

THE FRIENDS OF ISRAEL GOSPEL MINISTRY, INC.
AND AFFILIATES
CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED
DECEMBER 31, 2023 AND 2022

THE FRIENDS OF ISRAEL GOSPEL MINISTRY, INC. AND AFFILIATES

Table of Contents

December 31, 2023

	Page Number
Independent Auditor's Report	1
Financial Statements	
Consolidated Statements of Financial Position	3
Consolidated Statements of Unrestricted Activities	5
Consolidated Statements of Changes in Net Assets	6
Consolidated Statements of Functional Expenses	7
Consolidated Statements of Cash Flows	11
Notes to the Consolidated Financial Statements	12
Supplementary Information	
Consolidating Statement of Financial Position	36
Consolidating Statement of Unrestricted Activities	38
Consolidating Statement of Changes in Net Assets	39
Statement of Activities by Department – FOI US	40
Statement of Activities by Department – FOI CA	41
Consolidating Statement of Cash Flows	42

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of
The Friends of Israel Gospel Ministry, Inc. and Affiliates

Opinion

We have audited the accompanying consolidated financial statements of The Friends of Israel Gospel Ministry, Inc. and Affiliates (a nonprofit organization), which comprise the consolidated statements of financial position as of December 31, 2023 and 2022, and the related consolidated statements of unrestricted activities, changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Friends of Israel Gospel Ministry, Inc. and Affiliates as of December 31, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the 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 Friends of Israel Gospel Ministry, Inc. and Affiliates' ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the 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 Friends of Israel Gospel Ministry, Inc. and Affiliates' 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 Friends of Israel Gospel Ministry, Inc. and Affiliates' 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 audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Consolidating Statement of Financial Position, Consolidating Statement of Unrestricted Activities, Consolidating Statement of Changes in Net Assets, Statement of Activities by Department – FOI US, Statement of Activities by Department - FOI CA, and Consolidating Statement of Cash Flows are presented for purposes of additional analysis 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 supplementary information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Bowman + Company LLP

BOWMAN & COMPANY
Certified Public Accountants & Consultants

Voorhees, New Jersey
April 18, 2024

The Friends of Israel Gospel Ministry, Inc and Affiliates
Consolidated Statements of Financial Position
As of December 31, 2023 and 2022

	2023	2022
ASSETS		
Current assets		
Cash and cash equivalents	\$ 2,490,519	\$ 2,046,133
Investments	4,785,813	2,839,980
Accounts receivable	80,214	25,672
Legacies receivable	139,348	53,889
Harmonized sales taxes recoverable	36,978	25,904
Prepaid expenses	387,459	336,904
Inventory	380,238	417,209
Total current assets	8,300,569	5,745,691
Assets whose use is restricted		
Cash and cash equivalents	18,002	47,505
Beneficial interest in trust	-	270,689
Assets held under split-interest agreements - revocable trusts	26,452	37,723
Assets held under split-interest agreements - irrevocable trusts	465,227	418,765
Assets held under split-interest agreements - annuities	4,728,481	5,410,014
Total assets whose use is restricted	5,238,162	6,184,696
Property and equipment, net	11,615,746	5,418,032
Right-of-use assets - operating leases	218,997	47,345
Construction in progress	18,320	2,038,347
Total assets	\$ 25,391,794	\$ 19,434,111

The accompanying notes are an integral part of these consolidated financial statements

The Friends of Israel Gospel Ministry, Inc and Affiliates
Consolidated Statements of Financial Position (continued)
As of December 31, 2023 and 2022

	2023	2022
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accrued expense	\$ 1,127,940	\$ 1,375,143
Current portion of notes payable	291,000	306,207
Current portion of mortgage payable	293,152	-
Current portion of auto loan payable	5,966	-
Current portion of annuities payable	441,692	516,527
Current portion of lease liability - operating	54,313	27,021
Deferred revenue	380,533	401,308
Deferred compensation	122,742	133,213
Total current liabilities	2,717,338	2,759,419
Notes payable, net of current portion	889,500	949,293
Mortgage payable, net of current portion	3,058,251	-
Auto loan payable	28,263	-
Liability under charitable gift annuity, net of current portion	2,784,907	3,040,630
Refundable advance - revocable trust	26,452	37,723
Lease liability - operating, net of current portion	168,643	22,121
Charitable remainder trust - irrevocable	124,644	116,454
Total liabilities	9,797,998	6,925,640
Net assets		
Without donor restrictions		
Undesignated	12,529,708	6,039,025
Designated by board as reserve for debt retirement	236,100	251,100
Total net assets without donor restrictions	12,765,808	6,290,125
With donor restrictions	2,827,988	6,218,346
Total net assets	15,593,796	12,508,471
Total liabilities and net assets	\$ 25,391,794	\$ 19,434,111

The accompanying notes are an integral part of these consolidated financial statements

The Friends of Israel Gospel Ministry, Inc and Affiliates
Consolidated Statements of Unrestricted Activities
For the Years Ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Revenue and support		
Ministry contributions	\$ 16,029,120	\$ 9,758,416
Field ministry contributions	317,387	196,313
Legacies	2,018,582	2,022,312
Gift portion of annuities	191,396	191,149
Gifts in kind	110,086	75,684
Conference and special function	104,831	119,362
Ministry, publications, audio, and video	943,193	875,961
Other revenue	3,854	10,470
Joint ministries foreign initiatives	400,580	370,635
Net assets released from restriction	3,623,999	3,783,247
	<u>23,743,028</u>	<u>17,403,549</u>
Expenses		
Program services	14,102,302	12,315,477
Management and general	2,833,990	2,494,013
Fundraising	1,331,625	1,096,998
	<u>18,267,917</u>	<u>15,906,488</u>
Total expenses	18,267,917	15,906,488
Operating income	5,475,111	1,497,061
Other income and losses		
Investment loss	(25,040)	(23,443)
Change in value of split-interest agreements held by FOI-USA	642,368	(887,520)
Trustee commissions	109,958	-
Gain/(loss) on foreign currency translation	29,184	(38,060)
	<u>6,231,581</u>	<u>548,038</u>
Excess of revenue and support over expenses	6,231,581	548,038
Net unrealized gain (loss) on investments	244,102	(262,021)
	<u>6,475,683</u>	<u>286,017</u>
Increase in net assets without donor restrictions	6,475,683	286,017
Net assets without donor restrictions - beginning of year	6,290,125	6,004,108
Net assets without donor restrictions - end of year	<u>\$ 12,765,808</u>	<u>\$ 6,290,125</u>

The accompanying notes are an integral part of these consolidated financial statements

The Friends of Israel Gospel Ministry, Inc and Affiliates
Consolidated Statements of Changes in Net Assets
For the Years Ended December 31, 2023 and 2022

	2023	2022
Net assets without donor restrictions		
Excess of revenue and support over expenses	\$ 6,231,581	\$ 548,038
Net unrealized gain (loss) on investments	244,102	(262,021)
	<u>6,475,683</u>	<u>286,017</u>
Change in net assets without donor restrictions		
Net assets with donor restrictions		
Contributions	195,368	3,626,342
Change in actuarial value	38,273	(99,638)
Net assets release from restriction	(3,623,999)	(3,783,247)
	<u>(3,390,358)</u>	<u>(256,543)</u>
Change in net assets with donor restrictions		
Change in net assets	3,085,325	29,474
Net assets - beginning of year	<u>12,508,471</u>	<u>12,478,997</u>
Net assets - end of year	<u>\$ 15,593,796</u>	<u>\$ 12,508,471</u>

The accompanying notes are an integral part of these consolidated financial statements

The Friends of Israel Gospel Ministry, Inc and Affiliates
Consolidated Statement of Functional Expenses
For the Year Ended December 31, 2023

	<u>Outreach Ministries</u>	<u>Publication Ministries</u>	<u>North American Ministries</u>	<u>Field Ministries</u>	<u>International Ministries</u>	<u>Subtotal</u>
Ministry expenditures	\$ 619,049	\$ 38,924	\$ 224,375	\$ 188,178	\$ 1,051,991	\$ 2,122,517
Salaries	1,052,931	368,036	1,547,186	234,555	1,938,345	5,141,053
Payroll taxes	72,242	25,992	59,333	14,705	87,747	260,019
Pension	104,974	35,754	146,520	15,936	192,288	495,472
Other staff benefits	249,113	95,711	263,611	-	81,375	689,810
Professional fees	89,932	1,551	4,924	-	27,229	123,636
Advertising	27,848	1,395	1,914	16	-	31,173
Postage and mailings	443	787,457	7,160	1,665	13,441	810,166
Office supplies and services	13,466	26,833	46,486	9,219	35,158	131,162
Bank fees	-	-	-	-	-	-
Information technology	17,216	53	25,378	1,204	13,579	57,430
Royalties	322	10,833	-	-	-	11,155
Occupancy	93,196	32,436	17,755	10,849	22,232	176,468
Travel	8,781	1,234	338,974	76,382	113,881	539,252
Conference, conventions, meetings	8,012	7,972	48,538	4,530	93,477	162,529
Interest	-	-	-	-	-	-
Insurance	56,644	438	10,064	402	11,248	78,796
Current exchange rate adjustments	-	-	-	-	(613)	(613)
Cost of goods sold	43,581	954,625	-	-	70,178	1,068,384
Training	2,826	-	6,867	22,453	3,024	35,170
Miscellaneous	100	750	-	-	-	850
Depreciation	43,372	1,852	105,386	1,697	45,716	198,023
Total	\$ 2,504,048	\$ 2,391,846	\$ 2,854,471	\$ 581,791	\$ 3,800,296	\$ 12,132,452

The accompanying notes are an integral part of these consolidated financial statements

The Friends of Israel Gospel Ministry, Inc and Affiliates
Consolidated Statement of Functional Expenses (continued)
For the Year Ended December 31, 2023

	Total Program Carry Forward	Education Conferences and Other Ministries	Relief Ministries	Total Program	Management and General	Fundraising	Total
Ministry expenditures	\$ 2,122,517	\$ -	\$ 1,625,610	\$ 3,748,127	\$ 35,298	\$ 5,642	\$ 3,789,067
Salaries	5,141,053	37,732	-	5,178,785	901,241	478,619	6,558,645
Payroll taxes	260,019	2,924	-	262,943	58,582	33,212	354,737
Pension	495,472	3,788	-	499,260	110,481	47,913	657,654
Other staff benefits	689,810	7,627	-	697,437	201,746	101,404	1,000,587
Professional fees	123,636	3,606	-	127,242	167,024	126,039	420,305
Advertising	31,173	30,261	29	61,463	4,500	199,865	265,828
Postage and mailings	810,166	36,377	-	846,543	49,318	12,294	908,155
Office supplies and services	131,162	8,569	450	140,181	107,500	16,143	263,824
Bank fees	-	-	-	-	162,645	-	162,645
Information technology	57,430	140	-	57,570	256,380	12,187	326,137
Royalties	11,155	-	-	11,155	-	-	11,155
Occupancy	176,468	-	-	176,468	206,751	20,387	403,606
Travel	539,252	91,275	1,108	631,635	72,372	206,523	910,530
Conference, conventions, meetings	162,529	120,327	-	282,856	89,038	22,726	394,620
Interest	-	-	-	-	126,383	-	126,383
Insurance	78,796	-	-	78,796	27,666	128	106,590
Current exchange rate adjustments	(613)	-	27	(586)	-	-	(586)
Cost of goods sold	1,068,384	-	-	1,068,384	-	924	1,069,308
Training	35,170	-	-	35,170	17,519	4,569	57,258
Miscellaneous	850	-	-	850	3,959	1,505	6,314
Depreciation	198,023	-	-	198,023	235,587	41,545	475,155
Total	\$ 12,132,452	\$ 342,626	\$ 1,627,224	\$ 14,102,302	\$ 2,833,990	\$ 1,331,625	\$ 18,267,917

The accompanying notes are an integral part of these consolidated financial statements

The Friends of Israel Gospel Ministry, Inc and Affiliates
Consolidated Statement of Functional Expenses
For the Year Ended December 31, 2022

	<u>Outreach Ministries</u>	<u>Publication Ministries</u>	<u>North American Ministries</u>	<u>Field Ministries</u>	<u>International Ministries</u>	<u>Subtotal</u>
Ministry expenditures	\$ 580,116	\$ 131,874	\$ 136,127	\$ 72,463	\$ 1,125,213	\$ 2,045,793
Salaries	954,830	332,164	1,413,089	135,986	1,723,145	4,559,214
Payroll taxes	67,054	23,133	49,403	9,414	76,956	225,960
Pension	93,246	29,748	135,208	12,920	160,582	431,704
Other staff benefits	233,400	72,670	262,103	-	76,067	644,240
Professional fees	63,101	8,016	2,507	-	43,559	117,183
Advertising	7,898	2,707	15,109	-	-	25,714
Postage and mailings	292	746,297	8,278	1,375	16,007	772,249
Office supplies and services	14,519	20,701	40,813	8,148	32,513	116,694
Bank fees	-	-	-	-	-	-
Information technology	8,563	937	19,406	1,006	12,224	42,136
Royalties	129	11,268	-	-	-	11,397
Occupancy	86,423	25,687	18,078	5,645	20,008	155,841
Travel	12,805	5,186	250,085	39,975	66,347	374,398
Conference, conventions, meetings	2,334	-	14,486	7,722	120	24,662
Interest	-	-	-	-	-	-
Insurance	55,440	120	11,485	362	9,761	77,168
Current exchange rate adjustments	-	-	-	-	34,710	34,710
Cost of goods sold	28,475	800,736	-	-	66,815	896,026
Training	4,261	-	4,156	-	398	8,815
Miscellaneous	207	-	-	-	-	207
Depreciation	34,673	164	78,727	491	29,671	143,726
	<u>\$ 2,247,766</u>	<u>\$ 2,211,408</u>	<u>\$ 2,459,060</u>	<u>\$ 295,507</u>	<u>\$ 3,494,096</u>	<u>\$ 10,707,837</u>
Total	<u>\$ 2,247,766</u>	<u>\$ 2,211,408</u>	<u>\$ 2,459,060</u>	<u>\$ 295,507</u>	<u>\$ 3,494,096</u>	<u>\$ 10,707,837</u>

The accompanying notes are an integral part of these consolidated financial statements

The Friends of Israel Gospel Ministry, Inc and Affiliates
Consolidated Statement of Functional Expenses (continued)
For the Year Ended December 31, 2022

	Total Program Carry Forward	Education Conferences and Other Ministries	Relief Ministries	Total Program	Management and General	Fundraising	Total
Ministry expenditures	\$ 2,045,793	\$ -	\$ 1,090,492	\$ 3,136,285	\$ 33,984	\$ 6,355	\$ 3,176,624
Salaries	4,559,214	34,885	-	4,594,099	834,589	430,594	5,859,282
Payroll taxes	225,960	2,689	-	228,649	53,206	24,660	306,515
Pension	431,704	3,474	-	435,178	93,235	39,880	568,293
Other staff benefits	644,240	7,522	-	651,762	224,635	88,540	964,937
Professional fees	117,183	1,176	-	118,359	184,469	107,391	410,219
Advertising	25,714	42,012	-	67,726	4,310	127,333	199,369
Postage and mailings	772,249	27,534	-	799,783	44,105	13,370	857,258
Office supplies and services	116,694	7,978	23	124,695	81,204	14,313	220,212
Bank fees	-	-	-	-	165,238	-	165,238
Information technology	42,136	140	17	42,293	248,005	10,719	301,017
Royalties	11,397	-	-	11,397	-	-	11,397
Occupancy	155,841	-	-	155,841	172,668	23,769	352,278
Travel	374,398	105,528	15,498	495,424	69,068	173,114	737,606
Conference, conventions, meetings	24,662	268,672	-	293,334	6,482	-	299,816
Interest	-	-	-	-	66,978	-	66,978
Insurance	77,168	-	-	77,168	26,399	169	103,736
Current exchange rate adjustments	34,710	-	-	34,710	-	-	34,710
Cost of goods sold	896,026	-	-	896,026	1,035	1,380	898,441
Training	8,815	-	-	8,815	5,810	3,394	18,019
Miscellaneous	207	-	-	207	-	1,962	2,169
Depreciation	143,726	-	-	143,726	178,593	30,055	352,374
Total	\$ 10,707,837	\$ 501,610	\$ 1,106,030	\$ 12,315,477	\$ 2,494,013	\$ 1,096,998	\$ 15,906,488

The accompanying notes are an integral part of these consolidated financial statements

The Friends of Israel Gospel Ministry, Inc and Affiliates
Consolidated Statements of Cash Flows
For the Years Ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Cash flows from operating activities		
Change in net assets	\$ 3,085,325	\$ 29,474
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	475,155	352,374
Net realized and unrealized (gain)/loss on investments	(171,843)	393,645
Loss on disposal of property investment	-	-
Change in value of beneficial interest in trust	270,689	46,395
Change in value of irrevocable trusts	8,190	(32,991)
Prior period adjustments	-	-
(Increase) decrease in assets		
Accounts receivable, net	(54,542)	(18,125)
Legacies receivable	(85,459)	71,111
Harmonized sales taxes recoverable	(11,074)	(6,305)
Right-of-use assets - operating leases	40,016	(47,345)
Prepaid expenses	(50,555)	10,794
Inventory	36,971	(41,980)
Increase (decrease) in liabilities		
Accounts payable and accrued expenses	(247,203)	412,132
Deferred revenue	(89,752)	84,385
Lease liability	(37,854)	49,142
Deferred compensation	(10,471)	(24,373)
Net cash provided by operating activities	<u>3,157,593</u>	<u>1,278,333</u>
Cash flows from investing activities		
Purchase of property and equipment	(4,652,842)	(121,192)
Purchase of construction in progress	-	(1,907,099)
Proceeds from sales of investments	3,943,568	12,558,728
Purchase of investments	(5,286,813)	(10,666,300)
Deposits into escrow account	-	47,505
Net cash used in investing activities	<u>(5,996,087)</u>	<u>(88,358)</u>
Cash flows from financing activities		
Payment of notes payable	(75,000)	(84,500)
Payment of mortgage payable	-	(593,091)
Payment on annuities payable	(330,558)	(708,567)
Proceeds from capital contributions	68,977	-
Issuance of auto loan	34,229	-
Issuance of mortgage loan	3,351,403	-
Face value of new annuities	413,000	395,000
New annuities, contribution value to donor	(191,396)	(191,149)
Investment income on irrevocable trust assets	(46,462)	82,846
Net cash provided by (used in) financing activities	<u>3,224,193</u>	<u>(1,099,461)</u>
Net change in cash and cash equivalents	385,699	90,514
Effect of exchange rate changes on cash and cash equivalents	29,184	(8,085)
Cash and cash equivalents - beginning of year	<u>2,093,638</u>	<u>2,011,209</u>
Cash and cash equivalents - end of year	<u>\$ 2,508,521</u>	<u>\$ 2,093,638</u>
Reconciliation of cash and cash equivalents and restricted deposits to the total amounts shown in the statement of cash flows		
Cash and equivalents	\$ 2,490,519	\$ 2,046,133
Restricted cash and cash equivalents	<u>18,002</u>	<u>47,505</u>
	<u>\$ 2,508,521</u>	<u>\$ 2,093,638</u>

Cash paid for interest totaled \$590,902 and \$713,509 for the years ended December 31, 2023 and 2022.

The accompanying notes are an integral part of these consolidated financial statements

THE FRIENDS OF ISRAEL GOSPEL MINISTRY, INC. AND AFFILIATES
Notes to the Consolidated Financial Statements

Note 1: ORGANIZATION

The Friends of Israel Gospel Ministry, Inc., and Affiliates (the Organization) is a faith ministry founded in 1938 and organized as a not-for-profit religious corporation. It is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The mission at The Friends of Israel Gospel Ministry, Inc., is focused – we are a worldwide evangelical ministry proclaiming biblical truth about Israel and the Messiah, while bringing physical and spiritual comfort to the Jewish people. Support and revenues are derived primarily from contributions from the general public and sales of ministry publications.

The Friends of Israel Gospel Ministry, Inc. has a commitment to its ministries around the world. Affiliate entities are as follows, FOI – Canada, Christian Foundation of FOI Argentina, FOIGM Ltd. By Guarantee (Australia), TFOIGM New Zealand Trust, FOIGM UK Ltd. By Guarantee (United Kingdom), FOIGM Germany, and FOIGM France. FOI – Canada obtains a separate audit for its financial records, whereas all other affiliates financial assets and related activities are reflected in The Friends of Israel Gospel Ministry, Inc.'s basic financial statements. As affiliates, certain board members and employees of The Friends of Israel Gospel Ministry, Inc. sit on affiliates' boards. Per the joint ministries agreements between The Friends of Israel Gospel Ministry, Inc. and the affiliates, support may be collected on behalf of the other entity and exchanged on a monthly basis throughout the year. Therefore, the financial statements of FOI – Canada and Christian Friends of Israel of Argentina are consolidated with The Friends of Israel Gospel Ministry, Inc., collectively referred to in these notes as "The Organization."

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation - The accompanying consolidated financial statements have been prepared on the accrual basis and conform to accounting principles generally accepted in the United States of America and in accordance with the principles of not-for-profit accounting.

Basis of consolidation - The accompanying consolidated financial statements include the accounts of the Organization. All material inter-organization transactions, if any, have been eliminated in consolidation.

Cash and cash equivalents - For purposes of the consolidated statement of cash flows, the Organization considers cash and cash equivalents to be amounts in checking and savings accounts, cash on hand, and securities purchased with original maturities of three months or less. Certain items meet the definition of cash and cash equivalents but are part of a larger pool of investments and are classified as investments. While at times cash balances may exceed federally insured (FDIC) limits, the Organization has not experienced any losses in such accounts. Management believes it is not exposed to any significant credit risk on these accounts.

Accounts receivable - Accounts receivable are stated at the amount management expects to collect from outstanding balances at December 31, 2023. Management believes all receivable balances are collectible; therefore, no provision for uncollectible accounts was made.

Legacies receivable - Legacies receivable relate to charitable distributions from estates and trusts for which the Organization has been notified of and have gone through probate. Legacies receivable are stated at the amount management expects to collect based on information received. Management believes all receivable balances are collectible; therefore, no provision for uncollectible accounts was made.

THE FRIENDS OF ISRAEL GOSPEL MINISTRY, INC. AND AFFILIATES
Notes to the Consolidated Financial Statements (continued)

Note 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Inventory - Inventory is stated at the lower of cost or net realizable value and consists of various literature, media, and other items held for sale and distribution. Cost is determined using the average cost basis.

Investments and investment income - Investments are reported at fair value with gains and losses included in the consolidated statement of activities in unrestricted net assets unless a donor or law temporarily or permanently restricts their use. Donated investments are initially recorded at fair value on the date of the gift. Adjustments to the carrying value of the investments are reported in the consolidated statement of unrestricted activities as a component of realized or unrealized gain (losses), except for adjustments to the carrying value of annuity investments which are reported in the consolidated statement of activities as a component of change in actuarial value of annuities and trusts.

Investment income is reported in the consolidated statement of unrestricted activities net external and direct internal investment expenses. The investment income from annuity investments is reported in the consolidated financial statements as a component of change in actuarial value of annuities and trusts.

Property and equipment - Property and equipment are capitalized at cost, or, if donated, at fair value on the date of donation. The Organization capitalizes assets with a cost basis (or fair value for donated assets) of \$2,000 or greater, and expenditures for repairs and maintenance are expensed when incurred. When items of property and equipment are sold or retired, the related costs and accumulated depreciation are removed from the accounts and any gain or loss is reported as income. Depreciation is recorded on the straight-line basis over the following estimated useful lives:

Buildings	40 years
Building improvements	20 years
Furniture, fixtures, equipment, and vehicles	5 to 10 years
Software	3 years

Annuities payable - The Organization has established a gift annuity plan whereby donors may contribute assets in exchange for the right to receive a fixed dollar annual return during their lifetimes. A portion of the gift annuity is considered to be a charitable contribution at the date of the gift. The difference between the amount provided for the gift annuity and the liability for future payments, determined on an actuarial basis, is recognized as a contribution at the date of the gift. The annuity liability is revalued annually using a discount rate established at the inception of the agreement and appropriate actuarial assumptions. The resulting actuarial gain or loss is recorded as change in actuarial value of annuities in the consolidated statement of activities.

The Organization is required to maintain legally-mandated reserves and follow investment guidelines for the State of New Jersey. At December 31, 2023, the Organization was in compliance with each of these requirements.

Charitable remainder trusts - The Organization is named as beneficiary of various charitable remainder unitrusts and acts as the trustee. The agreements provide for the payment of lifetime distributions to the grantor or other designated beneficiaries. Upon receipt of these agreements, the actuarially determined present value of future payments is recorded as a liability. The remaining portion of the trust attributable to the Organization's future interest is recorded in the consolidated statement of changes in net assets as contributions with donor restriction in the period received. On an annual basis, the present value of the remaining future liability is revalued based upon actuarial assumptions.

THE FRIENDS OF ISRAEL GOSPEL MINISTRY, INC. AND AFFILIATES
Notes to the Consolidated Financial Statements (continued)

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Net assets – Net assets, revenues, gains, and losses are classified based on the existence of absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net assets without donor restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net assets with donor restrictions – Net assets subject to donor- (or certain grantor-) 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 that 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.

Contributions – The Organization records contributions when received as with or without donor restrictions, depending on the existence or nature of any donor restrictions. All donor support is reported as an increase in net assets with or without donor restrictions depending on the nature of the restriction. When a time restriction expires, or when a use restriction is met, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statement of unrestricted activities as net assets released from restrictions.

Legacies are recorded as income at the time the Organization has an established right to the legacy and the proceeds are measurable.

The Organization recognizes gifts of property and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Organization recognizes expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Publication revenue - The Organization recognizes revenue from subscriptions during the year in which the respective issue of the Israel My Glory is delivered to the customer. The performance obligation is met over time as each publication is made available to the customer during the year, consequently the Organization recognizes revenue ratably over the course year as each issue is published. The sale of books, literature, and other items are recognized at a point in time when the ordered product is shipped to the customer.

Functional expense allocation - The consolidated financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses that are allocated include occupancy and depreciation, which are allocated on a square footage basis, as well as salaries, payroll taxes, pension, other staff benefits, and insurance, which are allocated on the basis of estimates of time and effort.

THE FRIENDS OF ISRAEL GOSPEL MINISTRY, INC. AND AFFILIATES
Notes to the Consolidated Financial Statements (continued)

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income taxes – As a charity, the Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code, except on net income derived from unrelated business activities. The Organization does not have any income from unrelated business activities and believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the consolidated financial statements.

Advertising expense – The Organization uses advertising to promote its programs among the audience it serves. The costs of advertising are expensed as incurred. Advertising expense was \$265,828 and \$199,369 for the years ended December 31, 2023 and 2022, respectively.

Newly adopted accounting pronouncements

Allowance for Credit Losses - In June 2016, the FASB issued guidance (FASB ASC 326) which significantly changed how entities will measure credit losses for most financial assets and certain other instruments that aren't measured at fair value through net income. The most significant change in this standard is a shift from the incurred loss model to the expected loss model. Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses.

We adopted the standard effective January 1, 2023. The impact of the adoption was not considered material to the consolidated financial statements and primarily resulted in new/enhanced disclosures only.

NOTE 3: LIQUIDITY AND AVAILABILITY

The Organization receives significant contributions with donor restrictions to be used in accordance with the associated purpose restrictions. In addition, the Organization receives support without donor restrictions; such support has historically represented approximately 60% of annual funding needs, with the remainder funded by product sales, investment income without donor restrictions, appropriated interest earnings from gifts with donor restrictions, and legacy gifts.

The Organization considers income from product sales, investment income without donor restrictions, appropriated earnings from donor-restricted gifts, legacy gifts, and board-designated funds, contributions with or without donor restrictions for use in current and integral programs to be available to meet cash needs for general expenditures. General expenditures include administrative and general expenses, and fundraising expenses.

The Organization manages its available cash to meet general expenditures following three guiding principles:

- Operating within a prudent range of financial soundness and stability,
- Maintaining adequate liquid assets, and
- Maintaining sufficient reserves to provide reasonable assurance that long term gift annuity commitments and obligations under support received with donor restrictions and board-designated funds that support mission fulfillment will continue to be met, ensuring the sustainability of the Organization.

The Board reviews and approves the operating budget for the succeeding year every fall. Due to this timing, the Organization strives to maintain financial assets available, governed by the Organization's financial and investment policies, to meet general expenditures at a level that represents 100% of program, administrative, general, and fundraising annual expenses.

THE FRIENDS OF ISRAEL GOSPEL MINISTRY, INC. AND AFFILIATES
Notes to the Consolidated Financial Statements (continued)

NOTE 3: LIQUIDITY AND AVAILABILITY (continued)

The Organization's financial assets available within one year to meet cash needs for general expenditures are as follows as of December 31, 2023:

	FOI - USA	FOI - Canada	Total
Financial assets:			
Cash and cash equivalents	\$ 2,129,846	\$ 360,673	\$ 2,490,519
Investments	3,214,490	1,571,323	4,785,813
Accounts receivable	79,987	227	80,214
Legacies receivable	139,348	-	139,348
Harmonized sales taxes recoverable	-	36,978	36,978
Assets held under split-interest agreements – revocable trusts	26,452	-	26,452
Assets held under split-interest agreements – irrevocable trusts	465,227	-	465,227
Assets held under split-interest agreements – annuities	4,728,481	-	4,728,481
Total financial assets	10,783,831	1,969,202	12,843,032
Less amounts not available to be used within one year for general expenditures:			
Net assets – designated by board as reserve for debt retirement	236,100	-	236,100
Net assets with donor restrictions – purpose restricted	2,575,395	252,592	2,827,988
Deferred compensation	122,742	-	122,742
Financial assets available within one year to meet cash needs for general expenditures	<u>\$ 7,849,594</u>	<u>\$ 1,716,610</u>	<u>\$ 9,566,203</u>

THE FRIENDS OF ISRAEL GOSPEL MINISTRY, INC. AND AFFILIATES
Notes to the Consolidated Financial Statements (continued)

NOTE 3: LIQUIDITY AND AVAILABILITY (continued)

The Organization's financial assets available within one year to meet cash needs for general expenditures are as follows as of December 31, 2022:

	FOI - USA	FOI - Canada	Total
Financial assets:			
Cash and cash equivalents	\$ 1,623,868	\$ 422,265	\$ 2,046,133
Investments	1,220,282	1,619,698	2,839,980
Accounts receivable	24,111	1,561	25,672
Legacies receivable	53,889	-	53,889
Harmonized sales taxes recoverable	-	25,904	25,904
Assets held under split-interest agreements – revocable trusts	37,723	-	37,723
Assets held under split-interest agreements – irrevocable trusts	418,765	-	418,765
Assets held under split-interest agreements – annuities	5,410,014	-	5,410,014
Total financial assets	8,788,652	2,069,428	10,858,080
Less amounts not available to be used within one year for general expenditures:			
Net assets – designated by board as reserve for debt retirement	251,100	-	251,100
Net assets with donor restrictions – purpose restricted	5,928,807	289,539	6,218,346
Deferred compensation	133,213	-	133,213
Financial assets available within one year to meet cash needs for general expenditures	<u>\$ 2,475,532</u>	<u>\$ 1,779,889</u>	<u>\$ 4,255,421</u>

Note 4: INVESTMENTS

Investments at fair value consist of the following as of December 31, 2023:

	FOI – USA	FOI – Canada	Total
Fixed income	\$ 2,809,081	\$ -	\$ 2,809,081
Equity securities	1,597,256	705,037	2,302,293
International funds	1,178,050	-	1,178,050
Alternative investments	365,668	-	365,668
State of Israel bonds	49,267	-	49,267
Certificates of deposit	101,039	-	101,039
Foreign bonds	-	494,297	494,297
Preferred stock	3,229	-	3,229
Commodities	11,737	-	11,737
	<u>\$ 6,115,327</u>	<u>\$ 1,199,334</u>	<u>\$ 7,314,661</u>

THE FRIENDS OF ISRAEL GOSPEL MINISTRY, INC. AND AFFILIATES
Notes to the Consolidated Financial Statements (continued)

Note 4: **INVESTMENTS (continued)**

Investments at fair value consist of the following as of December 31, 2022:

	FOI – USA	FOI – Canada	Total
Fixed income	\$ 2,667,215	\$ -	\$ 2,667,215
Equity securities	2,097,466	916,470	3,013,936
International funds	1,367,000	-	1,367,000
Alternative investments	346,981	-	346,981
State of Israel bonds	312,835	-	312,835
Certificates of deposit	103,477	-	103,477
Foreign bonds	-	246,960	246,960
Preferred stock	13,406	-	13,406
	<u>\$ 6,908,380</u>	<u>\$ 1,163,430</u>	<u>\$ 8,071,810</u>

FOI – USA has \$2,319,323 and \$178,404 in money market funds as of December 31, 2023 and 2022, respectively. FOI – Canada has \$371,989 and \$456,268 in money market funds as of December 31, 2023 and 2022, respectively.

Investments were held for the following purposes as of December 31, 2023:

	FOI – USA	FOI – Canada	Total
McAlpine scholarship	\$ -	\$ 111,058	\$ 111,058
Assets held under split-interest agreements – revocable trusts	26,452	-	26,452
Assets held under split-interest agreements – irrevocable trusts	465,227	-	465,227
Assets held under split-interest agreements – annuities	4,728,481	-	4,728,481
Promissory note	518,092	-	518,092
Deferred compensation	337,936	-	337,936
Unrestricted	2,358,462	1,460,265	3,818,727
	<u>\$ 8,434,650</u>	<u>\$ 1,571,323</u>	<u>\$ 10,005,973</u>

Investments were held for the following purposes as of December 31, 2022:

	FOI – USA	FOI – Canada	Total
McAlpine scholarship	\$ -	\$ 111,058	\$ 111,058
Assets held under split-interest agreements – revocable trusts	37,723	-	37,723
Assets held under split-interest agreements – irrevocable trusts	418,765	-	418,765
Assets held under split-interest agreements – annuities	5,410,014	-	5,410,014
Promissory note	467,377	-	467,377
Deferred compensation	376,911	-	376,911
Unrestricted	375,994	1,508,640	1,884,634
	<u>\$ 7,086,784</u>	<u>\$ 1,619,698</u>	<u>\$ 8,706,482</u>

THE FRIENDS OF ISRAEL GOSPEL MINISTRY, INC. AND AFFILIATES
Notes to the Consolidated Financial Statements

Note 4: **INVESTMENTS (continued)**

The present value of the annuity agreements was determined by actuarial calculation and was based on the interest rates for Single Stipulated Payment Immediate Annuities under standard valuation law.

Investment return on investments consist of the following as of December 31, 2023:

	FOI – USA Unrestricted	FOI – USA Promissory Notes	FOI – USA Deferred Compensation	FOI – USA Subtotal	FOI – Canada	Total
Interest and dividend income	\$ 6,755	\$ 16,194	\$ 11,532	\$ 34,481	\$ 47,223	\$ 81,704
Realized gains (losses)	(6,685)	(65,703)	(44,183)	(116,571)	14,074	(102,497)
Investment fees	(194)	(2,374)	(1,679)	(4,247)	-	(4,247)
Investment income	(124)	(51,883)	(34,330)	(86,337)	61,297	(25,040)
Net unrealized gain	8,941	102,598	70,581	182,120	61,982	244,102
	<u>\$ 8,817</u>	<u>\$ 50,715</u>	<u>\$ 36,251</u>	<u>\$ 95,783</u>	<u>\$ 123,279</u>	<u>\$ 219,062</u>

Investment return on investments consist of the following as of December 31, 2022:

	FOI – USA Unrestricted	FOI – USA Promissory Notes	FOI – USA Deferred Compensation	FOI – USA Subtotal	FOI – Canada	Total
Interest and dividend income	\$ 37,802	\$ 18,522)	\$ 12,241	\$ 68,669	\$ 41,704	\$ 110,373
Realized gains (losses)	(105,935)	(15,564)	(10,125)	(131,624)	4,282	(127,342)
Investment fees	(3,595)	(1,660)	(1,115)	(6,474)	-	(6,474)
Investment income	(71,835)	1,298	1,001	(69,429)	45,986	(23,443)
Net unrealized gain (losses)	12,935	(84,213)	(56,285)	(127,563)	(134,458)	(262,021)
	<u>\$ (58,900)</u>	<u>\$ (82,915)</u>	<u>\$ (55,284)</u>	<u>\$ (196,992)</u>	<u>\$ (88,472)</u>	<u>\$ (285,464)</u>

THE FRIENDS OF ISRAEL GOSPEL MINISTRY, INC. AND AFFILIATES
Notes to the Consolidated Financial Statements

Note 4: INVESTMENTS (continued)

Management of the Organization believes that the Organization is in full compliance with the New Jersey Uniform Prudent Management of Institutional Funds Act and the three areas of fiduciary responsibility attributed to the Organization and its Board in the handling of invested funds. The Organization has acted in a deliberate and prudent manner in the selection of its investment advisor and avoids conflicts of interest between the Organization, Board, and investment advisor. The Organization maintains written policies and procedures setting forth appropriate investment policy. Finally, there are regular reviews and reporting of the performance of the invested funds reflecting comparison to accepted performance standards.

Note 5: FAIR VALUE MEASUREMENT

Fair value is the exchange price that would be received to sell an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. A three-level disclosure hierarchy has been established to indicate the level of judgment used to estimate fair value measurements:

Level 1 – Uses unadjusted quoted prices that are available in active markets for identical assets or liabilities as of the reporting date.

Level 2 – Uses inputs other than Level 1 that are either directly or indirectly observable as of the reporting date through correlation with market data, including quoted prices for similar assets and liabilities in active markets and quoted prices in markets that are not active. Level 2 also includes assets and liabilities valued using models or other pricing methodologies that do not require significant judgment because the input assumptions used in the models, such as interest rates and volatility factors, are corroborated by readily observable data.

Level 3 – Uses inputs that are unobservable, supported by little or no market activity and reflect significant management judgment. These values are generally determined using pricing models that utilize management's estimates of market participant assumptions.

In general, and where applicable, the Organization use quoted prices in active markets for identical assets or liabilities to determine fair value. This pricing methodology applies to our Level 1 investments such as fixed income mutual funds and equity securities. If quoted prices in active markets for identical assets or liabilities are not available to determine fair value, then the Organization use quoted prices for similar assets and liabilities or inputs other than the quoted prices that are observable either directly or indirectly. These investments are included in Level 2 and consist primarily of bonds/obligations and State of Israel bonds.

THE FRIENDS OF ISRAEL GOSPEL MINISTRY, INC. AND AFFILIATES
Notes to the Consolidated Financial Statements

Note 5: **FAIR VALUE MEASUREMENT (continued)**

The tables below set forth, by level, our consolidated financial assets and liabilities that were accounted for at fair value as of December 31, 2023. The table does not include either cash on hand or assets that are measured at historical cost or any basis other than fair value.

	Fair Value Measurements as of December 31, 2023			
	Total	Quoted prices in active markets for identical assets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Investments				
Fixed income	\$ 971,745	\$ 901,182	\$ 70,563	\$ -
Common stock	494,839	494,839	-	-
Equity US mutual funds	73,744	73,744	-	-
Canadian equity funds	275,060	275,060	-	-
International funds	218,978	218,978	-	-
Certificates of deposit – Long-term	101,039	101,039	-	-
Commodities	11,737	11,737	-	-
	\$ 2,147,142	\$ 2,076,579	\$ 70,563	\$ -
Assets held under split-interest agreements - revocable				
Fixed income	\$ 26,452	\$ 26,452	\$ -	\$ -
Assets held under split- interest agreements – irrevocable				
Fixed income	\$ 191,711	\$ 191,711	\$ -	\$ -
Equity US mutual funds	156,595	156,595	-	-
International mutual funds	109,707	109,707	-	-
	\$ 458,013	\$ 458,013	\$ -	\$ -

The Organization has \$2,638,671 in money market funds related to investments as of December 31, 2023. The Organization also has \$7,214 in money market funds related to assets held under split-interest agreements-irrevocable as of December 31, 2023.

THE FRIENDS OF ISRAEL GOSPEL MINISTRY, INC. AND AFFILIATES
Notes to the Consolidated Financial Statements (continued)

Note 5: **FAIR VALUE MEASUREMENT (continued)**

Fair Value Measurements as of December 31, 2023 (continued)				
	Total	Quoted prices in active markets for identical assets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets held under split-interest agreements – annuities				
Fixed income	\$ 962,560	\$ 962,560	\$ -	\$ -
Long-term bonds	1,040,117	-	1,040,117	
Short-term bonds	110,793		110,793	
Common stock	697,072	697,072	-	-
Equity US mutual funds	445,421	445,421	-	-
International funds	1,008,927	1,008,927	-	-
Alternative investments	365,668	-	365,668	-
State of Israel bonds	49,267	-	49,267	-
Preferred stock	3,229	-	3,229	-
	\$ 4,683,054	\$ 3,113,980	\$ 1,569,074	\$ -

FOI – USA has \$45,427 in money market funds related to assets held under split-interest agreements-annuities as of December 31, 2023.

THE FRIENDS OF ISRAEL GOSPEL MINISTRY, INC. AND AFFILIATES
Notes to the Consolidated Financial Statements (continued)

Note 5: **FAIR VALUE MEASUREMENT (continued)**

For FOI, the tables below set forth, by level, our consolidated financial assets and liabilities that were accounted for at fair value as of December 31, 2022. The table does not include either cash on hand or assets that are measured at historical cost or any basis other than fair value.

Fair Value Measurements as of December 31, 2022				
	Total	Quoted prices in active markets for identical assets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Investments				
Fixed income	\$ 1,152,025	\$ 1,152,025	\$ -	\$ -
Common stock	266,568	266,568	-	-
Equity US mutual funds	170,245	170,245	-	-
Canadian equity funds	283,433	283,433	-	-
International funds	285,015	285,015	-	-
State of Israel bonds	63,929	-	63,929	-
Certificates of deposit – Short-term	103,477	103,477	-	-
	\$ 2,324,692	\$ 2,260,763	\$ 63,929	\$ -
Assets held under split-interest agreements - revocable				
Equity US mutual funds	\$ 37,723	\$ 37,723	\$ -	\$ -
Assets held under split- interest agreements – irrevocable				
Fixed income	\$ 177,219	\$ 177,219	\$ -	\$ -
Equity US mutual funds	128,330	128,330	-	-
International mutual funds	105,053	105,053	-	-
	\$ 410,602	\$ 410,602	\$ -	\$ -

The Organization has \$515,288 in money market funds related to investments as of December 31, 2022. The Organization also has \$8,163 in money market funds related to assets held under split-interest agreements-irrevocable as of December 31, 2022.

THE FRIENDS OF ISRAEL GOSPEL MINISTRY, INC. AND AFFILIATES
Notes to the Consolidated Financial Statements (continued)

Note 5: **FAIR VALUE MEASUREMENT (continued)**

Fair Value Measurements as of December 31, 2022 (continued)

	Total	Quoted prices in active markets for identical assets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets held under split-interest agreements – annuities				
Fixed income	\$ 656,445	\$ 656,445	\$ -	\$ -
Long-term bonds	981,530	-	981,530	-
Short-term bonds	117,818	-	117,818	-
Common stock	1,117,115	1,117,115	-	-
Equity US mutual funds	681,785	681,785	-	-
International funds	1,134,684	1,134,684	-	-
Alternative investments	346,981	-	346,981	-
State of Israel bonds	248,906	-	248,906	-
Preferred stock	13,406	-	13,406	-
	<u>\$ 5,298,670</u>	<u>\$ 3,590,029</u>	<u>\$ 1,708,641</u>	<u>\$ -</u>

The Organization has \$111,344 in money market funds related to assets held under split-interest agreements-annuities as of December 31, 2022.

THE FRIENDS OF ISRAEL GOSPEL MINISTRY, INC. AND AFFILIATES
Notes to the Consolidated Financial Statements

NOTE 6: INVENTORY

Inventory, as of December 31, 2023, consists of the following:

	<u>FOI - USA</u>	<u>FOI – Canada</u>	<u>Total</u>
Books and publications	\$ 231,390	\$ 16,733	\$ 248,123
Media	63,353	8,515	71,868
Other items	<u>49,140</u>	<u>11,107</u>	<u>60,246</u>
	<u>\$ 343,883</u>	<u>\$ 36,355</u>	<u>\$ 380,238</u>

Inventory, as of December 31, 2022, consists of the following:

	<u>FOI - USA</u>	<u>FOI – Canada</u>	<u>Total</u>
Books and publications	\$ 262,977	\$ 17,139	\$ 280,116
Media	65,188	8,696	73,884
Other items	<u>53,795</u>	<u>9,414</u>	<u>63,209</u>
	<u>\$ 381,960</u>	<u>\$ 35,249</u>	<u>\$ 417,209</u>

NOTE 7: BENEFICIAL INTEREST IN PERPETUAL TRUST

The Organization was a 30% beneficiary of a trust held in perpetuity by an independent trustee. Based on the information available, which includes the applicable trust or other distribution documents and the latest available asset valuations, the present value of future distributions was determined and included in the consolidated financial statements in the amount of \$0 and \$270,689 at December 31, 2023 and 2022.

THE FRIENDS OF ISRAEL GOSPEL MINISTRY, INC. AND AFFILIATES
Notes to the Consolidated Financial Statements

NOTE 8: PROPERTY AND EQUIPMENT

Property and equipment consists of the following as of December 31,:

	2023			2022		
	FOI – USA	FOI - Canada	Total	FOI – USA	FOI - Canada	Total
Land	\$ 629,330	\$ -	\$ 629,330	\$ 629,330	\$ -	\$ 629,330
Land improvements	3,310,840	-	3,310,840	1,033,720	-	1,033,720
Buildings	11,186,150	-	11,186,150	7,817,315	-	7,817,315
Leasehold improvements	-	89,714	89,714			
Furniture and fixtures	860,312	21,609	881,921	420,298	-	420,298
Equipment and vehicles	1,957,080	45,977	2,003,057	1,481,253	44,895	1,526,148
Subtotal	17,943,712	157,300	18,101,012	11,381,916	44,895	11,426,811
Less: accumulated depreciation	6,426,431	58,835	6,485,266	5,965,574	43,205	6,008,779
Subtotal	11,517,281	98,465	11,615,746	5,416,342	1,690	5,418,032
Construction in progress	18,320	-	18,320	2,038,347	-	2,038,347
Total	<u>\$ 11,535,601</u>	<u>\$ 98,465</u>	<u>\$11,634,066</u>	<u>\$ 7,454,689</u>	<u>\$ 1,690</u>	<u>\$ 7,456,379</u>

Depreciation expense was \$475,155 and \$352,374 for the years ended December 31, 2023 and 2022.

Management has reviewed the assets held in other countries and, in its opinion, has determined that they are under the control and ownership of The Friends of Israel. While for this reason such items are recognized as assets of the Organization, it should be noted that the political situation in many countries is subject to rapid change. Therefore, the reader should be aware that while the Organization believes the assets are properly stated at the date of this report, subsequent changes could occur that would adversely affect the value of the assets in other countries. In addition, the carrying value of the assets in other countries may not be representative of the amount that would be realized should the assets be sold.

The following is a summary of foreign properties, included in the table above, and their carrying values as of December 31,:

Property Location	Type	2023			2022	
		Original Cost	Accumulated Amortization	Carrying Value	Accumulated Amortization	Carrying Value
Argentina	Buildings	\$ 567,158	\$ (319,026)	\$ 248,132	\$ (304,848)	\$ 262,310

THE FRIENDS OF ISRAEL GOSPEL MINISTRY, INC. AND AFFILIATES
Notes to the Consolidated Financial Statements

NOTE 9: LEASES

Leases - The Organization leases office equipment from various vendors under a non-cancelable lease agreement. The following summarizes the line items in the statements of The Friends of Israel Gospel Ministry, Inc., which include amounts for operating leases as of December 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Operating Leases		
Operating lease right-of-use assets	<u>\$ 218,997</u>	<u>\$ 47,345</u>
Operating lease liabilities – current portion	\$ 54,313	\$ 27,021
Operating lease liabilities – long-term portion	<u>168,643</u>	<u>22,121</u>
	<u>\$ 222,956</u>	<u>\$ 49,142</u>

In January 2023, FOI - Canada entered into a seven-year operating lease for its headquarters in Toronto Canada.

The following summarizes the weighted average remaining lease term and discount rate as of December 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Weighted Average Remaining Lease Term		
Operating lease	5.59 years	1.91 years
Weighted Average Discount Rate		
Operating lease	1.72%	.93%

The maturities of lease liabilities as of December 31, 2023, are as follows:

Year Ending December 31:	
2024	\$ 54,313
2025	36,969
2026	32,810
2027	35,354
2028	34,723
Thereafter	<u>39,694</u>
Total lease payments	233,863
Less: imputed interest	<u>10,907</u>
Present value of lease liabilities	<u>\$ 222,956</u>

Supplemental cash flow information related to leases was as follows for the year ended December 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Operating cash flows from operating leases	\$ 51,377	\$ 48,760
Right-of-use assets obtained on operating lease commencements	\$ 221,987	\$ 97,309

THE FRIENDS OF ISRAEL GOSPEL MINISTRY, INC. AND AFFILIATES
Notes to the Consolidated Financial Statements (continued)

NOTE 10: MORTGAGES AND NOTES PAYABLE

	December 31, 2023	December 31, 2022
<p>Promissory notes ranging from \$2,000 to \$100,000 with interest at 4.00% are secured by the net assets of the Organization. A board-designated debt retirement fund has been established toward the payment of the notes as they come due. The maximum authorized promissory note indebtedness is \$2,500,000. Interest is payable semiannually, quarterly, and monthly depending on the specific terms of each outstanding note. The notes are due according to the schedule below, but are payable on demand, in part, or in whole, upon 30 days' notice.</p>	\$ 1,180,500	\$ 1,255,500
<p>On May 25, 2022, the Organization entered into a construction loan in the amount of \$2,500,000. In 2022, no advances were made on the loan, however, \$2,500,000 in advances were made to the Organization in 2023. The loan bears interest at 3.25% on the outstanding balance. Monthly payments are required to be made until the May 25, 2033 maturity date.</p>	2,394,004	-
<p>On April 4, 2023, the Organization entered into a construction loan with Century Savings Bank. The Organization began making interest payments on May 4, 2023, and each month thereafter. On October 4, 2023 (conversion date from construction loan to permanent mortgage loan), the Organization converted to an amortizing loan with monthly payments due beginning November 4, 2023, and each month thereafter. The loan will bear interest at 6.76% per annum with the total balance due in full on October 4, 2033.</p>	988,356	-
<p>On October 26, 2023, the Organization entered into an auto loan with Century Savings Bank. The loan bears interest at 7.5% with a 5-year term. Payments are to be made monthly.</p>	<u>34,229</u>	<u>-</u>
Total mortgages and notes payable	4,597,089	1,255,500
Less: unamortized debt issuance costs	<u>(30,957)</u>	<u>-</u>
Mortgages and notes payable net of unamortized debt issuance costs	4,566,132	1,255,500
Less: current portion	<u>590,118</u>	<u>306,207</u>
Long-term portion	<u>\$ 3,976,014</u>	<u>\$ 949,293</u>

THE FRIENDS OF ISRAEL GOSPEL MINISTRY, INC. AND AFFILIATES
Notes to the Consolidated Financial Statements (continued)

NOTE 10: MORTGAGES AND NOTES PAYABLE (continued)

Scheduled principal payments for the mortgages and notes payable as of December 31, 2023, are as follows:

Year Ending December 31,	<u>Amount</u>
2024	\$ 590,118
2025	430,980
2026	579,472
2027	624,927
2028	584,998
Thereafter	<u>1,786,594</u>
	<u>\$ 4,597,089</u>

As of December 31, 2023, the Organization was in compliance with all debt covenants.

Total interest expense for the years ended December 31, 2023 and 2022, for mortgages and notes payable was \$79,495 and \$66,978, respectively.

NOTE 11: BOARD-DESIGNATED NET ASSETS

The governing board of the Organization has designated 20% of the proceeds from the issuance of promissory notes to be kept in escrow to be used for interest and debt repayment. The balance of the reserve is not to go below one year's interest obligation. The balance of the board-designated reserve was \$236,100 and \$251,100 at December 31, 2023 and 2022, respectively.

THE FRIENDS OF ISRAEL GOSPEL MINISTRY, INC. AND AFFILIATES
Notes to the Consolidated Financial Statements

NOTE 12: NET ASSETS WITH DONOR RESTRICTIONS

Changes in net assets with donor restrictions consist of the following for the year ended December 31, 2023:

	2022 Balance	Contributions	Change in Actuarial Value	Releases	2023 Balance
Subject to expenditure for specified purposes					
FOI -USA					
Annuity reserves required by state law (10%)	\$ 355,715	\$ -	\$ -	\$ (33,056)	\$ 322,659
Remainder trusts	573,001	-	38,273	(270,689)	340,585
International ministry projects	2,651,772	-	-	(1,156,333)	1,495,439
Digital teaching initiative	1,211,578	-	-	(1,211,578)	-
Argentina clinic	81,775	-	-	-	81,775
Capital campaign	328,798	-	-	(328,798)	-
Missionary support	416,401	-	-	(175,737)	240,664
Relief funds	79,828	-	-	(79,828)	-
Ministries of specific individuals	229,939	-	-	(135,666)	94,273
Subtotal FOI-USA	<u>5,928,807</u>	<u>-</u>	<u>38,273</u>	<u>(3,391,685)</u>	<u>2,575,395</u>
FOI-Canada					
Gift basket	7,272	13,452	-	(7,618)	13,106
Cruizin for Zion	266	238	-	(12)	492
Ministry launch initiative	102,419	64,262	-	(147,625)	19,056
Contributions for future capital assets	68,524	8,535	-	(77,059)	-
Stand with Israel	-	108,881	-	-	108,881
Scholarships	111,058	-	-	-	111,058
Subtotal FOI-Canada	<u>289,539</u>	<u>195,367</u>	<u>-</u>	<u>(232,314)</u>	<u>252,593</u>
Total	<u>\$ 6,218,346</u>	<u>\$ 195,367</u>	<u>\$ 38,273</u>	<u>\$ (3,623,999)</u>	<u>\$ 2,827,988</u>

THE FRIENDS OF ISRAEL GOSPEL MINISTRY, INC. AND AFFILIATES
Notes to the Consolidated Financial Statements (continued)

NOTE 12: NET ASSETS WITH DONOR RESTRICTIONS (continued)

Changes in net assets with donor restrictions consist of the following for the year ended December 31, 2022:

	2021 Balance	Contributions	Change in Actuarial Value	Releases	2022 Balance
Subject to expenditure for specified purposes					
FOI -USA					
Annuity reserves required by state law (10%)	\$ 426,572	\$ -	\$ -	\$ (70,857)	\$ 355,715
Remainder trusts	669,251	-	(96,250)	-	573,001
International ministry projects	2,412,288	2,135,482	-	(1,895,998)	2,651,772
IMG expense donation	-	85,959	-	(85,959)	-
Digital teaching initiative	1,135,684	75,894	-	-	1,211,578
Argentina clinic	81,775	-	-	-	81,775
Capital campaign	322,198	6,600	-	-	328,798
Missionary support	350,774	304,768	-	(239,139)	416,403
Relief funds	436,720	649,137	(3,388)	(1,002,642)	79,827
Ministries of specific individuals	431,860	227,986	-	(429,908)	229,938
Subtotal FOI-USA	6,267,122	3,485,826	(99,638)	(3,724,503)	5,928,807
FOI-Canada					
Gift basket	2,047	13,058	-	(7,833)	7,272
Cruizin for Zion	314	-	-	(48)	266
Ministry launch initiative	94,348	54,496	-	(46,425)	102,419
Contribution for future capital assets	-	72,962	-	(4,438)	68,524
Scholarships	111,058	-	-	-	111,058
Subtotal FOI-Canada	207,767	140,516	-	(58,744)	289,539
Total	\$ 6,474,889	\$ 3,626,342	\$ (99,638)	\$ (3,783,247)	\$ 6,218,346

THE FRIENDS OF ISRAEL GOSPEL MINISTRY, INC. AND AFFILIATES
Notes to the Consolidated Financial Statements

NOTE 13: REVENUE FROM CONTRACTS WITH CUSTOMERS

Revenue from Contracts with Customers consists of the following for the year ended December 31, 2023:

	FOI – USA	FOI – Canada	Total
Recognized over time			
Subscription revenue – Israel My Glory	<u>\$ 321,429</u>	<u>\$ 4,235</u>	<u>\$ 325,664</u>
Recognized at a point in time			
Books	325,801	43,691	369,492
Audio CD and DVD's	55,355	6,527	61,882
Shipping	71,575	6,111	77,686
Other products	<u>87,812</u>	<u>20,657</u>	<u>108,469</u>
Subtotal	<u>540,543</u>	<u>76,986</u>	<u>617,529</u>
Total	<u><u>\$ 861,972</u></u>	<u><u>\$ 81,221</u></u>	<u><u>\$ 943,193</u></u>

The following table provides information about significant changes in deferred revenue for the year ended December 31, 2023:

	FOI – USA	FOI – Canada	Total
Deferred revenue, beginning of year	<u>\$ 367,524</u>	<u>\$ 33,784</u>	<u>\$ 401,308</u>
Revenue recognized that was included in deferred revenue at the beginning of year	(367,524)	(33,784)	(401,308)
Increase in deferred revenue due to cash received during the year	<u>328,102</u>	<u>52,431</u>	<u>380,533</u>
Deferred revenue, end of year	<u><u>\$ 328,102</u></u>	<u><u>\$ 52,431</u></u>	<u><u>\$ 380,533</u></u>

As of December 31, 2023, deferred revenue consisted of the following:

	FOI – USA	FOI – Canada	Total
Deferred revenue - subscriptions			
Subscription revenue – Israel My Glory	\$ 328,102	\$ 52,431	\$ 380,533

THE FRIENDS OF ISRAEL GOSPEL MINISTRY, INC. AND AFFILIATES
Notes to the Consolidated Financial Statements (continued)

NOTE 13: REVENUE FROM CONTRACTS WITH CUSTOMERS (continued)

Revenue from Contracts with Customers consists of the following for the year ended December 31, 2022:

	FOI – USA	FOI – Canada	Total
Recognized over time			
Subscription revenue – Israel My Glory	<u>\$ 354,383</u>	<u>\$ 4,706</u>	<u>\$ 359,089</u>
Recognized at a point in time			
Books	260,977	32,533	293,510
Audio CD and DVD's	57,056	7,670	64,726
Shipping	61,504	5,575	67,079
Other products	<u>69,648</u>	<u>21,910</u>	<u>91,558</u>
Subtotal	<u>449,185</u>	<u>67,688</u>	<u>516,873</u>
Total	<u>\$ 803,568</u>	<u>\$ 72,394</u>	<u>\$ 875,962</u>

The following table provides information about significant changes in deferred revenue for the year ended December 31, 2022:

	FOI – USA	FOI – Canada	Total
Deferred revenue, beginning of year	<u>\$ 398,286</u>	<u>\$ 43,333</u>	<u>\$ 441,619</u>
Revenue recognized that was included in deferred revenue at the beginning of year	(398,286)	(43,333)	(441,619)
Increase in deferred revenue due to cash received during the year	<u>367,524</u>	<u>33,784</u>	<u>401,308</u>
Deferred revenue, end of year	<u>\$ 367,524</u>	<u>\$ 33,784</u>	<u>\$ 401,308</u>

As of December 31, 2022, deferred revenue consisted of the following:

	FOI – USA	FOI – Canada	Total
Deferred revenue - subscriptions			
Subscription revenue – Israel My Glory	\$ 341,537	\$ 33,784	\$ 375,321
Hesed	25,522	-	25,522
ORIGINS	450	-	450
Prophecy Up Close	<u>15</u>	<u>-</u>	<u>15</u>
Total	<u>\$ 367,524</u>	<u>\$ 33,784</u>	<u>\$ 401,308</u>

THE FRIENDS OF ISRAEL GOSPEL MINISTRY, INC. AND AFFILIATES
Notes to the Consolidated Financial Statements (continued)

NOTE 14: DEFERRED COMPENSATION

The Organization has entered into a deferred compensation agreement with one of its former executive directors and emeritus board member. The annual payout is based on a rate of 43% of the year 2000 salary level of \$98,500 beginning on the first month subsequent to retirement and continues until his passing with no survivor payout. The present value of that obligation is \$122,742 and \$133,213 as of December 31, 2023 and 2022, respectively. Beginning in February 2011, the Organization began paying the deferred compensation to this former executive director. These payments amounted to \$42,360 for the years ended December 31, 2023 and 2022. See also Note 16.

NOTE 15: RETIREMENT PLAN

The Organization maintains a 401(k) retirement plan for eligible employees who work 1,000 hours or more during the year and have been with the Organization for more than one year. Participants in the plan vest over a six-year period. Each year, the Organization makes a discretionary contribution to the plan for each eligible employee, which is an amount equal to 10% of an employee's gross earnings for the years ending December 31, 2023 and 2022. The employer contribution for the plan was \$578,857 and \$507,816 for FOI-USA and \$40,573 and \$37,922 for FOI-Canada for the years ending December 31, 2023 and 2022, respectively. The amount of accrued retirement expense for the year is funded in annual contributions to the plan.

The Organization also funds individual retirement accounts for qualified foreign national workers who are not eligible to participate in the 401(k) plan. The employer contribution to the plan for the years ending December 31, 2023 and 2022 was \$142,389 and \$117,904, respectively. The amount of accrued retirement expense for the year is funded by the Organization in annual contributions to the accounts.

Note 16: SUBSEQUENT EVENTS

The Organization's former executive director passed away on March 31, 2024, ending the deferred compensation agreement detailed in Note 14.

Events occurring after December 31, 2023 have been evaluated for possible adjustments to the consolidated financial statements or disclosure through April 18, 2024, which is the date on which the consolidated financial statements were available to be issued.

THE FRIENDS OF ISRAEL GOSPEL MINISTRY, INC.
AND AFFILIATES

SUPPLEMENTARY INFORMATION

FOR THE YEAR ENDED
DECEMBER 31, 2023 WITH SUMMARIZED FINANCIAL
INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2022

The Friends of Israel Gospel Ministry, Inc and Affiliates
Supplementary Information
Consolidating Statement of Financial Position
As of December 31, 2023 (with summarized financial information as of December 31, 2022)

	<u>FOI - USA</u>	<u>FOI - Canada</u>	<u>Intercompany Eliminations</u>	<u>2023 Totals</u>	<u>2022</u>
ASSETS					
Current Assets					
Cash and cash equivalents	\$ 2,129,846	\$ 360,673	\$ -	\$ 2,490,519	\$ 2,046,133
Investments	3,214,490	1,571,323	-	4,785,813	2,839,980
Accounts receivable	79,987	227	-	80,214	25,672
Due from FOI - Canada	98,593	-	(98,593)	-	-
Legacies receivable	139,348	-	-	139,348	53,889
Harmonized sales taxes recoverable	-	36,978	-	36,978	25,904
Prepaid expenses	372,587	14,872	-	387,459	336,904
Inventory	343,883	36,355	-	380,238	417,209
Total current assets	<u>6,378,734</u>	<u>2,020,428</u>	<u>(98,593)</u>	<u>8,300,569</u>	<u>5,745,691</u>
Assets whose use is restricted					
Cash and cash equivalents	18,002	-	-	18,002	47,505
Beneficial interest in trust	-	-	-	-	270,689
Assets held under split-interest agreements - revocable trusts	26,452	-	-	26,452	37,723
Assets held under split-interest agreements - irrevocable trusts	465,227	-	-	465,227	418,765
Assets held under split-interest agreements - annuities	4,728,481	-	-	4,728,481	5,410,014
Total assets whose use is restricted	<u>5,238,162</u>	<u>-</u>	<u>-</u>	<u>5,238,162</u>	<u>6,184,696</u>
Property and equipment, net	<u>11,517,281</u>	<u>98,465</u>	<u>-</u>	<u>11,615,746</u>	<u>5,418,032</u>
Right-of-use assets - operating leases	<u>28,841</u>	<u>190,156</u>	<u>-</u>	<u>218,997</u>	<u>47,345</u>
Construction in progress	<u>18,320</u>	<u>-</u>	<u>-</u>	<u>18,320</u>	<u>2,038,347</u>
Total assets	<u>\$ 23,181,338</u>	<u>\$ 2,309,049</u>	<u>\$ (98,593)</u>	<u>\$ 25,391,794</u>	<u>\$ 19,434,111</u>

The Friends of Israel Gospel Ministry, Inc and Affiliates
Supplementary Information
Consolidating Statement of Financial Position (continued)
As of December 31, 2023 (with summarized financial information as of December 31, 2022)

	<u>FOI - USA</u>	<u>FOI - Canada</u>	<u>Intercompany Eliminations</u>	<u>2023 Totals</u>	<u>2022</u>
LIABILITIES AND NET ASSETS					
Current liabilities					
Accounts payable and accrued expense	\$ 1,071,469	\$ 56,471	\$ -	\$ 1,127,940	\$ 1,375,143
Due to FOI - USA	-	98,593	(98,593)	-	-
Current portion of notes payable	291,000	-	-	291,000	306,207
Current portion of mortgage payable	293,152	-	-	293,152	-
Current portion of auto loan payable	5,966	-	-	5,966	-
Current portion of annuities payable	441,692	-	-	441,692	516,527
Current portion of lease liability - operating	15,778	38,535	-	54,313	27,021
Deferred revenue	328,102	52,431	-	380,533	401,308
Deferred compensation	122,742	-	-	122,742	133,213
	<u>2,569,901</u>	<u>246,030</u>	<u>(98,593)</u>	<u>2,717,338</u>	<u>2,759,419</u>
Total current liabilities					
Notes payable, net of current portion	889,500	-	-	889,500	949,293
Mortgage payable, net of current portion	3,058,251	-	-	3,058,251	-
Auto loan payable	28,263	-	-	28,263	-
Liability under charitable gift annuity, net of current portion	2,784,907	-	-	2,784,907	3,040,630
Refundable advance - revocable trust	26,452	-	-	26,452	37,723
Lease liability - operating, net of current portion	13,063	155,580	-	168,643	22,121
Charitable remainder trust - irrevocable	124,644	-	-	124,644	116,454
	<u>9,494,981</u>	<u>401,610</u>	<u>(98,593)</u>	<u>9,797,998</u>	<u>6,925,640</u>
Total liabilities					
Net assets					
Without donor restrictions					
Undesignated	10,874,862	1,654,846	-	12,529,708	6,039,025
Designated by board as reserve for debt retirement	236,100	-	-	236,100	251,100
	<u>11,110,962</u>	<u>1,654,846</u>	<u>-</u>	<u>12,765,808</u>	<u>6,290,125</u>
Total net assets without donor restrictions					
With donor restrictions	2,575,395	252,593	-	2,827,988	6,218,346
	<u>13,686,357</u>	<u>1,907,439</u>	<u>-</u>	<u>15,593,796</u>	<u>12,508,471</u>
Total net assets					
Total liabilities and net assets	<u>\$ 23,181,338</u>	<u>\$ 2,309,049</u>	<u>\$ (98,593)</u>	<u>\$ 25,391,794</u>	<u>\$ 19,434,111</u>

The accompanying notes are an integral part of these financial statements

The Friends of Israel Gospel Ministry, Inc and Affiliates
Supplementary Information
Consolidating Statement of Unrestricted Activities
For the Year Ended December 31, 2023 (with summarized financial information for the year ended December 31, 2022)

	<u>FOI - USA</u>	<u>FOI - Canada</u>	<u>Intercompany Eliminations</u>	<u>2023 Totals</u>	<u>2022</u>
Revenue and support					
Ministry contributions	\$ 15,626,043	\$ 403,077	\$ -	\$ 16,029,120	\$ 9,758,416
Field ministry contributions	-	317,387	-	317,387	196,313
Legacies	1,897,647	120,935	-	2,018,582	2,022,312
Gift portion of annuities	191,396	-	-	191,396	191,149
Gifts in kind	101,861	8,225	-	110,086	75,684
Conference and special function	55,805	49,026	-	104,831	119,362
Ministry, publications, audio, and video	861,974	81,219	-	943,193	875,961
Other revenue	3,854	-	-	3,854	10,470
Joint ministries foreign initiatives	-	400,580	-	400,580	370,635
Net assets released from restriction	3,391,685	232,314	-	3,623,999	3,783,247
	<u>22,130,265</u>	<u>1,612,763</u>	<u>-</u>	<u>23,743,028</u>	<u>17,403,549</u>
Expenses					
Program services	12,754,705	1,347,597	-	14,102,302	12,315,477
Management and general	2,456,478	377,512	-	2,833,990	2,494,013
Fundraising	1,229,591	102,034	-	1,331,625	1,096,998
	<u>16,440,774</u>	<u>1,827,143</u>	<u>-</u>	<u>18,267,917</u>	<u>15,906,488</u>
Operating income (loss)	5,689,491	(214,380)	-	5,475,111	1,497,061
Other income and losses					
Investment gain (loss)	(86,337)	61,297	-	(25,040)	(23,443)
Change in value of split-interest agreements held by FOI-USA	642,368	-	-	642,368	(887,520)
Trustee commissions	109,958	-	-	109,958	-
Loss on foreign currency translation	-	29,184	-	29,184	(38,060)
	<u>6,355,480</u>	<u>(123,899)</u>	<u>-</u>	<u>6,231,581</u>	<u>548,038</u>
Excess (deficit) of revenue and support over expenses					
Net unrealized gain (loss) on investments	182,120	61,982	-	244,102	(262,021)
	<u>6,537,600</u>	<u>(61,917)</u>	<u>-</u>	<u>6,475,683</u>	<u>286,017</u>
Increase (decrease) in net assets without donor restrictions					
Net assets without donor restrictions - beginning of year	4,082,324	1,716,763	-	6,290,125	6,004,108
Net assets without donor restrictions - end of year	<u>\$ 10,619,924</u>	<u>\$ 1,654,846</u>	<u>\$ -</u>	<u>\$ 12,765,808</u>	<u>\$ 6,290,125</u>

The accompanying notes are an integral part of these financial statements.

The Friends of Israel Gospel Ministry, Inc and Affiliates
Supplementary Information
Consolidating Statement of Changes in Net Assets
For the Year Ended December 31, 2023

	<u>FOI - USA</u>	<u>FOI - Canada</u>	<u>2023</u>	<u>2022</u>
Net assets without donor restrictions				
Excess (deficit) of revenue and support over expenses	\$ 6,355,480	\$ (123,899)	\$ 6,231,581	\$ 57,000
Net unrealized gain (loss) on investments	182,120	61,982	244,102	(262,021)
Change in net assets without donor restrictions	<u>6,537,600</u>	<u>(61,917)</u>	<u>6,475,683</u>	<u>(205,021)</u>
Net assets with donor restrictions				
Contributions	-	195,368	195,368	3,626,342
Change in actuarial value	38,273	-	38,273	(99,638)
Net assets release from restriction	<u>(3,391,685)</u>	<u>(232,314)</u>	<u>(3,623,999)</u>	<u>(3,783,247)</u>
Change in net assets with donor restrictions	<u>(3,353,412)</u>	<u>(36,946)</u>	<u>(3,390,358)</u>	<u>(256,543)</u>
Change in net assets	3,184,188	(98,863)	3,085,325	(461,564)
Net assets - beginning of year	<u>10,502,169</u>	<u>2,006,302</u>	<u>12,508,471</u>	<u>12,478,997</u>
Net assets - end of year	<u>\$ 13,686,357</u>	<u>\$ 1,907,439</u>	<u>\$ 15,593,796</u>	<u>\$ 12,017,433</u>

The accompanying notes are an integral part of these financial statements.

The Friends of Israel Gospel Ministry, Inc and Affiliates
Supplementary Information
Statement of Activities by Department - FOI US
For the Year Ended December 31, 2023 (with summarized financial information for the year ended December 31, 2022)

	<u>Outreach Ministries</u>	<u>Publication Ministries</u>	<u>North American Ministries</u>	<u>International Ministries</u>	<u>Relief Ministries</u>	<u>Education Conferences and Other Ministries</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>2023 Total</u>	<u>2022</u>
Revenues										
Contributions	\$ 74,198	\$ 158,947	\$ 2,388,735	\$ 2,985,261	\$ 2,666,839	\$ 14,987	\$ 7,332,326	\$ 4,750	\$ 15,626,043	\$ 8,781,901
Restricted contributions	-	-	-	-	-	-	-	-	-	3,976,864
Gift portion of annuity	-	-	-	-	-	-	-	191,396	191,396	191,149
Legacies	-	-	-	-	-	-	-	1,897,647	1,897,647	1,591,015
Gifts in-kind	-	-	46,800	-	-	-	-	55,061	101,861	67,118
Conference fees	-	-	-	-	-	55,805	-	-	55,805	98,346
Sales	55,355	713,592	-	21,453	-	-	-	-	790,400	742,064
Postage Charges	-	71,575	-	-	-	-	-	-	71,575	61,504
Change in actuarial value	-	-	-	-	-	-	38,273	-	38,273	-
Other Revenue	-	-	-	-	-	-	3,854	-	3,854	10,470
Total Revenue	129,553	944,114	2,435,535	3,006,714	2,666,839	70,792	7,374,453	2,148,854	18,776,854	15,520,431
Expenses										
Ministry expenditures	288,415	-	224,375	1,051,991	1,625,610	-	11,154	1,020	3,202,565	2,639,153
Salaries	978,880	334,593	1,547,186	1,938,345	-	37,732	749,069	422,759	6,008,564	5,404,346
Payroll taxes	67,075	23,822	59,333	87,747	-	2,924	49,044	29,344	319,289	280,745
Pension	98,149	32,560	146,520	192,288	-	3,788	101,170	42,606	617,081	530,371
Other staff benefits	249,113	95,711	263,611	81,375	-	7,627	201,746	101,404	1,000,587	964,937
Professional fees	87,552	1,551	4,924	27,229	-	3,606	128,533	118,795	372,190	367,328
Advertising	20,925	1,395	1,914	-	29	29,040	4,500	199,865	257,668	190,064
Postage and mailings	443	674,422	7,160	13,441	-	34,193	47,944	11,662	789,265	721,956
Office supplies and services	11,918	24,547	46,486	35,158	450	702	77,735	15,204	212,200	181,146
Bank fees	-	-	-	-	-	-	138,802	-	138,802	142,722
Information technology	16,435	53	25,378	13,579	-	140	245,270	12,039	312,894	290,872
Royalties	322	10,833	-	-	-	-	-	-	11,155	11,397
Occupancy	83,019	13,034	17,755	22,232	-	-	169,348	18,298	323,686	296,375
Travel	8,781	1,234	338,974	113,881	1,108	64,772	56,884	188,086	773,720	647,617
Conference, conventions, meetings	8,012	7,972	48,538	93,477	-	110,872	81,481	22,726	373,078	224,973
Interest	-	-	-	-	-	-	126,383	-	126,383	66,978
Insurance	56,060	-	10,064	11,248	-	-	25,931	-	103,303	100,363
Current exchange rate adjustments	-	-	-	(613)	27	-	-	-	(586)	34,710
Cost of goods sold	38,261	897,652	-	70,178	-	-	-	924	1,007,015	853,321
Training	2,826	-	6,867	3,024	-	-	13,637	2,349	28,703	18,019
Miscellaneous	100	750	-	-	-	-	-	1,505	2,355	2,169
Depreciation	40,903	-	105,386	45,716	-	-	227,847	41,005	460,857	347,795
Total Expenses	2,057,189	2,120,129	2,854,471	3,800,296	1,627,224	295,396	2,456,478	1,229,591	16,440,774	14,317,357
Income (loss)	\$ (1,927,636)	\$ (1,176,015)	\$ (418,936)	\$ (793,582)	\$ 1,039,615	\$ (224,604)	\$ 4,917,975	\$ 919,263	\$ 2,336,080	\$ 1,203,074

The Friends of Israel Gospel Ministry, Inc and Affiliates
Supplementary Information
Statement of Activities by Department - FOI CA
For the Year Ended December 31, 2023 (with summarized financial information for the year ended December 31, 2022)

	<u>Outreach Ministries</u>	<u>Publication Ministries</u>	<u>Field Ministries</u>	<u>Education Conferences and Other Ministries</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>2023 Total</u>	<u>2022</u>
Revenues								
Contributions	\$ 433	\$ -	\$ 300,623	\$ -	\$ 598,445	\$ 16,331	\$ 915,832	\$ 710,418
Restricted contributions	-	-	-	-	-	-	-	297,861
Gift portion of annuity	-	-	-	-	-	-	-	-
Legacies	-	-	-	-	-	120,935	120,935	560,709
Gifts in-kind	-	-	-	-	-	8,225	8,225	11,135
Conference fees	-	-	-	49,026	-	-	49,026	2,030
Sales	3,583	74,268	-	-	3,368	-	81,219	71,764
Postage Charges	-	-	-	-	-	-	-	7,248
Change in actuarial value	-	-	-	-	-	-	-	-
Other Revenue	<u>258,016</u>	<u>30,073</u>	<u>112,491</u>	<u>-</u>	<u>47,224</u>	<u>-</u>	<u>447,804</u>	<u>(114,566)</u>
Total Revenue	262,032	104,341	413,114	49,026	649,037	145,491	1,623,041	1,546,599
Expenses								
Ministry expenditures	330,634	38,924	188,178	-	24,144	4,622	586,502	537,470
Salaries	74,051	33,443	234,555	-	152,172	55,860	550,081	454,936
Payroll taxes	5,167	2,170	14,705	-	9,538	3,868	35,448	25,771
Pension	6,825	3,194	15,936	-	9,311	5,307	40,573	37,922
Other staff benefits	-	-	-	-	-	-	-	-
Professional fees	2,380	-	-	-	38,491	7,244	48,115	42,891
Advertising	6,923	-	16	1,221	-	-	8,160	9,305
Postage and mailings	-	113,035	1,665	2,184	1,374	632	118,890	135,302
Office supplies and services	1,548	2,286	9,219	7,867	29,766	939	51,625	39,066
Bank fees	-	-	-	-	23,843	-	23,843	22,516
Information technology	781	-	1,204	-	11,110	148	13,243	10,145
Royalties	-	-	-	-	-	-	-	-
Occupancy	10,177	19,402	10,849	-	37,402	2,089	79,919	55,903
Travel	-	-	76,382	26,503	15,488	18,437	136,810	89,988
Conference, conventions, meetings	-	-	4,530	9,455	7,557	-	21,542	74,844
Interest	-	-	-	-	-	-	-	-
Insurance	584	438	402	-	1,735	128	3,287	3,373
Current exchange rate adjustments	-	-	-	-	-	-	-	-
Cost of goods sold	5,320	56,973	-	-	-	-	62,293	45,120
Training	-	-	22,453	-	3,882	2,220	28,555	-
Miscellaneous	-	-	-	-	3,959	-	3,959	-
Depreciation	<u>2,469</u>	<u>1,852</u>	<u>1,697</u>	<u>-</u>	<u>7,740</u>	<u>540</u>	<u>14,298</u>	<u>4,579</u>
Total Expenses	<u>446,859</u>	<u>271,717</u>	<u>581,791</u>	<u>47,230</u>	<u>377,512</u>	<u>102,034</u>	<u>1,827,143</u>	<u>1,589,131</u>
Income (loss)	<u>\$ (184,827)</u>	<u>\$ (167,376)</u>	<u>\$ (168,677)</u>	<u>\$ 1,796</u>	<u>\$ 271,525</u>	<u>\$ 43,457</u>	<u>\$ (204,102)</u>	<u>\$ (42,532)</u>

The Friends of Israel Gospel Ministry, Inc and Affiliates
Consolidating Statement of Cash Flows
For the Year Ended December 31, 2023 (with summarized financial information for the year ended December 31, 2022)

	FOI - USA	FOI - Canada	Intercompany Eliminations	2023 Totals	2022
Cash flows from operating activities					
Change in net assets	\$ 3,184,188	\$ (98,863)	\$ -	\$ 3,085,325	\$ 29,474
Adjustments to reconcile changes in net assets to net cash provided by operating activities:					
Depreciation	460,857	14,298	-	475,155	352,374
Net realized and unrealized (gain)/loss on investments	(95,783)	(76,060)	-	(171,843)	393,645
Loss on disposal of property investment	-	-	-	-	-
Change in value of beneficial interest in trust	270,689	-	-	270,689	46,395
Change in value of irrevocable trusts	8,190	-	-	8,190	(32,991)
Change in value of split-interest agreements - annuities	-	-	-	-	-
(Increase) decrease in assets					
Accounts receivable, net	(55,876)	1,334	-	(54,542)	(18,125)
Due from FOI - Canada	-	-	-	-	-
Legacies receivable	(85,459)	-	-	(85,459)	71,111
Harmonized sales taxes recoverable	-	(11,074)	-	(11,074)	(6,305)
Right-of-use assets - operating leases	6,397	33,619	-	40,016	(47,345)
Prepaid expenses	(76,208)	25,653	-	(50,555)	10,794
Inventory	38,077	(1,106)	-	36,971	(41,980)
Increase (decrease) in liabilities					
Accounts payable and accrued expenses	(257,992)	50,055	(39,266)	(247,203)	412,132
Deferred revenue	(39,422)	(50,330)	-	(89,752)	84,385
Lease liability - operating	(6,397)	(31,457)	-	(37,854)	49,142
Deferred compensation	(10,471)	-	-	(10,471)	(24,373)
Net cash provided by operating activities	<u>3,340,790</u>	<u>(143,931)</u>	<u>(39,266)</u>	<u>3,157,593</u>	<u>1,278,333</u>
Cash flows from investing activities					
Purchase of property and equipment	(4,541,769)	(111,073)	-	(4,652,842)	(121,192)
Purchase of construction in progress	-	-	-	-	(1,907,099)
Proceeds from sales of investments	2,664,148	1,279,420	-	3,943,568	12,558,728
Purchase of investments	(4,102,644)	(1,184,169)	-	(5,286,813)	(10,666,300)
Due from FOI - Canada	(39,266)	-	39,266	-	-
Net deposit/(withdraw) to/from escrow account	-	-	-	-	47,505
Net cash provided by (used in) investing activities	<u>(6,019,531)</u>	<u>(15,822)</u>	<u>39,266</u>	<u>(5,996,087)</u>	<u>(88,358)</u>
Cash flows from financing activities					
Payment of notes payable	(75,000)	-	-	(75,000)	(84,500)
Payment of mortgage payable	-	-	-	-	(593,091)
Payment on annuities payable	(330,558)	-	-	(330,558)	(708,567)
Proceeds from capital contributions	-	68,977	-	68,977	-
Issuance of auto loan	34,229	-	-	34,229	-
Issuance of mortgage loan	3,351,403	-	-	3,351,403	-
Face value of new annuities	413,000	-	-	413,000	395,000
New annuities, contribution value to donor	(191,396)	-	-	(191,396)	(191,149)
Investment income on irrevocable trust assets	(46,462)	-	-	(46,462)	82,846
Net cash used in financing activities	<u>3,155,216</u>	<u>68,977</u>	<u>-</u>	<u>3,224,193</u>	<u>(1,099,461)</u>
Net change in cash and cash equivalents	476,475	(90,776)	-	385,699	90,514
Effect of exchange rate changes on cash and cash equivalents	-	29,184	-	29,184	(8,085)
Cash and cash equivalents - beginning of year	<u>1,671,373</u>	<u>422,265</u>	<u>-</u>	<u>2,093,638</u>	<u>2,011,209</u>
Cash and cash equivalents - end of year	<u>\$ 2,147,848</u>	<u>\$ 360,673</u>	<u>\$ -</u>	<u>\$ 2,508,521</u>	<u>\$ 2,093,638</u>
Reconciliation of cash and cash equivalents and restricted deposits to the total amounts shown in the statement of cash flows					
Cash and equivalents	\$ 2,129,846	\$ 360,673	\$ -	\$ 2,490,519	\$ 2,046,133
Restricted cash and cash equivalents	<u>18,002</u>	<u>-</u>	<u>-</u>	<u>18,002</u>	<u>47,505</u>
	<u>\$ 2,147,848</u>	<u>\$ 360,673</u>	<u>\$ -</u>	<u>\$ 2,508,521</u>	<u>\$ 2,093,638</u>