The Pension Boards
United Church of Christ, Inc.

2024 FINANCIAL STATEMENTS

Combined Financial Statements of
The Pension Boards-United Church of Christ, Inc.,
for Years Ended: December 31, 2024 & 2023

Our History

Since 1914, the Pension Boards-United Church of Christ, Inc. (PBUCC) has been a partner in ministry with those who serve the United Church of Christ (UCC). PBUCC offers comprehensive employee benefits programs for active and retired UCC clergy and lay employees and their eligible dependents, providing the highest standards of service, access, and options. PBUCC assists those who serve the church in achieving health and economic security through:

- thought leadership regarding faith-based, socially responsible investing;
- professional investment expertise that enhances returns;
- a comprehensive mix of products and services that meet diverse needs;
- innovative application of technology; and
- outreach to all settings of the UCC and the greater church.

Our Mission

Operating at the intersection of faith and finance, we are caring professionals partnering with those engaged in the life of the Church to provide valued services leading to greater financial security and wellness.

Our Vision

The Pension Boards delivers benefits and services from the intersection of faith and finance, providing clergy, lay employees, and all persons served with the peace of mind that comes through greater financial security and better health.

The Pension Boards
United Church of Christ, Inc.

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April 7, 2025

Report of Management

Management of The Pension Boards - United Church of Christ, Inc. (**Pension Boards**) has prepared the accompanying combined financial statements of the Pension Boards for the years ended December 31, 2024 and 2023. We are responsible for the content, integrity, and objectivity of the financial information presented in this Annual Report. The combined financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (**GAAP**). The statements include amounts based on management's best estimates and judgments.

We believe that the combined financial statements present fairly, in all material respects, the financial position, activities, functional expenses and cash flows of the Pension Boards in accordance with GAAP for the periods presented in this Annual Report. The 18-member Board of Trustees of the Pension Boards, all of whom are independent of the Pension Boards' management, oversees the Pension Boards' financial reporting and internal controls through its Audit Committee. The Audit Committee is responsible for the appointment, compensation, and oversight of the Pension Boards' independent public accountants. The Audit Committee is also responsible for communications between the Board of Trustees and the Pension Boards' independent public accountants, the Pension Boards' internal auditor, and financial management staff regarding the combined financial statements, audits, accounting and financial reporting practices, adequacy, and effectiveness of the system of internal controls, and the scope and results of the annual audit.

The Pension Boards combined financial statements have been audited by RSM US LLP, independent public accountants, whose report is attached. The independent public accountants, engaged to express an opinion on the combined financial statements, meet periodically with, and have been given free access to, the Audit Committee, without management present, to discuss internal controls, auditing, and financial reporting matters.

Management recognizes that the Pension Boards' system of internal control plays an important role in the preparation of reliable combined financial statements. The system is designed to provide reasonable assurance that assets are safeguarded and that transactions are recorded properly and executed in accordance with management's authorization. The control environment is enhanced by the selection and training of competent management, maintaining the highest standards of conduct by employees, appropriately segregating duties, delegating authority, and communicating accounting and operating policies and procedures to the Pension Boards' employees.

David A. Klassen

David A. Klassen
President & CEO

Carolyn M. Weiss

Carolyn M. Weiss
Chief Financial Officer

Independent Auditor's Report

Board of Trustees
The Pension Boards – United Church of Christ, Inc.

Opinion
We have audited the combined financial statements of The Pension Boards – United Church of Christ, Inc. (the Pension Boards), which comprise the combined statements of financial position as of December 31, 2024 and 2023, the related combined statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the combined financial statements (collectively, the financial statements).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Pension Boards as of December 31, 2024 and 2023, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion
We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Pension Boards and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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

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

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Visit rsmus.com/aboutus for more information regarding RSM US LLP and RSM International.

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the 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 the Pension Boards' 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 the Pension Boards' 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.

RSM US LLP

New York, New York
April 7, 2025

PENSION BOARDS – UNITED CHURCH OF CHRIST, INC.
COMBINED STATEMENTS OF FINANCIAL POSITION

	December 31, 2024	December 31, 2023
ASSETS		
Cash	$ 1,765,090	$ 1,560,650
Investments:		
Investments at fair value	215,968,745	207,772,374
Investments held for others	17,784,076	14,806,387
Total investments	233,752,821	222,578,761
Receivables:		
Accounts Receivable, net	2,022,208	1,479,554
Contributions Receivable, net	-	415,620
Receivable due from affiliate	304,401	856,372
Receivable due from Generations United Federal Credit Union	645,299	-
Accrued investment income receivable	1,974,203	1,804,246
Receivable from brokers for securities sales	1,930	185,208
Loans issued by Generations Financial Resources, net	636,231	727,874
Total receivables	5,584,272	5,468,874
Collateral provided by securities borrowers	8,432,386	7,460,846
Operating lease right-of-use assets	3,348,550	4,005,799
Property and equipment, net	1,205,503	131,637
Deferred compensation asset	7,707,338	5,660,116
Prepaid expenses and other assets	1,514,793	2,430,743
Investments restricted for endowment	18,152,507	13,795,715
TOTAL ASSETS	**$ 281,463,260**	**$ 263,093,141**
LIABILITIES AND NET ASSETS		
Health benefits payable	$ 4,332,884	$ 4,183,891
Deferred health benefit premiums	3,821,927	3,597,668
Payable to securities borrowers	8,432,386	7,460,846
Payable to brokers for securities purchases	51,022	131,193
Investments held for others	17,784,076	14,806,387
Operating lease liabilities	3,348,550	4,005,799
Payable due to affliliate	551,461	-
Deferred compensation obligation	7,724,388	5,697,858
Accrued expenses and other liabilities	7,768,433	5,550,434
Total liabilities	53,815,127	45,434,076
Net Assets		
Without donor restrictions	138,666,065	136,466,026
With donor restrictions	88,982,068	81,193,039
Total net assets	227,648,133	217,659,065
TOTAL LIABILITIES AND NET ASSETS	**$ 281,463,260**	**$ 263,093,141**

See notes to the Combined Financial Statements.

PENSION BOARDS – UNITED CHURCH OF CHRIST, INC.
COMBINED STATEMENTS OF ACTIVITIES

	Year Ended December 31, 2024		
	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES AND SUPPORT			
Investment return, net	$ 14,439,150	$ 11,627,091	$ 26,066,241
Health benefits premiums	49,844,238		49,844,238
Contributions	1,909,366	94,410	2,003,776
Generations Investment Services management fees	44,767		44,767
Generations Financial Resources loan interest	28,419		28,419
Reimbursement of plan administration expenses	20,062,407		20,062,407
Other	697,921		697,921
Net Assets Released from Restriction	3,932,472	(3,932,472)	-
Total revenues and support	90,958,740	7,789,029	98,747,769
EXPENSES			
Health Benefit Fund	56,422,433	-	56,422,433
Ministerial Assistance	5,370,842	-	5,370,842
Generation Companies	50,470	-	50,470
Total Program Services:	61,843,745	-	61,843,745
Supporting Services:			
Management & General	26,444,658	-	26,444,658
Fundraising	470,298	-	470,298
Total Support Services:	26,914,956	-	26,914,956
Total expenses	88,758,701	-	88,758,701
CHANGE IN NET ASSETS	2,200,039	7,789,029	9,989,068
NET ASSETS			
Beginning of year	136,466,026	81,193,039	217,659,065
End of year	$ 138,666,065	$ 88,982,068	$ 227,648,133

See notes to the Combined Financial Statements.

PENSION BOARDS – UNITED CHURCH OF CHRIST, INC.
COMBINED STATEMENTS OF ACTIVITIES

	Year Ended December 31, 2023		
	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES AND SUPPORT			
Investment return, net	$ 15,389,917	$ 10,309,166	$ 25,699,083
Health benefits premiums	51,348,409		51,348,409
Contributions	2,446,086	336,547	2,782,633
Generations Investment Services management fees	22,381		22,381
Generations Financial Resources loan interest	20,479		20,479
Reimbursement of plan administration expenses	18,225,601		18,225,601
Other	1,157,492		1,157,492
Net Assets Released from Restriction	4,034,676	(4,034,676)	-
Total revenues and support	92,645,041	6,611,037	99,256,078
EXPENSES			
Program Services:			
Health Benefit Fund	59,400,805	-	59,400,805
Ministerial Assistance	5,896,370	-	5,896,370
Generation Companies	5,980	-	5,980
Total Program Services:	65,303,155	-	65,303,155
Supporting Services:			
Management & General	19,898,600	-	19,898,600
Fundraising	414,081	-	414,081
Total Support Services:	20,312,681	-	20,312,681
Total expenses	85,615,836	-	85,615,836
CHANGE IN NET ASSETS	7,029,205	6,611,037	13,640,242
NET ASSETS			
Beginning of year	129,436,821	74,582,002	204,018,823
End of year	$ 136,466,026	$ 81,193,039	$ 217,659,065

See notes to the Combined Financial Statements.

PENSION BOARDS – UNITED CHURCH OF CHRIST, INC.
COMBINED STATEMENTS OF FUNCTIONAL EXPENSES

Year Ended December 31, 2024	Health and Benefits Fund	Ministerial Assistance Fund	Generation Companies	**Total Program Services**	Management & General	Fundraising	**Total Supporting**	**Total**
Compensation, benefits, and taxes	$ 1,574,883	$ 1,817,594	$ -	$ 3,392,477	$ 18,504,352	$ 372,522	$ 18,876,874	$ 22,269,351
Health service claims	54,144,323	-	-	54,144,323	-	-	-	54,144,323
Contracted services and professional fees	378,502	273,329	-	651,831	2,823,500	55,000	2,878,500	3,530,331
Banking services	36,914	100,633	6,470	144,017	986,368	586	986,954	1,130,971
Grants and programs	-	1,946,597	-	1,946,597	549,000	-	549,000	2,495,597
Connectivity, supplies, and postage	182,541	176,476	-	359,017	1,894,731	23,879	1,918,610	2,277,627
Facility and related expenses	69,877	93,122	-	162,999	683,322	-	683,322	846,321
Depreciation and amortization	16,300	8,669	-	24,969	168,181	-	168,181	193,150
Travel, conferences, meetings, and events	51,435	920,178	-	971,613	398,963	11,015	409,978	1,381,591
Other	37,510	34,244	-	71,754	436,241	7,296	443,537	515,291
Credit (gain) loss	(69,852)	-	44,000	(25,852)	-	-	-	(25,852)
Total Expenses	**$ 56,422,433**	**$ 5,370,842**	**$ 50,470**	**$ 61,843,745**	**$ 26,444,658**	**$ 470,298**	**$ 26,914,956**	**$ 88,758,701**

Year Ended December 31, 2023	Health and Benefits Fund	Ministerial Assistance Fund	Generation Companies	**Total Program Services**	Management & General	Fundraising	**Total Supporting**	**Total**
Compensation, benefits, and taxes	$ 2,815,122	$ 3,026,178	$ -	$ 5,841,300	$ 10,145,327	$ 337,503	$ 10,482,830	$ 16,324,130
Health service claims	56,152,130	-	-	56,152,130	-	-	-	56,152,130
Contracted services and professional fees	6,659	2,940	-	9,599	4,049,280	26,000	4,075,280	4,084,879
Banking services	-	40,160	5,980	46,140	565,160	-	565,160	611,300
Grants and programs	-	2,193,304	-	2,193,304	600,000	-	600,000	2,793,304
Connectivity, supplies, and postage	2,194	13,687	-	15,881	2,186,787	-	2,186,787	2,202,668
Facility and related expenses	-	31,962	-	31,962	653,563	-	653,563	685,525
Depreciation and amortization	-	-	-	-	90,261	-	90,261	90,261
Travel, conferences, meetings, and events	527	587,448	-	587,975	608,791	50,578	659,369	1,247,344
Other	(1,794)	691	-	(1,103)	999,431	-	999,431	998,328
Credit loss	425,967	-	-	425,967	-	-	-	425,967
Total Expenses	**$ 59,400,805**	**$ 5,896,370**	**$ 5,980**	**$ 65,303,155**	**$ 19,898,600**	**$ 414,081**	**$ 20,312,681**	**$ 85,615,836**

See notes to the Combined Financial Statements.

PENSION BOARDS – UNITED CHURCH OF CHRIST, INC.
COMBINED STATEMENTS OF CASH FLOWS

	Year Ended December 31, 2024	Year Ended December 31, 2023
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	$ 9,989,068	$ 13,640,242
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation and amortization	193,151	90,259
Change in allowance for credit loss	(299,088)	425,967
Contributions restricted for investment in perpetual endowment	(38,398)	(22,166)
Net realized and unrealized gain on investments	(7,102,395)	(21,735,123)
Amortization of operating right of use asset	657,249	681,133
Changes in assets and liabilities		
(Increase) in assets:		
Accounts receivable, net	(199,565)	(1,894,941)
Contributions receivable, net	415,620	(336,872)
Receivable due from affiliates	551,971	576,890
Receivable due from Generations United Federal Credit Union	(645,299)	-
Loans issued by Generations Financial Resources	47,643	(431,027)
Receivable from brokers for securities sales	183,278	(95,962)
Collateral provided by securities borrowers	(971,540)	(1,191,386)
Accrued investment income receivable	(169,957)	(335,086)
Deferred compensation asset	(2,047,222)	(1,956,998)
Prepaid expenses and other assets	915,950	(1,172,374)
Increase (decrease) in liabilities:		
Health benefits payable	148,993	899,888
Deferred benefit premiums	224,259	1,618,414
Payable to securities borrowers	971,540	1,191,386
Payable to brokers for securities purchases	(80,171)	46,282
Investments held for others	2,977,689	(1,562,432)
Principal reduction in operating lease liability	(657,249)	(681,133)
Payable due to affiliate	551,461	-
Deferred compensation obligation	2,026,530	1,977,003
Accrued expenses and other liabilities	2,217,999	1,120,533
Net cash provided by (used in) operating activities	9,861,517	(9,147,503)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sales of investments	195,384,852	241,188,471
Purchase of investments	(203,813,308)	(231,563,111)
Purchase of property and equipment	(1,267,019)	(8,338)
Net cash (used in) provided by investing activities	(9,695,475)	9,617,022
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from contributions restricted for endowment	38,398	22,166
Net cash provided by investing activities	38,398	22,166
Net increase in cash	204,440	491,685
Net Cash, Beginning of year	1,560,650	1,068,965
Net Cash, End of year	**$ 1,765,090**	**1,560,650**

See notes to the Combined Financial Statements.

PENSION BOARDS – UNITED CHURCH OF CHRIST, INC
NOTES TO THE COMBINED FINANCIAL STATEMENTS

1. ORGANIZATION

The Pension Boards-United Church of Christ, Inc. (the Pension Boards) was incorporated in 1914 in New Jersey as a non-profit corporation and is an affiliated ministry of the United Church of Christ (the UCC). The Pension Boards provides retirement, disability, life insurance, medical, dental, and vision benefits for clergy and lay employees of the UCC, its predecessor religious denominations, and UCC-related organizations, through the administration of retirement and other benefit plans. As an affiliated ministry of the UCC, the Pension Boards is able to serve all other ministries of the UCC.

The Pension Boards is governed by an 18-member Board of Trustees.

The Pension Boards is the plan sponsor and trustee of The United Church of Christ Lifetime Retirement Income Plan, the net assets and activity of which are presented on separate audited financial statements and excluded from these combined financial statements.

United Church Board for Ministerial Assistance, Inc.

The United Church Board for Ministerial Assistance, Inc. (Ministerial Assistance) was incorporated in 1885 in Connecticut as a non-profit corporation to hold, manage, and distribute funds to provide direct support to authorized ministers and lay church employees of the UCC whose circumstances call for compassionate responses. The Ministerial Assistance programs foster innovative initiatives and strategic partnerships throughout the United Church of Christ, cultivating sustainable ministries that thrive within the UCC community.

Ministerial Assistance is an affiliated ministry of the UCC and is a controlled affiliate of the Pension Boards. Ministerial Assistance maintains The Christmas Fund for the Veterans of the Cross and the Emergency Fund to receive contributions from an annual church-wide appeal. These contributions help provide pension supplementation, health benefits supplementation for retirees, emergency grants, and Christmas “thank you” checks to lower-income retirees and their spouses/partners.

Benefit Services Fund

The Pension Boards sponsors church welfare benefits plans, including plans providing employer group medical, dental, vision, long-term disability, short-term disability, and death benefits (collectively, Welfare Plans). The Pension Boards established the Welfare Plans Trust in 2015 to hold cash and investments for the sole and exclusive benefit of the participants. The Welfare Plans Trust is held within the Benefit Services Fund and includes net assets and activities relating to the Welfare Plans. Fully insured and self-insured medical, dental, vision, and short-term disability plans are administered by third parties, and the Pension Boards also offer a life insurance and long-term disability income benefit plan underwritten by an independent commercial insurance carrier.

Generations Investment Services, Inc.

Generations Investment Services, Inc. (GIS) was incorporated in 2019 in Delaware and is a controlled affiliate of the Pension Boards. GIS is a non-profit corporation exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code (Code), organized exclusively for religious and charitable purposes to support the mission and benefit the UCC. GIS offers investment management for certain UCC-related funds.

Generations Financial Resources, Inc.

Generations Financial Resources, Inc. (GFR) was incorporated in 2019 in Delaware and is a controlled affiliate of the Pension Boards. GFR is a non-profit corporation exempt from federal income tax under Section 501(c)(3) of the Code, organized exclusively for religious and charitable purposes to support the mission and for the benefit of the UCC. GFR promotes the financial literacy of clergy members of the

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

UCC and offers loans for refinancing a portion of education debt on favorable terms. GFR aims to further the Faith and Finance mission of Ministerial Assistance by improving the financial wellness of UCC clergy.

Basis of Accounting and Presentation
The accompanying combined financial statements include the assets, liabilities, activities and cash flows of the Pension Boards, Ministerial Assistance, Benefit Services Fund, GIS, and GFR on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP). All inter-entity balances have been eliminated in combination.

Net Assets
The combined financial statements are presented in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 958 - Non-Profit Entities. The Pension Boards is required to report information regarding its combined financial position and activities as net assets without donor restrictions or net assets with donor restrictions.

***Net Assets Without Donor Restriction* –** Resources that are free of donor-imposed restrictions. The Board of Trustees and management of the Pension Boards have full discretion with respect to use. All revenues that are not restricted by donors, and all expenses, excluding investment-related expenses, are included in this category. Investment-related expenses are netted against returns on investments in the appropriate net asset category. Board-designated activities, not otherwise restricted for Ministerial Assistance, are included in net assets without donor restriction in the combined statements of financial position.

***Net Assets With Donor Restriction* –** Resources that are subject to donor-imposed restrictions that will be satisfied by actions of the Pension Boards or the passage of time. Generally, donor-imposed restrictions stipulate that resources are maintained in perpetuity but permit the Pension Boards to expend part or all the income derived from the donated assets for either a specified or unspecified purpose.

Use of Estimates
The preparation of the combined financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the combined financial statements, and the reported amounts of revenues and expenses and realized and unrealized gains and losses during the reporting period. Estimates and assumptions used by the Pension Boards relate to the valuation of certain investments without readily determinable fair values, the calculations of credit losses, the determination of the discount rate for its lease liability, and the determination of useful lives of depreciable assets. Actual results could differ from those estimates.

Cash
The Pension Boards maintains cash in bank deposit accounts which, at times, may exceed federally insured limits. The Pension Boards has not experienced any losses in such accounts. The Pension Boards believes it is not exposed to any significant financial risk on cash.

Accounts Receivable, net
Accounts Receivable consist of amounts billed to employers and members for monthly premiums for various products such as health, dental, disability, and life insurance. Accounts Receivable are due the 28^{th} of each month. Accounts Receivable, net in the combined statements of financial position, are as follows:

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

December 31,		2024		2023
Accounts Receivable	$	2,105,086	$	1,905,521
Allowance for Credit Losses		(82,878)		(425,967)
Accounts receivable, net	**$**	**2,022,208**	**$**	**1,479,554**

The measurement of expected credit losses under the current expected credit loss (CECL) methodology is applicable to financial assets measured at amortized cost, which include billed and unbilled receivables as well as contract assets. The Pension Boards record an allowance for credit losses, representing the estimated aggregate amount of credit risk arising from the inability to pay obligations. Accounts Receivable, net, represents the amount the Pension Boards expect to collect. At each reporting date, the Pension Boards adjust the allowance for credit losses to reflect its current estimate.

The Pension Boards separate accounts receivable into risk pools based on the type of health benefit provided and their aging. In determining the amount of allowance as of the combined statement of financial position date, the Pension Board develops a loss rate for each risk pool. This loss rate is based on management's assessment of current conditions, reasonable and supportable forecasts regarding future events, and any other factors deemed relevant by management. Actual experience may vary from estimates.

Adjustments to the allowance for credit losses are included in the Health Benefits Fund in the combined statements of activities and separately reported in the combined statements of functional expenses.

Receivables are written off when deemed uncollectible. Write-offs are recognized as a deduction from the allowance for credit losses. As a matter of policy, recoveries made from any accounts previously written off are recognized as an offset to credit losses in the year of recovery.

Activity in the allowance for credit losses for the years ended December 31, 2024 and 2023 are as follows:

		January 1, 2024 Balance		Plus: Credit Gain (Loss)		Minus: Write-offs		December 31, 2024 Balance
Health Plan	$	(392,719)	$	65,998	$	260,065	$	(66,656)
Vision		(634)		220		-		(414)
Flex Savings		(836)		(536)		-		(1,372)
Dental Plan		(20,101)		(2,403)		9,056		(13,448)
Life/Disability Insurance		(11,677)		6,573		4,116		(988)
Total Allowance for Credit Loss	**$**	**(425,967)**	**$**	**69,852**	**$**	**273,237**	**$**	**(82,878)**

		January 1, 2023 Balance		Plus: Credit Loss		Minus: Write-offs		December 31, 2023 Balance
Health Plan	$	-	$	(392,719)	$	-	$	(392,719)
Vision		-		(634)		-		(634)
Flex Savings		-		(836)		-		(836)
Dental Plan		-		(20,101)		-		(20,101)
Life/Disability Insurance		-		(11,677)		-		(11,677)
Total Allowance for Credit Loss	**$**	**-**	**$**	**(425,967)**	**$**	**-**	**$**	**(425,967)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Contributions Receivable, net

Contributions Receivable are recorded in the period the promise is received. Contributions receivable due within one year are recorded at their net realizable value. Contributions receivable due in more than one year are recorded at the present value of their net realizable value, using applicable risk-adjusted interest rates to discount the amounts. Allowances for doubtful contributions receivable are provided by management based on the Pension Boards' experience with the donors and their ability to pay.

As of December 31, 2024 and 2023, the Pension Boards' Contribution Receivable consisted of $0 and $415,620, respectively, all of which were collected within one year. The Pension Boards believe that each has limited credit risk with respect to these donors, given their relationship with and support of the Pension Boards and its activities. Management did not record an allowance for uncollectible receivables as of December 31, 2024 and 2023, respectively.

Receivables due from Generations United Federal Credit Union

Receivables due from Generations United Federal Credit Union (GUFCU) consist of services provided or incurred expenses, primarily related to personnel, general, and administrative charges, which are billed to GUFCU on a cost reimbursement basis. Such costs were $645,299 as of December 31, 2024, and are included in management and general in the accompanying combined statements of activities and statements of functional expenses. Management did not record an allowance for uncollectible receivables as of December 31, 2024, as the receivable is expected to be collected within one year.

Loans issued by Generations Financial Resources, net

Loans issued by Generations Financial Resources, net, consist of loans that management intends and can hold for the foreseeable future or until maturity or payoff and are reported at amortized cost, net of allowance for credit losses. Amortized cost is the principal balance outstanding, net of any deferred loan fees and costs. GFR is a rehabilitative lending program and as a matter of policy, does not charge loan origination and commitment fees, direct-loan origination costs, or any other related costs. Interest income is accrued on the unpaid principal balance. Loans issued by Generations Financial Resources, net in the combined statements of financial position, are as follows:

December 31,	2024	2023
Accounts Receivable	$ 677,995	$ 725,448
Accrued Interest Receivable	2,236	2,426
Allowance for Credit Losses	(44,000)	-
Loans issued by Generations Financial Resources, net	$ 636,231	$ 727,874

The measurement of expected credit losses under the CECL methodology is applicable to financial assets measured at amortized cost. The allowance for credit losses is deducted from the loans' amortized cost basis to present the net amount expected to be collected on the loan. Loans are charged off against the allowance when deemed uncollectible. No charge-offs were deemed necessary as of December 31, 2024 and 2023.

Management estimates the allowance balance using relevant information from internal and external sources regarding past events, current conditions, and reasonable and supportable forecasts. In determining the allowance for credit losses, GFR applied the probability of default approach to the collective pool of loan principal outstanding. The allowance balance is then adjusted for differences in loan-specific risk characteristics such as historical losses, portfolio, and customer-specific factors. The relevant risk characteristics identified for the loan portfolio include unemployment and mortality.

Adjustments to the allowance for credit losses are included in the Generation Companies in the combined statements of activities and separately reported in the combined statements of functional expenses.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investment Valuation and Income Recognition

Investments are reported at fair value in accordance with ASC Topic 820, Fair Value Measurements. Securities traded in active markets on national and international securities exchanges are valued at closing prices on the last business day of each year presented. Securities traded in markets that are not considered active are valued based on quoted market prices, broker or dealer quotations, or alternative pricing sources with reasonable levels of price transparency.

Investment transactions are accounted for on the date the securities are purchased or sold, which is the trade date. A corresponding payable to or receivable from the transaction counterparty is recorded until cash and securities are exchanged on the settlement date. Dividend income is recorded on the ex-dividend date.

Interest income is accrued as earned. Realized gain or loss represents the difference between the proceeds received on a sale of a security and its historical cost. Unrealized gain or loss represents the difference between the fair value of a security and its historical cost.

Investments denominated in non-U.S. dollar currencies are translated at the exchange rates in effect at each financial statement date. Gains and losses from the sale of such investments are translated at the exchange rates in effect at the transaction date.

Financial Risk

Investment securities, in general, are exposed to various risks, such as interest rate, credit, liquidity, and overall market volatility. Due to the level of risk associated with certain investment securities, it is possible that changes in the values of investment securities will occur in the near or long term and those changes could materially affect the amounts reported in the combined statements of financial position.

Investments Held for Others

Commingled assets managed for others by GIS are recorded on the combined statements of financial position as investments held for others with the corresponding liability. Assets returned to external entities by GIS also bear no impact on the combined statements of activities.

Investment management fee income earned by GIS and related expenses is reported in the combined statements of activities.

Property and Equipment, net

Property and Equipment include technical equipment, furniture and fixtures, and leasehold improvements. Property and equipment are stated at cost on the dates of acquisition, less accumulated depreciation.

The Pension Boards capitalize property and equipment with costs aggregating $1,500 or more. Depreciation is computed for all property and equipment using the straight-line method over the assets' estimated useful lives. The Pension Boards use the full-month convention.

The following table provides the estimated useful lives for each asset class.

Asset Class	Estimated useful lives
Technical Equipment	5-7 years
Furniture and Fixtures	7 years
Leasehold Improvement	Shorter of the remaining useful life of the lease or the life of the improvement

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Leases
Leases arise from contractual obligations that convey the right to control the use of identified property, plant, or equipment for a period in exchange for consideration. At the inception of the contract, the Pension Boards determines if an arrangement contains a lease based on whether there is an identified asset and whether the Pension Boards controls the use of the identified asset. The Pension Boards also determines whether the lease classification is an operating or financing lease at the commencement date.

A right of use asset represents the Pension Boards' right to use an underlying asset and a lease liability represents the Pension Boards' obligation to make payments during the lease term. Lease liabilities are recorded at the present value of the future lease payments over the lease term at commencement. The implicit rates for the Pension Boards' lease is not readily determinable; therefore, the Pension Boards elected to use a risk-free discount rate at the lease commencement date for its real estate operating lease.

Pension Boards' real estate operating lease includes non-lease components such as common-area maintenance costs, utilities and other maintenance costs. The Pension Boards elected to combine non-lease components with lease payments for the purpose of calculating lease right-of-use assets and liabilities to the extent that they are fixed.

As a matter of policy, the Pension Boards elected to exclude short term leases, including month-to-month leases in the determination of lease liability and right of use asset in the combined statements of financial position. Short-term lease expense is recognized on a straight-line basis over the expected term of the lease. The Pension Boards had one short-term lease as of December 31, 2024 and 2023. The Pension Boards also elected to exclude leases with remaining payments of $250,000 or less from the combined statements of financial position. The Pension Boards had three such leases for office equipment as of December 31, 2024 and 2023.

Revenue Recognition
The Pension Boards' significant revenue recognition policies relative to its primary source of revenue, contracts with customers, and contributions are outlined below.

Contracts With Customers - In accordance with ASC Topic 606, Revenue from Contracts with Customers, the Pension Boards recognizes revenue when control of the promised services is transferred to the outside parties in an amount that reflects the consideration Pension Boards expects to be entitled to in exchange for those services. The standard outlines a five-step model whereby revenue is recognized as performance obligations within a contract are satisfied.

The Pension Boards derives its revenue from health service premiums and is recognized as the health benefits insurance is effective. Payments paid in advance of the insurance period are recorded as deferred revenue. There are also no incremental costs of obtaining a contract and no significant financing components.

Contributions – Unconditional contributions are recognized as support when promised unconditionally and are recorded net of any current year allowance or discount activity. The Pension Boards report gifts of cash and other assets with donor restrictions if they are received or promised with donor stipulations that limit the use of the donated assets to the Pension Boards' programs, or to a future year. Contributions that the donor restricts are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends, or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the combined statements of activities as net assets released from donor restrictions.

Functional Allocation of Expenses
The costs of providing various core functions and supporting services by the Pension Boards have been summarized on a functional basis in the accompanying combined financial statements. Each department within the Pension Boards is allocated to core functions or supporting services based on their respective time and a determination of what functions they perform.

Reclassifications
Certain prior-year amounts in the combined statements of financial position, the combined statements of functional expenses, the combined statements of cash flows and accompanying notes have been reclassified to conform to the current year's presentation. Changes to fiscal year 2023 comparative financial information had no impact on previously reported net assets.

3. INVESTMENTS AND FAIR VALUE MEASUREMENTS

Investments are classified on the combined statements of financial position as follows:

December 31,		2024		2023
Investments	$	215,968,745	$	207,772,374
Investments held by Generations Investment Services		17,784,076		14,806,387
Investments restricted for endowment		18,152,507		13,795,715
Total Investments	$	251,905,328	$	236,374,476

Fair Value Hierarchy
The fair value of a financial instrument is the amount that would be received from the sale of an asset or paid to transfer liability in an orderly transaction between market participants at the measurement date (the exit price). All financial instruments that are measured and reported on a fair value basis are classified according to a fair value hierarchy. The fair value hierarchy ranks the quality and reliability of the information used to determine fair values.

The three levels of fair value hierarchy are:

- **Level 1**: Unadjusted quoted prices in active markets that are accessible at the measurement date for identical assets and liabilities. The types of investments generally included in this category are exchange-traded equities, short-term money market instruments, actively traded U.S. government bonds and notes, and exchange-traded mutual funds. The fair values of these securities are generally based on quotations obtained from national securities exchanges.

- **Level 2**: Quoted prices in markets that are not considered to be active or financial instruments for which all significant inputs are observable, either directly or indirectly. Where securities are not listed on an exchange, quotations are obtained from brokerage firms. Level 2 investments generally included in this category are corporate bonds and non-exchange traded equities, debt, and mutual funds.

- **Level 3**: Prices or valuations that require inputs that are both significant to the fair value measurement and unobservable.

3. INVESTMENTS AND FAIR VALUE MEASUREMENTS (continued)

A review of fair value hierarchy classifications is conducted annually. Changes in the observability of valuation inputs may result in a reclassification for certain financial assets or liabilities. Reclassifications of the fair value hierarchy are reported as transfers in/out of the category as of the beginning of the period in which the reclassifications occur.

As a practical expedient, the Pension Boards uses net asset value (NAV) as the fair value for certain investments. The practical expedient is applied to measure the fair value of investments in certain entities that do not have a quoted market value price but calculate NAV per share or its equivalent. These securities are excluded from the fair value hierarchy level classification and instead are disclosed separately and shown as a reconciling item between the total amount of investments categorized within the fair value hierarchy and total investments measured at fair value on the face of the combined financial statements.

The following table sets forth by level within the fair value hierarchy of investment assets as of December 31, 2024:

	Investments as of December 31, 2024			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
INVESTMENTS				
Equity:				
Common Stock	$ 94,266,984	$ 19,342	$ 49,021	$ 94,335,347
Preferred Stock	126,649	-	3,584	130,233
Equity Total	94,393,633	19,342	52,605	94,465,580
Fixed Income:				
Corporate Bonds	-	37,567,098	-	37,567,098
Government Bonds	-	27,226,904	-	27,226,904
Mortgage Backed Securities	-	9,401,634	-	9,401,634
Government Agencies	-	14,365,730	-	14,365,730
Institutional Money Market Fund Shares	-	16,853,906	-	16,853,906
Asset Backed Securities	-	508,601	-	508,601
Syndicated Bank Loans	-	313,019	-	313,019
Fixed Income Total	-	106,236,892	-	106,236,892
Derivative Assets:				
Swaps	-	53,615	-	53,615
Rights/Warrants	-	-	-	-
Derivative Liabilities:				
Swaps	-	(5,972)	-	(5,972)
Swap Collateral	(44,329)	-	-	(44,329)
Derivatives Total	(44,329)	47,643	-	3,314
Investment Funds and Other:				
Mutual Funds	14,970,371	-	-	14,970,371
Exchange Traded Funds	13,953	-	-	13,953
Stapled Securities	26,800	-	-	26,800
Escrow Securities	13,223	-	-	13,223
Investment Funds and Other Total	15,024,347	-	-	15,024,347
SUBTOTAL INVESTMENTS	$ 109,373,651	$ 106,303,877	$ 52,605	$ 215,730,133
TOTAL INVESTMENTS VALUED AT NAV AS A PRACTICAL EXPEDIENT				$ 36,175,195
TOTAL INVESTMENTS				$ 251,905,328
COLLATERAL PROVIDED BY SECURITIES BORROWERS				
Non-cash collateral	$ -	$ 5,238,370	$ -	$ 5,238,370
Cash collateral (Valued at NAV as Practical Expedient)	-	-	-	3,194,016
TOTAL COLLATERAL PROVIDED BY SECURITIES BORROWERS	$ -	$ 5,238,370	$ -	$ 8,432,386

3. INVESTMENTS AND FAIR VALUE MEASUREMENTS (continued)

The following table sets forth by level within the fair value hierarchy of investment assets as of December 31, 2023:

	Investments as of December 31, 2023			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
INVESTMENTS				
Equity:				
Common Stock	$ 86,039,212	$ -	$ -	$ 86,039,212
Preferred Stock	25,336	-	-	25,336
Equity Total	86,064,548	-	-	86,064,548
Fixed Income:				
Corporate Bonds	-	41,066,507	-	41,066,507
Government Bonds	-	23,759,463	-	23,759,463
Mortgage Backed Securities	-	7,115,278	-	7,115,278
Government Agencies	-	15,610,908	-	15,610,908
Institutional Money Market Fund Shares	-	13,547,703	-	13,547,703
Asset Backed Securities	-	958,902	-	958,902
Syndicated Bank Loans	-	178,165	-	178,165
Fixed Income Total	-	102,236,926	-	102,236,926
Investment Funds and Other:				
Mutual Funds	16,276,275	-	-	16,276,275
Exchange Traded Funds	17,314	-	-	17,314
Stapled Securities	2,034	-	-	2,034
Escrow Securities	25,109	-	-	25,109
Investment Funds and Other Total	16,320,732	-	-	16,320,732
SUBTOTAL INVESTMENTS	$ 102,385,280	$ 102,236,926	$ -	$ 204,622,206
TOTAL INVESTMENTS VALUED AT NAV AS A PRACTICAL EXPEDIENT				$ 31,752,270
TOTAL INVESTMENTS				$ 236,374,476
COLLATERAL PROVIDED BY SECURITIES BORROWERS				
Non-cash collateral	$ -	$ 3,869,901	$ -	$ 3,869,901
Cash collateral (Valued at NAV as Practical Expedient)	-	-	-	3,590,945
TOTAL COLLATERAL PROVIDED BY SECURITIES BORROWERS	$ -	$ 3,869,901	$ -	$ 7,460,846

Equity Investments
Common and preferred stocks consist primarily of direct investments in the common and preferred stocks of a wide range of unaffiliated companies, which include domestic and foreign corporations and holdings in large, midsize and small companies. Common and preferred stocks are valued at closing price on the exchange or system in which such securities are principally traded.

Fixed Income Investments
Fixed income investments include corporate bonds, U.S. government notes and bonds, commercial asset-backed and mortgage-backed securities, U.S. government agency bonds, money market mutual funds, and syndicated bank loans.

Fixed income investments are priced based on evaluated prices provided by independent pricing services. Such evaluated prices may be determined by factors which include, but are not limited to, market quotations, yields, maturities, call features, ratings, institutional size trading in similar groups of securities and developments related to specific securities.

Syndicated bank loans are priced using a pricing vendor quote or broker quote.

3. INVESTMENTS AND FAIR VALUE MEASUREMENTS (continued)

Derivative Financial Investments

Derivatives consist of interest rate swaps, credit default swaps, equity index swaps, equity futures, and fixed income futures. Prices for Over the Counter (OTC) derivatives are obtained from vendor pricing or investment manager or counterparty pricing when vendor pricing is unavailable. Futures are priced using a daily settlement when available or a daily mark to market.

Swaps

Swaps are marked to market and unrealized appreciation or (depreciation) on derivatives contracts is recorded at each valuation date. An interest rate swap is an agreement between two parties where one stream of future interest payments is exchanged for another based on a specified principal amount. Interest rate swaps often exchange a fixed payment for a floating payment that is linked to an interest rate. The Pension Boards enters interest rate swap contracts with the objective to hedge its interest rate exposure. Interest rate swap contracts involve the risk of dealing with counterparties and their ability to meet the terms of the contract. Market risk exists with such contracts to the extent that the underlying index or benchmark rates change.

A credit default swap (CDS) is a contract between two parties in which one party purchases protection from another party against losses from the default of a borrower for a defined period. The CDS pays off upon the occurrence of a credit event, which includes bankruptcy, failure to pay, and involuntary restructuring. Counterparty risk exists with such a contract, as losses can occur if the counterparty does not perform in accordance with the contract.

An equity index swap (EIS) contract is a derivative contract between two parties that involves the exchange of one stream of equity-based cash flows linked to the performance of a stock or an equity index with another stream of fixed-income cash flows. Counterparty risk exists with such contracts, as losses can occur if the counterparty does not perform in accordance with the contract.

The realized gain and unrealized loss of the swap contracts were $67,904 and ($16,118), respectively, for the year ended December 31, 2024. The realized gain and unrealized loss of the swap contracts was $8,887 and ($1,174), respectively, for the year ended December 31, 2023. Gains and losses are recorded in the accompanying combined financial statements as a component of investment return, net. The market value of the swap contracts was $47,643 at December 31, 2024, and is included in investments in the combined statements of financial position. The market value of the swap contracts was ($10,482) at December 31, 2023, and is included in accrued expenses and other liabilities in the combined statements of financial position.

Equity Futures

Equity futures contracts are used by external investment managers to equitize cash when managing certain investments and can also be used by the investment team for asset rebalancing purposes. Such futures contracts trade on recognized exchanges and margin requirements are met by pledging cash and cash equivalents. The contracts are liquid instruments, usually with a 90-day settlement period, and their prices are observable daily on a nationally recognized exchange.

The maximum gross notional exchange-traded equity futures position open to equitize cash for 2024 and 2023 was $613,885 and $689,245, respectively. Futures contracts require daily cash settlement of the prior day’s change in fair value. These settlements totaled a gain of $66,959 and $78,250 for the years ended December 31, 2024 and 2023, respectively. Gains and losses resulting from the daily cash settlements are recorded in the accompanying combined financial statements as a component of investment return, net.

Fixed Income Futures

Fixed income futures contracts are a simple and cost-effective tool for better managing portfolio interest rate exposure without reducing portfolio yield or selling attractive and illiquid bonds. Purchasing Treasury futures would increase interest rate exposure (duration); conversely, selling Treasury futures would lower interest rate exposure.

3. INVESTMENTS AND FAIR VALUE MEASUREMENTS (continued)

The Pension Boards had six open fixed income futures positions as of December 31, 2024 and 2023. The maximum gross notional exchange-traded fixed income futures positions opened for 2024 and 2023 were $15,138,073 and $18,103,914, respectively. Futures contracts require daily cash settlement of the prior day's change in fair value. These settlements total a loss of ($352,606) and ($175,703) for the years ended December 31, 2024 and 2023, respectively. Gains and losses that result from the daily cash settlements are recorded in the accompanying combined financial statements as a component of investment return, net.

Investments Measured at Net Asset Value

In accordance with ASC Topic No. 820, Fair Value Measurement, the Pension Boards uses the net asset value (NAV) reported by each fund as a practical expedient to estimate the fair value of certain of the Pension Boards' investments. The fair value of these investments is based upon the Pension Boards' share of the fair value of the partnership. Because of the inherent uncertainty of the valuations of these investments, the estimated fair values may differ, perhaps materially, from the values that would have been used had a ready market for the investments existed.

The following table sets forth additional disclosures whose fair value is estimated using NAV per share as a practical expedient as of December 31, 2024:

	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Commingled Funds:				
Small Cap Equity Fund	$ 7,465,220	$ -	Daily	3 days
Emerging Market Equity Fund	6,235,733	-	Daily	None
Emerging Market Bond Fund	7,776,651	-	Daily	None
Other Equity:				
Global Equity Fund LP	83,233	-	Monthly	5 days
Hedge Funds	14,614,358	-	Subject to liquidity*	None
	$ 36,175,195	$ -		

*As of December 31, 2024, 92.2% of the 475 Fund's assets may be liquidated within 12 months or less; 98.3% of the 475 Fund's assets may be liquidated within 24 months or less; and 99.4% of the 475 Fund's assets may be liquidated within 36 months or less.

The following table sets forth additional disclosures whose fair value is estimated using NAV per share as a practical expedient as of December 31, 2023:

	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Commingled Funds:				
Small Cap Equity Fund	$ 6,557,923	$ -	Daily	3 days
Emerging Market Equity Fund	5,682,648	-	Daily	None
Emerging Market Bond Fund	7,180,702	-	Daily	None
Other Equity:				
Global Equity Fund LP	81,989	-	Monthly	5 days
Hedge Funds	12,249,008	-	Subject to liquidity*	None
	$ 31,752,270	$ -		

*As of December 31, 2023, 95.3% of the 475 Fund's assets may be liquidated within 12 months or less; 99.4% of the 475 Fund's assets may be liquidated within 24 months or less; and 99.4% of the 475 Fund's assets may be liquidated within 36 months or less.

Commingled Funds

Commingled Funds investment types include funds with strategies that focus on emerging markets, non-U.S. developed markets, U.S. small cap, and ESG.

Emerging markets funds purchase a broad and diverse group of securities associated with emerging markets, including frontier markets (emerging market countries in an earlier stage of development). Investments in emerging markets may be more likely to experience political turmoil or rapid changes in market or economic conditions than investments in markets in more developed countries. Frontier market countries generally have smaller economies or less-developed capital markets and, as a result , the risks of investing in emerging market countries are magnified in frontier market countries.

3. INVESTMENTS AND FAIR VALUE MEASUREMENTS (continued)

The U.S. small-cap equity fund invests in a broad and diverse group of readily marketable common stocks of U.S. small-cap companies. Securities of small-cap companies are often less liquid than those of large companies, which could make it difficult to sell shares of a small-cap stock at a desired time or price. As a result, small-cap stocks may have more price volatility. In general, smaller capitalization companies are also more vulnerable than larger companies to adverse business or economic developments and they may have more limited resources.

The World Selection Index Fund, formerly Northern Trust Global Sustainability Index Fund is a registered mutual fund with enhanced ESG criteria, based on the MSCI World Selection Index, which measures not only the traditional investment performance of publicly traded companies, but also the quality of their performance in ESG factors and sustainability.

Equity securities listed on a recognized U.S. securities exchange or quoted on the NASDAQ National Market System are priced at closing price on the exchange or system in which such securities are principally traded. Securities not traded on the valuation date are priced at the most recent quoted bid price. Global securities' prices are based upon primary local market quotations. Depending upon local convention or regulation, the price may represent the last sale price or the mean between the last bid and ask price as at the close of the appropriate exchange or at other designated times as determined by the appropriate governing body.

The emerging markets debt funds invest primarily in local currency and U.S. dollar-denominated emerging markets fixed income securities and derivative instruments that are economically tied to an emerging market or company. Performance of the emerging market debt funds is linked to those countries' currencies, markets, economies, and ability to repay loans. Investing in emerging markets has special risks such as currency market volatility and political and social instability.

Fixed income securities including short-term instruments are priced based on evaluated prices provided by independent pricing services. Such evaluated prices may be determined by factors which include, but are not limited to, market quotations, yields, maturities, call features, ratings, institutional size trading in similar groups of securities and developments related to specific securities. Bank Loans are priced using a pricing vendor quote or broker quote.

Hedge Funds
Hedge Funds are interests in limited partnerships and private investment companies that use a variety of investment strategies and whose portfolios may comprise U.S. and non-U.S., publicly and non-publicly traded equity and debt securities, options, derivatives (futures), and commodities.

The 475 Fund, Ltd is an investment vehicle that was established to hold hedge fund investments and is managed on a discretionary basis by an external investment manager. The Pension Boards' agreement with the external investment manager remained in effect through December 31, 2024, and may be terminated by either party, with notice.

Securities Lending Program
The Pension Boards participates in a securities lending program with various brokers and dealers in securities through its custodian bank. It is the policy to hold, as collateral, cash, or short-term fixed income securities in amounts at least equal to or greater than the market value of the investments on loan until the loaned securities are returned. By the end of the business day on which securities are delivered to the borrower, collateral equal to 102% of the market value of a loaned U.S. security and/or 105% of a non-U.S. security, including any accrued interest, is obtained from the borrower for the benefit of the Pension Boards.

The cash collateral obtained is invested in the Northern Trust Institutional Liquid Asset Portfolio Fund and is measured at NAV per share as provided by Northern Trust. There are no known or anticipated redemptions, no unfunded commitments, and no notice required redemptions, no unfunded commitments and no notice required to sell the shares/units at any given time. The fair value of the collateral was

3. INVESTMENTS AND FAIR VALUE MEASUREMENTS (continued)

approximately $5.2 million and $3.9 million at December 31, 2024 and 2023, respectively. The fair value of the non-cash collateral under a securities lending program is based upon quoted market close prices for identical securities from the exchanges upon which they trade. For securities for which market prices are not readily available, fair values are determined by a pricing service based upon quoted market close prices for similar issues, dealer quotes or pricing models utilizing market observable inputs from comparable securities. The amortized cost of short-term financial instruments, including time deposits, repurchase agreements, commercial paper, and other short-term investments approximates the fair value of these instruments. The fair value of securities on loan was $8,432,386 and $7,460,846 at December 31, 2024 and 2023, respectively. Loaned securities in the program include equities and fixed income securities.

4. NET ASSETS

Net assets without and with donor restrictions are comprised of the following:

December 31,	2024	2023
Without donor restrictions:		
Undesignated	$ 560,614	$ 3,444,172
Benefit Services Fund	136,969,166	131,902,675
Generations Financial Resources Inc. and Generations Investment Services Inc.	1,136,285	1,119,179
Total without donor restrictions	138,666,065	136,466,026
With donor restrictions:		
Operating Fund Endowment - purpose restrictions	6,696,431	3,445,187
Ministerial Assistance Fund - purpose and time restrictions	82,285,637	77,747,852
Total with donor restrictions	88,982,068	81,193,039
Total	$ 227,648,133	$ 217,659,065

During the years ended December 31, 2024 and 2023, $3,932,472 and $4,034,676, respectively, in net assets, were released from donor restrictions by incurring expenses satisfying purposes for the Ministerial Assistance Fund's grants and programs.

5. ENDOWMENTS

Net assets with donor restrictions are also maintained in perpetuity. Most of the income from the restricted funds maintained in perpetuity is expendable to support grants and other activities.

The Pension Boards' endowment funds include various funds with and without restrictions established for a variety of purposes and include both funds designated by the Board of Pension Boards' to function as endowments and traditional donor-restricted endowment funds. As required by U.S. GAAP, net assets associated with endowment funds, including funds designated by the Boards to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

In accordance with the Uniform Prudent Management of Institutional Funds Act (UPMIFA) of the state of New Jersey, the Pension Boards 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 a result of this interpretation, the Pension Boards classifies net assets maintained in perpetuity as: (1) the original value of gifts donated to the endowment held in perpetuity, (2) the original value of subsequent gifts to the endowment held in perpetuity and (3) accumulations to the endowment held in perpetuity made in accordance with the direction of the applicable donor gift instrument. Without explicit instructions from the donor, investment income from restricted funds maintained in perpetuity is classified within net assets with donor restricted activities because it is considered to have an implied time restriction which

5. ENDOWMENTS (continued)

is released upon appropriation.

Funds With Deficiencies
From time to time, the fair value of assets associated with individual donor restricted funds may fall below the level that the donor originally contributed as a restricted fund to the Pension Boards. If the Pension Boards deems the decline to be temporary, it is not replenished from funds without donor restrictions. Continued expenditures from certain funds may be deemed prudent by the Pension Boards if recovery of the restricted fund balance through market appreciation is probable. There were no funds with deficiencies at December 31, 2024 and 2023.

Endowment net assets at December 31, 2024, consist of the following:

		With Donor Restrictions		
	Without Donor Restriction	Purpose/ Time Restricted	Maintained in Perpetuity	Total
Donor-restricted	$ -	$ 12,302,243	$ 5,850,264	$ 18,152,507
Board-designated	567,916	-	-	567,916
Total endowments	$ 567,916	$ 12,302,243	$ 5,850,264	$ 18,720,423

Endowment net assets at December 31, 2023, consist of the following:

		With Donor Restrictions		
	Without Donor Restriction	Purpose/ Time Restricted	Maintained in Perpetuity	Total
Donor-restricted	$ -	$ 7,983,849	$ 5,811,866	$ 13,795,715
Board-designated	2,967,821	-	-	2,967,821
Total endowments	$ 2,967,821	$ 7,983,849	$ 5,811,866	$ 16,763,536

Changes in endowment funds consist of the following for the year ended December 31, 2024:

		With Donor Restriction		
	Without Donor Restrictions	Purpose/ Time	Maintained Restricted in Perpetuity	Total
Beginning Balance	$ 2,967,821	$ 7,983,849	$ 5,811,866	$ 16,763,536
Contributions	-	-	38,398	38,398
Investment Income	2,729,434	4,720,452	-	7,449,886
Appropriation	(5,129,339)	(402,058)	-	(5,531,397)
Ending balance	$ 567,916	$ 12,302,243	$ 5,850,264	$ 18,720,423

Changes in endowment funds consist of the following for the year ended December 31, 2023:

		With Donor Restriction		
	Without Donor Restrictions	Purpose/ Time	Maintained Restricted in Perpetuity	Total
Beginning Balance	$ 2,710,945	$ 6,097,979	$ 5,789,700	$ 14,598,624
Contributions	60	-	22,166	22,226
Investment Income	256,816	2,002,406	-	2,259,222
Appropriation	-	(116,536)	-	(116,536)
Ending balance	$ 2,967,821	$ 7,983,849	$ 5,811,866	$ 16,763,536

6. LEASES

The Pension Boards leases office space and office equipment from unrelated parties under operating lease agreements. Lease terms range from one year to 10 years. Equipment leases contain purchase options at fair market value. U.S. GAAP requires that scheduled rent increases resulting from the escalation of base rentals be recorded as a liability and amortized ratably to record rent expense on a straight-line basis over the term of the lease agreement. For the years ended December 31, 2024 and 2023, the Pension Boards recognized lease expense of $846,321 and $685,525 respectively. The amounts are included within Ministerial Assistance and Management and General expenses in the combined statements of activities.

The weighted-average remaining lease term and discount rate related to lease liabilities were:

December 31,	**2024**	**2023**
Weighted average remaining lease term	4.6	5.6
Weighted average discount rate	1.57%	1.57%

Sublease income of $28,917 and $28,631 was also recognized during the years ended December 31, 2024 and 2023, respectively, and is included within other revenue in the combined statements of activities.

Aggregate remaining maturities of lease liabilities as of December 31, 2024, are as follows:

2025	$	757,672
2026		757,672
2027		757,672
2028		757,672
2029		441,974
Total operating lease payments		3,472,662
Minus imputed interest		(124,112)
Total operating lease liabilities	**$**	**3,348,550**

7. INCOME TAXES

The Pension Boards, Ministerial Assistance, GIS and GFR are exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code (IRC). While exempt from federal income tax, the Pension Boards, Ministerial Assistance, GIS and GFR are subject to tax on income unrelated to their exempt purposes. To the extent certain investments in limited partnerships generate income, the Pension Boards is required to pay federal and state income taxes.

ASC Topic No. 740, Income Taxes, requires management to evaluate tax positions taken by the Pension Boards and to recognize a tax liability (or asset) if the Pension Boards has taken an uncertain position that more likely than not would not be sustained upon examination by the authorities. The definition of tax position includes an entity’s status as a tax-exempt nonprofit entity. Management believes there are no material uncertain positions that require recognition in the accompanying combined financial statements.

8. DEFERRED COMPENSATION PLAN

The Pension Boards maintain a nonqualified compensation plan under Section 409A of the IRC. The Pension Board's contributions to the plan for the years ended December 31, 2024 and 2023 were

8. DEFERRED COMPENSATION PLAN (continued)

$118,150 and $114,900, respectively. The deferred compensation obligation is adjusted annually to the fair market value of the plan's investments and is included on the combined statements of financial position. The fair market value of the plan's investments is also included in the combined statements of financial position.

9. RELATED-PARTY TRANSACTIONS

During the years ended December 31, 2024 and 2023, the Pension Boards billed United Church Fund, an associated ministry of the UCC, $1,189,314 and $954,515, respectively, for investment management services and $28,917 and $28,631 respectively for operating sublease rent. Amounts are included in investment return, net, and other revenue, respectively, in the accompanying combined statements of activities. Billing for services is calculated on the basis of agreed upon formulae. As of December 31, 2024 and 2023, $304,401 and $235,745, respectively, is included in receivable due from affiliate, in the accompanying combined statements of financial position.

The Pension Boards is the plan sponsor of The United Church of Christ Lifetime Retirement Income Plan. For the years ended December 31, 2024 and 2023, the plan was billed $20,062,407 and $18,225,601, respectively for reimbursement of plan administration expenses to the Pension Boards. As of December 31, 2024, $551,461 was due to the Plan and is included in payable due to affiliate in the accompanying combined statements of financial position. As of December 31, 2023, $620,627 was due from the Plan and is included in receivable due from affiliate, in the accompanying combined statements of financial position.

10. AVAILABILITY AND LIQUIDITY

The following reflects the Pension Boards' combined financial assets as of the combined statements of financial position dates, reduced by the amounts not available for general use because of contractual or donor-imposed restrictions within one year of the combined statements of financial position dates. The Pension Boards manages its financial assets to be available as its general expenditures, liabilities and other obligations come due. In addition, cash more than daily requirements is invested in short-term money market accounts.

Financial assets at year end December 31,	**2024**	**2023**
Cash	$ 1,765,090	$ 1,560,650
Total Receivables	5,584,272	5,468,874
Investments	215,968,745	207,772,374
Investments held by Generations Investment Services	17,784,076	14,806,387
Investments held for endowment	18,152,507	13,795,715
Total financial assets	**259,254,690**	**243,404,000**
Less amounts not available to be used within one year		
Loans issued by Generations Financial Resources	(636,231)	(727,874)
Board designations	(567,916)	(2,967,821)
Net assets with donor restrictions	(88,982,068)	(81,193,039)
Total amounts not available within one year	**(90,186,215)**	**(84,888,734)**
Financial assets available to meet general expenditures within one year	**$ 169,068,475**	**$ 158,515,266**

11. SUBSEQUENT EVENTS

The Pension Boards evaluated its combined financial statements for subsequent events through April 7, 2025, the date on which the combined financial statements were available to be issued. The Pension Board is not aware of any subsequent events which would require recognition or disclosure in the combined financial statements.

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