

UNITED METHODIST FOUNDATION OF MICHIGAN AND SUBSIDIARY

**CONSOLIDATED FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

For the Years Ended December 31, 2024, 2023, and 2022

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SEBER TANS, PLC

CONSULTANTS & CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
United Methodist Foundation of Michigan and Subsidiary
Grand Rapids, Michigan

Opinion

We have audited the accompanying consolidated financial statements of the United Methodist Foundation of Michigan and Subsidiary (a nonprofit organization) (the "Foundation"), which comprise the consolidated statements of financial position as of December 31, 2024, 2023, and 2022, and the related consolidated statements of activities and changes in net assets and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the United Methodist Foundation of Michigan and Subsidiary as of December 31, 2024, 2023, and 2022, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our 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 Consolidated Financial Statements section of our report. We are required to be independent of the Foundation 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 these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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 Foundation's ability to continue as a going concern within one year after the date that the consolidated 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 consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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, including omissions, 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 consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation'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.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information as listed in the table of contents is 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 information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Seber Tans, PLC

Seber Tans, PLC
Kalamazoo, Michigan
March 28, 2025

United Methodist Foundation of Michigan and Subsidiary
Consolidated Statements of Financial Position
December 31, 2024, 2023 and 2022

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Assets			
Cash and cash equivalents	\$ 8,091,841	\$ 6,852,025	\$ 5,035,802
Accounts receivable	1,595	2,862	-
Accrued dividends and interest	415,591	334,279	262,518
Mortgage note receivable	-	138,904	146,610
Investments	149,486,632	134,779,974	119,285,142
Property and equipment, net	-	3,843	12,150
Right-of-use asset, net	26,307	49,740	74,610
Total Assets	<u>\$ 158,021,966</u>	<u>\$ 142,161,627</u>	<u>\$ 124,816,832</u>
Liabilities and Net Assets			
Liabilities			
Accounts payable	\$ 7,211	\$ 15,847	\$ 3,855
Other accrued liabilities	144,413	84,144	155,600
Lease liability	26,307	49,740	74,610
Funds held for other parties:			
UMF Collective Funds	94,863,593	77,333,987	68,050,837
Other managed trust funds	30,889,138	35,243,209	30,182,566
Pooled trust funds	15,963,483	14,783,188	13,519,469
Total Liabilities	<u>141,894,145</u>	<u>127,510,115</u>	<u>111,986,937</u>
Net Assets Without Donor Restrictions			
Undesignated	1,507,726	1,709,559	1,354,466
Board-designated for endowments	14,620,095	12,941,953	11,475,429
Total Net Assets	<u>16,127,821</u>	<u>14,651,512</u>	<u>12,829,895</u>
Total Liabilities and Net Assets	<u>\$ 158,021,966</u>	<u>\$ 142,161,627</u>	<u>\$ 124,816,832</u>

See Accompanying Notes to Consolidated Financial Statements.

United Methodist Foundation of Michigan and Subsidiary
Consolidated Statements of Activities and Changes in Net Assets
For the Years Ended December 30, 2024, 2023 and 2022

	2024	2023	2022
Income			
Support and Revenue			
Contributions	\$ 631,298	\$ 545,792	\$ 3,291,192
Fund administrative fees	856,570	755,341	799,208
Other income	13,071	10,447	9,187
Total Support and Revenue	<u>1,500,939</u>	<u>1,311,580</u>	<u>4,099,587</u>
Investment Income			
Dividends and interest	3,761,062	3,310,853	2,612,894
Less amounts allocated to funds held for other parties	<u>(3,376,420)</u>	<u>(2,959,605)</u>	<u>(2,509,414)</u>
Net Dividends and Interest	<u>384,642</u>	<u>351,248</u>	<u>103,480</u>
Realized and unrealized gains (losses) on investments	14,491,612	19,711,012	(26,945,759)
Less amounts allocated to funds held for other parties	<u>(13,283,518)</u>	<u>(18,105,303)</u>	<u>24,815,133</u>
Net Realized and Unrealized Gains (Losses) on Investments	<u>1,208,094</u>	<u>1,605,709</u>	<u>(2,130,626)</u>
Net Support, Revenue, and Investment Income	<u>3,093,675</u>	<u>3,268,537</u>	<u>2,072,441</u>
Expenses			
Program Expenses			
Investment management fees	1,334,764	1,569,284	1,301,934
Less amounts allocated to funds held for other parties	<u>(1,122,924)</u>	<u>(1,404,701)</u>	<u>(1,287,960)</u>
Net Investment Management Fees	<u>211,840</u>	<u>164,583</u>	<u>13,974</u>
Grants and other fund distributions	<u>180,387</u>	<u>195,402</u>	<u>1,145,324</u>
Other program expenses			
Salaries and benefits	706,386	637,605	498,602
Housing and utility allowances	80,000	80,000	67,500
Travel	47,222	36,943	38,850
National association expense	10,010	6,991	7,564
Telephone	9,357	7,476	7,610
Office expenses	6,736	8,499	10,135
Total Program Expenses	<u>1,251,938</u>	<u>1,137,499</u>	<u>1,789,559</u>
Supporting Services			
Salaries and benefits	144,205	133,715	114,964
Office expenses	93,508	90,361	96,637
Professional fees	58,198	53,731	51,692
Promotion	41,859	14,054	14,999
Professional development	18,170	4,075	1,351
Depreciation	3,843	8,307	8,307
Telephone	2,928	2,816	3,540
Resource materials	2,211	1,617	2,487
Board meetings	506	745	778
Total Supporting Services	<u>365,428</u>	<u>309,421</u>	<u>294,755</u>
Total Expenses	<u>1,617,366</u>	<u>1,446,920</u>	<u>2,084,314</u>
Total Change in Net Assets	1,476,309	1,821,617	(11,873)
Net Assets at Beginning of Year	<u>14,651,512</u>	<u>12,829,895</u>	<u>12,841,768</u>
Net Assets at End of Year	<u>\$ 16,127,821</u>	<u>\$ 14,651,512</u>	<u>\$ 12,829,895</u>

See Accompanying Notes to Consolidated Financial Statements.

United Methodist Foundation of Michigan and Subsidiary
Consolidated Statements of Cash Flows
For the Years Ended December 30, 2024, 2023 and 2022

	2024	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Change in Net Assets	\$ 1,476,309	\$ 1,821,617	\$ (11,873)
Adjustments to reconcile change in net assets to net cash and cash equivalents provided by (used in) operating activities:			
Depreciation	3,843	8,307	8,307
Net market (gain) loss on investments	(1,208,094)	(1,605,709)	2,130,626
Changes in assets and liabilities which impacted cash:			
Accounts receivable	1,267	(2,862)	-
Accounts payable and other accrued liabilities	51,633	(59,464)	100,173
Funds held for other parties	1,337,770	1,941,402	(2,680,602)
Net Cash and Cash Equivalents Provided by (Used in) Operating Activities	<u>1,662,728</u>	<u>2,103,291</u>	<u>(453,369)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of general operating investments	(968,420)	(665,182)	(3,494,988)
Proceeds from sales of general operating investments	406,604	370,408	470,044
Proceeds from payments on notes receivable	138,904	7,706	5,312
Net Cash and Cash Equivalents Used in Investing Activities	<u>(422,912)</u>	<u>(287,068)</u>	<u>(3,019,632)</u>
Change in Cash and Cash Equivalents	1,239,816	1,816,223	(3,473,001)
Cash and Cash Equivalents at Beginning of Year	<u>6,852,025</u>	<u>5,035,802</u>	<u>8,508,803</u>
Cash and Cash Equivalents at End of Year	<u>\$ 8,091,841</u>	<u>\$ 6,852,025</u>	<u>\$ 5,035,802</u>
Supplemental Disclosures			
Cash flows within funds held for other parties:			
Additions and transfers in	<u>\$ 150,984,529</u>	<u>\$ 19,928,988</u>	<u>\$ 6,688,132</u>
Redemptions and transfers out	<u>\$(150,660,755)</u>	<u>\$ (22,541,317)</u>	<u>\$ (4,741,532)</u>
Investment activity			
Purchases of investments held for others	<u>\$ (64,163,741)</u>	<u>\$ (60,853,601)</u>	<u>\$ (53,099,860)</u>
Proceeds from sales of investments held for others	<u>\$ 76,040,550</u>	<u>\$ 64,113,808</u>	<u>\$ 54,468,238</u>

See Accompanying Notes to Consolidated Financial Statements.

United Methodist Foundation of Michigan and Subsidiary
Notes to the Consolidated Financial Statements
For the Years Ended December 31, 2024, 2023, and 2022

NOTE A – Summary of Significant Accounting Policies

Organization Purpose

The United Methodist Foundation of Michigan (“UMF”) is a non-profit corporation organized and existing under the laws of the State of Michigan. UMF is identified through its common religious faith with the Wesleyan tradition and The United Methodist Church.

UMF’s mission is to strengthen and enhance the ministry of United Methodist churches and churches that share common bonds and convictions in the Wesleyan tradition throughout Michigan. UMF’s Articles of Incorporation provide the purposes of UMF including:

- To provide charitable giving and estate planning resources to Michigan-based churches and organizations that share common bonds and convictions in the Wesleyan tradition, including United Methodist churches, and their constituents.
- To receive and administer gifts, trusts, devises, and conveyances, and the income therefrom, of real and personal property for charitable purposes in the Wesleyan tradition.

UMF fulfills its mission by performing, among others, the following activities:

- Act as trustee and administrator of gifts to churches, institutions, or causes of The United Methodist Church or churches with common bonds and convictions in the Wesleyan tradition.
- Receive bequests, gifts, and conveyances, the income of which is devoted to specific or general purposes in the Wesleyan tradition.
- Offer United Methodist churches, churches that share common bonds and convictions in the Wesleyan tradition, and other Michigan-based organizations an opportunity for professional investment and fund management.

Basis of Consolidation

The consolidated financial statements include the accounts of UMF and its subsidiary, UMF Collective Funds of Michigan, LLC (“UMF Funds”) (collectively, the “Foundation”). All material intercompany accounts and transactions have been eliminated in consolidation.

UMF Funds was formed on May 26, 2011, as a nonprofit limited liability company organized and existing under the laws of the State of Delaware. UMF Funds operates to further the purposes of UMF by providing one or more investment funds or portfolios maintained for the collective investment of eligible participants. UMF is the sole member of UMF Funds.

On July 8, 2019, the Foundation filed a Certificate of Merger that legally merged the Michigan Conference Capital Mission Fund of the United Methodist Church (the “Extension Fund”) into the Foundation, thereby causing the Foundation to acquire the Extension Fund’s assets and operations. The Foundation also acquired the Extension Fund’s subsidiary, the UMF Capital Mission Fund, LLC (the “LLC”) in the merger. The board has designated the investible assets of the Extension Fund and future income from those assets as an endowment fund as shown in Note F.

United Methodist Foundation of Michigan and Subsidiary
Notes to the Consolidated Financial Statements
For the Years Ended December 31, 2024, 2023, and 2022

NOTE A – Summary of Significant Accounting Policies (Continued)

Basis of Presentation

The consolidated financial statements of the Foundation have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. The net assets, revenues, expenses, and gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the Foundation is required to report information regarding its financial position and activities in the following two classes of net assets:

Net Assets without Donor Restrictions – Net assets available for use in general and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, net assets for a board-designated endowment.

Net Assets with Donor Restrictions – Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates 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. For the years ended December 31, 2024, 2023, and 2022, the Foundation did not have any net assets with donor restrictions.

Cash and Cash Equivalents

For the purpose of the consolidated statements of cash flows, the Foundation considers all highly liquid instruments purchased with an original maturity of three months or less to be cash equivalents.

The Foundation maintains accounts at financial institutions consisting of cash and cash equivalents which may at times be in excess of federally insured limits. As of December 31, 2024, cash balances held at financial institutions exceeded depository insurance limits by approximately \$7,086,000. The Foundation has not experienced any losses in relation to uninsured cash and cash equivalents.

At December 31, 2024, 2023, and 2022, cash equivalents include approximately \$7,911,000, \$6,584,000, and \$4,476,000, respectively, of highly liquid investment instruments held for other parties and therefore restricted from use for the Foundation's general operations.

Mortgage Note Receivable

Management evaluates the note receivable for impairment annually and, if necessary, recognizes an allowance for any amounts believed to be uncollectible. If a loan is determined to be impaired, it is classified as non-performing at that time. As of December 31, 2023 and 2022, management determined that it did not have any non-performing loans and that an allowance for credit losses was not necessary. In January 2024, the entirety of the amount outstanding on the receivable was collected in full and no additional notes were issued in 2024. See Note C for additional information.

Property and Equipment

The Foundation capitalizes the cost of all expenditures for property and equipment in excess of \$500. Once capitalized, property and equipment are depreciated over their estimated useful lives on a straight-line basis. Ordinary repairs and maintenance which do not extend the useful life of the asset are charged to expense when incurred.

United Methodist Foundation of Michigan and Subsidiary
Notes to the Consolidated Financial Statements
For the Years Ended December 31, 2024, 2023, and 2022

NOTE A – Summary of Significant Accounting Policies (Continued)

Investments and Investment Allocation

Investments are stated at fair value based on quoted market prices. Investment income or loss attributable to funds held for others has been allocated to those assets. Certain investments and the related income can be specifically identified. All other investments allocate investment income in relation to their pro-rata interest. Investment income or loss (including realized and unrealized gains and losses on investments, interest and dividends) on Foundation assets is included in the increase or decrease in net assets without donor restrictions.

Investments are presented in the consolidated financial statements at fair value in accordance with accounting principles generally accepted in the United States of America. Changes in fair value are recorded as unrealized gains (losses). Realized gains (losses) are recorded upon the sale of the investments. Interest income is recognized under the accrual basis and dividend income is recognized on the ex-dividend date.

Funds Held for Investment

UMF Collective Funds

The Foundation serves as the administrator of The Stock Fund, The Bond Fund, The Balanced Fund (collectively, the “Funds”) and the Collective Money Market Investment Account (the “MMIA”). The Funds and the MMIA are available exclusively for the collective investment and reinvestment by United Methodist churches, churches that share common bonds and convictions in the Wesleyan tradition, and other charitable organizations located in Michigan. The Foundation may participate by investing its own eligible assets in the Funds and the MMIA. These assets include endowment funds and funds functioning as endowments. Each participant in the Funds and the MMIA must, at all times, be exempt from federal income taxation under Section 501(c)(3) or other applicable sections of the Internal Revenue Code. Individuals may not open a participant account or otherwise contribute funds to the Funds and the MMIA. All financial benefits of the Funds and the MMIA will be distributed exclusively to its eligible participants to be used solely for their tax-exempt purposes and participants must represent the funds will be so used.

Pooled Trust Fund

The Foundation serves as administrator of the Pooled Trust Fund, which is available for exclusive investment by the Foundation of assets it receives from contributions through charitable remainder trusts, other charitable trusts, funds operating as charitable trusts, or gift annuity contracts.

Other Managed Trust Funds

The Foundation serves as administrator of the Other Managed Trust Funds, which, from time to time, receives contributions and bequests from charitable donors who have directed or requested the Foundation use the donated funds for a specific purpose or to make payments to specific individuals or groups. The Foundation makes every effort to comply with such requests and generally treats each such contribution as if it were a charitable trust for which the Foundation acts as trustee.

United Methodist Foundation of Michigan and Subsidiary
Notes to the Consolidated Financial Statements
For the Years Ended December 31, 2024, 2023, and 2022

NOTE A – Summary of Significant Accounting Policies (Continued)

Investment Risk

The Foundation utilizes various investment instruments, which are exposed to risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in their values could occur in the near term and such changes could materially affect the amounts reported in the consolidated financial statements. Additionally, some investments held by the Foundation are invested in the securities of foreign companies, which involve special risks and considerations not typically associated with investing in securities of U.S. companies. These risks include devaluation of currencies and political and economic developments. Moreover, securities of many foreign companies and their markets may be less liquid and their prices more volatile than securities of comparable U.S. companies.

Lease Accounting

The Foundation adopted Financial Accounting Standards Board (“FASB”) Accounting Standards Update 2016-02, “Leases (Topic 842)” (“ASU 2016-02”) on January 1, 2022. The new standard establishes a right-of-use model (“ROU”) that requires a lessee to recognize an ROU asset and lease liability on the statement of financial position for all leases with a term longer than 12 months. Leases are classified as finance or operating, with classification affecting the pattern and classification of expense recognition in the statement of activities. See Note H for additional information.

Revenue Recognition

Contributions are recognized when cash, securities or other assets, or an unconditional promise to give is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met. Contributions that are restricted by the donor are typically reported as net assets with donor restrictions. The Foundation did not receive any donor restricted contributions in the years ended December 31, 2024, 2023, and 2022. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

The Foundation recognizes investment administration fees charged monthly to investors. The administration fee charged is based on a percentage of the fair market value of investments held on behalf of the investors. In addition, certain administration expenses paid by the Foundation are reimbursed by investors. Revenues for reimbursement of expenses are recognized when the expense is incurred.

Contributed Services

Donated services are recognized as contributions if services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Foundation. During the years ended December 31, 2024, 2023, and 2022, no contributed services met the criteria for recognition.

United Methodist Foundation of Michigan and Subsidiary
Notes to the Consolidated Financial Statements
For the Years Ended December 31, 2024, 2023, and 2022

NOTE A – Summary of Significant Accounting Policies (Continued)

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a natural basis and allocated on a functional basis to either program expenses or supporting services in the consolidated statements of activities. Expense allocations are consistently applied. Occupancy expenses are allocated on a square footage basis. Personnel, payroll taxes and benefit expenses are allocated on the basis of estimated time and effort. Other expenses such as telephone and office expenses are allocated based on estimated usage. Although the methods of allocation used are considered appropriate, other methods could be used that would produce different amounts.

Tax Exempt Status

The Foundation is exempt from federal income taxes under Section 501(c)3 of the Internal Revenue Code and from state income taxes. Contributions to the Foundation are deductible as charitable contributions for federal income tax purposes. In addition, the Foundation has been determined not to be a private foundation within the meaning of Section 509 (a) of the Code.

Use of Estimates

The preparation of the consolidated financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE B – Liquidity and Availability

The Foundation has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations are due. Financial assets available for general expenditure, without donor or other restrictions limiting their use, within one year of the consolidated statement of financial position, comprised the following as of December 31:

	2024	2023	2022
Cash and cash equivalents	\$ 8,091,841	\$ 6,852,025	\$ 5,035,802
Accounts receivable	1,595	2,862	-
Investments	149,486,632	134,779,974	119,285,142
Accrued dividends and interest	415,591	334,279	262,518
Total financial assets	157,995,659	141,969,140	124,583,462
Less:			
Funds held for other parties	141,716,214	127,360,384	111,752,872
Board-designated endowment	14,620,095	12,941,953	11,475,429
Amounts held for other purpose	156,336,309	140,302,337	123,228,301
Amounts available for general expenditure	\$ 1,659,350	\$ 1,666,803	\$ 1,355,161

United Methodist Foundation of Michigan and Subsidiary
Notes to the Consolidated Financial Statements
For the Years Ended December 31, 2024, 2023, and 2022

NOTE B – Liquidity and Availability (Continued)

While management realizes there could be unanticipated liquidity needs, they believe that the financial assets in the table above are sufficient to meet operating needs within a minimum of one year of the consolidated statement of financial position date. Additionally, the Board of Directors has set aside a board-designated endowment with the intention that it be permanently invested. However, the amount set aside could be redirected to meet liquidity needs at the Board's discretion.

NOTE C – Mortgage Note Receivable

At December 31, 2023 and 2022, the Foundation held a mortgage note receivable, secured by real estate, in the original amount of \$163,018. The note called for monthly principal payments of \$250 through September 2020; then monthly principal payments of \$500 through December 2020; then monthly payments of \$1,000 of principal and 3 percent interest with a balloon payment of the remaining principal balance in January 2024. The balance of the note receivable was \$138,904 as of December 31, 2023 and \$146,610 as of December 31, 2022. As of December 31, 2024, the entirety of the amount outstanding on the receivable has been collected in full.

NOTE D – Financial Instruments and Fair Value Measurements

Accounting standards require certain assets and liabilities be reported at fair value in the consolidated financial statements and provide a framework for establishing that fair value. The framework for determining fair value is based on a hierarchy that prioritizes the inputs and valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). In instances whereby inputs used to measure fair value fall into different levels of the hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The Foundation's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

Fair values determined by Level 1 inputs use quoted prices in active markets for identical assets or liabilities that the Foundation has the ability to access.

Fair values determined by Level 2 inputs use other inputs that are observable, either directly or indirectly. These Level 2 inputs include quoted prices for similar assets and liabilities in active markets, and other inputs such as interest rates and yield curves that are observable at commonly quoted intervals.

Fair values determined by Level 3 inputs use other inputs that are not observable due to little, if any, market activity for the related asset or liability. These Level 3 fair value measurements are based primarily on management's own estimates using pricing models, discounted cash flow methodologies, or similar techniques which take into account the characteristic of the asset or liability.

The Foundation's policy is to recognize transfers amongst the different levels of the fair value hierarchy as of the end of the reporting period. There were no transfers amongst the fair value classifications during 2024, 2023, or 2022.

United Methodist Foundation of Michigan and Subsidiary
Notes to the Consolidated Financial Statements
For the Years Ended December 31, 2024, 2023, and 2022

NOTE D – Financial Instruments and Fair Value Measurements (Continued)

The Foundation has adopted Accounting Standards Update No. 2015-07, *Fair Value Measurement (Topic 820): Disclosures for Investments in Certain Entities that Calculate Net Asset Value per Share (or its Equivalent)* for its alternative investments. ASU 2015-07 removes the requirement to categorize investments measured at Net Asset Value (“NAV”) within the fair value hierarchy. Therefore, alternative investments valued using NAV as a practical expedient have been excluded from the fair value hierarchy disclosures. NAV is provided by the alternative investment fund managers, who consider all reasonably available information. Furthermore, the Foundation estimates the fair value of its alternative investments in hedge funds at the measurement date using NAV reported by the fund managers without further adjustment. The Foundation does not expect to sell its alternative investments at a value other than NAV and management believes the NAV is calculated in accordance with U.S. GAAP.

The following table summarizes the Foundation’s assets measured at fair value on a recurring basis at December 31, 2024, and the valuation techniques used to determine those fair values:

	Total	Quoted Prices in Active Markets (Level 1)	Prices with Observable Inputs (Level 2)	Prices with Unobservable Inputs (Level 3)
UMF COLLECTIVE INVESTMENT FUNDS				
Stock Funds				
Common and preferred stocks	\$ 62,082,478	\$ 62,082,478	\$ -	\$ -
Bond Funds				
Corporate bonds	17,463,012	-	17,463,012	-
Debt certificates	4,874,530	-	4,874,530	-
U.S. government agency securities	8,805,536	-	8,805,536	-
Total UMF Bond Funds	31,143,078	-	31,143,078	-
POOLED TRUST FUNDS				
Common and preferred stocks	16,218,686	-	16,218,686	-
Corporate bonds	4,907,195	-	4,907,195	-
U.S. government agency securities	1,742,637	-	1,742,637	-
Total Pooled Trust Funds	22,868,518	-	22,868,518	-
OTHER MANAGED TRUST FUNDS				
Common and preferred stocks	21,065,674	21,065,674	-	-
Corporate bonds	2,369,801	-	2,369,801	-
Debt certificates	2,712,182	-	2,712,182	-
Mutual funds	193,796	193,796	-	-
U.S. government agency securities	3,390,562	-	3,390,562	-
Total Other Managed Trust Funds	29,732,015	21,259,470	8,472,545	-
Total investments valued within the fair value hierarchy:	\$ 145,826,089	\$ 83,341,948	\$ 62,484,141	\$ -
GENERAL OPERATING FUNDS				
Investments at NAV				
Alternative investments	3,660,543			
TOTAL INVESTMENTS	\$ 149,486,632			

United Methodist Foundation of Michigan and Subsidiary
Notes to the Consolidated Financial Statements
For the Years Ended December 31, 2024, 2023, and 2022

NOTE D – Financial Instruments and Fair Value Measurements (Continued)

The following table summarizes the Foundation's assets measured at fair value on a recurring basis at December 31, 2023, and the valuation techniques used to determine those fair values:

	Total	Quoted Prices in Active Markets (Level 1)	Prices with Observable Inputs (Level 2)	Prices with Unobservable Inputs (Level 3)
UMF COLLECTIVE INVESTMENT FUNDS				
Stock Funds				
Common and preferred stocks	\$ 49,923,736	\$ 49,923,736	\$ -	\$ -
Bond Funds				
Common and preferred stocks	1,480,114	1,480,114	-	-
Corporate bonds	12,792,882	-	12,792,882	-
Time certificates	322,959	-	322,959	-
U.S. government agency securities	12,144,877	-	12,144,877	-
Total UMF Bond Funds	26,740,832	1,480,114	25,260,718	-
POOLED TRUST FUNDS				
Common and preferred stocks	14,486,087	14,486,087	-	-
Corporate bonds	4,360,353	-	4,360,353	-
Time certificates	499,403	-	499,403	-
U.S. government agency securities	1,219,637	-	1,219,637	-
Total Pooled Trust Funds	20,565,480	14,486,087	6,079,393	-
OTHER MANAGED TRUST FUNDS				
Common and preferred stocks	25,143,217	25,143,217	-	-
Corporate bonds	3,452,456	-	3,452,456	-
Mutual funds	321,988	321,988	-	-
Time certificates	97,124	-	97,124	-
U.S. government agency securities	5,128,710	-	5,128,710	-
Total Other Managed Trust Funds	34,143,495	25,465,205	8,678,290	-
Total investments valued within the fair value hierarchy:	\$ 131,373,543	\$ 91,355,142	\$ 40,018,401	\$ -
GENERAL OPERATING FUNDS				
Investments at NAV				
Alternative investments	3,406,431			
TOTAL INVESTMENTS	\$ 134,779,974			

United Methodist Foundation of Michigan and Subsidiary
Notes to the Consolidated Financial Statements
For the Years Ended December 31, 2024, 2023, and 2022

NOTE D – Financial Instruments and Fair Value Measurements (Continued)

The following table summarizes the Foundation's assets measured at fair value on a recurring basis at December 31, 2022, and the valuation techniques used to determine those fair values:

	Total	Quoted Prices in Active Markets (Level 1)	Prices with Observable Inputs (Level 2)	Prices with Unobservable Inputs (Level 3)
UMF COLLECTIVE INVESTMENT FUNDS				
Stock Funds				
Common and preferred stocks	\$ 46,797,765	\$ 46,797,765	\$ -	\$ -
Bond Funds				
Common and preferred stocks	1,329,254	1,329,254	-	-
Corporate bonds	18,691,955	-	18,691,955	-
Time certificates	566,233	-	566,233	-
U.S. government agency securities	1,891,590	-	1,891,590	-
Total UMF Bond Funds	22,479,032	1,329,254	21,149,778	-
POOLED TRUST FUNDS				
Common and preferred stocks	12,632,849	12,632,849	-	-
Corporate bonds	2,082,577	-	2,082,577	-
Time certificates	247,743	-	247,743	-
U.S. government agency securities	3,221,178	-	3,221,178	-
Total Pooled Trust Funds	18,184,347	12,632,849	5,551,498	-
OTHER MANAGED TRUST FUNDS				
Common and preferred stocks	20,620,169	20,620,169	-	-
Corporate bonds	1,634,348	-	1,634,348	-
Mutual funds	229,030	229,030	-	-
U.S. government agency securities	6,360,742	-	6,360,742	-
Total Other Managed Trust Funds	28,844,289	20,849,199	7,995,090	-
Total investments valued within the fair value hierarchy:	\$ 116,305,433	\$ 81,609,067	\$ 34,696,366	\$ -
GENERAL OPERATING FUNDS				
Investments at NAV				
Alternative investments	2,979,709			
TOTAL INVESTMENTS	\$ 119,285,142			

The fair values of corporate bonds, debt and time certificates, and government agency securities which the Foundation owned in 2024, 2023, and 2022 are determined primarily based on Level 2 inputs. The Foundation estimates the fair value of these securities using quoted prices for identical or similar assets in active markets, with additional consideration to contractual cash flows, benchmark yields, and credit spreads.

United Methodist Foundation of Michigan and Subsidiary
Notes to the Consolidated Financial Statements
For the Years Ended December 31, 2024, 2023, and 2022

NOTE D – Financial Instruments and Fair Value Measurements (Continued)

As described above, the Foundation holds shares in an investment company where the fair value of the investment held is estimated based on net asset value (NAV) per share (or its equivalent) of the investment company as a practical expedient. The fair value, unfunded commitments, and redemption rules of those investments are as follows:

	Net Asset Value as of December 31,			Unfunded	Redemption	Redemption
	2024	2023	2022	Commitments	Frequency	Notice Period
Investments at NAV:						
Alternative investments -						
Wespath MAF (I Series)	\$ 3,660,543	\$ 3,406,431	\$ 2,979,709	\$ -	Daily	Daily

The investments in Wespath's Multiple Asset Fund (I Series) are a composite of U.S. equity funds (target range of 32-38 percent), international equity funds (target range of 27-33 percent), fixed income funds (target range of 23-27 percent), inflation protection funds (target range of 8-12 percent), and cash (target range of less than 2 percent). The actual composite of the underlying investments may vary at any given time but will stay within the target ranges identified.

NOTE E – Investment Concentration and Credit Risk

The Foundation's investment policy requires the investment portfolio be widely diversified. Except for a large holding of United States Treasury securities, no more than 2 percent of the portfolio is represented by the securities of any one issuer. All corporate bonds and other debt securities held are of investment grade. The common stock portfolio, while diversified, is subject to general risks of a market decline. The decline could be caused by changing prospects for the economy as a whole or for particular companies, changing investor psychology, higher interest rates or other developments.

The Foundation's investments, including cash and cash equivalents held by investment managers, comprised the following as a percentage of the total portfolio at December 31:

	2024	2023	2022
Alternative investments	2.33%	2.41%	2.40%
Cash and cash equivalents	5.03%	4.66%	3.77%
Certificates of deposit	0.00%	0.65%	0.66%
Corporate bonds	15.72%	14.58%	18.08%
Debt certificates	4.82%	0.00%	0.00%
Stocks and mutual funds	63.25%	64.62%	65.83%
U.S. government agency securities	8.85%	13.08%	9.26%
Total	100.00%	100.00%	100.00%

United Methodist Foundation of Michigan and Subsidiary
Notes to the Consolidated Financial Statements
For the Years Ended December 31, 2024, 2023, and 2022

NOTE F – Funds Functioning as Endowment

The Foundation currently has no net assets with donor restrictions. However, the Foundation's Board of Directors has designated certain funds to provide continued ongoing support for the Foundation. The Board intends to keep these funds invested within a quasi-endowment on a perpetual basis. The income earned from these funds is used to support the annual operating expenses of the Foundation, though grants from income may be made for specific purposes as approved by the Board. The endowment is segregated into separate funds which the Board believes best represent the activities of the Foundation. The balances of these funds at December 31 were as follows:

	2024	2023	2022
Endowment Fund	\$ 936,184	\$ 866,696	\$ 762,385
Leadership and Ministry Fund	7,649,901	6,766,600	5,928,608
Reserve Fund	2,160,067	1,703,985	1,624,295
Stewardship Fund	47,210	42,190	38,340
Trella Rough Trust Fund	166,190	156,051	142,092
Wespath Multiple Asset Fund	3,660,543	3,406,431	2,979,709
Total	<u>\$ 14,620,095</u>	<u>\$ 12,941,953</u>	<u>\$ 11,475,429</u>

Changes in board-designated endowments for the years ending December 31 are as follows:

	2024	2023	2022
Balance, January 1	\$ 12,941,953	\$ 11,475,429	\$ 10,829,918
Contributions	583,778	213,573	3,391,134
Appropriated for expenditure	(342,334)	(552,836)	(803,411)
Dividends and interest	356,274	330,185	76,153
Net market gain (loss)	1,080,424	1,475,602	(2,018,365)
Balance, December 31	<u>\$ 14,620,095</u>	<u>\$ 12,941,953</u>	<u>\$ 11,475,429</u>

Return Objectives and Risk Parameters

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of growth while seeking to maintain the purchasing power of the endowment assets. Under these policies, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to achieve an absolute return of 5 percent. Actual returns in any given year may vary from this amount.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized gains) and current yield (interest and dividends). The Foundation has established benchmarks and acceptable ranges of investments in equities, fixed income, and cash equivalents consistent with the overall investment policy goal. The investment policy stresses diversity of investments by limiting exposure to any single company, limiting exposure to small cap stocks, requiring certain investment grade debt securities, and limiting cash investments at banks.

United Methodist Foundation of Michigan and Subsidiary
Notes to the Consolidated Financial Statements
For the Years Ended December 31, 2024, 2023, and 2022

NOTE F – Funds Functioning as Endowment (Continued)

Spending Policies in Consideration of Investment Objectives

To achieve the Foundation's goal of maintaining the endowment in perpetuity, the Foundation has established investment and spending policies designed to maintain the fund for the long-term. However, on a year-to-year basis, market fluctuations may result in significant reductions or additions to the endowed amount.

The Foundation calculates the spendable portion of the investment return included in the operating amount by using a rolling average. Annual spending is generally capped at 5 percent of the annual market return of the overall endowment fund as of the previous December 31.

NOTE G – Property and Equipment

As of December 31, property and equipment consisted of the following:

	2024	2023	2022
Office equipment	\$ 43,570	\$ 43,570	\$ 43,570
Accumulated depreciation	(43,570)	(39,727)	(31,420)
Net Property and Equipment	<u>\$ -</u>	<u>\$ 3,843</u>	<u>\$ 12,150</u>

NOTE H – Leased Facilities

Effective January 1, 2022, in accordance with the adoption of ASC 842 (see Note A), the Foundation recorded a right-of-use asset for a contract with a third party to use office space under an operating lease which extends through December 31, 2025. Under the terms of the agreement, the Foundation pays a monthly fixed amount which increases 2.0 percent annually each January.

The lease contract for the office space contains an implicit interest rate which is not readily determinable. As such, the Foundation has elected to apply the practical expedient available under ASU 2016-02 of using a risk-free rate in the determination of the present value of the lease payments. Accordingly, the Foundation has applied an interest rate of 0.3 percent (the five-year risk-free rate available at the lease's commencement date) to its calculation of net present value.

Amounts recognized in the accompanying consolidated financial statements as of December 31 are as follows:

	2024	2023	2022
Right-of-use asset	\$ 74,610	\$ 74,610	\$ 74,610
Accumulated amortization	(48,303)	(24,870)	-
Right-of-use asset, net book value	<u>\$ 26,307</u>	<u>\$ 49,740</u>	<u>\$ 74,610</u>
Remaining operating lease liability	<u>\$ 26,307</u>	<u>\$ 49,740</u>	<u>\$ 74,610</u>

United Methodist Foundation of Michigan and Subsidiary
Notes to the Consolidated Financial Statements
For the Years Ended December 31, 2024, 2023, and 2022

NOTE H – Leased Facilities (Continued)

Future undiscounted minimum lease payments under this operating lease at December 31, 2024 are as follows:

	Amounts
Payments scheduled for the year ending:	
December 31, 2025	\$ 26,879
Total payments remaining	\$ 26,879
Amount representing interest	(572)
Current obligations	(26,307)
Long-term obligations under operating leases	\$ -

NOTE I – Related Parties

The Foundation's investments and funds held for other parties included various amounts held for The Mission and Church Extension Trust Fund of the Michigan Area of the United Methodist Church (the "Trust"), a related nonprofit corporation. Investments held by the Foundation for the Trust approximated \$2,289,000, \$1,788,000, and \$2,657,000 as of December 31, 2024, 2023, and 2022, respectively.

During the years ended December 31, 2024, 2023, and 2022, the Trust granted \$140,000, \$168,000, and \$168,000, respectively, to the Foundation to be used at the Foundation's discretion.

During the year ended December 31, 2022, the Trust granted the Foundation an additional \$3,000,000 contribution that was invested in Wespath's Multiple Asset Fund (I series).

NOTE J – Subsequent Events

Management has evaluated subsequent events through March 28, 2025, the date the consolidated financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

United Methodist Foundation of Michigan and Subsidiary
Schedule of Combined Financial Position
December 31, 2024 (With Comparative Totals for December 31, 2023 and 2022)

	United Methodist Foundation of Michigan			UMF				
	General	Pooled	Other	Collective		2024	2023	2022
	Operating	Trust Funds	Managed	Funds of	Eliminations	Total	Total	Total
			Trust Funds	Michigan, LLC				
Assets								
Cash and cash equivalents	\$ 181,143	\$ 894,128	\$ 1,084,949	\$ 5,931,621	\$ -	\$ 8,091,841	\$ 6,852,025	\$ 5,035,802
Accounts receivable	1,773	-	-	-	(178)	1,595	2,862	-
Accrued dividends and interest	-	64,138	72,174	279,279	-	415,591	334,279	262,518
Mortgage note receivable	-	-	-	-	-	-	138,904	146,610
Investments	8,233,954	22,868,518	29,732,015	93,225,556	(4,573,411)	149,486,632	134,779,974	119,285,142
Property and equipment, net	-	-	-	-	-	-	3,843	12,150
Right-of-use asset, net	26,307	-	-	-	-	26,307	49,740	74,610
Total Assets	\$ 8,443,177	\$ 23,826,784	\$ 30,889,138	\$ 99,436,456	\$ (4,573,589)	\$ 158,021,966	\$ 142,161,627	\$ 124,816,832
Liabilities and Net Assets								
Liabilities								
Accounts payable	\$ 7,211	\$ -	\$ -	\$ -	\$ -	\$ 7,211	\$ 15,847	\$ 3,855
Other accrued liabilities	145,139	-	-	-	(726)	144,413	84,144	155,600
Lease liability	26,307	-	-	-	-	26,307	49,740	74,610
Funds held for other parties:								
UMF Collective Funds	-	-	-	99,436,456	(4,572,863)	94,863,593	77,333,987	68,050,837
Other managed trust funds	-	-	30,889,138	-	-	30,889,138	35,243,209	30,182,566
Pooled trust funds	-	15,963,483	-	-	-	15,963,483	14,783,188	13,519,469
Total Liabilities	178,657	15,963,483	30,889,138	99,436,456	(4,573,589)	141,894,145	127,510,115	111,986,937
Net Assets Without Donor Restrictions								
Undesignated	1,507,726	-	-	-	-	1,507,726	1,709,559	1,354,466
Board-designated for endowments	6,756,794	7,863,301	-	-	-	14,620,095	12,941,953	11,475,429
Total Net Assets	8,264,520	7,863,301	-	-	-	16,127,821	14,651,512	12,829,895
Total Liabilities and Net Assets	\$ 8,443,177	\$ 23,826,784	\$ 30,889,138	\$ 99,436,456	\$ (4,573,589)	\$ 158,021,966	\$ 142,161,627	\$ 124,816,832

See Accompanying Notes to Consolidated Financial Statements.

United Methodist Foundation of Michigan and Subsidiary
Schedule of Other Managed Trust Funds
December 31, 2024

	<u>FAIR MARKET VALUE</u>
Agency Funds:	
Board of Pension of the Michigan Conference of the United Methodist Church	\$ 24,747,970
Bayshore Camp	5,870,391
Michigan Conference Camp Endowment	196,191
Michigan Conference Church Endowment	3,740
Michigan Conference Combined Fund	1,221
Michigan Conference Trustees Investment Fund	<u>100</u>
Total Agency Funds	<u>30,819,613</u>
Trust Funds:	
Bellevue United Methodist Church - Madison Fund	<u>69,525</u>
Total Trust Funds	<u>69,525</u>
TOTAL OTHER MANAGED TRUST FUNDS	<u>\$ 30,889,138</u>

See Accompanying Notes to Consolidated Financial Statements.

United Methodist Foundation of Michigan and Subsidiary
Schedule of Funds Held for Investment - Financial Position
December 31, 2024

	AMORTIZED COST	ESTIMATED FAIR VALUE	GROSS UNREALIZED HOLDING GAINS (LOSSES)
UMF COLLECTIVE FUNDS			
Stock Fund			
Cash and cash equivalents	\$ 2,419,559	\$ 2,419,559	\$ -
Equities	51,786,155	62,082,478	10,296,323
Accrued dividends and interest	19,152	19,152	-
Total UMF Stock Fund	<u>54,224,866</u>	<u>64,521,189</u>	<u>10,296,323</u>
Bond Fund			
Cash and cash equivalents	897,208	897,208	-
Corporate bonds	18,165,605	17,463,012	(702,593)
Debt certificates	5,002,339	4,874,530	(127,809)
Government securities	8,867,738	8,805,536	(62,202)
Accrued dividends and interest	260,127	260,127	-
Total UMF Bond Fund	<u>33,193,017</u>	<u>32,300,413</u>	<u>(892,604)</u>
Money Market Investment Account			
Cash and cash equivalents	<u>2,614,854</u>	<u>2,614,854</u>	<u>-</u>
TOTAL NET ASSETS	<u>\$ 90,032,737</u>	<u>\$ 99,436,456</u>	<u>\$ 9,403,719</u>
POOLED TRUST FUNDS			
Cash and cash equivalents	\$ 894,128	\$ 894,128	\$ -
Corporate bonds	4,872,126	4,907,195	35,069
Equities	13,346,292	16,218,686	2,872,394
Government securities	1,809,684	1,742,637	(67,047)
Accrued dividends and interest	64,138	64,138	-
TOTAL NET ASSETS	<u>\$ 20,986,368</u>	<u>\$ 23,826,784</u>	<u>\$ 2,840,416</u>
OTHER MANAGED TRUST FUNDS			
Cash and cash equivalents	\$ 1,084,949	\$ 1,084,949	\$ -
Corporate bonds	2,458,448	2,369,801	(88,647)
Debt certificates	3,019,590	2,712,182	(307,408)
Equities	19,690,913	21,065,674	1,374,761
Government securities	3,428,050	3,390,562	(37,488)
Mutual funds	193,796	193,796	-
Accrued dividends and interest	72,174	72,174	-
TOTAL NET ASSETS	<u>\$ 29,947,920</u>	<u>\$ 30,889,138</u>	<u>\$ 941,218</u>

See Accompanying Notes to Consolidated Financial Statements.

United Methodist Foundation of Michigan and Subsidiary
Schedule of Funds Held for Investment - Financial Activity
December 31, 2024

	UMF COLLECTIVE FUNDS OF MICHIGAN, LLC			POOLED	OTHER
	STOCK	BOND	MONEY	TRUST	MANAGED
	FUND	FUND	MARKET	FUNDS	TRUST
			INVESTMENT		FUNDS
INCOME FROM					
INVESTING OPERATIONS:					
Investment income	\$ 947,104	\$ 1,181,701	\$ 119,382	\$ 524,101	\$ 604,132
Net realized and unrealized					
gains (losses) on investments	8,102,698	(239,030)	-	2,315,384	3,104,466
Management and administrative fees	(542,031)	(262,785)	204,364	(308,938)	(213,534)
TOTAL INCOME FROM					
INVESTING OPERATIONS	8,507,771	679,886	323,746	2,530,547	3,495,064
FUND TRANSFERS					
Additions	63,628,594	33,733,201	25,523,305	24,438,287	3,661,142
Redemptions	(58,822,806)	(30,391,062)	(25,044,236)	(24,892,374)	(11,510,277)
NET ASSET VALUE -					
BEGINNING OF THE YEAR	51,207,630	28,278,388	1,812,039	21,750,324	35,243,209
NET ASSET VALUE -					
END OF THE YEAR	\$ 64,521,189	\$ 32,300,413	\$ 2,614,854	\$ 23,826,784	\$ 30,889,138
AVERAGE NET ASSET VALUE (NAV)	\$ 57,864,410	\$ 30,289,401	\$ 2,213,447	\$ 22,788,554	\$ 33,066,174
RETURN ON AVERAGE NAV:					
Income Return	1.64%	3.90%	5.39%	2.30%	1.83%
Capital Return	14.00%	-0.79%	0.00%	10.16%	9.39%
Total Return	15.64%	3.11%	5.39%	12.46%	11.22%
EXPENSES ON AVERAGE NAV	0.94%	0.87%	-9.23%	1.36%	0.65%

*The Average Net Asset Value (NAV) was determined by dividing the sum of net assets at January 1, 2024 and December 31, 2024 by a factor of 2.

A historical annual calculation of investment return calculated on a daily basis may differ.

See Accompanying Notes to Consolidated Financial Statements.