

**GENERAL CONFERENCE OF THE
BRETHREN IN CHRIST**
FINANCIAL STATEMENTS
FOR THE YEARS ENDED
DECEMBER 31, 2024 AND 2023
AND
INDEPENDENT AUDITOR'S REPORT

HAMILTON & MUSSER, P.C.
Certified Public Accountants

GENERAL CONFERENCE OF THE BRETHREN IN CHRIST
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For the Years Ended December 31, 2024 and 2023

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INDEPENDENT AUDITOR'S REPORT

To the Board of the
General Conference of the Brethren in Christ
Mechanicsburg, Pennsylvania

Opinion

We have audited the accompanying financial statements of General Conference of the Brethren in Christ (a nonprofit organization), which comprise the statements of financial position as of December 31, 2024 and 2023, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of General Conference of the Brethren in Christ as of December 31, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 General Conference of the Brethren in Christ and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 General Conference of the Brethren in Christ'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 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 General Conference of the Brethren in Christ'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 General Conference of the Brethren in Christ'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.

June 26, 2025

Mechanicsburg, Pennsylvania



Certified Public Accountants

GENERAL CONFERENCE OF THE BRETHREN IN CHRIST

Statements of Financial Position

December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Assets		
Cash and Cash Equivalents	\$ 7,340,605	\$ 4,594,370
Investments (Note 3)	11,055,238	13,058,645
Investments Restricted for Perpetual Endowments (Note 11)	2,793,528	2,792,528
Other Receivables (Note 5)	70,920	74,999
Notes Receivable (Note 6)	210,512	221,147
Other Assets	232,563	170,568
Asset for Pension Benefit (Note 14)	92,361	-
Fixed Assets, Net (Note 8)	97,316	104,934
Right-of-Use Assets, Net (Note 9)	<u>41,183</u>	<u>58,134</u>
Total Assets	<u>\$21,934,226</u>	<u>\$21,075,325</u>
Liabilities		
Accounts Payable	\$ 174,969	\$ 195,744
Accrued Wages and Vacation Payable	23,463	21,849
Deposit Agreements	5,000	5,000
Note Payable (Note 12)	154,512	165,147
Liability for Pension Benefit (Note 14)	-	97,222
Lease Liabilities, Net (Note 9)	<u>41,183</u>	<u>58,134</u>
Total Liabilities	<u>399,127</u>	<u>543,096</u>
Net Assets		
Without Donor Restrictions	5,232,320	4,986,967
With Donor Restrictions (Note 11)	<u>16,302,779</u>	<u>15,545,262</u>
Total Net Assets	<u>21,535,099</u>	<u>20,532,229</u>
Total Liabilities and Net Assets	<u>\$21,934,226</u>	<u>\$21,075,325</u>

The Accompanying Notes are an Integral Part of the Financial Statements

GENERAL CONFERENCE OF THE BRETHREN IN CHRIST

Statement of Activities

For the Year Ended December 31, 2024

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenue			
Contributions	\$ 2,989,374	\$ 3,291,153	\$ 6,280,527
Investment Income (Note 3)	393,527	1,092,159	1,485,686
Other	161,408	-	161,408
Net Assets Released From Restrictions	<u>3,625,795</u>	<u>(3,625,795)</u>	<u>-</u>
Total Revenue	<u>7,170,104</u>	<u>757,517</u>	<u>7,927,621</u>
Expenses			
Program Services	6,414,428	-	6,414,428
Supporting Services			
Management and General	736,252	-	736,252
Fundraising	<u>172,627</u>	<u>-</u>	<u>172,627</u>
Total Expenses	<u>7,323,307</u>	<u>-</u>	<u>7,323,307</u>
Increase (Decrease) in Net Assets	(153,203)	757,517	604,314
Net Assets, Beginning of Year	4,986,967	15,545,262	20,532,229
Pension-Related Changes Other Than Net Periodic Pension Cost	<u>398,556</u>	<u>-</u>	<u>398,556</u>
Net Assets, End of Year	<u>\$ 5,232,320</u>	<u>\$16,302,779</u>	<u>\$21,535,099</u>

The Accompanying Notes are an Integral Part of the Financial Statements

GENERAL CONFERENCE OF THE BRETHREN IN CHRIST

Statement of Activities

For the Year Ended December 31, 2023

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenue			
Contributions	\$ 3,115,326	\$ 4,232,278	\$ 7,347,604
Investment Income (Note 3)	244,998	1,134,324	1,379,322
Other	82,774	-	82,774
Net Assets Released From Restrictions	<u>3,744,943</u>	<u>(3,744,943)</u>	<u>-</u>
Total Revenue	<u>7,188,041</u>	<u>1,621,659</u>	<u>8,809,700</u>
Expenses			
Program Services	5,487,340	-	5,487,340
Supporting Services			
Management and General	758,962	-	758,962
Fundraising	<u>165,423</u>	<u>-</u>	<u>165,423</u>
Total Expenses	<u>6,411,725</u>	<u>-</u>	<u>6,411,725</u>
Increase in Net Assets	776,316	1,621,659	2,397,975
Net Assets, Beginning of Year	3,818,012	13,923,603	17,741,615
Pension-Related Changes Other Than Net Periodic Pension Cost	<u>392,639</u>	<u>-</u>	<u>392,639</u>
Net Assets, End of Year	<u>\$ 4,986,967</u>	<u>\$15,545,262</u>	<u>\$20,532,229</u>

The Accompanying Notes are an Integral Part of the Financial Statements

GENERAL CONFERENCE OF THE BRETHREN IN CHRIST

Statement of Functional Expenses
For the Year Ended December 31, 2024

	Program Services	Supporting Services		Total
		Management and General	Fundraising	
Business Meals	\$ 38,323	\$ 143	\$ 768	\$ 39,234
Church Planting Grants – Domestic	175,000	-	-	175,000
Church Planting Grants – Global	53,430	-	-	53,430
Conferences & Events	144,509	-	-	144,509
Contracted Services	226,731	22,681	6,900	256,312
Depreciation Expense	19,169	3,799	526	23,494
Disability Insurance	20,358	628	169	21,155
Global Compassion Aid	132,779	-	-	132,779
Leadership Training Scholarships	117,261	-	-	117,261
Maintenance	40,633	-	-	40,633
Memberships	24,849	1,908	1,034	27,791
Ministry Project Grants	1,047,711	-	-	1,047,711
Office Expenses	81,822	35,702	1,796	119,320
Other	29,993	-	-	29,993
Periodic Pension Costs	-	208,973	-	208,973
Printing & Promotion	21,206	-	2,290	23,496
Regional Conference Ministry Grant	126,000	-	-	126,000
Rent Expense	48,763	10,494	2,114	61,371
Salary, Taxes, & Benefits	3,203,159	446,082	151,392	3,800,633
Seminary Grants	9,500	-	-	9,500
Shaping Leaders for Tomorrow Grant	11,759	-	-	11,759
SPICE Sponsorship Grants	169,468	-	-	169,468
Support of Related Organizations	226,736	-	-	226,736
Training & Development	73,975	1,784	145	75,904
Travel Expenses	<u>371,294</u>	<u>4,058</u>	<u>5,493</u>	<u>380,845</u>
 Total Expenses	 <u>\$ 6,414,428</u>	 <u>\$ 736,252</u>	 <u>\$ 172,627</u>	 <u>\$ 7,323,307</u>

The Accompanying Notes are an Integral Part of the Financial Statements

GENERAL CONFERENCE OF THE BRETHREN IN CHRIST

Statement of Functional Expenses
For the Year Ended December 31, 2023

	Program Services	Supporting Services		Total
		Management and General	Fundraising	
Business Meals	\$ 42,691	\$ 348	\$ 1,617	\$ 44,656
Church Planting Grants – Domestic	175,000	-	-	175,000
Church Planting Grants – Global	45,707	-	-	45,707
Conferences & Events	19,994	-	-	19,994
Contracted Services	142,238	22,333	6,407	170,978
Depreciation Expense	17,898	4,947	574	23,419
Disability Insurance	18,998	628	169	19,795
Global Compassion Aid	121,935	-	-	121,935
Leadership Training Scholarships	91,849	-	-	91,849
Maintenance	29,349	-	-	29,349
Memberships	18,477	1,419	50	19,946
Ministry Project Grants	708,327	-	-	708,327
Office Expenses	92,849	29,778	1,344	123,971
Other	11,377	-	-	11,377
Periodic Pension Costs	-	242,667	-	242,667
Printing & Promotion	12,713	885	2,303	15,901
Regional Conference Ministry Grant	126,000	-	-	126,000
Rent Expense	51,200	10,329	2,081	63,610
Salary, Taxes, & Benefits	2,927,241	439,256	144,479	3,510,976
Seminary Grants	12,500	-	-	12,500
Shaping Leaders for Tomorrow Grant	12,824	-	-	12,824
SPICE Sponsorship Grants	155,741	-	-	155,741
Support of Related Organizations	187,284	-	-	187,284
Training & Development	64,094	3,554	416	68,064
Travel Expenses	<u>401,054</u>	<u>2,818</u>	<u>5,983</u>	<u>409,855</u>
Total Expenses	<u>\$ 5,487,340</u>	<u>\$ 758,962</u>	<u>\$ 165,423</u>	<u>\$ 6,411,725</u>

The Accompanying Notes are an Integral Part of the Financial Statements

GENERAL CONFERENCE OF THE BRETHREN IN CHRIST

Statements of Cash Flows

For the Years Ended December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Cash Flows from Operating Activities:		
Change in Net Assets	\$ 604,314	\$ 2,397,975
Adjustment to Reconcile Change in Net Assets to		
Net Cash and Cash Equivalents Provided (Used) by Operating Activities:		
Realized Gain on Sale of Investments	(1,393,854)	(213,397)
Unrealized (Gain) Loss on Investments	601,087	(709,372)
Contributions Received Restricted for Perpetual Endowment	(1,000)	(2,000)
Depreciation Expense	23,494	23,419
Right-of-Use Asset Amortization	16,951	18,719
(Increase) Decrease in:		
Other Receivables	4,079	36,463
Notes Receivable	10,635	(23,229)
Other Assets	(61,995)	41,285
Increase (Decrease) in:		
Accounts Payable	(20,775)	29,782
Accrued Wages and Vacation Payable	1,614	2,050
Lease Liabilities	<u>(16,951)</u>	<u>(18,719)</u>
Net Cash and Cash Equivalents Provided (Used) by Operating Activities	<u>(232,401)</u>	<u>1,582,976</u>
Cash Flows from Investing Activities:		
Purchase of Investments	(599,491)	(3,691,631)
Proceeds from Sale of Investments	3,394,665	2,344,443
Purchase of Fixed Assets	<u>(15,876)</u>	<u>(2,493)</u>
Net Cash and Cash Equivalents Provided (Used) by Investing Activities	<u>2,779,298</u>	<u>(1,349,681)</u>
Cash Flows from Financing Activities:		
Principal Payments on Note Payable	(10,635)	(4,771)
Contributions Received Restricted for Perpetual Endowment	1,000	2,000
Change in Ministers Pension Fund Components	<u>208,973</u>	<u>(557,333)</u>
Net Cash and Cash Equivalents Provided (Used) by Financing Activities	<u>199,338</u>	<u>(560,104)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	2,746,235	(326,809)
Cash and Cash Equivalents, Beginning of the Year	<u>4,594,370</u>	<u>4,921,179</u>
Cash and Cash Equivalents, End of Year	<u>\$ 7,340,605</u>	<u>\$ 4,594,370</u>
<u>Supplemental Cash Flow Disclosures:</u>		
Cash Paid for Interest	\$ 9,958	\$ 9,226
Cash Paid for Income Taxes	-	-
<u>Supplemental Disclosures of Non-Cash Activities:</u>		
Establishment of Right-of-Use Assets	\$ -	\$ 24,915
Establishment of Lease Liabilities	-	24,915

The Accompanying Notes are an Integral Part of the Financial Statements

GENERAL CONFERENCE OF THE BRETHREN IN CHRIST

Notes to Financial Statements

For the Years Ended December 31, 2024 and 2023

NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities:

The General Conference of the Brethren in Christ (the BIC US) was incorporated on June 18, 1940 in the Commonwealth of Pennsylvania as a charitable, non-profit religious organization. The BIC US is supported by contributions from Brethren in Christ congregations as well as direct contributions from individuals and other entities.

Basis of Accounting:

The financial statements of the BIC US have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables and other liabilities.

Basis of Presentation:

Financial statement presentation follows the *Not-for-Profit Entities* topic of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) which requires the BIC US to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Contributions:

Contributions received are recorded as increases in net assets with or without donor restrictions, depending on the existence and/or nature of any donor restrictions.

All donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statements of Activities as net assets released from restrictions.

The BIC US recognizes receipts when given by the supporting congregations. As a result, approximately twenty business days are required after year-end to properly recognize these December receipts. Additionally, the BIC US allows the Common Ministry Program to make the appropriate allocations to other BIC US programs and external organizations before the year-end close.

Ministry Activities:

The BIC US is strongly committed to functioning as one organization, in support of various ministries, as they seek to accomplish the mission of the church to make and grow disciples. The following list is illustrative of the ministry activities supported by the BIC US in 2024 and 2023:

- Regional Conference Leadership
- Commission on Ministry and Doctrine
- General Assembly Meeting
- Denominational Communications
- World Missions
 - Missionary Support
 - International Leadership Development
 - Global Compassion Fund
- Ministers Pension Fund

GENERAL CONFERENCE OF THE BRETHREN IN CHRIST

Notes to Financial Statements

For the Years Ended December 31, 2024 and 2023

NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fixed Assets:

It is the policy of the BIC US to record purchased fixed assets at cost and donated assets at their fair value at the date of donation. Depreciation is provided on the straight-line method over the estimated useful lives of the assets.

New acquisitions of fixed assets having a low acquisition cost, or which are not expected to last for more than a year, are expensed in the year of acquisition. Repairs and maintenance charges are capitalized and depreciated when they materially extend the useful life of the related asset.

Taxation:

The BIC US is exempt from federal income tax as provided by Code Section 501(c)(3) of the Internal Revenue Code. Donors are entitled to deductions for federal income tax purposes for contributions made to the BIC US in accordance with the Internal Revenue Code. Accordingly, no income tax is incurred unless the BIC US earns income considered to be unrelated business income. The BIC US conducted no activities that were subject to income taxes.

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the BIC US, including whether the entity is exempt from income taxes. Management evaluated the tax positions taken and concluded that the BIC US had taken no uncertain tax positions that require recognition or disclosure in the financial statements. Therefore, no provision or liability for income taxes has been included in the financial statements. With few exceptions, the BIC US is no longer subject to income tax examinations by the U.S. federal, state or local tax authorities for years before December 31, 2021.

Receivables:

Receivables are stated at the amount management expects to collect from balances outstanding at year-end. Based on management's assessment of outstanding balances, it has concluded that losses on balances outstanding at year-end will be immaterial. Therefore, an allowance has not been established.

Investments:

Investments are valued at their fair market values on a recurring basis in the Statements of Financial Position.

Fair Value Reporting requires an establishment of a hierarchy that ranks the quality and reliability of inputs, or assumptions, used in the determination of fair value and requires financial assets and liabilities carried at fair value to be classified and disclosed in one of the following three categories:

- Level 1 – Quoted prices in active markets for identical assets and liabilities
- Level 2 – Directly or indirectly observable inputs other than Level 1 quoted prices
- Level 3 – Unobservable inputs not corroborated by market data

For investments that have quoted market prices in active markets, the BIC US uses the quoted market prices as fair values and includes those investments in Level 1 of the fair value hierarchy. When quoted market prices in active markets are not available, various pricing services are used to determine fair value of investments that are included in Level 2 of the fair value hierarchy. Level 3 represents financial assets whose fair value is determined based upon inputs that are unobservable and include the BIC US's own determinations of the assumptions that a market participant would use in pricing the asset.

Investment income, including realized and unrealized gains restricted by donors, is reported as an increase in net assets without donor restrictions if the restrictions are met (either a stipulated time period or a purpose restriction is accomplished) in the reporting period in which the income and gains are recognized.

GENERAL CONFERENCE OF THE BRETHREN IN CHRIST

Notes to Financial Statements

For the Years Ended December 31, 2024 and 2023

NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments (Continued):

Investments are exposed to various risks, such as interest rate, market and credit. Due to the level of risk associated with certain investments and the level of uncertainty related to changes in the value of investments, it is at least reasonably possible changes in risks in the near term would materially affect investment assets reported in the Statements of Financial Position and Activities.

Contributed Services:

The BIC US receives a substantial amount of donated services in carrying out the various ministries of the BIC US. No amounts have been reflected in the financial statements for those services since they do not meet the criteria for recognition.

Use of Estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Cash and Cash Equivalents:

For the purpose of the Statements of Cash Flows, cash and cash equivalents include all highly liquid investments with an initial maturity of three months or less.

Functional Allocation of Expenses:

The cost of providing the various programs and activities has been summarized on a functional basis in the Statements of Activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Right-of-Use Assets and Liabilities:

The BIC US determines if an arrangement is or contains a lease at inception of the contract. The right-of-use (ROU) assets represent the right to use the underlying assets for the lease term, and the lease liabilities represent the obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized based on the present value of the future minimum lease payments over the lease term at the commencement date. As the BIC US's leases generally do not provide an implicit rate, the BIC US's incremental borrowing rate or a risk-free borrowing rate at commencement date is used to determine the present value of future payments. Both finance and operating leases are recorded at the present value of future lease payments. The operating ROU asset is reduced based on the lease amortization schedule. Lease terms may include options to extend the lease, terminate the lease, or purchase the leased asset. The value of a lease option is reflected in the valuation if it is reasonably certain management will exercise the option. Leases with a term of twelve months or less are considered short term, and no asset or liability needs to be recognized. BIC US has elected not to separate the lease components from non-lease components for all asset classes.

Reclassifications:

Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements.

GENERAL CONFERENCE OF THE BRETHREN IN CHRISTNotes to Financial Statements
For the Years Ended December 31, 2024 and 2023**NOTE 2 – AVAILABILITY AND LIQUIDITY**

The following represents the BIC US's financial assets at December 31:

	<u>2024</u>	<u>2023</u>
Financial Assets:		
Cash and Cash Equivalents	\$ 7,340,605	\$ 4,594,370
Investments	13,848,766	15,851,173
Other Receivables	<u>62,410</u>	<u>64,486</u>
Total Financial Assets	<u>21,251,781</u>	<u>20,510,029</u>
Less Amounts Not Available to be Used Within One Year:		
Net Assets with Donor Restrictions	16,302,779	15,545,262
Board-Designated Funds	<u>1,510,398</u>	<u>1,528,755</u>
Total	<u>17,813,177</u>	<u>17,074,017</u>
Financial Assets Available to Meet Expenses Over the Next Year	<u>\$ 3,438,604</u>	<u>\$ 3,436,012</u>

The BIC US's plan is generally to maintain financial assets to meet 90 days of operating expenses as explained in the BIC US's Operating Reserve Fund Policy.

NOTE 3 – INVESTMENTS

Investments are summarized as follows at December 31, 2024 and 2023:

	<u>2024</u>	
	<u>Cost</u>	<u>Market Value</u>
Stewardship Investment Certificates (SICs)	\$ 5,151,596	\$ 5,151,596
Trust Investments and Deposit Accounts (BICF)	<u>8,604,107</u>	<u>8,697,170</u>
Total	<u>\$13,755,703</u>	<u>\$13,848,766</u>
	<u>2023</u>	
	<u>Cost</u>	<u>Market Value</u>
Certificates of Deposit	\$ 3,121,550	\$ 3,129,024
Stewardship Investment Certificates (SICs)	4,968,123	4,968,123
Trust Investments and Deposit Accounts (BICF)	<u>7,070,553</u>	<u>7,754,026</u>
Total	<u>\$15,160,226</u>	<u>\$15,851,173</u>

GENERAL CONFERENCE OF THE BRETHREN IN CHRIST

Notes to Financial Statements

For the Years Ended December 31, 2024 and 2023

NOTE 3 – INVESTMENTS (CONTINUED)

Investment income is summarized as follows for the years ended December 31:

	<u>2024</u>	<u>2023</u>
Realized Gain on Sale of Investments	\$ 1,393,854	\$ 213,397
Unrealized Gain (Loss) on Investments	(601,087)	709,372
Interest and Dividends	757,431	507,722
Custodial Fees	<u>(64,512)</u>	<u>(51,169)</u>
Total	<u>\$ 1,485,686</u>	<u>\$ 1,379,322</u>

NOTE 4 – FAIR VALUE MEASUREMENTS

Fair values of investments and money markets are summarized as follows at December 31, 2024 and 2023:

	<u>December 31, 2024</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Cash and Cash Equivalents				
Money Market	\$ -	\$ 2,085,444	\$ -	\$ 2,085,444
Total Cash and Cash Equivalents	<u>-</u>	<u>2,085,444</u>	<u>-</u>	<u>2,085,444</u>
Investments				
Stewardship Investment Certificates (SICs)	-	5,151,596	-	5,151,596
Trust Investments and Deposit Accounts (BICF)	<u>-</u>	<u>8,697,170</u>	<u>-</u>	<u>8,697,170</u>
Total Investments	<u>-</u>	<u>13,848,766</u>	<u>-</u>	<u>13,848,766</u>
Total	<u>\$ -</u>	<u>\$ 15,934,210</u>	<u>\$ -</u>	<u>\$ 15,934,210</u>

	<u>December 31, 2023</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Cash and Cash Equivalents				
Money Market	\$ -	\$ 1,981,845	\$ -	\$ 1,981,845
Total Cash and Cash Equivalents	<u>-</u>	<u>1,981,845</u>	<u>-</u>	<u>1,981,845</u>
Investments				
Certificates of Deposit	3,129,024	-	-	3,129,024
Stewardship Investment Certificates (SICs)	-	4,968,123	-	4,968,123
Trust Investments and Deposit Accounts (BICF)	<u>-</u>	<u>7,754,026</u>	<u>-</u>	<u>7,754,026</u>
Total Investments	<u>3,129,024</u>	<u>12,722,149</u>	<u>-</u>	<u>15,851,173</u>
Total	<u>\$ 3,129,024</u>	<u>\$ 14,703,994</u>	<u>\$ -</u>	<u>\$ 17,833,018</u>

GENERAL CONFERENCE OF THE BRETHREN IN CHRIST

Notes to Financial Statements

For the Years Ended December 31, 2024 and 2023

NOTE 4 – FAIR VALUE MEASUREMENTS (CONTINUED)

Level 2:

The BIC US's trust investments and deposit accounts held with the Brethren in Christ Foundation, Inc. (BICF) are considered Level 2. A description of the various investments is as follows:

Money Market Funds – valued at the net asset value (NAV) of shares held by the BIC US at year-end. NAV is used as a practical expedient to fair value and shares may be redeemed on a daily basis. Money Market Funds are held with the BICF and are considered to be Level 2.

BIC Foundation Stewardship Investment Certificates – investment in Stewardship Investment Certificates (SICs) are held with the BICF and considered to be a Level 2 Investment. These SICs are similar to a certificate of deposit and valued at cost.

Trust Investments and Deposit Accounts:

BIC Foundation Growth with Income Fund – a non-quoted investment fund which only invests in financial assets quoted in active markets. The Growth with Income Fund's investment objective is asset growth and protection against inflation by investing primarily in stocks, combined with secondary components in bonds and short-term/money market investments. Any amount can be withdrawn from an account up to the total account balance.

BIC Foundation Fixed Income Fund – a non-quoted investment fund which only invests in financial assets quoted in active markets. The Fixed Income Fund's investment objective is to seek a higher and more sustainable level of interest income and not long-term growth in capital by investing in fixed income holdings of U.S. government or U.S. government agencies with a 60% target allocation to U.S. agency mortgage-backed securities and 40% to U.S. short-term treasury securities. Any amount can be withdrawn from an account up to the total account balance.

Mutual Funds – valued at the net asset value (NAV) of shares held by the BIC US at year-end. NAV is used as a practical expedient to fair value and shares may be redeemed on a daily basis.

NOTE 5 – OTHER RECEIVABLES

Other receivables consisted of the following at December 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Education Loans Receivable	\$ 7,969	\$ 9,972
ASEL Receivable	541	541
Shared Services Receivables	55,410	57,486
Administrative and Other Advances	<u>7,000</u>	<u>7,000</u>
Total	<u>\$ 70,920</u>	<u>\$ 74,999</u>

GENERAL CONFERENCE OF THE BRETHREN IN CHRIST

Notes to Financial Statements

For the Years Ended December 31, 2024 and 2023

NOTE 6 – NOTES RECEIVABLE

Notes receivable are summarized as follows at December 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Missionary Loans	\$ 56,000	\$ 56,000
Hoyo-Spain Church Receivable	<u>154,512</u>	<u>165,147</u>
Total Notes Receivable	<u>\$ 210,512</u>	<u>\$ 221,147</u>

During 2023, the BIC US entered into a note receivable agreement with a missionary for \$28,000. The unpaid principal shall be payable in full on any future date on which the BIC US demands repayment. Starting in June 2023, interest shall be payable every month at a rate of 2.82% per annum. The balance was \$28,000 at December 31, 2024 and 2023.

During 2019, the BIC US entered into a note receivable agreement with a missionary for \$28,000. Starting in 2020, the missionary will begin paying interest at a rate of 1.68% per annum. The unpaid principal shall be payable in full on any future date on which the BIC US demands repayment. The BIC US will provide a 90-day notice to the missionary. The balance was \$28,000 at December 31, 2024 and 2023.

During 2014, the BIC US entered into a note receivable agreement with a church for \$216,480. The church is to make monthly payments in the amount of \$1,236 at 6.50% and \$1,213 at 6.00% interest during the years ended December 31, 2024 and 2023, respectively. The balance was \$154,512 and \$165,147 at December 31, 2024 and 2023, respectively.

NOTE 7 – MASP EMPLOYEE HEALTHCARE ASSISTANCE BENEFIT PROGRAM

The BIC US participates in a self-funded employee healthcare assistance benefit program, Mutual Aid Sharing Program (MASP). The MASP is a not-for-profit employee benefit plan whereby mission and service agencies of the Anabaptist Community share with each other the cost of providing healthcare assistance and death benefits to their employees.

Under the MASP, the BIC US is responsible for claims up to the retention of \$20,000 per person (retained claims). Claims in excess of the retention up to \$250,000 will be pooled with the other agencies. Claims in excess of the retention and the \$250,000 are reinsured by a stop loss policy that covers all MASP agencies. The stop loss reinsurance defines a claim as the total medical claims per individual per MASP fiscal year (October 1 through September 30). The BIC US has expensed its retained claims and its monthly payments to the MASP for its expected share of pooled claims and administrative costs including stop loss premiums. The payments include the actuarially projected amount to cover claims that exceed the agency retention up to \$250,000. The actual amount may differ from this estimate based on the BIC US's and pooled agencies' actual experience.

The MASP maintains a reserve fund, which can be drawn upon in the event of a large single claim or a series of large claims or if the MASP chooses to allocate a portion of the reserve fund to lower the aggregate shared claims limit. Claims are expensed as incurred. The BIC US has determined its estimated share of the reserve fund to be \$121,123 and \$58,881 at December 31, 2024 and 2023, respectively. These funds are included in Other Assets.

GENERAL CONFERENCE OF THE BRETHREN IN CHRIST

Notes to Financial Statements
For the Years Ended December 31, 2024 and 2023

NOTE 8 – FIXED ASSETS

Fixed assets are summarized as follows at December 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Real Estate	\$ 145,966	\$ 145,966
Furniture and Equipment	<u>198,250</u>	<u>186,250</u>
	344,216	332,216
Less: Accumulated Depreciation	<u>(246,900)</u>	<u>(227,282)</u>
Fixed Assets, Net	<u>\$ 97,316</u>	<u>\$ 104,934</u>

The estimated useful lives for purposes of computing depreciation are as follows:

Real Estate	40 years
Furniture and Equipment	3-10 years

Depreciation expense was \$23,494 and \$23,419 for the years ended December 31, 2024 and 2023, respectively.

NOTE 9 – LEASES

BIC US entered into a five-year operating lease for a copier in October 2018 with monthly payments of \$530. BIC US also entered into a five-year operating lease for office space in September 2021 with monthly payments of \$972, increasing 3% annually. In November 2023, BIC US entered into a five-year operating lease for a copier with monthly payments of \$445. At that time, BIC US recognized an operating lease right-of-use asset and lease liability of \$24,915.

BIC US recognized the following lease costs associated with the leases during the years ended December 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
2023 Copier Lease	\$ 5,340	\$ 890
2018 Copier Lease	530	6,365
Office Space Lease	<u>12,499</u>	<u>12,135</u>
Total Lease Cost	<u>\$ 18,369</u>	<u>\$ 19,390</u>

BIC US had the following cash and non-cash activities associated with the operating leases during the years ended December 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Cash paid for amounts included in the measurement of lease liabilities	\$ 18,369	\$ 19,390
Right-of-use assets obtained in exchange for new lease liabilities	\$ -	\$ 24,915
Weighted average remaining lease term for leases (years)	2.83	3.74
Weighted average discount rate	2.96 %	2.75 %

GENERAL CONFERENCE OF THE BRETHREN IN CHRIST

Notes to Financial Statements

For the Years Ended December 31, 2024 and 2023

NOTE 9 – LEASES (CONTINUED)

The future minimum lease payments due under the operating leases as of December 31, 2024, are as follows:

2025	\$ 18,214
2026	14,092
2027	5,340
2028	5,340
2029	<u>444</u>
Total Lease Payments	<u>43,430</u>
Imputed Interest	<u>(2,247)</u>
Total Operating Lease Liabilities	<u>\$ 41,183</u>

NOTE 10 – BOARD-DESIGNATED FUNDS

Board-designated funds at December 31, 2024 and 2023 are available for the following purposes:

	<u>2024</u>	<u>2023</u>
Other – Global	\$ 687,358	\$ 687,358
Project 250 – National	98,265	116,622
Build the Future	<u>724,775</u>	<u>724,775</u>
Total	<u>\$ 1,510,398</u>	<u>\$ 1,528,755</u>

NOTE 11 – NET ASSETS WITH DONOR RESTRICTIONS

Perpetually Restricted Net Assets – Endowment Funds

Interpretation of Relevant Law

The BIC US has interpreted the law that underlies the net asset classification of donor-restricted endowment funds as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit instructions. As a result of this interpretation, the BIC US classifies as perpetually restricted net assets (1) the original value of gifts to the perpetual endowment, (2) the original value of subsequent gifts to the perpetual endowment, and (3) accumulations to the perpetual endowment made in accordance with the direction of the applicable donor gift instrument. Absent explicit instructions from the donor, investment income from perpetually restricted funds is classified as purpose restricted and expensed as permitted by established endowment fund spending policies.

The BIC US considers the following factors when receiving donor-restricted endowment funds:

1. The duration and preservation of the fund
2. The purposes of the organization and the donor-restricted endowment fund
3. General economic conditions
4. The possible effect of inflation and deflation
5. The expected total return from income and the appreciation of investments
6. Other resources of the organization
7. The investment policies of the organization

GENERAL CONFERENCE OF THE BRETHREN IN CHRIST

Notes to Financial Statements

For the Years Ended December 31, 2024 and 2023

NOTE 11 – NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)

Investment Management Policy

The BIC US adopted an investment policy for all investment funds including its endowment funds. Perpetually donor-restricted gifts are generally given with the donors' expectations that the funds will stay intact and grow from or at a minimum provide earnings that can be used to fund the purposes specified in the corresponding trust instrument. Therefore, the funds should be invested in accordance with these general policies:

1. *Preservation of Capital* – Both with respect to the overall Fund and to the assets assigned to each investment manager, the Finance Committee and the investment managers should make conscious efforts to preserve capital, understanding that losses may occur in individual securities.
2. *Risk Aversion* – Understanding that risk is present in all types of securities and investment styles, the Finance Committee recognizes that some risk is necessary to produce long-term investment results sufficient to meet the Fund's objectives. However, investment managers are to make reasonable efforts to control risk, and they will be evaluated regularly to ensure that the risk assumed is commensurate with the given investment style and objectives.
3. *Adherence to Investment Discipline* – Investment managers are expected to adhere to the investment management styles for which they were hired. Managers will be evaluated regularly for adherence to investment discipline.

Investment Objectives

Specifically, the primary objective in the investment management of fund assets shall be:

- To preserve purchasing power after spending
- To achieve returns that are more than the rate of inflation plus spending over the investment horizon in order to preserve purchasing power of fund assets
- To control risk in the investment of fund assets

Handling of Income from Endowment Fund Investments

All income earned, whether interest income, dividend income, or gains realized and unrealized will be classified as purpose restricted or board-designated until appropriated for expenditure by the BIC US. There are no restrictions on the use of the income other than time and purpose restrictions established by the trust instrument or board-designated restrictions.

Changes in endowment net assets for the years ended December 31, 2024 and 2023 are as follows:

	<u>2024</u>	<u>2023</u>
Beginning of Year	\$ 2,792,528	\$ 2,790,528
Contributions to Perpetual Endowment	<u>1,000</u>	<u>2,000</u>
End of Year	<u>\$ 2,793,528</u>	<u>\$ 2,792,528</u>

GENERAL CONFERENCE OF THE BRETHREN IN CHRIST

Notes to Financial Statements

For the Years Ended December 31, 2024 and 2023

NOTE 11 – NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)

Perpetually restricted net assets at December 31, 2024 and 2023 are as follows:

	<u>2024</u>	<u>2023</u>
Leadership Training Endowment	\$ 641,376	\$ 641,376
New Frontiers Endowment	445,038	445,038
Shaping Leaders for Tomorrow (Formerly Seminary Students)	1,535,549	1,535,549
Spouses Training	13,745	13,745
Smith Pastoral Training	74,458	73,458
Renewal/Refocus Endowment	11,801	11,801
World Missions – So. African Women’s Ed. Fund	<u>71,561</u>	<u>71,561</u>
Total	<u>2,793,528</u>	<u>2,792,528</u>

Purpose Restricted Net Assets

Purpose restricted net assets at December 31, 2024 and 2023 are available for the following purposes:

	<u>2024</u>	<u>2023</u>
Other – National	\$ 154,092	\$ 48,965
Shaping Leaders for Tomorrow	646,679	455,261
Honoring Leaders of Yesterday	80,798	77,162
CMD – Special Projects	68,592	71,030
Kipe Seminary Special Training	24,297	20,088
Smith Pastoral Training	21,529	11,404
Renewal/Refocus	25,349	21,239
Honor the Past	580,862	536,487
Build the Future	329,826	308,002
Thriving Congregations Initiative	1,173,494	1,252,694
Other – Global	2,172,657	2,092,761
Thrive – Global	2,403	2,403
Global Special Projects	991,630	979,249
Project 250 – Global	82,918	95,526
Spice Gift – Global	61,474	32,753
Leadership Training – Global	1,878,503	1,701,986
Personnel Training – Global	1,200,806	1,097,367
New Frontiers – Global	574,239	482,979
So. African Women’s Ed. Fund – Global	255,140	220,595
ECP – Global	421,703	386,793
Emergency Risk Mgt. – Global	634,087	607,748
Global Compassion – Global	238,874	159,583
Crisis Management – Global	60,767	72,087
Missionaries – Global	<u>1,828,532</u>	<u>2,018,572</u>
Total	<u>13,509,251</u>	<u>12,752,734</u>
Total Net Assets with Donor Restrictions	<u>\$16,302,779</u>	<u>\$15,545,262</u>

GENERAL CONFERENCE OF THE BRETHREN IN CHRIST

Notes to Financial Statements

For the Years Ended December 31, 2024 and 2023

NOTE 12 – NOTE PAYABLE

During 2013, the BIC US entered into a thirty-year note payable with the BIC Foundation for \$216,480. The interest rate is variable at the sole discretion of the lender and was 6.50% and 6.00% at December 31, 2024 and 2023, respectively. Monthly installments of principal and interest were \$1,236 and \$1,213 during the years ended December 31, 2024 and 2023, respectively. Interest expense was \$9,958 and \$9,226 for the years ended December 31, 2024 and 2023, respectively.

Minimum principal maturities for each of the subsequent five years and thereafter are as follows:

<u>Year</u>	<u>Amount</u>
2025	\$ 4,935
2026	5,266
2027	5,618
2028	5,995
2029	6,396
Thereafter	<u>126,302</u>
Total	<u>\$ 154,512</u>

NOTE 13 – RELATED ENTITY

The BIC Foundation owns the building in Pennsylvania which serves as facilities for its principal office. The building is utilized by the BIC Foundation and the BIC US. No rental or lease payments are made to the BIC Foundation, but operating and maintenance costs of the building are shared by the BIC Foundation and the BIC US on a pro rata basis. Operating and maintenance costs paid to the BIC Foundation were \$37,820 and \$36,622 during the years ended December 31, 2024 and 2023, respectively.

The BIC US provided services to the BIC Foundation for personnel services including, but not limited to: accounting, communications, human resources, benefit placement, and operational management. Costs for these services paid to the BIC US totaled \$20,832 and \$16,611 during the years ended December 31, 2024 and 2023, respectively.

The BIC US owed the BIC Foundation \$15,926 and \$15,098 at December 31, 2024 and 2023, respectively.

NOTE 14 – RETIREMENT PLANS

The BIC US has a 403(b)(9) Retirement Income Account plan. This plan covers all employees of the BIC US beginning at date of hire. Employees can contribute a percentage of their compensation each year up to specified limits. The BIC US made contributions to this plan on behalf of employees at a rate of 5.0% along with matching up to an additional 5.0% for 2024 and 2023. The BIC US contributed \$225,158 and \$216,535 to the plan during the years ended December 31, 2024 and 2023, respectively.

The BIC US maintains the Brethren in Christ Minister's Pension Fund (the Plan) which is a single-employer defined-benefit pension plan. The Plan covers all ordained or licensed senior pastors and pastors of single-pastor congregations; ordained or licensed full-time associate pastors, Christian education, or youth ministers; and ordained or licensed ministers of other denominational boards and agencies. Normal monthly retirement benefits are equal to \$9.00 multiplied by the years of benefit service up to a maximum of 40 years of benefit service. In addition, the Plan provides for death benefits for eligible participants. As of December 31, 2009, the Plan was "frozen", allowing no new participants to be added after that point.

GENERAL CONFERENCE OF THE BRETHREN IN CHRIST

Notes to Financial Statements

For the Years Ended December 31, 2024 and 2023

NOTE 14 – RETIREMENT PLANS (CONTINUED)

The BIC US pays the full cost of the Plan, and employee contributions are not required. During 2010, the Plan Trustees requested that employers of eligible participants of the Plan contribute \$1,200 for participants who had not yet reached 55 years of age with 20 years of service or normal retirement year. This request expired at December 31, 2019, and was not renewed for future years. A \$3,000 and \$803,577 contribution, in addition to the annual contribution for the ordained or licensed ministers of the BIC US, was provided by the BIC US during the years ended December 31, 2024 and 2023, respectively.

The annual measurement date is December 31 for the pension benefits. The following tables provide further information about the BIC US's pension plan.

The following sets forth the Plan's actuarially determined funded status at December 31, 2024:

Obligations and Funded Status for 2024:

Benefit Obligation at December 31, 2024	<u>\$ 6,145,280</u>
Fair Value of Plan Assets at December 31, 2023	6,424,022
Employer Contributions	3,000
Actual Return on Assets	415,526
Benefit Payments	(604,907)
Fair Value of Plan Assets at December 31, 2024	<u>6,237,641</u>
Net Funded Status of the Plan at December 31, 2024	<u>\$ 92,361</u>

Net Periodic Pension Cost for 2024:

Service Cost	\$ -
Interest Cost	277,456
Expected Return on Plan Assets	(275,964)
Amortization of Net Transition (Asset) or Obligation	-
Amortization of Prior Service Cost	-
Amortization of Net (Gain) or Loss	<u>207,481</u>
Net Periodic Pension Cost for Period 1/1/2024 to 12/31/2024	<u>\$ 208,973</u>

Items Not Yet Recognized as a Component of Net Periodic Pension Cost for 2024:

Items Not Yet Recognized as a Component of Net Period Pension Cost at 12/31/2023	\$ 3,625,542
Amortization of Net Transition Asset or (Obligation)	-
Amortization of Prior Service Cost	-
Amortization of Net Gain or (Loss)	(207,481)
Change Due to Change in Experience and Assumptions at 12/31/2024	(202,740)
Change Due to Plan Amendment	-
Experience (Gain) or Loss at 1/1/2024	154,227
Asset (Gain) or Loss	<u>(139,562)</u>
Items Not Yet Recognized as a Component of Net Period Pension Cost at 12/31/2024	<u>\$ 3,229,986</u>

GENERAL CONFERENCE OF THE BRETHREN IN CHRIST

Notes to Financial Statements

For the Years Ended December 31, 2024 and 2023

NOTE 14 – RETIREMENT PLANS (CONTINUED)

Assumptions:

Weighted-Average Assumptions Used to Determine Benefit Obligations at December 31, 2024:

Discount Rate	5.00 %
Rate of Compensation Increase	0.00 %

Weighted-Average Assumptions Used to Determine Net Periodic Benefit Cost for the Year Ended December 31, 2024:

Discount Rate	5.00 %
Expected Return on Plan Assets	5.50 %
Rate of Compensation Increase	0.00 %

The BIC US's expected rate of return on plan assets is determined by the plan assets' historical long-term investment performance, current asset allocation, and estimates of future long-term returns by asset class.

The discount rate is based on the FTSE Pension Liability Index rounding to the nearest 0.50%.

Plan Assets:

The BIC US's pension plan weighted-average asset allocations at December 31, 2024, by asset category are as follows:

<u>Asset Category</u>	<u>Percentage</u>
Real Estate	3.42 %
Cash/Money Market Funds/SICs	52.62 %
International Equities	9.44 %
Large Cap Equities	20.02 %
Fixed Income	<u>14.50 %</u>
Total	<u>100.00 %</u>

All assets are considered Level 1 or 2.

Mutual Funds – Valued at the net asset value (NAV) of shares held by the Plan at year-end. NAV is used as a practical expedient to fair value and shares may be redeemed on a daily basis.

BIC Foundation Stewardship Investment Certificates – The Plan's investment in Stewardship Investment Certificates (SICs) are held with the BICF and considered to be a Level 2 Investment. These SICs are similar to a certificate of deposit and valued at cost.

Cash Flows:

Contributions – The BIC US expects no contributions to its pension plan in 2025.

GENERAL CONFERENCE OF THE BRETHREN IN CHRIST

Notes to Financial Statements

For the Years Ended December 31, 2024 and 2023

NOTE 14 – RETIREMENT PLANS (CONTINUED)

Estimated Future Benefit Payments – The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid:

2025	\$ 723,641
2026	684,733
2027	681,543
2028	641,237
2029	602,376
Years 2030-2034	<u>2,283,469</u>
Total	<u>\$ 5,616,999</u>

The following sets forth the Plan's actuarially determined funded status at December 31, 2023:

Obligations and Funded Status for 2023:

Benefit Obligation at December 31, 2023	<u>\$ 6,521,244</u>
Fair Value of Plan Assets at December 31, 2022	5,822,914
Employer Contributions	803,577
Actual Return on Assets	443,790
Benefit Payments	(646,259)
Fair Value of Plan Assets at December 31, 2023	<u>6,424,022</u>
Net Unfunded Status of the Plan at December 31, 2023	<u>\$ 97,222</u>

Net Periodic Pension Cost for 2023:

Service Cost	\$ -
Interest Cost	286,610
Expected Return on Plan Assets	(252,524)
Amortization of Net Transition (Asset) or Obligation	-
Amortization of Prior Service Cost	-
Amortization of Net (Gain) or Loss	<u>208,581</u>
Net Periodic Pension Cost for Period 1/1/2023 to 12/31/2023	<u>\$ 242,667</u>

GENERAL CONFERENCE OF THE BRETHREN IN CHRIST

Notes to Financial Statements

For the Years Ended December 31, 2024 and 2023

NOTE 14 – RETIREMENT PLANS (CONTINUED)

Items Not Yet Recognized as a Component of Net Periodic Pension Cost for 2023:

Items Not Yet Recognized as a Component of Net Period Pension Cost at 12/31/2022	\$ 4,014,604
Amortization of Net Transition Asset or (Obligation)	-
Amortization of Prior Service Cost	-
Amortization of Net Gain or (Loss)	(208,581)
Change Due to Change in Experience and Assumptions at 12/31/2023	-
Change Due to Plan Amendment	-
Experience (Gain) or Loss at 1/1/2023	10,785
Asset (Gain) or Loss	<u>(191,266)</u>

Items Not Yet Recognized as a Component of Net Period Pension Cost at 12/31/2023	<u>\$ 3,625,542</u>
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Assumptions:

Weighted-Average Assumptions Used to Determine Benefit Obligations at December 31, 2023:

Discount Rate	4.50 %
Rate of Compensation Increase	0.00 %

Weighted-Average Assumptions Used to Determine Net Periodic Benefit Cost for Year Ended December 31, 2023:

Discount Rate	4.50 %
Expected Return on Plan Assets	5.50 %
Rate of Compensation Increase	0.00 %

The BIC US's expected rate of return on plan assets is determined by the plan assets' historical long-term investment performance, current asset allocation, and estimates of future long-term returns by asset class.

The discount rate is based on the FTSE Pension Liability Index rounding to the nearest 0.50%.

Plan Assets:

The BIC US's pension plan weighted-average asset allocations at December 31, 2023, by asset category are as follows:

<u>Asset Category</u>	<u>Percentage</u>
Real Estate	3.96 %
Cash/Money Market Funds/SICs	56.22 %
International Equities	6.14 %
Large Cap Equities	18.06 %
Fixed Income	<u>15.62 %</u>
Total	<u>100.00 %</u>

All assets are considered Level 1 or 2.

GENERAL CONFERENCE OF THE BRETHREN IN CHRIST
Notes to Financial Statements
For the Years Ended December 31, 2024 and 2023

NOTE 14 – RETIREMENT PLANS (CONTINUED)

Mutual Funds – Valued at the net asset value (NAV) of shares held by the Plan at year-end. NAV is used as a practical expedient to fair value and shares may be redeemed on a daily basis.

BIC Foundation Stewardship Investment Certificates – The Plan's investment in Stewardship Investment Certificates (SICs) are held with the BICF and considered to be a Level 2 Investment. These SICs are similar to a certificate of deposit and valued at cost.

Cash Flows:

Contributions – The BIC US expects no contributions to its pension plan in 2024.

Estimated Future Benefit Payments – The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid:

2024	\$ 716,881
2025	695,900
2026	658,048
2027	655,886
2028	616,776
Years 2029-2033	<u>2,347,396</u>
Total	<u>\$ 5,690,887</u>

NOTE 15 – CONCENTRATED CREDIT RISK

The BIC Foundation is a denominationally owned and sponsored corporation consisting of two divisions which holds investments for the BIC US. The Trust Division handles investments on behalf of church agencies. The Brotherhood Loan Fund Division serves the church in a manner similar to that of a credit union. This division accepts deposits from individuals and church agencies and loans funds to congregations and pastors for real estate transactions. The investments of the BIC US are held by the BIC Foundation, which are neither insured by any private or governmental agency, nor are the balances fully collateralized. Therefore, an off-balance-sheet and a concentrated credit risk exist.

Financial instruments that potentially subject the BIC US to concentrations of credit risk consist principally of cash and cash equivalents held with financial institutions. Accounts at financial institutions are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per institution. The BIC US's accounts at a financial institution exceeded the insurance obtained through the FDIC. Amounts in excess of the FDIC limit totaled \$551 and \$952 at December 31, 2024 and 2023, respectively.

NOTE 16 – SUBSEQUENT EVENTS

Subsequent events have been evaluated through June 26, 2025, which is the date the financial statements were available to be issued.