-	-	66,203,369
Equity securities - internation	34,456,810	-	-	-	34,456,810
Equity mutual funds	13,161,026	-	-	-	13,161,026
Fixed income mutual funds	34,149,326	-	-	-	34,149,326
Real estate funds	3,507	-	-	32,083,590	32,087,097
Bond funds of funds	-	-	-	15,500,327	15,500,327
Private equity fund of funds	-	-	-	7,362,214	7,362,214
Total investments	$ 157,716,887	$ -	$ -	$54,946,131	$212,663,018

(Continued)

NOTE 9 – FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (Continued)

	Fair Value Measurements at June 30, 2023				
	Level 1	Level 2	Level 3	NAV	Total
Investments:					
Cash and cash equivalents	$ 2,373,754	$ -	$ -	$ -	$ 2,373,754
Equity securities - large cap	58,792,455	-	-	-	58,792,455
Equity securities - internation	36,232,639	-	-	-	36,232,639
Equity mutual funds	21,981,299	-	-	-	21,981,299
Fixed income mutual funds	27,567,163	-	-	-	27,567,163
Real estate funds	3,588	-	-	29,244,794	29,248,382
Bond funds of funds	-	-	-	12,290,632	12,290,632
Private equity fund of funds	-	-	-	6,745,634	6,745,634
Total investments	$ 146,950,898	$ -	$ -	$48,281,060	$195,231,958

Inputs and Valuation Techniques: In determining fair value, management uses various valuation approaches. With respect to investments for which quoted prices in active markets are observable (Level 1 inputs), management determines fair value based on the quoted prices at the measurement date.

With respect to investments using significant observable inputs other than Level 1 prices, management determines fair value using the net asset value (NAV). The NAVs of investment vehicles are determined on the accrual basis of accounting in conformity with U.S. GAAP. Investment managers utilize standard valuation procedures and policies to assess the fair value of the underlying investment holdings to derive NAV. For holdings in marketable securities listed on national securities exchanges, the values represent the publicly traded values. Holdings in private securities are generally valued using the mark-to-market method, which attempts to apply a fair value standard by referring to meaningful third-party transactions, comparable public market valuations, appraisals, and/or the income approach.

In most instances, the Organization possesses the ability to redeem its investment at the NAV at the measurement date, and in some instances additional restrictions on redemption, such as lock-ups and gates, are in place such that investment redemption at NAV is not possible at the measurement date.

Cash and Cash Equivalents - Cash and cash equivalents consist of cash and money market funds. The fair values of money market funds that are readily marketable are determined by obtaining quoted prices on nationally recognized securities exchanges (Level 1 inputs).

Equity Securities - The fair values of equity securities are determined by obtaining quoted prices on nationally recognized securities exchanges (Level 1 inputs). Common stocks include a variety of large cap, mid cap, small cap, and international companies which have varying levels of capitalization.

NOTE 9 – FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (Continued)

Equity Mutual Funds - Equity mutual funds consist of mutual funds which are primarily invested in equity securities. The funds' objective is to seek long-term growth of capital through investment in worldwide publicly traded equities. In pursuing this objective, these funds invest in diversified portfolios of small cap, mid cap, and large cap equity securities in countries other than the United States and are traded on international stock exchanges throughout the world. The fair values of mutual funds, which are readily marketable, are determined by obtaining quoted prices on nationally recognized securities exchanges (Level 1 inputs). At June 30, 2024, the funds have no restrictions on redemption and can be liquidated on a daily basis.

Fixed Income Mutual Funds - Fixed income mutual funds consist of mutual funds which are primarily invested in fixed income securities. The fair values of mutual funds, which are readily marketable, are determined by obtaining quoted prices on nationally recognized securities exchanges (Level 1 inputs).

Real Estate Funds - Real estate funds consist of mutual funds invested in commodities and futures contracts, as well as funds invested in real estate securities and other real estate investments. The fair values of real estate mutual funds consist of publicly traded real estate securities and are determined by obtaining quoted prices on nationally recognized securities exchanges (Level 1 inputs). The fair values of the other real estate investments, which includes futures contracts, include investments in private real estate operating companies, private real estate partnerships, and privately held real estate investment trusts (REITs), are based on NAV reported by fund managers, which is determined by managers based on the value of underlying holdings of the funds (NAV). At June 30, 2024, redemption on these funds are subject to a gate ranging from 7 to 12 years.

Bond Funds of Funds - Bond funds of funds consists of investments in various fixed income bond funds with investment objectives focused on tactical asset allocation. The primary objective of these funds is to provide returns in a low-risk environment using a tactical asset allocation strategy. The fair values of bond funds of funds are based on NAV reported by the fund manager, which are determined by managers based on the value of underlying holdings of the fund (NAV). At June 30, 2024, the funds have no restrictions on redemption and can be liquidated on a daily basis.

Private Equity Fund of Funds - Private equity fund of funds consists of secondary private equity holdings invested in various funds with investment objectives focused on steady cash returns for investors. To achieve this objective, this fund invests in pre-existing investor commitments for investors looking for liquidity. The Organization cannot withdraw funds on an as needed basis but can sell or trade the Organization's interest provided the general partner approves. The fair value of private equity funds of funds is based on NAV reported by the fund manager, which is determined by managers based on the value of underlying holdings of the fund (NAV). At June 30, 2024, redemption on this is subject to a gate ranging from 7 to 12 years.

At June 30, 2024 and 2023, the Organization has $21,000,217 and $16,679,782, respectively, of unfunded commitments to fund these NAV investments.

NOTE 10 – ENDOWMENT COMPOSITION

The Organization's endowment primarily consists of equity, fixed income, real estate, and commodities funds. Its endowment includes both donor-restricted endowment funds and funds designated by the Board of Directors to function as an endowment. As required by applicable standards, net assets associated with these endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

(Continued)

NOTE 10 – ENDOWMENT COMPOSITION (Continued)

Endowment net asset composition as of June 30 is as follows:

2024	Board Designated	With Donor Restrictions	Total
Board designated	$ 258,901	$ -	$ 258,901
Donor-restricted	-	256,864	256,864
Total endowment	$ 258,901	$ 256,864	$ 515,765

2023	Board Designated	With Donor Restrictions	Total
Board designated	$ 142,860	$ -	$ 142,860
Donor-restricted	-	247,199	247,199
Total endowment	$ 142,860	$ 247,199	$ 390,059

Changes in endowment net assets for years ended June 30 were as follows:

2024	Board Designated	With Donor Restrictions	Total
Beginning balance	$ 142,860	$ 247,199	$ 390,059
Interest and dividend income	9,020	11,211	20,231
Realized and unrealized gain on investments	4,321	9,704	14,025
Additions	-	-	-
Appropriations for expenditure	(2,300)	(11,250)	(13,550)
Transfers from Board Actions	105,000	-	105,000
Total endowment	$ 258,901	$ 256,864	$ 515,765

2023	Board Designated	With Donor Restrictions	Total
Beginning balance	$ 133,579	$ 237,921	$ 371,500
Interest and dividend income	5,105	9,149	14,254
Realized and unrealized gain on investments	6,276	11,129	17,405
Additions	-	-	-
Appropriations for expenditure	(2,100)	(11,000)	(13,100)
Total endowment	$ 142,860	$ 247,199	$ 390,059

(Continued)

NOTE 10 – ENDOWMENT COMPOSITION (Continued)

Interpretation of UPMIFA: The Board of Directors of the Organization has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) 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, the Organization classifies as net assets with donor restrictions those donor-restricted gifts that are available to be spent for specified purposes or in specific periods, in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Organization 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 of investments
(6) Other resources of the Organization
(7) The investment policies of the Organization

Return Objectives and Risk Parameters: The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment. Endowment assets include those assets of donor-restricted funds that the Organization must hold for a donor-specified period(s) as well as Board-designated funds.

Strategies Employed for Achieving Objectives: The purpose of the endowment fund is to facilitate donors' desires to make substantial long-term gifts to the Organization to develop a significant source of revenue to support the endeavors of the Organization.

Spending Policy and How the Investment Objectives Relate to Spending Policy: Distributions shall not exceed 5% of the average net asset valuation for the previous 40 quarters in any given fiscal year.

Fund with Deficiencies: 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 UPMIFA requires the Organization to retain as a fund of perpetual duration. Cumulative deficiencies of this nature that are in excess of related amounts with donor restrictions and are reported in net assets with donor restrictions. There were no deficiencies as of June 30, 2024 and 2023.

(Continued)

NOTE 11 – FUNCTIONAL EXPENSES

The operating expenses of the Organization presented by their natural classification within the consolidated statements of operations and changes in net assets are summarized by function as follows:

	For the year ended June 30, 2024				
	Program Services	General and Administrative	Fundraising	First Fruits	Total
Salaries and employee benefits	$ 131,592	$ 77,125	$ -	$ -	$ 208,717
Payroll taxes	3,363	3,424	-	-	6,787
Contract services	11,173	-	-	-	11,173
Professional fees	26,512	10,327	-	-	36,839
Occupancy	1,919	8,461	-	-	10,380
Depreciation	535	460	-	-	995
Dues and subscriptions	5,023	8,926	-	35,392	49,341
Supplies and equipment	14,784	2,598	13,871	-	31,253
Insurance	-	2,560	-	-	2,560
Scholarships	92,852	2,300	-	-	95,152
Technology fees	4,824	4,320	-	-	9,144
Travel and meetings	36,745	12,329	-	-	49,074
Utilities	504	388	-	-	892
Miscellaneous	4,576	139	-	-	4,715
Overhead	115,405	-	24,751	-	140,156
Hispanic Ministries - Special Projects	19,278	-	-	-	19,278
	$ 469,085	$ 133,357	$ 38,622	$ 35,392	$ 676,456

	For the year ended June 30, 2023				
	Program Services	General and Administrative	Fundraising	First Fruits	Total
Salaries and employee benefits	$ 124,021	$ 87,718	$ -	$ -	$ 211,739
Payroll taxes	3,572	4,068	-	-	7,640
Contract services	6,524	-	-	-	6,524
Professional fees	8,864	11,692	-	-	20,556
Occupancy	2,342	9,600	-	-	11,942
Depreciation	2,211	1,769	-	-	3,980
Dues and subscriptions	5,037	8,872	-	48,664	62,573
Supplies and equipment	24,057	4,181	27,605	-	55,843
Insurance	-	2,210	-	-	2,210
Scholarships	15,000	2,100	-	-	17,100
Technology fees	5,773	4,664	-	-	10,437
Travel and meetings	216,444	2,721	-	-	219,165
Utilities	448	398	-	-	846
Miscellaneous	17,003	7,743	-	-	24,746
Overhead	128,774	-	26,907	-	155,681
Transfer of program assets to Partner Organization	15,380	-	-	-	15,380
	$ 575,450	$ 147,736	$ 54,512	$ 48,664	$ 826,362

(Continued)

NOTE 11 – FUNCTIONAL EXPENSES (Continued)

The consolidated financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries and employee benefits, which are allocated on the basis of estimates of time and effort, as well as professional fees, and supplies and equipment, which are allocated similarly to the overall salaries and benefits allocation. Overhead is mostly comprised of salaries and employee benefits, supplies and equipment, depreciation and occupancy.