GEORGIA
UNITED METHODIST
FOUNDATION

Georgia United Methodist Foundation, Inc.

Audited Financial Statements
December 31, 2022, 2021 and 2020

GEORGIA UNITED METHODIST FOUNDATION, INC.

FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022, 2021 and 2020

with
INDEPENDENT AUDITORS' REPORT

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SMITH+HOWARD PC

INDEPENDENT AUDITORS' REPORT

To the Board of Trustees of
Georgia United Methodist Foundation, Inc.

Opinion

We have audited the accompanying financial statements of Georgia United Methodist Foundation, Inc. (the "Foundation"), which comprise statement of financial position as of December 31, 2022, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Foundation as of December 31, 2022, and the changes in their net assets and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America ("GAAP").

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with GAAP; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for one year after the date of this report.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Other Matter – Prior Years Financial Information

The prior years comparative information and the financial statements of the Foundation as of December 31, 2021 and 2020 and for the years then ended were audited by other auditors, whose report dated May 26, 2022, expressed an unqualified opinion on those financial statements.

Smith and Howard

May 1, 2023

GEORGIA UNITED METHODIST FOUNDATION, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2022, 2021 AND 2020

ASSETS

	2022	2021	2020
Assets			
Cash and cash equivalents	$ 6,439,911	$ 4,599,218	$ 10,069,874
Certificates of deposit	1,944,395	2,170,725	2,408,171
Interest receivable	41,402	42,434	51,019
Investments - Foundation	11,578,566	13,631,120	11,545,892
Investments - held for others	180,192,188	206,116,072	173,887,394
Loans receivable, net	35,371,351	31,672,848	31,050,815
Prepaid expenses and other receivables	21,898	18,904	11,842
Cash surrender value of life insurance	198,087	185,874	174,801
Right-of-use asset	175,546	237,858	301,713
Property and equipment, net	17,696	22,108	59,530
Total Assets	$ 235,981,040	$ 258,697,161	$ 229,561,051

LIABILITIES AND NET ASSETS

	2022	2021	2020
Liabilities			
Accounts payable and accrued expenses	$ 136,011	$ 144,491	$ 144,502
Managed assets held for others	156,951,584	177,275,860	147,170,147
Endowment funds held for others	22,071,154	26,959,658	24,803,594
Charitable remainder trust and gift annuity benefits payable	521,130	615,353	538,884
Charitable remainder trust and gift annuity deferred benefits payable	725,008	956,583	1,012,762
Lease liability	180,596	241,389	302,495
Unsecured promissory notes payable	45,654,437	40,152,330	43,977,106
Total Liabilities	226,239,920	246,345,664	217,949,490
Net Assets			
Without donor restrictions	6,850,086	8,914,186	8,598,698
With donor restrictions	2,891,034	3,437,311	3,012,863
Total Net Assets	9,741,120	12,351,497	11,611,561
Total Liabilities and Net Assets	$ 235,981,040	$ 258,697,161	$ 229,561,051

The accompanying notes are an integral part of these financial statements.

GEORGIA UNITED METHODIST FOUNDATION, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Other Support			
Contributions	$ 49,137	$ 261,574	$ 310,711
Asset management fees	671,476	-	671,476
Interest income from loan program	1,486,730	-	1,486,730
Investment loss	(1,836,313)	(462,898)	(2,299,211)
Other income	26,092	-	26,092
Change in value of split interest agreements	-	(121,165)	(121,165)
Net assets released from restrictions	223,788	(223,788)	-
Total Revenue and Other Support	620,910	(546,277)	74,633
Expenses			
Program services			
Loans and certificates	1,329,477	-	1,329,477
Investment management	841,278	-	841,278
Planned giving and training	321,866	-	321,866
Total program services	2,492,621	-	2,492,621
Supporting services			
General and administrative	192,389	-	192,389
Total Expenses	2,685,010	-	2,685,010
Change in Net Assets	(2,064,100)	(546,277)	(2,610,377)
Net Assets, Beginning of Year	8,914,186	3,437,311	12,351,497
Net Assets, End of Year	$ 6,850,086	$ 2,891,034	$ 9,741,120

The accompanying notes are an integral part of these financial statements.

GEORGIA UNITED METHODIST FOUNDATION, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Other Support			
Contributions	$ 31,729	$ 580,505	$ 612,234
Asset management fees	635,141	-	635,141
Interest income from loan program	1,470,186	-	1,470,186
Investment return	975,033	229,230	1,204,263
Other loss	(38,041)	-	(38,041)
Change in value of split interest agreements	-	(53,389)	(53,389)
Net assets released from restrictions	331,898	(331,898)	-
Total Revenue and Other Support	3,405,946	424,448	3,830,394
Expenses			
Program services			
Loans and certificates	1,460,830	-	1,460,830
Investment management	988,765	-	988,765
Planned giving and training	430,947	-	430,947
Total program services	2,880,542	-	2,880,542
Supporting services			
General and administrative	209,916	-	209,916
Total Expenses	3,090,458	-	3,090,458
Change in Net Assets	315,488	424,448	739,936
Net Assets, Beginning of Year	8,598,698	3,012,863	11,611,561
Net Assets, End of Year	$ 8,914,186	$ 3,437,311	$ 12,351,497

The accompanying notes are an integral part of these financial statements.

GEORGIA UNITED METHODIST FOUNDATION, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Other Support			
Contributions	$ 466,554	$ 282,021	$ 748,575
Asset management fees	478,555	-	478,555
Interest income from loan program	1,498,072	-	1,498,072
Investment return	1,480,124	398,881	1,879,005
Government grant	163,300	-	163,300
Other income	9,322	-	9,322
Change in value of split interest agreements	-	36,501	36,501
Net assets released from restrictions	201,754	(201,754)	-
Total Revenue and Other Support	4,297,681	515,649	4,813,330
Expenses			
Program services			
Loans and certificates	1,395,762	-	1,395,762
Investment management	648,523	-	648,523
Planned giving and training	512,290	-	512,290
Total program services	2,556,575	-	2,556,575
Supporting services			
General and administrative	210,528	-	210,528
Total Expenses	2,767,103	-	2,767,103
Change in Net Assets	1,530,578	515,649	2,046,227
Net Assets, Beginning of Year	7,068,120	2,497,214	9,565,334
Net Assets, End of Year	$ 8,598,698	$ 3,012,863	$ 11,611,561

The accompanying notes are an integral part of these financial statements.

GEORGIA UNITED METHODIST FOUNDATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2022

	Program Services				Supporting Services	
	Loans and Certificates	Investment Management	Planned Giving and Training	Programs Subtotal	General and Administrative	Total Expenses
Salaries	$ 281,372	$ 336,018	$ 197,616	$ 815,006	$ 75,356	$ 890,362
Payroll taxes and benefits	64,787	89,145	56,376	210,308	14,564	224,872
Interest expense	861,885	-	-	861,885	6	861,891
Grants to beneficiaries	-	263,375	-	263,375	-	263,375
Professional fees	43,064	-	-	43,064	36,240	79,304
Rent	20,642	19,842	13,708	54,192	12,268	66,460
Marketing and publicity	10,477	10,498	7,013	27,988	6,970	34,958
Travel and meetings	4,506	6,951	4,892	16,349	20,008	36,357
Computer and data processing	16,693	86,642	10,456	113,791	10,360	124,151
Office expense	8,854	7,377	4,943	21,174	4,866	26,040
Insurance	9,027	9,027	6,018	24,072	6,018	30,090
Other expense	600	800	15,440	16,840	1,264	18,104
Depreciation	3,095	3,095	2,063	8,253	2,064	10,317
Telephone	1,534	1,747	1,307	4,588	880	5,468
Repair and maintenance	1,851	1,851	1,234	4,936	1,234	6,170
Dues and subscriptions	1,090	1,454	800	3,344	291	3,635
Fees	-	3,456	-	3,456	-	3,456
Total Functional Expenses	$ 1,329,477	$ 841,278	$ 321,866	$ 2,492,621	$ 192,389	$ 2,685,010

The accompanying notes are an integral part of these financial statements.

GEORGIA UNITED METHODIST FOUNDATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2021

	Program Services				Supporting Services	
	Loans and Certificates	Investment Management	Planned Giving and Training	Programs Subtotal	General and Administrative	Total Expenses
Salaries	$ 235,566	$ 318,770	$ 278,371	$ 832,707	$ 83,471	$ 916,178
Payroll taxes and benefits	50,127	75,782	90,072	215,981	15,701	231,682
Interest expense	930,963	-	-	930,963	-	930,963
Grants to beneficiaries	-	454,235	-	454,235	-	454,235
Professional fees	37,595	-	7,020	44,615	63,061	107,676
Rent	15,936	23,246	14,260	53,442	12,461	65,903
Marketing and publicity	10,354	14,032	12,263	36,649	3,665	40,314
Travel and meetings	1,791	2,616	3,462	7,869	9,370	17,239
Computer and data processing	7,097	68,168	4,753	80,018	4,753	84,771
Office expense	7,207	9,413	8,346	24,966	2,376	27,342
Insurance	6,838	9,573	5,470	21,881	5,470	27,351
Loan loss provision	150,000	-	-	150,000	-	150,000
Other expense	26	35	30	91	3,401	3,492
Depreciation	4,091	5,727	3,272	13,090	3,272	16,362
Telephone	946	1,574	1,439	3,959	680	4,639
Repair and maintenance	1,368	1,916	1,095	4,379	1,095	5,474
Dues and subscriptions	925	1,252	1,094	3,271	328	3,599
Fees	-	2,426	-	2,426	812	3,238
Total Functional Expenses	$ 1,460,830	$ 988,765	$ 430,947	$ 2,880,542	$ 209,916	$ 3,090,458

The accompanying notes are an integral part of these financial statements.

GEORGIA UNITED METHODIST FOUNDATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2020

	Program Services				Supporting Services	
	Loans and Certificates	Investment Management	Planned Giving and Training	Programs Subtotal	General and Administrative	Total Expenses
Salaries	$ 194,779	$ 272,722	$ 334,421	$ 801,922	$ 68,158	$ 870,080
Payroll taxes and benefits	40,568	53,645	110,703	204,916	12,200	217,116
Interest expense	1,073,588	-	-	1,073,588	107	1,073,695
Grants to beneficiaries	-	221,148	-	221,148	-	221,148
Professional fees	29,115	-	10,200	39,315	92,549	131,864
Rent	18,321	18,541	13,608	50,470	12,067	62,537
Marketing and publicity	5,151	6,869	9,168	21,188	1,716	22,904
Travel and meetings	921	739	2,999	4,659	3,061	7,720
Computer and data processing	11,933	48,958	7,662	68,553	6,412	74,965
Office expense	6,478	8,657	12,026	27,161	2,175	29,336
Insurance	7,933	7,934	5,289	21,156	5,289	26,445
Other expense	-	-	-	-	1,803	1,803
Depreciation	3,726	3,726	2,484	9,936	2,484	12,420
Telephone	1,195	1,255	1,667	4,117	757	4,874
Repair and maintenance	1,430	1,429	953	3,812	953	4,765
Dues and subscriptions	624	833	1,110	2,567	208	2,775
Fees	-	2,067	-	2,067	589	2,656
Total Functional Expenses	$ 1,395,762	$ 648,523	$ 512,290	$ 2,556,575	$ 210,528	$ 2,767,103

The accompanying notes are an integral part of these financial statements.

GEORGIA UNITED METHODIST FOUNDATION, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2022, 2021, AND 2020

	2022	2021	2020
Cash Flows from Operating Activities:			
Change in net assets	$ (2,610,377)	$ 739,936	$ 2,046,227
Adjustments to reconcile change in net assets to net cash provided by operating activities			
Depreciation	10,317	16,362	12,420
Provision for loan losses	-	150,000	-
Loss on disposal of assets	-	43,402	-
Operating lease expense	62,860	62,304	15,669
Payments on operating lease liability obligations	(61,341)	(59,555)	(14,887)
Change in value of split interest agreements	121,165	53,389	(36,501)
Unrealized (gains) losses on investments	2,300,696	(1,187,864)	(1,871,989)
Investment funds appropriated for expenditure	348,928	377,543	369,084
Changes in operating assets and liabilities:			
Interest receivable	1,032	8,585	(8,172)
Prepaid expenses and other assets	(2,994)	(7,062)	9,344
Cash surrender value of life insurance	(12,213)	(11,073)	(11,026)
Accounts payable and accrued expenses	(8,480)	(11)	35,746
Net Cash Provided by Operating Activities	149,593	185,956	545,915
Cash Flows from Investing Activities:			
Purchase of property and equipment	(5,905)	(22,342)	(38,657)
Purchases of investments	(1,729,026)	(2,636,811)	(2,053,833)
Sales of investments	1,745,025	1,739,447	1,914,070
Investment funds appropriated for expenditure	(348,928)	(377,543)	(369,084)
Net sale (purchase) of certificates of deposit	226,330	237,446	(48,698)
New mortgage loans made to churches	(23,387,479)	(4,340,299)	(8,385,546)
Repayments received on loans principal	12,698,668	3,834,221	5,404,633
Net Cash Required by Investing Activities	(10,801,315)	(1,565,881)	(3,577,115)
Cash Flows from Financing Activities:			
Proceeds from unsecured promissory notes payable	31,482,441	3,284,870	8,786,329
Repayment of unsecured promissory notes payable	(25,980,334)	(7,109,646)	(4,586,703)
Loan participations, net	6,990,308	(265,955)	(750,695)
Net Cash Provided (Required) by Financing Activities	12,492,415	(4,090,731)	3,448,931
Net Increase (Decrease) in Cash and Cash Equivalents	1,840,693	(5,470,656)	417,731
Cash and Cash Equivalents, Beginning of Year	4,599,218	10,069,874	9,652,143
Cash and Cash Equivalents, End of Year	$ 6,439,911	$ 4,599,218	$ 10,069,874

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

	2022	2021	2020
Cash paid during the years for:			
Interest on unsecured promissory notes payable	$ 851,127	$ 944,871	$ 1,081,983
Assets acquired through operating lease agreement	$ -	$ -	$ 301,713

The accompanying notes are an integral part of these financial statements.

GEORGIA UNITED METHODIST FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022, 2021 AND 2020

NOTE 1 – NATURE OF THE ORGANIZATION

The Georgia United Methodist Foundation, Inc. (the “Foundation”) is a religious, not-for-profit corporation providing services to the North and South Georgia Annual Conferences of the United Methodist Church and other organizations or entities that share either current or historical common bonds and connections with the United Methodist Church or that are controlled by or are associated with the United Methodist Church, or affiliated with the general church, and from individual residents of the State of Georgia. The Foundation manages investment funds; accepts and manages gifts for planned giving, endowments, and account holders; and provides loans and stewardship services to the above referenced groups of United Methodist and related entities.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The Foundation follows accounting standards set by the Financial Accounting Standards Board (“FASB”). The FASB sets accounting principles generally accepted in the United States of America (“GAAP”).

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Risks and Uncertainties

The Foundation’s financial instruments that are exposed to concentrations of credit risk consist primarily of cash and cash equivalents and investments. At times, cash and cash equivalent balances exceed federally insured amounts. The Foundation believes it reduces risks associated with balances in excess of federal insured amounts by maintaining its cash with major financial institutions with sound financial standing. Investment securities are exposed to various risks, such as interest rate risk, market risk, and credit risk.

The Foundation receives deposits related to its certificate program from either individuals that reside in or entities that are located in the state of Georgia. The Foundation also makes loans to churches and other borrowers throughout the state of Georgia. Limiting the geographic area in which the Foundation operates may increase the Foundation's exposure to certain business concentrations.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Risks and Uncertainties (Continued)

Regular attendance in most mainline Protestant denominations and many individual congregations has declined since the 1970's. Also, some denominations, including The United Methodist Church, are considering legislation, which might alter church policy regarding same sex marriage and ordination of LGBTQ individuals. Specifically, the General Conference of The United Methodist Church, and individual Annual Conferences, have adopted plans that allow local churches to disaffiliate from the denomination. Churches that vote to disaffiliate may choose to be independent, or they may choose to join another denomination. The Foundation anticipates providing services to churches with historic ties to the Methodist church in Georgia. Individual churches may face financial hardships to include difficulty meeting all obligations on a timely basis. The Foundation believes that the risk of such events materially impacting the quality of the Foundation's loan portfolio is mediated by prudent underwriting practices, adequate collateral margins, close monitoring, and strong reserves.

Cash and Cash Equivalents

The Foundation considers all highly liquid investments with maturities of three months or less when purchased to be cash equivalents.

Investments - Foundation

The Foundation reports investments in equity securities with readily determinable fair values and all investments in debt securities at their fair values in the Statement of Financial Position. Unrealized gains and losses are included in the change in net assets in the accompanying statement of activities. Investment income and gains restricted by donors are reported as increases in net assets without donor restrictions if the restrictions are met (either a stipulated time period ends, or a purpose restriction is accomplished) in the reporting period in which the income and gains are recognized.

Investments – Held for Others

The Foundation holds and manages investments, which belong to the Annual Conferences and United Methodist churches, institutions, and agencies. The corresponding liability for these investments have been reported as "Managed Assets Held for Others" on the Statements of Financial Position.

The Foundation receives, manages and administers endowment funds, which belong to the Annual Conferences and United Methodist churches, institutions, agencies and individuals. These accounts have different restrictions based on the original donors' intent. The requirements primarily center on annual and quarterly distributions to a charitable entity, such as a cemetery, church, scholarship fund, etc. The corresponding liability for these investments is reported as "Endowment Funds Held for Others" on the Statements of Financial Position.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments – Held for Others (Continued)

The Foundation receives gift annuities for its benefit and for the benefit of third parties which stipulate that periodic payments be made from the gifts to designated parties for the lives of those parties. The Foundation uses the rates published by the American Council of Gift Annuities to compute and establish the periodic payments that will be paid over the life of the annuity and classifies this amount as annuities payable, which is included in “Charitable Remainder Trust and Gift Annuity Benefits Payable” on the statements of financial position. The Foundation uses the Social Security Administration’s life-expectancy tables to compute the estimates of present value. The estimated remaining amount of the gift that will be paid to a third-party charity upon the death of the annuitant is included in “Charitable Remainder Trust and Gift Annuity Deferred Benefits Payable.” If a portion of the gift annuity is to be left to the Foundation, the excess of the annuity gift over the present value of the estimated liability is recorded as a contribution. Any change in the present value of the annuity payable is charged or credited to income annually.

The Foundation also receives contributions which are various types of split interest agreements. These accounts are treated in the same manner as the gift annuities except that the amount of the periodic payment to the beneficiary is recomputed annually. At the end of the trust term, or upon the death of the beneficiary, any remaining balance is paid to the designated charitable beneficiary or to the Foundation if the Foundation is the beneficiary.

Fair Values Measured on Recurring Basis

FASB establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to unobservable inputs in which little or no market data exists (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 - Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, assets or liabilities;

Level 2 - Quoted prices in markets that are not considered to be active or financial instruments for which all significant inputs are observable, either directly or indirectly;

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

A financial instrument’s level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

Fair values for investments are determined by reference to quote market prices and other relevant information generated by market transactions.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair Values Measured on Recurring Basis (Continued)

The investments measured at net asset value practical expedient are composed of investments in private investment funds and designed for long-term growth.

Unsecured promissory notes payable are deposit instruments issued by the Foundation carried at cost. For disclosure purposes, the fair value of fixed maturity private placement deposit certificates is estimated by discounting the future cash flows using the rates currently offered for certificates of deposit with similar remaining maturities. These are considered Level 2 investments.

The tables below represents fair value measurement hierarchy of the assets and liabilities at fair value as of December 31:

	2022				
	Level 1	Level 2	Level 3	NAV(*)	Total
Certificates of Deposit	$ -	$ 1,944,395	$ -	$ -	$ 1,944,395
Investments - Foundation					
Money market	$ 451,911	$ -	$ -	$ -	$ 451,911
Non-publicly traded funds	-	-	-	8,194,209	8,194,209
	$ 451,911	$ -	$ -	$ 8,194,209	$ 8,646,120
Investments - Held for Others					
Money market	$ 3,038,195	$ -	$ -	$ -	$ 3,038,195
Certificates of deposit	-	750,000	-	-	750,000
Mutual funds	164,262	-	-	-	164,262
Common stocks	35,769	-	-	-	35,769
Non-publicly traded funds	-	-	-	179,136,408	179,136,408
	$ 3,238,226	$ 750,000	$ -	$ 179,136,408	$ 183,124,634
Unsecured Promissory Notes					
Issued by the Foundation	$ -	$ 45,654,437	$ -	$ -	$ 45,654,437

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair Values Measured on Recurring Basis (Continued)

	2021				
	Level 1	**Level 2**	**Level 3**	**NAV(*)**	**Total**
Certificates of Deposit	$ -	$ 2,170,725	$ -	$ -	$ 2,170,725
Investments - Foundation					
Money market	$ 714,343	$ -	$ -	$ -	$ 714,343
Non-publicly traded funds	-	-	-	12,916,777	12,916,777
	$ 714,343	$ -	$ -	$ 12,916,777	$ 13,631,120
Investments - Held for Others					
Money market	$ 2,195,733	$ -	$ -	$ -	$ 2,195,733
Certificates of deposit	-	750,000	-	-	750,000
Mutual funds	182,060	-	-	-	182,060
Common stocks	44,765	-	-	-	44,765
Non-publicly traded funds	-	-	-	202,943,514	202,943,514
	$ 2,422,558	$ 750,000	$ -	$ 202,943,514	$ 206,116,072
Unsecured Promissory Notes					
Issued by the Foundation	$ -	$ 40,152,330	$ -	$ -	$ 40,152,330

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair Values Measured on Recurring Basis (Continued)

	2020				
	Level 1	Level 2	Level 3	NAV(*)	Total
Certificates of Deposit	$ -	$ 2,408,171	$ -	$ -	$ 2,408,171
Investments - Foundation					
Money market	$ 453,561	$ -	$ -	$ -	$ 453,561
Non-publicly traded funds	-	-	-	11,092,331	11,092,331
	$ 453,561	$ -	$ -	$ 11,092,331	$ 11,545,892
Investments - Held for Others					
Money market	$ 2,788,351	$ -	$ -	$ -	$ 2,788,351
Certificates of deposit	-	750,000	-	-	750,000
Mutual funds	475,296	-	-	-	475,296
Common stocks	21,620	-	-	-	21,620
Non-publicly traded funds	-	-	-	169,852,127	169,852,127
	$ 3,285,267	$ 750,000	$ -	$ 169,852,127	$ 173,887,394
Unsecured Promissory Notes					
Issued by the Foundation	$ -	$ 43,977,106	$ -	$ -	$ 43,977,106

Investments Measured at Net Asset Value Per Share or Equivalent (*)

In accordance with GAAP, certain investments that are measured using the NAV per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the carrying values disclosed in the accompanying statement of financial position. The following table discloses the nature and risks of the significant alternative investments at December 31:

	2022	2021	2020
Wespath Fixed Fund (1)	$ 29,470,771	$ 38,085,204	$ 52,893,284
Wespath Inflation Protection Fund (2)	8,386,758	4,781,679	2,250,000
Wespath Multiple Asset Fund (3)	73,215,842	81,604,676	13,296,475
Wespath US Equity Fund (4)	54,737,907	65,352,925	83,329,209
Wespath International Equity Fund (5)	20,310,694	24,936,706	29,175,490
Wespath US Treasury IPF (6)	1,208,645	1,099,101	-
	$ 187,330,617	$ 215,860,291	$ 180,944,458

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments Measured at Net Asset Value Per Share or Equivalent (*) (Continued)

There are no unfunded commitments associated with these investments. The redemption period for all funds is up to 15 days for amounts over $2,000,000. Amounts under $2,000,000 do not have a redemption period before they can be liquidated.

(1) Wespath Fixed Income Fund – The Fixed Income Fund's investment objective is to earn current income while preserving capital by primarily investing in a diversified mix of Fixed Income securities.

(2) Wespath Inflation Protection Fund – The Fund's investment objective is to earn current income, while preserving capital, and to protect principal from long-term loss of purchasing power due to inflation through investments such as inflation-linked securities, inflation-sensitive commodities Derivatives, Senior Secured Floating Rate Loans, Securitized Products, Real Assets, Alternative Investments, and cash and Cash Equivalents.

(3) Wespath Multiple Asset Fund – The Multiple Asset Fund seeks to maximize long-term investment returns, including current income and capital appreciation, while reducing short-term risk by investing in a broad mix of investments.

(4) Wespath US Equity Fund – The US Equity Fund's investment objective is to attain long-term capital appreciation by investing in a broadly diversified portfolio that primarily includes Equities of companies domiciled in the U.S. and traded on a regulated U.S. stock exchange, and to a lesser extent, U.S. Private Equity and U.S. Private Real Estate.

(5) Wespath International Equity Fund – The International Equity Fund's investment objective is to attain long-term capital appreciation from a diversified portfolio of primarily non-U.S. domiciled companies traded on a stock exchange, non-U.S. Equity index Futures and, to a lesser extent, non-U.S. Private Equity and Private Real Estate.

(6) Wespath US Treasury Inflation Protection Fund – The Fund seeks to provide investors with current income and to protect principal from long-term loss of purchasing power due to inflation by investing primarily in U.S. Treasury Inflation Protected Securities (TIPS).

Loans

The Foundation extends loans to United Methodist churches in the North and South Georgia Annual Conferences and related entities. Term loans are for periods of five years to twenty years, with an interest rate reset every five years. Construction loans are generally for periods of up to one year, with fixed interest rates. The loans receivable are generally secured by property, plant, and equipment of the borrower and bear interest at various rates.

Loans that management has the intent and ability to hold for the foreseeable future or until maturity or payoff are reported at the principal balance outstanding, net of an allowance for loan losses. Interest income is accrued on the unpaid principal balance.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Loans (Continued)

Interest income on term and constructions loans is discontinued and placed on non-accrual status when, in management's opinion, collection of principal or interest is considered doubtful.

All interest accrued but not received for loans placed on non-accrual status is reversed against interest income.

Interest received on such loans is accounted for on the cash-basis method, until qualifying for return to accrual. Under the cash-basis method, interest income is recorded when the payment is received. Loans are returned to accrual status when all the principal and interest amounts contractually due are brought current and future payments are reasonably assured.

Allowance for Loan Losses

The allowance for loan losses is a valuation allowance for probable incurred credit losses. Loan losses are charged against the allowance when management believes the uncollectibility of a loan balance is confirmed. Subsequent recoveries, if any, are credited to the allowance upon receipt. Management estimates the allowance balance required using loan loss experience, the nature and volume of the portfolio, information about specific borrower situations and estimated collateral values, economic conditions, and other factors. Allocations of the allowance may be made for specific loans, but the entire allowance is available for any loan that, in management's judgment, should be charged off.

The allowance consists of specific and general components.

Specific Component

The specific component relates to loans that are individually classified as impaired when, based on current information and events, it is probable that the Foundation will be unable to collect all amounts due according to the contractual terms of the loan agreement. Loans for which the terms have been modified resulting in a concession, and for which the borrower is experiencing financial difficulties, are considered troubled debt restructurings ("TDR") and classified as impaired.

Factors considered by management in determining impairment include payment status, collateral value, and the probability of collecting scheduled principal and interest payments when due. Loans that experience insignificant payment delays and payment shortfalls generally are not classified as impaired.

Management determines the significance of payment delays and payment shortfalls on case-by-case basis, taking into consideration all of the circumstances surrounding the loan and the borrower, including the length of the delay, the reasons for the delay, the borrower's prior payment record, and the amount of the shortfall in relation to the principal and interest owed.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Allowance for Loan Losses (Continued)

Specific Component (Continued)

TDRs are individually evaluated for impairment and included in the separately identified impairment disclosures. TDRs are measured at the present value of estimated future cash flows using the loan's effective rate at inception. If a TDR is considered to be a collateral dependent loan, the loan is reported, net, at the fair value of the collateral. For TDRs that subsequently default, the Foundation determines the amount of the allowance on that loan in accordance with the accounting policy for the allowance for loan losses on loans individually identified as impaired. The Foundation incorporates recent experience related to TDRs including, the performance of TDRs that subsequently default, into the calculation of the allowance by loan portfolio segment.

General Component

The general component covers loans that are collectively evaluated for impairment. The general allowance component includes loans that are individually evaluated but are not considered impaired. The general component is based on loss experience adjusted for current factors. The loss experience is determined by portfolio segment and is based on the actual losses experienced by the Foundation over the most recent years. This actual loss experience is supplemented with other economic factors based on the risks present for each portfolio segment, including national and local economic trends and conditions and industry conditions.

Property and Equipment

The Foundation capitalizes all expenditures in excess of $500 and with a useful life greater than one year. Property and equipment are stated at cost or estimated fair value at time of donation. Depreciation and amortization is computed using the straight-line method over the estimated useful lives of the assets, ranging from 3-10 years.

Net Assets

Net assets, along with revenues, expenses, gains and losses, are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Foundation and changes therein are classified and reported as follows:

- Net Assets Without Donor Restrictions - Net assets available for use in general operations and not subject to donor restrictions. Included within this category are Board-designated net assets, which are funds not specifically restricted by outside donors, but designated by the Board of Trustees for a specific purpose.

- Net Assets With Donor Restrictions - Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that such resources be maintained in perpetuity.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Assets (Continued)

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions.

The Board has designated a Liquidity Reserve of liquid or near liquid assets to ensure that it can meet its obligations in relation to the Private Placement Deposit Certificates outstanding. The Foundation intends to maintain sufficient liquidity to meet normal interest payments as they accrue and to repay principal amounts on outstanding certificates as they are presently projected to mature. The reserve amount shall not be less than ten percent (10%) of the first $1,000,000 in certificates outstanding, and five percent (5%) of any certificate amounts outstanding in excess of $1,000,000. The reserve amount is calculated each month and the level of the reserve is adjusted the following month, as appropriate.

Revenue Recognition

The Foundation has contracts with customers for investment management services in which it earns asset management fees. Asset management fees are accounted for under ASC Topic 606, Revenue from Contracts with Customers (ASC 606), recognizing revenue when performance obligations under the terms of the contracts with customers are satisfied. The Foundation recognizes asset management revenue over time as services are rendered. Revenue is based on a percentage of the market value of the assets under management. Fees are deducted from the customer’s account one billing period in arrears based on the prior period’s assets under management. The Foundation’s contracts with customers do not contain terms that require significant judgement to determine the amount of revenue to recognize. At December 31, 2022, 2021 and 2020, the Foundation does not have any material contract assets, liabilities, or other receivables related to contracts from customers.

Contributions are recognized when cash, other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met or the donor has explicitly released the restriction.

Functional Allocation of Expenses

The costs of providing the various programs and other activities are summarized on a functional basis in the accompanying statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses related to salaries and wages, payroll taxes and benefits, office expense, marketing and publicity, and dues and subscriptions are allocated based on actual percentages of time spent in each functional area. Rent, insurance, depreciation, telephone, repairs and maintenance, and a portion of computer and data processing are allocated based on estimates of square foot usage.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes

The Foundation is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code, as amended, and is classified by the Internal Revenue Service as other than a private foundation. Accordingly, no provision or liability for federal and state income taxes has been recorded in the accompanying financial statements.

The Foundation annually evaluates all federal and state income tax positions. This process includes an analysis of whether these income tax positions the Foundation takes meet the definition of an uncertain tax position under the Income Taxes Topic of the Financial Accounting Standards Codification. In the normal course of business, the Foundation is subject to examination by the federal and state taxing authorities. In general, the Foundation is no longer subject to tax examinations for tax years ending before December 31, 2019.

Reclassifications

Certain reclassifications were made to prior year balances to conform with the current year presentation.

Subsequent Events

Management has evaluated subsequent events through the date of this report, which is the date the financial statements were available to be issued.

NOTE 3 – ENDOWMENT FUNDS

GAAP requires the following financial statement disclosures for the Foundation:

- Classification of net assets

  Endowment funds are used to account for investments in which the principal is donor-restricted or Board-designated for a specific purpose.

- Interpretation of Relevant Law

  The Foundation has interpreted the Uniform Prudent Management of Institutional Funds Act ("UPMIFA"), enacted in the state of Georgia, as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies net assets with donor restriction as the original value of gifts donated to the donor restricted endowment, and the original value of subsequent gifts to the donor restricted endowment. Investment income from the donor restricted endowment is classified as net assets with donor restrictions (a purpose restriction) until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the donor stipulated purpose within the standard produce prescribed by UPMIFA.

NOTE 3 – ENDOWMENT FUNDS (Continued)

- Interpretation of Relevant Law (Continued)

  In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

  (1) The duration and preservation of the fund
  (2) The purposes of the Foundation 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 Foundation
  (7) The investment policies of the Foundation

- Return Objectives and Risk Parameters

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

  Accordingly, under this policy, as approved by the Board of Trustees, the endowment assets are invested in a manner that is intended to produce an annual return in excess of the CPI plus 3% while maintaining prudent risk limits. Actual returns in any given year may vary from the objective.

- Spending Policy and Strategies Employed for Achieving Objectives

  The Foundation’s spending policy reflects the fundamental objective of preserving and enhancing the resources of the Foundation, both at present and in the future. Current spending and the long-term objectives of preserving and enhancing the assets are balanced by considerations given to reasonable expectations of investment returns, contributions, operating expenses, and inflation. In the absence of donor restrictions related to appropriations from the endowment, the Foundation has a policy of appropriating for distribution each year 4.5% of a 12-quarter moving average of the endowment fund portfolio value, ending on the last trading day in September. The amount calculated is budgeted for spending during the following year. The Foundation also has a policy of appropriating for distribution each year amounts that are required to be distributed under the terms of donor-restricted endowment agreements and amounts needed to fund grants and other distributions. In establishing these policies, the Foundation considered the long-term expected return on its endowment. Accordingly, over the long term, the Foundation expects the current spending policy to allow its endowment to grow at a rate that will maintain the purchasing power of the endowment assets held in perpetuity as well as to provide additional real growth through new gifts and investment return.

NOTE 3 – ENDOWMENT FUNDS (Continued)

- Underwater Endowment Funds

  The Foundation considers a fund to be underwater if the fair value of the fund is less than the sum of (a) the original value of initial and subsequent gift amounts donated to the fund and (b) any accumulations to the fund that are required to be maintained in perpetuity in accordance with the direction of the applicable donor gift instrument. The Foundation has complied with UPMIFA to permit spending from an underwater endowment. There were no such deficiencies as of December 31, 2022, 2021, and 2020.

The following is a reconciliation of the beginning and ending balances of the Foundation's endowment net assets for the years ended December 31, 2022, 2021, and 2020:

	Board Designated Endowment Funds Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, December 31, 2019	$ 375,732	$ 133,163	$ 508,895
Investment return, net	81,801	-	81,801
Appropriation of assets for expenditure	(10,846)	-	(10,846)
Endowment net assets, December 31, 2020	446,687	133,163	579,850
Investment return, net	44,653	-	44,653
Appropriation of assets for expenditure	(11,768)	-	(11,768)
Endowment net assets, December 31, 2021	479,572	133,163	612,735
Investment loss, net	(84,224)	-	(84,224)
Appropriation of assets for expenditure	(12,637)	-	(12,637)
Endowment net assets, December 31, 2022	$ 382,711	$ 133,163	$ 515,874

NOTE 4 – LOANS RECEIVABLE, NET

The Foundation's loan portfolio consists of loans to churches and entities associated with the Annual Conferences, and these loans were made out of a pool of funds invested with the Foundation through the Loan Program. The Foundation approves these loans based upon specific Board approved criteria, and most loans are secured by the individual entity's land, buildings, and equipment. In order to reduce its risk and to diversify the portfolio, the Foundation, under terms and limits established by the Board of Trustees, may sell portions of larger loans to other entities in the form of participations.

NOTE 4 – LOANS RECEIVABLE, NET (Continued)

The purpose of the Foundation's loan program is to make first-lien mortgage loans to church congregations, districts, mission institutions, and extension agencies within the Annual Conferences for the purchase, construction, expansion, or major improvements of churches, parsonages, or mission buildings or the refinancing of loans made for those purposes. Construction period loans are interest-only until the construction period is complete and the construction loan is closed into a permanent loan. Terms of the non-construction loans range from five to twenty years. Loans with terms longer than five years generally have an interest rate reset provision where the interest rate paid during the loan is reset every five years to the market rate at that time. At December 31, 2022, the Foundation's portion of the loan portfolio had interest rates ranging from 2.00% to 5.25% depending on the loan.

Major classifications of loans are as follows.

	2022	2021	2020
Term loans	$ 44,960,561	$ 34,207,638	$ 31,361,227
Construction period loans	449,686	513,798	2,854,127
	45,410,247	34,721,436	34,215,354
Less: participations on term loans	(9,388,896)	(2,398,588)	(2,664,539)
Less: allowance for loan losses	(650,000)	(650,000)	(500,000)
	$ 35,371,351	$ 31,672,848	$ 31,050,815

The Foundation considers a loan to be impaired when it is probable that it will be unable to collect all amounts due according to the original terms of the loan agreement. Impaired loans may include loans which are not accruing. Nonaccrual loans are those in which the collection of interest is not probable and all cash flows are recorded as reductions in principal. Amounts of impaired loans that are not probable of collection are charged off immediately. At December 31, 2022, 2021 and 2020, the Foundation has no loans it considered impaired.

NOTE 5 – UNSECURED PROMISSORY NOTES PAYABLE

The Foundation issues unsecured promissory notes payable in the form of Term Certificates to fund its Loan Program. These notes payable are issued in accordance with Georgia Securities Code Section 10 - 5 - 10(7), Exemptions From Registrations. The terms and conditions of these certificates are set forth in Offering Memorandums. Under the terms of these Offering Memorandums, the funds are not revolving. Interest is paid quarterly or reinvested as principal, depending on the payment terms selected by the investor. Upon maturity, the investor may elect to redeem or renew the certificate. Renewals are reissued under the Offering Memorandum in effect at that time.

On August 16, 2019, the Foundation filed an Offering to issue up to $25 million unregistered, unsecured promissory notes through August 15, 2020. On August 16, 2020, the Foundation filed an Offering to issue up to $25 million unregistered, unsecured promissory notes through August 15, 2021. On August 16, 2021, the Foundation filed an Offering to issue up to $30 million unregistered, unsecured promissory notes through August 15, 2022. On August 16, 2022, the Foundation filed an Offering to issue up to $30 million unregistered, unsecured promissory notes through August 15, 2023.

NOTE 5 – UNSECURED PROMISSORY NOTES PAYABLE (Continued)

Annual maturities of time deposits for years ending December 31 are as follows:

2023	$ 20,167,401
2024	22,169,214
2025	2,081,524
2026	1,236,298
	$ 45,654,437

Term notes have maturity dates ranging from one year to four years and paid interest in the range of 0.90% to 4.00% during 2022 depending upon the term of the certificate and the amount deposited.

Included in the unsecured promissory notes payable are notes payable of $12,127,302, $6,630,315, and $6,940,714, as of December 31, 2022, 2021 and 2020, respectively, issued to entities that maintain managed funds at the Foundation.

NOTE 6 – LINE OF CREDIT

The Foundation maintains a line of credit agreement with a financial institution. Available borrowings related to the agreement are $750,000, with an interest rate of 2.25% and a maturity date of June 2023. The line is secured with the Foundation's bank accounts and certificates of deposit at the financial institution. No balance was outstanding at December 31, 2022, 2021 and 2020.

NOTE 7 – LEASES

The Foundation leases certain office facilities under a non-cancelable operating lease agreement with terms exceeding one year which will expire in September 2025. The Foundation recognized the lease liability of $317,717 and the right-of-use asset of $317,717 on October 1, 2020, the lease commencement date, which represents the present value of future lease payments using a discount rate of 0.26%, the five-year treasury rate effective October 2020.

At December 31, 2022, the Foundation's operating lease liability was comprised of the following:

Gross operating lease liability	$ 181,260
Less: Imputed interest	(664)
Present value of operating lease liability	180,596
Less: current portion of operating lease liability	(63,169)
Long-term operating lease liability	$ 117,427

NOTE 7 – LEASES (Continued)

The schedule below summarizes the future minimum annual lease obligations for the years ending December 31:

2023	$ 63,169
2024	65,077
2025	53,014
	181,260
Less: present value discount	(664)
	$ 180,596

NOTE 8 – NET ASSETS

Net assets with donor restrictions consists of the following at December 31:

	2022	2021	2020
Subject to expenditure for specified purpose:			
Donor advised funds	$ 2,269,709	$ 2,696,891	$ 2,447,047
Split interest agreements	187,453	308,618	362,007
Grant fund	299,327	295,900	68,614
Clergy financial leadership academy	-	1,357	650
Missions	1,382	1,382	1,382
	2,757,871	3,304,148	2,879,700
Subject to spending policy and appropriation:			
Perpetually restricted net assets, earnings restricted for general operations	133,163	133,163	133,163
Total net assets with donor restrictions	$ 2,891,034	$ 3,437,311	$ 3,012,863

NOTE 8 – NET ASSETS (Continued)

The Board of Trustees has designated net assets without donor restrictions at December 31 for the following purposes:

	2022	2021	2020
Undesignated	$ 4,374,745	$ 6,175,653	$ 5,919,027
Board designated			
Program restriction	239,994	304,863	286,855
General operations	142,716	174,709	159,832
Liquidity reserve	2,167,556	2,258,961	2,232,984
Total board designated	2,550,266	2,738,533	2,679,671
	$ 6,925,011	$ 8,914,186	$ 8,598,698

NOTE 9 – LIQUIDITY AND AVAILABILITY OF RESOURCES

For purposes of analyzing resources available to meet general expenditures for subsequent years, the Foundation considers financial assets that will be collected and available for programs that are ongoing to the Foundation. Financial assets available within one year are as follows:

	2022	2021	2020
Cash and cash equivalents	$ 6,439,911	$ 4,599,218	$ 10,069,874
Investments	193,715,149	221,917,917	187,841,457
Loans receivable, net	35,371,351	31,672,848	31,050,815
Other	239,489	228,308	225,820
Financial assets, at year end	235,765,900	258,418,291	229,187,966
Less amounts not available for general expenditures within one year:			
Board designated funds	(2,550,266)	(2,738,533)	(2,679,671)
Donor restricted funds	(2,891,034)	(3,437,311)	(3,012,863)
Loan receivable due after one year	(30,584,903)	(28,616,907)	(26,212,767)
Investments held for others	(180,192,188)	(206,116,072)	(173,887,394)
	(216,218,391)	(240,908,823)	(205,792,695)
Financial assets available to meet cash needs for general expenditures within one year	$ 19,547,509	$ 17,509,468	$ 23,395,271

NOTE 9 – LIQUIDITY AND AVAILABILITY OF RESOURCES (Continued)

The Foundation is principally supported by contributions, asset management fees, interest income and investment return. The Foundation operates with a balanced budget and anticipates having sufficient resources to cover general expenditures. As described in Note 6, The Foundation also maintains a line of credit in the amount of $750,000, which it could draw upon in the event of an unanticipated liquidity event.

NOTE 10 – RETIREMENT PLANS

Foundation employees participate in two separate pension plans sponsored by Wespath. Lay employees participate in the Defined Contribution Plan, in which the Foundation contributes 6% of the employee's salary. Conference-appointed clergy participate in a Wespath pension plan that is sponsored by the Conference in which they are a member. These plans may contain both a defined contribution and a defined benefit portion. This percentage ranged between 12% and 13%. Pension expense for all employees totaled $52,857, $58,221, and $63,385 for the years ending December 31, 2022, 2021 and 2020, respectively.

NOTE 11 – RELATED PARTIES

While the Foundation is an autonomous legal entity, its purpose has always been to support the functions of the Annual Conferences, its churches, members, and affiliates. Therefore, the great majority of its activities are with parties related to the Church, Annual Conferences and their connectional units, local church congregations, etc. Accordingly, related party transactions include the following:

- The entire balance of investments held for others consists of funds from the Annual Conferences, UMC churches, organizations and institutions, and related foundations and related individuals. The Foundation's entire Loan Program is made up of Annual Conferences, UMC churches, related foundations, and related individuals.

- Several members of the Board of Trustees belong to Churches and Conference-related entities that have loans with the Foundation.

- Several members of the Board of Trustees have invested personally in the private placement certificates of deposit totaling $94,304, $43,549, and $42,529 at December 31, 2022, 2021 and 2020, respectively.

- Several members of the Board of Trustees have established endowments managed by the Foundation with a total market value of $ $57,456, $60,503, and $46,987 at December 31, 2022, 2021 and 2020, respectively.

NOTE 12 – PAYCHECK PROTECTION PROGRAM

In April 2020, in response to the global pandemic, the Foundation applied for and received a $163,300 loan through the Paycheck Protection Program under the CARES Act. The loan was forgiven in full in March 2021. As of December 31, 2020, the Foundation had met the conditions for full forgiveness. Therefore, the proceeds of the loan are recorded as revenue in the accompanying financial statements for the year ended December 31, 2020.