

**The International Pentecostal Holiness Church
Extension Loan Fund, Inc.**

Independent Auditor's Report and Financial Statements

December 31, 2020, 2019, and 2018

Independent Auditor's Report

Council of Bishops and Board of Directors
The International Pentecostal Holiness Church
Extension Loan Fund, Inc.
Bethany, Oklahoma

We have audited the accompanying financial statements of The International Pentecostal Holiness Church Extension Loan Fund, Inc., which comprise the statements of financial position as of December 31, 2020, 2019, and 2018, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The International Pentecostal Holiness Church Extension Loan Fund, Inc. as of December 31, 2020, 2019, and 2018, 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.

BKD, LLP

Springfield, Missouri
May 19, 2021

The International Pentecostal Holiness Church Extension Loan Fund, Inc.

Statements of Financial Position December 31, 2020, 2019, and 2018

Assets

	2020	2019	2018
Cash and cash equivalents	\$ 6,677,856	\$ 3,571,969	\$ 3,241,541
Interest-bearing time deposits in banks	500,000	1,250,597	1,732,652
Investments	8,051,261	5,423,722	6,000,087
Investments held by affiliates	3,830,842	3,620,038	3,414,384
Loans, net of allowance for loan losses; 2020 – \$1,281,824; 2019 – \$988,029; and 2018 – \$959,508	34,835,782	36,916,349	40,711,432
Accrued interest receivable	103,322	145,550	149,698
Foreclosed assets held for sale, net	588,076	663,188	862,183
Software and equipment, net	14,119	28,336	44,297
Other	20,695	36,625	67,803
	\$ 54,621,953	\$ 51,656,374	\$ 56,224,077

Liabilities and Net Assets

Liabilities

Certificates			
Savings	\$ 5,688,708	\$ 4,124,062	\$ 4,410,000
Fixed rate certificates	34,999,746	34,444,209	39,124,456
Individual retirement accounts	5,912,799	5,885,311	6,724,203
	46,601,253	44,453,582	50,258,659
Interest payable	42,589	42,910	46,024
Accounts payable and accrued expenses	25,002	34,912	28,659
Deferred revenue	-	-	79,424
	46,668,844	44,531,404	50,412,766

Net Assets Without Donor Restrictions

Board designated	-	-	50,000
Undesignated	7,953,109	7,124,970	5,761,311
	7,953,109	7,124,970	5,811,311
Total net assets	7,953,109	7,124,970	5,811,311
Total liabilities and net assets	\$ 54,621,953	\$ 51,656,374	\$ 56,224,077

**The International Pentecostal Holiness
Church Extension Loan Fund, Inc.**

Statements of Activities

Years Ended December 31, 2020, 2019, and 2018

	Without Donor Restrictions		
	2020	2019	2018
Revenues, Gains, and Other Support			
Interest on loans	\$ 2,149,648	\$ 2,536,785	\$ 2,868,807
Net investment return	877,016	897,262	(73,469)
Other revenue	117,441	32,750	51,463
	<u>3,144,105</u>	<u>3,466,797</u>	<u>2,846,801</u>
Expenses and Losses			
Interest on savings, fixed rate certificates, and individual retirement accounts	1,097,319	1,152,885	1,144,017
Provision for loan losses	312,665	88,644	122,092
Salaries and benefits	421,335	410,961	443,909
Foreclosed assets, net	(126,757)	18,401	167,672
Other expenses	611,404	561,671	714,156
	<u>2,315,966</u>	<u>2,232,562</u>	<u>2,591,846</u>
Change in Net Assets	828,139	1,234,235	254,955
Net Assets, Beginning of Year	7,124,970	5,811,311	5,556,356
Change in Accounting Principle - ASC Topic 606	-	79,424	-
	<u>-</u>	<u>79,424</u>	<u>-</u>
Net Assets, End of Year	<u>\$ 7,953,109</u>	<u>\$ 7,124,970</u>	<u>\$ 5,811,311</u>

The International Pentecostal Holiness Church Extension Loan Fund, Inc.

Statements of Cash Flows

Years Ended December 31, 2020, 2019, and 2018

	2020	2019	2018
Operating Activities			
Change in net assets	\$ 828,139	\$ 1,234,235	\$ 254,955
Items not requiring (providing) cash			
Depreciation	18,003	17,987	7,879
Provision for loan losses	312,665	88,644	122,092
Net realized and unrealized (gains) losses on investments	(559,464)	(542,452)	308,376
Interest refinanced by borrowers	(158,692)	(19,430)	(35,557)
Net (gain) loss on foreclosed assets	(135,309)	2,500	138,442
Gain on forgiveness of Paycheck Protection Program loan	(76,200)	-	-
Changes in			
Accrued interest receivable	42,228	4,148	(5,026)
Accrued interest payable	(321)	(3,114)	(2,648)
Other assets	15,930	31,178	230
Accounts payable	(9,910)	6,253	4,038
Net cash provided by operating activities	<u>277,069</u>	<u>819,949</u>	<u>792,781</u>
Investing Activities			
Proceeds from the sale of foreclosed assets	280,171	341,357	293,783
Purchase of software and equipment	(3,786)	(2,026)	(44,324)
Purchases of investments and interest-bearing time deposits in banks	(8,717,460)	(4,958,541)	(3,850,000)
Proceeds from the sales of investments and interest-bearing time deposits in banks	7,189,178	6,353,759	3,257,626
Originations of loans receivable	(4,131,496)	(889,317)	(3,903,106)
Principal payments received on loans receivable	5,988,340	4,470,324	8,262,024
Net cash provided by investing activities	<u>604,947</u>	<u>5,315,556</u>	<u>4,016,003</u>
Financing Activities			
Proceeds from Paycheck Protection Program loan	76,200	-	-
Redemption of certificates	(3,449,936)	(10,710,625)	(8,138,497)
Proceeds from new certificates	5,597,607	4,905,548	4,735,263
Net cash provided by (used in) financing activities	<u>2,223,871</u>	<u>(5,805,077)</u>	<u>(3,403,234)</u>
Increase in Cash and Cash Equivalents	3,105,887	330,428	1,405,550
Cash and Cash Equivalents, Beginning of Year	<u>3,571,969</u>	<u>3,241,541</u>	<u>1,835,991</u>
Cash and Cash Equivalents, End of Year	<u>\$ 6,677,856</u>	<u>\$ 3,571,969</u>	<u>\$ 3,241,541</u>
Supplemental Cash Flows Information			
Interest paid to certificate holders	\$ 182,512	\$ 275,860	\$ 266,236
Interest reinvested by certificate holders	\$ 915,128	\$ 880,139	\$ 880,429
Interest refinanced by borrowers	\$ 158,692	\$ 19,430	\$ 35,557
Reinvestment of certificates	\$ 18,010,217	\$ 10,891,260	\$ 18,149,545
Real estate acquired in settlement of loans	\$ 69,750	\$ 144,862	\$ -
Sale and financing of foreclosed assets	\$ -	\$ -	\$ 744,000

The International Pentecostal Holiness Church Extension Loan Fund, Inc.

Notes to Financial Statements

December 31, 2020, 2019, and 2018

Note 1: Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations

The International Pentecostal Holiness Church Extension Loan Fund, Inc. (the “Fund”) was incorporated in Oklahoma as a not-for-profit corporation by the predecessor to the International Pentecostal Holiness Church (the “Church”). The Fund was established on January 21, 1958, for the purpose of raising and loaning money to local churches, regional conferences, and other affiliates of the Church to assist in financing capital improvement projects, including the construction of new church facilities and the purchase or remodeling of existing church facilities. The Fund is a not-for-profit corporation which is organized and operates as a separate legal entity distinct from the Church. The Fund is supervised and directed by a Board of Directors consisting of the president and six additional members. Of these six members, at least four are required to be lay persons experienced in the fields of banking and mortgage finance. The additional six directors of the Fund’s Board serve two-year terms upon nomination by the Executive Committee of the Council of Bishops and ratification by the entire Council of Bishops.

Use of 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.

Material estimates that are particularly susceptible to significant change relate to the determination of the allowance for loan losses and the valuation of real estate acquired in connection with foreclosures or in satisfaction of loans. In connection with the determination of the allowance for loan losses and the valuation of foreclosed assets held for sale, management obtains independent appraisals for significant properties.

Cash and Cash Equivalents

Cash and cash equivalents includes funds held in banks for operating purposes and investments held in FDIC deposits. Funds invested in temporary investments are not considered cash equivalents. At December 31, 2020, the Fund’s cash accounts exceeded federally insured limits by approximately \$5,963,000.

Interest-Bearing Time Deposits in Banks

Interest-bearing time deposits in banks mature within one year and are carried at cost.

The International Pentecostal Holiness Church Extension Loan Fund, Inc.

Notes to Financial Statements December 31, 2020, 2019, and 2018

Investments

The Fund measures investments, other than investments that qualify for the equity method of accounting, at fair value. Investments in real estate investment trusts are recorded at net asset value (NAV), as a practical expedient, to determine fair value of the investments. The investment in the real estate investment trust (REIT) may be requested to be redeemed by the REIT, however redemption is at their discretion.

The Fund measures equity securities without a readily determinable fair value at cost, minus impairment, if any, plus or minus changes resulting from observable price changes for the identical or a similar investment.

For equity securities measured under the practicability exception, the Fund performs a qualitative assessment for equity investments without readily determinable fair values considering impairment indicators to evaluate whether an impairment exists. If an impairment exists, the Fund will recognize a loss based on the difference between carrying value and fair value.

Net Investment Return

Investment return includes dividend, interest, and other investment income; realized and unrealized gains and losses on investments carried at fair value; and realized gains and losses on other investments, less external and direct internal investment expenses. Gains and losses on the sale of securities are recorded on the trade date and are determined using the specific identification method.

Loans

Loans that management has the intent and ability to hold for the foreseeable future or until maturity or payoffs are reported at their outstanding principal balances adjusted for any charge-offs, the allowance for loan losses and any deferred fees or costs on originated loans. Generally, these loans are collateralized by first mortgages on the primary buildings and facilities owned by the borrowers.

Interest income is accrued based on the unpaid principal balance. Loan origination fees, net of certain direct origination costs, are deferred and amortized as a level-yield adjustment over the respective term of the loan.

The accrual of interest on loans is generally discontinued at the time the loan is 90 days past due unless the credit is well-secured and in process of collection. Past due status is based on contractual terms of the loan. In all cases, loans are placed on nonaccrual or charged off at an earlier date if collection of principal or interest is considered doubtful. The interest on these loans is accounted for on the cash-basis or cost-recovery method, until qualifying for return to accrual. Loans are returned to accrual status when all the principal and interest amounts contractually due are brought current and future payments are reasonably assured.

The International Pentecostal Holiness Church Extension Loan Fund, Inc.

Notes to Financial Statements December 31, 2020, 2019, and 2018

Allowance for Loan Losses

The allowance for loan losses is established as losses are estimated to have occurred through a provision for loan losses charged to earnings. Loan losses are charged against the allowance when management believes the uncollectibility of a loan balance is confirmed. Subsequent recoveries, if any, are credited to the allowance.

The allowance for loan losses is evaluated on a regular basis by management and is based upon management's periodic review of the collectibility of the loans in light of historical experience, the nature and volume of the loan portfolio, adverse situations that may affect the borrower's ability to repay, estimated value of any underlying collateral, and prevailing economic conditions. This evaluation is inherently subjective as it requires estimates that are susceptible to significant revision as more information becomes available.

The allowance consists of allocated and general components. The allocated component relates to loans that are classified as impaired. For those loans that are classified as impaired, an allowance is established when the discounted cash flows or collateral value of the impaired loan is lower than the carrying value of that loan. The general component covers nonclassified loans and is based on historical charge-off experience and expected loss given default derived from the Fund's internal risk rating process. Other adjustments may be made to the allowance for pools of loans after an assessment of internal or external influences on credit quality that are not fully reflected in the historical loss or risk rating data.

A loan is considered impaired when, based on current information and events, it is probable that the Fund will be unable to collect the scheduled payments of principal or interest when due according to the contractual terms of the loan agreement. Factors considered by management in determining impairment include payment status, collateral value, and the probability of collecting scheduled principal and interest payments when due. Loans that experience insignificant payment delays and payment shortfalls generally are not classified as impaired. Management determines the significance of payment delays and payment shortfalls on a case-by-case basis, taking into consideration all of the circumstances surrounding the loan and the borrower, including the length of the delay, the reasons for the delay, the borrower's prior payment record, and the amount of the shortfall in relation to the principal and interest owed. Impairment is measured on a loan-by-loan basis by either the present value of expected future cash flows discounted at the loan's effective interest rate or the fair value of the collateral if the loan is collateral dependent.

Software and Equipment

Software and equipment are stated at cost less accumulated depreciation. Depreciation is charged to expense using the straight-line method over the estimated useful lives of the assets.

The International Pentecostal Holiness Church Extension Loan Fund, Inc.

Notes to Financial Statements December 31, 2020, 2019, and 2018

Foreclosed Assets Held for Sale

Assets acquired through, or in lieu of, loan foreclosure are held for sale and are initially recorded at fair value less cost to sell at the date of foreclosure, establishing a new cost basis. Subsequent to foreclosure, valuations are periodically performed by management and the assets are carried at the lower of carrying amount or fair value less cost to sell. Revenue and expenses from operations and changes in the valuation allowance are included in net income or expense from foreclosed assets.

Fixed Rate, Savings, and IRA Certificates

The fixed rate and individual retirement account (IRA) certificates pay interest based on a fixed rate from the date of purchase through maturity. Fixed rate certificates accrue interest monthly and, if originated in 2001 and prior, pay interest semiannually based on the date of the certificate. Fixed rate certificates originated subsequent to 2001 pay interest monthly, quarterly, or semi-annually (at the investor's option). For savings certificates, interest is accrued monthly based on a variable rate and paid or reinvested (at the investor's option) semiannually on June 30 and December 31.

Interest is calculated based on a 365-day year. The Fund does not possess any deposit insurance from a third-party insurer or state or federal deposit insurance agency. The payment of principal and interest on the certificates depends solely upon the financial condition and strength of the Fund. The payment of principal and interest on all certificates is a general obligation of the Fund.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor restrictions.

Net assets without donor restrictions are available for use in general operations and not subject to donor restrictions. The governing board has at times designated, from net assets without donor restrictions, net assets for a Board-designated purpose.

Functional Allocation of Expenses

Functional expenses (*Note 11*) presents the natural classification detail of expenses by function. Certain costs have been allocated between the program and supporting services based on usage and other methods.

The International Pentecostal Holiness Church Extension Loan Fund, Inc.

Notes to Financial Statements

December 31, 2020, 2019, and 2018

Exemption from Income Taxes

The Fund is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code as provided by a group letter ruling issued to the Church from the Internal Revenue Service and a similar provision of state law. However, the Fund is subject to federal income tax on any unrelated business taxable income.

Paycheck Protection Program (PPP) Loan

The Fund received a PPP loan established by the CARES Act and has elected to account for the funding as a loan in accordance with ASC Topic 470, *Debt*. Interest is accrued in accordance with the loan agreement. Any forgiveness of the loan is recognized as a gain in the financial statements in the period the debt is legally released. PPP loans are subject to audit and acceptance by the U.S. Department of Treasury, Small Business Administration, or lender; as a result of such audit, adjustments could be required to any gain recognized. The entire balance of the loan was forgiven during 2020 and was recorded as other revenue in the statement of activities.

Changes in Accounting Principles

In 2019, the Fund adopted the Financial Accounting Standards Board Accounting Standards Update 2014-09, *Revenue from Contracts with Customers* (Topic 606). Topic 606 creates a single framework for recognizing revenue from contracts with customers that fall within its scope and revised when it is appropriate to recognize a gain (loss) from the transfer of nonfinancial assets, such as real estate owned. The majority of the Fund's revenues come from interest income and other sources, including loans and investments, that are outside the scope of Topic 606. The Fund's services that fall within the scope of Topic 606 are presented within other revenue in the accompanying statements of activities and are recognized as revenue as the Fund satisfies its obligation to the customer. Services within the scope of Topic 606 include the sale of foreclosed assets and other miscellaneous revenue. Revenue for these transactions are recognized at a point in time.

The Fund adopted Topic 606 using the modified retrospective approach applied to all contracts not completed at the date of adoption with the cumulative effect of initially applying the new standard of \$79,424 recognized in net assets without donor restrictions, at the beginning of 2019.

Comparative prior period information has not been adjusted and continues to be reported in accordance with previous revenue recognition guidance in ASC Topic 605, *Revenue Recognition*.

The International Pentecostal Holiness Church Extension Loan Fund, Inc.

Notes to Financial Statements December 31, 2020, 2019, and 2018

Note 2: Investments

Investments consisted of the following at December 31:

	2020	2019	2018
Money market mutual funds	\$ 56,161	\$ 20,604	\$ 595,994
Interest-bearing investments with other loan funds	400,218	393,839	1,895,762
Mutual funds	8,259,807	6,474,462	4,820,374
Exchange-traded funds	1,982,230	996,706	440,263
Investment in Carolina Education and Ministry Investors Two, LLC	504,192	504,192	504,192
Real estate investment trust	679,495	653,957	600,081
Other	-	-	557,805
	<u>\$ 11,882,103</u>	<u>\$ 9,043,760</u>	<u>\$ 9,414,471</u>

Net investment return is comprised of the following:

	2020	2019	2018
Net realized and unrealized gains (losses)	\$ 559,464	\$ 542,452	\$ (308,376)
Interest and dividends	377,198	408,922	286,929
Investment fees	(59,646)	(54,112)	(52,022)
	<u>\$ 877,016</u>	<u>\$ 897,262</u>	<u>\$ (73,469)</u>

At December 31, 2020, 2019, and 2018, the Fund invested in approximately 5.98 percent of the ownership of Carolina Education and Ministry Investors Two, LLC (CEMIT), through an investment with International Pentecostal Holiness Foundation (the "Foundation"). The Fund's investment is accounted for using the equity method. Summarized financial information for CEMIT as of and for the years ended December 31, 2020, 2019, and 2018, is shown below:

	2020	2019	2018
Assets	\$ 8,454,333	\$ 8,431,029	\$ 8,430,354
Liabilities	29,333	6,029	5,354
Net income	-	-	-

The International Pentecostal Holiness Church Extension Loan Fund, Inc.

Notes to Financial Statements December 31, 2020, 2019, and 2018

Note 3: Loans Receivable and Allowance for Loan Losses

Classes of loans at December 31, 2020, 2019, and 2018, include:

	2020	2019	2018
Loans secured by real estate	\$ 33,641,720	\$ 34,850,092	\$ 37,856,471
Other loans	2,686,751	3,195,741	3,983,590
	36,328,471	38,045,833	41,840,061
Net deferred loan fees	(210,865)	(141,455)	(169,121)
Allowance for loan losses	(1,281,824)	(988,029)	(959,508)
	\$ 34,835,782	\$ 36,916,349	\$ 40,711,432

At December 31, 2020, scheduled maturities of loans are as follows:

2021	\$ 9,328,232
2022	5,755,552
2023	11,366,577
2024	1,876,255
2025	2,085,487
Thereafter	5,916,368
	\$ 36,328,471

The following tables present the Fund's loan portfolio aging analysis of the investment in loans as of December 31, 2020, 2019, and 2018:

	2020					Total Loans Receivable	Total Loans > 90 Days & Accruing
	30-59 Days Past Due	60-89 Days Past Due	Greater Than 90 Days	Total Past Due	Current		
Loans secured by real estate	\$ 1,294,209	\$ -	\$ 1,395,769	\$ 2,689,978	\$ 30,951,742	\$ 33,641,720	\$ -
Other loans	722,478	-	-	722,478	1,964,273	2,686,751	-
Total	\$ 2,016,687	\$ -	\$ 1,395,769	\$ 3,412,456	\$ 32,916,015	\$ 36,328,471	\$ -

The International Pentecostal Holiness Church Extension Loan Fund, Inc.

Notes to Financial Statements December 31, 2020, 2019, and 2018

		2019					Total Loans	
		30-59 Days Past Due	60-89 Days Past Due	Greater Than 90 Days	Total Past Due	Current	Receivable	> 90 Days & Accruing
Loans secured								
by real estate	\$ 2,233,587	\$ 832,681	\$ 1,273,083	\$ 4,339,351	\$ 30,510,741	\$ 34,850,092	\$ -	
Other loans	-	-	722,478	722,478	2,473,263	3,195,741	-	
Total	<u>\$ 2,233,587</u>	<u>\$ 832,681</u>	<u>\$ 1,995,561</u>	<u>\$ 5,061,829</u>	<u>\$ 32,984,004</u>	<u>\$ 38,045,833</u>	<u>\$ -</u>	

		2018					Total Loans	
		30-59 Days Past Due	60-89 Days Past Due	Greater Than 90 Days	Total Past Due	Current	Total Loans	> 90 Days & Accruing
Loans secured								
by real estate	\$ 263,867	\$ 1,044,441	\$ 2,302,096	\$ 3,610,404	\$ 34,246,067	\$ 37,856,471	\$ -	
Other loans	722,479	-	-	722,479	3,261,111	3,983,590	-	
Total	<u>\$ 986,346</u>	<u>\$ 1,044,441</u>	<u>\$ 2,302,096</u>	<u>\$ 4,332,883</u>	<u>\$ 37,507,178</u>	<u>\$ 41,840,061</u>	<u>\$ -</u>	

The following table presents the Fund's nonaccrual loans (excluding performing troubled debt restructurings) at December 31:

	2020	2019	2018
Loans secured by real estate	\$ 1,395,769	\$ 1,273,083	\$ 2,302,096
Other loans	-	722,478	-
Total	<u>\$ 1,395,769</u>	<u>\$ 1,995,561</u>	<u>\$ 2,302,096</u>

The International Pentecostal Holiness Church Extension Loan Fund, Inc.

Notes to Financial Statements December 31, 2020, 2019, and 2018

The following tables present the balance in the allowance for loan losses and the recorded investment in loans based on portfolio segment and impairment method as of and for the years ended December 31, 2020, 2019, and 2018:

	2020		
	Loans Secured by Real Estate	Other Loans	Total
Allowance for Loan Losses			
Balance, beginning of year	\$ 963,296	\$ 24,733	\$ 988,029
Provision for loan losses	311,862	803	312,665
Charge-offs	(18,870)	-	(18,870)
Recoveries	-	-	-
	<u> </u>	<u> </u>	<u> </u>
Balance, end of year	<u>\$ 1,256,288</u>	<u>\$ 25,536</u>	<u>\$ 1,281,824</u>
Ending balance:			
Individually evaluated for impairment	<u>\$ 825,874</u>	<u>\$ 970</u>	<u>\$ 826,844</u>
Ending balance:			
Collectively evaluated for impairment	<u>\$ 430,414</u>	<u>\$ 24,566</u>	<u>\$ 454,980</u>
Loans			
Ending balance	<u>\$ 33,641,720</u>	<u>\$ 2,686,751</u>	<u>\$ 36,328,471</u>
Ending balance:			
Individually evaluated for impairment	<u>\$ 4,528,157</u>	<u>\$ 722,478</u>	<u>\$ 5,250,635</u>
Ending balance:			
Collectively evaluated for impairment	<u>\$ 29,113,563</u>	<u>\$ 1,964,273</u>	<u>\$ 31,077,836</u>

The International Pentecostal Holiness Church Extension Loan Fund, Inc.

Notes to Financial Statements
December 31, 2020, 2019, and 2018

	2019		
	Loans Secured by Real Estate	Other Loans	Total
Allowance for Loan Losses			
Balance, beginning of year	\$ 919,672	\$ 39,836	\$ 959,508
Provision (credit) for loan losses	103,747	(15,103)	88,644
Charge-offs	(60,942)	-	(60,942)
Recoveries	819	-	819
	<u>963,296</u>	<u>24,733</u>	<u>988,029</u>
Balance, end of year	<u>\$ 963,296</u>	<u>\$ 24,733</u>	<u>\$ 988,029</u>
Ending balance:			
Individually evaluated for impairment	<u>\$ 589,629</u>	<u>\$ -</u>	<u>\$ 589,629</u>
Ending balance:			
Collectively evaluated for impairment	<u>\$ 373,667</u>	<u>\$ 24,733</u>	<u>\$ 398,400</u>
Loans			
Ending balance	<u>\$ 34,850,092</u>	<u>\$ 3,195,741</u>	<u>\$ 38,045,833</u>
Ending balance:			
Individually evaluated for impairment	<u>\$ 5,659,008</u>	<u>\$ 722,478</u>	<u>\$ 6,381,486</u>
Ending balance:			
Collectively evaluated for impairment	<u>\$ 29,191,084</u>	<u>\$ 2,473,263</u>	<u>\$ 31,664,347</u>

The International Pentecostal Holiness Church Extension Loan Fund, Inc.

Notes to Financial Statements December 31, 2020, 2019, and 2018

	2018		
	Loans Secured by Real Estate	Other Loans	Total
Allowance for Loan Losses			
Balance, beginning of year	\$ 765,523	\$ 90,835	\$ 856,358
Provision (credit) for loan losses	173,091	(50,999)	122,092
Charge-offs	(18,942)	-	(18,942)
Recoveries	-	-	-
	<u> </u>	<u> </u>	<u> </u>
Balance, end of year	<u>\$ 919,672</u>	<u>\$ 39,836</u>	<u>\$ 959,508</u>
Ending balance:			
Individually evaluated for impairment	<u>\$ 524,619</u>	<u>\$ -</u>	<u>\$ 524,619</u>
Ending balance:			
Collectively evaluated for impairment	<u>\$ 395,053</u>	<u>\$ 39,836</u>	<u>\$ 434,889</u>
Loans			
Ending balance	<u>\$ 37,856,471</u>	<u>\$ 3,983,590</u>	<u>\$ 41,840,061</u>
Ending balance:			
Individually evaluated for impairment	<u>\$ 4,444,559</u>	<u>\$ 722,478</u>	<u>\$ 5,167,037</u>
Ending balance:			
Collectively evaluated for impairment	<u>\$ 33,411,912</u>	<u>\$ 3,261,112</u>	<u>\$ 36,673,024</u>

Impaired loans include nonperforming loans but also include loans modified in troubled debt restructurings where concessions have been granted to borrowers experiencing financial difficulties. These concessions could include a reduction in the interest rate on the loan, payment extensions, forgiveness of principal, forbearance, or other actions intended to maximize collection.

The International Pentecostal Holiness Church Extension Loan Fund, Inc.

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The following summarized impaired loans at December 31, 2020, 2019, and 2018:

	2020				
	Recorded Balance	Unpaid Principal Balance	Specific Allowance	Average Investment in Impaired Loans	Interest Income Recognized
Loans without a specific valuation allowance					
Loans secured by real estate	\$ 489,954	\$ 489,954	\$ -	\$ 1,144,156	\$ 36,913
Other loans	-	-	-	361,239	-
Loans with a specific valuation allowance					
Loans secured by real estate	4,038,203	4,038,203	825,874	3,949,427	155,994
Other loans	722,478	722,478	970	361,239	38,906
Total impaired loans	<u>\$ 5,250,635</u>	<u>\$ 5,250,635</u>	<u>\$ 826,844</u>	<u>\$ 5,816,061</u>	<u>\$ 231,813</u>
	2019				
	Recorded Balance	Unpaid Principal Balance	Specific Allowance	Average Investment in Impaired Loans	Interest Income Recognized
Loans without a specific valuation allowance					
Loans secured by real estate	\$ 1,798,358	\$ 1,798,358	\$ -	\$ 1,677,018	\$ 97,682
Other loans	722,478	722,478	-	722,478	18,117
Loans with a specific valuation allowance					
Loans secured by real estate	3,860,650	3,860,650	589,629	3,374,766	240,130
Other loans	-	-	-	-	-
Total impaired loans	<u>\$ 6,381,486</u>	<u>\$ 6,381,486</u>	<u>\$ 589,629</u>	<u>\$ 5,774,262</u>	<u>\$ 355,929</u>

The International Pentecostal Holiness Church Extension Loan Fund, Inc.

Notes to Financial Statements December 31, 2020, 2019, and 2018

	2018				
	Recorded Balance	Unpaid Principal Balance	Specific Allowance	Average Investment in Impaired Loans	Interest Income Recognized
Loans without a specific valuation allowance					
Loans secured by real estate	\$ 1,555,678	\$ 1,555,678	\$ -	\$ 851,630	\$ 117,721
Other loans	722,478	722,478	-	361,239	25,645
Loans with a specific valuation allowance					
Loans secured by real estate	2,888,881	2,888,881	524,619	2,710,386	130,303
Other loans	-	-	-	-	-
Total impaired loans	\$ 5,167,037	\$ 5,167,037	\$ 524,619	\$ 3,923,255	\$ 273,669

As part of the ongoing monitoring of the credit quality of the Fund's loan portfolio, management tracks loans by determining if the loan is impaired or deemed unimpaired. Impaired loans by category are shown above; all other loans are considered by management to be unimpaired.

The Fund evaluates the loan risk grading system definitions and allowance for loan loss methodology on an ongoing basis. No significant changes were made to either during the past year.

Included in the impaired loans are troubled debt restructurings that were classified as impaired. At December 31, 2020, 2019, and 2018, the Fund had approximately \$4,645,000, \$3,975,000, and \$2,871,000, respectively, of loans that were modified in troubled debt restructurings and impaired. The Fund uses forbearance agreements with some borrowers, allowing for reduced payments, which are included in this troubled debt restructuring total. During 2020, there were four newly restructured real estate loans totaling \$1,844,000. Of the total troubled debt restructurings at December 31, 2020, seven were accruing interest for a total of approximately \$3,551,000. During 2019, there were three newly restructured real estate loans totaling \$2,088,498. Of the total troubled debt restructurings at December 31, 2019, five were accruing interest for a total of approximately \$2,818,000. During 2018, there were seven newly restructured real estate loans of \$2,479,935. Of the total troubled debt restructurings at December 31, 2018, six were accruing interest for a total of approximately \$1,835,000. When loans modified as troubled debt restructuring have subsequent payment defaults, the defaults are factored into the determination of the allowance for loan losses to ensure specific valuation allowances reflect amounts considered uncollectible.

The International Pentecostal Holiness Church Extension Loan Fund, Inc.

Notes to Financial Statements December 31, 2020, 2019, and 2018

Note 4: Software and Equipment

Software and equipment, stated at cost, is as follows:

	2020	2019	2018
Software and equipment	\$ 197,149	\$ 193,468	\$ 191,442
Less accumulated depreciation	183,030	165,132	147,145
Software and equipment, net	\$ 14,119	\$ 28,336	\$ 44,297

Note 5: Certificates

At December 31, 2020, the scheduled maturities of certificates are as follows:

2021	\$ 13,643,368
2022	11,468,961
2023	6,310,164
2024	2,991,895
2025	6,498,157
	40,912,545
Savings demand certificates	5,688,708
	\$ 46,601,253

At December 31, investors were concentrated in three states as follows:

	2020		
	Number of Certificates	Aggregate Principal Balances	Percent of Certificate Balances Outstanding
Oklahoma	487	\$ 14,664,204	31%
North Carolina	179	7,656,234	16%
Virginia	245	9,411,822	20%
	911	\$ 31,732,260	67%

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**Notes to Financial Statements
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	2019		
	Number of Certificates	Aggregate Principal Balances	Percent of Certificate Balances Outstanding
Oklahoma	383	\$ 13,975,890	31%
North Carolina	143	7,625,590	17%
Virginia	171	9,102,708	20%
	697	\$ 30,704,188	68%
	2018		
	Number of Certificates	Aggregate Principal Balances	Percent of Certificate Balances Outstanding
Oklahoma	418	\$ 16,027,109	32%
North Carolina	155	9,427,981	19%
Virginia	192	9,905,665	20%
	765	\$ 35,360,755	71%

Note 6: Line of Credit

On March 20, 2020, the Fund entered into an agreement for a \$1,000,000 line of credit secured by a deposit account. The line of credit had a variable interest rate using a rate of 2.00 percent over the index, resulting in an initial rate of 3.637 percent. The line of credit matures on March 20, 2021, and was not renewed. The balance at December 31, 2020, was zero.

The International Pentecostal Holiness Church Extension Loan Fund, Inc.

Notes to Financial Statements December 31, 2020, 2019, and 2018

Note 7: Commitments and Credit Risk

Commitments to Originate Loans

Commitments to originate loans are agreements to lend to a borrower as long as there is no violation of any condition established in the contract. Commitments generally have fixed expiration dates or other termination clauses and may require payment of a fee. Since a portion of the commitments may expire without being drawn upon, the total commitment amounts do not necessarily represent future cash requirements. Each borrower's creditworthiness is evaluated on a case-by-case basis. The amount of collateral obtained, if deemed necessary, is based on management's credit evaluation of the counterparty. Collateral held varies, but typically includes real estate owned by churches and nonprofit organizations.

The Fund had outstanding commitments to originate loans and fund construction loans aggregating approximately \$1,675,000, \$230,000, and \$904,000 at December 31, 2020, 2019, and 2018, respectively. The commitments extended over varying periods of time with the majority to be disbursed within a one-year period.

The Fund guaranteed a letter of credit for a loan customer that was issued by a third-party bank. At December 31, 2019, the guarantee had a maximum amount of \$773,004 and expired on December 31, 2019, when the collateral securing the guarantee was released. At December 31, 2018, the guarantee had a maximum amount of \$722,015 and expired on July 31, 2019. The Fund had no guarantees outstanding as of December 31, 2020.

Credit Risk

The Fund's loans are made exclusively to churches, conferences, and other affiliates of the Church. The vast majority of loans are made to churches. The repayment of loans by churches may affect the Fund's ability to meet its obligations. In most instances, the ability of churches to repay their loans will depend upon the contributions they receive from their members. Both the number of members of a church and the amount of contributions may fluctuate. In addition, a church facility may be a single-purpose building and the marketability of such a specific facility may be limited, potentially diminishing the value of such collateral in the event of foreclosure. Finally, because of the relationship of the Fund with its borrowers, the Fund has in the past been willing under certain circumstances to accommodate late payments or to extend or otherwise modify the terms of a loan. Should borrowers not be able to repay their principal and interest as scheduled, the Fund's ability to make principal and interest payments on its certificates may be impaired.

At December 31, 2020, the Fund had loans to borrowers in the states of Texas, Oklahoma, Florida, and Virginia that represented approximately 13 percent, 13 percent, 12 percent, and 11 percent of the gross loan portfolio, respectively. At December 31, 2019, the Fund had loans to borrowers in the states of Texas, Oklahoma, Florida, and Virginia that represented approximately 13 percent, 13 percent, 11 percent, and 11 percent of the gross loan portfolio, respectively. At December 31, 2018, the Fund had loans to borrowers in the states of Texas, Oklahoma, and Virginia that represented approximately 15 percent, 14 percent, and 10 percent of the gross loan portfolio, respectively.

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Notes to Financial Statements December 31, 2020, 2019, and 2018

Impact of COVID-19

In March 2020, COVID-19 coronavirus was identified as a global pandemic and began affecting the health of large populations around the world. As a result of the spread of COVID-19, economic uncertainties arose which can ultimately affect the financial position, results of operations, and cash flows of the Fund as well as the Fund's customers. In response to economic concerns over COVID-19, the Fund extended certain payment modifications to loan customers in need. As of December 31, 2020, three loans, totaling approximately \$1,048,000, received payment modifications during 2020 related to COVID-19 have not returned to normal repayment status.

The Fund received a PPP loan established by the CARES Act totaling \$76,200 and the entire balance was forgiven during 2020. This balance was recorded as other revenue in the statement of activities.

Note 8: Board-Designated Net Assets

In 2017, the Board of Directors of the Fund established a Board-designated endowment of \$250,000 for the purpose of pastoral development and planting churches. During 2020, 2019, and 2018, distributions were made of \$0, \$50,000, and \$200,000, respectively, for this purpose. The remaining Board-designated net assets at December 31, 2020, 2019 and 2018, was \$0, \$0, and \$50,000, respectively.

Note 9: Disclosures About Fair Value of Assets and Liabilities

Fair value is 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. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

- Level 1** Quoted prices in active markets for identical assets or liabilities.
- Level 2** Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3** Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

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Notes to Financial Statements December 31, 2020, 2019, and 2018

Recurring Measurements

The following tables present the fair value measurements of assets recognized in the accompanying statements of financial position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at December 31, 2020, 2019, and 2018:

	Fair Value	2020		
		Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Money market mutual funds	\$ 56,161	\$ 56,161	\$ -	\$ -
Mutual funds	8,259,807	8,259,807	-	-
Exchange traded funds	1,982,230	1,982,230	-	-

	Fair Value	2019		
		Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Money market mutual funds	\$ 20,604	\$ 20,604	\$ -	\$ -
Mutual funds	6,474,462	6,474,462	-	-
Exchange traded funds	996,706	996,706	-	-

	Fair Value	2018		
		Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Money market mutual funds	\$ 595,994	\$ 595,994	\$ -	\$ -
Mutual funds	4,820,374	4,820,374	-	-
Exchange traded funds	440,263	440,263	-	-

Following is a description of the inputs and valuation methodologies used for assets measured at fair value on a recurring basis and recognized in the accompanying statements of financial position, as well as the general classification of such assets pursuant to the valuation hierarchy. There have been no significant changes in the valuation techniques during the year ended December 31, 2020.

The International Pentecostal Holiness Church Extension Loan Fund, Inc.

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Investments

Where quoted market prices are available in an active market or investments could be redeemed at cost, securities are classified within Level 1 of the valuation hierarchy. Level 1 investments include money market mutual funds, mutual funds, and exchange traded funds. If quoted market prices are not available, then fair values are estimated by using pricing models, quoted prices of securities with similar characteristics, or discounted cash flows. The Fund does not have any investments classified as Level 2 or Level 3.

Investments not measured at fair value, such as certain interest-bearing investments with other loan funds as well as an annuity contract, a closed-in real estate investment trust, and investments in a limited liability company, are not included in this disclosure.

Nonrecurring Measurements

The following tables present the fair value measurement of assets and liabilities measured at fair value on a nonrecurring basis and the level within the fair value hierarchy in which the fair value measurements fall at December 31, 2020, 2019, and 2018:

	2020			
	Fair Value	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Impaired loans (collateral dependent)	\$ 3,933,837	\$ -	\$ -	\$ 3,933,837
Foreclosed assets held for sale	69,750	-	-	69,750

	2019			
	Fair Value	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Impaired loans (collateral dependent)	\$ 3,271,021	\$ -	\$ -	\$ 3,271,021

	2018			
	Fair Value	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Impaired loans (collateral dependent)	\$ 2,364,262	\$ -	\$ -	\$ 2,364,262
Foreclosed assets held for sale	176,214	-	-	176,214

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Following is a description of the valuation methodologies and inputs used for assets measured at fair value on a nonrecurring basis and recognized in the accompanying statements of financial position, as well as the general classification of such assets pursuant to the valuation hierarchy. For assets classified within Level 3 of the fair value hierarchy, the process to develop the reported fair value is described below.

Collateral Dependent Impaired Loans, Net of Allowance for Loan Losses

The estimated fair value of collateral dependent impaired loans is based on the appraised or estimated fair value of the collateral, less estimated cost to sell. Collateral dependent impaired loans are classified within Level 3 of the fair value hierarchy.

The Fund considers the appraisal or evaluation as the starting point for determining fair value and then considers other factors and events in the environment that may affect the fair value. Appraisals of the collateral underlying collateral dependent loans are obtained when the loan is determined to be collateral dependent and subsequently as deemed necessary by management. Appraisals are reviewed for accuracy and consistency by management. Appraisers are selected from the list of approved appraisers maintained by management. The appraised values are reduced by discounts to consider lack of marketability and estimated cost to sell if repayment or satisfaction of the loan is dependent on the sale of the collateral. These discounts and estimates are developed by management by comparison to historical results.

Foreclosed Assets Held for Sale

The fair value is estimated using appraisals, comparable sales, and other estimates of value obtained principally from independent sources, adjusted for selling costs. Foreclosed assets held for sale are classified within Level 3 of the valuation hierarchy.

Appraisals of foreclosed assets held for sale are obtained when the real estate is acquired and subsequently as deemed necessary by management. Appraisals are reviewed for accuracy and consistency by management. Appraisers are selected from the list of approved appraisers maintained by management.

Note 10: Significant Estimates and Concentrations

Accounting principles generally accepted in the United States of America require disclosure of certain significant estimates and current vulnerabilities due to certain concentrations. Estimates related to the allowance for loan losses and foreclosed assets are reflected in *Notes 1* and *3*. Current vulnerabilities due to certain concentrations of credit risk are discussed in *Note 7*.

Borrower Concentrations

At December 31, 2020, 2019, and 2018, no borrowers had an outstanding balance greater than 5 percent of total assets.

The International Pentecostal Holiness Church Extension Loan Fund, Inc.

Notes to Financial Statements December 31, 2020, 2019, and 2018

Investments in Marketable Securities

The Fund invests in various 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 at least reasonably possible that changes in the values of investment securities will occur in the near term and that such change could materially affect the amounts reported in the accompanying statements of financial position.

Note 11: Functional Expenses

As described in *Note 1*, the financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries and benefits, professional fees, pastoral development and planting churches, and other, which are allocated on the basis of estimates of time and effort. The tables below present expenses by both their nature and function.

Natural Classification	December 31, 2020 Functional Classification		
	PROGRAM Lending and Investments	Management and General	Total
Interest on savings, fixed rate certificates, and individual retirement accounts	\$ 1,097,319	\$ -	\$ 1,097,319
Provision for loan losses	312,665	-	312,665
Salaries and benefits	289,855	131,480	421,335
Foreclosed assets, net	(126,757)	-	(126,757)
Professional fees	199,854	8,255	208,109
COVID-19 relief	45,000	-	45,000
Church assistance	50,250	-	50,250
Other operating expenses	240,078	67,967	308,045
Total expenses	\$ 2,108,264	\$ 207,702	\$ 2,315,966

**The International Pentecostal Holiness
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**Notes to Financial Statements
December 31, 2020, 2019, and 2018**

December 31, 2019			
Functional Classification			
Natural Classification	PROGRAM Lending and Investments	Management and General	Total
Interest on savings, fixed rate certificates, and individual retirement accounts	\$ 1,152,885	\$ -	\$ 1,152,885
Provision for loan losses	88,644	-	88,644
Salaries and benefits	240,736	170,225	410,961
Foreclosed assets, net	18,401	-	18,401
Professional fees	263,032	5,373	268,405
Pastoral development and planting churches	40,000	10,000	50,000
Other operating expenses	150,621	92,645	243,266
Total expenses	<u>\$ 1,954,319</u>	<u>\$ 278,243</u>	<u>\$ 2,232,562</u>

December 31, 2018			
Functional Classification			
Natural Classification	PROGRAM Lending and Investments	Management and General	Total
Interest on savings, fixed rate certificates, and individual retirement accounts	\$ 1,144,017	\$ -	\$ 1,144,017
Provision for loan losses	122,092	-	122,092
Salaries and benefits	259,979	183,930	443,909
Foreclosed assets, net	167,672	-	167,672
Professional fees	132,805	4,629	137,434
Pastoral development and planting churches	160,000	40,000	200,000
Other operating expenses	221,137	155,585	376,722
Total expenses	<u>\$ 2,207,702</u>	<u>\$ 384,144</u>	<u>\$ 2,591,846</u>

The International Pentecostal Holiness Church Extension Loan Fund, Inc.

Notes to Financial Statements December 31, 2020, 2019, and 2018

Note 12: Liquidity and Availability

Financial assets available for general expenditures, that is, without donor or other restrictions limiting their use, within one year of December 31, 2020, 2019, and 2018, comprise the following:

	2020	2019	2018
Cash	\$ 6,677,856	\$ 3,571,969	\$ 3,241,541
Interest-bearing time deposits in banks	500,000	1,250,597	1,732,652
Investments (excluding limited liability company and other)	11,377,911	8,539,568	7,752,393
Interest receivable	103,322	145,550	149,698
Scheduled loan principal amounts due in the next year	9,638,150	10,244,882	13,645,021
Total financial assets	28,297,239	23,752,566	26,521,305
Internal designations			
Commitments to fund loans	(1,675,000)	(230,000)	(904,000)
Board-designated net assets	-	-	(50,000)
Internal liquidity policy of 10% of liabilities	(4,666,884)	(4,453,140)	(5,041,277)
Financial assets available to meet cash needs for general expenditures within one year	\$ 21,955,355	\$ 19,069,426	\$ 20,526,028

The Fund's management has adopted a policy requiring the Fund to maintain, at all times, cash, certificates of deposit, and investments equal to at least 10 percent of the Fund's principal balance on all outstanding obligations, including the certificates. At December 31, 2020, 2019, and 2018, the Fund held cash and investments equal to 41 percent, 31 percent, and 29 percent, respectively, of its outstanding obligations.

The Fund owes \$5,688,708 in principal to holders of certificates with no stated maturity and \$13,643,368 in certificates that mature in 2021. See *Note 5* for the scheduled maturities of all certificates.

A portion of the certificates have a maturity of greater than one year. It has been the Fund's experience that a majority of its maturing obligations have been extended or reinvested. To the extent that demands for repayment of certificates at maturity exceed prior experience and to the extent that the availability of funds from sources other than liquid investments is reduced or limited, the Fund's financial condition may be adversely affected.

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Notes to Financial Statements December 31, 2020, 2019, and 2018

Note 13: Related Party Transactions

The Fund has various investments held in brokerage or other accounts managed by the Foundation, a related party, totaling \$3,830,842, \$3,620,038, and \$3,414,384 at December 31, 2020, 2019, and 2018, respectively. Investment return on these investments was \$232,113, \$226,904, and \$(40,111) for the years ended December 31, 2020, 2019, and 2018, respectively.

At December 31, 2020, 2019, and 2018, the Fund held \$7,071,786, \$7,002,703, and \$6,554,695 of certificates, respectively, for the Church and the Foundation. Interest paid on these certificates was \$145,811, \$127,655, and \$98,985 for the years ended December 31, 2020, 2019, and 2018, respectively.

The Fund leases its office space from an affiliate. The lease is classified as an operating lease and provides for minimum annual rent of \$6,000. The lease has a term of one year with an unlimited number of extensions at the option of the Fund.

Note 14: Subsequent Events

Subsequent events have been evaluated through May 19, 2021, which is the date the financial statements were available to be issued.