



Stewardship Connections with Integrity

2024 ANNUAL REPORT

STEWARDSHIP CONNECTIONS

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Why Our Churches Lie at the Heart of AF's Stewardship Ministry

By Paul A. Miller, Executive Administrator

Guard Against Becoming a Mega-Deacon

Anabaptist Financial and Anabaptist Foundation are a para-church stewardship ministry. AF provides kingdom-focused investments and loans, charitable services, and stewardship education to members of conservative Anabaptist churches across the United States. This naturally draws our staff into the areas of tension our churches experience as they wrestle with the inclination toward materialism enabled by prosperity in our times.

As we work with our clients, we constantly guard against becoming a *mega-deacon* in our constituency, inadvertently displacing the authority God vests in our local churches. So AF works with a constant awareness that our role is not to lead or follow but to “para” (come alongside) of our local churches. In this context, we ask ourselves, “Why are our churches at the heart of AF’s stewardship ministry?”

Local Churches “Guard” the Image of Christ Displayed Through Them

Jesus began His earthly ministry by *preaching the gospel of the kingdom of God, and saying, The time is fulfilled, and the kingdom of God is at hand* (Mark 1:14b-15a). He ended His time on earth by giving His apostles the power and authority to present the gospel of the kingdom to the whole world by establishing the church. But they were slow to understand His plan. As the time of His crucifixion drew near, He began to prepare the disciples for His pending departure. Judas (not Iscariot) then posed a question illustrating their lack of understanding, *How is it that thou wilt manifest thyself unto us, and not unto the world?* Jesus responded, *“If a man love me, he will keep my words: and my father will love him, and we will come unto him, and make our abode with him”* (John 14:22-23).

Today we understand these words of Jesus well enough in and of themselves. But how did they relate to Judas’ question? In His answer, Jesus implied a great truth—so audacious that it was beyond the disciples’ comprehension at that stage. Jesus’ bold and daring plan was to reveal Himself to the world by displaying Himself through the words, motivations, and actions of *their* lives.

The church was established as the body of Christ for this great purpose—to display Christ to the world through His people. A primary purpose of the church was to gather God’s children into local fellowships to *guard* the gospel. That is, to guard the *image of Christ* so He is accurately displayed to the world. This is why the people of God regularly assemble as church members for fellowship, discipleship, and discipline. We hold each other accountable so that our communities may see

Continued on page 3 »

From the Board of Directors

Don't Stop Praying is a yard sign I have seen numerous times in our community. I don't know what the motive is behind planting this sign, but it has caused me to ponder the point. Who is praying and why would one stop praying?

Prayer is the language of the Christian. Jesus taught His followers to pray and to be persistent in prayer (Luke 18:1). Even Jesus prayed earnestly to the Father, sometimes all night and with sweat *as it were great drops of blood* before His crucifixion. Other words used in our New Testament for prayer are supplications, intercessions, and giving of thanks for all men (1 Timothy 2:1). If our concern is to have our voice be heard in government, why not reach out to the One who controls the global realm—our God who holds the King's heart in His hand (Proverbs 21:1).

What may be a major reason for one to stop praying? Maybe our faith is weak or trials and tribulation have overcome us. It may also be when we are distracted by the deceitfulness of riches and the cares of this world (Matthew 13:21-22). Let's not let this take root in our lives. *Don't stop praying!*

We as Anabaptist believers are in a period as never before in the history of America; we have great freedom of worship and wealth. At the same time, we also have some challenges that threaten our faith—the fervor of politics in this election year, the moral decay of society, and the LGBTQ agenda, to mention a few. Satan desires us to pray less, so he tries to get us to doubt that prayer works or is effective.

Let's not stop praying! Prayer connects us to the Lord God omnipotent who reigns (Revelation 19:6). The challenges we face are for us to bring them to God in prayer. Pray for wisdom to be faithful stewards with the prosperity He gives us. Pray for direction in where we make our investments. Pray for the administration and staff of Anabaptist Financial and Anabaptist Foundation. Pray for our government (1 Timothy 2:1). Pray without ceasing! (1 Thessalonians 5:17)



Kenneth Burkholder, Chairman of the Board



KEN BURKHOLDER
Weaverland Conference
Gordonville, PA



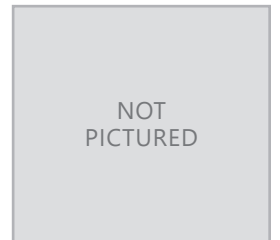
RICHARD HOOVER
Hope Mennonite Fellowship
Narvon, PA



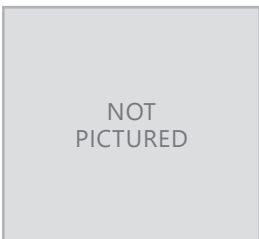
AMOS HURST, JR.
Mid-Atlantic Mennonite
Fellowship Lititz, PA



WAYNE KEIM
Anabaptist Disciples of Christ
Berlin, OH



LEON B. MARTIN
Groffdale Old Order Mennonite
Conference Ephrata, PA



STEVE STOLTZFUS
Old Order Amish
New Holland, PA



LARRY TROYER
Midwest Mennonite Fellowship
Sugarcreek, OH



M. DEAN WENGERD
Unaffiliated Mennonite
Chuckey, TN



ANDREW ZIMMERMAN
Hope Mennonite Fellowship
Mifflintown, PA



NATHAN ZIMMERMAN
Weaverland Conference
Reinholds, PA

« Continued from cover *Why Our Churches*

Christ in us despite our humanness.

“I Want Christ to be Seen Through My Business”

Anabaptist businesspeople share in *guarding the gospel* in their local churches. We hear their recurring theme, *I want Christ to be seen through my business*. To be an Anabaptist business owner presents a great witness opportunity. In a worldly culture motivated by greed and pride, secular businesses are generally oriented around their owners’ selfish interests and godless values. By contrast, business owners in our churches have an opportunity to show selfless love and humility ordered around serving others as Jesus did.

The role of AF’s stewardship ministry is to *come alongside* of our clients to help integrate Biblical principles of Christ-like servanthood so Jesus may be seen through their business. By teaching practical skills and training them in best business practices, we help business leaders represent Christ well as members of their churches and communities.

AF’s Role is to “Para,” Come Alongside of Our Churches

AF is not an independent authority structure, however, established on a stand-alone basis to bring Christian disciplines to our business clients. Our role is to *come alongside* of our local churches to help their business members represent Jesus as part of their church witness in their communities. We seek ways to *come alongside* of and support local churches. In this way, we are joined with our churches to show Christ through the witness of God’s assembled people in their communities.

Seeking to Make Our Local Churches the Heart of AF’s Stewardship Ministry

We seek to demonstrate alignment of AF teaching with local conventions and Biblical values. We seek to bring respectful, considerate change by helping business owners overcome entrenched attitudes and business practices that misrepresent Christ. We seek to come alongside churches by teaching personal stewardship to their families and youth. We seek to provide financial counsel consistent with conservative Anabaptist beliefs and values. In all these ways, we seek to recognize the authority of the church and local church leaders. This is how our churches lie at the heart of AF’s stewardship ministry.

Deacon Resources

AF offers all resources, including articles, booklets, and recordings at no cost to those who commit to using them.

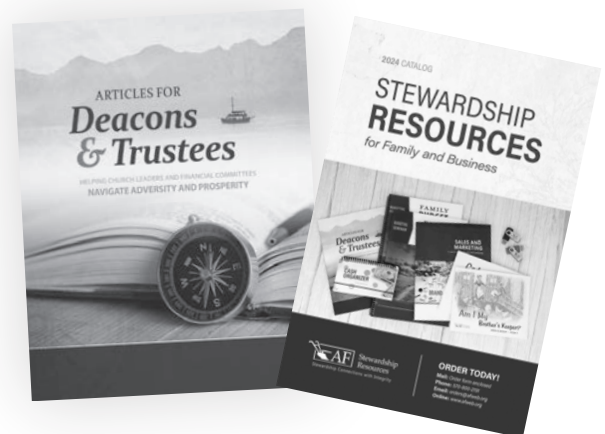
Church leaders, financial advisors, and trustees are called to help guide our Anabaptist people through financial adversity and prosperity. It takes much love, compassion, and wisdom to take up this responsibility. In this section, you will find various resources to help guide you in your responsibility to help others.

Three ways to order resources:

Phone: 570-800-2191

Email: orders@afweb.org

Online: www.afweb.org





**Anabaptist
Financial**

Stewardship Connections with Integrity

LOANS PROGRAM


Anabaptist Financial places investments from constituents into our loans pool. We provide financing to the conservative Anabaptist constituency for agricultural, commercial, and residential real estate loans (residential loans are not offered in all states). We do not offer loans for automobiles and other consumer items.

Our goal is to promote brotherhood assistance and good stewardship connections among borrowers and lenders to advance the kingdom of God within the Anabaptist brotherhood. Anabaptist Financial offers loans to members in good standing of churches who adhere to the 1963 Mennonite Confession of Faith or similar earlier confessions.

Fire and Storm Coverage

All loan collateral must be covered by a verified protection plan for fire, storm, and theft. Brotherhood aid plans are acceptable coverage.

Loan Default Plan

Delinquent loans with no acceptable resolution will require a church-appointed oversight committee. 

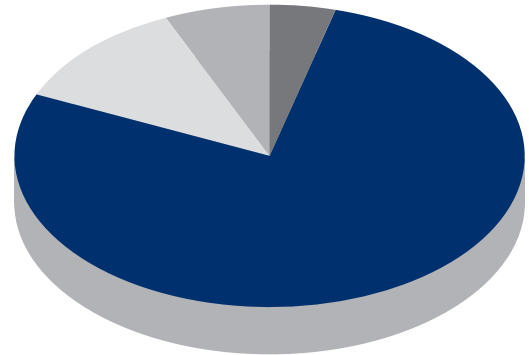


LOANS BY TYPE

AS OF JUNE 30, 2024

77.5%	18%	2.7%	1.5%	0.3%
Business Real Estate	Home Mortgages	Non-Profit	Business Operating	Business Operating
\$551,703,647	\$127,545,824	\$19,209,464	\$10,583,000	\$2,027,801

see Subtypes
listed below



TOTAL: \$711,069,736

BUSINESS REAL ESTATE LOANS

BY SUBTYPES

Ag - Cash Crop	\$69,545,354.26
Com - Wood Manufacturing	\$58,604,211.49
Com - Residential Rentals	\$54,834,363.06
Com - Other	\$42,679,370.48
Ag - Other	\$38,706,373.09
Bare Land - Investment	\$34,730,695.02
Ag - Dairy	\$33,579,788.12
Ag - Beef	\$33,233,932.25
Com - Other Retail	\$28,444,717.16
Ag - Poultry	\$27,620,128.23
Com - Commercial Rentals	\$24,414,102.05
Com - Metal Working	\$16,546,207.88
Com - Bulk Food/Grocery/Deli	\$16,072,743.29
Construction - Commercial	\$12,671,662.48
Com - Construction Contractor	\$12,062,326.75
Ag - Produce	\$10,090,984.83
Com - Auto Service & Sales	\$9,745,778.47
Com - Sawmill/Timber/Pallet	\$6,347,193.66
Ag - Timber	\$6,147,500.31
Ag - Hog	\$3,807,382.00
Non-Conforming Residential	\$2,595,194.95
Other	\$9,223,637.56

LOANS BY STATE

Pennsylvania.....	1,205
Ohio.....	521
New York.....	236
Virginia.....	178
Michigan.....	142
Missouri.....	119
Montana.....	90
Maryland.....	67
Indiana.....	63
Kentucky.....	55
Idaho.....	46
North Carolina.....	46
Colorado.....	42
Wisconsin.....	36
Oregon.....	34
South Carolina.....	30
Minnesota.....	30
Georgia.....	29
Illinois.....	26
Wyoming.....	26
Tennessee.....	25
Iowa.....	23
West Virginia.....	21
California.....	18
Washington.....	18
Texas.....	16
Kansas.....	16
Oklahoma.....	14
Delaware.....	11
Nevada.....	11
Arkansas.....	10
New Jersey.....	9
Mississippi.....	9
Florida.....	8
Maine.....	8
New Mexico.....	8
Nebraska.....	6
Massachusetts.....	4
Alaska.....	2
North Dakota.....	2
Alabama.....	2
Arizona.....	2
South Dakota.....	1
Utah.....	1
Grand Total.....	3,266

Whom We Serve

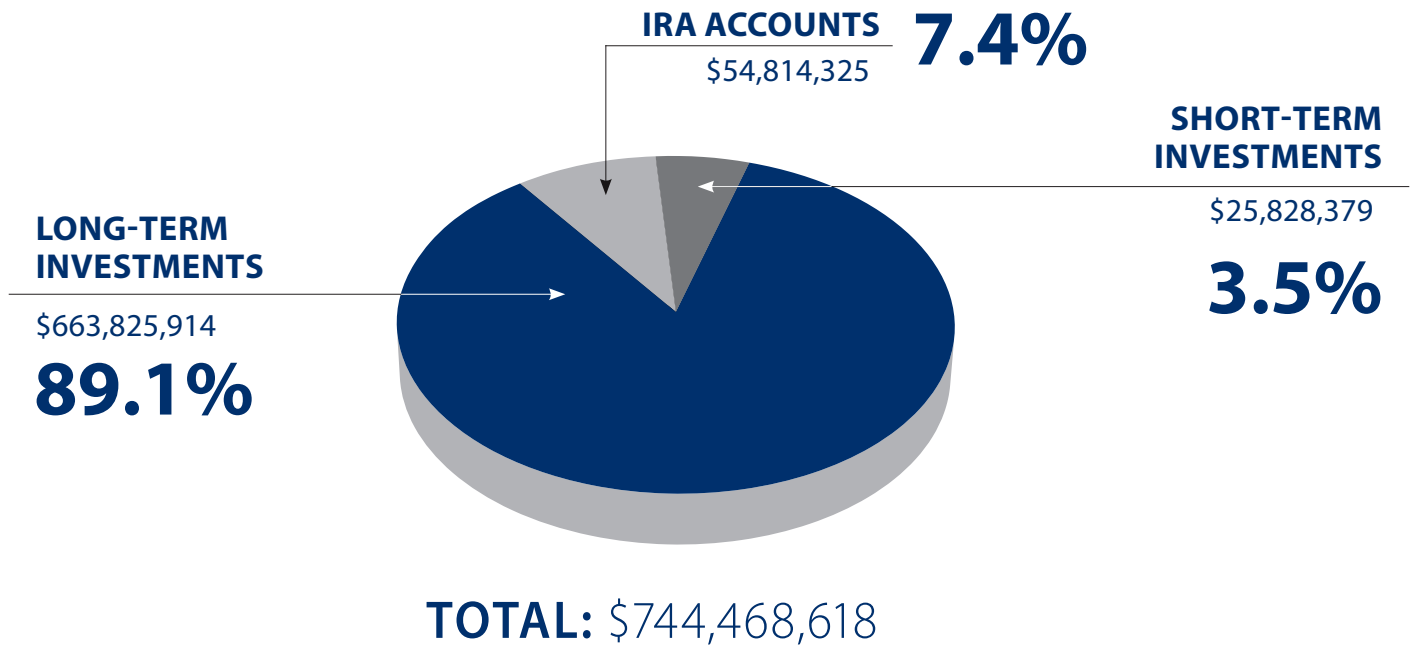
Anabaptist Financial serves conservative Anabaptist families, churches, and communities with stewardship-based educational, financial, and charitable gift services.

Brotherhood accountability and mutual aid are foundational to our existence and operations. Participation is limited to those who adhere to the 1963 Mennonite Confession of Faith or earlier similar confession such as the Garden City Confession (1921), Dordrecht Confession of Faith (1632), and Schleithem Confession (1527).

Church affiliation matters because it is a valid reflection of whom we are structured to serve and the level of accountability we value. In our motto, *Stewardship Connections with Integrity*, our core value of connections assumes shared beliefs and practices, and our core value of integrity is measured by accountability to others. The following list is not comprehensive, but it is representative of the church community we seek to serve.

- Agape Christian Churches
- Appalachian Mennonite Church
- Amish Churches
- Anabaptist Disciples of Christ
- Beachy Amish Churches
- Bethel Fellowship
- Biblical Mennonite Alliance
- Bible Mennonite Fellowship
- Charity Fellowship
- Church of the Brethren (Conservative)
- Conservative Mennonite Churches of York and Adams Counties, PA
- Cumberland Valley Mennonite Churches
- Dunkard Brethren
- Eastern Pennsylvania Mennonite Churches
- Groffdale Old Order Mennonite Conference
- Haven Mennonite Fellowship
- Hope Mennonite Fellowship
- Kleine Gemeinde
- Keystone Mennonite Fellowship
- Little Flock Mennonite Churches
- Meadow Springs Conference
- Mennonite Christian Fellowship
- Mid-Atlantic Mennonite Fellowship
- Midwest Mennonite Fellowship
- Midwest Conference
- Nationwide Fellowship
- Northeastern Mennonite Conference
- Old German Baptist Brethren
- Old Order Mennonite
- Pilgrim Mennonite Conference
- River Brethren
- Snyder County Mennonite Conference
- South Atlantic Mennonite Conference
- Southeastern Mennonite Conference
- Unaffiliated Amish Mennonite Churches
- Unaffiliated Mennonite Churches
- Washington-Franklin Mennonite Conference
- Weaverland Conference
- Western Conservative Mennonite Conference
- Wisler Mennonite

INVESTMENTS BY TYPE



GROWTH OF TOTAL INVESTMENTS — FISCAL YEARS ENDING JUNE 30





Anabaptist
Foundation

Stewardship Connections with Integrity

Why does Anabaptist Foundation exist?

Scripture teaches that all things belong to God. King David wrote in Psalm 24:1, *The earth is the LORD's and the fullness thereof; the world and they that dwell therein.* As Creator, God owns the earth with all its resources and even all its people.

A steward is a manager trusted to use another's things. God's desire is to build a spiritual relationships with us; therefore, He allows us to use His resources to meet our needs, to build His Kingdom, and to help others. These important tasks require stewards to ask God for wisdom (which He freely grants) and to exercise discretion in decision-making. I Corinthians 4:2 affirms that *it is required in stewards that a man be found faithful.*

Anabaptist Foundation's goal is to walk with you as you seek to be a faithful steward. Our mission statement is to *Channel resources within the Kingdom of Christ while Providing stewards with financial counsel consistent with conservative Anabaptist beliefs and values.*

Who does Anabaptist Foundation serve?

We exist to serve conservative Anabaptist donors, churches, and charities. Our bylaws and legal documents define our purpose as serving churches, charities, and individuals who support the 1963 Mennonite Confession of Faith or earlier conservative Anabaptist confessions of faith such as the Schleithem Confession of 1527 and the Dordrecht Confession of 1632. In practice, we serve Amish, conservative Mennonites, and conservative Brethren-related groups.

What does Anabaptist Foundation actually do?

Many of our clients wish to give anonymously, following the teaching of Matthew 6:1-4. Giving anonymously allows all appreciation and gratitude to flow toward God. We help stewards make anonymous gifts to churches and charities, primarily through our Charitable Gift Fund, which is an IRS



Take heed that ye do not your alms before men, to be seen of them: otherwise ye have no reward of your Father which is in heaven. Therefore when thou doest thine alms, do not sound a trumpet before thee, as the hypocrites do in the synagogues and in the streets, that they may have glory of men. Verily I say unto you, They have their reward. But when thou doest alms, let not thy left hand know what thy right hand doeth: That thine alms may be in secret: and thy Father which seeth in secret himself shall reward thee openly.

matthew 6:1-4



approved *donor-advised fund*. We also provide teaching regarding stewardship and finances.

The Foundation is a 501(c)(3) organization which means that donations given to Anabaptist Foundation qualify for a tax-deductible contribution receipt. When donors make contributions to the Foundation, we place those contributions into segregated accounts tagged to the donor, donor business, or donor family. The funds stay there until the donor requests us to forward the funds to a specific church or charity. Donors may give to churches, to programs which operate as integrated auxiliaries of churches, and to tax-exempt charities. *Our Guidelines for Giving* policy defines and outlines these opportunities.

In our 2023-2024 fiscal year which ended on June 30, Anabaptist Foundation received contributions of \$60,261,525. This was an increase of 48.7% over the previous fiscal year. During the 2023-2024 fiscal year, the Foundation issued 5,104 gift disbursements totaling \$38,405,210 to a wide variety of churches and charities.

All income earned by the Foundation, in excess of our operating costs, is used to provide free services to churches and charities, support church alms funds via our Charity Hardship Fund, and fund stewardship education for families, deacons, and church-appointed financial trustees through our Stewardship Education Fund. As the LORD blesses our work, we wish to be a blessing to those we serve.

What types of gifts does the Foundation manage?

Most contributions to the Foundation are in cash, but we can help donors contribute a wide range of assets. Some non-cash assets, such as appreciated real estate and stock, bring favorable tax benefits. Please see the chart on page 8 for information on our gifts processed during the 2023-2024 fiscal year.

What other services does the Foundation provide?

Our **Stewardship Education Fund** supports Biblical teaching on finances and stewardship within our church circles. Donations to this fund, and the income the Foundation earns from its activities, are used to offer seminars, books, recordings, and other educational resources at no cost to the recipients, including the Young Family Finance seminar, Family Budgeting seminar, and Deacon and Trustee seminar.

Our **Amos & Mandy** book series for children provides age-appropriate teaching on Biblical stewardship and finances. To date, there are four books in the series with 77,432 copies in print. The first two books are now also available in High German.

Our **Charity Hardship Fund** supports church alms and deacon funds in congregations facing large, urgent brotherhood-assistance needs. Access to up-front funding in the form of low- or no-interest loans enables local congregations to negotiate significant discounts with medical providers, while providing

time to raise local support. During our last fiscal year, we were able to support 15 different church alms funds with about \$1.8 million of interest-free loans so they could secure better discounts while addressing local brotherhood needs. Most of the available funds are currently in use due to a significant increase in requests recently from deacons for Charitable Hardship Fund assistance with alms needs. Donations to the Charity Hardship Fund are tax-deductible.

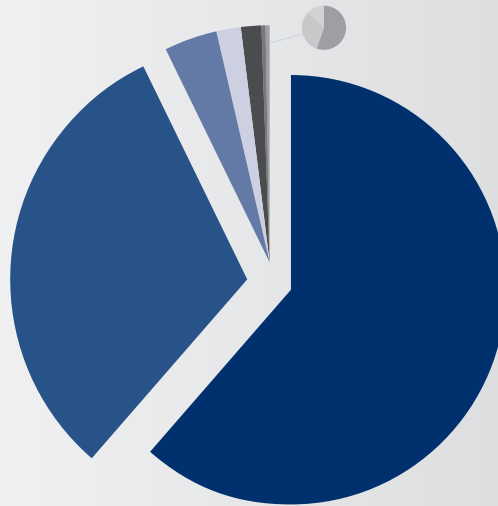
The Foundation manages 13 **endowment accounts** to benefit conservative Anabaptist ministries. At the end of our last fiscal year, we held \$1,993,722 in endowment accounts. Ten schools and nonprofit organizations qualified for payouts totaling \$130,907.

Most states require charities to register annually with their Secretary of State or Attorney General's offices if the charity solicits donations from people in its state. This requirement is an attempt by the states to help protect

Charitable Gift Fund			
	2021/2022	2022/2023	2023/2024
Number of accounts managed	561	634	758
New contributions	\$35,273,592	\$40,525,062	\$60,261,525
Gifts issued to churches and charities	3,770	4,469	5,104
Amount distributed	\$25,314,055	\$35,763,957	\$38,405,210

Types of assets contributed

- **CASH, CHECKS, OR ACH TRANSFERS** = \$37,157,423
- **BUSINESS INTERESTS** = \$18,903,600
- **REAL ESTATE** = \$2,182,600 (6 properties: 2 farms and 4 residential rental properties)
- **FOODSTUFFS (CANNED GOODS)** = \$1,008,900



- **PUBLICALLY TRADED SECURITIES** = \$687,940
- **FARM COMMODITIES** = \$126,696
- **SHEDS/MINIBARNS** = \$107,695
- **LUMBER** = \$61,669
- **EQUIPMENT** = \$25,000

Where were Charitable Gift Fund contributions sent?

\$11.3
MILLION

to 386 churches and church districts (most for alms and deacon funds)

\$23
MILLION

to 376 nonprofit organizations

\$4
MILLION


to 72 schools (much of it for building projects)

their citizens from fraudulent charities. If a charity is required to file the annual Form 990 with the IRS, it is likely also required to register with the state. Requirements vary from state to state and keeping track of it all can be complicated. Anabaptist Foundation's **Charitable Solicitation Registration Program** exists to help conservative Anabaptist charities address these complex registration requirements without diverting focus from their mission. This past fiscal year we served 46 charities by completing 658 filings.

How can you get involved?

Correction from August newsletter:

Donations made to the charitable gift fund of \$42.9 million were in calendar year 2023, not 2024 as previously stated.

If you would like to use Anabaptist Foundation to make anonymous gifts to churches and charities, we would be glad to help you set up a Charitable Gift Fund account. Please contact us at (800) 653-9817 or giftfund@afweb.org. If you would like to make a one-time, tax-deductible gift to the Stewardship Education Fund or the Charity Hardship Fund, make your check payable to **"Anabaptist Foundation"** with the appropriate fund named on the memo line. Then mail that check to Anabaptist Foundation, 55 Whisper Creek Drive, Lewisburg, PA 17837. 

2024 TAX DEDUCTION REMINDER

If you wish to receive a tax-deductible contribution receipt for a 2024 gift to Anabaptist Foundation, carefully follow these three steps:

1. Write your contribution check payable to **"Anabaptist Foundation."** Do not write "Anabaptist Financial," as that is a separate organization and does not handle gifts for the Charitable Gift Fund program.
2. Send your contributions to: **Anabaptist Foundation, 55 Whisper Creek Drive, Lewisburg, PA 17837.** Please do NOT send your contributions to our old discontinued New Columbia, PA, address. It will not be delivered to us, causing you to lose your 2024 tax deduction!
3. To receive a 2024 contribution receipt, your mail must be **postmarked no later than December 31, 2024.** The Internal Revenue Service stipulates that year-end receipt dates be determined by the postmark stamped on the envelope, not by the date on the check.

REMEMBER! Procrastination may cause you to lose a 2024 tax-deduction. At year-end, we must date contribution receipts by the date postmarked on the envelope, not by the day on which you say you mailed it. Postal processing machines regularly fail to stamp a postmarked date on mailed envelopes or sometimes stamp a later date from a distant postal processing center. And, dates stamped by your in-house postage meter do not qualify as a postmark for these purposes.

If it is essential that your contribution be receipted for 2024, but you delay mailing your contribution until near the end of the year, please take your envelope inside your post office and ask the clerk at the counter to **manually stamp it with a 2024 postmark.**

Avoid the pressure of year-end events and make your contribution now to lock in a 2024 contribution receipt!

Note: You can also fund your Gift Fund account with an ACH transfer.

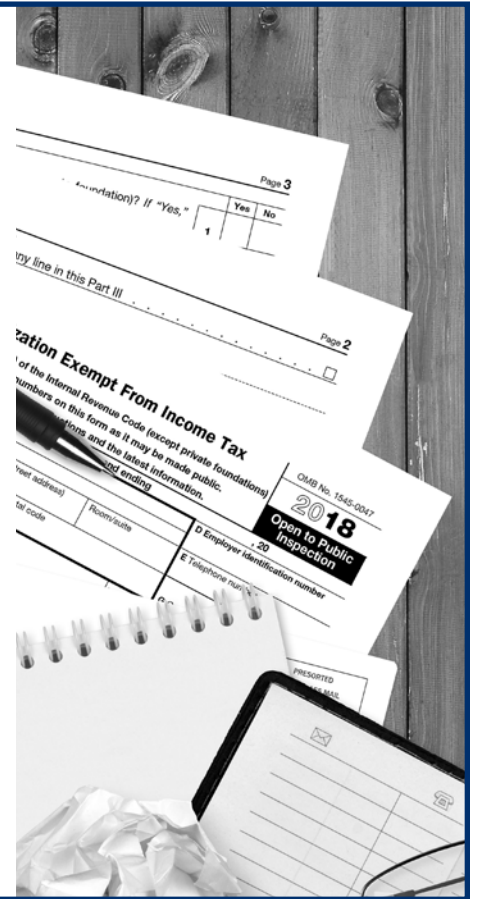
Please call us at 800-653-9817 or email giftfund@afweb.org to get this arranged.

Is your organization at risk?

Did you know that most states require 501(c)(3) organizations to register with a state agency before they solicit residents for charitable contributions? The term "solicitation" is broader than many charities assume. Many of our conservative Anabaptist organizations are out of compliance on this issue. Anabaptist Foundation is in a unique position to help. Our Charitable Solicitation Registration program (CSR) is available for conservative Anabaptist nonprofit organizations wanting assistance to become compliant with state registration laws and avoid fines. This service enhances awareness of compliance issues and provides an easy-to-use service that enables your organization to engage in nationwide fundraising.

Contact Mark Anthony Peachey at (570) 261-7490 or email markpeachey@afweb.org

Disclaimer: Anabaptist Foundation is willing to assist you with your paperwork, but we do not offer legal advice. Your ministry is responsible to check with your attorney to make sure you are in compliance with the Charitable Solicitation Registration laws.



LAND AND HOUSES FOR CHARITY

Avoid capital gains tax and redirect funds to church work or charity by gifting all or a portion of your property.

- Supporting God's work is the most important priority; significant tax advantages also exist.
- If you are considering the sale of a property and expect to owe capital gains taxes on the appreciated value, don't delay calling us for more information.
- You must start this process before selling the property or placing it under a sales agreement.
- The most common reason a gift of real estate cannot be accomplished is because the donor waited too long to begin the process.

For a FREE information packet, please contact Anabaptist Foundation.

Barnabas... having land, sold it, brought the money and laid it at the apostles' feet. Acts 4:37



Anabaptist
Foundation

55 Whisper Creek Drive
Lewisburg, PA 17837
800-653-9817 | info@afweb.org



Stewardship Resources


Stewardship Connections with Integrity

STEWARDSHIP EDUCATION

FOR THE BUSINESS AND FAMILY.

Stewardship Resources Organizational Changes

When AF first started, business seminars, business advising, printed resources, and other educational activities were grouped into an LLC separate from Anabaptist Financial and Foundation for tax exemption purposes. More recent developments make it feasible to discontinue Stewardship Resources as a legal entity to simplify our organizational structure and operations.

Effective with our fiscal year beginning July 1, 2024, AF's educational programs are embedded into Anabaptist Financial. Therefore, this is the last annual report in which they are reported under Stewardship Resources as a separate entity. In a simultaneous leadership change, long-time educational programs leader Merle Herr has moved on from AF. Jason Sensenig, Edward Hershberger, and Greg Wolf now lead the programs Merle developed. We thank Merle for his many years of dedicated service in the management of Stewardship Resources. 



Business Seminars

Anabaptist Financial provides business seminars in fifteen locations. These seminars enable owners, managers, and employees to receive business teaching integrating Biblical values and practical counsel from seasoned Anabaptist businessmen.

Business Seminar - Halsey, OR
Tuesday, November 12, 2024
Halsey Mennonite Church
910 E 1st St, Halsey, OR 97348

Business Seminar - Munfordville, KY
Tuesday, January 21, 2025
Cave City Convention Center
502 Mammoth Cave St, Cave City, KY 42127

Business Seminar - Odon, IN
Wednesday, January 22, 2025
Simon J. Graber Community Building
9164 E 875 N, Odon, IN 47562

Business Seminar - Memphis, MO
Tuesday, February 18, 2025
Hillcrest Mennonite Community Center
23098 State Rte M, Memphis, MO 63555

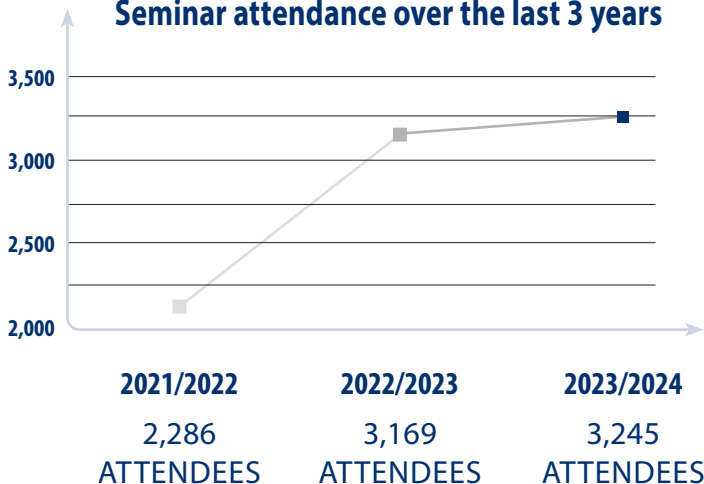
Employee Seminar - Memphis, MO
Wednesday, February 19, 2025
Hillcrest Mennonite Community Center
23098 State Rt M, Memphis, MO 63555

Business Seminar - Versailles, MO
Thursday, February 20, 2025
Crossroads Community Center
15000 Hwy C, Versailles, MO 65084

Business Seminar - Berlin, OH
Tuesday, March 18, 2025
Heritage Community Center
3558 US-62, Millersburg, OH 44654

Employee Seminar - Berlin, OH
Wednesday, March 19, 2025
Heritage Community Center
3558 US-62, Millersburg, OH 44654

Seminar attendance over the last 3 years



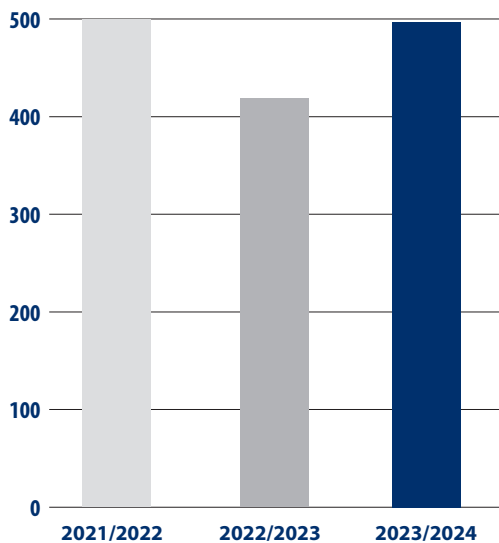
Lower attendance due to Covid cancellations

Business Workshops

In 2024 our focus pivoted from developing new workshops to strengthening the workshops we already offer. A day of instructor training was held in August 2024; the training sessions offered insights on providing an optimal learning experience for our students.

Workshop attendance remained strong in communities with a higher concentration of conservative Anabaptists but lower in smaller communities. Therefore, in smaller communities, we are offering workshops by request only.

WORKSHOP STUDENTS



Workshops We Offer:

- Business Succession
- Business Planning
- Human Resources
- Marketing
- Sales
- Accounting

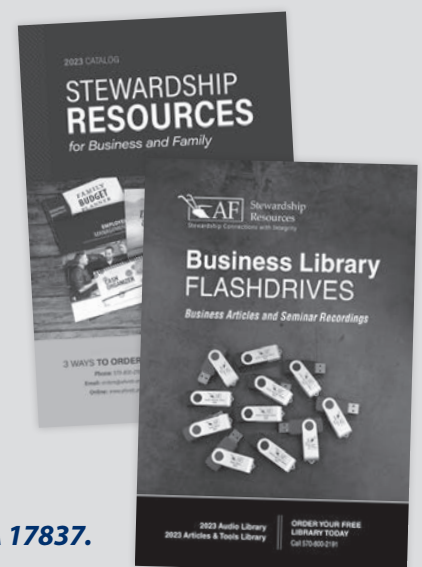
Our business workshops complement our business seminars and advising. They provide a focused two-day learning approach by business topic in a classroom-style setting. Workshops are limited to no more than 30 students to enhance the learning experience through personal interaction. Designed for owners, managers, and key employees, the workshops are built on a curriculum that emphasizes sound business practices in the context of a conservative Anabaptist worldview.

Stewardship Resources

The AF Libraries continue to be valuable resources for business owners and their employees. This includes an audio library with recordings of our last 12 years of seminars and a digital library of articles and booklets. To build these unique libraries, we tap into some of the most knowledgeable Anabaptist businessmen who teach on a broad range of business principle and practice in the context of the conservative Anabaptist worldview.

You may request a catalog of our libraries and other financial stewardship resources for the business and the home. **In the spirit of stewardship, we ask that you only order what you are committed to read.**

Call or write to Anabaptist Financial, 55 Whisper Creek Drive, Lewisburg, PA 17837.



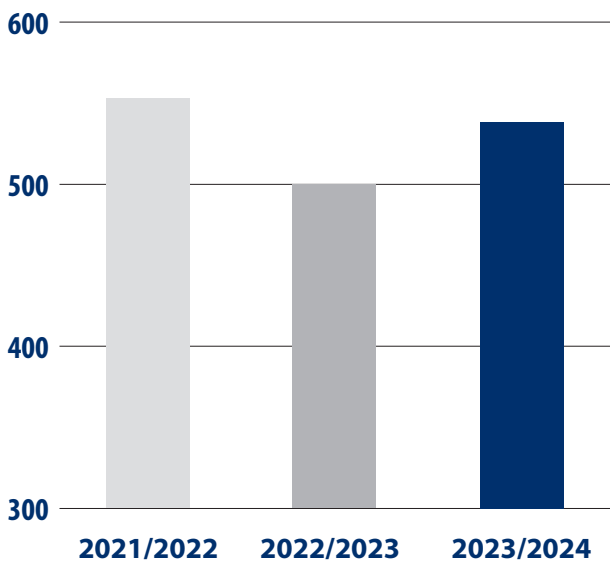
Business Advising

Our Business Advising program connects experienced Anabaptist advisors with business owners to develop best practices through Biblical counsel and practical business knowledge. Requests for business advising remained strong in the 2023/2024 fiscal year. Concerned that our advising team was experiencing overload, our primary focus became adding more advisors. To keep giving our clients the best service possible, new advisors work with experienced advisors for onboarding and apprenticeship. We are grateful for the men who have committed to joining our advisor team and look forward to working with them.

We are currently accepting new clients although a waiting list is being used to regulate the workload. This gives our advising team a chance to keep working with existing clients and provide a strong finish to each relationship before starting a new one.

In August 2024, we also had a day of extensive training for all our advisors. Annual training sessions, while occasionally technical in nature, help to reinforce a strong kingdom stewardship approach and remind us that our advising affects both the financial and the spiritual health of our clients, their families, and their church communities.

ADVISING CLIENTS PER FISCAL YEAR



Family Finance

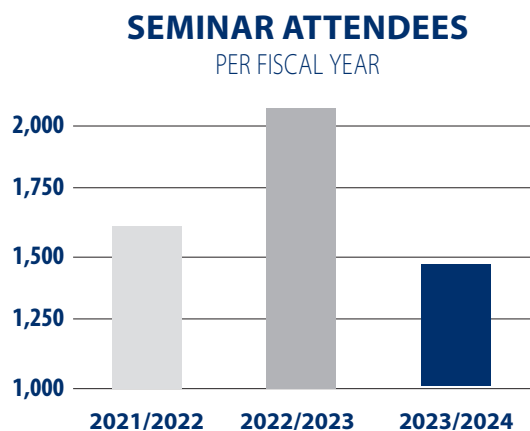
Anabaptist Financial provides free seminars in collaboration with local committees interested in promoting financial stewardship education in their community. If you would like to host one of these seminars, contact our Family Finance manager: jasonsensenig@afweb.org; phone: 570-468-1357.

Young Family Finance Seminar—Prepares youth and young married couples for the major expenses of raising a family and being good stewards of their money. Topics include a scriptural view of giving, debt, saving, and more.

Budgeting Seminar—A budget is a steward's tool not only during financial struggles but also during prosperity. This seminar guides attendees through four steps of making a simple budget.

Seminar Report for the 2023/2024 Fiscal Year:

- 19 seminars (Family Finance and Budgeting)
- 3,648 free resources distributed (books and budgeting resources)



Deacon and Trustee Seminar—The local church is responsible to support those who struggle financially, while also providing guidance for those in prosperity. To help equip leaders in this role, AF provides the Deacon and Trustee Seminar. This seminar is for anyone who serves in a leadership or advisory role in the church community, including bishops, ministers, deacons, trustee committees, and financial advisors. The goal is to support the church in working redemptively with those in financial difficulty and inspiring a stewardship mindset for those in prosperity.

Deacon and Trustee Seminars 2024

- Seneca Falls, NY – 83 attendees
- Lancaster, PA – 253 attendees
- Dayton, VA – 150 attendees
- Halsey, OR – October 3, 2024



Stewardship Resources for Family & Business

Stewardship Resources provides Biblical education in family finances and business practices. Our purpose is to provide families and businesspeople with kingdom-focused stewardship materials that inspire and transform our attitudes and practices regarding our God-given resources.

All of these resources can be picked up at an Anabaptist Financial Seminar or ordered from our office. Visit us online at www.afweb.org or call **570-800-2191** to place your order or to request a catalog.

Seminar Recordings: Recordings of the Family Finance seminars, the Deacon and Trustee Seminars, and the Business Seminars can be downloaded free of charge from our website. You can also listen to the recordings through a phone conference line by dialing 1-712-432-8788; the conference ID is AF# (23#). Call or write to us for a list of topics and their ID numbers.



PAYNE, WHITE & SCHMUTZ
— CERTIFIED PUBLIC ACCOUNTANTS, PA —
114 West North 1st Street, Seneca, SC 29678 (864) 882-1937 (864) 882-0849

Independent Auditor's Report

To the Board of Directors
Anabaptist Financial
Lewisburg, Pennsylvania

Opinion

We have audited the financial statements of Anabaptist Financial, which comprise the statements of financial position as of June 30, 2024 and 2023, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Anabaptist Financial as of June 30, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Anabaptist Financial'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 Anabaptist Financial'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.

Payne, White & Schmutz, CPA, PA

Payne, White & Schmutz, CPA, PA

October 7, 2024

Anabaptist Financial

Statements of Financial Position

June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Assets:		
Cash and cash equivalents	\$ 76,523,165	\$ 28,553,373
Accounts receivable	69,584	7,830
Interest receivable, net of allowance for losses of \$252,793 and zero	4,133,832	3,190,552
Investments	10,726,963	10,403,454
Loans receivable, net of allowance for loan losses of \$1,721,869 and \$1,917,434	709,347,867	666,514,325
Capital assets, net of accumulated depreciation of \$463,851 and \$375,912	<u>3,216,419</u>	<u>3,289,905</u>
Total assets	<u>\$ 804,017,830</u>	<u>\$ 711,959,439</u>
Liabilities:		
Investment agreements payable	\$ 744,468,619	\$ 656,777,587
Accounts payable	43,336	53,554
Accrued expenses	87,038	78,104
Demand note payable - related organization	<u>34,000,000</u>	<u>34,000,000</u>
Total liabilities	<u>778,598,993</u>	<u>690,909,245</u>
Net Assets:		
Net assets without donor restrictions	<u>25,418,837</u>	<u>21,050,194</u>
Total Net Assets	<u>25,418,837</u>	<u>21,050,194</u>
Total liabilities and net assets	<u>\$ 804,017,830</u>	<u>\$ 711,959,439</u>

Anabaptist Financial

Statements of Activities

For the Years Ended June 30, 2024 and 2023

	Without Donor Restrictions	
	2024	2023
Revenue:		
Interest income on loans	\$ 43,357,614	\$ 28,015,551
Investment income	3,107,891	390,872
Loan origination fees	549,600	699,331
Other income	250,661	272,154
Commitment fees	158,105	77,331
Total revenue	<u>47,423,871</u>	<u>29,455,239</u>
Expenses:		
Program	41,125,728	24,294,495
General administration	1,873,755	1,359,123
Fund raising	55,745	46,322
Total expenses	<u>43,055,228</u>	<u>25,699,940</u>
Change in net assets	4,368,643	3,755,299
Net assets, beginning of year	<u>21,050,194</u>	<u>17,294,895</u>
Net assets, end of year	<u>\$ 25,418,837</u>	<u>\$ 21,050,194</u>

Anabaptist Financial

Statements of Functional Expenses

For the Years Ended June 30, 2024 and 2023

	2024			
	Program Expenses	General Administration	Fund Raising	Total
Interest expense	\$ 38,923,465	\$ -	\$ -	\$ 38,923,465
Payroll and related expenses	1,208,221	1,118,952	8,479	2,335,652
Office and communications	672,425	522,474	26,555	1,221,454
Travel	59,864	79,330	-	139,194
Filing and search fees	130,335	-	-	130,335
Professional fees	2,053	92,002	-	94,055
Depreciation	43,970	43,969	-	87,939
Printing and promotions	28,167	17,028	20,711	65,906
Provision for loan losses	57,228	-	-	57,228
Total	\$ 41,125,728	\$ 1,873,755	\$ 55,745	\$ 43,055,228

	2023			
	Program Expenses	General Administration	Fund Raising	Total
Interest expense	\$ 22,178,431	\$ -	\$ -	\$ 22,178,431
Payroll and related expenses	1,061,143	857,419	7,397	1,925,959
Office and communications	375,606	292,046	11,952	679,604
Grants and assistance	275,000	-	-	275,000
Filing and search fees	163,760	-	-	163,760
Provision for loan losses	137,578	-	-	137,578
Professional fees	370	112,697	-	113,067
Travel	37,505	47,713	-	85,218
Depreciation	42,132	42,132	-	84,264
Printing and promotions	22,970	7,116	26,973	57,059
Total	\$ 24,294,495	\$ 1,359,123	\$ 46,322	\$ 25,699,940

Anabaptist Financial

Statements of Cash Flows

For the Years Ended June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Cash flows from operating activities:		
Change in net assets	\$ 4,368,643	\$ 3,755,299
Noncash expenses included in change in net assets:		
Interest expense added to investment agreements	32,249,841	18,327,098
Provision for loan losses	57,228	137,578
Depreciation	87,939	84,264
Changes in assets and liabilities:		
(Increase)/decrease in accounts receivable	(61,754)	21,070
(Increase)/decrease in interest receivable	(1,196,073)	(1,341,928)
Increase/(decrease) in accounts payable and accrued expenses	(1,284)	51,761
Net cash provided (used) by operating activities	<u>35,504,540</u>	<u>21,035,142</u>
Cash flows from investing activities:		
Acquisition of capital assets	(14,453)	(2,302)
Purchase of investments	(323,509)	(25,477)
Principal repayments on loans	123,276,413	122,585,815
Loans proceeds disbursed	(165,914,390)	(212,962,964)
Net cash provided (used) by investing activities	<u>(42,975,939)</u>	<u>(90,404,928)</u>
Cash flows from financing activities:		
Sale of investment agreements	148,549,175	138,936,959
Redemption of investment agreements	(93,107,984)	(78,042,119)
Proceeds from demand note payable	-	3,000,000
Net cash provided (used) by financing activities	<u>55,441,191</u>	<u>63,894,840</u>
Net increase (decrease) in cash and cash equivalents	47,969,792	(5,474,946)
Cash and cash equivalents, beginning	<u>28,553,373</u>	<u>34,028,319</u>
Cash and cash equivalents, ending	<u>\$ 76,523,165</u>	<u>\$ 28,553,373</u>
Supplemental disclosure of cash flow information		
Cash payments for interest on investments agreements	<u>\$ 6,673,624</u>	<u>\$ 3,851,333</u>
Schedule of non-cash financing activities:		
Interest expense added to investment agreements	<u>\$ 32,249,841</u>	<u>\$ 18,327,098</u>

Anabaptist Financial

Notes to Financial Statements

June 30, 2024 and 2023

Note 1 - Summary of Significant Accounting Policies:

Nature of Business

Anabaptist Financial (AF) was incorporated September 16, 2005, under the Pennsylvania Non-Profit Corporation Law. AF operates with a purpose to advance the religious beliefs, cultural traditions and lifestyles of the Anabaptist faith by providing loans for home mortgages, business real estate, and business operations to individuals, businesses, churches, and other charitable entities affiliated or associated with the Anabaptist faith. Consumer loans are not offered. The revenue of AF is generated primarily from the interest received on these loans.

Entity Status

AF is organized on a non-stock basis and does not contemplate pecuniary gain or profit, incidental or otherwise. No part of the net earnings of AF shall inure to the benefit of or be distributable to its directors, officers, or other private persons, except that AF shall be authorized to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth above. AF has no members and is governed by a ten member board. AF is recognized by the Internal Revenue Service as an exempt organization under Section 501(c) (3) of the Internal Revenue Code.

Basis of Accounting and Presentation

AF recognizes revenue and expenses on the accrual basis of accounting. The financial statement presentation follows the recommendation of the Financial Accounting Standards Board for exempt organizations. AF is required to report information regarding its financial practice and activities according to two classes of net assets consisting of net assets without donor restrictions and net assets with donor restrictions.

Cash Equivalents

Cash and cash equivalents consist of cash held in checking and savings accounts. Cash and cash equivalents include investments in highly liquid debt instruments with an original maturity of three months or less at the time of purchase. It is AF's policy not to treat cash deposits and money market funds held in its investment account as cash and cash equivalents.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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. A material estimate that is particularly susceptible to significant change in the near term relates to the determination of the allowance for loan losses.

Investments

Investments in equity securities with readily determinable fair values and all debt securities are reported at fair value. Investment income or loss (including gains and losses on investments, interest, and dividends) is included in the change in net assets. Realized gains or losses on investments are determined by comparison of specific cost of acquisition to proceeds at the time of sale. Unrealized gains or losses are calculated by comparing cost to market values at the statement of financial position date.

Loans and Allowances for Loan Losses

Loans are stated at the unpaid principal balance. It is the policy of AF to collateralize its loans to the maximum extent possible and to maintain a loan-to-value ratio of not greater than 85%. Loans generally carry a variable interest rate, adjusted quarterly, based upon the six-month Treasury Bill rate plus a minimum of 2.50% with a minimum rate of 7.00% and 5.25% as of June 30, 2024 and 2023, respectively. Interest rates on loans cannot increase or decrease by more than .50% per calendar quarter. Loans require monthly principal and interest payments or monthly interest payments with balloon payments at loan maturity. Loan terms can extend up to 25 years.

Anabaptist Financial

Notes to Financial Statements

June 30, 2024 and 2023

Note 1 - Summary of Significant Accounting Policies (continued):

Loans and Allowances for Loan Losses (continued)

Loans are made available to individuals who might not possess the credit history required to qualify for bank financing. Accordingly, AF's credit policies may be riskier than those traditionally used by banks and other financial institutions. A higher than average rate of loan losses may result from AF's adherence to such credit policies. AF's management evaluates the collectability of the loan portfolio to determine the level of allowance for loan losses required. This evaluation includes using a four-point rating system to assess each loan's probability of default. The four-points considered are equity, whether there is a co-signer, payment history, and income. Each point is given a score, and then the average score is utilized to set the overall loan rating.

Equity, or the value of loan collateral, is used to determine the potential offset to credit risk if the loan were to default. Accrued loan value is divided by collateral value to determine the percentage coverage. Equity is rated on a scale from one to four, with four representing the most risk coverage, and one representing the least risk coverage through collateral.

Having a co-signer reduces the risk of loss in that it provides another source of collection in the case of default. If no co-signer is present, a risk rating of three is used. If a cosigner is present, a risk rating of four is used.

Payment history is considered a good indicator of future payment, and thus provides a data point for the likelihood of loss. A newly established loan is given a rating of three. If payments are not kept current, the rating can drop as low as zero.

A certain level of income is required to obtain a loan, and thus all borrowers start with an income score of three. This level can drop down as low as zero, if income levels deteriorate during the life of the loan.

The rating system described above is evaluated at least annually. Based on this rating system, each loan is placed into categories of acceptable, substandard, or doubtful. An acceptable rating represents loans that are expected to be fully collectible and represent the highest quality. A substandard rating represents loans that exhibit some serious weakness in repayment capacity, equity, and/or collateral pledged on the loan. A doubtful rating represents loans that exhibit similar weaknesses to a substandard rating. However, a doubtful rating has additional weaknesses in existing facts, conditions, and values that make collection in full highly questionable. Loans that receive a substandard or doubtful rating are further evaluated for impairment using additional qualitative and quantitative measures.

The credit risk rating methodology is a key component of AF's allowance for loan losses evaluation and is generally incorporated into AF's loan approval process. The allowance for loan losses is maintained at a level considered adequate by management to provide for probable and estimable losses inherent in the loan portfolio as of year-end. As the entire loan portfolio is with those affiliated or associated with the Anabaptist faith, AF believes that risk characteristics are consistent between portfolio segments. The allowance, in regards to both loans and accrued interest, is increased by provisions charged to operating expense and decreased by charge-offs net of recoveries. A review of individual loans in AF's loan portfolio is performed periodically to determine the appropriateness of risk ratings and to ensure loss exposure to AF has been identified. The allowance for loan losses is a valuation account used to reasonably estimate loan losses as of the financial statement date. Determining the appropriate allowance for loan losses balance involves significant judgment about when a loss has been incurred and the amount of that loss. AF considers such factors as credit risk classification, collateral values, risk concentrations, economic conditions, and prior loan loss experience when determining the allowance for loan losses. Loans determined to be uncollectible are charged to the allowance during the period in which such determination is made. The allowance for loan losses was \$1,974,662 and \$1,917,434 at June 30, 2024 and 2023, respectively. AF recorded a provision for loan losses of \$57,228 for the current year and recorded a \$137,578 charge in the prior reporting period. Management believes the balance in the allowance for loan losses is sufficient to cover future loan losses. No loans were charged off for either audit year. Management considers that a loan is delinquent when a payment is sixty days past due.

Anabaptist Financial

Notes to Financial Statements

June 30, 2024 and 2023

Note 1 - Summary of Significant Accounting Policies (continued):

Loans and Allowances for Loan Losses (continued)

A specific allowance may be established for impaired loans under Financial Accounting Standards Board (FASB) guidance on accounting by creditors for impairment of a loan. A general allowance may also be established under FASB guidance on accounting for contingencies to reflect estimated probable and expected credit losses incurred in the remainder of the loan portfolio at the financial statement date which excludes loans included under the specific allowance. A general allowance can be evaluated on a pool basis for those loans with similar characteristics. The level of the general allowance may be based on management's best estimate of the likelihood of default adjusted for other factors reflecting the current environment.

Loans are defined as impaired when, based on current information and events, it is probable that AF will be unable to collect all amounts due according to the contractual terms of the loan agreement. Management does not consider an insignificant delay or insignificant shortfall in amount of payments to impair loans. Also, management does not consider a loan impaired during a period of delay in payment if it expects to collect all amounts due, including interest accrued at the contractual interest rate for the period of delay. Impaired loans are measured by the present value of expected future cash flows or the fair value of the collateral of the loan, if collateral dependent. The accrual of interest on impaired loans is discontinued when, in management's opinion, the borrower may be unable to fully meet the contractual interest obligation under the original loan agreement. Interest income is subsequently recognized only to the extent cash payments are received. If the financial condition of a borrower that has a loan on nonaccrual status significantly improves, management may decide to remove that loan from nonaccrual status. Management believes it had thirteen impaired loans as of June 30, 2024 and 2023, respectively.

In cases where a borrower experiences financial difficulties and AF makes certain monetary concessions to the borrower through modifications to the contractual terms of the loan, the loan is classified as a restructured loan. A restructured loan constitutes a troubled debt restructuring if for economic or legal reasons related to the debtor's financial difficulties, AF grants a concession to the debtor that it would not otherwise consider. AF did not have any loans that met these conditions at June 30, 2024 and 2023.

Capital Assets

Property and equipment are recorded at cost for items purchased. It is AF's policy to capitalize equipment which costs at least \$5,000 per unit item. Depreciation is provided over the estimated useful lives of the related assets. Maintenance and repairs are charged to operations when incurred. Renewals and betterments of a nature considered to materially extend the useful lives of the assets are capitalized. When assets are retired or otherwise disposed of, the assets and related allowances for depreciation and amortization are eliminated from the accounts and any resulting gain or loss is reflected in income. Depreciation is based on the following policy:

<u>Description</u>	<u>Useful Life</u>	<u>Method</u>
Buildings	40 years	Straight line
Equipment	3-5 years	Straight line

Fair Value Measurements

Fair value is defined under GAAP as an exit price, representing the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. AF uses market information or assumptions that participants would use in pricing the asset or liability. GAAP establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value. These tier include: Level 1, defined as observable inputs such as quoted prices in active markets; Level 2, defined as inputs other than quoted prices in active markets that are either directly or indirectly observable; and Level 3, defined as unobservable inputs about which little or no market information exists, therefore requiring an entity to develop its own assumptions.

Anabaptist Financial

Notes to Financial Statements

June 30, 2024 and 2023

Note 1 - Summary of Significant Accounting Policies (continued):

Interest Income on Loans

Interest income on loans is computed daily based on the principal amount of the loans outstanding.

Loan Origination Fees

Loan origination fees are recognized as revenue in the year earned. Unamortized loan origination fees are not recorded since management has concluded that any such fees are trivial to its financial statements.

Commitment Fees

Commitment fees are recognized as income in the year received. Deferred commitment fees are not recorded since management has determined that they are trivial to its financial statements.

Net Assets

The financial statements report amounts separately by class of net assets:

- a) Net assets without restrictions are those available at the discretion of the board for use in AF's programs and other functions, and those resources invested in land, buildings and equipment.
- b) Net assets with donor restrictions are those restricted by donors for specific operating purposes or for use in a future reporting period. Also included in this category are net assets subject to donor-imposed restrictions to be held in perpetuity such as endowments or irrevocable trusts.

Revenue and Support with or without Donor Restrictions

Contributions are recorded with or without donor restrictions depending on the expressed intentions of the donors. Support or revenue is recognized as it is received or as it is earned.

Advertising Costs

Advertising costs are expensed as incurred.

Income Taxes

Anabaptist Financial is recognized as a tax-exempt organization under Section 501(c) (3) of the Internal Revenue Code. Accordingly, its income is not subject to federal or state income tax.

AF has adopted accounting principles related to accounting for uncertainty in income tax positions. AF's policy is to record a liability for any tax position taken that is beneficial to AF, including any related interest and penalties, when it is more likely than not the position taken by management with respect to a transaction or class of transactions will be overturned by a taxing authority upon examination. Penalties and interest related to underpayment of income taxes are not recorded as income taxes but as penalties and interest expense. Management has determined that it does not have any material unrecognized tax benefits or obligations as of June 30, 2024 and 2023.

Functional Allocation of Expenses

Natural expenses attributable to more than one functional expense category are allocated to the appropriate functional category based upon reasonable estimates made by management. Administrative expenses are supporting activities that are not directly identifiable with program activities. Fund raising expenses promote the solicitation of support from current and potential donors for its program and other functional activities. Administrative and fund raising expenses are funded from net assets without donor restrictions.

Subsequent Events Evaluation

Subsequent events have been evaluated through October 7, 2024, which is the date the financial statements were available to be issued.

Anabaptist Financial

Notes to Financial Statements

June 30, 2024 and 2023

Note 1 - Summary of Significant Accounting Policies (continued):

New Accounting Standard Adopted

In June 2016, the FASB issued Accounting Standards Update (ASU) 2016-13, Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments, commonly referred to as the Current Expected Credit Losses (CECL) model. The CECL model replaces the incurred loss model for the recognition of credit losses on financial assets. Under the CECL model, AF is required to estimate expected credit losses over the contractual term of financial assets, including their loan portfolio. The estimation of expected credit losses involves considering relevant information about past events, current conditions, and reasonable and supportable forecasts that affect the collectability of the financial assets. AF adopted ASU 2016-13, which became effective for fiscal years beginning after December 15, 2022, as of July 1, 2023, with no material impact on the financial statements.

Note 2 – Financial Assets and Liquidity Resources:

AF's operations are primarily funded by interest earned on loans made from funds received from investment agreements of qualified investors. AF must maintain adequate resources to meet its responsibilities to its investors and certain financial assets may not be available for general expenditure within one year. As part of its liquidity management, AF has a policy to structure its financial assets to be available as general expenditures, liabilities, and other obligations become due. AF is required to maintain a minimum of \$2,500,000 in liquid cash reserves. Two states prefer that AF maintain 6% to 8% of its outstanding investment agreements in liquid cash reserves. The governing board may consider authorizing the borrowing of funds should it be deemed necessary to do so.

AF maintains various deposit accounts with banks. At June 30, 2024 and 2023, \$77,896,645 and \$28,958,135, respectively, of AF's deposits were not covered by FDIC insurance. Management believes that any credit risk related to these uninsured deposits is minimal.

The following schedule reflects AF's financial assets as of its fiscal years ended in 2024 and 2023, reduced by amounts that are not available for general use due to contractual or donor-imposed restrictions within one year of the statement of financial position date. Amounts that are not available also include board designated amounts, if any, that could be utilized if the board of directors approved their use.

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 76,523,165	\$ 28,553,373
Accounts receivable	69,584	7,830
Interest receivable, net of allowance for losses	4,133,832	3,190,552
Investments	10,726,963	10,403,454
Loans receivable, net of allowance for loan losses	<u>709,347,867</u>	<u>666,514,325</u>
Total financial assets	800,801,411	708,669,534
Less those unavailable for general expenditures within one year due to:		
Estimated loan receivable principal expected to be received after one year	<u>(632,443,403)</u>	<u>(585,628,605)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 168,358,008</u>	<u>\$ 123,040,929</u>

Anabaptist Financial

Notes to Financial Statements

June 30, 2024 and 2023

Note 3 – Investments:

Investments are recorded at fair value and consist of the following:

	<u>2024</u>	<u>2023</u>
Money Market Funds	\$ 10,477,221	\$ 9,407,276
Tradable CDs	249,742	996,178
Total investments	<u>\$ 10,726,963</u>	<u>\$ 10,403,454</u>

Investment income consisted of the following:

Interest income	<u>\$ 3,107,891</u>	<u>\$ 390,872</u>
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Note 4 – Loans and Allowance for Loan Losses:

AF's loan portfolio has been segmented into the following types:

- Business Real Estate Loans – generally used to purchase rental property, farm real estate, and commercial real estate, or to refinance existing mortgages on such property. These loans may be made only in amounts up to 85 percent of the value of the property.
- Business Operating Loans – generally used to finance current business operations including inventory and cash flow. These loans generally require real estate or other collateral.
- Home Mortgage Loans – used to purchase a primary home residence. These loans may be made only in amounts up to 85 percent of the value of the property.
- Nonprofit Entity Loans – generally used to purchase real estate owned by exempt organizations. These loans may be made only in amounts up to 85 percent of the value of the property.
- Community Assistance – Various loans purchased to assist the Anabaptist community.

Loans at June 30, 2024 and 2023, consist of the following:

	<u>2024</u>	<u>2023</u>
Business real estate	\$ 551,703,647	\$ 523,699,280
Business operating	10,583,000	10,874,114
Home mortgages	127,545,824	110,095,697
Nonprofit entities	19,209,464	21,370,901
Community Assistance	<u>2,027,801</u>	<u>2,391,767</u>
Total	<u>\$ 711,069,736</u>	<u>\$ 668,431,759</u>

Business real estate, home mortgage, and nonprofit entity loans are secured primarily by first mortgages on the related real estate. Business operating loans are also secured primarily by first mortgages on real estate, and in some instances, security interests. Interest receivable represents the amount of accrued, but uncollected, interest on all loans at June 30, 2024 and 2023.

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Notes to Financial Statements

June 30, 2024 and 2023

Note 4 – Loans and Allowance for Loan Losses (continued):

A significant source of AF's liquidity is the repayments and maturities of the loans. The following table presents the contractual maturity distribution of loans by loan type at June 30, 2024 and 2023:

2024	Due Less than 1 Year	Due 1 thru 5 Years	Due after 5 Years	Total
Business real estate	\$ 60,781,307	\$ 133,932,610	\$ 356,989,730	\$ 551,703,647
Business operating	3,304,490	5,061,549	2,216,961	10,583,000
Home mortgages	11,191,860	18,613,762	97,740,202	127,545,824
Nonprofit entities	4,689,953	7,607,114	6,912,397	19,209,464
Community Assistance	1,111,358	2,676,621	692,457	4,480,436
Total	\$ 81,078,968	\$ 167,891,656	\$ 464,551,747	\$ 713,522,371
				Less discount on purchase of community assistance loans
				(2,452,635)
				\$ 711,069,736
2023	Due Less than 1 Year	Due 1 thru 5 Years	Due after 5 Years	Total
Business real estate	\$ 68,012,127	\$ 140,738,791	\$ 314,948,362	\$ 523,699,280
Business operating	1,520,737	6,204,833	3,148,544	10,874,114
Home mortgages	10,518,347	17,832,834	81,744,516	110,095,697
Nonprofit entities	3,431,694	11,070,049	6,869,158	21,370,901
Community Assistance	1,772,884	2,845,788	225,730	4,844,402
Total	\$ 85,255,789	\$ 178,692,295	406,936,310	\$ 670,884,394
				Less discount on purchase of community assistance loans
				(2,452,635)
				\$ 668,431,759

The above maturities indicate that approximately 11.36% and 12.71% of loans had maturities of one year or less for years ended June 30, 2024 and 2023, respectively.

Anabaptist Financial

Notes to Financial Statements

June 30, 2024 and 2023

Note 4 – Loans and Allowance for Loan Losses (continued):

The following table shows loans and related accrued interest according to AF's credit quality rating system as of June 30, 2024 and 2023:

2024	Acceptable	Substandard	Doubtful	Total
Business real estate	\$ 545,512,643	\$ 8,539,494	\$ 920,414	\$ 554,972,551
Business operating	9,165,589	522,356	1,172,692	10,860,637
Home mortgages	126,914,285	1,125,288	53,954	128,093,527
Nonprofit entities	19,354,939	-	-	19,354,939
Community Assistance	2,174,706	-	-	2,174,706
Total	<u>\$ 703,122,162</u>	<u>\$ 10,187,138</u>	<u>\$ 2,147,060</u>	<u>\$ 715,456,360</u>

2023	Acceptable	Substandard	Doubtful	Total
Business real estate	\$ 520,718,963	\$ 4,392,516	\$ 1,038,127	\$ 526,149,606
Business operating	9,730,787	231,819	1,175,642	11,138,248
Home mortgages	109,801,645	538,061	55,954	110,395,660
Nonprofit entities	21,452,885	-	-	21,452,885
Community Assistance	2,485,911	-	-	2,485,911
Total	<u>\$ 664,190,191</u>	<u>\$ 5,162,396</u>	<u>\$ 2,269,723</u>	<u>\$ 671,622,310</u>

The following table provides an aging analysis of past due loans and the related accrued interest as of June 30, 2024 and 2023:

2024	60-89 Days Past Due	90-120 Days Past Due	More than 120 Days Past Due	Total Past Due	Current	Total Loans	Recorded Investment > 90 Day and Accruing
Business real estate	\$ 771,434	\$ 270,921	\$ 14,331,856	\$ 15,374,211	\$ 539,598,340	\$ 554,972,551	\$ 13,555,426
Business operating	-	174,463	2,005,769	2,180,232	8,680,406	10,860,638	1,007,539
Home mortgages	287,644	265,243	1,438,251	1,991,138	126,102,389	128,093,527	1,649,540
Nonprofit entities	-	-	1,668,485	1,668,485	17,686,454	19,354,939	1,668,485
Community Assistance	-	-	-	-	4,627,340	4,627,340	-
Total	<u>\$ 1,059,078</u>	<u>\$ 710,627</u>	<u>\$ 19,444,361</u>	<u>\$ 21,214,066</u>	<u>\$ 696,694,929</u>	<u>\$ 717,908,995</u>	<u>\$ 17,880,990</u>
						Less discount on purchase of community assistance loans	<u>(2,452,635)</u>
							<u>\$ 715,456,360</u>

2023	60-89 Days Past Due	90-120 Days Past Due	More than 120 Days Past Due	Total Past Due	Current	Total Loans	Recorded Investment > 90 Day and Accruing
Business real estate	\$ 954,687	\$ 1,248,077	\$ 9,632,508	\$ 11,835,272	\$ 514,314,334	\$ 526,149,606	\$ 9,715,933
Business operating	-	286,274	1,838,912	2,125,186	9,013,062	11,138,248	934,742
Home mortgages	275,965	-	1,022,737	1,298,702	109,096,959	110,395,661	966,783
Nonprofit entities	-	-	-	-	21,452,885	21,452,885	-
Community Assistance	-	-	-	-	4,938,545	4,938,545	-
Total	<u>\$ 1,230,652</u>	<u>\$ 1,534,351</u>	<u>\$ 12,494,157</u>	<u>\$ 15,259,160</u>	<u>\$ 658,815,785</u>	<u>\$ 674,074,945</u>	<u>\$ 11,617,458</u>
						Less discount on purchase of community assistance loans	<u>(2,452,635)</u>
							<u>\$ 671,622,310</u>

Anabaptist Financial

Notes to Financial Statements

June 30, 2024 and 2023

Note 4 – Loans and Allowance for Loan Losses (continued):

Nonperforming assets including accrued interest and related credit quality statistics are as follows:

<u>Nonaccrual Loans</u>	<u>2024</u>	<u>2023</u>
Business real estate	\$ 1,047,351	\$ 1,164,651
Business operating	1,172,692	1,190,444
Home Mortgage	53,954	55,954
Nonprofit entities	-	-
Total nonaccrual loans	\$ 2,273,997	\$ 2,411,049
Nonaccrual loans as a % of total loans	0.32%	0.36%
Nonaccrual loans as a % of net assets	8.95%	11.45%
Accruing Loans 90 Days or More Past Due		
<u>Accruing Loans 90 Days or More Past Due</u>	<u>2024</u>	<u>2023</u>
Business real estate	\$ 13,284,505	\$ 9,715,933
Business operating	833,077	934,742
Home mortgage	1,384,297	966,783
Nonprofit entities	1,668,485	-
Total accruing loans 90 days or more past due	\$ 17,170,364	\$ 11,617,458
Accruing loans as a % of total loans	2.41%	1.74%
Accruing loans as a % of net assets	67.55%	55.19%

The following table presents information relating to impaired loans including accrued interest as defined in Note 1:

<u>2024</u>	<u>Recorded Investment</u>	<u>Unpaid Principal Balance</u>	<u>Related Loan Allowance</u>	<u>Related Loan Interest Allowance</u>	<u>Average Recorded Investment</u>	<u>Interest Income Recognized</u>	<u>Number of Loans</u>
Business real estate	\$ 920,414	\$ 826,902	\$ 350,000	\$ 93,512	\$ 979,270	\$ 788	7
Business operating	1,172,692	1,013,411	525,000	159,281	1,174,167	-	5
Home Mortgage	53,954	53,954	25,000	-	54,954	-	1
Total	\$ 2,147,060	\$ 1,894,267	\$ 900,000	\$ 252,793	\$ 2,208,391	\$ 788	13
<u>2023</u>	<u>Recorded Investment</u>	<u>Unpaid Principal Balance</u>	<u>Related Loan Allowance</u>	<u>Related Loan Interest Allowance</u>	<u>Average Recorded Investment</u>	<u>Interest Income Recognized</u>	<u>Number of Loans</u>
Business real estate	\$ 1,038,127	\$ 945,403	\$ 350,000	-	\$ 1,097,752	\$ 545	7
Business operating	1,175,642	1,013,861	525,000	-	1,232,864	-	5
Home Mortgage	55,954	55,954	25,000	-	56,554	-	1
Total	\$ 2,269,723	\$ 2,015,218	\$ 900,000	\$ -	\$ 2,387,170	\$ 545	13

Each of the impaired loans is 90 days or more past due in principal and interest payments. Although some impaired loans may be considered collateral dependent, management considers collateral dependent loans, in the aggregate, to be insignificant.

Anabaptist Financial

Notes to Financial Statements

June 30, 2024 and 2023

Note 4 – Loans and Allowance for Loan Losses (continued):

The allowance for loan losses includes an allowance against loans receivable and against interest receivable, as follows:

Allowance on loans receivable	\$ 1,721,869
Allowance on interest receivable	<u>252,793</u>
Total allowance for loan losses	<u>\$ 1,974,662</u>

A summary of changes in the allowance for loan losses and the June 30, 2024, recorded investment in loans is as follows:

2024	Business Real Estate	Business Operating	Home Mortgage	Nonprofit Entities	Community Assistance	Total
Allowance for credit losses:						
Balance at June 30, 2023	\$ 1,096,252	\$ 606,542	\$ 193,631	\$ 20,008	\$ 1,001	\$ 1,917,434
Charge-offs	-	-	-	-	-	-
Recoveries	-	-	-	-	-	-
Provision for loan losses	<u>44,391</u>	<u>869</u>	<u>10,246</u>	<u>1,548</u>	<u>174</u>	<u>57,228</u>
Balance at June 30, 2024	<u>\$ 1,140,643</u>	<u>\$ 607,411</u>	<u>\$ 203,877</u>	<u>\$ 21,556</u>	<u>\$ 1,175</u>	<u>\$ 1,974,662</u>

June 30, 2024, allowance ending balance:

Loans individually evaluated for impairment	<u>\$ 350,000</u>	<u>\$ 525,000</u>	<u>\$ 25,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 900,000</u>
Loans collectively evaluated for impairment	<u>\$ 790,643</u>	<u>\$ 82,411</u>	<u>\$ 178,877</u>	<u>\$ 21,556</u>	<u>\$ 1,175</u>	<u>\$ 1,074,662</u>

Recorded investment in loans outstanding at June 30, 2024, is as follows:

2024	Business Real Estate	Business Operating	Home Mortgage	Nonprofit Entities	Community Assistance	Total
Balance at June 30, 2024	<u>\$ 554,972,551</u>	<u>\$ 10,860,637</u>	<u>\$ 128,093,527</u>	<u>\$ 19,354,939</u>	<u>\$ 2,174,706</u>	<u>\$ 715,456,360</u>
Loans individually evaluated for impairment	<u>\$ 9,459,908</u>	<u>\$ 1,695,048</u>	<u>\$ 1,179,242</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,334,198</u>
Loans collectively evaluated for impairment	<u>\$ 545,512,643</u>	<u>\$ 9,165,589</u>	<u>\$ 126,914,285</u>	<u>\$ 19,354,939</u>	<u>\$ 2,174,706</u>	<u>\$ 703,122,162</u>

Anabaptist Financial

Notes to Financial Statements

June 30, 2024 and 2023

Note 4 – Loans and Allowance for Loan Losses (continued):

A summary of changes in the allowance for loan losses and the June 30, 2023, recorded investment in loans is as follows:

2023	Business Real Estate	Business Operating	Home Mortgage	Nonprofit Entities	Community Assistance	Total
Allowance for credit losses:						
Balance at June 30, 2022	\$ 988,473	\$ 604,260	\$ 171,017	\$ 15,613	\$ 492	\$ 1,779,855
Charge-offs	-	-	-	-	-	-
Recoveries	-	-	-	-	-	-
Provision for loan losses	107,779	2,282	22,614	4,395	509	137,579
Balance at June 30, 2023	\$ 1,096,252	\$ 606,542	\$ 193,631	\$ 20,008	\$ 1,001	\$ 1,917,434

June 30, 2023, allowance ending balance:

Loans individually evaluated for impairment	\$ 350,000	\$ 525,000	\$ 25,000	\$ -	\$ -	\$ 900,000
Loans collectively evaluated for impairment	\$ 746,252	\$ 81,542	\$ 168,631	\$ 20,008	\$ 1,001	\$ 1,017,434

Recorded investment in loans outstanding at June 30, 2023, is as follows:

2023	Business Real Estate	Business Operating	Home Mortgage	Nonprofit Entities	Community Assistance	Total
Balance at June 30, 2023	\$ 526,149,606	\$ 11,138,248	\$ 110,395,660	\$ 21,452,885	\$ 2,485,911	\$ 671,622,310
Loans individually evaluated for impairment	\$ 5,430,642	\$ 1,407,461	\$ 594,015	\$ -	\$ -	\$ 7,432,118
Loans collectively evaluated for impairment	\$ 520,718,964	\$ 9,730,787	\$ 109,801,645	\$ 21,452,885	\$ 2,485,911	\$ 664,190,192

Note 5 – Capital Assets:

Property and equipment consisted of the following:

Description	2024	2023
Land	\$ 641,198	\$ 641,198
Buildings and improvements	2,885,362	2,885,362
Office equipment and software	153,710	139,257
Total	3,680,270	3,665,817
Less accumulated depreciation	(463,851)	(375,912)
Property and equipment, net	\$ 3,216,419	\$ 3,289,905

Anabaptist Financial

Notes to Financial Statements

June 30, 2024 and 2023

Note 6 – Fair Value Measurements:

The carrying amount of cash and cash equivalents, accounts and interest receivable approximate fair value because of the short-term maturities of those instruments. The fair value of investments is based on market prices obtained from financial institutions. Loans receivable are carried at the unpaid principal balance which approximates fair value since the loans re-price frequently with no significant change in credit risk.

The carrying amount of accounts and grants payable and accrued expenses approximates fair value because of the short-term maturities of those instruments. Investment agreements and demand notes payable are carried at the amount payable upon demand by the investors, which approximates fair value.

Prices for U.S. government agency instruments which are readily available in the active markets in which those securities are traded, are categorized as Level 1. Prices for non-U.S. government agency fixed income instruments are based on inputs that are readily available in public markets or can be derived from information available in publicly quoted markets and are categorized as Level 2. Prices for privately held stocks are based on assumptions developed by management and are categorized as Level 3.

There were no changes during the year ended June 30, 2024 and 2023, to AF's valuation techniques used to measure asset and liability fair values on a recurring basis.

The following table sets forth by level within the fair value hierarchy AF's assets accounted for at fair value on a recurring basis as of June 30, 2024 and 2023. Assets are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. AF's assessment of the significance of a particular input to the fair value measurement requires judgment, and may affect the valuation of fair value assets and liabilities and their placement within the fair value hierarchy levels.

As of June 30, 2024				
Description	Level 1	Level 2	Level 3	Total
Fixed income				
Insured Deposit Account	\$ 10,477,221	\$ -	\$ -	\$ 10,477,221
Certificates of deposit	-	249,742	-	249,742
Total	\$ 10,477,221	\$ 249,742	\$ -	\$ 10,726,963

As of June 30, 2023				
Description	Level 1	Level 2	Level 3	Total
Fixed income				
Insured Deposit Account	\$ 9,407,276	\$ -	\$ -	\$ 9,407,276
Certificates of deposit	-	996,178	-	996,178
Total	\$ 9,407,276	\$ 996,178	\$ -	\$ 10,403,454

Cash and cash equivalents, money market deposit accounts, and certificates of deposit carried at cost are not defined within the levels as prescribed in ASC 820, *Fair Value Measurements and Disclosures*. At June 30, 2024 and 2023, \$76,523,165 and \$28,553,373, respectively, of cash and cash equivalents, money market account deposits, and certificates of deposit carried at cost are not included in the table.

Anabaptist Financial

Notes to Financial Statements

June 30, 2024 and 2023

Note 7 – Investment Agreements Payable:

AF has entered into issuing investment agreements to provide working capital and to fund its lending activities. These agreements are made available to qualified investors (members of the Anabaptist faith) whose bona fide principal residence is in Pennsylvania, Maryland, Ohio, New York and numerous other states. The minimum initial investment is \$2,500 (\$1,000 for minors) and each subsequent investment must be in the minimum amount of \$1,000 (\$500 for minors). The interest rate is based on the six-month Treasury Bill as of November 1, February 1, May 1, and August 1 plus 1.50%. The interest rate was 6.00% and 4.25% at June 30, 2024 and 2023, respectively. Rates are adjusted quarterly on January 1, April 1, July 1, and October 1. The interest rate cannot increase or decrease by more than .50% in any calendar quarter, unless the governing board determines otherwise. Interest is paid to investors on a quarterly basis with payments due on March 31, June 30, September 30, and December 31 of each calendar year. Except for South Carolina, a demand rate option exists. Interest is based upon the six-month Treasury Bill rate minus .50% adjusted quarterly in the same manner as mentioned previously. The demand rate was 4.00% and 2.25% at June 30, 2024 and 2023, respectively. Investors may elect to have their quarterly interest payments added to their outstanding investment in lieu of receiving cash payments. The majority of investors generally elect this option. The agreements are unsecured and will be due on demand plus 60 days and are redeemable by AF upon 30 days prior written notice, except for South Carolina where a 90 day maturity exists with an option to automatically renew. Requests by investors to have their securities redeemed will be handled on a first-come, first-serve basis, and AF provides no assurance to investors that sufficient funds will be available to redeem securities. Investment agreements payable totaled \$744,468,619 and \$656,777,587 at June 30, 2024 and 2023, respectively.

Note 8 – Demand Note Payable:

Anabaptist Financial owed Anabaptist Foundation, a related organization, \$34,000,000 and \$34,000,000 as of June 30, 2024 and 2023, respectfully. The loan is due on demand with an interest rate of 6.00% and 4.25% as of June 30, 2024 and 2023, respectively. Interest expense on this loan for the current year totaled \$1,850,279 and \$1,094,418 for the prior year.

Note 9 – Related Party and Related Party Transactions:

Anabaptist Foundation and Stewardship Resources are related organizations due to common control, operating with the same Board of Directors as Anabaptist Financial. Anabaptist Financial contributed \$0 and \$275,000 to Stewardship Resources for operational purposes during the current and prior reporting periods, respectively.

At June 30, 2024 and 2023, AF had made loans to officers, board members, and their close relatives. These loans had outstanding principal balances totaling \$12,101,586 and \$10,519,703, respectively. Normal lending policies were followed in the issuance of these loans. Related party interest income earned during the years ended June 30, 2024 and 2023, totaled \$730,358 and \$341,348 respectively.

At June 30, 2024 and 2023, AF owed to officers, board members, and their close relatives through investment agreements \$19,057,554 and \$15,380,013, respectively. Related party interest expense incurred for the years ended June 30, 2024 and 2023, totaled \$895,228 and \$415,752, respectively.

Note 10 – Commitments:

At June 30, 2024 and 2023, AF had loan commitments of \$99,903,074 and \$80,915,015, respectively.

Note 11 – Simple IRA Plan:

AF began offering its employees the opportunity to participate in a Simple IRA plan in a prior year. Employees qualify to participate whenever they have compensation of at least \$5,000 in a prior year and expect to earn \$5,000 in the current plan year. AF matches up to 3% of employee salary deferrals. During the fiscal years ended June 30, 2024 and 2023, AF made matching contributions totaling \$26,745 and \$22,980, respectively.

Anabaptist Foundation**Consolidated Statement of Financial Position****June 30, 2024**

Assets:

Cash and cash equivalents	\$ 21,007,189
Accounts receivable	11,383
Interest receivable	3,691
Investments	2,962,158
Real estate held for sale	4,363,600
Demand note receivable - related organization	34,000,000
Loans receivable	12,174,684
Less allowance for loan losses	(74,715)
Net loans receivable	<u>46,099,969</u>
Future interest in real estate	390,000
Property and equipment net of accumulated depreciation of \$153,268	<u>1,537,140</u>
Total assets	<u><u>\$ 76,375,130</u></u>

Liabilities:

Accounts payable	\$ 13,829
Accrued expenses	35,049
Life estate liability	117,536
Discount for future interest - pooled income fund	<u>174,470</u>
Total liabilities	<u>340,884</u>

Net assets:

Without donor restrictions	73,733,609
With donor restrictions	<u>2,300,637</u>
Total net assets	<u>76,034,246</u>
Total liabilities and net assets	<u><u>\$ 76,375,130</u></u>

Anabaptist Foundation

Consolidated Statement of Activities

For the Year Ended June 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and support:			
Contributions of cash and other financial assets	\$ 56,365,347	\$ 383,619	\$ 56,748,966
Contributions of nonfinancial assets	3,604,163	-	3,604,163
Investment income	2,356,013	97,398	2,453,411
CSR program income	111,601	-	111,601
Other income	93,260	-	93,260
Imputed interest on hardship loans	128,815	-	128,815
Rent income	435,468	-	435,468
Interest income from loans	135,867	-	135,867
Change in value of split-interest agreements	-	(58,807)	(58,807)
Gain/(loss) on sale of donated real estate	(6,775)	-	(6,775)
Total revenue and support	63,223,759	422,210	63,645,969
Reclassifications:			
Satisfaction of program restrictions	356,680	(356,680)	-
Total reclassifications	356,680	(356,680)	-
Expenses:			
Program services	39,033,168	-	39,033,168
Total program expenses	39,033,168	-	39,033,168
Supporting activities:			
General administration	495,172	-	495,172
Fundraising	75,058	-	75,058
Rental expense	247,637	-	247,637
Total supporting activities	817,867	-	817,867
Total expenses	39,851,035	-	39,851,035
Change in net assets	23,729,404	65,530	23,794,934
Net assets, beginning of year	50,004,205	2,235,107	52,239,312
Net assets, end of year	<u>\$ 73,733,609</u>	<u>\$ 2,300,637</u>	<u>\$ 76,034,246</u>

Complete audited financial statement is available upon request at 800-653-9817, delivered by mail, fax, email, or may be accessed on our website at afweb.org/about.



Stewardship Connections with Integrity

55 Whisper Creek Drive
Lewisburg, PA 17837

2024 ANNUAL REPORT

STEWARDSHIP CONNECTIONS

* * Address service requested * *

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Website: www.afweb.org ▪ Phone: 800-653-9817 ▪ Fax: 866-230-6253 ▪ Email: info@afweb.org

Editorial Team: Floyd Miller, Paul A. Miller, Mark Anthony Peachey, Jason Sensenig, Tim Thomas
Editor: Rachel Mast; Proofreader: Maria Stutzman

Reviewers: Wayne Keim
Dean Wengerd

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Anabaptist
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55 Whisper Creek Drive
Lewisburg, PA 17837
800-653-9817 | info@afweb.org