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NORTH PACIFIC UNION CONFERENCE OF SEVENTH-DAY ADVENTISTS

AND

NORTH PACIFIC UNION CONFERENCE ASSOCIATION OF SEVENTH-DAY ADVENTISTS

COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2025, 2024, 2023, 2022 and 2021

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DELIVERING EXCELLENCE

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AUDITOR'S REPORT

To the Executive Committee
North Pacific Union Conference of Seventh-day Adventists, and
The Board of Trustees
North Pacific Union Conference Association of Seventh-day Adventists
Ridgefield, Washington

Opinion

We have audited the combined financial statements of North Pacific Union Conference of Seventh-day Adventists and North Pacific Union Conference Association of Seventh-day Adventists (Organizations), which comprise the combined statements of financial position as of December 31, 2025, 2024, 2023, 2022 and 2021, and the combined statements of changes in net assets, and combined statements of cash flows for the years then ended, and notes to the combined financial statements, including a summary of significant accounting policies.

In our opinion, as auditors of the General Conference of Seventh-day Adventists, the accompanying combined financial statements present fairly, in all material respects, the combined financial position of the Organizations as of December 31, 2025, 2024, 2023, 2022 and 2021, and their combined financial performance and their combined 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 Combined Financial Statements section of our report. We are independent of the Organizations, in accordance with the ethical requirements that are relevant to our audits of the combined financial statements 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.

Responsibilities of Management and Those Charged with Governance for the Combined Financial Statements

Management is responsible for the preparation and fair presentation of the combined financial statements 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 combined financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the combined financial statements, management is responsible for assessing the Organizations' 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 Organizations or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organizations' financial reporting process

Auditor's Responsibilities for the Audit of the Combined Financial Statements

Our objectives are to obtain reasonable assurance about whether the combined 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. 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.

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 combined financial statements, 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 combined 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 Organizations' 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 Organizations' 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 statements 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 Organizations to cease to continue as a going concern.

• Evaluate the overall presentation, structure and content of the combined financial statements, including the disclosures, and whether the combined financial statements 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

May 11, 2026

NORTH PACIFIC UNION CONFERENCE OF SEVENTH-DAY ADVENTISTS
NORTH PACIFIC UNION CONFERENCE ASSOCIATION OF SEVENTH-DAY ADVENTISTS
Combined Statement of Financial Position; page 1 of 2
December 31, 2025, 2024, 2023, 2022 and 2021

ASSETS		**2025 Total**	**2024 Total**	**2023 Total**	**2022 Total**	**2021 Total**
Current assets						
Cash and cash equivalents (Note 2)	$	4,198,633	2,975,902	3,048,503	2,124,511	5,565,033
Cash held for agency funds (Note 2)		775,316	1,061,517	931,770	841,879	482,637
Investments (Note 3)		6,646,588	5,497,462	5,346,103	6,357,091	3,071,734
Accounts receivable, net (Note 5)		8,039,300	8,076,262	8,865,755	7,890,676	8,663,934
Notes receivable (Note 6)		-	535,500	34,000	34,000	34,000
Inventories and prepaid expense		126,058	68,704	73,228	61,306	59,595
Total current assets		19,785,895	18,215,347	18,299,359	17,309,463	17,876,933
Plant assets, net (Note 7)		5,026,464	5,095,435	5,262,948	5,445,425	5,617,803
Other assets						
Notes receivable (Note 6)		-	-	521,334	552,500	586,500
Real estate and miscellaneous		9,584	9,584	9,584	9,584	9,584
For other than operating funds:						
Cash and investments (Note 3)		37,217,331	37,151,202	44,170,179	46,131,561	51,407,031
Accounts receivable (Note 5)		77,468	50,287	50,133	66,569	60,140
Prepaid expense		-	450	-	-	-
Notes receivable (Note 6)		24,343,609	24,920,974	21,371,478	22,730,913	25,183,485
Real estate held for unconditional trusts		1,160,081	3,230,001	1,160,001	1,160,001	820,001
Total other assets		62,808,073	65,362,498	67,282,709	70,651,128	78,066,741
Total assets	$	87,620,432	88,673,280	90,845,016	93,406,016	101,561,477

See accompanying notes.

NORTH PACIFIC UNION CONFERENCE OF SEVENTH-DAY ADVENTISTS
NORTH PACIFIC UNION CONFERENCE ASSOCIATION OF SEVENTH-DAY ADVENTISTS
Combined Statement of Financial Position; page 2 of 2
December 31, 2025, 2024, 2023, 2022 and 2021

LIABILITIES		**2025 Total**	**2024 Total**	**2023 Total**	**2022 Total**	**2021 Total**
Current liabilities						
Accounts payable (Note 8)	$	7,148,929	6,722,777	7,672,504	6,435,937	7,094,550
Agency accounts		775,316	1,061,517	931,770	841,879	482,637
Total current liabilities		7,924,245	7,784,294	8,604,274	7,277,816	7,577,187
Other liabilities						
Accrued retirement allowances		255,429	208,232	190,253	171,219	177,311
For other than operating funds:						
Accounts payable (Note 8)		61,846	43,969	42,040	39,480	24,519
Notes payable (Note 9)		27,653,596	29,130,681	31,185,557	36,675,134	38,476,331
Present value income distributions to primary beneficiaries (Note 20)		1,918,441	1,674,165	2,523,528	2,793,396	4,158,342
Remainder interest for residual trust beneficiaries (Note 22)		3,578,776	7,702,283	6,586,846	6,136,185	5,772,640
Annuities held for others (Note 17)		2,483,748	2,035,239	2,212,273	2,086,551	2,390,853
Present value, annuity liability (Note 19)		3,149,805	2,486,908	2,725,749	2,858,214	2,851,799
Total other liabilities		39,101,641	43,281,477	45,466,246	50,760,179	53,851,795
Total liabilities		47,025,886	51,065,771	54,070,520	58,037,995	61,428,982
Net assets						
Unrestricted: unallocated		1,481,664	748,811	816,770	3,294,187	3,568,936
Unrestricted: allocated- operating funds (Note 10)		7,153,320	6,925,607	6,975,448	4,940,156	4,986,909
Unrestricted: allocated- nonoperating funds		22,685,567	20,461,306	19,254,360	17,335,658	21,232,346
Unrestricted: net invested in plant		5,026,464	5,095,435	5,262,948	5,445,425	5,617,803
Total net assets without donor restrictions		36,347,015	33,231,159	32,309,526	31,015,426	35,405,994
Temporarily restricted (Note 11)		4,207,531	4,336,350	4,424,970	4,312,595	4,686,501
Permanently restricted (Notes 11 and 12)		40,000	40,000	40,000	40,000	40,000
Total net assets with donor restrictions		4,247,531	4,376,350	4,464,970	4,352,595	4,726,501
Total net assets		40,594,546	37,607,509	36,774,496	35,368,021	40,132,495
Total liabilities and net assets	$	87,620,432	88,673,280	90,845,016	93,406,016	101,561,477

See accompanying notes.

NORTH PACIFIC UNION CONFERENCE OF SEVENTH-DAY ADVENTISTS
NORTH PACIFIC UNION CONFERENCE ASSOCIATION OF SEVENTH-DAY ADVENTISTS
Combined Statement of Changes in Net Assets; page 1 of 2
For the Years Ended December 31, 2025, 2024, 2023, 2022 and 2021

CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS		2025 Total	2024 Total	2023 Total	2022 Total	2021 Total
Revenues and support without donor restrictions						
Gross tithe income	$	10,186,641	10,110,080	10,476,356	9,625,010	10,396,799
Tithe percentages passed on		(1,023,988)	(1,016,366)	(1,053,347)	(967,696)	(1,045,451)
Net tithe income		9,162,653	9,093,714	9,423,009	8,657,314	9,351,348
Tithe exchanged with General Conference		794,010	783,154	(1,208,700)	(1,208,700)	(1,208,700)
Non-tithe funds from General Conference		(794,010)	(783,154)	1,208,700	1,208,700	1,208,700
Revolving Fund, net earnings (Note 15)		2,398,014	1,535,531	2,069,600	(4,048,436)	179,938
Matured trusts and wills		424,901	119,560	10,957	113,223	-
Annuity fund (Note 16)		57,346	(16,052)	37,922	(14,539)	4,395
Appropriations without donor restrictions received		190,000	200,000	199,000	199,935	190,000
Investment earnings (Note 24)		605,536	295,991	308,079	(163,352)	87,562
Departmental fees and sales		496,255	711,179	522,482	544,777	437,738
Other income		1,101,926	287,404	276,859	295,950	168,360
Total revenues without donor restrictions		14,436,631	12,227,327	12,847,908	5,584,872	10,419,341
Released from net assets with donor restrictions		10,390,812	8,818,516	9,401,598	8,349,378	7,973,032
Total revenues and support without donor restrictions		24,827,443	21,045,843	22,249,506	13,934,250	18,392,373
Expenses and losses						
Program services functions						
Church ministries (Note 13)		5,434,634	4,485,089	4,599,074	4,146,312	3,403,542
Educational (Note 13)		9,557,537	8,853,092	9,184,711	8,138,245	7,619,331
Special services (Note 13)		1,369,543	1,586,224	1,637,451	1,570,654	1,403,073
Other (Note 13)		1,180,608	925,056	947,263	932,568	917,504
Total program services functions		17,542,322	15,849,461	16,368,499	14,787,779	13,343,450
Supporting services functions						
Administration - office resources (Note 13)		1,547,365	1,567,072	1,483,907	1,281,575	1,137,678
Conventions and meetings (Note 13)		75,302	82,088	598,412	316,151	8,231
Trust services		65,551	59,603	15,683	30,898	45,313
Other departments and services		1,042,251	1,028,852	992,285	867,243	837,013
Rental and miscellaneous		9,850	11,600	9,090	9,783	22,081
Retirement contribution to DB plan (Note 13)		1,539,179	1,451,028	1,538,035	1,410,897	1,544,053
Distributions and expenses of unconditional trusts (Note 21)		3,258,563	3,020,107	687,945	1,157,553	3,380,801
Total supporting services functions		7,538,061	7,220,350	5,325,357	5,074,100	6,975,170
Total expenses and losses (Note 13)		25,080,383	23,069,811	21,693,856	19,861,879	20,318,620
Net increase (decrease) from operations	$	(252,940)	(2,023,968)	555,650	(5,927,629)	(1,926,247)

See accompanying notes.

NORTH PACIFIC UNION CONFERENCE OF SEVENTH-DAY ADVENTISTS
NORTH PACIFIC UNION CONFERENCE ASSOCIATION OF SEVENTH-DAY ADVENTISTS
Combined Statement of Changes in Net Assets; page 2 of 2
For the Years Ended December 31, 2025, 2024, 2023, 2022 and 2021

	2025 Total	2024 Total	2023 Total	2022 Total	2021 Total
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS					
Net increase (decrease) from operations	$ (252,940)	(2,023,968)	555,650	(5,927,629)	(1,926,247)
NONOPERATING ACTIVITY WITHOUT DONOR RESTRICTIONS					
Nonoperating revenue (Note 14)	210,785	119,665	111,584	480,505	108,630
Nonoperating expense (Note 14)	(100,552)	(189,708)	(61,079)	(100,864)	(115,666)
Net book value of plant assets written off (Note 14)	-	(4,463)	-	(133)	-
Released from net assets with donor restrictions (Note 14)	3,258,563	3,020,107	687,945	1,157,553	3,380,801
Total nonoperating activity increase (decrease)	3,368,796	2,945,601	738,450	1,537,061	3,373,765
Increase (decrease) net assets without donor restrictions	3,115,856	921,633	1,294,100	(4,390,568)	1,447,518
CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS					
Changes in net assets with temporary donor restrictions					
Income with temporary donor restrictions					
Subsidies	10,355,731	8,836,377	9,144,959	8,154,888	8,200,095
Offerings	26,260	2,853	12,964	13,506	11,706
Donations	431,655	293,741	299,038	206,479	175,028
Annuity fund (Note 16)	5,881	5,846	6,840	(4,788)	5,728
Unconditional trust agreements (Note 21)	2,701,029	2,611,186	738,117	762,940	3,197,264
Total restricted income received	13,520,556	11,750,003	10,201,918	9,133,025	11,589,821
Net assets released from restrictions - operating	(10,390,812)	(8,818,516)	(9,401,598)	(8,349,378)	(7,973,032)
Net assets released from restrictions - non operating (Note 14)	(3,258,563)	(3,020,107)	(687,945)	(1,157,553)	(3,380,801)
Increase (decrease) temporarily restricted net assets	(128,819)	(88,620)	112,375	(373,906)	235,988
Increase (decrease) in net assets	2,987,037	833,013	1,406,475	(4,764,474)	1,683,506
Net assets, beginning	37,607,509	36,774,496	35,368,021	40,132,495	38,448,989
Net assets, ending	$ 40,594,546	37,607,509	36,774,496	35,368,021	40,132,495

See accompanying notes.

NORTH PACIFIC UNION CONFERENCE OF SEVENTH-DAY ADVENTISTS
NORTH PACIFIC UNION CONFERENCE ASSOCIATION OF SEVENTH-DAY ADVENTISTS
Combined Statement of Cash Flows; page 1 of 2
For the Years Ended December 31, 2025, 2024, 2023, 2022 and 2021

		2025 Total	2024 Total	2023 Total	2022 Total	2021 Total
CASH FLOWS FROM OPERATING ACTIVITIES						
Increase (decrease) in net assets	$	2,987,037	833,013	1,406,475	(4,764,474)	1,683,506
Adjustments to reconcile net income to net cash provided by operating activities						
Depreciation expense		197,640	196,945	197,322	198,725	202,493
Net book value of plant assets written off		-	4,463	-	133	-
Realized (gain) loss on sale of investments		(412,734)	(929,933)	1,388,912	(521,869)	(814,820)
Unrealized (gain) loss in value of investments		(1,265,199)	267,198	(3,184,676)	6,929,129	821,170
Unrealized (gain) loss on value of property held in trust		2,069,920	(2,070,000)	-	(340,000)	-
Increase (decrease) present value liability of gift annuities		1,129,284	(413,946)	(6,427)	(282,925)	229,827
Increase (decrease) present value of income distributions		244,276	(849,363)	(269,867)	(1,364,946)	(866,881)
Increase (decrease) remainder interest to residual beneficiaries		(4,123,507)	1,115,437	450,662	363,545	(1,081,011)
(Increase) decrease - cash held for agency funds		286,201	(129,747)	(89,891)	(359,242)	(195,974)
(Increase) decrease - accounts receivable		36,962	789,494	(975,079)	773,259	(1,791,163)
(Increase) decrease - inventories and prepaid		(57,354)	4,520	(11,922)	(1,711)	(6,066)
Increase (decrease) - accounts payable		426,152	(949,724)	1,238,813	(658,612)	1,234,491
Increase (decrease) - accrued retirement allowances		47,197	17,979	19,034	(6,092)	3,534
Increase (decrease) - agency accounts		(286,201)	129,747	89,891	359,242	195,974
Net cash provided (used) by operating		1,279,674	(1,983,917)	253,247	324,162	(384,920)
CASH FLOWS FROM INVESTING ACTIVITIES						
Proceeds from maturity of investments		46,470,838	43,538,349	43,191,129	27,457,164	44,703,018
Purchase of investments		(47,017,767)	(38,558,698)	(38,696,056)	(32,653,390)	(45,615,900)
(Increase) decrease irrevocable trust investments		1,009,605	2,550,704	273,055	779,079	2,939,903
(Increase) decrease accounts receivable, other than operating		(27,180)	(155)	16,437	(6,429)	(6,449)
Increase (decrease) accounts payable, other than operating		-	-	-	-	(819)
(Increase) decrease prepaid expense, other than operating		450	(450)	-	-	-
Purchases of plant assets		(128,669)	(33,895)	(14,845)	(26,480)	(35,008)
New notes receivable issued		(10,348,842)	(8,512,157)	(3,931,332)	(3,976,601)	(3,300,827)
Payments received on notes receivable		11,461,707	4,982,495	5,321,933	6,463,170	5,530,983
Net cash provided (used) by investing	$	1,420,142	3,966,193	6,160,321	(1,963,487)	4,214,901

See accompanying notes.

NORTH PACIFIC UNION CONFERENCE OF SEVENTH-DAY ADVENTISTS
NORTH PACIFIC UNION CONFERENCE ASSOCIATION OF SEVENTH-DAY ADVENTISTS
Combined Statement of Cash Flows; page 2 of 2
For the Years Ended December 31, 2025, 2024, 2023, 2022 and 2021

		2025 Total	2024 Total	2023 Total	2022 Total	2021 Total
CASH FLOWS FROM FINANCING ACTIVITIES						
Principal payments on notes payable	$	(2,831,465)	(3,413,689)	(6,114,515)	(2,482,791)	(3,031,565)
Proceeds from depositors		1,354,380	1,358,812	624,939	681,594	761,515
Net cash provided (used) by financing	$	(1,477,085)	(2,054,877)	(5,489,576)	(1,801,197)	(2,270,050)
Net increase (decrease) cash and cash equivalents	$	1,222,731	(72,601)	923,992	(3,440,522)	1,559,931
Cash and cash equivalents, beginning of year		2,975,902	3,048,503	2,124,511	5,565,033	4,005,102
Cash and cash equivalents, end of year	$	4,198,633	2,975,902	3,048,503	2,124,511	5,565,033
Supplemental cash flow data						
Cash paid for interest	$	687,653	697,331	752,211	694,102	725,105

See accompanying notes.

Note 1 – Organizational description and summary of significant accounting policies

Organization description

The North Pacific Union Conference of Seventh-day Adventists (Conference) and North Pacific Union Conference Association of Seventh-day Adventists (Association) (Organizations) are administrative entities within the General Conference of Seventh-day Adventists, North American Division (NAD). As such, the Organizations supervise the operation of all denominational activities within the states of Alaska, Idaho, Montana, Oregon, and Washington. Most of their dealings are with the constituent conferences and the NAD. The Association holds title to all of the Organizations' assets, and performs certain fiduciary duties.

The Organizations' primary purpose is to spread the gospel of Jesus Christ throughout their territory. They accomplish this by supervising the activities of constituent conferences (regional headquarters). The Organizations receive most of their revenue from contributions from the constituent conferences and the NAD.

The Organizations are religious not-for-profit organizations, and are 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 of the Internal Revenue Code.

Summary of significant accounting policies

(a) Basis of accounting: The significant accounting policies of the Organizations 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 statements. The financial statements of the Organizations have been prepared on the accrual basis of accounting. In conformity with the accrual basis of accounting, the Organizations have evaluated events that occurred subsequent to the financial statement date, up to May 11, 2026, which is the date the financial statements were available to be issued.

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

(c) Restricted resources: The Organizations report gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

The Organizations report gifts of land, buildings, and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used, and gifts of cash or other assets that must be used to acquire long-lived assets, are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Organizations report expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

(d) Plant assets and depreciation: Uses of operating funds for plant acquisitions and debt service payments are accounted for as committee approved transfers to plant funds. Such transfers include depreciation funding as well as additional movements of operating Funds. Restricted proceeds from sale of plant assets and restricted income from plant fund investments are recorded as restricted support. Both principal and interest payments made to retire plant fund indebtedness are recorded in the plant fund. Plant assets are recorded at cost when purchased or at fair market value at date of gift. Plant assets that cost less than $2,000 are not capitalized, but are charged to expense. Depreciation of land improvements, buildings and equipment is provided over the estimated useful lives of the respective assets on a straight-line basis. Depreciation expense is recorded in the net invested in plant fund and reported by various program and supporting services in the Statement of Changes in Net Assets. The following ranges of estimates of useful lives are assigned to capital assets: Buildings: 40 years; Land Improvements: 10 years; Equipment: 3 to 20 years.

(e) Cash and equivalents: Cash equivalents are highly-liquid assets of the operating funds, which are readily convertible to cash and have a maturity date of three months or less 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 statement of cash flows as proceeds or purchases of investments.

(f) 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 statement of financial position, which are reasonable estimates of fair value due to the relatively short period to maturity of the instruments. This approach applies to cash, cash equivalents, accounts receivable, and certain other liabilities.

Notes and loans receivable are valued at the amortized amount receivable as of the reporting date. An allowance has been recorded based on an estimate of amounts which are not expected to be collected. The local conference shall make payments on loans over 60 days past due. Because these loans, by intent and practice, are expected to be held to maturity, the carrying amount 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 concluded that the amortized face value of loans receivable from related or affiliated entities approximates fair value.

Notes and loans payable are valued at the amortized amount payable as of the reporting date. Because these loans, by intent and practice, are expected to be amortized to maturity, the carrying amount 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 concluded that the amortized face of loans payable to related or affiliated entities approximates their fair 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.

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

Investments are valued at quoted market price or other reasonably obtainable market value estimate 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 valuation account is recognized as a gain or loss.

Real estate and other assets recorded in the Unconditional Trust Fund are valued at fair market value on the date they are transferred into trust.

(g) Inventory is stated at the lower of cost or fair market value, under the first-in, first-out method.

(h) 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 to use for other than current operations, or are committee allocated for the acquisition or construction of plant assets or for the liquidation of plant fund debt. This excludes from current liabilities the long-term portion of all debt, and plant fund debt payable within the next fiscal year to the extent covered by designated plant fund liquid assets. Working capital (current assets less current liabilities) for the Organizations usually reflects working capital of only the operating funds since usually no assets or liabilities of the plant fund are classified as current.

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

(j) Split-interest agreements: The Association acts as a trustee or is partial beneficiary in various kinds of trusts, annuities, and/or other split-interest agreements for which it acts as trustee or administrator. Other organizations are partial beneficiaries of some of these agreements. For those agreements that are irrevocable, assets are recorded by the Association at fair market value at the date of the gift or acceptance of the agreement. For agreements that designate other beneficiaries, liabilities are recorded for the present value of amounts due income beneficiaries and other remainder beneficiaries. Conservative discount rates are used to compute such present value amounts. Standard actuarial tables and conservative interest rates are used to compute liabilities due to annuitants. The Association's remainder interest is classified as temporarily restricted net assets until maturity of each agreement.

(k) Affiliated entities: The Organizations operate through several organizations with which they are affiliated by reason of membership on the respective governing boards of officers and other staff members of the Organizations. The financial statements of these other organizations are not combined with the Organizations' because they do not meet the criteria for consolidation. Inter-organization transactions carried on in the ordinary course of business are handled through current accounts receivable and payable, and are settled generally on a monthly basis. Other financial transactions involving appropriations, loans, and other long-term financing, are detailed in Notes 5, 8, 17, 22, 25, and 26 below. The specific organizations referred to above are:

The General Conference of Seventh-day Adventists (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.

The Organizations oversee denominational activities in the states of Alaska, Idaho, Montana, Oregon, and Washington. Activities in each region are administered by unincorporated and incorporated Conferences and Associations. The President of each Conference is a member of the Organizations' Executive Committee. The Organizations' officers are invitees of each Conference's Executive Committee.

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

(l) Fund accounting: To ensure observance of limitations and restrictions on resources available to the Organizations, the accounts are maintained in accordance with the principles of fund accounting. Resources are classified for accounting and reporting purposes into funds established according to their nature and purposes. Separate accounts are maintained for each fund; however, in the accompanying financial statements, funds have been combined into groups, and totals presented for the Organizations as a whole. The funds and fund groups are described in further detail below.

Operating funds: These consist of unrestricted and restricted resources available for current operations. This fund group reflects the combined operating activity of the Conference operating fund and the Association operating fund.

Plant funds: These consist of the unexpended plant and net invested in plant funds. The unexpended plant fund represents resources which were donor restricted or conference committee allocated for plant acquisitions. Since operating funds allocated by the conference committee can be returned to the operating funds by action of the committee, they are included in the unrestricted section of net assets, and appear as associated net assets. This balance includes the unused portion of funded depreciation, additional funds transferred for plant acquisitions, proceeds from sale of plant assets, and unrestricted plant fund investment earnings. The net invested in plant fund represents plant assets acquired, respective accumulated depreciation, and any respective debt.

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

Annuity fund: This represents funds subject to conditions of charitable gift annuity agreements. Assets are used to produce income to fund the life income payments to the annuitants. If the annuity is funded with real estate, annuity payments required under the agreements are guaranteed by the local institution which will receive the funds upon maturity. Such funds may only be used to meet regular annuity payments.

Revolving Fund. The North Pacific Union Conference Association Revolving Fund was established in February 1978. Notes were issued to church members and church entities investing in the fund 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 North Pacific Union Conference (NPUC). The fund is registered in the State of Oregon and is authorized in the states of Alaska, Idaho, Montana, and Washington. A Sinking Fund is provided in accordance with General Conference policy.

Endowment fund: Represent funds that are subject to restrictions of gift instruments requiring that the principal be held in perpetuity, be invested, and only the income from such investments be used. The principal of true endowments is reported as Permanently Restricted Net Assets. Committee-directed quasi-endowments are reported as allocated unrestricted net assets. Fund income and principal from donor advised funds are distributed annually based on consultation with the donors.

Note 2 – Cash and cash equivalents		**2025 Total**	**2024 Total**	**2023 Total**	**2022 Total**	**2021 Total**
Imprest cash	$	310	310	310	310	310
Checking accounts		1,978,570	2,238,181	2,112,448	2,411,045	3,484,782
General Conference money fund		15,252	14,522	13,825	13,266	13,116
Money market funds		2,979,817	1,784,406	1,853,690	541,769	2,549,462
Less: cash held for agency		(775,316)	(1,061,517)	(931,770)	(841,879)	(482,637)
Total cash and cash equivalents	$	4,198,633	2,975,902	3,048,503	2,124,511	5,565,033

Note 3 – Investments		**2025**			**2024**		
Investments held for operating		**Cost**	**Market**	**Appreciation**	**Cost**	**Market**	**Appreciation**
Certificates of deposit	$	1,042,576	1,044,745	2,169	900,000	900,470	470
Corporate bonds and notes		558,948	503,201	(55,747)	407,558	348,770	(58,788)
Fixed income		3,027,275	3,027,275	-	2,862,770	2,862,770	-
Government backed securities		926,385	689,539	(236,846)	991,990	712,749	(279,241)
Mutual funds		1,262,148	1,255,725	(6,423)	541,936	541,155	(781)
Preferred stock		173,889	126,103	(47,786)	173,286	131,548	(41,738)
Total operating investments at market value	$	6,991,221	6,646,588	(344,633)	5,877,540	5,497,462	(380,078)

		2023			**2022**		
Investments held for operating		**Cost**	**Market**	**Appreciation**	**Cost**	**Market**	**Appreciation**
Certificates of deposit	$	850,745	850,740	(5)	1,579,680	1,577,784	(1,896)
Corporate bonds and notes		571,443	495,355	(76,088)	1,034,496	944,377	(90,119)
Fixed income		2,709,953	2,709,983	30	2,564,523	2,564,523	-
Government backed securities		1,245,249	965,187	(280,062)	1,331,241	1,045,443	(285,798)
Mutual funds		211,696	194,499	(17,197)	121,321	105,168	(16,153)
Preferred stock		172,580	130,339	(42,241)	171,928	119,796	(52,132)
Total operating investments at market value	$	5,761,666	5,346,103	(415,563)	6,803,189	6,357,091	(446,098)

		2021		
Investments held for operating		**Cost**	**Market**	**Unrealized Appreciation (Decline)**
Corporate bonds and notes	$	1,563,733	1,539,660	(24,073)
Government backed securities		1,457,193	1,388,427	(68,766)
Mutual funds		128,728	130,831	2,103
Preferred stock		12,816	12,816	-
Total operating investments at market value	$	3,162,470	3,071,734	(90,736)

Note 3 – Investments (continued)

	2025			2024		
Investments held for other than operating	Cost	Market	Unrealized Appreciation (Decline)	Cost	Market	Unrealized Appreciation (Decline)
Cash						
Checking accounts	$ 179,122	179,122	-	1,279,743	1,279,743	-
Money market funds	2,064,545	2,064,545	-	2,391,163	2,391,163	-
Savings accounts	19,284	19,284	-	18,073	18,073	-
Total cash	2,262,951	2,262,951	-	3,688,979	3,688,979	-
Investments						
Certificates of deposit	382,000	383,214	1,214	614,000	615,263	1,263
Collective funds	654,628	654,628	-	614,208	614,208	-
Corporate bonds and notes	2,767,575	2,269,047	(498,528)	1,640,587	1,068,890	(571,697)
US Government loan securities	16,736,884	12,936,605	(3,800,279)	18,234,836	13,803,392	(4,431,444)
US treasury notes	1,000,319	1,019,304	18,985	340,070	344,970	4,900
Bond mutual fund	2,967,669	2,963,078	(4,591)	3,659,681	1,968,260	(1,691,421)
Equity mutual fund	5,692,330	7,146,957	1,454,627	4,794,036	7,787,041	2,993,005
Mutual funds	3,884,239	3,940,683	56,444	3,860,369	3,904,966	44,597
Preferred stock	2,856,506	3,640,864	784,358	2,923,326	3,355,233	431,907
Total investments	36,942,150	34,954,380	(1,987,770)	36,681,113	33,462,223	(3,218,890)
Total other than operating investments at market value	$ 39,205,101	37,217,331	(1,987,770)	40,370,092	37,151,202	(3,218,890)

	2023			2022		
Investments held for other than operating	Cost	Market	Unrealized Appreciation (Decline)	Cost	Market	Unrealized Appreciation (Decline)
Cash						
Checking accounts	$ 1,184,810	1,184,810	-	1,799,314	1,799,314	-
Money market funds	308,535	308,535	-	1,568,057	1,568,057	-
Certificates of deposit	16,154	16,154	-	15,040	15,040	-
Total cash	1,509,499	1,509,499	-	3,382,411	3,382,411	-
Investments						
Certificates of deposit	200,000	199,571	(429)	200,000	198,996	(1,004)
Collective funds	549,391	549,391	-	511,351	511,351	-
Corporate bonds and notes	869,246	232,620	(636,626)	869,283	221,237	(648,046)
US Government loan securities	21,273,218	17,115,581	(4,157,637)	31,909,671	25,712,122	(6,197,549)
Bond mutual fund	6,093,999	6,072,107	(21,892)	6,089,653	6,008,185	(81,468)
Equity mutual fund	6,167,927	7,682,477	1,514,550	6,517,158	7,620,895	1,103,737
Mutual funds	7,711,220	7,719,002	7,782	88,656	90,092	1,436
Preferred stock	2,710,889	3,089,931	379,042	2,589,381	2,386,272	(203,109)
Total investments	45,575,890	42,660,680	(2,915,210)	48,775,153	42,749,150	(6,026,003)
Total other than operating investments at market value	$ 47,085,389	44,170,179	(2,915,210)	52,157,564	46,131,561	(6,026,003)

Note 3 – Investments (continued)

	2021		
Investments held for other than operating	Cost	Market	Unrealized Appreciation (Decline)
Cash			
Petty cash	$ 8,573	8,573	-
Checking accounts	2,445,211	2,445,211	-
Money market funds	852,236	852,236	-
Total cash	3,306,020	3,306,020	-
Investments			
Certificates of deposit	969,000	980,862	11,862
Corporate bonds and notes	736,221	144,210	(592,011)
US Government loan securities	30,209,872	28,507,192	(1,702,680)
Bond mutual fund	5,913,492	5,838,515	(74,977)
Equity mutual fund	6,835,248	9,324,769	2,489,521
Mutual funds	50,485	68,480	17,995
Exchange traded funds (ETF)	2,837,200	3,236,983	399,783
Total investments	47,551,518	48,101,011	549,493
Total other than operating investments at market value	$ 50,857,538	51,407,031	549,493

The market value of investments changes with economic conditions.

Note 4 – Fair value measurement

The Organizations are subject to accounting provisions that require disclosure about the information used to determine fair values for assets and liabilities that are subject to fair value accounting either on a recurring or non-recurring basis. This information is separated into three "levels" of input as follows:

Level 1: Observable quoted market prices 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 of similar assets or liabilities.

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

2025	Level 1	Level 2	Level 3	Total
Assets recorded at fair value				
Certificates of deposit	$ -	1,427,959	-	1,427,959
Debt securities	25,318,402	-	-	25,318,402
Equity securities	14,854,607	-	-	14,854,607
Total assets recorded at fair value	$ 40,173,009	1,427,959	-	41,600,968

2024	Level 1	Level 2	Level 3	Total
Assets recorded at fair value				
Certificates of deposit	$ -	1,515,733	-	1,515,733
Debt securities	22,265,164	-	-	22,265,164
Equity securities	15,178,788	-	-	15,178,788
Total assets recorded at fair value	$ 37,443,952	1,515,733	-	38,959,685

2023	Level 1	Level 2	Level 3	Total
Assets recorded at fair value				
Certificates of deposit	$ -	1,050,311	-	1,050,311
Debt securities	28,140,224	-	-	28,140,224
Equity securities	18,816,248	-	-	18,816,248
Total assets recorded at fair value	$ 46,956,472	1,050,311	-	48,006,783

2022	Level 1	Level 2	Level 3	Total
Assets recorded at fair value				
Certificates of deposit	$ -	1,776,780	-	1,776,780
Debt securities	37,007,238	-	-	37,007,238
Equity securities	10,322,223	-	-	10,322,223
Total assets recorded at fair value	$ 47,329,461	1,776,780	-	49,106,241

Note 4 – Fair value measurement (continued)

2021		**Level 1**	**Level 2**	**Level 3**	**Total**
Assets recorded at fair value					
Certificates of deposit	$	-	980,862	-	980,862
Debt securities		37,418,004	-	-	37,418,004
Equity securities		12,773,879	-	-	12,773,879
Total assets recorded at fair value	$	50,191,883	980,862	-	51,172,745

Note 5 – Accounts receivable		**2025 Total**	**2024 Total**	**2023 Total**	**2022 Total**	**2021 Total**
Accounts receivable held for operating						
Accrued interest	$	8,308	1,934	2,483	2,682	2,779
GC/NAD		74	36	32	124	288
Local conference		7,974,654	7,999,342	8,776,013	7,801,937	8,529,799
Miscellaneous		53,744	74,950	87,227	85,933	126,889
Walla Walla University		2,520	-	-	-	4,179
Net accounts receivable	$	8,039,300	8,076,262	8,865,755	7,890,676	8,663,934

		2025 Total	**2024 Total**	**2023 Total**	**2022 Total**	**2021 Total**
Accounts receivable held for other than operating						
Accrued interest	$	77,468	50,287	50,133	66,569	60,140
Total other than operating accounts receivable	$	77,468	50,287	50,133	66,569	60,140

Note 6 – Notes receivable- all funds

		2025			**2024**		
Notes receivable held for operating		**Current**	**Long-term**	**Total**	**Current**	**Long-term**	**Total**
Secured loan receivable, from the sale							
of real property, 0% interest, ballon payment due Feb 2025	$	-	-	-	535,500	-	535,500
Total operating funds notes receivable	$	-	-	-	535,500	-	535,500

		2023			**2022**		
Notes receivable held for operating		**Current**	**Long-term**	**Total**	**Current**	**Long-term**	**Total**
Secured loan receivable, from the sale							
of real property, 0% interest, ballon payment due Feb 2025	$	34,000	521,334	555,334	34,000	552,500	586,500
Total operating funds notes receivable	$	34,000	521,334	555,334	34,000	552,500	586,500

		2021		
Notes receivable held for operating		**Current**	**Long-term**	**Total**
Secured loan receivable, from the sale				
of real property, 0% interest, ballon payment due Feb 2025	$	34,000	586,500	620,500
Total operating funds notes receivable	$	34,000	586,500	620,500

		2025			**2024**		
Notes receivable held for other than operating		**Current**	**Long-term**	**Total**	**Current**	**Long-term**	**Total**
Revolving Fund loans to conferences, churches, & schools, 4.5% interest, due 90 days from demand	$	1,658,307	20,806,238	22,464,545	2,358,730	20,075,709	22,434,439
Revolving Fund line of credit, 2.75% - 4.5%*		1,879,064	-	1,879,064	2,486,535	-	2,486,535
Total other than operating notes receivable	$	3,537,371	20,806,238	24,343,609	4,845,265	20,075,709	24,920,974

		2023			**2022**		
Notes receivable held for other than operating		**Current**	**Long-term**	**Total**	**Current**	**Long-term**	**Total**
Revolving Fund loans to conferences, churches, & schools, 4.5% interest, due 90 days from demand	$	1,875,385	19,496,093	21,371,478	1,941,391	20,789,522	22,730,913
Total other than operating notes receivable	$	1,875,385	19,496,093	21,371,478	1,941,391	20,789,522	22,730,913

Note 6 – Notes receivable- all funds (continued)

		2021		
Notes receivable held for other than operating		Current	Long-term	Total
Revolving Fund loans to conferences, churches, & schools, 4.5% interest, due 90 days from demand	$	3,265,363	21,918,122	25,183,485
Total other than operating notes receivable	$	3,265,363	21,918,122	25,183,485

* As of December 31, 2025, two constituent conferences had a $4 million and $1 million revolving line of credit with the Revolving Fund, respectively.
The interest rate on the outstanding balance is 2.75% and 4.5%, respectively. The $4 million line of credit matures on December 31, 2029 and the $1 million line of credit matures on December 31, 2026.

Note 7 – Plant assets

		Total Cost	Accumulated Depreciation	Net Value	Depreciation Expense
Balances 2025					
Land	$	1,503,343	-	1,503,343	-
Land improvements		187,508	187,508	-	-
Buildings		6,592,674	3,116,535	3,476,139	171,776
Equipment		1,109,788	1,062,806	46,982	25,864
Total plant assets	$	9,393,313	4,366,849	5,026,464	197,640

		Total Cost	Accumulated Depreciation	Net Value	Depreciation Expense
Balances 2024					
Land	$	1,503,343	-	1,503,343	-
Land improvements		187,508	187,508	-	-
Buildings		6,476,689	2,944,759	3,531,930	169,015
Equipment		1,199,389	1,139,227	60,162	27,930
Total plant assets	$	9,366,929	4,271,494	5,095,435	196,945

		Total Cost	Accumulated Depreciation	Net Value	Depreciation Expense
Balances 2023					
Land	$	1,503,343	-	1,503,343	-
Land improvements		187,508	187,508	-	-
Buildings		6,476,689	2,775,744	3,700,945	169,014
Equipment		1,182,302	1,123,642	58,660	28,308
Total plant assets	$	9,349,842	4,086,894	5,262,948	197,322

		Total Cost	Accumulated Depreciation	Net Value	Depreciation Expense
Balances 2022					
Land	$	1,503,343	-	1,503,343	-
Land improvements		187,508	187,508	-	-
Buildings		6,476,689	2,606,730	3,869,959	167,726
Equipment		1,175,097	1,102,974	72,123	30,999
Total plant assets	$	9,342,637	3,897,212	5,445,425	198,725

		Total Cost	Accumulated Depreciation	Net Value	Depreciation Expense
Balances 2021					
Land	$	1,503,343	-	1,503,343	-
Land improvements		187,508	187,508	-	-
Buildings		6,476,689	2,439,004	4,037,685	164,356
Equipment		1,258,007	1,181,232	76,775	38,137
Total plant assets	$	9,425,547	3,807,744	5,617,803	202,493

Note 7 – Plant assets (continued)

	Cost 2024	Additions	Deletions	Cost 2025
Changes in cost 2025				
Land	$ 1,503,343	-	-	1,503,343
Land improvements	187,508	-	-	187,508
Buildings	6,476,689	115,985	-	6,592,674
Equipment	1,199,389	12,684	102,285	1,109,788
Total plant assets	$ 9,366,929	128,669	102,285	9,393,313

	Accumulated Depreciation 2024	Additions	Deletions	Accumulated Depreciation 2025
Changes in accumulated depreciation 2025				
Land improvements	$ 187,508	-	-	187,508
Buildings	2,944,759	171,776	-	3,116,535
Equipment	1,139,227	25,864	102,285	1,062,806
Total depreciation	$ 4,271,494	197,640	102,285	4,366,849

	Cost 2023	Additions	Deletions	Cost 2024
Changes in cost 2024				
Land	$ 1,503,343	-	-	1,503,343
Land improvements	187,508	-	-	187,508
Buildings	6,476,689	-	-	6,476,689
Equipment	1,182,302	33,895	16,808	1,199,389
Total plant assets	$ 9,349,842	33,895	16,808	9,366,929

	Accumulated Depreciation 2023	Additions	Deletions	Accumulated Depreciation 2024
Changes in accumulated depreciation 2024				
Land improvements	$ 187,508	-	-	187,508
Buildings	2,775,744	169,015	-	2,944,759
Equipment	1,123,642	27,930	12,345	1,139,227
Total depreciation	$ 4,086,894	196,945	12,345	4,271,494

	Cost 2022	Additions	Deletions	Cost 2023
Changes in cost 2023				
Land	$ 1,503,343	-	-	1,503,343
Land improvements	187,508	-	-	187,508
Buildings	6,476,689	-	-	6,476,689
Equipment	1,175,097	14,845	7,640	1,182,302
Total plant assets	$ 9,342,637	14,845	7,640	9,349,842

	Accumulated Depreciation 2022	Additions	Deletions	Accumulated Depreciation 2023
Changes in accumulated depreciation 2023				
Land improvements	$ 187,508	-	-	187,508
Buildings	2,606,730	169,014	-	2,775,744
Equipment	1,102,974	28,308	7,640	1,123,642
Total depreciation	$ 3,897,212	197,322	7,640	4,086,894

	Cost 2021	Additions	Deletions	Cost 2022
Changes in cost 2022				
Land	$ 1,503,343	-	-	1,503,343
Land improvements	187,508	-	-	187,508
Buildings	6,476,689	-	-	6,476,689
Equipment	1,258,007	26,480	109,390	1,175,097
Total plant assets	$ 9,425,547	26,480	109,390	9,342,637

Note 7 – Plant assets (continued)

	Accumulated Depreciation 2021	Additions	Deletions	Accumulated Depreciation 2022
Changes in accumulated depreciation 2022				
Land improvements	$ 187,508	-	-	187,508
Buildings	2,439,004	167,726	-	2,606,730
Equipment	1,181,232	30,999	109,257	1,102,974
Total depreciation	$ 3,807,744	198,725	109,257	3,897,212

	Cost 2020	Additions	Deletions	Cost 2021
Changes in cost 2021				
Land	$ 1,503,343	-	-	1,503,343
Land improvements	187,508	-	-	187,508
Buildings	6,476,689	-	-	6,476,689
Equipment	1,229,300	35,008	6,301	1,258,007
Total plant assets	$ 9,396,840	35,008	6,301	9,425,547

	Accumulated Depreciation 2020	Additions	Deletions	Accumulated Depreciation 2021
Changes in accumulated depreciation 2021				
Land improvements	$ 187,508	-	-	187,508
Buildings	2,274,648	164,356	-	2,439,004
Equipment	1,149,396	38,137	6,301	1,181,232
Total depreciation	$ 3,611,552	202,493	6,301	3,807,744

Note 8 – Accounts payable

	2025 Total	2024 Total	2023 Total	2022 Total	2021 Total
Accounts payable held for operating					
Accrued audit fees	$ 90,727	118,381	48,850	54,358	39,985
Accrued medical	52,508	46,264	43,666	36,211	35,600
Accrued retirement	47,293	25,583	51,755	44,842	17,062
Accrued wages and payroll tax	158,216	115,969	110,409	105,925	105,097
Regional Convocation	4,150	-	-	-	-
Commercial accounts	62,968	30,319	31,410	54,458	25,745
General Conference of SDA	6,009,151	6,083,827	6,670,367	5,857,341	6,573,857
Local conferences	455,834	26,728	115,646	133,406	75,912
Miscellaneous	37,230	36,049	72,562	22,055	23,972
North America Division of SDA	220,779	186,049	475,033	84,227	147,532
Pacific Press Publishing Association	-	46,299	42,297	41,818	40,757
Walla Walla University	10,073	7,309	10,509	1,296	9,031
Total operating accounts payable	$ 7,148,929	6,722,777	7,672,504	6,435,937	7,094,550
Accounts payable held for other than operating					
Miscellaneous	$ 61,846	43,969	42,040	39,480	24,519
Total other than operating accounts payable	$ 61,846	43,969	42,040	39,480	24,519

Note 9 – Notes payable

	2025			2024		
Notes payable held for other than operating	Current	Long-term	Total	Current	Long-term	Total
Revolving Fund account certificates and demand notes payable to church members and conference organizations, 2.25% interest	$ 27,653,596	-	27,653,596	29,130,681	-	29,130,681
Total other than operating notes payable	$ 27,653,596	-	27,653,596	29,130,681	-	29,130,681

Note 9 – Notes payable (continue)

	2023			2022		
Notes payable held for other than operating	Current	Long-term	Total	Current	Long-term	Total
Revolving Fund account certificates and demand notes payable to church members and conference organizations, 2.25% interest	$ 31,185,557	-	31,185,557	36,675,134	-	36,675,134
Total other than operating notes payable	$ 31,185,557	-	31,185,557	36,675,134	-	36,675,134

	2021		
Notes payable held for other than operating	Current	Long-term	Total
Revolving Fund account certificates and demand notes payable to church members and conference organizations, 2.25% interest	$ 38,476,331	-	38,476,331
Total other than operating notes payable	$ 38,476,331	-	38,476,331

Principal payments due on notes payable are as follows:

2026	$ 27,653,596
Total	$ 27,653,596

Note 10 – Allocated net assets - operating funds only

	Balance 2025	Balance 2024	Balance 2023	Balance 2022	Balance 2021
Conference operating fund					
Church & evangelistic programs	$ 956,828	911,662	779,039	456,076	258,535
Education programs	728,347	554,970	556,165	85,022	29,606
Medical & health programs	-	8,962	8,962	8,962	8,962
Humanitarian programs	148,825	147,625	143,137	99,887	46,046
Other programs	1,369,170	402,350	192,635	(146,931)	28,189
Conventions & meetings	452,491	302,491	183,707	303,773	216,773
General administration	-	67,493	15,000	(2)	(193)
Recommended working capital	2,992,773	3,877,609	4,439,508	3,533,481	3,763,481
Unexpended plant capital functions	-	129,430	113,325	23,565	23,565
Total allocated net assets - conference operating fund	6,648,434	6,402,592	6,431,478	4,363,833	4,374,964
Association operating fund					
General administration	(13,615)	(12,486)	(11,364)	(10,177)	(8,555)
Conference auxiliary	518,501	535,501	555,334	586,500	620,500
Total allocated net assets - association operating fund	504,886	523,015	543,970	576,323	611,945
Total allocated net assets - operating funds	$ 7,153,320	6,925,607	6,975,448	4,940,156	4,986,909

Net assets without donor restrictions: The Executive Committee of the North Pacific Union Conference of Seventh-day Adventists and the Board of Trustees of the North Pacific Union Conference Association of Seventh-day Adventists have several standing policies that affect the presentation of committee designations on net assets. Donations and bequests, without donor restrictions, are designated for Unrestricted Allocated Funds. Additionally, management maintains an operating reserve for working capital in accordance with guidelines of the North American Division Working Policy.

Note 11 – Net assets with donor restrictions

Temporary restrictions **Conference**		**Balance 2025**	**Balance 2024**	**Balance 2023**	**Balance 2022**	**Balance 2021**
Conference operating funds						
ACF development fund	$	93,000	68,000	50,000	-	-
Adventist Community Services		25,057	16,378	11,223	11,414	8,821
Adventist Health System		-	-	3,810	11,310	23,810
ASI - pacific NW chapter		16,063	18,037	16,111	25,419	25,169
C.A.R.E - community Action		40,000	60,000	90,000	75,000	-
College and university operating		-	1,500	-	-	-
Creation ministries		-	-	-	-	(6,728)
Cultural ministries - Hispanic		-	-	13,865	-	10,000
Cultural ministries - multi ethnic		9,778	26,363	28,000	-	-
Cultural project - regional		100	-	-	-	-
Disaster response		4,097	30,494	41,902	46,986	47,253
Disciple trek - youth		196,586	229,648	227,913	214,281	-
General evangelism		1,793,646	1,871,114	1,332,978	1,062,581	1,047,266
Global mission		38,623	28,807	33,694	34,988	21,484
Growing young		-	-	2,037	-	-
Hispanic capital		-	15,113	-	-	-
Prison ministries		3,750	4,500	-	-	-
Regional capital		756,827	265,443	295,622	573,401	574,841
Regional development fund		89,084	84,936	70,740	55,255	48,740
Regional special assistance		33,134	49,185	293,581	177,618	166,856
Regional youth activities		-	-	-	7,401	-
Religious liberty association NW		5,043	3,961	1,168	15,445	13,676
Small conference assistance		-	-	-	140,899	140,899
Temperance		2,461	2,441	1,943	1,623	812
West Coast Black Administrator's caucus		36,836	8,570	-	-	-
Youth activities		-	-	-	-	149,624
Total conference operating funds	$	3,144,085	2,784,490	2,514,587	2,453,621	2,272,523

Association		**Balance 2025**	**Balance 2024**	**Balance 2023**	**Balance 2022**	**Balance 2021**
Association operating funds						
Agreement per NAD	$	15,646	21,249	26,852	32,455	38,058
Education		383,981	383,981	383,981	383,981	383,981
Evangelism		190,852	122,010	71,855	71,855	221,855
Global mission		16,882	16,882	16,882	16,882	16,882
Missing members		59,375	59,375	59,375	59,375	59,375
Total association operating funds		666,736	603,497	558,945	564,548	720,151
Total operating funds		3,810,821	3,387,987	3,073,532	3,018,169	2,992,674
Annuity funds						
Education		(958)	(724)	(528)	(364)	(60)
Global mission		(3,099)	(2,589)	(2,158)	(1,790)	(1,241)
Native ministries		51,151	44,526	38,053	30,681	34,616
Total annuity funds		47,094	41,213	35,367	28,527	33,315
Unconditional trust fund						
Unconditional trusts		349,616	907,150	1,316,071	1,265,899	1,660,512
Total unconditional trust funds		349,616	907,150	1,316,071	1,265,899	1,660,512
Total other than operating funds- net assets with donor restrictions		396,710	948,363	1,351,438	1,294,426	1,693,827
Total association funds with donor restrictions		1,063,446	1,551,860	1,910,383	1,858,974	2,413,978
Total net assets with temporary donor restrictions	$	4,207,531	4,336,350	4,424,970	4,312,595	4,686,501

Permanent restrictions Association operating funds		**Balance 2025**	**Balance 2024**	**Balance 2023**	**Balance 2022**	**Balance 2021**
Nelson evangelism endowment	$	40,000	40,000	40,000	40,000	40,000
Total net assets with permanent donor restrictions	$	40,000	40,000	40,000	40,000	40,000
Total net assets with donor restrictions	$	4,247,531	4,376,350	4,464,970	4,352,595	4,726,501

Note 12 – Endowments

Administration has interpreted the Washington Prudent Management of Institutional Funds Act (WPMIFA) to require the preservation of the fair value of the original gift as of the gift date of donor-restricted endowment funds (absent explicit donor stipulations to the contrary).

As a result of this interpretation, the Organizations classify as permanently restricted net assets:

(a) The original value of gifts donated as permanent endowments,
(b) The original value of subsequent gifts to the permanent endowment,
(c) Accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the endowment.

The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard prescribed by WPMIFA.

In accordance with WPMIFA, the Organizations consider the following factors in making a determination to appropriate or accumulate donor-restricted endowments.

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

Endowment investment policies - return objectives, risk parameters, and strategies

The Organizations have adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowments while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted endowments that the Organizations must hold in perpetuity or for a donor-specified period, as well as committee-designated (quasi) endowments.

Under this policy, the endowment assets are invested in a manner that is intended to preserve capital with minimal risk. The Organizations have placed endowment assets in revolving fund deposits with an annual return of 2.25%.

Endowment spending policies and relation to investment objectives

The Organizations have adopted an endowment spending policy that directs them to appropriate for distribution each year all earnings, which equate to 2.25% of the endowment's value.

In establishing this policy, the Organizations considered the long-term expected return on their endowments. Accordingly, over the long term, the Organizations expect the current spending policy to allow their endowments to maintain their balance.

	2025			
2025 Endowment net asset composition	Unrestricted	Restricted	Restricted	Restricted
Donor-restricted endowments	$ -	-	40,000	40,000
Committee-designated endowments	-	-	-	-
Total endowments	$ -	-	40,000	40,000
2025 Changes in endowment net assets				
Net assets, beginning of year	$ -	-	40,000	40,000
Investment return				
Investment income	-	-	-	-
Net appreciation or (decline)	-	-	-	-
Total investment return	-	-	-	-
Contributions				-
Appropriation of assets for expenditure	-	-	-	-
Transfers out to Alaska Conference	-	-	-	-
Endowment net assets, end of year	$ -	-	40,000	40,000

Note 12 – Endowments (continued)

	2024			
2024 Endowment net asset composition	**Unrestricted**	**Restricted**	**Restricted**	**Restricted**
Donor-restricted endowments	$ -	-	40,000	40,000
Total endowments	$ -	-	40,000	40,000
2024 Changes in endowment net assets				
Net assets, beginning of year	$ -	-	40,000	40,000
Investment return:				
Investment income	-	-	-	-
Total investment return	-	-	-	-
Appropriation of assets for expenditure	-	-	-	-
Endowment net assets, end of year	$ -	-	40,000	40,000

	2023			
2023 Endowment net asset composition	**Unrestricted**	**Temporarily Restricted**	**Permanently Restricted**	**Total Donor Restricted**
Donor-restricted endowments	$ -	-	40,000	40,000
Committee-designated endowments	-	-	-	-
Total endowments	$ -	-	40,000	40,000
2023 Changes in endowment net assets				
Net assets, beginning of year	$ -	-	40,000	40,000
Investment return				
Investment income	-	-	-	-
Net appreciation or (decline)	-	-	-	-
Total investment return	-	-	-	-
Contributions				-
Appropriation of assets for expenditure	-	-	-	-
Transfers out to Alaska Conference	-	-	-	-
Endowment net assets, end of year	$ -	-	40,000	40,000

	2022			
2022 Endowment net asset composition	**Unrestricted**	**Temporarily Restricted**	**Permanently Restricted**	**Total Donor Restricted**
Donor-restricted endowments	$ -	-	40,000	40,000
Total endowments	$ -	-	40,000	40,000
2022 Changes in endowment net assets				
Net assets, beginning of year	$ -	-	40,000	40,000
Investment return:				
Investment income	-	-	-	-
Net appreciation or (decline)	-	-	-	-
Total investment return	-	-	-	-
Appropriation of assets for expenditure	-	-	-	-
Transfers out to Alaska Conference	-	-	-	-
Endowment net assets, end of year	$ -	-	40,000	40,000

	2021			
2021 Endowment net asset composition	**Unrestricted**	**Temporarily Restricted**	**Permanently Restricted**	**Total Donor Restricted**
Donor-restricted endowments	$ -	-	40,000	40,000
Committee-designated endowments	-	-	-	-
Total endowments	$ -	-	40,000	40,000
2021 Changes in endowment net assets				
Net assets, beginning of year	$ -	-	40,000	40,000
Investment return				
Investment income	-	-	-	-
Net appreciation or (decline)	-	-	-	-
Total investment return	-	-	-	-
Appropriation of assets for expenditure	-	-	-	-
Transfers out to Alaska Conference	-	-	-	-
Endowment net assets, end of year	$ -	-	40,000	40,000

NORTH PACIFIC UNION CONFERENCE OF SEVENTH-DAY ADVENTISTS
NORTH PACIFIC UNION CONFERENCE ASSOCIATION OF SEVENTH-DAY ADVENTISTS
Notes to Combined Financial Statements
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Note 12 – Endowments (continued)

Composition of endowment net assets	2025	2024	2023	2022	2021
Permanently restricted net assets	Total	Total	Total	Total	Total
Portion of perpetual endowments required to be retained permanently, either by explicit donor stipulation or by WPMIFA	$ 40,000	40,000	40,000	40,000	40,000
Total endowment assets classified as permanently restricted net assets	$ 40,000	40,000	40,000	40,000	40,000

Note 13 – Analysis of expenses

	2025 Program Services				
	Church Ministries	Educational	Special Services	Other	Total Program Services
Employee related expenses	$ 843,764	649,723	552,314	489,592	2,535,393
Travel expenses	189,745	124,866	41,028	-	355,639
Appropriations	3,796,280	8,268,187	403,609	490,851	12,958,927
Office expenses	16,599	6,998	56,850	-	80,447
Program expenses	12,020	75,945	665.00	57,975	146,605
Administrative expenses	295,686	10,729	16,932	-	323,347
General expenses	125,956	314,812	288,592	142,190	871,550
Maintenance & depreciation	154,584	106,277	9,553	-	270,414
Total expenses	$ 5,434,634	9,557,537	1,369,543	1,180,608	17,542,322

	2025 Supporting Services					2025 Total
	Admin.	Retirement Contributions	Conventions & Meetings	Other Supporting Services	Total Supporting Services	Program & Supporting Services
Employee related expenses	$ 1,154,726	1,539,179	-	132,445	2,826,350	5,361,743
Travel expenses	103,305	-	-	26,964	130,269	485,908
Appropriations	2,700	-	-	-	2,700	12,961,627
Office expenses	25,722	-	-	376,905	402,627	483,074
Program expenses	-	-	-	-	-	146,605
Administrative expenses	2,381	-	71,412	314,906	388,699	712,046
General expenses	76,894	-	3,890	3,382,919	3,463,703	4,335,253
Maintenance & depreciation	181,637	-	-	142,076	323,713	594,127
Total expenses	$ 1,547,365	1,539,179	75,302	4,376,215	7,538,061	25,080,383

	2024 Program Services				
	Church Ministries	Educational	Special Services	Other	Total Program Services
Employee related expenses	$ 722,787	655,141	560,373	371,398	2,309,699
Travel expenses	146,390	119,869	27,973	878.00	295,110
Appropriations	2,892,259	7,478,833	618,676	493,511	11,483,279
Office expenses	12,242	4,409	60,276	-	76,927
Program expenses	7,195	173,679	2,567.00	51,615	235,056
Administrative expenses	359,886	6,816	24,536	-	391,238
General expenses	209,188	306,947	278,173	7,654	801,962
Maintenance & depreciation	135,142	107,398	13,650	-	256,190
Total expenses	$ 4,485,089	8,853,092	1,586,224	925,056	15,849,461

	2024 Supporting Services					2024 Total
	Admin.	Retirement Contributions	Conventions & Meetings	Other Supporting Services	Total Supporting Services	Program & Supporting Services
Employee related expenses	$ 1,112,857	1,451,028	-	145,439	2,709,324	5,019,023
Travel expenses	146,825	-	-	10,075	156,900	452,010
Appropriations	2,500	-	-	-	2,500	11,485,779
Office expenses	23,552	-	-	357,500	381,052	457,979
Program expenses	1,350	-	-	-	1,350	236,406
Administrative expenses	17,089	-	61,445	405,528	484,062	875,300
General expenses	100,012	-	20,643	3,070,009	3,190,664	3,992,626
Maintenance & depreciation	162,887	-	-	131,611	294,498	550,688
Total expenses	$ 1,567,072	1,451,028	82,088	4,120,162	7,220,350	23,069,811

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Notes to Combined Financial Statements
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Note 13 – Analysis of expenses (continued)

	2023 Program Services				
	Church Ministries	Educational	Special Services	Other	Total Program Services
Employee related expenses	$ 572,837	577,890	530,774	426,186	2,107,687
Travel expenses	155,165	135,567	30,124	-	320,856
Appropriations	3,201,307	7,995,411	636,510	466,269	12,299,497
Office expenses	18,822	3,673	75,818	-	98,313
Program expenses	4,995	75,653	1,324.00	52,112	134,084
Administrative expenses	339,158	8,130	5,176	-	352,464
General expenses	171,028	302,244	347,364	2,696	823,332
Maintenance & depreciation	135,762	86,143	10,361	-	232,266
Total expenses	$ 4,599,074	9,184,711	1,637,451	947,263	16,368,499

	2023 Supporting Services					2023 Total Program & Supporting Services
	Admin.	Retirement Contributions	Conventions & Meetings	Other Supporting Services	Total Supporting Services	
Employee related expenses	$ 1,073,409	1,538,035	-	139,909	2,751,353	4,859,040
Travel expenses	131,708	-	-	15,782	147,490	468,346
Appropriations	7,000	-	-	-	7,000	12,306,497
Office expenses	28,494	-	-	404,699	433,193	531,506
Program expenses	-	-	-	-	-	134,084
Administrative expenses	7,378	-	132,719	281,160	421,257	773,721
General expenses	93,368	-	465,693	725,575	1,284,636	2,107,968
Maintenance & depreciation	142,550	-	-	137,878	280,428	512,694
Total expenses	$ 1,483,907	1,538,035	598,412	1,705,003	5,325,357	21,693,856

	2022 Program Services				
	Church Ministries	Educational	Special Services	Other	Total Program Services
Employee related expenses	$ 717,595	529,978	467,913	383,812	2,099,298
Travel expenses	167,133	148,068	20,125	-	335,326
Appropriations	2,614,995	7,088,854	614,241	500,720	10,818,810
Office expenses	29,072	3,783	71,490	-	104,345
Program expenses	9,370	68,673	706.00	48,036	126,785
Administrative expenses	362,719	6,360	7,271	-	376,350
General expenses	87,667	203,699	374,688	-	666,054
Maintenance & depreciation	157,761	88,830	14,220	-	260,811
Total expenses	$ 4,146,312	8,138,245	1,570,654	932,568	14,787,779

	2022 Supporting Services					2022 Total Program & Supporting Services
	Admin.	Retirement Contributions	Conventions & Meetings	Other Supporting Services	Total Supporting Services	
Employee related expenses	$ 906,098	1,410,897	-	128,071	2,445,066	4,544,364
Travel expenses	104,307	-	-	20,885	125,192	460,518
Appropriations	3,550	-	15,000	-	18,550	10,837,360
Office expenses	21,738	-	10,216	304,031	335,985	440,330
Program expenses	1,231	-	-	-	1,231	128,016
Administrative expenses	5,237	-	286,968	269,739	561,944	938,294
General expenses	92,561	-	3,967	1,209,110	1,305,638	1,971,692
Maintenance & depreciation	146,853	-	-	133,641	280,494	541,305
Total expenses	$ 1,281,575	1,410,897	316,151	2,065,477	5,074,100	19,861,879

Note 13 – Analysis of expenses (continued)

	2021 Program Services				
	Church Ministries	Educational	Special Services	Other	Total Program Services
Employee related expenses	$ 802,735	447,944	423,980	410,059	2,084,718
Travel expenses	72,637	65,285	8,957	-	146,879
Appropriations	2,196,917	6,745,740	638,765	468,002	10,049,424
Office expenses	13,787	3,796	68,564	-	86,147
Program expenses	5,129	72,383	-	39,443	116,955
Administrative expenses	123,122	4,854	17,637	-	145,613
General expenses	30,146	214,200	234,509	-	478,855
Maintenance & depreciation	159,069	65,129	10,661	-	234,859
Total expenses	$ 3,403,542	7,619,331	1,403,073	917,504	13,343,450

	2021 Supporting Services					2021 Total
	Admin.	Retirement Contributions	Conventions & Meetings	Other Supporting Services	Total Supporting Services	Program & Supporting Services
Employee related expenses	$ 869,292	1,544,053	-	173,048	2,586,393	4,671,111
Travel expenses	16,717	-	-	4,025	20,742	167,621
Appropriations	3,100	-	-	-	3,100	10,052,524
Office expenses	18,808	-	-	281,603	300,411	386,558
Program expenses	977	-	-	-	977	117,932
Administrative expenses	6,089	-	4,482	265,560	276,131	421,744
General expenses	82,475	-	3,749	3,430,713	3,516,937	3,995,792
Maintenance & depreciation	140,220	-	-	130,259	270,479	505,338
Total expenses	$ 1,137,678	1,544,053	8,231	4,285,208	6,975,170	20,318,620

Note 14 – Nonoperating activity without donor restrictions

	2025 Total	2024 Total	2023 Total	2022 Total	2021 Total
Interest income	$ 24,351	19,665	11,584	10,505	8,630
Miscellaneous donations	100,000	100,000	100,000	130,000	100,000
Unrealized gain on property held in trust	86,434	-	-	340,000	-
Nonoperating revenue	210,785	119,665	111,584	480,505	108,630
Miscellaneous expense	(100,552)	(189,708)	(61,079)	(100,864)	(115,666)
Nonoperating expense	(100,552)	(189,708)	(61,079)	(100,864)	(115,666)
Net book value of plant assets written off	-	(4,463)	-	(133)	-
Net book value of plant assets written off	-	(4,463)	-	(133)	-
Unexpended plant resources spent	(128,669)	(33,895)	(14,845)	(26,480)	(35,008)
Purchases added to net invested in plant	128,669	33,895	14,845	26,480	35,008
Net transfers between funds	-	-	-	-	-
Released from net assets with donor restrictions	3,258,563	3,020,107	687,945	1,157,553	3,380,801
Net nonoperating activity without donor restrictions	$ 3,368,796	2,945,601	738,450	1,537,061	3,373,765

Note 15 – Revolving fund net earnings

	2025 Total	2024 Total	2023 Total	2022 Total	2021 Total
Investment earnings (Note 24)	$ 3,109,269	2,059,505	2,836,085	(3,357,871)	883,278
Interest expense	(687,653)	(697,331)	(752,210)	(694,102)	(725,106)
Bad debt expense	-	186,162	-	15,150	32,036
Other expense	(23,602)	(12,805)	(14,275)	(11,613)	(10,270)
Total revolving fund net earnings	$ 2,398,014	1,535,531	2,069,600	(4,048,436)	179,938

Note 16 – Annuity fund net earnings

		2025 Total	2024 Total	2023 Total	2022 Total	2021 Total
Revenues and gains without donor restrictions						
Investment earnings (Note 24)	$	39,075	17,304	8,172	(7,090)	9,332
Miscellaneous income		(221,361)	(33,680)	56,776	5,398	7,108
Gift annuities		283,976	5,000	-	-	-
Present value adjustment		(20,273)	7,316	5,102	7,571	22,513
Total revenues and support without donor restrictions		81,417	(4,060)	70,050	5,879	38,953
Expenses and losses						
Payments to annuitants		11,709	9,970	9,349	10,223	10,223
Matured distributions		1,565	-	23,304	7,991	-
Miscellaneous expenses		6,652	-	(1,988)	(115)	22,428
Investment expenses		4,145	2,022	1,463	2,319	1,907
Total expenses and losses		24,071	11,992	32,128	20,418	34,558
Increase (decrease) net assets without donor restrictions		57,346	(16,052)	37,922	(14,539)	4,395
Activity with donor restrictions						
Investment earnings (Note 24)		9,636	10,811	7,343	(4,016)	6,569
Miscellaneous income		695	1,037	4,108	4,288	4,409
Present value adjustment		3,687	3,762	3,818	3,856	9,946
Released from net assets with donor restrictions		(8,137)	(9,764)	(8,429)	(8,916)	(15,196)
Increase (decrease) net assets with temporary donor restrictions	$	5,881	5,846	6,840	(4,788)	5,728

Note 17 – Annuities held for others

		2025 Total	2024 Total	2023 Total	2022 Total	2021 Total
Activity for annuities held for others is as follows						
Revenues and gains without donor restrictions						
Investment earnings (Note 24)	$	440,547	416,421	318,018	(176,600)	286,261
Miscellaneous income		35,530	36,200	197,249	188,961	220,306
Gift annuities		897,340	25,000	510,000	400,000	355,000
Present value adjustment		(445,223)	268,760	113,871	(15,670)	69,617
Total revenues and gains without donor restrictions		928,194	746,381	1,139,138	396,691	931,184
Expenses and losses						
Annuity payments		337,030	322,795	346,955	368,457	393,350
Matured annuity distribution						
Montana Conference		-	-	-	33,113	-
Upper Columbia Corporation		3,464	199,637	60,799	154,019	3,285
Walla Walla University		-	36,398	129,613	18,447	-
Western Oregon Conference Association		81,140	236,240	185,835	8,308	23,742
Western Washington Corporation		-	36,398	11,894	-	99,344
Other		11,317	43,292	221,373	60,882	32,496
Other expense		46,734	48,655	56,947	57,767	58,478
Total expenses and losses		479,685	923,415	1,013,416	700,993	610,695
Increase (decrease) annuities held for others		448,509	(177,034)	125,722	(304,302)	320,489
Beginning annuities held for others		2,035,239	2,212,273	2,086,551	2,390,853	2,070,364
Ending annuities held for others	$	2,483,748	2,035,239	2,212,273	2,086,551	2,390,853
Annuities held for others						
Alaska Conference	$	21,611	18,386	(727)	(773)	(651)
Idaho Conference		21,611	18,386	-	-	-
Montana Conference		33,799	29,658	10,328	9,116	35,424
Oregon Conference		1,219,369	1,024,889	1,133,134	1,032,878	1,093,499
Upper Columbia Conference		440,164	328,051	407,452	397,746	585,567
Washington Conference		226,825	211,074	146,845	130,794	150,573
Walla Walla University		(11,769)	(12,487)	16,172	124,351	149,231
Miscellaneous		532,138	417,282	499,069	392,439	377,210
Total annuities held for others	$	2,483,748	2,035,239	2,212,273	2,086,551	2,390,853

Note 18 – State reserve requirements for charitable gift annuities

State of Washington

The State of Washington requires the Association to maintain a reserve which is calculated by an independent actuary as required by RCW 48.38.020 of the Washington Insurance Code. The required reserve for annuities issued to Washington residents at December 31, 2025, 2024, 2023, 2022 and 2021, was $1,588,359, $1,444,798, $1,562,245, $1,359,374 and $1,170,062, respectively. The total required reserve for all annuities, as of the same date was $3,049,563, $2,460,797, $2,689,964, $2,776,374 and $2,617,882, respectively. The Association held assets for charitable gift annuities of $5,871,876, $4,637,643, $5,061,517, $5,065,183 and $5,367,432 as of December 31, 2025, 2024, 2023, 2022 and 2021, respectively. This exceeded the reserves required for the State of Washington for the years ended December 31, 2025, 2024, 2023, 2022 and 2021.

Note 19 – Present value liability, annuity liability

Annuity fund

The annuity liability reflects the present value of the obligation due the annuitants. It is based on an assumed interest rate of 5.25% and the annuitants' life expectancy, which may vary from actual.

	2025 Total	2024 Total	2023 Total	2022 Total	2021 Total
Present value liability - current portion	$ 371,023	390,634	439,120	486,840	536,275
Present value liability - long-term portion	2,778,782	2,096,274	2,286,629	2,371,374	2,315,524
Total present value liability	$ 3,149,805	2,486,908	2,725,749	2,858,214	2,851,799

Note 20 – Present value income distributions to primary beneficiaries

Unconditional trust fund

The income distributions to primary beneficiaries liability reflects the present value of the obligation due the income beneficiaries. It is based on an assumed interest rate of 5.25% to 6.00% and the annuitants' life expectancy, which may vary from actual.

	2025 Total	2024 Total	2023 Total	2022 Total	2021 Total
Present value liability - current portion	$ 303,945	449,447	591,162	580,520	644,237
Present value liability - long-term portion	1,614,496	1,224,718	1,932,366	2,212,876	3,514,105
Total present value liability	$ 1,918,441	1,674,165	2,523,528	2,793,396	4,158,342

Note 21 – Unconditional trusts' increase (decrease)

As of December 31, 2025, 2024, 2023, 2022, and 2021, respectively, the Organizations served as trustee for 16, 21, 28, 28 and 31 irrevocable trusts which have been included in the financial statements, in accordance with the accounting standards. The activity for the irrevocable trusts is as follows:

	2025 Total	2024 Total	2023 Total	2022 Total	2021 Total
Revenues and gains with donor restrictions					
Investment earnings (Note 24)	$ 409,737	676,257	917,552	(238,754)	1,249,372
New trusts	445,921	-	-	-	-
Other income	36,139	35,007	1,360	293	-
Total revenue and gains with donor restrictions	891,797	711,264	918,912	(238,461)	1,249,372
Changes to revenues and gains with donor restrictions					
Other trust activity income	(2,069,999)	2,165,996	-	-	-
Change in present value of income distributions to primary beneficiaries	(244,276)	849,363	269,867	1,364,946	866,881
Change in remainder interest to residual beneficiaries	4,123,507	(1,115,437)	(450,662)	(363,545)	1,081,011
Total changes to revenue and gains with donor restrictions	1,809,232	1,899,922	(180,795)	1,001,401	1,947,892
Net changes to revenue and gains with donor restrictions	2,701,029	2,611,186	738,117	762,940	3,197,264
Expenses and losses					
Distributions to primary beneficiaries	173,989	265,922	415,807	466,335	490,823
Distributions to residual beneficiaries	2,970,638	2,649,045	158,692	521,666	1,835,572
Other expenses	113,936	105,140	113,446	169,552	1,054,406
Total unrestricted expenses and losses	3,258,563	3,020,107	687,945	1,157,553	3,380,801
Net unconditional trusts' increase (decrease)	$ (557,534)	(408,921)	50,172	(394,613)	(183,537)

Note 22 – Remainder interest for residual beneficiaries

Unconditional trusts		2025 Total	2024 Total	2023 Total	2022 Total	2021 Total
Idaho Conference of SDA	$	1,028,577	977,416	924,407	863,670	970,444
Montana Conference of SDA		-	-	183,069	175,401	192,893
Oregon Conference and Western Oregon Conference Association of SDA		1,018,080	1,336,193	1,163,602	1,058,205	1,184,574
Upper Columbia Conference and Corporation of SDA		61,620	-	-	-	-
Washington Conference and Western Washington Corporation of SDA		-	-	30,626	29,459	51,727
Walla Walla University		85,830	129,321	1,988,357	1,799,293	1,123,748
Other Seventh-day Adventist entities		513,672	1,497,520	1,538,962	1,467,752	1,561,426
Other private/public charities		3,072	57,024	64,713	62,666	68,502
Individual (matured trusts)		3,072	2,835,226	-	-	-
Conditional trusts		864,853	869,583	693,110	679,739	619,326
Total remainder interest for residual beneficiaries	$	3,578,776	7,702,283	6,586,846	6,136,185	5,772,640

Note 23 – Revocable trust agreements

As of December 31, 2025, 2024, 2023, 2022 and 2021, the Association served as trustee of 2, 2, 3, 3, and 3 revocable trusts. In accordance with accounting principles generally accepted by the Seventh-day Adventist denomination, these revocable trusts are not included in the financial statements. Generally, the Association is a remainder beneficiary of a portion of the trust assets.

The Organizations may be a beneficiary of wills or trusts administered by other trustees, of which the Organizations are not aware.

Note 24 – Investment earnings

Conference		2025 Total	2024 Total	2023 Total	2022 Total	2021 Total
Conference operating						
Interest income	$	513,301	263,055	237,852	156,874	148,813
Unrealized capital gains (losses)		(2,448)	18,503	25,587	(120,074)	(49,609)
Total Conference operating		510,853	281,558	263,439	36,800	99,204
Association						
Association operating						
Interest income		57,720	33,940	39,693	36,710	39,374
Realized capital gains (losses)		(930)	(36,488)	-	(1,392)	(4,845)
Unrealized capital gains (losses)		37,893	16,981	4,947	(235,470)	(46,171)
Total Association operating		94,683	14,433	44,640	(200,152)	(11,642)
Total operating investment earnings	$	605,536	295,991	308,079	(163,352)	87,562

Revolving fund		2025 Total	2024 Total	2023 Total	2022 Total	2021 Total
Interest income	$	1,930,800	1,962,053	1,926,894	1,869,483	1,944,740
Other income		5,663	5,898	3,763	4,042	4,080
Realized capital gains (losses)		91,504	203,163	(1,736,326)	(50,086)	46,697
Unrealized capital gains (losses)		1,081,302	(111,609)	2,641,754	(5,181,310)	(1,112,239)
Total revolving fund (Note 15)	$	3,109,269	2,059,505	2,836,085	(3,357,871)	883,278

Note 24 – Investment earnings (continued)

Annuity fund	2025 Total	2024 Total	2023 Total	2022 Total	2021 Total
Annuity fund net earnings					
Revenues and gains without donor restrictions					
Interest income	$ 16,866	7,641	789	863	660
Realized capital gains (losses)	8,163	4,263	3,421	2,914	2,583
Unrealized capital gains (losses)	14,046	5,400	3,962	(10,867)	6,089
Total revenues and gains without donor restrictions (Note 16)	39,075	17,304	8,172	(7,090)	9,332
Revenues and gains with donor restrictions					
Investment income	4,159	4,774	709	489	465
Realized capital gains (losses)	2,013	2,663	3,074	1,651	1,818
Unrealized capital gains (losses)	3,464	3,374	3,560	(6,156)	4,286
Revenues and gains with donor restrictions (Note 16)	9,636	10,811	7,343	(4,016)	6,569
Total annuity fund net earnings	48,711	28,115	15,515	(11,106)	15,901
Annuities held for others					
Interest income	190,156	183,880	30,710	21,507	20,255
Realized capital gains (losses)	92,031	102,583	133,130	72,596	79,229
Unrealized capital gains (losses)	158,360	129,958	154,178	(270,703)	186,777
Total annuities held for others (Note 17)	440,547	416,421	318,018	(176,600)	286,261
Total annuity fund	$ 489,258	444,536	333,533	(187,706)	302,162

Unconditional trust fund Revenues and gains with donor restrictions	2025 Total	2024 Total	2023 Total	2022 Total	2021 Total
Interest income	$ 217,202	352,314	401,075	369,609	370,337
Realized capital gains (losses)	219,953	653,749	207,789	496,186	689,338
Unrealized capital gains (losses)	(27,418)	(329,806)	308,688	(1,104,549)	189,697
Total unconditional trust fund (Note 21)	$ 409,737	676,257	917,552	(238,754)	1,249,372

Note 25 – Related party transactions

	2025 Total	2024 Total	2023 Total	2022 Total	2021 Total
Appropriations received from					
GC/NAD	$ 6,400,308	5,410,286	5,451,879	4,837,716	5,523,532
Alaska Conference	93,719	93,076	98,659	84,704	88,481
Idaho Conference	265,106	261,118	250,111	234,358	211,608
Montana Conference	211,755	206,476	220,757	212,823	179,649
Oregon Conference	1,388,765	1,388,901	1,567,389	1,505,795	1,318,357
Upper Columbia Conference	1,456,703	1,388,088	1,394,975	1,285,821	1,222,799
Washington Conference	1,108,042	1,010,380	1,127,840	914,257	908,267
Miscellaneous organizations	18,698	6,786	42,689	31,638	139,724
Total appropriations received	$ 10,943,096	9,765,111	10,154,299	9,107,112	9,592,417
Appropriations made to					
Adventist Risk Management	$ 1,153,981	209,405	155,113	120,862	-
NAD Retirement	1,561,338	1,565,854	1,554,668	1,638,055	-
Alaska Conference	99,638	166,396	409,758	131,708	684,645
Idaho Conference	356,915	178,787	176,888	130,598	565,537
Montana Conference	189,443	262,579	184,545	179,972	774,099
Oregon Conference	796,572	502,921	854,886	671,843	1,602,129
Upper Columbia Conference	666,108	533,385	669,748	513,146	1,243,180
Washington Conference	1,463,347	812,283	811,035	608,461	1,008,118
Miscellaneous organizations	1,893,511	675,428	708,802	1,023,901	316,018
Walla Walla University	1,196,372	1,513,137	1,181,284	246,348	4,590,770
Total appropriations made	$ 9,377,225	6,420,175	6,706,727	5,264,894	10,784,496

Note 26 – Donated services

The NAD subsidizes the cost of auditing services within the NPUC territory. This subsidy was $827,941, $805,176, $751,790, $643,730 and $748,192, for the years ended December 31, 2025, 2024, 2023, 2022 and 2021, respectively. The NPUC portion of this subsidy was $43,395, $37,134, $28,769, $32,065 and $27,932 for the years ended December 31, 2025, 2024, 2023, 2022 and 2021, respectively. The NPUC pays the remainder of the cost of audits within its territory. This cost was $314,676, $368,701, $281,219, $264,126 and $237,694 for the years ended December 31, 2025, 2024, 2023, 2022 and 2021, respectively. The NPUC has voted to bill local conferences for a portion of the audit costs. Local conferences were billed $278,353, $227,728, $264,225, $181,440 and $269,928 for the years ended December 31, 2025, 2024, 2023, 2022 and 2021, respectively.

Note 27 – Pension and other post-retirement benefits

Defined benefit plans

The Organizations participate in the following non-contributory, defined benefit plans:

1. The defined benefit pension plan is known as the Seventh-day Adventist Retirement Plan of the North American Division (NADRP). This plan, which covers substantially all employees of the Organizations, is administered by the NAD, in Silver Spring, Maryland, and is exempt from the Employee Retirement Income Security Act of 1974 as a "multiple-employer" plan of a church-related agency. This plan provides primarily monthly pension benefits based on years of service and other factors.

The NAD Committee voted to freeze accrual of service credit in NADRP effective December 31, 1999, except for employees who chose the career completion option, and to start a new defined contribution plan effective January 1, 2000. Certain employees will continue to be eligible for future benefits under this plan. The Organizations continue to make contributions to this plan, at rates determined annually by the plan.

2. The defined benefit health care plan is known as the General Conference of Seventh-day Adventist North American Division Retiree Auxiliary Healthcare Assistance and Death Benefit Plan (RAHAP). This plan, which covers substantially all employees of the Organizations, is administered by NAD in Columbia, Maryland, and is exempt from the Employee Retirement Income Security Act of 1974 as a “multiple-employer” plan of a church-related agency. This plan provides primarily health-care benefits which supplement Medicare benefits. The extent of these benefits is based on years of service and the beneficiary’s monthly contribution.

Accounting standards define these plans as “multiemployer” plans. As such, it is not required, nor is it possible, to determine the actuarial value of accumulated benefits or plan net assets for employees of the Organizations apart from other plan participants.

Information about the required contributions to these plans, the actuarial obligation for future benefits, and the funded status of these plans, are presented in the tables below. Because the following information is not publicly available, it is required to be disclosed on the basis of information received from each plan:

Required contributions from the Organizations:		NADRP	RAHAP	TOTAL
For the year ended December 31, 2025	$	1,183,604	305,599	1,489,203
For the year ended December 31, 2024		1,211,338	303,302	1,514,640
For the year ended December 31, 2023		1,210,878	314,291	1,525,169
For the year ended December 31, 2022		1,137,396	288,750	1,426,146
For the year ended December 31, 2021	$	1,218,092	311,904	1,529,996

Total contributions received from all employers:			
For the plan year ended December 31, 2025		Information not available	
For the plan year ended December 31, 2024	$	127,263,485	46,599,306
For the plan year ended December 31, 2023		129,339,800	47,283,106
For the plan year ended December 31, 2022		121,177,397	44,486,345
For the plan year ended December 31, 2021	$	120,772,828	44,236,352

Whether the Organizations' contributions were more than or less than 5% of the total contributions received by each	NADRP	RAHAP
For the plan year ended December 31, 2025	less than	less than
For the plan year ended December 31, 2024	less than	less than
For the plan year ended December 31, 2023	less than	less than
For the plan year ended December 31, 2022	less than	less than
For the plan year ended December 31, 2021	less than	less than

Plan net assets available for benefits:			
For the plan year ended December 31, 2025		Information not available	
For the plan year ended December 31, 2024	$	442,782,901	185,912,335
For the plan year ended December 31, 2023		378,365,485	157,985,481
For the plan year ended December 31, 2022		324,907,063	124,818,366
For the plan year ended December 31, 2021	$	360,211,817	132,382,939

Actuarial obligation and funded status			
Date of plan year-end for latest actuarial information		12/31/2022	12/31/2022
Actuarial liability for future benefits	$	1,315,230,423	398,443,457
Value of net assets available for benefits	$	442,782,901	185,912,335
Plan funded status as of date of last actuarial data		Less than 65%	Less than 65%

Note 27 – Pension and other post-retirement benefits (continued)

Risks and other information

The risks of participating in multiemployer plans are different from single-employer plans, in the following aspects:

- Assets contributed to a multiemployer plan by one employer may be used to provide benefits to employees of other participating employers.
- If a participating employer stops contributing to a plan, the unfunded obligations of the plan may be borne by the remaining participating employers.
- If the Organizations choose to stop participating in a multiemployer plan, the Organizations may be required to pay the plan an amount based on the underfunded status of the plan, referred to as a withdrawal liability.

Other information about risks and contingencies related to these plans are as follows:

- Information about the plans is not publicly available, so no “certified zone status” has been determined.
- The Organizations' required contributions are not the subject of any collective bargaining agreement.
- No funding improvement plans or rehabilitation plans had been implemented or were pending.
- The Organizations have not paid any “surcharge” to either of the plans.
- No minimum contribution for future periods has been determined or required of the Organizations.

Defined contribution plan

Effective January 1, 2000, the Organizations participate in a defined contribution retirement plan known as "The Adventist Retirement Plan." This plan, which covers substantially all employees of the Organizations, is administered by NAD in Columbia, Maryland, and is exempt from the Employee Retirement Income Security Act of 1974 as a multiple-employer plan of a church-related agency. The Organizations contributed $199,001, $185,241, $174,709, $163,995 and $167,778 to the plan for the years ended December 31, 2025, 2024, 2023, 2022 and 2021, respectively, based on a stated percentage of each employee’s earnings and a stated matching percentage of certain employee voluntary contributions. Administration of the accumulated contributions designated for each employee is provided under an agreement between NAD Corporation and Great-West Life & Annuity Insurance Company- Empower Retirement.

Note 28 – Concentration of risk

The Organizations receive most of their revenue in the form of contributions from Seventh-day Adventist members, and contributions from the local constituent conferences. The amount of contributions is subject to changes in economic conditions that could cause loss of income to church members and local constituent conferences. The amount of contributions could also be subject to decrease if any significant number of individuals cease to be active members.

Cash, which exceeded the federally insured limits at certain times during the year and at year end, is deposited with high-credit-quality financial institutions.

Note 29 – Liquidity and availability

	2025	2024	2023	2022	2021
Financial assets, at year-end*	$ 81,307,829	80,278,690	84,348,839	86,739,284	95,064,078
Less those unavailable for general expenditures within one year, due to:					
Contractual or donor-imposed restrictions:					
Notes and loans receivable, noncurrent portion	(24,343,609)	(24,920,974)	(21,892,812)	(23,283,413)	(25,769,985)
Assets held for split-interest agreements	(10,238,095)	(11,412,811)	(14,050,754)	(13,781,454)	(15,479,716)
Restricted by donor with time or purpose restrictions (Note 11)	(4,247,531)	(4,376,350)	(4,464,970)	(4,352,595)	(4,726,501)
Board designations:					
Funds allocated for specific operating purposes (Note 10)	(7,153,320)	(6,925,607)	(6,975,448)	(4,940,156)	(4,986,909)
Funds allocated for other funds liquidity	(22,685,567)	(20,461,306)	(19,254,360)	(17,335,658)	(21,232,346)
Financial assets available to meet cash needs for general expenditures within one year	$ 12,639,707	12,181,642	17,710,495	23,046,008	22,868,621

* Total assets, less nonfinancial assets (e.g. plant assets, inventory, prepaids)

As part of the Organizations' liquidity management, it invests cash in excess of daily requirements in short-term investments.

Note 30 – Working capital and liquidity

In order that adequate financial resources will be available for the sound and effective operation of all organizations, the Seventh-day Adventist denominational policy recommends organizations maintain specified levels of working capital and liquidity. This footnote summarizes the Organizations' operating fund working capital and liquidity as compared to the policy recommendation stated in the *North American Division of the General Conference of Seventh-day Adventists Working Policy* and the *Seventh-day Adventist Accounting Manual*.

	2025 Operating Funds	2024 Operating Funds	2023 Operating Funds	2022 Operating Funds	2021 Operating Funds
Core expenses					
Operating expenses*	21,624,180	19,852,759	20,808,589	18,505,601	16,735,326
Total core expenses	21,624,180	19,852,759	20,808,589	18,505,601	16,735,326
Available working capital					
Current assets**	19,785,895	18,215,347	18,299,359	17,309,463	17,876,933
Less: current liabilities	(7,924,245)	(7,784,294)	(8,604,274)	(7,277,816)	(7,577,187)
Working capital	11,861,650	10,431,053	9,695,085	10,031,647	10,299,746
Less: current assets held for donor restrictions	(3,850,821)	(3,427,987)	(3,113,532)	(3,058,169)	(3,032,674)
Available working capital	8,010,829	7,003,066	6,581,553	6,973,478	7,267,072
Recommended minimum available working capital					
Six months of total core expenses	10,812,090	9,926,380	10,404,295	9,252,801	8,367,663
Surplus/(shortfall) in *recommended minimum available working capital*	(2,801,261)	(2,923,314)	(3,822,742)	(2,279,323)	(1,100,591)
Available working capital in months	4.4 months	4.2 months	3.8 months	4.5 months	5.2 months
Available liquid assets					
Cash and cash equivalents	4,198,633	2,975,902	3,048,503	2,124,511	5,565,033
Cash held for agency	775,316	1,061,517	931,770	841,879	482,637
Investments	6,646,588	5,497,462	5,346,103	6,357,091	3,071,734
Accounts receivables from higher organizations	74	36	32	124	288
Accounts receivables - conference remittances	7,974,654	7,999,342	8,776,013	7,801,937	8,529,799
Total liquid current assets	19,595,265	17,534,259	18,102,421	17,125,542	17,649,491
Minus: current liabilities	(7,924,245)	(7,784,294)	(8,604,274)	(7,277,816)	(7,577,187)
Less: current assets held for donor restrictions	(3,850,821)	(3,427,987)	(3,113,532)	(3,058,169)	(3,032,674)
Available liquid assets	7,820,199	6,321,978	6,384,615	6,789,557	7,039,630
Recommended minimum available liquid assets					
Three months of total core expenses	5,406,045	4,963,190	5,202,147	4,626,400	4,183,832
Surplus/(shortfall) in *recommended minimum available liquid assets*	2,414,154	1,358,788	1,182,468	2,163,157	2,855,798
Available liquid assets in months	4.3 months	3.8 months	3.7 months	4.4 months	5 months
*Calculation of operating expenses					
Total program and supporting expenses	25,080,383	23,069,811	21,693,856	19,861,879	20,318,620
Less: distributions and expenses of unconditional trusts (Note 21)	(3,258,563)	(3,020,107)	(687,945)	(1,157,553)	(3,380,801)
Less: depreciation (Note 7)	(197,640)	(196,945)	(197,322)	(198,725)	(202,493)
Total operating expenses	21,624,180	19,852,759	20,808,589	18,505,601	16,735,326

**Excludes due to/from funds