

**THE CORPORATION FOR THE RELIEF OF THE WIDOWS
AND CHILDREN OF THE CLERGY OF THE PROTESTANT
EPISCOPAL CHURCH IN MARYLAND**

FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2024 AND 2023



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**THE CORPORATION FOR THE RELIEF OF THE WIDOWS AND CHILDREN OF THE
CLERGY OF THE PROTESTANT EPISCOPAL CHURCH IN MARYLAND
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YEARS ENDED DECEMBER 31, 2024 AND 2023**

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INDEPENDENT AUDITORS' REPORT

Board of Managers
The Corporation for the Relief of the Widows and Children
of the Clergy of the Protestant Episcopal Church in Maryland
Baltimore, Maryland

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of The Corporation for the Relief of the Widows and Children of the Clergy of the Protestant Episcopal Church in Maryland (the Corporation) which comprise the statements of financial position as of December 31, 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 financial statements referred to above present fairly, in all material respects, the financial position of the Corporation as of December 31, 2024 and 2023, and the results of its operations, changes in 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Corporation 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 the Corporation's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

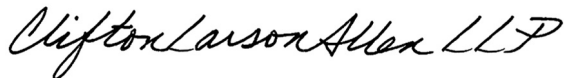
Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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



CliftonLarsonAllen LLP

Greenbelt, Maryland
May 8, 2025

**THE CORPORATION FOR THE RELIEF OF THE WIDOWS AND CHILDREN OF THE CLERGY OF
THE PROTESTANT EPISCOPAL CHURCH IN MARYLAND
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>
ASSETS		
Cash and Cash Equivalents	\$ 2,077,515	\$ 1,806,852
Investments	42,244,595	38,962,119
Accrued Interest and Dividends Receivable	-	67,406
Other Receivable	<u>353</u>	<u>353</u>
Total Assets	<u><u>\$ 44,322,463</u></u>	<u><u>\$ 40,836,730</u></u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Present Value of Future Annuity Payments	\$ 9,070,292	\$ 9,218,624
Accounts Payable and Accrued Expenses	<u>16,580</u>	<u>33,639</u>
Total Liabilities	9,086,872	9,252,263
NET ASSETS WITHOUT DONOR RESTRICTIONS		
General Operating	34,413,188	30,703,772
Board Designated:		
Reserve for Gratuity Payments	<u>822,403</u>	<u>880,695</u>
Total Net Assets Without Donor Restrictions	<u><u>35,235,591</u></u>	<u><u>31,584,467</u></u>
Total Liabilities and Net Assets	<u><u>\$ 44,322,463</u></u>	<u><u>\$ 40,836,730</u></u>

See accompanying Notes to Financial Statements.

**THE CORPORATION FOR THE RELIEF OF THE WIDOWS AND CHILDREN OF THE CLERGY OF
THE PROTESTANT EPISCOPAL CHURCH IN MARYLAND
STATEMENTS OF ACTIVITIES
YEARS ENDED DECEMBER 31, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>
REVENUES, GAINS, AND OTHER SUPPORT		
Interest and Dividends, Net of Fees	\$ 764,750	\$ 368,577
Realized Gains on Sale of Investments	15,501,178	581,773
Net Unrealized (Loss) Gain of Investments	(11,503,089)	5,456,470
Membership Dues	12,991	12,550
Miscellaneous Income	<u>4,223</u>	<u>31,278</u>
Total Revenues, Gains, and Other Support Without Donor Restrictions	4,780,053	6,450,648
EXPENSES		
Program Services	1,081,393	936,567
Supporting Services:		
Management and General	<u>47,536</u>	<u>1,718,905</u>
Total Expenses	<u>1,128,929</u>	<u>2,655,472</u>
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	3,651,124	3,795,176
Net Assets - Beginning of Year	<u>31,584,467</u>	<u>27,789,291</u>
NET ASSETS - END OF YEAR	<u><u>\$ 35,235,591</u></u>	<u><u>\$ 31,584,467</u></u>

See accompanying Notes to Financial Statements.

**THE CORPORATION FOR THE RELIEF OF THE WIDOWS AND CHILDREN OF THE CLERGY
OF THE PROTESTANT EPISCOPAL CHURCH IN MARYLAND
STATEMENTS OF FUNCTIONAL EXPENSES
YEARS ENDED DECEMBER 31, 2024 AND 2023**

	2024			2023		
	Program Services	Management and General	Total Expenses	Program Services	Management and General	Total Expenses
Gratuities	\$ 574,935	\$ -	\$ 574,935	\$ 518,569	\$ -	\$ 518,569
Annuity and Death Benefit Expense	442,514	-	442,514	350,000	-	350,000
Salaries	57,446	57,446	114,892	56,642	56,642	113,284
Professional Fees	-	40,229	40,229	-	53,144	53,144
Office Expenses	-	59,337	59,337	-	43,437	43,437
Meetings	-	12,210	12,210	-	13,639	13,639
Reimbursement of Travel Expenses	-	1,332	1,332	-	5,719	5,719
Employee Benefits	6,498	20,969	27,467	11,356	12,930	24,286
Taxes	-	4,345	4,345	-	4,199	4,199
Change in Present Value of Future Annuity Payments	-	(148,332)	(148,332)	-	1,529,195	1,529,195
Total Expenses	<u>\$ 1,081,393</u>	<u>\$ 47,536</u>	<u>\$ 1,128,929</u>	<u>\$ 936,567</u>	<u>\$ 1,718,905</u>	<u>\$ 2,655,472</u>

See accompanying Notes to Financial Statements.

**THE CORPORATION FOR THE RELIEF OF THE WIDOWS AND CHILDREN OF THE CLERGY OF
THE PROTESTANT EPISCOPAL CHURCH IN MARYLAND
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 3,651,124	\$ 3,795,176
Adjustments to Reconcile Change in Net Assets to Net Cash Used by Operating Activities:		
Realized Gains on Investments	(15,501,178)	(581,773)
Unrealized Loss (Gain) on Investments	11,503,089	(5,456,470)
Effects of Changes in Operating Assets and Liabilities:		
Change in Present Value of Future Annuity Payments	(148,332)	1,529,195
Accrued Interest and Dividends Receivable	67,406	4,091
Accounts Payable and Accrued Expenses	(17,059)	(816)
Net Cash Used by Operating Activities	<u>(444,950)</u>	<u>(710,597)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from Sale of Investments	52,926,498	9,926,723
Purchases of Investments	<u>(52,210,885)</u>	<u>(9,469,742)</u>
Net Cash Provided by Investing Activities	<u>715,613</u>	<u>456,981</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	270,663	(253,616)
Cash and Cash Equivalents - Beginning of Year	<u>1,806,852</u>	<u>2,060,468</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 2,077,515</u></u>	<u><u>\$ 1,806,852</u></u>

See accompanying Notes to Financial Statements.

**THE CORPORATION FOR THE RELIEF OF THE WIDOWS AND CHILDREN OF THE CLERGY OF
THE PROTESTANT EPISCOPAL CHURCH IN MARYLAND
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Corporation for the Relief of the Widows and Children of the Clergy of the Protestant Episcopal Church in Maryland (the Corporation) is a nonprofit organization. The Corporation was formed in 1784 to provide for the welfare of the widows and children of the Episcopal clergy in Maryland. The principal source of income for the Corporation is investment income. Significant accounting policies followed by the Corporation are described below.

Basis of Accounting

The accounts of the Corporation are maintained on the accrual basis of accounting. This accounting and reporting method classifies various resources by their nature and purpose, based on the presence or absence of donor-imposed restrictions, into two classes of net assets.

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, board-designated net assets.

Net Assets With Donor Restrictions – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. The Corporation had no net assets with donor restrictions as of December 31, 2024 or 2023.

Cash and Cash Equivalents

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

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values on the statement of financial position. Investments also include alternative investments which are valued at net asset value (NAV) as a practical expedient. To adjust the carrying value of investments, the change in value is recorded in unrealized gains/losses on the statements of activities.

Fair Value of Financial Instruments

The Corporation's financial instruments consist of cash and cash equivalents, investments, interest receivable and annuity payments. Interest receivable is recorded at net realizable value, which approximates fair value. Investments are recorded at their fair values based on quoted market rates or estimated fair values, or net asset value depending on the type of holding. Annuity payments are recorded at the estimated present value of the estimated future amount to be paid. All other financial instruments are stated at cost which approximates fair value.

**THE CORPORATION FOR THE RELIEF OF THE WIDOWS AND CHILDREN OF THE CLERGY OF
THE PROTESTANT EPISCOPAL CHURCH IN MARYLAND
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Spending Policy

The spending percentage shall be 3-5% and shall be recommended to the Board annually by the Investment Committee, considering the trailing three-year performance of the assets and the necessary spending obligations of the Corporation's mission. The spending policy for the year ended December 31, 2024 and 2023, was approved at 4%. The annual spending recommendation is subject to the approval of the Board.

Revenue Recognition

Membership in the Corporation is paid on a calendar basis at a point in time each April and membership dues are recognized as revenue in the period to which the dues apply over a period of time.

Investment income and gains or losses are reported as increases or decreases in net assets without donor restrictions in the reporting period in which the income and gains or losses are recognized.

Contributed Services

The Corporation routinely benefits from certain services performed on a volunteer basis by interested members of the community. Such benefits are not reflected in the accompanying financial statements as they do not meet the reporting criteria.

Functional Allocation of Expenses

The costs of providing the program and supporting services have been summarized on a functional basis in the statements of functional expenses. Accordingly, direct costs related to the benefits paid as well as the indirect costs of investment fees and salaries have been allocated to program costs. All other costs are allocated to supporting services costs.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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.

Risk and Uncertainties

The Corporation may invest in various types of investment securities. Investment securities are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is possible that changes in the values of investment securities may occur in the near term and that such changes could materially affect the amounts reported in the statements of financial position.

**THE CORPORATION FOR THE RELIEF OF THE WIDOWS AND CHILDREN OF THE CLERGY OF
THE PROTESTANT EPISCOPAL CHURCH IN MARYLAND
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

The Corporation is exempt from the payment of income taxes on its exempt activities under Section 501(c)(3) of the Internal Revenue Code and has been classified by the Internal Revenue Service as other than a private foundation under Section 509(a)(2).

The Corporation has analyzed its tax positions taken for filings with the Internal Revenue Service and state taxing authorities. As of December 31, 2024 and 2023, it believes that the tax filing positions will be sustained upon examination and does not anticipate any adjustments that would result in a material adverse effect on its financial position, changes in its net assets, or cash flows.

Subsequent Events

In preparing these financial statements, the Corporation has evaluated events and transactions for potential recognition or disclosure through May 8, 2025, the date the financial statements were available to be issued.

NOTE 2 LIQUIDITY AND AVAILABILITY

The Corporation provides stipends for living expenses for the families of deceased Episcopal Clergy in the state of Maryland. It is the purpose of the Corporation to enable these families to maintain a reasonable standard of living. In addition, the Corporation pays a modest annual annuity and a death benefit to all survivor spouses. The Corporation does not receive additional gifts or bequests. As such, these investment returns are used as part of its annual operations to be available to meet cash needs for general expenditures within one year. The Investment Committee shall determine an appropriate spending policy each year that is intended to maintain the long-term purchasing power of the assets in order to continue the expected level of service and to fulfill the mission of the Corporation. After the completion of the fourth quarter of each calendar year, upon determining the spending policy and average assets of the funds, an amount approximating one-year of spending shall be moved into cash and segregated from the other assets. Financial assets available to meet cash needs for general expenditures within one year include cash and investments of \$44,322,110 and \$40,768,971 for December 31, 2024 and 2023, respectively.

**THE CORPORATION FOR THE RELIEF OF THE WIDOWS AND CHILDREN OF THE CLERGY OF
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DECEMBER 31, 2024 AND 2023**

NOTE 3 INVESTMENTS

The value and cost of investments are as follows:

2024				
	Fair Market Value	Cost	Unrealized Gain (Loss)	Net Asset Value
Equities	\$ 33,870,797	\$ 33,267,489	\$ 603,308	\$ -
Alternative Investments - Common Trust Funds	-	8,237,678	136,121	8,373,798
Total	<u>\$ 33,870,797</u>	<u>\$ 41,505,167</u>	<u>\$ 739,429</u>	<u>\$ 8,373,798</u>
2023				
	Fair Market Value	Cost	Unrealized Gain (Loss)	Net Asset Value
Government/Agency Obligations	\$ 3,780,875	\$ 3,985,987	\$ (205,112)	\$ -
Corporate Obligations	5,503,655	5,705,267	(201,612)	-
Equities	29,677,589	17,028,347	12,649,242	-
Total	<u>\$ 38,962,119</u>	<u>\$ 26,719,601</u>	<u>\$ 12,242,518</u>	<u>\$ -</u>

NOTE 4 FAIR VALUE MEASUREMENTS

A fair value hierarchy that prioritizes the input to valuation techniques used to measure fair value is established by generally accepted accounting principles. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under generally accepted accounting principles are described as follows:

Level 1 – Valuations based on unadjusted quoted prices for identical assets or liabilities in active markets;

Level 2 – Valuations based on quoted prices for similar assets or liabilities or identical assets or liabilities in less active markets, such as dealer or broker markets; and

Level 3 – Valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable, such as pricing models, discounted cash flow models and similar techniques not based on market, exchange, dealer or broker-traded transactions.

**THE CORPORATION FOR THE RELIEF OF THE WIDOWS AND CHILDREN OF THE CLERGY OF
THE PROTESTANT EPISCOPAL CHURCH IN MARYLAND
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 4 FAIR VALUE MEASUREMENTS (CONTINUED)

Following is a description of the valuation methodologies used for instruments measured at fair value and their classification within the valuation hierarchy.

Equities

Equity securities listed on a national market or exchange are valued at the last sale price, or if there is no sale and the market is still considered active, at the last transaction price before year-end. Such securities are classified within Level 1 of the valuation hierarchy.

Government/Agency and Corporate Obligations

Debt securities consisting of government/agency and corporate obligations are generally valued at the most recent price of the equivalent quoted yield for such securities, or those of comparable maturity, quality, and type. Debt securities are generally classified within Level 2 of the valuation hierarchy.

Alternative Investments

Investments valued at NAV (or its equivalent) as a practical expedient include alternative investments, which do not have a readily determinable fair value and are not traded on an exchange. The Corporation estimates the value of its alternative investments at the measurement date using the NAV (or its equivalent) reported by the fund managers without further adjustment. NAV (or its equivalent) was determined by the fund managers based on the fair value of the underlying portfolio of investments. The Corporation does not expect to sell its alternative investments at a value other than NAV (or its equivalent). Furthermore, the Corporation believes NAV (or its equivalent) is calculated in accordance with U.S. GAAP.

All of the alternative investment holdings in 2024 are common trust funds which have monthly redemption frequency, and no redemption restrictions. No redemption notice period is required.

**THE CORPORATION FOR THE RELIEF OF THE WIDOWS AND CHILDREN OF THE CLERGY OF
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NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 4 FAIR VALUE MEASUREMENTS (CONTINUED)

Liabilities at Fair Value

Annuity Obligations – The fair value of the Corporation’s annuity obligations is determined utilizing an actuarial calculation based on existing members at December 31, 2024. That valuation report provided the actuarial determined liability as of December 31, 2024. These liabilities are classified within Level 3 of the valuation hierarchy. There were no transfers into or out of this liability.

The following tables present assets and liabilities measured at fair value by classification within the fair value hierarchy as of December 31:

	2024			
	Level 1	Level 2	Level 3	Total
Equities				
Measured at Fair Market Value	\$ 33,870,797	\$ -	\$ -	\$ 33,870,797
Alternative Investments				
Measured at Net Asset Value*	n/a	n/a	n/a	8,373,798
Total Investments	<u>\$ 33,870,797</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 42,244,595</u>
Annuity Obligation	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,070,292</u>	<u>\$ 9,070,292</u>

	2023			
	Level 1	Level 2	Level 3	Total
Equities	\$ 29,677,589	\$ -	\$ -	\$ 29,677,589
Corporate Obligations	-	5,503,655	-	5,503,655
Government/Agency Obligations	-	3,780,875	-	3,780,875
Total Investments at Fair Market Value	<u>\$ 29,677,589</u>	<u>\$ 9,284,530</u>	<u>\$ -</u>	<u>\$ 38,962,119</u>
Annuity Obligation	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,218,624</u>	<u>\$ 9,218,624</u>

*Investments measured at NAV (or its equivalent) as a practical expedient are not included in the fair value hierarchy, but are presented above to enable readers of the financial statements to agree total investments above to the statements of financial position.

**THE CORPORATION FOR THE RELIEF OF THE WIDOWS AND CHILDREN OF THE CLERGY OF
THE PROTESTANT EPISCOPAL CHURCH IN MARYLAND
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 5 ANNUITIES AND GRATUITIES

The Corporation is committed to pay the beneficiaries of its clergy members a yearly annuity payment for their remaining life starting in the year following the clergy members' death. This annuity was \$2,064, and \$1,500 for 2024 and 2023, respectively. The beneficiary is also due a one-time death benefit of \$10,000 at the time of death of the members and members' spouses. In addition, at the board's discretion, gratuities may be awarded to members in addition to annuity payments to adjust income levels of the individual members as deemed necessary. The present value of future annuity payments to the beneficiaries is determined utilizing an actuarial calculation based on existing members at calendar year-end. As of December 31, 2024 and 2023, actuarial assumptions include a discount rate of 4.25%, all benefits fully accrued, and use of the Pri-2012 mortality table. The liability at December 31, 2024 and 2023, based on the most recent actuarial calculations, is \$9,070,292 and \$9,218,624, respectively.

Distributions of annuities and gratuities over the past five years were as follows (the number within the parenthesis represents the number of beneficiaries receiving payments):

	2024		2023		2022		2021		2020	
Death Benefit	(18)	\$ 179,450	(17)	\$ 170,000	(10)	\$ 100,000	(14)	\$ 140,000	(7)	\$ 70,000
Annuities	(131)	263,064	(125)	180,000	(125)	187,500	(120)	180,000	(119)	192,000
Gratuities	(136)	<u>574,935</u>	(97)	<u>518,569</u>	(80)	<u>329,901</u>	(78)	<u>278,795</u>	(78)	<u>395,461</u>
Total		<u>\$ 1,017,449</u>		<u>\$ 868,569</u>		<u>\$ 617,401</u>		<u>\$ 598,795</u>		<u>\$ 657,461</u>

NOTE 6 CONCENTRATION OF CREDIT RISK

The Corporation maintains all of its cash and cash equivalents in two commercial banks. Balances on deposit are insured by the Federal Deposit Insurance Corporation (FDIC) and the Securities Investor Protection Corporation (SIPC) up to specified limits. Balances in excess of FDIC and SIPC limits are uninsured. The Corporation has not experienced any losses in such accounts. The Corporation believes that it is not exposed to any significant financial risk on cash.

The Corporation invests in a professionally managed portfolio that contains equities and alternative investments. Such investments are exposed to various risks, such as market and credit. 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 risk in the near term could materially affect investment balances and the amounts reported in the financial statements.

