



NORTH PACIFIC UNION CONFERENCE
ASSOCIATION OF SEVENTH-DAY ADVENTISTS
REVOLVING FUND
SPECIAL-PURPOSE SCHEDULES
DECEMBER 31, 2024 and 2023

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AUDITOR'S REPORT

To the Board of Trustees

North Pacific Union Conference Association of Seventh-day Adventists Revolving Fund
a department of North Pacific Union Conference Association of Seventh-day Adventists
Ridgefield, Washington

Opinion

We have audited the financial schedules of North Pacific Union Conference Association of Seventh-day Adventists Revolving Fund (NPUCARF), a department of North Pacific Union Conference Association of Seventh-day Adventists (Association), which comprise the schedules of financial position as of December 31, 2024 and 2023, and the schedules of changes in net assets and schedules of cash flows for the years then ended, and the notes to the financial schedules, including a summary of significant accounting policies.

In our opinion, as auditors of the General Conference of Seventh-day Adventists, the accompanying financial schedules present fairly, in all material respects, the financial position of the NPUCARF as of December 31, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America (GAAP) adopted by the Seventh-day Adventist denomination.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS), except the ethical requirement for the appearance of independence. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Schedules section of our report. We are independent of the NPUCARF, in accordance with the ethical requirements that are relevant to our audits of the financial schedules in the United States of America, and we have fulfilled our other ethical responsibilities in accordance with these requirements, except the ethical requirement for the appearance of independence, because of our affiliation with the Seventh-day Adventist denomination. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter – Basis of Accounting and Restriction on Distribution and Use

We draw attention to financial statement footnote 7 to the financial schedules, which describes the basis of accounting. The financial schedules were prepared for a specific purpose to present only the accounts and activity of NPUCARF, which is a department of North Pacific Union Conference Association of Seventh-day Adventists. As a result, these financial schedules may not be suitable for another purpose. Our report is intended solely for the information and use of the officers of the Association and the NPUCARF, its audit committee, its governing committee, and the officers and its designees of higher denominational organizations and should not be distributed to or used by other than these specified parties. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Financial Schedules

Management is responsible for the preparation and fair presentation of the financial schedules in accordance with GAAP adopted by the Seventh-day Adventist denomination, except for the requirement to consolidate other entities that qualify for consolidation, and for the design, implementation, and maintenance of internal control as management determines is necessary to enable the preparation and fair presentation of the financial schedules that are free from material misstatement, whether due to fraud or error.

In preparing the financial schedules, management is responsible for assessing the NPUCARF's ability to continue as a going concern for the next year, disclosing, as applicable, matters related to going concern and using the going concern

basis of accounting unless management either intends to liquidate the NPUCARF or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the NPUCARF's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Schedules

Our objectives are to obtain reasonable assurance about whether the financial schedules 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. 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 schedules.

As part of an audit in accordance with GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial schedules, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial schedules.
- 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 NPUCARF's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the NPUCARF's ability to continue as a going concern for a reasonable period of time. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial schedules or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the NPUCARF to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial schedules, including the disclosures, and whether the financial schedules represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, and certain internal control-related matters, including any material weaknesses and significant deficiencies in internal control that we identify during our audit.

General Conference Auditing Service

July 22, 2025



NORTH PACIFIC UNION CONFERENCE ASSOCIATION OF SEVENTH-DAY ADVENTISTS
REVOLVING FUND
Special-Purpose Schedules of Financial Position
December 31, 2024 and 2023

	2024	2023
	Total	Total
ASSETS		
<u>Current assets</u>		
Cash and cash equivalents (Note 2)	\$ 1,574,159	685,976
Investments (Note 3)	23,706,923	28,906,096
Accrued interest receivable	47,101	47,888
Prepaid expense	450	-
Notes receivable, net (Note 4)	24,920,974	21,371,478
Total assets	\$ <u>50,249,607</u>	<u>51,011,438</u>
LIABILITIES		
<u>Current liabilities</u>		
Notes payable (Note 5)	\$ <u>30,348,681</u>	<u>32,403,557</u>
Total liabilities	<u>30,348,681</u>	<u>32,403,557</u>
NET ASSETS		
Unrestricted: allocated for revolving fund (Note 6)	5,935,125	5,846,095
Unrestricted: allocated for sinking fund (Note 6)	13,965,801	12,761,786
Total net assets without donor restrictions	<u>19,900,926</u>	<u>18,607,881</u>
Total net assets	<u>19,900,926</u>	<u>18,607,881</u>
Total liabilities & net assets	\$ <u>50,249,607</u>	<u>51,011,438</u>

See accompanying notes.

**NORTH PACIFIC UNION CONFERENCE ASSOCIATION OF SEVENTH-DAY ADVENTISTS
REVOLVING FUND**

**Special-Purpose Schedules of Changes in Net Assets
For the years ended December 31, 2024 and 2023**

	2024	2023
	Total	Total
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS		
<u>Revenues and support without donor restrictions</u>		
Interest and dividend income	\$ 1,962,053	1,926,894
Realized gain (loss) on sale of investments (Note 3)	203,163	(1,736,326)
Unrealized gain (loss) in value of investments (Note 3)	(111,609)	2,641,753
Other income	5,899	3,764
Total revenues and support without donor restrictions	<u>2,059,506</u>	<u>2,836,085</u>
 <u>Expenses and losses</u>		
<u>Program services functions</u>		
Bad debt expense	(186,162)	-
Interest expense	697,331	752,211
Other expense	12,805	14,275
Total program service functions	<u>523,974</u>	<u>766,486</u>
Total expenses and losses	<u>523,974</u>	<u>766,486</u>
 Net increase (decrease) from operations	<u>1,535,532</u>	<u>2,069,599</u>
 NONOPERATING ACTIVITY WITHOUT DONOR RESTRICTIONS		
Transfers to other funds	(242,487)	(239,327)
Increase (decrease) net assets without donor restrictions	<u>1,293,045</u>	<u>1,830,272</u>
 Increase (decrease) in net assets	1,293,045	1,830,272
 Net assets, beginning of year	<u>18,607,881</u>	<u>16,777,609</u>
 Net assets, end of year	<u>\$ 19,900,926</u>	<u>18,607,881</u>

See accompanying notes.

**NORTH PACIFIC UNION CONFERENCE ASSOCIATION OF SEVENTH-DAY ADVENTISTS
REVOLVING FUND**

**Special-Purpose Schedules of Cash Flows
For the years ended December 31, 2024 and 2023**

	2024 Total	2023 Total
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets	\$ 1,293,045	1,830,272
<u>Adjustments to reconcile net income to net cash provided by operating activities</u>		
Realized (gain) loss on sale of investments	(203,163)	1,736,326
Unrealized (gain) loss in value of investments	111,609	(2,641,753)
(Increase) decrease accounts receivable	788	18,680
(Increase) decrease prepaid expense	(450)	-
Net cash provided (used) from operating activities	<u>1,201,829</u>	<u>943,525</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from maturity of investments	14,381,687	11,914,094
Purchase of investments	(9,090,960)	(10,794,692)
New notes receivable issued	(8,512,157)	(3,931,332)
Payments received on notes receivable	4,962,661	5,290,768
Net cash provided (used) from investing activities	<u>1,741,231</u>	<u>2,478,838</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal payments on notes payable	(3,413,689)	(6,114,515)
Proceeds from depositors	1,358,812	624,939
Net cash provided (used) from financing activities	<u>(2,054,877)</u>	<u>(5,489,576)</u>
Increase (decrease) cash and cash equivalents	888,183	(2,067,213)
Cash and cash equivalents, beginning	685,976	2,753,189
Cash and cash equivalents, ending	<u>\$ 1,574,159</u>	<u>685,976</u>
<u>Supplemental cash flow data</u>		
Cash paid during the year for interest	<u>\$ 697,331</u>	<u>752,211</u>

See accompanying notes.

**NORTH PACIFIC UNION CONFERENCE ASSOCIATION OF SEVENTH-DAY ADVENTISTS
REVOLVING FUND**

**Notes to the Special-Purpose Schedules
For the years ended December 31, 2024 and 2023**

Note 1 – Organizational description and summary of significant accounting policies

Organization description

The North Pacific Union Conference Association of Seventh-day Adventists Revolving Fund (NPUCARF) is operated by the North Pacific Union Conference Association of Seventh-day Adventists (Association) for the purpose of providing loans for building and other capital improvement activities to organizations affiliated with the Seventh-day Adventist Church located within the territory served by the North Pacific Union Conference of Seventh-day Adventists (Union), an unincorporated body affiliated with the Church.

The NPUCARF was established in 1978 and notes were issued to church members and church entities investing in the NPUCARF through December 31, 1988. From January 1, 1989, interest-bearing account certificates were issued to investors. Funds invested in the account certificates can be withdrawn 90 days after demand. The funds are loaned to churches, schools, and conferences in the Union. The NPUCARF is registered in the state of Oregon and is exempt from registration in the states of Alaska, Idaho, Montana, and Washington. A sinking fund is provided in accordance with the Working Policy of the General Conference of Seventh-day Adventists, North American Division.

The NPUCARF is a religious not-for-profit organization and is exempt from federal, state, and local income taxes under the provisions of Section 501(c)(3) of the Internal Revenue Code, and corresponding sections of applicable state and local codes, except for taxes on unrelated business income as described in sections 511-514 in the Internal Revenue Code.

Summary of significant accounting policies

(a) The significant accounting policies of the NPUCARF are essentially the same as generally accepted accounting principles for not-for-profit organizations as promulgated by the Financial Accounting Standards Board. The significant policies are described below to enhance the usefulness of the financial schedules. The financial schedules of the NPUCARF have been prepared on the accrual basis of accounting. In conformity with the accrual basis of accounting, the NPUCARF has evaluated events that occurred subsequent to the financial schedule date, up to July 22, 2025, which is the date the financial schedules were available to be issued.

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

(c) Cash and cash equivalents: cash equivalents are highly-liquid assets of the operating funds, which are readily convertible to cash and have a maturity date of less than three months from date of acquisition. Cash and investments of funds other than operating are not classified as cash and cash equivalents. The increase or decrease in nonoperating cash and investments is reported in the schedule of cash flows as proceeds or purchases of investments.

(d) Fair value of financial instruments: following are the major methods and assumptions used to estimate fair values:

Short-term financial instruments are valued at their carrying amounts included in the schedule of financial position, which are reasonable estimates of fair value due to the relatively short period to maturity of the instruments. This applies to cash, cash equivalents, accounts receivable, and certain current liabilities.

Investment securities are valued at quoted market prices or other reasonably obtainable market value estimates at the reporting date for those or similar securities. The difference between aggregate market value and historical cost for each type of security is recorded in a valuation account. The change in this account during each period is recognized as a gain or loss.

**NORTH PACIFIC UNION CONFERENCE ASSOCIATION OF SEVENTH-DAY ADVENTISTS
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**Notes to the Special-Purpose Schedules
For the years ended December 31, 2024 and 2023**

Note 1 – Organizational description and summary of significant accounting policies (continued)

Notes and loans receivable are valued at the amortized amount receivable as of the reporting date. Allowance has been made for notes and loans which are not expected to be collected. The net total approximates the discounted value of future cash flows expected to be received. Because of the difficulty and inherent subjectivity involved in determining fair values, which is not susceptible to independent substantiation, management has not attempted to estimate the fair value of notes and loans receivable from related or affiliated entities. Such notes and loans, by intent and practice, are expected to be held to maturity and are valued at face value.

Notes and loans payable are valued at the amortized amount payable as of the reporting date. The net total approximates the discounted value of the future cash flows expected to be paid. Because of the difficulty and inherent subjectivity involved in determining fair values, which is not susceptible to independent substantiation, management has not attempted to estimate the fair value of notes and loans payable to related or affiliated entities. Such notes and loans, by intent and practice, are expected to be held to maturity and are valued at face value. Further, because a reasonable estimate of fair value could not be made without incurring excessive costs, management has not attempted to estimate the fair value of any loans payable to creditors that are not related or affiliated entities.

(e) Current assets and liabilities: assets and liabilities are classified as current or long-term, depending on their characteristics. This excludes from current assets, cash and claims to cash that are restricted as to withdrawal or use for other than current operations, committee allocated, or held as agent for others. This excludes from current liabilities the long-term portion of all debt and amounts held as fiscal agent for others.

(f) Notes and loans receivable: the notes receivable to local Seventh-day Adventist churches and schools are co-signed by the local conference for all notes issued to entities within their local conference territory. Notes to other Seventh-day Adventist institutions may be secured by a recorded first lien on the property. The notes are variable rate, currently earning 4.5%. The rate is subject to change based upon the actions voted by the Association's Board of Trustees.

(g) Investment Income: ordinary income from investments, loans, and the like is accounted for in the fund owning the assets.

(h) Affiliated organizations: in carrying out its gospel mission, the NPUCARF operates through several organizations with which it is affiliated by reason of economic interest and/or shared membership on the respective governing committees. The financial statements of these other organizations are not consolidated with the NPUCARF's financial schedules. Inter-organization transactions carried on in the ordinary course of business are handled through current accounts receivable and payable, and are generally settled on a monthly basis. Other financial transactions involving loans are detailed in Notes 4 and 5 below. These other organizations are:

General Conference of Seventh-day Adventists (GC) and General Conference of Seventh-day Adventists, North American Division (NAD) - the GC is the world headquarters of the Seventh-day Adventist denomination and as such determines the operating and accounting policies to be followed by church institutions. The NAD is an administrative entity of the GC which supervises denominational activities in North America.

North Pacific Union Conference (Union) - the Union is an unincorporated entity which is the regional headquarters for the Seventh-day Adventist denomination in the states of Alaska, Idaho, Montana, Oregon, and Washington. The NPUCARF operates out of space provided to it free by the Association. The work of the NPUCARF is done through the management and accounting support services provided by the Union. The officers and directors of the NPUCARF are not otherwise compensated by the NPUCARF for their services. In general, each is an employee of, and is compensated by the Union.

**NORTH PACIFIC UNION CONFERENCE ASSOCIATION OF SEVENTH-DAY ADVENTISTS
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**Notes to the Special-Purpose Schedules
For the years ended December 31, 2024 and 2023**

Note 1 – Organizational description and summary of significant accounting policies (continued)

Constituent Conferences and Associations - the NPUCARF oversees loans for building and other capital improvement activities in the states of Alaska, Idaho, Montana, Oregon, and Washington. Activities in each region are administered by unincorporated Conferences and incorporated Associations. The President of each Conference is a member of the Union Executive Committee. The Union officers are invitees of each Conference's Executive Committee. These constituent Conferences and Associations are:

Alaska Conference and Corporation of Seventh-day Adventists
Idaho Conference of Seventh-day Adventists, Inc.
Montana Conference of Seventh-day Adventists, Inc.
Oregon Conference and Western Oregon Conference Association of Seventh-day Adventists
Upper Columbia Conference and Corporation of Seventh-day Adventists
Washington Conference and Western Washington Corporation of Seventh-day Adventists

Walla Walla University (WWU) - WWU is a separately incorporated organization operated by its own board and formed by the Union to provide Seventh-day Adventist higher learning opportunities. The President of each Conference is a member of WWU's Board of Trustees and the President of the Union is the Chairman of the Board. Operating and capital appropriations are made to WWU by each Conference through the Union.

(i) Fund accounting: to ensure observance of limitations and restrictions placed on the use of resources available to the NPUCARF, the accounts are maintained in accordance with the principles of fund accounting. Resources are classified for accounting and reporting into funds established according to their nature and purposes. Separate accounts are maintained for each fund; however, in the accompanying financial schedules, the revolving and sinking funds have been combined into groups, and totals are presented for the NPUCARF as a whole. The sinking fund is a reserve fund established to protect the assets of the revolving fund and is financed by transfers from revolving fund net income. The sinking fund assets are invested in securities that give a maximum return while maintaining liquidity.

(j) Concentrations of risk: cash, which exceeded the federally insured limits from time to time during the year, is deposited with high-credit quality financial institutions. The NPUCARF's assets include \$24,920,974 of notes and loans receivable from Seventh-day Adventist affiliated organizations within its territory. These loans represent 50% of the NPUCARF's total assets. Management's estimate of the collectability of these loans could be subject to economic conditions that could cause loss of income among church members and entities, and could also be subject to change if any significant number of individuals cease to be active members of these church entities.

(k) Changes in presentation: certain amounts in the prior year's financial schedules have been reclassified to conform with the current year's presentation.

Note 2 – Cash and cash equivalents

	2024	2023
	Total	Total
Checking accounts	\$ 1,081,116	431,920
Money market accounts	474,970	237,902
Savings accounts	18,073	16,154
Total cash and cash equivalents	<u>\$ 1,574,159</u>	<u>685,976</u>

Note 3 – Investments

	2024			2023		
	Cost	Fair Value	Unrealized Appreciation (Decline)	Cost	Fair Value	Unrealized Appreciation (Decline)
<u>Carrying amount and fair value</u>						
<u>Investments held for operating</u>						
Collective fund	\$ 614,208	614,208	-	549,391	549,391	-
Debt securities	1,640,587	1,068,890	(571,697)	869,246	232,620	(636,626)
Equity securities	2,923,326	3,355,233	431,907	2,710,889	3,089,931	379,042
Mutual funds	3,860,369	3,904,966	44,597	7,711,220	7,719,002	7,782
Time deposits (longer than 3 months)	614,000	615,264	1,264	200,000	199,572	(428)
U.S. government bonds	18,574,906	14,148,362	(4,426,544)	21,273,218	17,115,580	(4,157,638)
Totals for operating	<u>\$ 28,227,396</u>	<u>23,706,923</u>	<u>(4,520,473)</u>	<u>33,313,964</u>	<u>28,906,096</u>	<u>(4,407,868)</u>
The carrying amount is stated at fair value.						

**NORTH PACIFIC UNION CONFERENCE ASSOCIATION OF SEVENTH-DAY ADVENTISTS
REVOLVING FUND**

**Notes to the Special-Purpose Schedules
For the years ended December 31, 2024 and 2023**

Note 3 – Investments (continued)

Composition of investment return

	2024	2023
	Total	Total
Investment income (interest and dividends)	\$ 974,928	951,556
Realized gain (loss) on sale of investments	203,163	(1,736,326)
Unrealized gain (loss) on value of investments	(111,609)	2,641,753
Net gain (loss) on investments for which carrying value is fair value *	91,554	905,427
Total investment return	\$ 1,066,482	1,856,983

* NPUCARF did not have any gain or loss on investments for which carrying value is not fair value.

NPUCARF is subject to accounting principles that require disclosure about the information used to determine fair values of assets and liabilities on either a recurring or non-recurring basis. This information is separated into three "levels" of inputs, as follows:

Level 1: observable quoted market price in active markets for identical assets or liabilities.

Level 2: direct or indirect observable market data, such as quoted prices in inactive markets for identical assets or liabilities, quoted prices in active markets for similar assets or liabilities, and other observable market data correlated to identical or similar assets or liabilities.

Level 3: unobservable inputs and assumptions based on judgment and the best information available to the entity.

NPUCARF used the following inputs to determine fair values of assets valued on a recurring basis.

	2024			2023		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Collective fund	\$ 614,208	-	-	549,391	-	-
Debt securities	1,068,890	-	-	232,620	-	-
Equity securities	3,355,233	-	-	3,089,931	-	-
Mutual funds	3,904,966	-	-	7,719,002	-	-
Time deposits (longer than 3 months)	-	615,264	-	-	199,572	-
U.S. government bonds	14,148,362	-	-	17,115,580	-	-
Totals	\$ 23,091,659	615,264	-	28,706,524	199,572	-

Note 4 – Notes receivable

	2024		
	Current	Long-term	Total
Constituent Conferences, 4.5%, due 90 days from demand	\$ 83,906	1,067,536	1,151,442
Line of credit, constituent conference, 2.75%, due December 2029*	2,486,535	-	2,486,535
All other entities, 4.5%, due 90 days from demand	2,274,825	19,008,172	21,282,997
Total notes and loans receivable	\$ 4,845,266	20,075,708	24,920,974

	2023		
	Current	Long-term	Total
Constituent Conferences, 4.5%, due 90 days from demand	\$ 110,208	839,740	949,948
All other entities, 4.5%, due 90 days from demand	1,765,177	18,656,353	20,421,530
Total notes and loans receivable	\$ 1,875,385	19,496,093	21,371,478

* As of December 31, 2024, a constituent conference had a \$4 million revolving line of credit with the Revolving Fund. The interest rate on the the outstanding balance is 2.75%. The line matures on December 31, 2029.

**NORTH PACIFIC UNION CONFERENCE ASSOCIATION OF SEVENTH-DAY ADVENTISTS
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**Notes to the Special-Purpose Schedules
For the years ended December 31, 2024 and 2023**

Note 5 – Notes payable

	2024		
	Current	Long-term	Total
North Pacific Union Conference and Association, 2.25%, due 90 days from demand	\$ 1,218,000	-	1,218,000
Constituent Conferences and Associations, 2.25%, due 90 days from demand	7,217,825	-	7,217,825
All other entities, 2.25%, due 90 days from demand	21,912,856	-	21,912,856
Total notes and loans payable	<u>\$ 30,348,681</u>	<u>-</u>	<u>30,348,681</u>

	2023		
	Current	Long-term	Total
North Pacific Union Conference and Association, 1.75%, due 90 days from demand	\$ 1,218,000	-	1,218,000
Constituent Conferences and Associations, 1.75%, due 90 days from demand	7,617,825	-	7,617,825
All other entities, 1.75%, due 90 days from demand	23,567,732	-	23,567,732
Total notes and loans payable	<u>\$ 32,403,557</u>	<u>-</u>	<u>32,403,557</u>

Note 6 – Allocated net assets

	Balance 2023	Allocation Made	Transfers between funds	Allocation Released	Balance 2024
Revolving fund	\$ 5,846,095	2,203,445	(1,871,761)	242,654	5,935,125
Sinking fund	12,761,786	1,225,587	1,629,274	1,650,846	13,965,801
Total allocated net assets	<u>\$ 18,607,881</u>	<u>3,429,032</u>	<u>(242,487)</u>	<u>1,893,500</u>	<u>19,900,926</u>

Net assets without donor restrictions: The Board of Trustees of the Association has several standing policies that affect the presentation of committee designations on net assets. Management maintains reserves for the revolving fund. Additionally, a sinking fund is provided in accordance with the Working Policy of the General Conference of Seventh-day Adventists, North American Division.

Note 7 – Basis of special presentation

The accompanying schedules include only the accounts and activity of NPUCARF, which is a department of the Association. Compliance with FASB Accounting Standards Codification 958-210-45 would require the whole organization to be included in general use financial statements. The Association believes this special presentation is useful to analyze this department apart from the rest of the entity.

Note 8 – Commitments

As of December 31, 2024, the Association's Board had approved loans to Seventh-day Adventist affiliated churches, schools, and other organizations for which cash withdrawals had not yet been made. The total amount of these commitments was approximately \$5,659,667. The total commitment amount does not necessarily represent future cash requirements, since the borrower's cash draws under the terms of the loan at a specific time may not total the full amount agreed to be loaned by the Association. Other circumstances could arise prior to funding a draw on the loans, resulting in the Board changing its approval for, or the terms of, these loans. The terms, conditions, and interest rates for these loans are comparable to those given to existing borrowers.