

**The Corporation for the Relief
of the Widows and Children of
Clergymen in the Communion
of the Protestant Episcopal
Church in the Commonwealth
of Pennsylvania
(D/B/A the Clergy Assurance
Fund)**

Financial Statements
Years Ended March 31, 2024 and 2023



1835 Market Street, 3rd Floor
Philadelphia, PA 19103

215/567-7770 | bbdcpa.com

CLERGY ASSURANCE FUND

CONTENTS

INDEPENDENT AUDITOR'S REPORT	1
FINANCIAL STATEMENTS	
<i>Statements of Financial Position</i>	3
<i>Statements of Activities</i>	4
<i>Statements of Cash Flows</i>	5
<i>Notes to Financial Statements</i>	6
SUPPLEMENTARY INFORMATION	
<i>Schedule of Life Insurance in Force</i>	13
<i>Schedule of New Policies Issued</i>	14
<i>Schedule of Death Claims Paid</i>	15



INDEPENDENT AUDITOR'S REPORT

**The Members of The Corporation for the
Relief of the Widows and Children of
Clergymen in the Communion of the
Protestant Episcopal Church in the
Commonwealth of Pennsylvania
Philadelphia, Pennsylvania**

Opinion

We have audited the accompanying financial statements of The Corporation for the Relief of the Widows and Children of Clergymen in the Communion of the Protestant Episcopal Church in the Commonwealth of Pennsylvania d/b/a the Clergy Assurance Fund (a nonprofit organization), which comprise the statements of financial position as of March 31, 2024 and 2023, and the related statements of activities and cash flows for the years 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 Clergy Assurance Fund as of March 31, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.

Basis for Opinion

We conducted our audits in accordance with U.S. generally accepted auditing standards. 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 the Clergy Assurance Fund 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 U.S. generally accepted accounting principles, 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 the Clergy Assurance Fund's ability to continue as a going concern within one year after the date that the financial statements are available to be 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 generally accepted auditing standards 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 generally accepted auditing standards, 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 Clergy Assurance Fund'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 Clergy Assurance Fund'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.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information on pages 13 through 15 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

BBD LLP

Philadelphia, Pennsylvania
June 24, 2024

CLERGY ASSURANCE FUND

STATEMENTS OF FINANCIAL POSITION

March 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
ASSETS		
Cash (including money market funds of \$116,040 and \$433,997 in 2024 and 2023, respectively)	\$ 196,523	\$ 871,011
Investments	77,618,454	70,013,986
Investment income receivable	1,387	58,301
Premiums due and deferred	14,843	12,678
Prepaid expenses	29,576	20,063
Operating lease right-of-use-asset	<u>258,980</u>	<u>288,783</u>
Total assets	<u>\$ 78,119,763</u>	<u>\$ 71,264,822</u>
LIABILITIES		
Policy reserves for payment of future benefits	\$ 41,188,000	\$ 41,250,000
Accrued expenses	353,128	794,551
Grants payable	513,000	550,000
Premium refunds	115,896	121,886
Operating lease liability	<u>258,980</u>	<u>288,783</u>
Total liabilities	<u>42,429,004</u>	<u>43,005,220</u>
NET ASSETS		
Without donor restrictions		
Operating	32,936,584	25,542,927
Board designated		
Endowment for spousal death benefits	2,500,000	2,500,000
Spousal death benefits funds	70,000	70,000
Grants	166,000	129,000
Yeates trust	<u>8,175</u>	<u>7,675</u>
	35,680,759	28,249,602
With donor restrictions	<u>10,000</u>	<u>10,000</u>
Total net assets	<u>35,690,759</u>	<u>28,259,602</u>
Total liabilities and net assets	<u>\$ 78,119,763</u>	<u>\$ 71,264,822</u>

See accompanying notes

CLERGY ASSURANCE FUND

STATEMENTS OF ACTIVITIES

Years ended March 31, 2024 and 2023

	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE						
Premiums	\$ 74,131	\$ -	\$ 74,131	\$ 97,574	\$ -	\$ 97,574
Investment gain (loss)	9,018,832	-	9,018,832	(4,350,511)	-	(4,350,511)
Other income	72	-	72	66,531	-	66,531
Total revenue	<u>9,093,035</u>	<u>-</u>	<u>9,093,035</u>	<u>(4,186,406)</u>	<u>-</u>	<u>(4,186,406)</u>
BENEFITS AND OTHER EXPENSES						
Death claims	806,065	-	806,065	1,583,303	-	1,583,303
Operating expenses	318,709	-	318,709	460,964	-	460,964
Premium refunds	115,896	-	115,896	122,391	-	122,391
Grants	483,208	-	483,208	584,337	-	584,337
Total benefits and other expenses	<u>1,723,878</u>	<u>-</u>	<u>1,723,878</u>	<u>2,750,995</u>	<u>-</u>	<u>2,750,995</u>
CHANGE IN NET ASSETS BEFORE OTHER CHANGES	7,369,157	-	7,369,157	(6,937,401)	-	(6,937,401)
OTHER CHANGES						
Actuarially required decrease in policy reserves	62,000	-	62,000	340,000	-	340,000
CHANGE IN NET ASSETS	<u>7,431,157</u>	<u>-</u>	<u>7,431,157</u>	<u>(6,597,401)</u>	<u>-</u>	<u>(6,597,401)</u>
NET ASSETS						
Beginning of year	<u>28,249,602</u>	<u>10,000</u>	<u>28,259,602</u>	<u>34,847,003</u>	<u>10,000</u>	<u>34,857,003</u>
End of year	<u>\$ 35,680,759</u>	<u>\$ 10,000</u>	<u>\$ 35,690,759</u>	<u>\$ 28,249,602</u>	<u>\$ 10,000</u>	<u>\$ 28,259,602</u>

-4-

See accompanying notes

CLERGY ASSURANCE FUND

STATEMENTS OF CASH FLOWS

Years ended March 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
<i>Change in net assets</i>	\$ 7,431,157	\$ (6,597,401)
Adjustments to reconcile change in net assets to net cash used for operating activities		
Net unrealized (gains) losses on investments	(4,338,124)	4,231,232
Net realized (gains) losses on investments	(4,029,058)	408,892
Actuarially required decrease in policy reserves	(62,000)	(340,000)
(Increase) decrease in		
Investment income receivable	56,914	17,907
Premiums due and deferred	(2,165)	7,229
Prepaid expenses	(9,513)	(20,063)
Operating lease right-of-use-asset	29,803	(288,783)
Increase (decrease) in		
Accrued expenses	(441,423)	306,784
Grants payable	(37,000)	(100,953)
Premium refunds	(5,990)	(9,750)
Operating lease liability	(29,803)	288,783
Net cash used for operating activities	<u>(1,437,202)</u>	<u>(2,096,123)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of investments	104,729,431	25,075,844
Purchases of investments	<u>(103,966,717)</u>	<u>(22,793,555)</u>
Net cash provided by investing activities	<u>762,714</u>	<u>2,282,289</u>
Net change in cash	(674,488)	186,166
CASH		
Beginning of year	<u>871,011</u>	<u>684,845</u>
End of year	<u>\$ 196,523</u>	<u>\$ 871,011</u>

See accompanying notes

CLERGY ASSURANCE FUND

NOTES TO FINANCIAL STATEMENTS

March 31, 2024 and 2023

(1) ORGANIZATION

The Corporation for the Relief of the Widows and Children of Clergymen in the Communion of the Protestant Episcopal Church in the Commonwealth of Pennsylvania d/b/a the Clergy Assurance Fund (the "**Corporation**") was founded in 1769, and its purpose then and now is to provide financial security, primarily through life insurance policies and grants, to the families of Episcopal clergy in the Commonwealth of Pennsylvania.

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables and other liabilities.

Basis of Presentation

The Corporation reports information regarding its financial position and activities according to the following classes of net assets:

Without donor restrictions

Net assets that are not subject to donor-imposed restrictions.

With donor restrictions

Net assets that are subject to donor-imposed restrictions that will be satisfied by actions of the Corporation and/or the passage of time. When a restriction is satisfied, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Also included in this category are net assets subject to donor-imposed restrictions that require the net assets be maintained indefinitely while permitting the Corporation to expend the income generated in accordance with the provisions of the contribution.

Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

Investments

Investments in equity securities with readily determinable fair values and all investments in debt securities are reported at fair value with gains and losses included in the statement of activities. Investment income is recorded as earned.

The Corporation invests in a professionally managed portfolio that contains various types of securities (**See Note 3**). Such investments are exposed to market and credit risk. Due to the level of risk associated with such investments, and the level of uncertainty related to changes in the value of such investments, it is at least reasonably possible that changes in the near term would materially affect investment balances and the amounts reported in the financial statements.

CLERGY ASSURANCE FUND

NOTES TO FINANCIAL STATEMENTS

March 31, 2024 and 2023

Fair Value Measurements of Assets and Liabilities

Generally accepted accounting principles ("**GAAP**") define fair value as the price that would be received to sell an asset or paid to transfer a liability (i.e., the "exit price") in an orderly transaction between market participants at the measurement date. GAAP establishes a fair value hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are those that market participants would use in pricing the asset or liability based on market data obtained from sources independent of the Corporation. Unobservable inputs reflect the Corporation's assumptions about the inputs market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. The fair value hierarchy is categorized into three levels based on the inputs as follows:

Level 1 – Valuations based on quoted prices in active markets for identical assets or liabilities that the Corporation has the ability to access. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these assets and liabilities does not entail a significant degree of judgment.

Level 2 – Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.

Level 3 – Valuations based on inputs that are unobservable, that is, inputs that reflect the Corporation's own assumptions.

Premiums and Policy Reserves for Payment of Future Benefits

Premiums are reported as earned when due. Policy reserves for future benefits are computed by generally accepted actuarial methods. For the reserve calculation, the Corporation utilized the 2001 CSO Male, Non-smoker Table of Mortality assuming 3% interest. As of March 31, 2024 and 2023, the total death benefit of life insurance policies in force was \$60,119,786 and \$60,741,351, respectively.

Leases

Operating leases are recorded as right-of-use-assets and lease liabilities in the statements of financial position. Leases with a term of twelve months or less are considered short term leases and are accounted for as an expense in the statements of activities as rental payments are incurred.

Operating lease assets represent the Corporation's right to use an underlying asset for the lease term and lease liabilities represent its obligation to make lease payments arising from the lease. Operating lease assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. The Corporation uses the implicit rate when readily determinable. When the lease does not provide an implicit rate, the Corporation uses a secured borrowing rate based on the information available at commencement date in determining the present value of lease payments.

Operating lease expense for lease payments are recognized on a straight-line basis over the lease term.

Functional Allocation of Expenses

The costs of providing various program and supporting services have been presented on a functional basis in Note 7. Expenses directly attributable to a specific functional area are reported as expenses of that functional area. Expenses not directly attributable to a specific functional area are allocated. Significant expenses that are allocated include salaries and benefits and office expenses which are allocated to functional areas based on estimates of time and effort.

CLERGY ASSURANCE FUND

NOTES TO FINANCIAL STATEMENTS

March 31, 2024 and 2023

Income Taxes

The Corporation is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the Corporation's tax-exempt purpose is subject to taxation as unrelated business income. In addition, the Corporation qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(3).

GAAP requires entities to evaluate, measure, recognize and disclose any uncertain tax positions. GAAP prescribes a minimum threshold that a tax position is required to meet in order to be recognized in the financial statements. The Corporation believes that it had no uncertain tax positions as defined in GAAP.

(3) INVESTMENTS

Investments consisted of the following at March 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Exchange traded funds		
Fixed income	\$30,738,254	\$ -
Equity	31,915,222	-
Mutual funds		
Fixed income – short term	-	114,352
Fixed income – long term	-	6,478,669
Equity	-	11,143,689
Common stocks	-	8,277,903
Corporate, U.S. Treasury and U.S. government agency bonds	-	9,322,835
Limited partnerships	<u>14,964,978</u>	<u>34,676,538</u>
	<u>\$77,618,454</u>	<u>\$70,013,986</u>

Investment income (loss) was comprised of the following:

	<u>2024</u>	<u>2023</u>
Interest and dividends	\$ 1,129,679	\$ 823,881
Net realized gains (losses)	4,029,058	(408,892)
Net unrealized gains (losses)	4,338,124	(4,231,232)
Investment advisory fees	<u>(478,029)</u>	<u>(534,268)</u>
	<u>\$ 9,018,832</u>	<u>\$(4,350,511)</u>

Limited partnerships consisted of the following at March 31, 2024:

	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency</u>	<u>Redemption Notice Period</u>
Fixed income funds (a)	\$ 137,982	none	monthly	45 days
Equity long/short funds (b)	13,915,799	none	monthly, quarterly, and semi-annual	45, 60, and 120 days
Private equity funds (c)	<u>911,197</u>	\$320,000	none	none
	<u>\$14,964,978</u>			

CLERGY ASSURANCE FUND

NOTES TO FINANCIAL STATEMENTS

March 31, 2024 and 2023

- (a) This category includes an investment in a limited partnership which invests in below-investment grade credit, distressed credit and structured credit. The fair value of the investment in this category has been estimated using the net asset value per share.
- (b) This category includes investments in eight limited partnerships that primarily invest in both long and short U.S. and non-U.S. equities. The fair values of the investments in this category have been estimated using the net asset value per share. One limited partnership with a net asset value of \$1,902,961 at March 31, 2024 has no lock up restrictions, but only allows redemptions of 1/6 of the market value quarterly. Another limited partnership with a net asset value of \$1,347,920 at March 31, 2024 has no lock up restrictions, but only allows redemptions of 1/4 of the market value quarterly.
- (c) This category includes two private equity and venture capital partnerships focused in natural resources and real estate. These investments can never be redeemed, instead distributions will be received through the liquidation of the underlying assets of the fund. The fair values of the investments in this category have been estimated using the equity method.

(4) NET ASSETS WITHOUT DONOR RESTRICTIONS – BOARD DESIGNATED

Net assets without donor restrictions are board designated for the following purposes:

	Balance March 31, 2023	Additions	Releases	Balance March 31, 2024
Endowment for spousal death benefits	\$2,500,000	\$ -	\$ -	\$2,500,000
Spousal death benefits	70,000	20,000	(20,000)	70,000
Grants	129,000	166,000	(129,000)	166,000
Yeates trust	<u>7,675</u>	<u>500</u>	<u>-</u>	<u>8,175</u>
	<u>\$2,706,675</u>	<u>\$186,500</u>	<u>\$(149,000)</u>	<u>\$2,744,175</u>

	Balance March 31, 2022	Additions	Releases	Balance March 31, 2023
Endowment for spousal death benefits	\$2,500,000	\$ -	\$ -	\$2,500,000
Spousal death benefits	70,000	30,000	(30,000)	70,000
Grants	126,800	129,000	(126,800)	129,000
Yeates trust	<u>7,175</u>	<u>500</u>	<u>-</u>	<u>7,675</u>
	<u>\$2,703,975</u>	<u>\$159,500</u>	<u>\$(156,800)</u>	<u>\$2,706,675</u>

(5) NET ASSETS WITH DONOR RESTRICTIONS

Net assets to be maintained indefinitely consist of the Margaret and Catharine Yeates Trust. The income is available for grants to aged ministers of the Protestant Episcopal Church of the United States.

(6) LEASES

The Corporation has an operating lease for office space that expires August 31, 2030 and contains provisions for rental escalators. The lease requires the Organization to pay its proportionate share of operating expenses. Rent expense under this operating lease was \$29,803 and \$36,729 for 2024 and 2023, respectively.

CLERGY ASSURANCE FUND

NOTES TO FINANCIAL STATEMENTS

March 31, 2024 and 2023

The maturities of the operating lease liability as of March 31, 2024, were as follows:

Year ending December 31,

2025	\$ 42,450
2026	44,149
2027	45,914
2028	47,751
2029	49,661
Thereafter	<u>64,685</u>
	294,610
Less: Interest	<u>(35,630)</u>
Present value of operating leases liability	<u>\$258,980</u>

The weighted average remaining lease term on operating leases was 6.42 years and the weighted average discount rate was 4% as of March 31, 2024.

(7) FUNCTIONAL EXPENSE CLASSIFICATION

Expenses functionally classified for the year ended March 31, 2024 are as follows:

	<u>Program</u>	<u>General and Administrative</u>	<u>Total</u>
Salaries and benefits	\$ 53,642	\$ 17,881	\$ 71,523
Grants	483,208	-	483,208
Death claims	806,065	-	806,065
Premium refunds	115,896	-	115,896
Office expenses	59,634	19,878	79,512
Professional fees	<u>41,243</u>	<u>126,431</u>	<u>167,674</u>
	<u>\$1,559,688</u>	<u>\$164,190</u>	<u>\$1,723,878</u>

Expenses functionally classified for the year ended March 31, 2023 are as follows:

	<u>Program</u>	<u>General and Administrative</u>	<u>Total</u>
Salaries and benefits	\$ 69,968	\$ 23,322	\$ 93,290
Grants	584,337	-	584,337
Death claims	1,583,303	-	1,583,303
Premium refunds	122,391	-	122,391
Office expenses	89,739	29,912	119,651
Professional fees	<u>68,109</u>	<u>179,914</u>	<u>248,023</u>
	<u>\$2,517,847</u>	<u>\$233,148</u>	<u>\$2,750,995</u>

(8) ASSETS AND LIABILITIES MEASURED AT FAIR VALUE ON A RECURRING BASIS

The following is a summary of assets and liabilities measured at fair value on a recurring basis and the valuation inputs used to value them at March 31:

CLERGY ASSURANCE FUND

NOTES TO FINANCIAL STATEMENTS

March 31, 2024 and 2023

<u>2024</u>	<u>Fair Value</u>	<u>Quoted Prices in Active Markets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Assets				
Investments				
Exchange traded funds	\$62,653,476	\$62,653,476	\$ -	\$ -
Limited partnerships measured at net asset value (a)	<u>14,964,978</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
	<u>\$77,618,454</u>	<u>\$62,653,476</u>	<u>\$ -</u>	<u>\$ -</u>
Liabilities				
Policy reserves for payment of future benefits	\$41,188,000	\$ -	\$41,188,000	\$ -
Grants payable	<u>513,000</u>	<u>-</u>	<u>513,000</u>	<u>-</u>
	<u>\$41,701,000</u>	<u>\$ -</u>	<u>\$41,701,000</u>	<u>\$ -</u>
<u>2023</u>	<u>Fair Value</u>	<u>Quoted Prices in Active Markets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Assets				
Investments				
Mutual funds	\$17,736,710	\$17,736,710	\$ -	\$ -
Corporate, U.S. Treasury and U.S. government agency bonds	9,322,835	-	9,322,835	-
Common stocks	8,277,903	8,277,903	-	-
Limited partnerships measured at net asset value (a)	<u>34,676,538</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
	<u>\$70,013,986</u>	<u>\$26,014,613</u>	<u>\$ 9,322,835</u>	<u>\$ -</u>
Liabilities				
Policy reserves for payment of future benefits	\$41,250,000	\$ -	\$41,250,000	\$ -
Grants payable	<u>550,000</u>	<u>-</u>	<u>550,000</u>	<u>-</u>
	<u>\$41,800,000</u>	<u>\$ -</u>	<u>\$41,800,000</u>	<u>\$ -</u>

(a) Certain investments that are measured at fair value using the net asset value per share practical expedient have not been classified in the fair value hierarchy. These investments have been included in this table to permit reconciliation to the amounts presented in the statements of financial position.

(9) LIQUIDITY AND AVAILABILITY OF RESOURCES

The following reflects the Corporation's financial assets as of the statements of financial position date and the amounts available within one year of the statements of financial position date.

	<u>2024</u>	<u>2023</u>
Cash	\$ 196,523	\$ 871,011
Investments	77,618,454	70,013,986
Investment income receivable	1,387	58,301
Premiums due and deferred	<u>14,843</u>	<u>12,678</u>
Total financial assets	77,831,207	70,955,976

CLERGY ASSURANCE FUND

NOTES TO FINANCIAL STATEMENTS

March 31, 2024 and 2023

Less: Financial assets not available for general operations within one year		
Restricted by donors in perpetuity	(10,000)	(10,000)
Investments with liquidity horizons greater than one year	(1,545,517)	(1,798,102)
Unfunded commitments to private equity funds	(320,000)	(375,000)
Board designated funds	<u>(2,744,175)</u>	<u>(2,706,675)</u>
	<u>\$73,211,515</u>	<u>\$66,066,199</u>

Liquidity Management

As part of the Corporation's liquidity management, it invests cash in excess of daily requirements in short-term investments, typically money market funds.

(10) SUBSEQUENT EVENTS

Management has evaluated subsequent events through June 24, 2024, the date on which the financial statements were available to be issued. No material subsequent events have occurred since March 31, 2024 that required recognition or disclosure in the financial statements.

SUPPLEMENTARY INFORMATION

CLERGY ASSURANCE FUND

SCHEDULE OF LIFE INSURANCE IN FORCE

Year ended March 31, 2024

BALANCE, MARCH 31, 2023	\$ 60,741,351
New policies issued	184,500
Death claims	<u>(806,065)</u>
BALANCE, MARCH 31, 2024	<u>\$ 60,119,786</u>

CLERGY ASSURANCE FUND

SCHEDULE OF NEW POLICIES ISSUED

Year ended March 31, 2024

<u>POLICY NO.</u>	<u>POLICY HOLDER</u>	<u>AMOUNT</u>
2803	Robyn J Szoke	\$ 50,000
2804	James Miorelli	75,000
2805	Charles Starr	6,500
2806	Robert Carl Schwarz	50,000
8506	The Rev Josiah Mark Daniels	1,000
8507	Deacon Cynthia Gainer	1,000
8508	James Miorelli	1,000
		<u>\$ 184,500</u>

CLERGY ASSURANCE FUND

SCHEDULE OF DEATH CLAIMS PAID

Year ended March 31, 2024

<u>POLICY NO.</u>	<u>POLICY HOLDER</u>	<u>AMOUNT</u>
25	Rev. Roger Alling Jr	\$ 1,000
47	Rev. Eric Snyder	1,000
72	Rev. Richard A Randall	1,000
214	Rev. James H Fetterman	1,000
277	Rev. Reuel S Kaighn Jr	1,000
314	Deacon Rebecca C Spanos	1,000
419	Rev. Peter E Ostrander	1,000
464	Rev. Ronald W Parker	1,000
553	Rev. Robert D Schenkel Jr	1,000
628	Rev. Rodney Whitacre	1,000
655	Rev. Walter Szymanski	1,000
784	Rev. Charles L Ramsden	1,000
795	Rev. Scott P Albergate	1,000
891	Rev. Sara C Batson	1,000
928	Rev. Bernard Leonard Maguire III	1,000
972	Rev. Nicholas Barclay Phelps	1,000
1495	Rev. William E Blewett	50,250
1551	Rev. Leslie Eugene Bogan III	6,700
1645	Rev. William E Blewett	16,750
1723	Rev. Ralph C Roth Jr	33,500
1842	Rev. James A Basinger	50,250
1880	Rev. John A Andrews	33,500
1888	Rev. James A Basinger	25,125
2018	Rev. Ralph C Roth Jr	100,500
2231	Rev. James H Fetterman	83,750
2268	Rev. Reuel S Kaighn Jr	48,575
2299	Rev. Eric Snyder	15,075
2365	Rev. Ronald W Parker	83,750
2471	Deacon Rebecca C Spanos	1,340
2474	Rev. Reuel S Kaighn Jr	134,000
2744	Rev. Emily Richards	100,000
8036	Rev. Daniel V Fitz Simmons	1,000
8076	Rev. Marlee Rundquist Norton	1,000
8085	Rev. Emily Richards	1,000
8092	Rev. Dr Norman E Koehler III OSL	1,000
8114	Rev. Walter J Moreau	1,000
8246	Rev. Charles Du Bois	1,000
8442	Deacon Jack Hoffer	1,000
		<u>\$ 806,065</u>



June 24, 2024

**Acting Committee
Clergy Assurance Fund
Philadelphia, Pennsylvania**

We have audited the financial statements of Clergy Assurance Fund (the "**Organization**") for the year ended March 31, 2024 and have issued our report thereon dated June 24, 2024. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit.

Our Responsibility Under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated May 16, 2024, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

Our responsibility is to plan and perform the audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement.

As part of our audit, we considered the Organization's internal control. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures specifically to identify such matters.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Organization are described in Note 2 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year. We noted no transactions entered into by the Organization during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates were the fair value of investments, the actuarial valuation of policy reserves for the payment of future benefits and the allocation of expenses by function. We evaluated the key factors and assumptions used to develop the estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements noted as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated June 24, 2024.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Organization's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Organization's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of Clergy Assurance Fund and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

BBD LLP

BBD, LLP