

NPH USA, INC. AND AFFILIATE
CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
YEARS ENDED JUNE 30, 2024 AND 2023



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INDEPENDENT AUDITORS' REPORT

Board of Directors
NPH USA, Inc. and Affiliate
Chicago, Illinois

Report on the Consolidated Financial Statements

Opinion

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

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the NPH USA, Inc. and Affiliate as June 30, 2024 and 2023, and the changes in their net assets and their 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 Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the NPH USA, Inc. and Affiliate and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of 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 the NPH USA, Inc. and Affiliate's ability to continue as a going concern for one year after the date the consolidated financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 the NPH USA, Inc. and Affiliate'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 the NPH USA, Inc. and Affiliate'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.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating supplementary information is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, changes in their net assets, and cash flows of the individual organizations, and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The consolidating information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

Board of Directors
NPH USA, Inc. and Affiliate

In our opinion, the consolidating information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Oak Brook, Illinois
January 30, 2025

NPH USA, INC. AND AFFILIATE
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2024 AND 2023

	2024	2023
ASSETS		
Cash and Cash Equivalents	\$ 13,181,408	\$ 12,243,295
Accounts Receivable	67,110	-
Allowance for Credit Losses	-	-
Pledges Receivable, Net of Allowance for Uncollectible		
Pledges of \$-0- in 2024 and 2023	14,000	399,095
Prepaid Expenses	179,775	188,977
Investments	21,312,653	18,226,684
Beneficial Interest in Perpetual Trusts	2,837,341	2,632,430
Beneficial Interest in Land Trust	150,000	150,000
Fixed Assets, Net	158,901	157,696
Other Assets	55,447	27,421
Financing Lease Right-of-Use Asset	-	30,439
Operating Lease Right-of-Use Asset	571,263	240,938
	\$ 38,527,898	\$ 34,296,975
Total Assets	\$ 38,527,898	\$ 34,296,975
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable	\$ 3,077,093	\$ 3,172,002
Accrued Expenses and Other Liabilities	497,504	510,169
Financing Lease Liability	-	31,087
Operating Lease Liability	573,637	240,336
Total Liabilities	4,148,234	3,953,594
NET ASSETS		
Without Donor Restrictions	6,478,392	7,653,064
With Donor Restrictions	27,901,272	22,690,317
Total Net Assets	34,379,664	30,343,381
Total Liabilities and Net Assets	\$ 38,527,898	\$ 34,296,975

See accompanying Notes to Consolidated Financial Statements.

**NPH USA, INC. AND AFFILIATE
CONSOLIDATED STATEMENTS OF ACTIVITIES
YEARS ENDED JUNE 30, 2024 AND 2023**

	2024	2023
NET ASSETS WITHOUT DONOR RESTRICTIONS		
Support:		
Contributions	\$ 12,073,838	\$ 13,557,319
Bequests	385,735	2,685,093
Gross Special Events Revenue	2,801,215	2,846,297
Less: Cost of Direct Benefits to Donors	821,652	591,208
Net Special Events Revenue	1,979,563	2,255,089
Revenue:		
Interest and Dividends	443,831	141,095
Unrealized Gain (Loss)	1,445	(203)
Realized Gain	1,041	2,107
Distributions from Beneficial Interest in Trusts	74,804	80,596
Miscellaneous	-	50,151
Net Assets Released from Restrictions	1,451,294	1,410,946
Total Support and Revenue	16,411,551	20,182,193
Expenses:		
Program Services	12,624,500	13,759,855
Management and General	1,993,961	1,783,642
Fundraising	2,967,762	2,787,160
Total Expenses	17,586,223	18,330,657
Increase (Decrease) in Net Assets Without Donor Restrictions	(1,174,672)	1,851,536
NET ASSETS WITH DONOR RESTRICTIONS		
Revenue:		
Contributions	3,615,523	2,188,273
Interest and Dividends	530,571	358,680
Unrealized Gain	2,517,163	1,530,195
Realized Loss	(205,920)	(47,302)
Change in Value of Perpetual Trusts	204,912	88,919
Net Assets Released from Restrictions	(1,451,294)	(1,410,946)
Increase in Net Assets With Donor Restrictions	5,210,955	2,707,819
CHANGE IN NET ASSETS	4,036,283	4,559,355
Net Assets - Beginning of Year	30,343,381	25,784,026
NET ASSETS - END OF YEAR	\$ 34,379,664	\$ 30,343,381

See accompanying Notes to Consolidated Financial Statements.

NPH USA, INC. AND AFFILIATE
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2024

	Program Services	Management and General	Fundraising	Total Support Services	Total
Salaries	\$ 1,021,144	\$ 706,043	\$ 1,504,612	\$ 2,210,655	\$ 3,231,799
Payroll Taxes	78,642	54,375	115,875	170,250	248,892
Employee Benefits	109,622	75,795	161,524	237,319	346,941
Total	<u>1,209,408</u>	<u>836,213</u>	<u>1,782,011</u>	<u>2,618,224</u>	<u>3,827,632</u>
Support to Orphanages - NPHI:					
Operations - Direct Support	7,793,577	-	-	-	7,793,577
Operations - Designated and Sharing	3,261,891	-	-	-	3,261,891
Total	<u>11,055,468</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,055,468</u>
Bank and Credit Card Fees	-	47	149,963	150,010	150,010
Cultivation	-	-	78,204	78,204	78,204
Bad Debt Expense	-	10,152	-	10,152	10,152
Depreciation	-	58,019	-	58,019	58,019
Dues and Subscriptions	-	6,855	-	6,855	6,855
Employee Search and Benefits	-	80,465	-	80,465	80,465
Special Event - Event Supplies	-	-	288,124	288,124	288,124
Cost of Direct Benefit to Donors	-	-	821,652	821,652	821,652
Hospitality and Meals	-	59,023	-	59,023	59,023
Insurance	-	46,032	-	46,032	46,032
Donated Stock Fees	-	487	-	487	487
Licenses and Fees	-	128,401	-	128,401	128,401
Occupancy	74,827	108,636	149,655	258,291	333,118
Office Equipment	-	23,362	-	23,362	23,362
Office Supplies	-	48,583	48,583	97,166	97,166
Outside Services	27,204	408,063	-	408,063	435,267
Postage and Shipping	13,944	13,944	27,888	41,832	55,776
Professional Fees	-	83,395	-	83,395	83,395
Marketing	-	-	140,764	140,764	140,764
Promotion	-	-	33,754	33,754	33,754
Repair and Maintenance	-	2,429	-	2,429	2,429
Telecommunications	-	19,920	19,920	39,840	39,840
Training and Seminars	-	6,306	-	6,306	6,306
Travel	135,067	45,934	248,896	294,830	429,897
Travel Program	108,582	-	-	-	108,582
Miscellaneous	-	7,695	-	7,695	7,695
Total	<u>359,624</u>	<u>1,157,748</u>	<u>2,007,403</u>	<u>3,165,151</u>	<u>3,524,775</u>
Total Functional Expenses	12,624,500	1,993,961	3,789,414	5,783,375	18,407,875
Less: Expenses Included with Revenues on the Consolidated Statements of Activities:					
Cost of Direct Benefits to Donors	-	-	(821,652)	(821,652)	(821,652)
Total Expenses Included in the Expense Section of the Consolidated Statements of Activities	<u>\$ 12,624,500</u>	<u>\$ 1,993,961</u>	<u>\$ 2,967,762</u>	<u>\$ 4,961,723</u>	<u>\$ 17,586,223</u>

See accompanying Notes to Consolidated Financial Statements.

NPH USA, INC. AND AFFILIATE
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2023

	Program Services	Management and General	Fundraising	Total Support Services	Total
Salaries	\$ 958,260	\$ 657,271	\$ 1,444,148	\$ 2,101,419	\$ 3,059,679
Payroll Taxes	71,807	49,252	108,217	157,469	229,276
Employee Benefits	86,965	59,648	131,059	190,707	277,672
Total	<u>1,117,032</u>	<u>766,171</u>	<u>1,683,424</u>	<u>2,449,595</u>	<u>3,566,627</u>
Support to Orphanages - NPHI:					
Operations - Direct Support	7,064,292	-	-	-	7,064,292
Operations - Designated and Sharing	4,454,885	-	-	-	4,454,885
Support to FWLEI	721,368	-	-	-	721,368
Total	<u>12,240,545</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,240,545</u>
Bank and Credit Card Fees	-	869	157,791	158,660	158,660
Cultivation	-	-	68,254	68,254	68,254
Depreciation	-	71,828	-	71,828	71,828
Dues and Subscriptions	-	5,786	-	5,786	5,786
Employee Search and Benefits	-	236,299	-	236,299	236,299
Special Event - Event Supplies	-	-	217,590	217,590	217,590
Cost of Direct Benefit to Donors	-	-	591,208	591,208	591,208
Hospitality and Meals	-	52,606	-	52,606	52,606
Insurance	-	41,484	-	41,484	41,484
Donated Stock Fees	-	408	-	408	408
Licenses and Fees	-	113,790	-	113,790	113,790
Occupancy	73,713	97,071	147,335	244,406	318,119
Office Equipment	-	25,814	-	25,814	25,814
Office Supplies	-	44,762	44,763	89,525	89,525
Outside Services	27,204	190,221	-	190,221	217,425
Postage and Shipping	14,912	14,912	29,824	44,736	59,648
Professional Fees	-	76,998	36,000	112,998	112,998
Marketing	-	-	128,433	128,433	128,433
Promotion	-	-	17,727	17,727	17,727
Repair and Maintenance	-	2,435	-	2,435	2,435
Telecommunications	-	17,724	17,724	35,448	35,448
Training and Seminars	-	4,494	-	4,494	4,494
Travel	170,944	17,830	238,295	256,125	427,069
Travel Program	115,505	-	-	-	115,505
Miscellaneous	-	2,140	-	2,140	2,140
Total	<u>402,278</u>	<u>1,017,471</u>	<u>1,694,944</u>	<u>2,712,415</u>	<u>3,114,693</u>
Total Functional Expenses	13,759,855	1,783,642	3,378,368	5,162,010	18,921,865
Less: Expenses Included with Revenues on the Consolidated Statements of Activities:					
Cost of Direct Benefits to Donors	-	-	(591,208)	(591,208)	(591,208)
Total Expenses Included in the Expense Section of the Consolidated Statements of Activities	<u>\$ 13,759,855</u>	<u>\$ 1,783,642</u>	<u>\$ 2,787,160</u>	<u>\$ 4,570,802</u>	<u>\$ 18,330,657</u>

See accompanying Notes to Consolidated Financial Statements.

**NPH USA, 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	\$ 4,036,283	\$ 4,559,355
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Provision for Bad Debts	10,152	-
Depreciation	58,019	71,828
Amortization of Finance Leases	5,237	15,420
Noncash Lease Expense	2,607	15
Realized Loss on Investments	204,879	45,195
Unrealized Gain on Investments	(2,518,608)	(1,529,992)
Change in Value of Perpetual Trusts	(204,911)	(88,919)
Contributions Restricted to Endowment	(3,615,523)	(2,093,273)
(Increase) Decrease in:		
Accounts Receivable	(67,110)	-
Pledges Receivable	374,943	223,402
Prepaid Expenses and Other Assets	(18,824)	(92,057)
Increase (Decrease) in:		
Accounts Payable	(94,909)	752,789
Accrued Expenses and Other Liabilities	(12,665)	182,906
Net Cash Provided (Used) by Operating Activities	(1,840,430)	2,046,669
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets and Software	(59,224)	(103,735)
Proceeds from Sales and Maturities of Investments	2,507,991	2,391,710
Purchase of Investments	(3,280,231)	(2,915,996)
Net Cash Used by Investing Activities	(831,464)	(628,021)
CASH FLOWS FROM FINANCING ACTIVITIES		
Contributions Restricted to Endowment	3,615,523	2,093,273
Principal Payments on Finance Leases	(5,516)	(15,389)
Net Cash Provided by Financing Activities	3,610,007	2,077,884
NET INCREASE IN CASH AND CASH EQUIVALENTS	938,113	3,496,532
Cash and Cash Equivalents - Beginning of Year	12,243,295	8,746,763
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 13,181,408	\$ 12,243,295

See accompanying Notes to Consolidated Financial Statements.

NPH USA, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

NPH USA, Inc. was organized as an Illinois nonprofit corporation on June 29, 2004. NPH USA, Inc. is organized and operated exclusively for charitable and educational purposes. NPH USA, Inc. is dedicated to improving the lives of orphaned, abandoned, and disadvantaged children through its support of the Nuestros Pequeños Hermanos International, A.C. (NPHI) network of orphanages in Latin America and the Caribbean.

Father Wasson Legacy Endowment, Inc. (FWLEI) is a nonprofit endowment described in Section 501(c)(3) of the Internal Revenue Code (IRC). FWLEI is organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of NPH USA, Inc., its sole member.

Significant accounting policies followed by NPH USA, Inc. and FWLEI, collectively known as the Organization, are presented below.

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of NPH USA, Inc. and FWLEI. Interorganizational transactions and balances have been eliminated in consolidation.

Consolidated Financial Statement Presentation

Consolidated financial statement presentation follows accounting principles generally accepted in the United States of America for nonprofit organizations. Accounting principles generally accepted in the United States of America (U.S. GAAP) requires the Organization to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions, and net assets with donor restrictions defined as follows:

Net Assets Without Donor Restrictions – Those resources over which the board of directors (board) has discretionary control.

Net Assets With Donor Restrictions – Net assets 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 other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates those resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Estimates

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NPH USA, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

Cash and cash equivalents are comprised of demand deposits and money market accounts. The Organization considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

Financial instruments that potentially subject the Organization to a concentration of credit risk consist of cash deposits. The Organization maintains bank accounts at several local banks that are insured by the Federal Deposit Insurance Corporation up to \$250,000. At times, cash balances may exceed federally insured limits; however, the Organization has not experienced any losses in such accounts and limits the exposure to credit risk by maintaining its cash and cash equivalents in highly reputable institutions.

Pledges Receivable

Contributions are recognized when the donor makes a pledge to the Organization that is, in substance, unconditional. The Organization records unconditional pledges that are expected to be collected within one year at net realizable value. Unconditional pledges expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contribution revenue in the consolidated statement of activities.

The Organization uses the allowance method to determine uncollectible unconditional pledges receivable. The Organization determines the allowance for uncollectible pledges based on historical experience and a review of subsequent collections. At June 30, 2024 and 2023, the allowance was \$-0-.

Investments

The Organization carries investments in marketable securities with readily determinable fair values and all investments in debt securities at their fair values in the consolidated statements of financial position. Unrealized gains and losses are included in the change in net assets in the consolidated statements of activities.

Beneficial Interests in Trusts

Beneficial interests in trusts consist of assets held in perpetual trusts and a beneficial interest in a land trust.

Beneficial Interests in Perpetual Trust

The Organization is the beneficiary of two perpetual trusts held by a third party. Under the terms of the trusts, the Organization has the irrevocable right to receive the income generated by the trust in perpetuity. The beneficial interest in the perpetual trusts is recorded at fair value as based on the fair value of the trust assets. Changes in net assets of the trusts are recorded as gain or losses (change in value of trusts) on the consolidated statements of activities. Net assets and changes in the net assets are recorded as with donor restrictions. Distributions received from these trusts are recorded as income with or without donor restrictions, in accordance with the respective trust agreements.

NPH USA, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Beneficial Interests in Trusts (Continued)

Beneficial Interest in Land Trust

The Organization is the beneficiary of a land trust held by a third party. Under the terms of the trust, the Organization has the irrevocable right to receive 25% of the income generated by the trust. The beneficial interest in the land trust is recorded at fair value as based on the fair value of the trust property. Changes in net assets of the trust are recorded as gains or losses (change in value of trusts) on the consolidated statements of activities. Net assets and changes in the net assets are recorded as with donor restrictions. Distributions received from this trust are recorded as income without donor restrictions.

Fixed Assets

Furniture, equipment, and vehicles are stated at cost or estimated value if donated. Depreciation is computed on a straight-line basis over the estimated useful lives of the assets, generally five years. All acquisitions of property and equipment in excess of \$1,000 and all expenditures for repairs, maintenance, renewals, and betterments that materially prolong the useful lives of the assets are capitalized.

Donated Services and Materials

Donated services are recognized for those that improve or enhance property and equipment (as contributions and increases to the basis of property and equipment) or for those that require specialized skills (as contributions and expenses), are performed by people with those skills, and would otherwise be purchased by the Organization. The Organization does not sell donated gifts-in-kind.

Donations of materials and noncash assets are recorded as contributions at their estimated fair value at the date of donation. Such donations are recorded as increases in net assets without donor restrictions unless the donor has restricted the donated materials to a specific purpose. Donated materials are expensed as program supplies. Donated noncash assets are recorded in accordance with the Organization's capitalization policy and depreciated, if required.

Although highly valued by the Organization, contributions of time and services provided by many volunteers do not meet the criteria for recognition and, therefore, are not recognized in the consolidated financial statements.

Functional Expenses

The consolidated financial statements report certain categories of expenses that are attributable to program or a supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries and benefits, which are allocated on the basis of estimates of time and effort. Direct program support includes direct financial support to homes affiliated with NPHI, which then utilizes those financial resources to improve the lives of disadvantaged children. Costs include program supplies, travel, and consulting program expense. Those of an administrative nature coded directly to the supporting functions include depreciation, some occupancy, insurance, meeting expenses, credit card fees, etc.

NPH USA, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value Measurements

The Organization follows an accounting standard that defines fair value, establishes a framework for measuring fair value, establishes a fair value hierarchy based on the quality of inputs used to measure fair value, and requires expanded disclosures about fair value measurements. In accordance with this standard, the Organization has categorized its investments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument.

Financial assets and liabilities recorded on the consolidated statements of financial position are categorized based on the inputs to the valuation techniques as follows:

Level 1 – Financial assets and liabilities are valued using inputs that are unadjusted quoted prices in active markets accessible at the measurement date of identical financial assets and liabilities. The inputs include those traded on an active exchange, such as the New York Stock Exchange, as well as the U.S. Treasury, and other U.S. government and agency mortgage-backed securities that are traded by dealers or brokers in active over-the-counter markets. Level 1 includes various mutual funds, collective funds, and U.S. Treasury futures.

Level 2 – Financial assets and liabilities are valued using inputs quoted prices for similar assets or inputs that are observable, either directly or indirectly, for substantially the full term through corroboration with observable market data. Level 2 includes private collateralized mortgage obligations, municipal bonds, gold futures, and corporate debt securities.

Level 3 – Financial assets and liabilities are valued using pricing inputs which are unobservable for the asset, inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset. Level 3 includes private equity, venture capital, hedge funds, real estate, and beneficial interests in trusts.

Income Tax Status

The Organization is a nonprofit organization exempt from paying corporate federal income tax under Section 501(c)(3) of the IRC. It has been classified as an organization that is not a private foundation under the IRC and charitable contributions by donors are tax deductible.

The Organization has evaluated its tax positions and determined it has no uncertain tax positions at June 30, 2024 and 2023.

NPH USA, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases

The Organization leases equipment and office space. The Organization determines if an arrangement is a lease at inception. Operating and financing leases are included in right-of-use (ROU) assets and lease liability on the consolidated statements of financial position.

ROU assets represent the Organization's right to use an underlying asset for the lease term and lease liabilities represent the Organization's obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. Lease terms may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term. The Organization has elected to recognize payments for short-term leases with a lease term of 12 months or less as expense as incurred and these leases are not included as lease liabilities or ROU assets on the consolidated statements of financial position.

The individual lease contracts do not provide information about the discount rate implicit in the lease. Therefore, the Organization has elected to use a risk-free discount rate determined using a period comparable with that of the lease term for computing the present value of all lease liabilities.

Liquidity

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other commitments come due. Financial assets available as of June 30, 2024 and 2023 to meet cash needs for general expenditures are as follows:

	2024	2023
Cash and Cash Equivalents	\$ 9,770,145	\$ 11,333,355
Pledges Receivable, Net, Due Within One Year	14,000	399,095
Total Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	\$ 9,784,145	\$ 11,732,450

The Organization also has beneficial interests in perpetual and land trusts that generate income that may be made available to supplement liquidity needs. For the years ended June 30, 2024 and 2023, the Organization recognized \$74,804 and \$80,596 of income from these trusts, respectively.

The Organization has a goal to maintain financial assets consisting of cash and short-term investments on hand to meet approximately three months of budgeted expenses. As part of its liquidity management, the Organization invests cash in excess of daily requirements in various short-term investments including certificates of deposit, short-term treasury instruments and money market accounts.

NPH USA, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Adoption of New Accounting Standard

The Organization has adopted ASU 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, as amended, which modifies the measurement of expected credit losses. The Organization adopted this new guidance utilizing the modified retrospective transition method effective July 1, 2023. Adoption of this Standard had no material impact on the Organization’s consolidated financial statements but did change how the allowance for credit losses is determined.

Subsequent Events

In preparing these consolidated financial statements, the Organization has evaluated events and transactions for potential recognition for disclosure through January 30, 2025, the date the consolidated financial statements were available to be issued.

NOTE 2 PLEDGES RECEIVABLE

Pledges receivable as of June 30 consist of time-restricted contributions from various donors to support ongoing operations and the NPHI network of orphanages in Latin America. Pledges receivable consist of the following:

	<u>2024</u>	<u>2023</u>
Pledges Receivable Due:		
In Less than One Year	\$ 14,000	\$ 399,095
Total	14,000	399,095
Less: Allowance for Uncollectible Pledges	-	-
Total Pledges Receivable	<u>\$ 14,000</u>	<u>\$ 399,095</u>

Pledges expected to be received in more than one year from the consolidated statements of financial position date are discounted to present value. At June 30, 2024 and 2023, any related present value discount was considered insignificant.

NPH USA, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 3 INVESTMENTS

Investments consist of the following at June 30:

	<u>2024</u>	<u>2023</u>
Exchange Traded Funds:		
International Equities	\$ 6,504,224	\$ 5,455,097
Equities	10,932,714	9,439,934
Mutual Funds	<u>3,875,715</u>	<u>3,331,653</u>
Total Investments	<u><u>\$ 21,312,653</u></u>	<u><u>\$ 18,226,684</u></u>

Investment management fees incurred during the years ended June 30, 2024 and 2023 totaled \$22,177 and \$47,383, respectively.

NOTE 4 FIXED ASSETS

Fixed assets consist of the following at June 30:

	<u>2024</u>	<u>2023</u>
Furniture and Equipment	1,014,604	\$ 955,380
Less: Accumulated Depreciation and Amortization	<u>(855,703)</u>	<u>(797,684)</u>
Total Fixed Assets	<u><u>\$ 158,901</u></u>	<u><u>\$ 157,696</u></u>

Depreciation and amortization expense charged to operations for the years ended June 30, 2024 and 2023 totaled \$58,019 and \$71,828, respectively.

NPH USA, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 5 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are available at June 30 for the following purposes or periods:

	2024	2023
Subject to the Passage of Time:		
Beneficial Interest in Land Trust	\$ 150,000	\$ 150,000
Pledges Receivable Not Restricted by Donors	14,000	399,095
	164,000	549,095
Endowments:		
Subject to Appropriation and Expenditure When a Specified Event Occurs	6,972,864	5,197,249
Subject to Endowment Distribution Policy and Appropriation:		
General Fund	17,597,703	14,164,663
Medical Fund	49,635	44,535
Educational Fund	44,535	44,535
Joke Brancart Fund	100,000	-
Paula Waschbusch and Peter Puster Fund for University Education	76,564	-
Hightower/Kloos Legacy Fund	28,280	27,461
Emmanuel Fund	30,350	30,350
Total Endowments	24,899,931	19,508,793
Not Subject to Spending Policy or Appropriation:		
Beneficial Interest in Perpetual Trusts	2,837,341	2,632,429
Total Net Assets With Donor Restrictions	\$ 27,901,272	\$ 22,690,317

Endowment net assets with permanent donor restrictions consist of contributions that are to be invested and held indefinitely, with the income expendable to support the NPHI orphanages and pay endowment expenses. At the time of their gifts, donors are given the opportunity to designate that the endowment may expend the principal in the event of a major, natural disaster. As of June 30, 2024 and 2023, donors have designated \$8,463,969 and \$8,283,969, respectively, to be used in the event of a natural disaster, as further defined in the endowment's policies. Unappropriated endowment earnings are from the Medical, Education, Hightower/Kloos, Joke Brancart, Paula Waschbusch and Peter Puster Fund for University Education, Emmanuel and General endowment funds.

During the years ended June 30, 2024 and 2023, net assets released from donor restrictions totaled \$1,451,294 and \$1,410,946 respectively, and were primarily from appropriated and distributed endowment earnings.

NPH USA, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 6 SPECIAL EVENTS INCOME

The Organization conducted fundraising events during the years ended June 30, 2024 and 2023 to benefit the Organization which is reflected in the consolidated statement of activities as net special events revenue. Proceeds from special events comprise an exchange element based on the value of benefits provided, and a contribution element for the difference between the total proceeds and the exchange element. The exchange element includes the meals and activities provided at the event. The performance obligation for the meals and activities is met over time as the event is held.

The following table shows the Organization's special event income for the years ended June 30, disaggregated according to the timing of revenue recognition:

	<u>2024</u>	<u>2023</u>
Unconditional Contributions	\$ 1,979,563	\$ 2,255,089
Meals and Services	821,652	591,208
Total Special Events Revenue	<u>\$ 2,801,215</u>	<u>\$ 2,846,297</u>

NOTE 7 FAIR VALUE MEASUREMENTS

The Organization uses fair value measurements to record fair value adjustments to certain assets and liabilities and to determine fair value disclosures. For additional information on how the Organization values all other assets and liabilities, refer to Note 1 – Summary of Significant Accounting Policies, Organization.

Assets measured at fair value on a recurring basis are as follows:

<u>June 30, 2024</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Exchange Traded Funds:				
International Equities	\$ 6,504,224	\$ -	\$ -	\$ 6,504,224
Equities	10,932,714	-	-	10,932,714
Mutual Funds	3,875,715	-	-	3,875,715
Beneficial Interest in Perpetual Trusts	-	-	2,837,341	2,837,341
Beneficial Interest in Land Trust	-	-	150,000	150,000
Total Assets at Fair Value	<u>\$ 21,312,653</u>	<u>\$ -</u>	<u>\$ 2,987,341</u>	<u>\$ 24,299,994</u>
<u>June 30, 2023</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Exchange Traded Funds:				
International Equities	\$ 5,455,097	\$ -	\$ -	\$ 5,455,097
Equities	9,439,934	-	-	9,439,934
Mutual Funds	3,331,653	-	-	3,331,653
Beneficial Interest in Perpetual Trusts	-	-	2,632,430	2,632,430
Beneficial Interest in Land Trust	-	-	150,000	150,000
Total Assets at Fair Value	<u>\$ 18,226,684</u>	<u>\$ -</u>	<u>\$ 2,782,430</u>	<u>\$ 21,009,114</u>

NPH USA, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 7 FAIR VALUE MEASUREMENTS (CONTINUED)

The following table provides a summary of changes in fair value of the Organization's Level 3 financial assets for the year ended June 30:

	2024	2023
Balance - January 1	\$ 2,782,430	\$ 2,693,511
Change in Value of Perpetual and Land Trusts	204,912	88,919
Balance - End of Period	\$ 2,987,341	\$ 2,782,430

The valuation of the Level 3 beneficial interest in perpetual trusts is based on the fair market value of assets as indicated on the annual statement received from the trustee. The valuation of the Level 3 beneficial interest in land trust is based on 25% of the value of the trust property, determined through an independent appraisal during 2016.

NOTE 8 ENDOWMENT

The FWLEI endowment fund consists of six individual funds and reflects the donor-imposed restriction that the original gifts are maintained and income be used to support operations and for annual distributions to NPH USA, Inc. for the exclusive benefit of NPHI. Consistent with donor wishes, funds may be distributed to one or more NPHI family homes in the event of extensive destruction of property or life as a result of a major, natural, devastating disaster. As required by U.S. GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

FWLEI has interpreted the state of Illinois 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, FWLEI retains in perpetuity: (a) the original value of gifts donated to the endowment, plus (b) the original value of the subsequent gifts to the endowment and accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. Donor-restricted endowment amounts not retained in perpetuity are subject to appropriation for expenditure by FWLEI in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, FWLEI considers the following factors in making a determination to appropriate or accumulate donor-restricted funds:

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

NPH USA, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 8 ENDOWMENT (CONTINUED)

Interpretation of Relevant Law (Continued)

Endowment net assets consisted of the following at June 30:

<u>June 30, 2024</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment Funds with Donor Restrictions	\$ -	\$ 24,899,931	\$ 24,899,931
<u>June 30, 2023</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment Funds with Donor Restrictions	\$ -	\$ 19,508,793	\$ 19,508,793

Changes in the endowment fund net assets included the following for the years ended June 30:

<u>June 30, 2024</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment Net Assets - Beginning of Year	\$ -	\$ 19,508,793	\$ 19,508,793
Investment Return:			
Investment Income	-	530,571	530,571
Net Depreciation (Realized and Unrealized)	-	2,311,243	2,311,243
Total Investment Return	-	2,841,814	2,841,814
Contributions	-	3,615,523	3,615,523
Appropriation of Endowment Assets for Expenditures	1,066,199	(1,066,199)	-
Withdrawals for Current Distributions	(1,025,600)	-	(1,025,600)
Operating Expenses	(40,599)	-	(40,599)
Total Release	(1,066,199)	-	(1,066,199)
Endowment Net Assets - End of Year	\$ -	\$ 24,899,931	\$ 24,899,931
<u>June 30, 2023</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment Net Assets - Beginning of Year	\$ -	\$ 16,666,491	\$ 16,666,491
Investment Return:			
Investment Income	-	358,679	358,679
Net Depreciation (Realized and Unrealized)	-	1,482,893	1,482,893
Total Investment Return	-	1,841,572	1,841,572
Contributions	-	2,093,273	2,093,273
Appropriation of Endowment Assets for Expenditures	1,092,543	(1,092,543)	-
Withdrawals for Current Distributions	(1,042,000)	-	(1,042,000)
Operating Expenses	(50,543)	-	(50,543)
Total Release	(1,092,543)	-	(1,092,543)
Endowment Net Assets - End of Year	\$ -	\$ 19,508,793	\$ 19,508,793

NPH USA, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 8 ENDOWMENT (CONTINUED)

Return Objectives and Risk Parameters

The endowment has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment fund while seeking to maintain the purchasing power of the endowment fund assets. Endowment fund assets include those assets of donor-restricted funds that the endowment must hold in perpetuity. Under this policy, the endowment fund assets are diversified to control volatility of returns and invested to obtain future growth to offset inflation while assuming a moderate level of investment risk.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the endowment relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends).

Spending Policy and How the Investment Objectives Relate to Spending Policy

The endowment has adopted a spending policy of making one annual distribution of up to 5% of the total of assets, excluding current year contributions, from the endowment fund as of December 31. Notwithstanding the foregoing, no distribution shall reduce the value of the endowment fund below the original capital contributions increased by the value of all additional capital contributions received during that year (subject to any donor limitations or restrictions). Capital contributions are defined as the original value of the donation (on the date of the donation) and do not include earnings, dividends, unrealized gains or losses, or other changes based on the investment of the endowment fund.

Funds 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 requires. On June 30, 2024 and 2023, there were no deficient endowment funds.

NPH USA, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 9 LEASES

The Organization leases various facilities and equipment throughout the United States of America under noncancelable lease arrangements with expiration dates through May 2029. Under certain facility agreements, the Organization is also liable for a proportionate share of common operating costs.

The following tables provide quantitative information concerning the Organization's leases for the years ended June 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Lease Costs:		
Finance Lease Cost:		
Amortization of Right-of-Use Assets	\$ 5,237	\$ 15,420
Interest on Lease Liabilities	39	924
Operating Lease Cost	<u>199,766</u>	<u>131,870</u>
Total Lease Costs	<u><u>\$ 205,042</u></u>	<u><u>\$ 148,214</u></u>
Other Information:		
Operating Cash Flows from Finance Leases	\$ 39	\$ 924
Operating Cash Flows from Operating Leases	\$ 157,597	\$ 125,671
Financing Cash Flows from Finance Leases	\$ 5,516	\$ 15,389
Right-of-Use Assets Obtained in Exchange for New Finance Lease Liabilities:	\$ -	\$ 6,011
Right-of-Use Assets Obtained in Exchange for New Operating Lease Liabilities:	\$ 424,377	\$ 363,939
Weighted-Average Remaining Lease Term - Finance Leases	0.0 Years	2.9 Years
Weighted-Average Remaining Lease Term - Operating Leases	4.3 Years	2.1 Years
Weighted-Average Discount Rate - Finance Leases	N/A	2.43%
Weighted-Average Discount Rate - Operating Leases	4.04%	3.28%

A maturity analysis of annual undiscounted cash flows for the Organization's finance lease liabilities as of June 30, 2024 is as follows:

<u>Year Ending June 30,</u>	<u>Operating</u>	<u>Totals</u>
2025	\$ 171,041	\$ 171,041
2026	130,032	130,032
2027	106,707	106,707
2028	108,263	108,263
2029	<u>110,970</u>	<u>110,970</u>
Undiscounted Cash Flows	627,013	627,013
Less: Imputed Interest	<u>(53,376)</u>	<u>(53,376)</u>
Total Lease Liability	<u><u>\$ 573,637</u></u>	<u><u>\$ 573,637</u></u>
Short-Term Lease Liabilities	\$ 151,306	\$ 151,306
Long-Term Lease Liabilities	<u>422,331</u>	<u>422,331</u>
Total	<u><u>\$ 573,637</u></u>	<u><u>\$ 573,637</u></u>

NPH USA, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 10 RETIREMENT PLAN

The Organization has a 403(b) retirement plan for all employees to participate in beginning on the date of hire. Employees who have been employed for at least one year and worked at least 1,000 hours, and have attained the age of 21, may participate in employer matching contributions. The plan allows eligible employees to defer payment of taxes on a portion of their salary by making contributions to the plan through payroll deductions. The Organization will match 100% of up to 10% of the employee's compensation, not to exceed \$5,000 annually. Contributions to the plan charged against operations, including plan administration fees, amounted to \$90,421 and \$81,619 for the years ended June 30, 2024 and 2023, respectively.

NOTE 11 RELATED PARTY TRANSACTIONS

Contribution revenues from members of the board of the Organization totaled \$871,434 and \$3,734,665 for the years ended June 30, 2024 and 2023, respectively.

Contribution revenues from members of the board of the FWLEI totaled \$142,951 and \$127,249 for the years ended June 30, 2024 and 2023, respectively.

NPH USA, Inc. shares certain management, staff, and office facilities with FWLEI. FWLEI reimburses NPH USA, Inc. for personnel and overhead expenses attributable to FWLEI activities. As of June 30, 2024 and 2023, FWLEI had \$50,000 due to NPH USA, Inc. For the years ended June 30, 2024 and 2023, FWLEI had incurred expenses related to these services of \$22,500 and \$22,500, respectively, which was eliminated in consolidation.

NPH USA, Inc. processes contributions on behalf of FWLEI. As of June 30, 2024 and 2023, FWLEI had \$190,015 and \$771,263, respectively, due from NPH USA, Inc. included as Due from NPH USA in the consolidated statements of financial position.

NOTE 12 CONDITIONAL PLEDGES

FWLEI has received pledges from individuals indicating an intention to name the endowment as the beneficiary in wills, trusts, and life insurance contracts. These pledges are all revocable. Since these pledges do not meet the criteria for revenue recognition, they are not reflected as contributions in the consolidated statements of activities.

NOTE 13 COMMITMENT

During 2024, the Organization's board approved a commitment to provide funding to NPHI in the amount of \$10,250,000 for the fiscal year 2025. This commitment is conditional based upon adequate funding being available through the Organization's fundraising efforts.

NPH USA, INC. AND AFFILIATE
CONSOLIDATING SCHEDULE OF FINANCIAL POSITION
JUNE 30, 2024
(SEE INDEPENDENT AUDITORS' REPORT)

ASSETS	<u>NPH USA</u>	<u>FWLEI</u>	<u>Eliminations</u>	<u>Consolidated</u>
Cash and Cash Equivalents	\$ 9,764,495	\$ 3,416,913	\$ -	\$ 13,181,408
Due from NPH USA	-	190,015	(190,015)	-
Due from FWLEI	50,000	-	(50,000)	-
Accounts Receivable	67,110	-	-	67,110
Allowance for Credit Losses	-	-	-	-
Pledges Receivable, Net of Allowance for Uncollectible Pledges of \$0	14,000	-	-	14,000
Prepaid Expenses	179,775	-	-	179,775
Investments	-	21,312,653	-	21,312,653
Beneficial Interest in Perpetual Trusts	2,837,341	-	-	2,837,341
Beneficial Interest in Land Trust	150,000	-	-	150,000
Fixed Assets, Net	158,901	-	-	158,901
Other Assets	55,447	-	-	55,447
Operating Lease Right-of-Use Asset	571,263	-	-	571,263
	<u>\$ 13,848,332</u>	<u>\$ 24,919,581</u>	<u>\$ (240,015)</u>	<u>\$ 38,527,898</u>
LIABILITIES AND NET ASSETS				
LIABILITIES				
Accounts Payable	\$ 3,077,093	\$ -	\$ -	\$ 3,077,093
Accrued Expenses and Other Liabilities	497,504	-	-	497,504
Due to NPH USA	-	50,000	(50,000)	-
Due to FWLEI	190,015	-	(190,015)	-
Operating Lease Liability	573,637	-	-	573,637
Total Liabilities	<u>4,338,249</u>	<u>50,000</u>	<u>(240,015)</u>	<u>4,148,234</u>
NET ASSETS				
Without Donor Restrictions:				
Undesignated for General Activities	6,182,534	-	-	6,182,534
Designated by Board of Directors	136,957	-	-	136,957
Invested in Furniture and Equipment	158,901	-	-	158,901
Total Without Donor Restrictions	<u>6,478,392</u>	<u>-</u>	<u>-</u>	<u>6,478,392</u>
With Donor Restrictions	<u>3,031,691</u>	<u>24,869,581</u>	<u>-</u>	<u>27,901,272</u>
Total Net Assets	<u>9,510,083</u>	<u>24,869,581</u>	<u>-</u>	<u>34,379,664</u>
	<u>\$ 13,848,332</u>	<u>\$ 24,919,581</u>	<u>\$ (240,015)</u>	<u>\$ 38,527,898</u>

NPH USA, INC. AND AFFILIATE
CONSOLIDATING SCHEDULE OF FINANCIAL POSITION
JUNE 30, 2023
(SEE INDEPENDENT AUDITORS' REPORT)

ASSETS	<u>NPH USA</u>	<u>FWLEI</u>	<u>Eliminations</u>	<u>Consolidated</u>
Cash and Cash Equivalents	\$ 11,712,799	\$ 530,496	\$ -	\$ 12,243,295
Due from NPH USA		771,263	(771,263)	-
Due from FWLEI	50,000		(50,000)	
Pledges Receivable, Net of Allowance for Uncollectible Pledges of \$0	399,095	-	-	399,095
Prepaid Expenses	188,977	-	-	188,977
Investments	-	18,226,684	-	18,226,684
Beneficial Interest in Perpetual Trusts	2,632,430	-	-	2,632,430
Beneficial Interest in Land Trust	150,000	-	-	150,000
Fixed Assets, Net	157,696	-	-	157,696
Other Assets	27,421	-	-	27,421
Financing Lease Right-of-Use Asset	30,439	-	-	30,439
Operating Lease Right-of-Use Asset	240,938	-	-	240,938
	<u>\$ 15,589,795</u>	<u>\$ 19,528,443</u>	<u>\$ (821,263)</u>	<u>\$ 34,296,975</u>
LIABILITIES AND NET ASSETS				
LIABILITIES				
Accounts Payable	\$ 3,172,002	\$ -	\$ -	\$ 3,172,002
Accrued Expenses and Other Liabilities	510,169	-	-	510,169
Due to NPH USA	-	50,000	(50,000)	-
Due to FWLEI	771,263	-	(771,263)	-
Financing Lease Liability	31,087	-	-	31,087
Operating Lease Liability	240,336	-	-	240,336
Total Liabilities	<u>4,724,857</u>	<u>50,000</u>	<u>(821,263)</u>	<u>3,953,594</u>
NET ASSETS				
Without Donor Restrictions:				
Undesignated for General Activities	7,358,411	-	-	7,358,411
Designated by Board of Directors	136,957	-	-	136,957
Invested in Furniture and Equipment	157,696	-	-	157,696
Total Without Donor Restrictions	<u>7,653,064</u>	<u>-</u>	<u>-</u>	<u>7,653,064</u>
With Donor Restrictions	<u>3,211,874</u>	<u>19,478,443</u>	<u>-</u>	<u>22,690,317</u>
Total Net Assets	<u>10,864,938</u>	<u>19,478,443</u>	<u>-</u>	<u>30,343,381</u>
	<u>\$ 15,589,795</u>	<u>\$ 19,528,443</u>	<u>\$ (821,263)</u>	<u>\$ 34,296,975</u>

**NPH USA, INC. AND AFFILIATE
CONSOLIDATING SCHEDULE OF ACTIVITIES
YEAR ENDED JUNE 30, 2024
(SEE INDEPENDENT AUDITORS' REPORT)**

	NPH USA			FWLEI			Eliminations	Consolidated		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total		Without Donor Restrictions	With Donor Restrictions	Total
Support:										
Contributions	\$ 13,099,438	\$ -	\$ 13,099,438	\$ -	\$ 3,615,523	\$ 3,615,523	\$ (1,025,600)	\$ 12,073,838	\$ 3,615,523	\$ 15,689,361
Bequests	385,735	-	385,735	-	-	-	-	385,735	-	385,735
Gross Special Events Revenue	2,801,215	-	2,801,215	-	-	-	-	2,801,215	-	2,801,215
Less: Cost of Direct Benefits to Donors	821,652	-	821,652	-	-	-	-	821,652	-	821,652
Net Special Events Revenue	1,979,563	-	1,979,563	-	-	-	-	1,979,563	-	1,979,563
Revenue:										
Interest and Dividends	443,831	-	443,831	-	530,571	530,571	-	443,831	530,571	974,402
Unrealized Gain	1,445	-	1,445	-	2,517,163	2,517,163	-	1,445	2,517,163	2,518,608
Realized Gain (Loss)	1,041	-	1,041	-	(205,920)	(205,920)	-	1,041	(205,920)	(204,879)
Change in Value of Perpetual Trusts	-	204,912	204,912	-	-	-	-	-	204,912	204,912
Distributions from Beneficial Interest in Trusts	74,804	-	74,804	-	-	-	-	74,804	-	74,804
Miscellaneous	22,500	-	22,500	-	-	-	(22,500)	-	-	-
Net Assets Released from Restrictions	385,095	(385,095)	-	1,066,199	(1,066,199)	-	-	1,451,294	(1,451,294)	-
Total Revenue and Support	16,393,452	(180,183)	16,213,269	1,066,199	5,391,138	6,457,337	(1,048,100)	16,411,551	5,210,955	21,622,506
Expenses:										
Program Services	12,624,500	-	12,624,500	1,025,600	-	1,025,600	(1,025,600)	12,624,500	-	12,624,500
Management and General	1,975,862	-	1,975,862	40,599	-	40,599	(22,500)	1,993,961	-	1,993,961
Fundraising	2,967,762	-	2,967,762	-	-	-	-	2,967,762	-	2,967,762
Total Expenses	17,568,124	-	17,568,124	1,066,199	-	1,066,199	(1,048,100)	17,586,223	-	17,586,223
CHANGE IN NET ASSETS	(1,174,672)	(180,183)	(1,354,855)	-	5,391,138	5,391,138	-	(1,174,672)	5,210,955	4,036,283
Net Assets - Beginning of Year	7,653,064	3,211,874	10,864,938	-	19,478,443	19,478,443	-	7,653,064	22,690,317	30,343,381
NET ASSETS - END OF YEAR	<u>\$ 6,478,392</u>	<u>\$ 3,031,691</u>	<u>\$ 9,510,083</u>	<u>\$ -</u>	<u>\$ 24,869,581</u>	<u>\$ 24,869,581</u>	<u>\$ -</u>	<u>\$ 6,478,392</u>	<u>\$ 27,901,272</u>	<u>\$ 34,379,664</u>

**NPH USA, INC. AND AFFILIATE
CONSOLIDATING SCHEDULE OF ACTIVITIES
YEAR ENDED JUNE 30, 2023
(SEE INDEPENDENT AUDITORS' REPORT)**

	NPH USA			FWLEI			Eliminations	Consolidated		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total		Without Donor Restrictions	With Donor Restrictions	Total
Support:										
Contributions	\$ 14,599,319	\$ 95,000	\$ 14,694,319	\$ -	\$ 2,093,273	\$ 2,093,273	\$ (1,042,000)	\$ 13,557,319	\$ 2,188,273	\$ 15,745,592
Bequests	2,685,093	-	2,685,093	-	-	-	-	2,685,093	-	2,685,093
Special Events	2,846,297	-	2,846,297	-	-	-	-	2,846,297	-	2,846,297
Less: Cost of Direct Benefits to Donors	591,208	-	591,208	-	-	-	-	591,208	-	591,208
Net Special Events Revenue	2,255,089	-	2,255,089	-	-	-	-	2,255,089	-	2,255,089
Revenue:										
Interest and Dividends	141,095	-	141,095	-	358,680	358,680	-	141,095	358,680	499,775
Unrealized Gain (Loss)	(203)	-	(203)	-	1,530,195	1,530,195	-	(203)	1,530,195	1,529,992
Realized Gain (Loss)	2,107	-	2,107	-	(47,302)	(47,302)	-	2,107	(47,302)	(45,195)
Change in Value of Perpetual Trusts	-	88,919	88,919	-	-	-	-	-	88,919	88,919
Distributions from Beneficial Interest in Trusts	80,596	-	80,596	-	-	-	-	80,596	-	80,596
Miscellaneous	72,651	-	72,651	-	-	-	(22,500)	50,151	-	50,151
Net Assets Released from Restrictions	318,403	(318,403)	-	1,092,543	(1,092,543)	-	-	1,410,946	(1,410,946)	-
Total Revenue and Support	20,154,150	(134,484)	20,019,666	1,092,543	2,842,303	3,934,846	(1,064,500)	20,182,193	2,707,819	22,890,012
Expenses:										
Program Services	13,759,855	-	13,759,855	1,042,000	-	1,042,000	(1,042,000)	13,759,855	-	13,759,855
Management and General	1,755,599	-	1,755,599	50,543	-	50,543	(22,500)	1,783,642	-	1,783,642
Fundraising	2,787,160	-	2,787,160	-	-	-	-	2,787,160	-	2,787,160
Total Expenses	18,302,614	-	18,302,614	1,092,543	-	1,092,543	(1,064,500)	18,330,657	-	18,330,657
CHANGE IN NET ASSETS	1,851,536	(134,484)	1,717,052	-	2,842,303	2,842,303	-	1,851,536	2,707,819	4,559,355
Net Assets - Beginning of Year	5,801,528	3,346,358	9,147,886	-	16,636,140	16,636,140	-	5,801,528	19,982,498	25,784,026
NET ASSETS - END OF YEAR	\$ 7,653,064	\$ 3,211,874	\$ 10,864,938	\$ -	\$ 19,478,443	\$ 19,478,443	\$ -	\$ 7,653,064	\$ 22,690,317	\$ 30,343,381



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