North Pacific Union Conference of Seventh-day Adventists

and

North Pacific Union Conference Association of Seventh-day Adventists

COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2025 and 2024

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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 and 2024, 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 and 2024, 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.

GEAS

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
December 31, 2025 and 2024

				Combined	
				2025	2024
ASSETS		**Conference**	**Association**	**Total***	**Total***
Current assets					
Cash and cash equivalents (Note 2)	$	4,088,107	110,526	4,198,633	2,975,902
Cash held for agency funds (Note 2)		775,316	-	775,316	1,061,517
Investments (Note 3)		4,591,401	2,055,187	6,646,588	5,497,462
Accounts receivable (Note 5)		8,019,977	19,323	8,039,300	8,076,262
Notes receivable, net (Note 6)		-	-	-	535,500
Inventories and prepaid expense		126,058	-	126,058	68,704
Total current assets		17,600,859	2,185,036	19,785,895	18,215,347
Plant assets, net (Note 7)		-	5,026,464	5,026,464	5,095,435
Other assets					
Real estate and miscellaneous		-	9,584	9,584	9,584
For other than operating funds:					
Cash and investments (Note 3)		-	37,217,331	37,217,331	37,151,202
Accounts receivable (Note 5)		-	77,468	77,468	50,287
Prepaid expense		-	-	-	450
Due from other funds*		580,000	1,379,260	-	-
Notes receivable, net (Note 6)		-	24,343,609	24,343,609	24,920,974
Real estate held for unconditional trusts		-	1,160,081	1,160,081	3,230,001
Total other assets		580,000	64,187,333	62,808,073	65,362,498
Total assets	$	18,180,859	71,398,833	87,620,432	88,673,280
LIABILITIES					
Current liabilities					
Accounts payable (Note 8)	$	7,144,415	4,514	7,148,929	6,722,777
Agency accounts		775,316	-	775,316	1,061,517
Total current liabilities		7,919,731	4,514	7,924,245	7,784,294
Other liabilities					
Accrued retirement allowances		255,429	-	255,429	208,232
Due to other funds*		213,180	1,746,080	-	-
For other than operating funds:					
Accounts payable (Note 8)		-	61,846	61,846	43,969
Notes payable (Note 9)		-	27,653,596	27,653,596	29,130,681
Present value income distributions to primary beneficiaries (Note 20)		-	1,918,441	1,918,441	1,674,165
Remainder interest for residual trust beneficiaries (Note 22)		-	3,578,776	3,578,776	7,702,283
Annuities held for others (Note 17)		-	2,483,748	2,483,748	2,035,239
Present value, annuity liability (Note 19)		-	3,149,805	3,149,805	2,486,908
Total other liabilities		468,609	40,592,292	39,101,641	43,281,477
Total liabilities		8,388,340	40,596,806	47,025,886	51,065,771
Net assets					
Unrestricted: unallocated		-	1,481,664	1,481,664	748,811
Unrestricted: allocated- operating funds (Note 10)		6,648,434	504,886	7,153,320	6,925,607
Unrestricted: allocated- nonoperating funds		-	22,685,567	22,685,567	20,461,306
Unrestricted: net invested in plant		-	5,026,464	5,026,464	5,095,435
Total net assets without donor restrictions		6,648,434	29,698,581	36,347,015	33,231,159
Temporarily restricted (Note 11)		3,144,085	1,063,446	4,207,531	4,336,350
Permanently restricted (Notes 11 and 12)		-	40,000	40,000	40,000
Total net assets with donor restrictions		3,144,085	1,103,446	4,247,531	4,376,350
Total net assets		9,792,519	30,802,027	40,594,546	37,607,509
Total liabilities and net assets	$	18,180,859	71,398,833	87,620,432	88,673,280

* Due to/from funds eliminated in combined column

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 and 2024

			Combined	
	Conference	Association	2025 Total	2024 Total
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS				
Revenues and support without donor restrictions				
Gross tithe income	$ 10,186,641	-	10,186,641	10,110,080
Tithe percentages passed on	(1,023,988)	-	(1,023,988)	(1,016,366)
Net tithe income	9,162,653	-	9,162,653	9,093,714
Tithe exchanged with General Conference	794,010	-	794,010	783,154
Non-tithe funds from General Conference	(794,010)	-	(794,010)	(783,154)
Revolving Fund, net earnings (Note 15)	-	2,398,014	2,398,014	1,535,531
Matured trusts and wills without donor restrictions	-	424,901	424,901	119,560
Annuity fund (Note 16)	-	57,346	57,346	(16,052)
Appropriations without donor restrictions received	190,000	-	190,000	200,000
Investment earnings (Note 24)	510,853	94,683	605,536	295,991
Departmental fees and sales	496,255	-	496,255	711,179
Other income	1,101,926	-	1,101,926	287,404
Total revenues without donor restrictions	11,461,687	2,974,944	14,436,631	12,227,327
Released from net assets with donor restrictions (Note 11)	10,135,209	255,603	10,390,812	8,818,516
Total revenues and support without donor restrictions	21,596,896	3,230,547	24,827,443	21,045,843
Expenses and losses				
Program services functions				
Church ministries (Note 13)	5,382,879	51,755	5,434,634	4,485,089
Educational (Note 13)	9,521,955	35,582	9,557,537	8,853,092
Special services (Note 13)	1,367,602	1,941	1,369,543	1,586,224
Other (Note 13)	1,180,608	-	1,180,608	925,056
Total program services functions	17,453,044	89,278	17,542,322	15,849,461
Supporting services functions				
Administration - office resources (Note 13)	1,484,126	63,239	1,547,365	1,567,072
Conventions and meetings (Note 13)	75,302	-	75,302	82,088
Trust services	64,903	648	65,551	59,603
Other departments and services	995,348	46,903	1,042,251	1,028,852
Rental and miscellaneous	-	9,850	9,850	11,600
Retirement contribution to DB plan (Note 13)	1,539,179	-	1,539,179	1,451,028
Distributions and expenses of unconditional trusts (Note 21)	-	3,258,563	3,258,563	3,020,107
Total supporting services functions	4,158,858	3,379,203	7,538,061	7,220,350
Total expenses and losses (Note 13)	21,611,902	3,468,481	25,080,383	23,069,811
Net increase (decrease) from operations	$ (15,006)	(237,934)	(252,940)	(2,023,968)

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 and 2024

			Combined	
	Conference	Association	2025 Total	2024 Total
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS				
Net increase (decrease) from operations	$ (15,006)	(237,934)	(252,940)	(2,023,968)
NONOPERATING ACTIVITY WITHOUT DONOR RESTRICTIONS				
Nonoperating revenue (Note 14)	-	210,785	210,785	119,665
Nonoperating expense (Note 14)	-	(100,552)	(100,552)	(189,708)
Net book value of plant assets written off (Note 14)	-	-	-	(4,463)
Net transfers between funds	260,848	(260,848)	-	-
Released from net assets with donor restrictions (Note 11 and 14)	-	3,258,563	3,258,563	3,020,107
Total nonoperating activity increase (decrease)	260,848	3,107,948	3,368,796	2,945,601
Increase (decrease) net assets without donor restrictions	245,842	2,870,014	3,115,856	921,633
CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS				
Changes in net assets with temporary donor restrictions				
Income with temporary donor restrictions				
Subsidies	10,355,731	-	10,355,731	8,836,377
Offerings	26,260	-	26,260	2,853
Donations	112,813	318,842	431,655	293,741
Annuity fund (Note 16)	-	5,881	5,881	5,846
Unconditional trust agreements (Note 21)	-	2,701,029	2,701,029	2,611,186
Total restricted income received (Note 11)	10,494,804	3,025,752	13,520,556	11,750,003
Net assets released from restrictions - operating (Note 11)	(10,135,209)	(255,603)	(10,390,812)	(8,818,516)
Net assets released from restrictions - non operating (Note 11)	-	(3,258,563)	(3,258,563)	(3,020,107)
Increase (decrease) net assets with temporary donor restrictions	359,595	(488,414)	(128,819)	(88,620)
Increase (decrease) in net assets with donor restrictions	359,595	(488,414)	(128,819)	(88,620)
Increase (decrease) in net assets	605,437	2,381,600	2,987,037	833,013
Net assets, beginning	9,187,082	28,420,427	37,607,509	36,774,496
Net assets, ending	$ 9,792,519	30,802,027	40,594,546	37,607,509

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
For the Years Ended December 31, 2025 and 2024

			Combined	
	Conference	Association	2025 Total	2024 Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Increase (decrease) in net assets	$ 605,437	2,381,600	2,987,037	833,013
Adjustments to reconcile net income to net cash provided by operating activities				
Depreciation expense	-	197,640	197,640	196,945
Net book value of plant assets written off	-	-	-	4,463
Realized (gain) loss on sale of investments	-	(412,734)	(412,734)	(929,933)
Unrealized (gain) loss in value of investments	2,448	(1,267,647)	(1,265,199)	267,198
Unrealized (gain) loss on value of property held in trust	-	2,069,920	2,069,920	(2,070,000)
Increase (decrease) - present value liability of gift annuities	-	1,129,284	1,129,284	(413,946)
Increase (decrease) - present value of income distributions	-	244,276	244,276	(849,363)
Increase (decrease) - remainder interest to residual beneficiaries	-	(4,123,507)	(4,123,507)	1,115,437
(Increase) decrease - cash held for agency funds	286,201	-	286,201	(129,747)
(Increase) decrease - accounts receivable	44,443	(7,481)	36,962	789,494
(Increase) decrease - inventories and prepaid	(57,354)	-	(57,354)	4,520
Increase (decrease) - accounts payable	425,868	284	426,152	(949,724)
Increase (decrease) - accrued retirement allowances	47,197	-	47,197	17,979
Increase (decrease) - agency accounts	(286,201)	-	(286,201)	129,747
Net cash provided (used) by operating	1,068,039	211,635	1,279,674	(1,983,917)
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from maturity of investments	1,200,000	45,270,838	46,470,838	43,538,349
Purchase of investments	(1,085,020)	(45,932,747)	(47,017,767)	(38,558,698)
(Increase) decrease irrevocable trust investments	-	1,009,605	1,009,605	2,550,704
(Increase) decrease accounts receivable, other than operating	-	(27,180)	(27,180)	(155)
(Increase) decrease prepaid expense, other than operating	-	450	450	(450)
Purchases of plant assets	-	(128,669)	(128,669)	(33,895)
New notes receivable issued	-	(10,348,842)	(10,348,842)	(8,512,157)
Payments received on notes receivable	-	11,461,707	11,461,707	4,982,495
Net cash provided (used) by investing	114,980	1,305,162	1,420,142	3,966,193
CASH FLOWS FROM FINANCING ACTIVITIES				
Principal payments on notes payable	-	(2,831,465)	(2,831,465)	(3,413,689)
Proceeds from depositors	-	1,354,380	1,354,380	1,358,812
Proceeds (payments) inter-fund burrowing	213,180	(213,180)	-	-
Net cash provided (used) by financing	213,180	(1,690,265)	(1,477,085)	(2,054,877)
Net increase (decrease) cash and cash equivalents	1,396,199	(173,468)	1,222,731	(72,601)
Cash and cash equivalents, beginning of year	2,691,908	283,994	2,975,902	3,048,503
Cash and cash equivalents, end of year	$ 4,088,107	110,526	4,198,633	2,975,902
Supplemental cash flow data				
Cash paid for interest	$ -	687,653	687,653	697,331

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) (collectively, 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. Washington State sales tax is applied for all purchases, as required by not-for-profit organizations in Washington State.

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.

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.

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

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.

Unconditional trust fund: An accounting entity for irrevocable trusts where assets are held in a trustee capacity.

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

Note 2 – Cash and cash equivalents

			Combined	
			2025	2024
	Conference	Association	Total	Total
Imprest cash	$ 310	-	310	310
Checking accounts	1,883,300	95,270	1,978,570	2,238,181
General Conference money fund	15,252	-	15,252	14,522
Money market funds	2,964,561	15,256	2,979,817	1,784,406
Less: cash held for agency	(775,316)	-	(775,316)	(1,061,517)
Total cash and cash equivalents, 2025	$ 4,088,107	110,526	4,198,633	
Total cash and cash equivalents, 2024	$ 2,691,908	283,994		2,975,902

Note 3 – Investments

	2025					
	Conference			Association		
Investments held for operating	Cost	Market	Unrealized Appreciation (Decline)	Cost	Market	Unrealized Appreciation (Decline)
Certificates of deposit	$ 600,000	600,989	989	442,576	443,756	1,180.00
Corporate bonds and notes	407,558	351,851	(55,707)	151,390	151,350	(40.00)
Fixed income	3,027,275	3,027,275	-	-	-	-
Government backed securities	-	-	-	926,385	689,539	(236,846)
Mutual funds	485,183	485,183	-	776,965	770,542	(6,423)
Preferred stock	173,889	126,103	(47,786)	-	-	-
Total operating investments at market value	$ 4,693,905	4,591,401	(102,504)	2,297,316	2,055,187	(242,129)

	2025 Combined		
Investments held for operating	Cost	Market	Unrealized Appreciation (Decline)
Certificates of deposit	$ 1,042,576	1,044,745	2,169
Corporate bonds and notes	558,948	503,201	(55,747)
Fixed income	3,027,275	3,027,275	-
Government backed securities	926,385	689,539	(236,846)
Mutual funds	1,262,148	1,255,725	(6,423)
Preferred stock	173,889	126,103	(47,786)
Total operating investments at market value	$ 6,991,221	6,646,588	(344,633)

	2024					
	Conference			Association		
Investments held for operating	Cost	Market	Unrealized Appreciation (Decline)	Cost	Market	Unrealized Appreciation (Decline)
Certificates of deposit	$ 900,000	900,470	470	-	-	-
Corporate bonds and notes	407,558	348,770	(58,788)	-	-	-
Fixed income	2,862,770	2,862,770	-	-	-	-
Government backed securities	-	-	-	991,990	712,749	(279,241)
Mutual funds	465,271	465,271	-	76,665	75,884	(781)
Preferred stock	173,286	131,548	(41,738)	-	-	-
Total operating investments at market value	$ 4,808,885	4,708,829	(100,056)	1,068,655	788,633	(280,022)

Note 3 – Investments (continued)

	2024 Combined		
	Cost	Market	Unrealized Appreciation (Decline)
Investments held for operating			
Certificates of deposit	$ 900,000	900,470	470
Corporate bonds and notes	407,558	348,770	(58,788)
Fixed income	2,862,770	2,862,770	-
Government backed securities	991,990	712,749	(279,241)
Mutual funds	541,936	541,155	(781)
Preferred stock	173,286	131,548	(41,738)
Total operating investments at market value	$ 5,877,540	5,497,462	(380,078)

	2025 Association		
	Cost	Market	Unrealized Appreciation (Decline)
Investments held for other than operating			
Cash			
Checking accounts	$ 179,122	179,122	-
Money market funds	2,064,545	2,064,545	-
Savings accounts	19,284	19,284	-
Total cash	2,262,951	2,262,951	-
Investments			
Certificates of deposit	382,000	383,214	1,214
Collective funds	654,628	654,628	-
Corporate bonds and notes	2,767,575	2,269,047	(498,528)
US Government loan securities	16,736,884	12,936,605	(3,800,279)
US treasury notes	1,000,319	1,019,304	18,985
Bond mutual fund	2,967,669	2,963,078	(4,591)
Equity mutual fund	5,692,330	7,146,957	1,454,627
Mutual funds	3,884,239	3,940,683	56,444
Preferred stock	2,856,506	3,640,864	784,358
Total investments	36,942,150	34,954,380	(1,987,770)
Total other than operating investments at market value	$ 39,205,101	37,217,331	(1,987,770)

	2024 Association		
	Cost	Market	Unrealized Appreciation (Decline)
Investments held for other than operating			
Cash			
Checking accounts	$ 1,279,743	1,279,743	-
Money market funds	2,391,163	2,391,163	-
Savings accounts	18,073	18,073	-
Total cash	3,688,979	3,688,979	-
Investments			
Certificates of deposit	614,000	615,263	1,263
Collective funds	614,208	614,208	-
Corporate bonds and notes	1,640,587	1,068,890	(571,697)
US Government loan securities	18,234,836	13,803,392	(4,431,444)
US treasury notes	340,070	344,970	4,900
Bond mutual fund	3,659,681	1,968,260	(1,691,421)
Equity mutual fund	4,794,036	7,787,041	2,993,005
Mutual funds	3,860,369	3,904,966	44,597
Preferred stock	2,923,326	3,355,233	431,907
Total investments	36,681,113	33,462,223	(3,218,890)
Total other than operating investments at market value	$ 40,370,092	37,151,202	(3,218,890)

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.

	Combined			
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

	Combined			
2024	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets recorded at fair value				
Certificates of deposit	$ -	1,515,733	-	1,515,733
Debt securities	21,724,009	-	-	21,724,009
Equity securities	15,719,943	-	-	15,719,943
Total assets recorded at fair value	$ 37,443,952	1,515,733	-	38,959,685

Note 5 – Accounts receivable

			Combined	
	Conference	**Association**	**2025 Total**	**2024 Total**
Accounts receivable held for operating				
Accrued interest	$ -	8,308	8,308	1,934
GC/NAD	74	-	74	36
Local conferences	7,974,212	442	7,974,654	7,999,342
Miscellaneous	45,691	8,053	53,744	74,950
Walla Walla University	-	2,520	2,520	-
Total accounts receivable held for operating, 2025	$ 8,019,977	19,323	8,039,300	
Total accounts receivable held for operating, 2024	$ 8,064,420	11,842		8,076,262

			Combined	
	Conference	**Association**	**2025 Total**	**2024 Total**
Accounts receivable held for other than operating				
Accrued interest	$ -	77,468	77,468	50,287
Total other than operating accounts receivable, 2025	$ -	77,468	77,468	
Total other than operating accounts receivable, 2024	$ -	50,287		50,287

Note 6 – Notes receivable - all funds

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

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

	2025		
	Association		
	Current	Long-term	Total
Notes receivable held for other than operating			
Revolving Fund loans to conferences, churches, and schools, 4.5% interest, due 90 days from demand	$ 1,658,307	20,806,238	22,464,545
Revolving Fund line of credit, 2.75% - 4.5%*	1,879,064	-	1,879,064
Total other than operating notes receivable	$ 3,537,371	20,806,238	24,343,609

	2024		
	Association		
	Current	Long-term	Total
Notes receivable held for other than operating			
Revolving Fund loans to conferences, churches, and schools			
4.5% interest, due 90 days from demand	$ 2,358,730	20,075,709	22,434,439
Revolving Fund line of credit, 2.75%*	2,486,535	-	2,486,535
Total other than operating notes receivable	$ 4,845,265	20,075,709	24,920,974

* As of December 31, 2025, two constituent conferences had a $4 million and a $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

	Association			
	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

	Association			
	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

	Association			
	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

	Association			
	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 accumulated depreciation	$ 4,271,494	197,640	102,285	4,366,849

	Association			
	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

	Association			
	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 accumulated depreciation	$ 4,086,894	196,945	12,345	4,271,494

Note 8 – Accounts payable

			Combined	
	Conference	Association	2025 Total	2024 Total
Accounts payable held for operating				
Accrued audit fees	$ 90,727	-	90,727	118,381
Accrued medical	52,508	-	52,508	46,264
Accrued retirement allowances	47,293	-	47,293	25,583
Accrued wages and payroll tax	158,216	-	158,216	115,969
Regional convocation	4,150	-	4,150	-
Commercial accounts	62,968	-	62,968	30,319
General Conference remittance and other	6,009,151	-	6,009,151	6,083,827
Local conferences	455,834	-	455,834	26,728
Miscellaneous	32,716	4,514	37,230	36,049
North American Division	220,779	-	220,779	186,049
Pacific Press Publishing Association	-	-	-	46,299
Walla Walla University	10,073	-	10,073	7,309
Total accounts payable, 2025	$ 7,144,415	4,514	7,148,929	
Total accounts payable, 2024	$ 6,718,547	4,230		6,722,777

			Combined	
	Conference	Association	2025 Total	2024 Total
Accounts payable held for other than operating				
Miscellaneous	$ -	61,846	61,846	43,969
Total other than operating accounts payable, 2025	$ -	61,846	61,846	
Total other than operating accounts payable, 2024	$ -	43,969		43,969

Note 9 – Notes payable

	Association 2025		
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	$ 27,653,596	-	27,653,596
Total other than operating notes payable	$ 27,653,596	-	27,653,596

	Association 2024		
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	$ 29,130,681	-	29,130,681
Total other than operating notes payable	$ 29,130,681	-	29,130,681

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

Conference operating fund	Balance 2024	Allocation Made	Allocation Released	Balance 2025
Church & evangelistic programs	$ 911,662	1,814,650	1,769,484	956,828
Education programs	554,970	9,624,637	9,451,260	728,347
Medical & health programs	8,962	-	8,962	-
Humanitarian programs	147,625	78,193	76,993	148,825
Other programs	402,350	4,706,834	3,740,014	1,369,170
Conventions & meetings	302,491	223,210	73,210	452,491
Employee hospital and health benefit	-	441,727	441,727	-
Employee DB Retirement Plan	-	1,539,179	1,539,179	-
General administration	67,493	1,688,492	1,755,985	-
Recommended working capital	3,877,609	-	884,836	2,992,773
Unexpended plant capital functions	129,430	10,000	139,430	-
Total allocated net assets - conference operating fund	6,402,592	20,126,922	19,881,080	6,648,434
Association operating fund				
General administration	(12,486)	-	1,129	(13,615)
Conference auxiliary	535,501	-	17,000	518,501
Total allocated net assets - association operating fund	523,015	-	18,129	504,886
Total allocated net assets - operating funds	$ 6,925,607	20,126,922	19,899,209	7,153,320

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	Balance 2024	Restricted Income	Restrictions Released	Balance 2025
Conference				
Conference operating funds				
ACF development fund	$ 68,000	25,000	-	93,000
Adventist community services	16,378	10,078	1,399	25,057
ASI - pacific NW chapter	18,037	16,091	18,065	16,063
C.A.R.E - community action	60,000	-	20,000	40,000
Children's ministries	1,500	3,000	4,500	-
College and university operating	-	3,694,615	3,694,615	-
Cultural ministries-multi ethnic	26,363	38,415	55,000	9,778
Cultural project - regional	-	100	-	100
Disaster response	30,494	29,197	55,594	4,097
Disciple trek - youth	229,648	67,750	100,812	196,586
General evangelism	1,871,114	2,238,388	2,315,856	1,793,646
Global mission	28,807	9,816	-	38,623
Hispanic capital	15,113	57,964	73,077	-
In house oper-social committee	-	2,000	2,000	-
K-12 operations	-	2,765,493	2,765,493	-
Ministerial interns	-	53,026	53,026	-
Miscellaneous tithe appropriation	-	296,226	296,226	-
Native American evangelism	-	316	316	-
Other internships	-	34,266	34,266	-
Other internships - women in	-	53,731	53,731	-
Prison ministries	4,500	-	750	3,750
Regional capital	265,443	491,384	-	756,827
Regional development fund	84,936	17,672	13,524	89,084
Regional special assistance*	49,185	196,899	212,950	33,134
Religious liberty association NW	3,961	13,982	12,900	5,043
Small conference assistance	-	323,009	323,009	-
Temperance	2,441	20	-	2,461
West Coast Black Administrator's caucus	8,570	45,000	16,734	36,836
Women's ministries	-	11,366	11,366	-
Total conference operating funds	$ 2,784,490	10,494,804	10,135,209	3,144,085

Note 11 – Net assets with donor restrictions (continued)

Association		Balance 2024	Restricted Income	Restrictions Released	Balance 2025
Association operating funds					
Agreement per NAD	$	21,249	-	5,603	15,646
Education		383,981	-	-	383,981
Evangelism		122,010	318,842	250,000	190,852
Global mission		16,882	-	-	16,882
Missing members		59,375	-	-	59,375
Total association operating funds		603,497	318,842	255,603	666,736
Total operating funds		3,387,987	10,813,646	10,390,812	3,810,821
Annuity funds					
Education		(724)	(234)	-	(958)
Global mission		(2,589)	(510)	-	(3,099)
Native ministries		44,526	6,625	-	51,151
Total annuity funds		41,213	5,881	-	47,094
Unconditional trust funds					
Unconditional trusts	$	907,150	2,701,029	3,258,563	349,616
Total unconditional trust funds		907,150	2,701,029	3,258,563	349,616
Total other than operating funds- net assets with donor restrictions		948,363	2,706,910	3,258,563	396,710
Total association funds with donor restrictions		1,551,860	3,025,752	3,514,166	1,063,446
Total net assets with temporary donor restrictions	$	4,336,350	13,520,556	13,649,375	4,207,531

Permanent restrictions Association operating funds		Balance 2024	Restricted Income	Restrictions Released	Balance 2025
Nelson evangelism endowment	$	40,000	-	-	40,000
Total net assets with permanent donor restrictions	$	40,000	-	-	40,000
Total net assets with donor restrictions	$	4,376,350	13,520,556	13,649,375	4,247,531

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 Organizations 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 fair value 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%.

Note 12 – Endowments (continued)

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 1.75% 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.

	Association			
	Committee Designated	Temporarily Restricted	Permanently Restricted	2025 Total Donor Restricted
2025 Endowment net asset composition				
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
Contributions	-	-	-	-
Appropriation of assets for expenditure	-	-	-	-
Endowment net assets, end of year	$ -	-	40,000	40,000

	Association			
	Committee Designated	Temporarily Restricted	Permanently Restricted	2024 Total Donor Restricted
2024 Endowment net asset composition				
Donor-restricted endowments	$ -	-	40,000	40,000
Committee-designated endowments	-	-	-	-
Total endowments	$ -	-	40,000	40,000
2024 Changes in endowment net assets				
Net assets, beginning of year	$ -	-	40,000	40,000
Contributions	-	-	-	-
Appropriation of assets for expenditure	-	-	-	-
Endowment net assets, end of year	$ -	-	40,000	40,000

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

Note 13 – Analysis of expenses

	Combined				
	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	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

Note 13 – Analysis of expenses (continued)

	Combined					
	2025 Supporting Services					2025 Total Program & Supporting Services
	Admin.	Retirement Contributions	Conventions & Meetings	Other Supporting Services	Total 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

	Combined				
	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	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	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

	Combined					
	2024 Supporting Services					2024 Total Program & Supporting Services
	Admin.	Retirement Contributions	Conventions & Meetings	Other Supporting Services	Total 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

Methods used for allocation of expenses among programs and supporting services

The financial statements report certain categories of expenses that are attributable to one program or supporting services of the Organizations. They are based on the actual functions of program and supporting services. No expenses are attributable to two or more program and supporting services of the Organizations. Health care expenses has its own function within supporting services. Health care expenses are allocated based on the percentage of employees working in each program or supporting service. Depreciation and maintenance are allocated on square footage and departmental use.

Note 14 – Nonoperating activity without donor restrictions

		Association	
		2025 Total	2024 Total
Interest income	$	24,351	19,665
Miscellaneous donations		100,000	100,000
Copier funding		86,434	-
Nonoperating revenue		210,785	119,665
Miscellaneous expense		(100,552)	(189,708)
Nonoperating expense		(100,552)	(189,708)
Net book value of plant assets written off		-	(4,463)
Net book value of plant assets written off		-	(4,463)
Unexpended plant resources spent		(128,669)	(33,895)
Purchases added to net invested in plant		128,669	33,895
Net transfers between funds		-	-
Released from net assets with donor restrictions (Note 11)		3,258,563	3,020,107
Net nonoperating activity without donor restrictions	$	3,368,796	2,945,601

Note 15 – Revolving fund net earnings

		Association	
		2025 Total	2024 Total
Investment earnings (Note 24)	$	3,109,269	2,059,505
Interest expense		(687,653)	(697,331)
Bad debt expense		-	186,162
Other expense		(23,602)	(12,805)
Total revolving fund net earnings	$	2,398,014	1,535,531

Note 16 – Annuity fund net earnings

		Association	
		2025 Total	2024 Total
Revenues and gains without donor restrictions			
Investment earnings (Note 24)	$	39,075	17,304
Miscellaneous income		(221,361)	(33,680)
Gift annuities		283,976	5,000
Present value adjustment		(20,273)	7,316
Total revenues and support without donor restrictions		81,417	(4,060)
Expenses and losses			
Payments to annuitants		11,709	9,970
Matured distributions		1,565	-
Miscellaneous expenses		6,652	-
Investment expenses		4,145	2,022
Total expenses and losses		24,071	11,992
Increase (decrease) net assets without donor restrictions	$	57,346	(16,052)
Activity with donor restrictions			
Investment earnings (Note 24)	$	9,636	10,811
Miscellaneous income		695	1,037
Present value adjustment		3,687	3,762
Released from net assets with donor restrictions		(8,137)	(9,764)
Increase (decrease) net assets with temporary donor restrictions	$	5,881	5,846

Note 17 – Annuities held for others

		Association	
		2025 Total	2024 Total
Activity for annuities held for others is as follows			
Revenues and gains without donor restrictions			
Investment earnings (Note 24)	$	440,547	416,421
Miscellaneous income		35,530	36,200
Gift annuities		897,340	25,000
Present value adjustment		(445,223)	268,760
Total revenues and gains without donor restrictions		928,194	746,381
Expenses and losses			
Annuity payments		337,030	322,795
Matured annuity distribution			
Upper Columbia Corporation		3,464	199,637
Walla Walla University		-	36,398
Western Oregon Conference Association		81,140	236,240
Washington Conference		-	36,398
Other		11,317	43,292
Other expense		46,734	48,655
Total expenses and losses		479,685	923,415
Increase (decrease) annuities held for others		448,509	(177,034)
Beginning annuities held for others		2,035,239	2,212,273
Ending annuities held for others	$	2,483,748	2,035,239
Annuities held for others			
Alaska Conference	$	21,611	18,386
Idaho Conference		21,611	18,386
Montana Conference		33,799	29,658
Oregon Conference		1,219,369	1,024,889
Upper Columbia Conference		440,164	328,051
Washington Conference		226,825	211,074
Walla Walla University		(11,769)	(12,487)
Miscellaneous		532,138	417,282
Total annuities held for others	$	2,483,748	2,035,239

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 and 2024, was $1,588,359 and $1,444,798, respectively. The total required reserve for all annuities, as of the same date was $3,049,563 and $2,460,797, respectively. The Association held assets for charitable gift annuities of $5,871,876 and $4,637,643 as of December 31, 2025 and 2024, respectively. This exceeded the reserves required for the State of Washington for the years ended December 31, 2025 and 2024.

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.

		Association	
		2025 Total	2024 Total
Present value liability - current portion	$	371,023	390,634
Present value liability - long-term portion		2,778,782	2,096,274
Total present value liability	$	3,149,805	2,486,908

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.

		Association	
		2025 Total	2024 Total
Present value liability - current portion	$	303,945	449,447
Present value liability - long-term portion		1,614,496	1,224,718
Total present value liability	$	1,918,441	1,674,165

Note 21 – Unconditional trusts' increase (decrease)

As of December 31, 2025 and 2024, respectively, the Association served as trustee for 16 and 21 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:

		Association	
		2025 Total	2024 Total
Revenues and gains with donor restrictions			
Investment earnings (Note 24)	$	409,737	676,257
New trusts		445,921	-
Other income		36,139	35,007
Total revenue and gains with donor restrictions		891,797	711,264
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
Change in remainder interest to residual beneficiaries		4,123,507	(1,115,437)
Total changes to revenue and gains with donor restrictions		1,809,232	1,899,922
Net changes to revenue and gains with donor restrictions		2,701,029	2,611,186
Expenses and losses			
Distributions to primary beneficiaries		173,989	265,922
Distributions to residual beneficiaries		2,970,638	2,649,045
Other expenses		113,936	105,140
Total expenses and losses		3,258,563	3,020,107
Net unconditional trusts' increase (decrease)	$	(557,534)	(408,921)

Note 22 – Remainder interest for residual beneficiaries

		2025 Total	2024 Total
Unconditional trusts			
Idaho Conference of SDA	$	1,028,577	977,416
Oregon Conference and Western Oregon Conference Association of SDA		1,018,080	1,336,193
Upper Columbia Conference and Corporation of SDA		61,620	-
Walla Walla University		85,830	129,321
Other Seventh-day Adventist entities		513,672	1,497,520
Other private/public charities		3,072	57,024
Individual (matured trusts)		3,072	2,835,226
Conditional trusts		864,853	869,583
Total remainder interest for residual beneficiaries	$	3,578,776	7,702,283

Note 23 – Revocable trust agreements

As of December 31, 2025 and 2024, the Association served as trustee of 2 and 2 revocable trusts, respectively. 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 Association may be a beneficiary of wills or trusts administered by other trustees, of which the Association is not aware.

Note 24 – Investment earnings

		2025 Total	2024 Total
Conference			
Conference operating			
Interest income	$	513,301	263,055
Unrealized capital gains (losses)		(2,448)	18,503
Total Conference operating		510,853	281,558
Association			
Association operating			
Interest income		57,720	33,940
Realized capital gains (losses)		(930)	(36,488)
Unrealized capital gains (losses)		37,893	16,981
Total Association operating		94,683	14,433
Total operating investment earnings	$	605,536	295,991

Revolving fund		2025 Total	2024 Total
Interest income	$	1,930,800	1,962,053
Other income		5,663	5,898
Realized capital gains (losses)		91,504	203,163
Unrealized capital gains (losses)		1,081,302	(111,609)
Total revolving fund (Note 15)	$	3,109,269	2,059,505

Annuity fund Annuity fund net earnings Revenues and gains without donor restrictions		2025 Total	2024 Total
Interest income	$	16,866	7,641
Realized capital gains (losses)		8,163	4,263
Unrealized capital gains (losses)		14,046	5,400
Total revenues and gains without donor restrictions (Note 16)		39,075	17,304
Revenues and gains with donor restrictions			
Investment income		4,159	4,774
Realized capital gains (losses)		2,013	2,663
Unrealized capital gains (losses)		3,464	3,374
Revenues and gains with donor restrictions (Note 16)		9,636	10,811
Total annuity fund net earnings		48,711	28,115
Annuities held for others			
Interest income		190,156	183,880
Realized capital gains (losses)		92,031	102,583
Unrealized capital gains (losses)		158,360	129,958
Total annuities held for others (Note 17)		440,547	416,421
Total annuity fund	$	489,258	444,536

Unconditional trust fund Revenues and gains with donor restrictions		2025 Total	2024 Total
Interest income	$	217,202	352,314
Realized capital gains (losses)		219,953	653,749
Unrealized capital gains (losses)		(27,418)	(329,806)
Total unconditional trust fund (Note 21)	$	409,737	676,257

Note 25 – Related party transactions

	Conference	
	2025	2024
Appropriations received from	Total	Total
GC/NAD	$ 6,400,308	5,410,286
Alaska Conference	93,719	93,076
Idaho Conference	265,106	261,118
Montana Conference	211,755	206,476
Oregon Conference	1,388,765	1,388,901
Upper Columbia Conference	1,456,703	1,388,088
Washington Conference	1,108,042	1,010,380
Miscellaneous organizations	18,698	6,786
Total appropriations received	$ 10,943,096	9,765,111

	Conference	
	2025	2024
Appropriations made to	Total	Total
Adventist Risk Management	$ 1,153,981	209,405
NAD Retirement	1,561,338	1,565,854
Alaska Conference	99,638	166,396
Idaho Conference	356,915	178,787
Montana Conference	189,443	262,579
Oregon Conference	796,572	502,921
Upper Columbia Conference	666,108	533,385
Washington Conference	1,463,347	812,283
Miscellaneous organizations	1,893,511	675,428
Walla Walla University	1,196,372	1,513,137
Total appropriations made	$ 9,377,225	6,420,175

Note 26 – Donated services

The NAD subsidizes the cost of auditing services within the NPUC territory. This subsidy was $827,941 and $805,176, for the years ended December 31, 2025 and 2024, respectively. The NPUC portion of this subsidy was $43,395 and $37,134, for the years ended December 31, 2025 and 2024, respectively. The NPUC pays the remainder of the cost of audits within its territory. This cost was $314,676 and $368,701, for the years ended December 31, 2025 and 2024, respectively. The NPUC has voted to bill local conferences for a portion of the audit costs. Local conferences were billed $278,353 and 227,728, for the years ended December 31, 2025 and 2024, 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 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 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.

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

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:

		NADRP	RAHAP	TOTAL
Required contributions from the Organizations:				
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
Total contributions received from all employers:				
For the year ended December 31, 2025		Information not available		
For the year ended December 31, 2024	$	127,263,485	46,599,306	
Whether the Organizations' contributions were more than or less than 5% of the total contributions received by each				
For the year ended December 31, 2025		Information not available		
For the year ended December 31, 2024		less than	less than	
Plan net assets available for benefits:				
For the year ended December 31, 2025		Information not available		
For the year ended December 31, 2024	$	442,782,901	185,912,335	

Actuarial obligation and funded status		NADRP	RAHAP
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%

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 and $185,241 to the plan for the years ended December 31, 2025 and 2024, 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

		Conference	Association	Combined 2025	Combined 2024
Financial assets, at year-end*	$	17,474,801	63,833,028	81,307,829	80,279,140
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)	(24,343,609)	(24,920,974)
Assets held for split-interest agreements		-	(10,238,095)	(10,238,095)	(11,412,811)
Restricted by donor with time or purpose restrictions (Note 11)		(3,144,085)	(1,063,446)	(4,207,531)	(4,376,350)
Board designations:					
Funds allocated for specific operating purposes (Note 10)		(6,648,434)	(504,886)	(7,153,320)	(6,925,607)
Funds allocated for other funds liquidity		-	(22,685,567)	(22,685,567)	(20,461,306)
Financial assets available to meet cash needs for general expenditures within one year	$	7,682,282	4,997,425	12,679,707	12,182,092

* 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*.

		Conference Operating	Association Operating	Combined 2025 Operating Funds	Combined 2024 Operating Funds
Core expenses					
Operating expenses*	$	21,611,902	12,278	21,624,180	19,852,759
Total core expenses		21,611,902	12,278	21,624,180	19,852,759
Available working capital					
Current assets**		17,600,859	2,185,036	19,785,895	18,215,347
Less: current liabilities		(7,919,731)	(4,514)	(7,924,245)	(7,784,294)
Working capital		9,681,128	2,180,522	11,861,650	10,431,053
Less: current assets held for donor restrictions		(3,144,085)	(706,736)	(3,850,821)	(3,427,987)
Available working capital	$	6,537,043	1,473,786	8,010,829	7,003,066
Recommended minimum available working capital					
Six months of total core expenses	$	10,805,951	6,139	10,812,090	9,926,380
Surplus/(shortfall) in *Recommended Available Working Capital*		(4,268,908)	1,467,647	(2,801,261)	(2,923,314)
Available Working Capital in Months (a minimum of six months recommended)		3.6 months	1440.4 months	4.4 months	4.2 months
Available liquid assets					
Cash and cash equivalents		4,088,107	110,526	4,198,633	2,975,902
Cash held for agency		775,316	-	775,316	1,061,517
Investments		4,591,401	2,055,187	6,646,588	5,497,462
Accounts receivables from higher organizations (Note 5)		74	-	74	36
Accounts receivables - conference remittances (Note 5)		7,974,212	442	7,974,654	7,999,342
Total liquid current assets		17,429,110	2,166,155	19,595,265	17,534,259
Minus: current liabilities		(7,919,731)	(4,514)	(7,924,245)	(7,784,294)
Less: current assets held for donor restrictions		(3,144,085)	(706,736)	(3,850,821)	(3,427,987)
Available liquid assets	$	6,365,294	1,454,905	7,820,199	6,321,978
Recommended minimum available liquid assets					
Three months of total core expenses	$	5,402,976	3,070	5,406,045	4,963,190
Surplus/(Shortfall) in *Recommended Minimum Available Liquid Assets*		962,318	1,451,835	2,414,154	1,358,788
Available Liquid Assets in Months (a minimum of three months recommended)		3.5 months	1422 months	4.3 months	3.8 months
*Calculation of operating expenses					
Total program and supporting expenses		21,611,902	3,468,481	25,080,383	23,069,811
Less: distributions and expenses of unconditional trusts (Note 21)		-	(3,258,563)	(3,258,563)	(3,020,107)
Less: depreciation (Note 7)		-	(197,640)	(197,640)	(196,945)
Total operating expenses	$	21,611,902	12,278	21,624,180	19,852,759

**Excludes due to/from funds