



**FINANCIAL STATEMENTS with INDEPENDENT AUDITOR'S**

**REPORT Fiscal Years Ending December 31, 2024**

***Reissued October 9, 2025 to reflect present-value  
adjustment to the Baugh Pledge receivable  
(See Notes B & M).***

**ALLIANCE OF BAPTISTS, INC.**

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**DECEMBER 31, 2024**

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# HILLARD TAX & ACCOUNTING, LLC

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### INDEPENDENT AUDITOR'S REPORT

To the Board  
of Alliance of Baptists, Inc.

#### **Opinion**

We have audited the accompanying financial statements of Alliance of Baptists, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2024, and the related statements of activities and cash flows for the year 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 Alliance of Baptists, Inc. as of December 31, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 Alliance of Baptists, Inc. 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 Financial Statements**

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Alliance of Baptists, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance



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and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Alliance of Baptists, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Alliance of Baptists, Inc.'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 audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Schedule of Functional Expenses is presented for purposes of additional analysis and is not a required part of the 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 financial statements. The 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 records 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 information is fairly stated in all material respects in relation to the financial statements as a whole.



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### **Other Matter Paragraph**

As described in Notes B & M to the financial statements, the Alliance revised the presentation of the Baugh Foundation pledge receivable to reflect its present value. Our opinion is not modified with respect to this matter.

*Hillard Tax & Accounting, LLC*

Warner Robins, GA

**Report Date: May 1, 2025**

**Reissued: October 9, 2025**

Alliance of Baptists, Inc.  
Statement of Financial Position  
December 31, 2024

ASSETS

Current Assets

|                                |                |
|--------------------------------|----------------|
| Cash and Cash Equivalents      | \$ 230,006     |
| Investments                    | 108,869        |
| Accounts Receivable            | 92,602         |
| Promises to Give, Net (Note B) | 142,925        |
| Undeposited Funds              | 10,237         |
| Loan to Ministry Partner       | 30,000         |
| Prepaid Expenses               | 8,800          |
| Total Current Assets           | <u>623,438</u> |

FIXED ASSETS

|                           |                          |
|---------------------------|--------------------------|
| Property & Equipment, Net | <u>7,729</u>             |
| Total Fixed Assets        | <u>7,729</u>             |
| <b>Total Assets</b>       | <b><u>\$ 631,168</u></b> |

LIABILITIES AND NET ASSETS

Current Liabilities

|                                     |               |
|-------------------------------------|---------------|
| Mission Offering Payable            | \$ 40,966     |
| Accounts Payable & Accrued Expenses | 1,884         |
| Total Current Liabilities           | <u>42,850</u> |

Long-Term Liabilities

|                             |               |
|-----------------------------|---------------|
| Notes Payable               | <u>-</u>      |
| Total Long-Term Liabilities | <u>-</u>      |
| Total Liabilities           | <u>42,850</u> |

NET ASSETS

Without Donor Restrictions

|   |                |
|---|----------------|
| Board Designated Endowment Funds (Note I) | 45,815         |
| Undesignated                              | 267,878        |
| Net Assets Without Donor Restrictions     | <u>313,693</u> |

With Donor Restrictions

|   |                          |
|---|--------------------------|
| Donor Restricted Endowment Funds (Note I) | 22,075                   |
| Restricted Purposes                       | 252,550                  |
| Net Assets With Donor Restrictions        | <u>274,625</u>           |
| Total Net Assets                          | <u>588,318</u>           |
| <b>Total Liabilities and Net Assets</b>   | <b><u>\$ 631,168</u></b> |

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

*Reissued October 9, 2025 – See Notes B & M*

Alliance of Baptists, Inc.  
Statement of Activity  
For the Year Ended December 31, 2024

|   | <b>Without Donor<br/>Restrictions</b> | <b>With Donor<br/>Restrictions</b> | <b>Total</b>      |
|---|---------------------------------------|------------------------------------|-------------------|
| <b>REVENUES AND OTHER SUPPORT</b>       |                                       |                                    |                   |
| Church Contributions                    | \$ 242,522                            | -                                  | \$ 242,522        |
| Convocation Income                      | -                                     | 60,889                             | 60,889            |
| Foundations                             | -                                     | 217,925                            | 217,925           |
| Gatherings                              | -                                     | 4,157                              | 4,157             |
| Individual Contributions                | 299,228                               | 94,478                             | 393,706           |
| In-kind Contributions                   | 2,573                                 | -                                  | 2,573             |
| Ministry Support                        | -                                     | 2,120                              | 2,120             |
| Ministry Partner Offering - Churches    | -                                     | 28,547                             | 28,547            |
| Ministry Partner Offering - Individuals | -                                     | 6,901                              | 6,901             |
| Interest and Dividends                  | 2,182                                 | -                                  | 2,182             |
| Other Support                           | 437                                   | -                                  | 437               |
| Realized Gain (Loss) on Investment      | 7,663                                 | -                                  | 7,663             |
| Net Assets Released from Restrictions   | 333,920                               | (333,920)                          | -                 |
| <b>Total Revenues and Support</b>       | <b>\$ 888,524</b>                     | <b>\$ 81,098</b>                   | <b>\$ 969,622</b> |
| <b>EXPENSES</b>                         |                                       |                                    |                   |
| Programs                                |                                       |                                    |                   |
| Annual Gathering                        | 73,054                                | -                                  | 73,054            |
| Anti-Racism                             | 108,750                               | -                                  | 108,750           |
| Ministry Partners                       | 107,978                               | -                                  | 107,978           |
| Other Programs                          | 1,194                                 | -                                  | 1,194             |
| Our Whole Lives (OWL)                   | 2,500                                 | -                                  | 2,500             |
| THRIVE for Racial Justice               | 96,200                                | -                                  | 96,200            |
| <b>Total Program Expenses</b>           | <b>389,676</b>                        | <b>-</b>                           | <b>389,676</b>    |
| Supporting Services                     |                                       |                                    |                   |
| Management and General                  | 382,994                               | -                                  | 382,994           |
| Fundraising                             | 97,485                                | -                                  | 97,485            |
| <b>Total Support Services</b>           | <b>480,479</b>                        | <b>-</b>                           | <b>480,479</b>    |
| <b>Total Expenses</b>                   | <b>870,155</b>                        | <b>-</b>                           | <b>870,155</b>    |
| Change in Net Assets                    | \$ 18,369                             | 81,098                             | \$ 99,467         |
| Net Assets, Beginning of Year           | 295,324                               | 193,527                            | 488,851           |
| Net Assets, End of Year                 | <b>\$ 313,693</b>                     | <b>\$ 274,625</b>                  | <b>\$ 588,318</b> |

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

*Reissued October 9, 2025 – See Notes B & M*

Alliance of Baptists, Inc.  
Statement of Cash Flows  
December 31, 2024

**CASH FLOWS FROM OPERATING ACTIVITIES**

|   |                  |
|---|------------------|
| Change in Net Assets  | \$ 99,467        |
| Adjustments to reconcile increase in net assets to net cash provided (used) by operating activities |                  |
| Depreciation Expense  | 3,623            |
| (Increase) Decrease in Accounts Receivable  | (60,564)         |
| (Increase) Decrease in Prepaid Expenses   | 2,845            |
| Increase (Decrease) in Mission Offering Payable   | 7,105            |
| Increase (Decrease) in Unearned Revenue   | (2,500)          |
| Unrealized (Gain) Loss on Investments   | -                |
| Increase (Decrease) in Accounts Payable   | (998)            |
| NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES  | <u>\$ 48,979</u> |

**CASH FLOWS FROM INVESTING ACTIVITIES**

|                                       |                    |
|---------------------------------------|--------------------|
| Purchases of Property & Equipment     | (5,672)            |
| Realized (Gain) Loss on Investment    | (7,663)            |
| Reinvested Dividends                  | 2,182              |
| NET CASH USED IN INVESTING ACTIVITIES | <u>\$ (11,153)</u> |

**CASH FLOWS FROM FINANCING ACTIVITIES**

|   |                          |
|---|--------------------------|
| Net Asset Adjustments                     | (13,248)                 |
| NET CASH PROVIDED BY FINANCING ACTIVITIES | <u>(15,073)</u>          |
| NET INCREASE (DECREASE) IN CASH           | 22,752                   |
| CASH, Beginning of Year                   | 207,254                  |
| CASH, End of Year                         | <u><u>\$ 230,006</u></u> |

Supplemental Information

|                                    |                    |
|------------------------------------|--------------------|
| Cash Paid During Year for Interest | <u><u>\$ -</u></u> |
|------------------------------------|--------------------|

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

*Reissued October 9, 2025 – See Notes B & M*



**Alliance of Baptists, Inc.**  
**Notes to the Financial Statements**  
**For the Year Ending December 31, 2024**

**Note A - Alliance and Nature of Operations**

Alliance of Baptists, Inc. ("the Alliance") is a non-profit organization that was established on February 12, 1987. The Alliance operates as an alliance of individuals and churches dedicated to the preservation of historic Baptist principles, freedoms, and traditions.

**Note B - Summary of Significant Accounting Principles**

Alliance presents its financial statements on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Alliance has adopted Accounting Standards Codification (ASC) 958-205 Not-for-Profit Entities Presentation of Financial Statements. Under ASC 958-205, the Alliance is required to report information regarding its financial position and activities according to two classes of net assets.

**Net Assets Without Donor Restrictions** – Net assets that are not subject to donor-imposed restrictions. Items that affect (increase or decrease) this net asset category included unrestricted contributions, investment income, and fundraising event income and related expenses associated with the Alliance's core activities. At times, the governing board may earmark otherwise unrestricted net assets for a specified purpose. Since this is not a donor-imposed restriction, the designated asset is classified and reported as a part of net assets without donor 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 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.

In addition, under professional standards, contributions received are recorded as net assets without donor restrictions and net assets with donor restrictions, depending on the existence and/or nature of any donor restrictions.

**Cash**

For purposes of the statements of cash flows, Alliance of Baptists, Inc. considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash. Alliance of Baptists, Inc. maintains cash in a bank deposit account, which is insured with the Federal Deposit Insurance Corporation for up to \$250,000. Alliance of Baptists, Inc. has not experienced any losses in such accounts and monitors the credit worthiness of each financial institution with which it conducts business. The Alliance believes that it is not exposed to any significant credit risk with respect to its cash balances as of December 31, 2024.

**Alliance of Baptists, Inc.**  
**Notes to the Financial Statements**  
**For the Year Ending December 31, 2024**

**Note B - Summary of Significant Accounting Principles (Continued)**

**Investments**

Investments are stated at the readily determinable market value in accordance with the Not-For-Profit Entities topic of the FASB Accounting Standards Codification. All gains and losses arising from that sale, collection, or other disposition of investments in the endowment fund are accounted for in net assets with donor restrictions, as the donors have restricted the use of the earnings as well. All other gains and losses are accounted for in the fund that owns the disposed assets. Income from investments in the endowment funds is recorded as an increase to net assets with donor restrictions, as designated by the endowment.

**Accounts Receivable**

Accounts receivables are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectable amounts through provision for bad debt expense and an adjustment to a valuation allowance based on assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and credit to accounts receivable. Changes in the valuation allowance have not been material to the financial statements. At year-end, the Alliance did not have an allowance for doubtful accounts. The receivable balance also includes a loan to Peace Cathedral (f/k/a Eastside Baptist Church) to support ministry operations. As of year-end, the balance is \$30,000.

**Mission Offering Payable**

The Alliance has made a commitment to give 20% of unrestricted individual and church contributions to mission partners. This represents amounts owed to mission partners.

**In-Kind Contributions**

In-kind contributions are recorded at their estimated fair value at the date of receipt.

**Contributed Services**

Members of the Governing Board, certain officers and a number of volunteers have donated significant amounts of their time to the Alliance's operations without compensation. However, no additional amounts have been reported in the accompanying financial statements for donated services because these services do not meet the criteria for recognition as contributed services.

**Contributions**

Contributions, including unconditional promises to give, are recorded as made. All contributions are available for unrestricted use unless specifically restricted by the donor. Contributions that are restricted by the donor are reported as increases in net assets with donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized.

**Alliance of Baptists, Inc.**  
**Notes to the Financial Statements**  
**For the Year Ending December 31, 2024**

**Note B - Summary of Significant Accounting Principles (Continued)**

**Estimates**

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

**Expense Allocation**

The costs of providing the various programs and other activities are summarized on a functional basis on the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Directly identifiable expenses are charged to program and supporting services. Expenses related to more than one function are charged to program and supporting services on the basis of periodic time and expense review. Supporting services include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Alliance.

**Promises to Give**

Contributions are recognized when the donor makes a promise to give to the Alliance that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restriction. When a restriction expires, net assets with donor restrictions are reclassified as net assets without donor restrictions.

At December 31, 2024, the Alliance had an unconditional promise to give from the Eula Mae and John Baugh Foundation totaling \$225,000, payable in annual installments of \$75,000 each for 2024, 2025, and 2026. The 2024 installment was received during the year. The remaining \$150,000, due in 2025 and 2026, has been discounted to present value using a 3% rate, resulting in a carrying value of \$142,925 at December 31, 2024. The discount of \$7,075 will be amortized into contribution revenue over the remaining term of the pledge.

| <b>Year Ending 12/31</b>    | <b>Classification</b> | <b>Gross Amount</b> | <b>Discount Allocation</b> | <b>Net Amount</b> |
|-----------------------------|-----------------------|---------------------|----------------------------|-------------------|
| <b>2025</b>                 | Current               | \$75,000            | (\$2,775)                  | \$72,225          |
| <b>2026</b>                 | Long-Term             | \$75,000            | (\$4,300)                  | \$70,700          |
| <b>Total to Be Received</b> |                       | <b>\$150,000</b>    | <b>(\$7,075)</b>           | <b>\$142,925</b>  |

**Alliance of Baptists, Inc.**  
**Notes to the Financial Statements**  
**For the Year Ending December 31, 2024**

**Note B - Summary of Significant Accounting Principles (Continued)**

**Federal and State Income Taxes**

Alliance of Baptists, Inc. is exempt from income taxes under the provisions of Section 501 (C) (3) of the Internal Revenue Code, as amended, and classified by the Internal Revenue Service as other than a private foundation. Accordingly, no provisions for federal and state income taxes have been recorded in the accompanying financial statements. The Alliance believes that it has appropriate support for any tax provisions taken, and as such, does not have any uncertain tax positions that are material to the financial statements.

**Endowment Accounting**

The endowment includes funds subject to the restrictions of gift instruments which require that the principle be invested in perpetuity. Unless explicitly stated in the gift instrument, accumulated realized and unrealized gains of these endowment funds have been classified as net assets with donor restrictions. The Alliance adopted Endowments of Not-For-Profit Alliances: Net Asset Classification of Funds Subject to and Enacted Version of the Uniform Prudent Management of Institutional Funds Act, and Enhanced Disclosures for all Endowment Funds. See Note I for further discussion on endowment accounting.

**Note C – Investments**

Investments are stated at fair values which are readily determinable market values. In accordance with the FASB's fair value measurements and disclosure guidance, the following information is provided for investments in alternative assets valued at net asset value at year-end, to enable users of financial statements to understand the nature and risk of the Alliance's investments by major category and whether investments are probable of being sold at amounts different from net asset value per share or ownership in partner's capital. Investments that are measured at net asset value include moderate balance funds, invested primarily in equities and fixed income securities. There are no unfunded commitments at year-end. The fund has daily redemptions frequency.

**Note D - Information About Liquidity**

The Alliance is substantially supported by contributions without donor restrictions. However, sometimes the Alliance receives contributions with restrictions for various programs. Because a donor's restrictions require funds to be used in a particular manner or in a future period, the Alliance maintains those funds with donor restrictions so that they are available to meet those responsibilities as they are required to be met.

**Alliance of Baptists, Inc.**  
**Notes to the Financial Statements**  
**For the Year Ending December 31, 2024**

**Note E - Availability of Financial Assets**

The following reflects the Alliance's financial assets as of year-end, reduced by amounts not available for general use within one year of the balance sheet date because of contractual, donor-imposed restrictions, or internal designations.

|                                     |                  |
|-------------------------------------|------------------|
| Total Net Assets                    | \$588,318        |
| <b>Less Restricted Amounts:</b>     |                  |
| Board Restricted Endowment Funds    | 45,815           |
| Donor Restrictions                  | <u>274,625</u>   |
| Total Restricted Assets             | 320,440          |
| <b>Net Assets Available for Use</b> | <b>\$267,878</b> |

**Note F – Fair Value Measurements**

The Financial Accounting Standards Board's Fair Value Measurements defines fair value, establishes guidelines for measuring fair value and expands disclosures regarding fair value measurements. This standard does not require any new fair value measurements but rather eliminates inconsistencies in the guidance found in various other accounting pronouncements.

Assets and liabilities measured at fair value are recorded in accordance with Fair Value Measurements, which clarifies that fair value is an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants.

As such, fair value is a market-based measurement that should be determined based on assumptions that market participants would use in pricing an asset or liability. As a basis for considering such assumptions, this standard establishes a value hierarchy, which prioritizes the input used in measuring fair value as follows:

**Level 1 Inputs** – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical assets and liabilities.

**Level 2 Inputs** – Inputs other than quoted prices in active markets that are observable either directly or indirectly.

**Level 3 Inputs** – Unobservable inputs in which there is little or no market data, which requires management to develop their assumptions.

**NAV Inputs** – Valued at the net asset value (NAV) of shares on the last trading day of the fiscal year, which is the basis for transactions at that date.

**Alliance of Baptists, Inc.**  
**Notes to the Financial Statements**  
**For the Year Ending December 31, 2024**

**Note F – Fair Value Measurements (Continued)**

For the year ending December 31, 2024, the application of valuation techniques applied to similar assets and liabilities has been consistent. The fair value of investment securities is the market value based on quoted market prices, when available. Or market prices provided by recognized broker-dealers.

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

The Alliance adopted the provisions of Investments in Certain Entities that Calculate Net Asset Value Per Share (or its Equivalent) to certain investments in funds that do not have readily determinable fair values. The guidance allows for the estimation of the fair value of investments in investment companies for which the investment does not have a readily determinable fair value, using net asset value per share or its equivalent. Net asset value, in many instances, may not equal fair value that would be calculated under those standards.

The Alliance's direct investments consist of moderate balanced funds which are valued at net asset value of shares on the last trading day of the fiscal year (as described above). As of December 31, 2024, the Alliance does not have any Level 2 or Level 3 investments.

**Note H – Property & Equipment**

The Alliance capitalizes all expenditures for property and equipment in excess of \$500. Property and equipment are stated at cost less accumulated depreciation and amortization. Depreciation and amortization are calculated using the straight-line method over the estimated useful lives of the related assets ranging from three to five years.

| <b>Property &amp; equipment consisted of the following at year-end:</b>              |  |  |           |  |
|--|--|--|-----------|--|
| <b>Computer Software</b>   |  |  | \$ 32,815 |  |
| <b>Computer Equipment</b>  |  |  | 25,418    |  |
| <b>Total Property &amp; Equipment</b>  |  |  | 58,233    |  |
| <b>Accumulated Depreciation</b>  |  |  | (50,504)  |  |
| <b>Property &amp; Equipment, net</b>   |  |  | \$ 7,729  |  |
| <b>Depreciation expense was \$3,623 for the fiscal year ended December 31, 2024.</b> |  |  |           |  |

**Alliance of Baptists, Inc.**  
**Notes to the Financial Statements**  
**For the Year Ending December 31, 2024**

**Note I - Endowment**

The Alliance's endowment fund was established in 2006 by the board of directors for future sustainability in the Alliance. Contributions to the fund are subject to donor restrictions that stipulate the original principle is to be held in perpetuity and invested. As required by generally accepted accounting principles, net assets associated with endowment fund as classified and reported based on the existence or absence of donor restrictions.

**Interpretation of Relevant Law**

The Alliance is subject to the UPMIFA (Uniform Prudent Management of Institutional Funds Act); therefore, classifies amounts in its donor restricted endowment fund, as net assets with donor restrictions until the Board appropriate amounts for expenditures and any purpose restrictions have been met. The Alliance has interpreted the relevant has relied upon the actions, reports, information, advice and counsel taken or provided by its duly constituted committees and the duly appointed officers of the Alliance and in doing so has interpreted the law to require the preservation of the historic dollar value of donor-restricted endowment funds, absent explicit donor directions to the contrary.

As a result of this interpretation, for accounting and financial statement purposes, the Alliance classifies as net assets with donor restrictions the historic dollar value of assets held as donor-restricted endowment, including any subsequent gifts and any accumulations to donor-restricted endowments made in accordance with the direction of the applicable gift instruments.

**Spending Policy and Investment Objectives**

As of December 31, 2024, the endowment assets are held in investments. Endowment assets include those assets of donor-restricted funds that the Alliance must hold in perpetuity as well as Board-designated funds. The Alliance has adopted investment and spending policies for endowment assets that attempt to provide long-term stability for the Alliance. Under these policies, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to achieve capital appreciation comparable to established market benchmarks, without accepting greater than normal market risk to principal. The Board may authorize spending an amount equal to 5% of the 3-year average asset value of the funds, as calculated on the last day of the preceding fiscal year.

**Funds With Deficiencies**

From time to time, the fair value of the assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA (Uniform Prudent Management of Institutional Funds Act) requires the Alliance to retain as a fund of perpetual duration. The Alliance did not have any deficiencies of year-end.

**Note J – Net Assets Released from Restrictions**

Net Assets were released from donor restrictions during the fiscal years ended by incurring expenses, satisfying the restricted purpose specified by the donors.

**Alliance of Baptists, Inc.**  
**Notes to the Financial Statements**  
**For the Year Ending December 31, 2024**

**Note K – Net Assets with Donor Restrictions**

Net Assets with donor restrictions consisted of cash and investments as of year-end:

|                                 |  |  |            |
|---------------------------------|--|--|------------|
| Cuba                            |  |  | \$ 3,354   |
| THRIVE for Racial Justice       |  |  | 92,600     |
| Alliance de Brazil              |  |  | 1,200      |
| Republic of Georgia             |  |  | 2,597      |
| Baugh                           |  |  | 150,000    |
| Other Projects                  |  |  | 2,799      |
| Total Purpose-Restricted Funds: |  |  | \$ 252,550 |

Net assets with donor restrictions also include amounts subject to appropriation under the Board's endowment spending policy:

|   |               |
|---|---------------|
| <b>Endowment Funds</b>                          | <b>Amount</b> |
| <b>Donor-Restricted Endowment (spendable)</b>   | 22,075        |
| <b>Total Net Assets with Donor Restrictions</b> | \$274,625     |

These amounts are restricted by donors for specific purposes or for investment in perpetuity, with earnings available for use under the Alliance's endowment spending policy (see Note I).

**Note L – Prior Period Adjustments**

During the current year, management identified adjustments relating to prior periods that impacted beginning net assets. These adjustments included:

- An increase of \$582 to record a previously unrecognized payable.
- A decrease of \$676 to reverse an employee benefit expense that was voided; and
- A decrease of \$12,586.07 to properly recognize an accrual relating to the 2021 period.

As a result of these adjustments, beginning net assets were restated from \$503,261 to \$488,851.

**Note M – Reissuance of Financial Statements**

The financial statements for the year ended December 31, 2024, were reissued on October 9, 2025, to reflect the present value of the Baugh Foundation pledge receivable. The accompanying auditor's report dated May 1, 2025, was not modified with respect to this matter. No additional audit procedures were performed after the original report date.

**Note N – Subsequent Events**

Subsequent events were evaluated through May 1, 2025, which is the date the financial statements were available to be issued.



Alliance of Baptists, Inc.  
Supplemental Schedule of Functional Expenses  
For the Year Ended December 31, 2024

|                       | Program<br>Services | Supporting<br>Services | Fundraising      | Total             |
|-----------------------|---------------------|------------------------|------------------|-------------------|
| Accounting            | \$ -                | \$ 9,135               | \$ -             | \$ 9,135          |
| Bank Fees             | -                   | 4,266                  | -                | 4,266             |
| Contractors           | -                   | 20,800                 | -                | 20,800            |
| Convocation           | 55,053              | 5,555                  | -                | 60,608            |
| Depreciation Expense  | -                   | 3,623                  | -                | 3,623             |
| Development           | -                   | -                      | 3,500            | 3,500             |
| Endorsements          | -                   | 5,853                  | -                | 5,853             |
| Gatherings            | 16,221              | 5,000                  | -                | 21,221            |
| Insurance             | -                   | 16,941                 | -                | 16,941            |
| Minister Offerings    | 97,978              | -                      | -                | 97,978            |
| Office Expenses       | -                   | 4,215                  | -                | 4,215             |
| Office Supplies       | -                   | 421                    | -                | 421               |
| Other                 | -                   | 1,409                  | -                | 1,409             |
| Outreach              | -                   | -                      | 2,971            | 2,971             |
| Payroll Benefits      | -                   | 16,382                 | 6,300            | 22,682            |
| Payroll Expenses      | 147,365             | 181,777                | 70,000           | 399,142           |
| Payroll Service Fees  | -                   | 3,846                  | -                | 3,846             |
| Payroll Taxes         | -                   | 14,142                 | 4,714            | 18,856            |
| Postage & Printing    | -                   | 3,300                  | -                | 3,300             |
| Professional Services | -                   | 2,200                  | -                | 2,200             |
| Restricted Projects   | 73,059              | 24,356                 | -                | 97,415            |
| Software              | -                   | 10,516                 | -                | 10,516            |
| Telecommunications    | -                   | 4,453                  | -                | 4,453             |
| Travel                | -                   | 44,804                 | 10,000           | 54,804            |
|                       | <u>\$ 389,676</u>   | <u>\$ 382,994</u>      | <u>\$ 97,485</u> | <u>\$ 870,155</u> |