GENERAL COUNCIL ON FINANCE AND ADMINISTRATION OF THE UNITED METHODIST CHURCH AND AFFILIATES

CONSOLIDATED FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

As of and for the Years Ended December 31, 2023 and 2022

And Report of Independent Auditor

Cherry Bekaert LLP
Your Guide Forward

GENERAL COUNCIL ON FINANCE AND ADMINISTRATION OF THE UNITED METHODIST CHURCH AND AFFILIATES

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Cherry Bekaert LLP
Your Guide Forward

Report of Independent Auditor

To the Board of Directors and
To the Committee on Audit and Review of
The General Council on Finance and Administration of
The United Methodist Church

Opinion

We have audited the accompanying consolidated financial statements of the General Council on Finance and Administration of The United Methodist Church and affiliates, which comprise the consolidated statements of financial position as of December 31, 2023 and 2022, the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the General Council on Finance and Administration of The United Methodist Church and affiliates as of December 31, 2023 and 2022, the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements as of and for the year ended December 31, 2022 of United Methodist Insurance Company, Inc. ("UMI"), a controlled nonprofit affiliate, which statements reflect total assets of $8,467,707 and total support and revenues of $239,621. Those statements were audited by other auditors whose report has been furnished to us. The other auditor's opinion was qualified due to UMI's accounting treatment of surplus notes payable. Management has adjusted the affected financial statement captions in the comparative period of the accompanying consolidated statement of financial position and we have applied audit procedures to management's adjustment. Insofar as our opinion relates to amounts included for UMI, it is based on the aforementioned report of the other auditors, prior to management's adjustment.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are required to be independent of the General Council of Finance and Administration of The United Methodist Church and affiliates and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to out 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 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the General Council on Finance and Administration of the United Methodist Church and affiliates' ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue and 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, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these consolidated 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 consolidated 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 consolidated 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 General Council on Finance and Administration of The United Methodist Church and affiliates' internal control. Accordingly, no such opinion is expressed.

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

- Conclude, whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the General Council on Finance and Administration of The United Methodist Church and affiliates' 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 audits.

Other Matters

Other Information

Our audits were conducted for the purpose of forming an opinion on the 2023 consolidated financial statements as a whole. The schedules on pages 43 through 48 are presented for purposes of additional analysis and are not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Report on Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the disclosures about short-duration insurance contracts on pages 49 through 52 be presented to supplement the consolidated financial statements. Such information, although not a part of the consolidated financial statements, is required by the Financial Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the consolidated financial statements in an appropriate operational, economic, or historical context. The required supplementary information has been subjected to certain limited procedures in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to inquiries, the consolidated financial statements, and other knowledge obtained during the audit of the consolidated financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Cherry Bekaert LLP

Charlotte, North Carolina
September 11, 2024

GENERAL COUNCIL ON FINANCE AND ADMINISTRATION OF THE UNITED METHODIST CHURCH AND AFFILIATES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2023 AND 2022

	2023	2022
ASSETS		
Cash and cash equivalents	$ 7,831,180	$ 24,476,695
Short-term investment portfolio - cash balance pool ("CBP")	112,969,327	69,261,246
Accrued interest and dividends receivable	768,045	567,660
Due from annual conferences	22,626,231	22,396,883
Accounts receivable	698,594	1,123,578
Prepaid expenses and other assets	413,081	278,822
Long-term investment portfolio	93,598,564	75,076,873
General Agency Benefit Trust assets	156,194,302	148,588,482
Lease right-of-use assets	881,608	927,888
Land and fixed assets, net	556,642	776,990
Reinsurance recoverable - unpaid losses	1,455,184	6,411,144
Commission receivable	168,088	-
Loss escrow	125,000	125,000
Total Assets	$ 398,285,846	$ 350,011,261
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable and accrued expenses	$ 2,324,523	$ 2,054,349
Due to Related Organizations:		
General agencies - CBP	37,472,616	29,438,955
Other affiliated organizations	231,547	421,471
General advance specials	5,187,861	12,368,677
General Funds	62,561,970	66,085,034
Funds held on behalf of annual conferences	26,713,994	-
Lease liability	820,185	926,313
General Agency Benefit Trust obligations	156,194,302	148,588,482
Funds held for investors in the UMC Foundation	59,539,814	45,451,394
Liability for losses and loss adjustment expenses	1,736,712	6,984,169
Losses payable	23,207	31,690
Deferred agency revenue	147,434	147,434
Surplus notes	1,678,950	1,678,950
Total Liabilities	354,633,115	314,176,918
Net Assets:		
Without Donor Restrictions:		
Invested in property and equipment	556,642	776,990
Board-designated	223,953	236,377
Undesignated	27,982,931	21,507,284
Total Without Donor Restrictions	28,763,526	22,520,651
With Donor Restrictions:		
Subject to purpose restrictions	19,981	19,410
Endowment	14,869,224	13,294,282
Total With Donor Restrictions	14,889,205	13,313,692
Total Net Assets	43,652,731	35,834,343
Total Liabilities and Net Assets	$ 398,285,846	$ 350,011,261

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

GENERAL COUNCIL ON FINANCE AND ADMINISTRATION OF THE UNITED METHODIST CHURCH AND AFFILIATES
CONSOLIDATED STATEMENTS OF ACTIVITIES

YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023			2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Operating Revenue and Support:						
Allocation from UMC:						
Allocation from the General Funds	$ 5,547,210	$ -	$ 5,547,210	$ 5,871,329	$ -	$ 5,871,329
Other Operating Income:						
Investment return, net	3,964,805	2,567	3,967,372	600,637	1,578	602,215
Distribution from Benefit Trust	1,409,943	-	1,409,943	1,358,041	-	1,358,041
Contributions and other	1,368,322	-	1,368,322	594,691	312	595,003
Grant income	-	5,497	5,497	-	14,770	14,770
Premiums earned, net of reinsurance	-	-	-	59,651	-	59,651
Other service fee income	2,193,911	-	2,193,911	1,933,820	-	1,933,820
Net assets released from restriction	4,926	(4,926)	-	14,770	(14,770)	-
Total Other Operating Income	8,941,907	3,138	8,945,045	4,561,610	1,890	4,563,500
Total Operating Revenue and Support	14,489,117	3,138	14,492,255	10,432,939	1,890	10,434,829
Operating Expenses:						
Program Services:						
Administration	4,909,625	-	4,909,625	4,797,599	-	4,797,599
Financial services	1,470,340	-	1,470,340	1,363,937	-	1,363,937
Management information systems	2,769,759	-	2,769,759	2,203,417	-	2,203,417
Statistics and records	912,543	-	912,543	595,975	-	595,975
Total Program Services	10,062,267	-	10,062,267	8,960,928	-	8,960,928
Fundraising						
United Methodist Church Foundation:						
Grants						
Funds management	153,073	-	153,073	144,645	-	144,645
Management and general	17,011	-	17,011	16,073	-	16,073
United Methodist Insurance Company:						
Insurance services	944,229	-	944,229	965,198	-	965,198
Total Operating Expenses	11,176,580	-	11,176,580	10,086,844	-	10,086,844
Excess of operating revenue over operating expenses	3,312,537	3,138	3,315,675	346,095	1,890	347,985
Nonoperating Revenues (Expenses):						
Net increase (decrease) in Permanent Fund	-	1,555,764	1,555,764	-	(3,171,678)	(3,171,678)
Unrealized gains (losses) on debt securities to be held to maturity	2,908,991	16,611	2,925,602	(4,711,125)	(11,648)	(4,722,773)
Gain on sale of fixed assets	-	-	-	7,766,130	-	7,766,130
Other comprehensive loss	21,347	-	21,347	(29,629)	-	(29,629)
Total Nonoperating Revenues (Expenses)	2,930,338	1,572,375	4,502,713	3,025,376	(3,183,326)	(157,950)
Change in net assets	6,242,875	1,575,513	7,818,388	3,371,471	(3,181,436)	190,035
Net assets, beginning of year	22,520,651	13,313,692	35,834,343	19,149,180	16,495,128	35,644,308
Net assets, end of year	$ 28,763,526	$ 14,889,205	$ 43,652,731	$ 22,520,651	$ 13,313,692	$ 35,834,343

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

GENERAL COUNCIL ON FINANCE AND ADMINISTRATION OF THE UNITED METHODIST CHURCH AND AFFILIATES

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2023

	Program Services					UMCF Program Services	UMCF Supporting Services	UMI Program Services	
	Administration	Financial Services	Management Information Systems	Statistics and Records	Total Program Services	Funds Management	Management and General	Insurance Services	Total
Salaries	$ 3,265,501	$ 1,137,318	$ 1,291,885	$ 224,970	$ 5,919,674	$ 89,323	$ 9,925	$ 161,872	$ 6,180,794
Employee benefits	973,577	345,907	369,532	64,877	1,753,893	16,173	1,797	28,624	1,800,487
Continuing education	49,598	40	11,448	250	61,336	-	-	-	61,336
Retiree benefits	72,355	-	-	-	72,355	-	-	-	72,355
Grants	14,934	-	-	-	14,934	-	-	-	14,934
Telephone	13,962	3,023	126,854	600	144,439	1,528	170	165	146,302
Postage and freight	4,053	232	6,424	-	10,709	-	-	46	10,755
Printing	3,515	-	-	151	3,666	203	23	-	3,892
Office supplies	4,682	579	1,368	-	6,629	222	25	-	6,876
Rent	104,592	-	-	-	104,592	6,521	725	-	111,838
Moving expenses	-	-	-	-	-	-	-		-
Subscriptions and memberships	25,844	1,934	29,748	-	57,526	6,154	684	149	64,513
Equipment replacement and maintenance	3,446	24	98,120	540	102,130	1,105	123	-	103,358
Software support and maintenance	80,184	361	501,182	619,504	1,201,231	10,271	1,141	-	1,212,643
Building repair and maintenance	1,081	-	-	-	1,081	-	-	-	1,081
Promotional materials/other office	4,762	-	-	-	4,762	4,923	547	28,853	39,085
Depreciation	1,352	-	265,506	-	266,858	-	-	-	266,858
Leases	6,594	-	-	-	6,594	-	-	-	6,594
Professional fees	872,998	-	25,907	-	898,905	75,767	8,419	551,783	1,534,874
Meeting	80,066	-	-	-	80,066	1,429	159	1,139	82,793
Staff travel	131,583	2,031	41,667	1,651	176,932	6,231	692	8,353	192,208
Insurance	69,399	28	118	-	69,545	5,388	599	64,883	140,415
Bank/financing charges	239	20,865	-	-	21,104	126	14	21,607	42,851
Bad debt recovery	-	(3,000)	-	-	(3,000)	-	-	-	(3,000)
Overhead allocation	(875,477)	(104,990)	-	-	(980,467)	-	-	-	(980,467)
Policy acquisition and underwriting	-	-	-	-	-	-	-	136,702	136,702
Other	785	182	-	-	967	17	2	5,352	6,338
Intercompany eliminations	-	65,806	-	-	65,806	(72,308)	(8,034)	(65,299)	(79,835)
Total Expenses for Operations	$ 4,909,625	$ 1,470,340	$ 2,769,759	$ 912,543	$ 10,062,267	$ 153,073	$ 17,011	$ 944,229	$ 11,176,580

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

GENERAL COUNCIL ON FINANCE AND ADMINISTRATION OF THE UNITED METHODIST CHURCH AND AFFILIATES
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2022

	Program Services: Administration	Program Services: Financial Services	Program Services: Management Information Systems	Program Services: Statistics and Records	Total Program Services	UMCF Program Services: Funds Management	UMCF Supporting Services: Management and General	UMI Program Services: Insurance Services	Total
Salaries	$ 2,951,733	$ 1,043,957	$ 1,021,701	$ 255,833	$ 5,273,224	$ 87,419	$ 9,713	$ 149,100	$ 5,519,456
Employee benefits	905,992	325,236	318,548	88,243	1,638,019	15,881	1,765	26,229	1,681,894
Continuing education	13,248	1,159	1,198	-	15,605	-	-	-	15,605
Retiree benefits	85,266	-	-	-	85,266	-	-	-	85,266
Grants	4,770	-	-	-	4,770	-	-	-	4,770
Telephone	12,926	3,124	171,658	600	188,308	1,501	167	165	190,141
Postage and freight	4,734	324	5,144	23	10,225	69	8	12	10,314
Printing	1,660	-	-	-	1,660	13	1	-	1,674
Office supplies	4,648	642	723	-	6,013	856	95	-	6,964
Rent	99,199	-	-	-	99,199	5,431	604	-	105,234
Moving expenses	16,862	-	-		16,862	-	-	-	16,862
Subscriptions and memberships	17,345	1,975	39,461	-	58,781	2,257	251	-	61,289
Equipment replacement and maintenance	287,573	446	116,857	-	404,876	-	-	2,011	406,887
Software support and maintenance	101,650	7,001	446,771	247,072	802,494	12,645	1,405	-	816,544
Building repair and maintenance	55,258	-	-	-	55,258	-	-	-	55,258
Promotional materials/other office	1,401	-	-	-	1,401	9,273	1,030	-	11,704
Depreciation	4,804	-	34,822	-	39,626	-	-	-	39,626
Leases	4,901				4,901	-	-	-	4,901
Professional fees	827,382	-	35,050	-	862,432	66,644	7,405	-	936,481
Meeting	74,738	-	-	-	74,738	136	15	936	75,825
Staff travel	109,546	189	11,484	4,204	125,423	8,336	926	6,650	141,335
Insurance	81,616	-	-	-	81,616	4,523	503	3,710	90,352
Bank/financing charges	328	21,996	-	-	22,324	-	-	20,455	42,779
Bad debt recovery	-	(5,000)	-	-	(5,000)	-	-	-	(5,000)
Overhead allocation	(870,633)	(97,915)	-	-	(968,548)	-	-	-	(968,548)
Policy acquisition and underwriting	-	-	-	-	-	-	-	779,682	779,682
Other	652	356	-	-	1,008	2,346	261	10,365	13,980
Intercompany eliminations	-	60,447	-	-	60,447	(72,685)	(8,076)	(34,117)	(54,431)
Total Expenses for Operations	$ 4,797,599	$ 1,363,937	$ 2,203,417	$ 595,975	$ 8,960,928	$ 144,645	$ 16,073	$ 965,198	$ 10,086,844

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

GENERAL COUNCIL ON FINANCE AND ADMINISTRATION OF THE UNITED METHODIST CHURCH AND AFFILIATES
CONSOLIDATED STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023	2022
Cash flows from operating activities:		
Change in net assets	$ 7,818,388	$ 190,035
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation	266,858	39,626
Noncash lease expense	(53,314)	4,901
Net (gains) losses on investments	(3,268,625)	5,340,168
Gain on disposal of fixed assets	-	(7,766,130)
Other comprehensive (gain) loss	(21,347)	29,629
Change in operating activities:		
Accrued interest and dividends receivable	(200,385)	(58,779)
Due from annual conferences	(229,348)	5,080,515
Accounts receivable	424,984	(278,293)
Prepaid expenses and other assets	(134,259)	5,932
General Agency Benefit Trust assets	(7,605,820)	41,814,263
Premiums receivable, net	-	248,228
Reinsurance recoverable - paid losses	-	319,013
Reinsurance recoverable - unpaid gains (losses)	4,955,960	(2,893,209)
Commission receivable	(168,088)	64,526
Loss escrow	-	24,985
Accounts payable and accrued expenses	270,174	(610,147)
Due to various agencies	662,921	(16,655,192)
Due to General Funds	(3,523,064)	2,378,228
Funds held on behalf of annual conferences	26,713,994	-
General Agency Benefit Trust obligations	7,605,820	(41,814,263)
Liability for losses and loss adjustment expenses	(5,247,457)	3,010,339
Losses payable	(8,483)	(171,407)
Commission payable	-	(9,256)
Deferred agency revenue	-	(52,802)
Net cash flows from operating activities	28,258,909	(11,759,090)
Cash flows from investing activities:		
Change in funds held by investors in UMC Foundation	14,088,420	(4,675,554)
Change in participant balances in short-term investment portfolio - CBP	8,033,661	(13,467,379)
Net (purchases) sales of investments	(66,973,461)	14,903,927
Net (acquisitions) sales of fixed assets	(46,510)	12,616,542
Net cash flows from investing activities	(44,897,890)	9,377,536
Cash flows from financing activities:		
Payments on finance lease obligation	(6,534)	(6,476)
Net change in cash and cash equivalents	(16,645,515)	(2,388,030)
Cash and cash equivalents, beginning of year	24,476,695	26,864,725
Cash and cash equivalents, end of year	$ 7,831,180	$ 24,476,695
Supplemental schedule of noncash investing and financing activities:		
Right-of-use assets obtained in exchange for new operating and finance lease liabilities	$ -	$ 1,026,659

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

Note 1—Nature of the organization

The General Council on Finance and Administration ("GCFA") of The United Methodist Church (the "Church") is an Illinois not-for-profit corporation. GCFA's primary function is to hold in trust and distribute certain monies voluntarily given by individual church members through their local churches for general church benevolences and programs of the general agencies. GCFA serves as a conduit for these monies, which are transmitted to GCFA by annual conference treasurers and are distributed directly to The General Funds of The United Methodist Church (the "General Funds"), as specified. Revenue arising from receipt and expenses related to the distribution of such monies are recorded in the consolidated financial statements of the General Funds and not by GCFA. As defined in the Book of Discipline of The United Methodist Church, the General Funds are in actuality a series of restricted trust funds donated for specified purposes and benevolences to be carried out at the general level of the denomination. Such amounts aggregated $155,948,773 and $193,394,767 for 2023 and 2022, respectively.

GCFA also performs accounting and reporting functions for general agencies and related organizations; establishes policy governing the functions of banking, payroll, accounting, and budget control; performs oversight functions for invested funds of general agencies receiving general Church funds; takes legal steps to safeguard and protect the interests and rights of the denomination; publishes denominational statistics; and maintains an accurate record of the mailing addresses of active clergy and others.

In 1999, The United Methodist Church Foundation (the "Foundation") was incorporated as a Missouri not-for-profit corporation. The purpose of the Foundation is to: 1) further the principles of stewardship throughout the life of Church, 2) allow for the collective long-term investment of funds belonging to Church and to other eligible affiliated groups within the Church, and 3) develop endowment funds for the support of specified ministries of the Church. The Foundation is consolidated with GCFA because GCFA is the sole member of the corporation and controls board appointments for the Foundation.

During 2004, in order to help fulfill connectional, missional, and stewardship imperatives through the local church, GCFA implemented a long-term property and casualty insurance and risk management strategy for the Church in the United States. This was implemented by the creation of a Church owned and operated insurance company (all lines captive) with reinsurance partners who understand the denomination's need for flexibility, inclusiveness, and ownership. This insurance company was incorporated as The United Methodist Property and Casualty Trust ("PACT") in December 2004, as a District of Columbia not-for-profit corporation.

The United Methodist Insurance Company, Inc. ("UMI") was organized as a not-for-profit under the laws of the state of Vermont on April 5, 2011 and received a Certificate of Authority to conduct captive insurance operations from the state of Vermont Department of Financial Regulation (the "Department") on August 2, 2011. UMI commenced operations on August 26, 2011. UMI is wholly owned by GCFA. UMI was formed to provide cost effective risk management and an insurance program for the benefit of GCFA members, which include annual conferences, local churches, and other organizations associated with the United Methodist denomination.

Effective December 18, 2013, UMI merged with PACT. Prior to the merger, PACT was an association captive domiciled in the District of Columbia. PACT was owned 75% by GCFA with the remaining interest owned by 20 funding members that are members or affiliates of GCFA. The merger was approved by the Department and the District of Columbia Department of Insurance, Securities, and Banking. In connection with the merger, UMI issued surplus notes to 18 former funding members of PACT totaling an original amount of $2,395,700 in exchange for their membership in PACT, as more fully described in Note 14.

Note 1—Nature of the organization (continued)

Effective July 27, 2018, UMI formed United Methodist Insurance Agency, Inc. ("UMIA") as a wholly owned company. UMIA was formed to become the conduit between UMI and the third party insurance agent contracted to place new and renewal coverage for their members effective January 1, 2019.

In May 2018, GCFA decided to change the direction of the property and casualty insurance program of the Church. As a consequence, effective January 1, 2019, UMI ceased providing new and renewal coverage with the intention of having UMI's operations consist solely of the run-off of its insurance business, and the placement of coverage with third party insurers utilizing UMIA and the third party insurance agent. Effective March 1, 2019, due to lower than projected renewal rates into the UMIA third party insurer placements, UMI began writing property and casualty insurance coverage and ceded 100% of the risk to an approved reinsurer.

Beginning in January 1, 2020, UMI no longer writes direct coverage and has begun transitioning insurance placements for policyholders at policy renewal to third party insurers through UMIA and the third party insurance agent. As a consequence, UMI's operations consist solely of the run-off of its insurance business, and the placement of coverage with third party insurers utilizing UMIA and the third party insurance agent.

Due to the nature of UMI's operations and business purpose, there are no donor-imposed restrictions associated with UMI's net assets. As such, all net asset balances are considered to be without donor restrictions.

UMI operates utilizing dedicated employees and service providers. The various service provider agreements are with GCFA, Artex Risk Solutions ("Artex"); Sovereign, Gallagher Bassett Services, Inc. ("Gallagher Bassett"); Zurich American Insurance Company ("Zurich"); and York Risk Services Group ("York"), and formerly with Suracy.

Effective December 31, 1996, as directed by action of the 1996 General Conference, Wespath Benefits and Investments ("Wespath") transferred certain excess pension assets to the General Agency Benefit Trust ("Benefit Trust"). GCFA on behalf of agencies, which have voting rights, on GCFA's Committee on Personnel Policies and Practices, at the time of the creation of the Benefit Trust and their successors along with Wespath, are the beneficiaries of the Benefit Trust assets. Although the Benefit Trust is a separate legal entity, it has no financial reporting obligations and the value of the assets of the Benefit Trust would therefore not be reported unless included on the consolidated financial statements of the beneficiaries. As such, GCFA has reflected the value of the Benefit Trust assets for which GCFA is the beneficiary on the accompanying consolidated statements of financial position as well as an equal and offsetting obligation since the funds will ultimately benefit the agencies that are beneficiaries of the Benefit Trust's assets.

Funding for GCFA's operations is principally provided by allocations received from the General Funds, which are allocated to GCFA based on a four-year budget developed from projections of expected program costs. The allocation accounts for approximately 38% and 56% of GCFA's total operating revenue in 2023 and 2022, respectively. GCFA's continued existence is dependent upon the Church's future financial support. The Church's financial support of GCFA is dependent upon contributions from its congregations (i.e., congregational participation in the apportionment covenant).

These consolidated financial statements include the accounts of GCFA, the Foundation, and UMI (collectively, "GCFA" throughout these consolidated financial statements) and have been prepared on the accrual basis of accounting using the significant accounting policies described below.

Note 2—Summary of significant accounting policies

Basis of Presentation – GCFA maintains its accounts in accordance with the principles and practices of fund accounting. Fund accounting is the procedure by which resources for various purposes are classified into funds that are in accordance with activities or objectives of GCFA. Separate accounts are maintained for each fund. For reporting purposes, GCFA's consolidated financial statements have been prepared to focus on the organization as a whole and to classify balances and transactions into two net asset categories based on the existence or absence of donor-imposed restrictions. Descriptions of the two net asset categories and the types of transactions affecting each category are as follows:

Net Assets Without Donor Restrictions – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of GCFA. These net assets may be used at the discretion of GCFA's management and the Board of Directors. GCFA has chosen to provide further classification information about net assets without donor restrictions on the consolidated statements of financial position. The sub classifications are as follows:

Invested in Property and Equipment – Represents net assets invested in property and equipment, net of accumulated depreciation.

Board-Designated – Represents resources set aside by the Board of Directors to be used for specific activities within guidelines established by the Board.

Undesignated – Represents the cumulative net assets without donor restrictions excluding those net assets invested in property and equipment and designated for specific activities.

Net Assets With Donor Restrictions – Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of GCFA or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the consolidated statements of activities.

Revenue is reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restriction. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations of temporary restrictions on net assets are reported as reclassifications from net assets with donor restrictions to net assets without donor restrictions.

Contributions are recognized when cash, other assets, or an unconditional promise to give is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return or right of release, are not recognized until the conditions on which they depend have been substantially met. Contributions of assets other than cash are recorded at their estimated fair value.

GCFA is reimbursed for services performed for the general agencies and related organizations through an allocation from the General Administration Fund and earnings on invested funds. Additionally, GCFA is reimbursed through fixed charges to the World Service Fund, the Episcopal Fund, the Interdenominational Cooperation Fund, and the Youth Services Fund, as well as from Special Sundays.

Note 2—Summary of significant accounting policies (continued)

Allowance for Credit Losses – Allowances for credit losses total $430,702 and $433,702 as of December 31, 2023 and 2022, respectively, to provide for the potential non-payment of outstanding amounts due from an affiliated organization and premium receivable balances in excess of 90 days outstanding. Management's determination of the allowance for credit losses is based on an evaluation of historical levels of credit losses, current economic conditions, and other risks inherent in the accounts receivable portfolio. These inputs are used to determine a range of expected credit losses and an allowance is recorded within the range. Accounts receivable are written off when there is no reasonable expectation of recovery.

Changes in the allowance for credit losses for the year ended December 31, 2023 was as follows:

Balance as of December 31, 2022	$ 433,702
Recoveries	(3,000)
Balance as of December 31, 2023	$ 430,702

Cash and Cash Equivalents – Cash and cash equivalents are all highly liquid investments with original maturities of three months or less at date of purchase.

Concentration of Credit Risk – Financial instruments that potentially subject GCFA to concentrations of credit risk consist of cash and cash equivalent accounts in financial institutions, which from time to time exceed the Federal Deposit Insurance Corporation ("FDIC") limits, money market accounts with investment companies, and direct investments in obligations of individual businesses or quasi-governmental organizations. Management monitors balances in excess of limits insured by the FDIC and believes that these balances do not represent a significant credit risk.

Investments – Investments are carried at fair value based on quoted market prices or audited financial statements of the investee. Purchases and sales of investments are recorded on the trade date. Dividend income is recorded on the ex-dividend date. Interest income is recognized on the accrual basis. Realized gains and losses are determined on the basis of first-in, first-out methodology.

GCFA has placed long-term investments with the Foundation for their management. The Foundation has established, for accounting purposes, an initial unit value for an accounting unit of the common investment funds held by the Foundation. The Foundation assigns units to participants based on the participants' net assets divided by the unit value. At all times, the total value of the common investment funds' net assets divided by the total of all participants' units will equal the unit value. The unit value of the common investment funds' net assets will be determined on each valuation date. The valuation of the assets of the Foundation is based on the fair value of the common investment fund investments as of the valuation date, which is the last day of each month.

Property and Equipment – Fixed assets are reported at cost at date of acquisition, or fair value at date of donation in the case of gifts. GCFA capitalizes and depreciates property and equipment of $5,000 or more. Depreciation is provided over the estimated useful lives (3 to 40 years) of the respective assets, using the straight-line method with a modified half-year convention. The modified half-year convention treats property placed in service or retired during the first half of the year as being made on the first day of the year. Thus, a full-year's depreciation under this method is allowed on property placed in service in the first six months, and no depreciation is allowed on property placed in service in the second six months.

Note 2—Summary of significant accounting policies (continued)

Due to General Agencies – Cash Balance Pool ("CBP") – The amount due to general agencies represents amounts due to participants in the CBP which is managed by GCFA on behalf of certain general agencies and related organizations. GCFA allocates interest earned on CBP investments to the general agencies and related organizations. Interest earned is calculated and distributed annually and is based on monthly account balances for these agencies and related organizations. Distributions to the agencies and related organizations are based on GCFA's policy in the following steps:

1. The net pool return for the month to be paid by GCFA to the beneficiary agencies is the 1-month US Treasury Bill Rate prevailing as of the 3 PM close of the first business day of the month plus a spread between 35 to 50 basis points. GCFA can modify the spread at its discretion, in which case the CBP beneficiaries will be notified of the new spread prior to the end of the prior month. This spread can be either an addition or subtraction from the 1-month U.S. Treasury Bill Rate. In months when the return of the CBP is less than 50 basis points, the payout to the CBP beneficiaries will be set at 50 basis points. In months when the return of the CBP is more than 50 basis points, the payout to the CBP Beneficiaries shall not exceed the return of the CBP.

2. The net pool return will be earned on all monies deposited up to the individual agency limit of 1.5 times the average cash pool balance for the previous two years. Above this limit, the agency will earn a net portfolio return of 1-month US Treasury Bill Rate minus 15 basis points.

Use of Estimates – The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and contingent assets and liabilities at the consolidated financial statement date, as well as the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

Functional Allocation of Expenses – GCFA's costs of providing administrative services on behalf of the general agencies and the Church have been summarized on a functional basis in the consolidated statements of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among program services and supporting services benefited. Such allocations are determined by management on an equitable basis.

The expenses that are allocated include the following:

Expense	Method of Allocation
Salaries	Time and effort
Employee benefits	Time and effort

Premiums – Premiums written are earned ratably over the terms of the policies to which they relate. Premiums written relating to the unexpired portion of policies in force at the balance sheet date are recorded as unearned premiums. Premiums ceded pursuant to reinsurance agreements are expensed over the terms of the underlying policies, to which, they relate and are netted against earned premiums. Ceded premiums relating to the unexpired portion of underlying reinsurance agreements are recorded as prepaid reinsurance premiums.

UMI recognizes premium deficiencies when there is a probable loss on an insurance contract. Premium deficiencies are recognized if the sum of expected losses and loss adjustment expenses, expected dividends to policyholders, unamortized deferred acquisition costs, and maintenance costs exceeded unearned premiums and anticipated investment income. No premium deficiency reserve has been recorded as of December 31, 2023 and 2022.

Note 2—Summary of significant accounting policies (continued)

Contingent Ceding Commissions – Ceding commissions earned on the reinsurance contract with Swiss Re America Corporation (“Swiss Re”) prior to December 31, 2018 were adjustable based on loss experience within the respective treaties. Effective January 1, 2018, the Swiss Re agreement was revised to replace the contingent ceding commission with a profit commission. Contingent ceding commission accrued for both years ended December 31, 2023 and 2022 was $71,695 and is included as a component of accounts payable and accrued expenses. As adjustments to the ultimate losses projected under the treaty are revised, associated adjustments to the commissions will be reflected in current operations.

Agency Commission Revenue – Effective January 1, 2019, the Suracy agreement was amended to include agency commission royalty revenue payable to UMIA as a percentage of net written premium for each eligible policy written within 30 days of the end of each month. The royalty percentage is equal to 1% of the worker’s compensation eligible policies and 3% for all other commercial eligible policies. Such revenue is earned over the terms of the policies to which the royalties relate. Unearned portions of agency commission royalties are recorded as deferred agency revenue. Commission adjustments for policy cancelations are recorded when they become known as an offset to deferred agency revenue.

On June 17, 2022, Suracy terminated its agency agreement with UMIA. As of December 31, 2022, UMIA estimates $147,434 of agency commissions due from Suracy, which is composed of unearned commissions at the date of termination that Suracy has asserted are not due under the terms of the contract. UMI believes that the unearned commissions continue to be due under the terms of the contact, has engaged external council and initiated an action against Suracy in August 2022 for breach of the agency agreement and to recover the disputed claims. Suracy denies UMI's claim and filed a counterclaim against UMI alleging breach of the agency agreement and libel. UMI intends to vigorously pursue its claim and defend its counter claim. As such, UMI believes no allowance for doubtful accounts is necessary associated with the agency commission as of December 31, 2023. UMI has also recorded a deferred agency revenue liability of $147,434 at December 31, 2023 associated with the disputed fees.

Effective June 21, 2022, UMI transitioned insurance placements for new business and existing policyholders, as of June 21, 2022 through renewal, to third party insurers through UMIA and Sovereign. Agency commission royalty revenue is payable to UMIA as a percentage of net written premium for each eligible policy written within 30 days the of receipt of commission payments from the insurance carrier underwriting the referred customer policy. The royalty percentage is equal to 30% percent of the commissions earned by Sovereign for New Book of Business referred by UMIA, or 20% percent of the commissions earned by Sovereign per year for renewals of New Book of Business. Such revenue is earned over the terms of the policies to which the royalties relate. Unearned portions of agency commission royalties are recorded as deferred agency revenue. Commission adjustments for policy cancellations are recorded when they become known as an offset to deferred agency revenue.

Agency commission revenue is recorded as a component of other service fee income on the consolidated statement of activities. Agency fees receivable are recorded as a component of premiums receivable on the consolidated balance sheets. As of December 31, 2023, the opening agency fees receivable balance was $165,264 and the closing balance was $161,927. As of December 31, 2022, the opening agency fees receivable balance was $245,226 and the closing balance was $165,264.

Policy Acquisition and Other Underwriting Expenses – Policy acquisition and other underwriting expenses include program expenses incurred in the production of new or renewal business are deferred and amortized over the terms of the policies to which they relate. Unamortized portions of policy acquisition costs and other underwriting expenses are recorded as deferred policy acquisition costs.

Note 2—Summary of significant accounting policies (continued)

Liability for Losses and Loss Adjustment Expenses – The liability for unpaid losses and loss adjustment expenses reported in the consolidated financial statements includes case-basis estimates of reported losses, plus supplemental amounts for projected incurred but not reported ("IBNR") losses plus expected development on reported claims. UMI received a waiver from the Department on March 12, 2024, for the December 31, 2023 actuarial certification requirement under Vermont captive insurance law. As such, as of December 31, 2023, IBNR was estimated by management using the actuarially derived ultimates from 2021. A calculation was performed by which the 2021 ultimates were increased during 2022 when the sum of case-basis losses and loss expense reserves and inception to date paid losses and loss expenses exceeded the 2021 selected ultimate. Once calculated, the case-basis losses and loss expense reserves and inception to date paid losses and loss expenses were removed from the ultimate. The remaining portion of the ultimate represented the estimated IBNR.

During 2021, the IBNR was estimated using loss projections prepared by a consulting actuary utilizing certain actuarial assumptions. IBNR reserves were derived from the difference between the projected ultimate losses and loss expenses incurred and the sum of case-basis losses and loss expense reserves, and inception-to-date paid losses and loss expense. Ultimate losses were projected at each reporting date. Actuarial methods utilized included the estimated ultimate incurred, paid and case methods.

Management believes that its aggregate liability for unpaid losses and loss adjustment expenses at year-end represents its best estimate of the amount necessary to cover the ultimate cost of losses. However, because of uncertainty related to the limited population of insured risks, limited historical data, economic conditions including inflation, judicial decisions, legislation, revisions of statutes of limitations and other matters, it is not presently possible to determine whether actual loss experience will conform to the assumptions used in estimating the liability. As a result, the actual liability may be significantly in excess of or less than the amount indicated in the consolidated financial statements. As adjustments to these estimates become necessary such adjustments are reflected in current operations.

Reinsurance Recoverable - Unpaid Losses – Reinsurance recoverable on unpaid losses includes estimated amounts of unpaid losses and loss adjustment expenses, which are expected to be recoverable from reinsurers pursuant to reinsurance agreements. Such amounts have been estimated using actuarial assumptions consistent with those used in establishing the liability for losses and loss adjustment expenses. Management believes that reinsurance recoverable, as recorded, represents its best estimate of such amounts; however, as changes in the estimated ultimate liability for losses and loss adjustment expenses are determined, the estimated ultimate amount recoverable from reinsurers will also change. Accordingly, the ultimate recoverable could be significantly in excess of or less than the amount indicated in the consolidated financial statements. As adjustments to these estimates become necessary, such adjustments are reflected in current operations.

UMI relies on ceded reinsurance to limit its insurance risk as described further in Note 14. In the event that any or all of the reinsuring companies are unable to meet their obligations under existing reinsurance agreements, UMI would be contingently liable for such amounts. In preparing consolidated financial statements, management makes estimates of the amounts recoverable from reinsurers, which includes consideration of amounts, if any, estimated to be uncollectible based on assessment of factors including management's assessment of the creditworthiness of the reinsurers. Management evaluated the creditworthiness of its reinsurers and determined that no specific valuation allowance was required at December 31, 2023 and 2022.

Reinsurance Recoverable - Paid Losses – Reinsurance recoverable on paid losses includes amounts of losses and loss adjustment expenses paid by UMI, which are expected to be recoverable from the reinsurers pursuant to reinsurance agreements. Management has determined that no provision for uncollectible reinsurance recoveries is necessary as of December 31, 2023 and 2022.

Note 2—Summary of significant accounting policies (continued)

Loss Escrow – The loss escrow fund represents funds held by Gallagher Bassett, Zurich, and York, which are utilized to pay losses and loss adjustment expenses.

Losses Payable – Losses payable represent the liability associated with the payment for loss and loss adjustment expenses that are due and have been approved by UMI for payment, for which payments are in process at year-end.

Financial Instruments – Assets recorded at fair value in the consolidated statements of financial position are categorized based on the level of judgment used in the measurement of their fair value. These judgment levels, as defined by Financial Accounting Standards Board Accounting Standards Codification ("ASC") 820, *Fair Value Measurements and Disclosures*, are as follows:

> *Level 1* – Quoted prices in active markets that are accessible at the measurement date for identical securities.
>
> *Level 2* – Quoted prices in markets that are not considered to be active or financial instruments for which all significant inputs are observable, either directly or indirectly. Inputs include quoted prices for similar assets and liabilities in active markets, inputs that are derived from investment manager reporting or corroborated by an independent advisor, and inputs obtained with benchmarks for similar assets for substantially the full term on the financial investments. If market quotations are not readily available for valuations, assets may be valued by a method the investment manager of the fund believes accurately reflects fair value.
>
> *Level 3* – Prices or valuations that require using significant unobservable inputs in determining fair value. The inputs into the determination of fair value require significant judgment or estimation by the investment manager. The investment manager uses either the market approach, which generally consists of using comparable market transactions, or the income approach, which generally consists of the net present value of estimated future cash flows, adjusted as appropriate for liquidity, credit, market, and/or other risk factors.

Income Taxes – GCFA and the Foundation are organized exclusively for charitable, religious, and educational purposes and has received a determination letter for the denomination from the Internal Revenue Service indicating it is exempt from federal income tax under Section 501(c)(3) of the U.S. Internal Revenue Code (the "IRC"). UMI is also a tax-exempt entity under Section 501(c)(3) of the IRC. GCFA, the Foundation, and UMI are also exempt from filing a Form 990 due to their affiliation with a religious organization as described in Section 509(a) of the IRC.

GCFA accounts for the effect of any uncertain tax positions based on a more likely than not threshold to the recognition of the tax positions being sustained based on the technical merits of the position under examination by the applicable taxing authority. If a tax position or positions are deemed to result in uncertainties of those positions, the unrecognized tax benefit is estimated based on a cumulative probability assessment that aggregates the estimated tax liability for all uncertain tax positions. Tax positions for GCFA include, but are not limited to, the tax-exempt status and determination of whether income is subject to unrelated business income tax; however, GCFA has determined that such tax positions do not result in an uncertainty requiring recognition.

Changes in Accounting Principles – Accounting Standards Update ("ASU") 2016-13, Financial Instruments – Credit Losses (Topic 326) guidance replaces the existing incurred loss impairment guidance and establishes a single allowance framework for financial assets carried at amortized cost based on expected credit losses. The estimate of expected credit losses requires the incorporation of historical information, current conditions, and reasonable and supportable forecasts. GCFA adopted this ASU effective January 1, 2023 using the modified retrospective approach. Adoption of the new standard had no material effect on GCFA's financial statements or disclosures.

Note 3—Liquidity and availability of resources

The table below represents financial assets available for general expenditures within one year at December 31:

	2023	2022
Financial assets at year-end:		
Cash and cash equivalents	$ 7,831,180	$ 24,476,695
Investments, at fair value	206,567,891	144,338,119
Accrued interest and dividends receivable	768,045	567,660
Due from annual conferences	22,626,231	22,396,883
Accounts receivable	698,594	1,123,578
General Agency Benefit Trust assets	156,194,302	148,588,482
Commissions receivable	168,088	-
Total financial assets	394,854,331	341,491,417
Less amounts not available to be used for general expenditures within one year:		
Net assets in endowments subject to donor restrictions	14,869,224	13,294,282
Net assets subject to purpose restriction	19,981	19,410
Due to related organizations:		
General agencies - CBP	37,472,616	29,438,955
Other affiliated organizations	231,547	421,471
General advance specials	5,187,861	12,368,677
General Funds	62,561,970	66,085,034
Funds held on behalf of annual conferences	26,713,994	-
Board-designated net assets limited to use	223,953	236,377
General Agency Benefit Trust obligations	156,194,302	148,588,482
Funds held for investors in the UMC Foundation	59,539,814	45,451,394
Financial assets not available to be used within one year	363,015,262	315,904,082
Financial assets available to meet general expenditures within one year	$ 31,839,069	$ 25,587,335

GCFA considers general expenditures to include program expenses, supporting services, and any other commitments or liabilities to be paid in the subsequent year. As part of GCFA's liquidity management plan, it structures its financial assets to be available as its obligations become due. GCFA has certain board-designated and donor-restricted assets limited to use which are not available for general expenditure within one year in the normal course of operations. Accordingly, these assets have been included in assets not available for general expenditures within one year. These assets, which are limited to use, are more fully described in Notes 10 and 11.

Included in GCFA's consolidated financial assets are funds that are held for other related organizations, since these funds represent amounts due to these related organizations, the funds are not available for use by GCFA and, are therefore, included in assets not available for general expenditure within one year.

Note 3—Liquidity and availability of resources (continued)

Benefit Trust assets are investments to be used for the benefit of certain general agencies of the Church to partially fund retiree and active employee benefit costs. Although GCFA is a co-trustee of these funds, the funds cannot be used for general expenditures of GCFA and, are therefore, included in assets not available for general expenditure within one year. Funds held for investors in the Foundation are investments held by the Foundation as fiduciary. These assets are only available to the applicable investor for which the Foundation holds the funds and, accordingly, are included in assets not available for general expenditure within one year.

Note 4—Investments

Short-Term Investments Portfolio - CBP – The operating cash requirements of substantially all entities of the Church are managed on a central basis by GCFA. When an organization has surplus funds, they are deposited with GCFA for investment. When additional funds are required, funds will be returned by GCFA or GCFA may loan required funds to the entity. GCFA allocates interest earned on such short-term investments to the general agencies and related organizations. Interest income allocated to agencies and related organizations totaled $1,769,448 and $555,447 in 2023 and 2022, respectively, and has been reported as a reduction in investment return in the accompanying consolidated statements of activities.

The short-term pooled investments portfolio at December 31, 2023 and 2022 consists of the following:

	2023		2022	
	Fair Value	**Cost**	**Fair Value**	**Cost**
Texas Methodist Foundation Loan Fund	$ 16,680,104	$ 16,680,104	$ 9,387,475	$ 9,387,475
Mutual funds	40,977,622	39,301,589	15,660,236	17,030,262
Short-term collateralized loan fund	168,946	168,946	162,230	162,230
Fixed income	6,340,595	6,433,248	7,079,018	7,262,499
Corporate bonds	48,802,060	49,829,286	36,972,287	38,884,946
Cash	2,670,676	2,670,676	10,500,036	10,500,036
Total investments	$ 115,640,003	$ 115,083,849	$ 79,761,282	$ 83,227,448

Cash reflected above represents cash held in investment accounts and is included in cash and cash equivalents on the consolidated statements of financial position. Cash held in the short-term investments portfolio does not include cash on deposit in other operating depository bank accounts.

Note 4—Investments (continued)

When an agency has surplus funds, they are invested by GCFA in the short-term pooled investment fund. GCFA allocates interest earned to the agencies invested in the pool based upon their pro rata share of the pool on a monthly basis. The overall return for the short-term pooled investment fund for the years ended December 31, 2023 and 2022 was 3.83% and 1.09%, respectively. The overall rate of return for each agency may fluctuate due to fluctuating balances throughout the year and the timing of investment gains and losses. The allocation of funds in the short-term investment pool as of December 31:

	2023	2022
Texas Methodist Foundation Loan Fund	14.4%	11.8%
Mutual funds	35.4%	19.6%
Short-term collateralized loan fund	0.2%	0.2%
Fixed income	5.5%	8.9%
Corporate bonds	42.2%	46.3%
Cash	2.3%	13.2%
	100.0%	100.0%

Investment return consist of the following for the years ended December 31:

	2023	2022
Interest and dividends, net of interest paid to depositors	$ 3,677,112	$ 1,231,905
Realized and unrealized gains (losses)	3,268,625	(5,340,168)
Investment fees	(55,811)	(12,295)
	$ 6,889,926	$ (4,120,558)

	2023	2022
Operating investment return	$ 3,967,372	$ 602,215
Unrealized gains (losses) on debt securities to be held to maturity	2,925,602	(4,722,773)
	$ 6,892,974	$ (4,120,558)

It is GCFAs policy to classify any unrealized gains or losses resulting from debt securities that are intended to be held to maturity as nonoperating gains or losses on the consolidated statements of activities.

Note 4—Investments (continued)

Long-Term Investments Portfolio – Long-term investments represents amounts held by the Foundation on behalf of the participants invested with the Foundation as well as investments held in trust related to UMI and consist of the following as of December 31:

	2023		2022	
	Fair Value	Cost	Fair Value	Cost
Long-term investments portfolio				
UMC Foundation:				
Cash and cash equivalents	$ 16,044,064	$ 16,053,034	$ 13,029,189	$ 13,032,576
Mutual funds	4,869,740	5,638,035	4,104,415	5,013,619
Common stocks	49,799,308	39,369,739	38,274,420	35,195,428
Government securities	10,870,598	11,084,722	9,619,206	10,163,897
Corporate bonds	7,104,503	7,129,098	5,241,019	5,694,009
Alternative investments	4,628,961	4,627,049	4,362,204	4,677,028
Total UMC Foundation	93,317,174	83,901,677	74,630,453	73,776,557
Investments held in trust for UMI:				
Domestic corporate bonds	42,260	45,297	77,617	84,515
Foreign corporate bonds	11,556	12,257	26,459	28,377
Domestic government securities	227,574	230,054	342,344	361,151
Total UMI	281,390	287,608	446,420	474,043
Total long-term investments portfolio	$ 93,598,564	$ 84,189,285	$ 75,076,873	$ 74,250,600
General Agency Benefit Trust assets:				
Multiple Asset Fund (held with Wespath)	$ 156,194,302	$ 45,100,598	$ 148,588,482	$ 48,792,922

Investment return that was solely attributable to the Foundation and not to the participants consisted of the following for the years ended December 31:

	2023	2022
Interest and dividends	$ 6,962	$ 4,164
Realized and unrealized gains (losses)	28,246	(19,985)
Investment fees	(883)	(853)
	$ 34,325	$ (16,674)

Note 4—Investments (continued)

The Foundation offers a variety of common investment funds and specialized portfolios, each managed by one or more professional investment managers. The following is a summary of the primary funds in which participants may invest through the Foundation.

Methodist Socially Principled Fund – The objective of the Methodist Socially Principled Model is to provide a reasonable level of current income and simultaneously to protect the purchasing power of the principal against inflation, while following the underlying benchmarks investments. There is no guarantee that these objectives will be reached. The targeted allocation of the fund is 35% invested in a fixed income fund, 30% in a domestic large capitalization equity portfolio, 10% in a domestic small/mid-capitalization equity portfolio, and 25% in an international equity portfolio. This model is designed for those investors who are seeking a single asset allocation to provide broad diversification, reasonable income, and protection against inflation. The Foundation reserves the right to change the asset allocation or mix of this model as allowed by its statement of investment policy, objectives, and guidelines at any time without notice to Participants.

Methodist Socially Principled Plus Fund – The objective of the Methodist Socially Principled Plus Model is to provide similar investment returns as the Methodist Socially Principled Fund but to reduce the volatility of the returns by increased portfolio diversification through the use of alternative investment strategies, including fund of hedge funds, long short hedge fund managers, credit and equity relative value strategies and managed futures that can utilize currency and commodity forwards and futures. There is no guarantee that these objectives will be reached. The targeted allocation of the fund is 30% invested in a fixed income fund, 25% in a domestic large capitalization equity portfolio, 10% in a domestic small/mid-capitalization equity portfolio, 15% in an international equity portfolio, and 20% in an alternative investment portfolio. This model is designed for those investors who are seeking an option to provide broad diversification, reasonable current income, and protection against inflation. The Foundation reserves the right to change the asset allocation or mix of this model as allowed by its statement of investment policy, objectives, and guidelines at any time without notice to Participants.

Equity Fund – The primary objective of the Equity Fund is growth of principal. Current income is low and of secondary importance. There is no guarantee that these objectives will be reached. The fund's targeted allocation is approximately 45% in domestic large capitalization stocks (both value and growth), 20% in domestic small/mid-capitalization stocks (both value and growth), and 35% in international stocks. The Foundation reserves the right to change the asset allocation or mix of this model as allowed by its statement of investment policy, objectives, and guidelines at any time without notice to Participants.

Fixed Income Fund – The Fixed Income Fund's objective is current income and preservation of nominal capital. No provision is made for protection against inflation. There is no guarantee that these objectives will be reached. The fund is primarily invested in government and corporate bonds, commercial paper, mortgage-backed securities, and collateralized mortgage securities. The fund is permitted to invest up to 10% in securities with "BB" or "B" ratings. The fund may invest up to 5% of portfolio market value in bank loans, interest-only or principal-only securities as conditions warrant. The fund is designed for investors whose main objective is current income.

Short-Term Income Fund – The Short-Term Income Fund's objective is liquidity and a reasonable rate of return. There is no guarantee that these objectives will be reached. This fund is designed for short-term investment of funds when the timing of the investor's liquidity needs is uncertain or variable.

Note 4—Investments (continued)

The following is a summary of the primary funds in which participants may invest through the Foundation. (continued):

Money Market Fund – The primary purpose of the Money Market fund is to provide a safe avenue for investing in secure and highly liquid, cash-equivalent, debt-based assets. The Money Market fund is characterized as a low-risk, low-return investment. The Adviser normally invests at least 99.5% of the fund's total assets in cash, U.S. government securities and/or repurchase agreements that are collateralized fully (i.e., collateralized by cash or government securities).

Preferred Deposit Fund – The primary purpose of the Preferred Deposit Account is to provide a safe avenue for investing in secure and highly liquid, cash-equivalent, debt-based assets. The Preferred Deposit Account fund is characterized as a low-risk, low-return investment. Preferred Deposit is an FDIC-insured deposit account at Bank of America, N.A. offered through Merrill Lynch, Pierce, Fenner & Smith Incorporated.

The following table presents all of the investments of the Foundation by investment fund at December 31:

	2023		2022	
	Fair Value	**Cost**	**Fair Value**	**Cost**
Methodist Socially Principled Fund	$ 46,326,176	$ 40,416,508	$ 35,073,677	$ 34,216,452
Methodist Socially Principled Plus Fund	26,291,750	23,300,611	22,773,881	22,811,773
Preferred Deposit Fund	-	-	5,451,954	5,435,690
Equity Fund	3,785,329	2,900,792	3,216,654	2,852,013
Money Market Fund	13,864,521	13,902,138	5,433,549	5,431,200
Fixed Income Fund	1,653,941	2,002,287	1,565,112	1,928,854
Short-Term Income Fund	1,165,127	1,148,856	1,115,626	1,100,575
Certificate of Deposit	230,330	230,485	-	-
Total investments	$ 93,317,174	$ 83,901,677	$ 74,630,453	$ 73,776,557

The following table summarizes the investment returns and expense ratios for certain funds managed by the Foundation. The yield information presented was taken from reports provided to the Foundation by its third party investment consultant and was not included in the scope of the Foundation's audit.

	2023 (Unaudited)			
	Methodist Socially Principled Fund	**Methodist Socially Principled Plus Fund**	**Equity Fund**	**Fixed Income Fund**
Investment return on the average participant's account, net of total expenses	17.01%	19.72%	6.15%	16.00%
Total expenses for the average participant's account	0.75%	0.70%	0.83%	0.91%

Note 4—Investments (continued)

	2022 (Unaudited)			
	Methodist Socially Principled Fund	Methodist Socially Principled Plus Fund	Equity Fund	Fixed Income Fund
Investment return on the average participant's account, net of total expenses	-15.65%	-18.63%	-17.05%	-14.95%
Total expenses for the average participant's account	0.75%	0.70%	0.83%	0.91%

The expenses for the participant's account and the net investment return on the average participant's account above include the Foundation fees of 0.35% for all investors with $10 million or more under management and 0.40% for all other investors, which are assessed monthly.

Investment return attributable to investments held in trust for UMI consist of the following for the years ended December 31, 2023 and 2022:

	2023	2022
Interest and dividends	$ 25,635	$ 19,785
Amortization expense	-	(1,757)
Realized and unrealized losses	(19,014)	(3,136)
Investment fees	(4,256)	(4,300)
	$ 2,365	$ 10,592

Note 5—Land and fixed assets, net

Property and equipment consist of the following as of December 31, 2023 and 2022:

	2023	2022
Equipment	$ 1,064,103	$ 1,017,593
Software	757,245	757,245
Office furniture	165,290	165,290
Total land and fixed assets	1,986,638	1,940,128
Less accumulated depreciation and amortization	(1,429,996)	(1,163,138)
Land and fixed assets, net	$ 556,642	$ 776,990

Depreciation expense totaled $266,858 and $39,626 for the years ended December 31, 2023 and 2022, respectively.

During the year ended December 31, 2020, management discovered that the deed to the Albright Chapel in Kleinfeltersville, Pennsylvania, was given to GCFA in 1976. This property is deemed a "Heritage Landmark" to The United Methodist Church, and the Book of Discipline at that time directed all such properties be held by GCFA. Management is currently determining the value, if any, that should be recorded for this asset.

Note 5—Land and fixed assets, net (continued)

In June 2022, the land and building owned by GCFA were sold for $13,150,000. The all-cash proceeds resulted in a gain of $7,766,130. As a result of the building sale, GCFA began leasing office space from The General Board of Discipleship/The Upper Room, a related party. The initial term of the lease was for twelve months ending on December 31, 2022 and allows for four extension periods of two years each. GCFA has exercised the first extension period through December 31, 2023.

Note 6—Employee benefits

Retirement Benefits – Full-time laypersons and clergy employed by GCFA participate in the Retirement Plan for General Agencies. This defined contribution plan is administered by Wespath.

GCFA makes bi-weekly contributions to each eligible employee's account held by Wespath based on 8% of annual employee compensation. Additionally, GCFA matches up to 2% of each employee's contribution to their United Methodist Personal Investment Plan. Contributions made by GCFA for both components totaled $600,129 and $540,893 in 2023 and 2022, respectively.

Health, Life, and Other Employee Benefits – The General Agencies of The United Methodist Church Benefit Plan (the "Plan"), which qualifies for treatment as a multiemployer plan under ASC 715, *Compensation – Retirement Benefits,* provides medical, dental, life, and long- and short-term disability defined benefits to participants of the 11 general agencies, all Bishops covered by the Episcopal Fund, and employees of other United Methodist related organizations. Effective January 1, 2004, Plan amendments were made to change the retiree benefits offered and increase the related premiums paid by retirees.

GCFA provides health, dental, life, and other employee benefits for its active employees and health, dental, and life benefits to non-Medicare eligible retirees through the Plan. Retirees who are Medicare eligible, and who elect to enroll, are eligible for a Health Reimbursement Account up to $2,250 annually and $2,000 annually for their spouse, if applicable. Unused reimbursement funds continue to rollover to subsequent years until death of the retiree or their spouse, whichever is later.

All of GCFA active employees are covered by the Plan. The cost of the benefits is recognized as an expense as premiums are paid. The total cost of benefits for active employees was $768,452 and $730,528 in 2023 and 2022, respectively, exclusive of reimbursement from the Benefit Trust.

The Plan's unfunded accumulated postretirement benefit obligation was approximately $26,626,000 and $25,007,000 the Plan's unfunded expected postretirement benefit obligation was approximately $36,004,000 and $32,535,000 as of December 31, 2023 and 2022, respectively.

General Agency Benefit Trust – The Benefit Trust assets for which GCFA is the beneficiary are segregated and invested in the Multiple Asset Fund at Wespath maintained for the benefit of (1) the Plan participants and (2) with regard to any excess assets, for the benefit of GCFA and various general agencies of the Church. These net excess assets have been reflected on the books of GCFA with a corresponding, offsetting liability of approximately $156,194,000 and $148,588,000 as of December 31, 2023 and 2022, respectively. While no liability is explicit under the terms of the Benefit Trust, GCFA does not believe the assets inure solely to its benefit. GCFA serves as beneficiary on behalf of the participating general agencies of the Church.

Note 6—Employee benefits (continued)

Wespath has transferred certain excess pension assets to the Benefit Trust established by the 1996 General Conference. Annually, the Benefit Trust allows a stated percentage, not to exceed 6% of the fair market value of Benefit Trust assets at year-end for which GCFA is the beneficiary to be available for distributions in the subsequent year in order to reimburse the participating agencies, through GCFA, for their funding of active and retiree employee benefits. In December 2022, the Benefit Trust agreement was amended to increase the annual distribution rate to a percentage not to exceed 8% beginning with Benefit Trust distributions on or after January 2023. Subsequent to year-end, in May of 2023, the agreement was amended to change the fair value measurement date from December 31st of the prior year to June 30th of the previous year starting on June 1, 2023. The total amount available for reimbursement in 2023 and 2022 was $11,887,079 and $11,424,000, respectively, of which GCFA's share was $1,409,943 and $1,358,041, respectively, and is reflected in the accompanying consolidated statements of activities as operating revenue of GCFA. In each period, the difference between the total amount distributed and the retained GCFA share is distributed by GCFA to the other participating agencies.

Note 7—Scarritt-Bennett Center

In 1987, Scarritt Graduate School (the "School") transferred the Nashville, Tennessee property formerly occupied by the School to GCFA and United Methodist Women ("UMW"). The property currently is known as the Scarritt-Bennett Center (the "Center") and operates as a conference, retreat, and educational center. As UMW has continued to support the Center through capital expenditures, GCFA's ownership interest has decreased. GCFA has recorded no value for this property on the consolidated statements of financial position.

Note 8—Sale of Nashville building

In December 2005, United Methodist Men ("UMMen") purchased land and a building from GCFA for $750,000, which was estimated to be approximately $130,000 below the appraised value. In conjunction with this land and building purchase, UMMen entered into a deferred consideration agreement with GCFA. Under the agreement, UMMen agreed to pay GCFA 15% of the greater of (1) the net sales price, (2) the fair market value, or (3) the appraised value of the property if the property is conveyed. This land and building was sold in June 2023, GCFA received $714,000 in connection with this agreement which is included in contributions and other income in the accompanying consolidated statement of activities for the year ended December 31, 2023.

Note 9—Permanent fund

The Permanent Fund was established in prior years from various gifts from third parties. Since their receipt, the funds have been held by GCFA for the benefit of the general church. Earnings from the investment of these funds are held in these accounts until periodically designated by General Conference to be used for particular purposes. In 2008, by action of General Conference, all of the remaining assets of the Methodist Corporation Fund were transferred to the Permanent Fund.

GCFA has adopted investment and distribution policies for restricted assets that attempt to provide a predictable stream of funding to programs supported by the assets while seeking to maintain the purchasing power of the assets. GCFA's distribution policies in 2023 and 2022 assumed that the long-term rate of return on the invested assets for the foreseeable future would average approximately 6.5% annually. Actual returns in any given year routinely vary from estimated amounts. To satisfy its long-term rate of return objectives, GCFA relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). GCFA targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Note 9—Permanent fund (continued)

During 2023 and 2022, GCFA had a policy of distributing an amount to the World Service Fund equal to 3.5% of the average balance of the invested assets for the 20 fiscal quarter-ends preceding the beginning of the distribution year. Periodically, if funds are available, other distributions may occur. This is consistent with GCFA's objective to maintain the purchasing power of the assets held in perpetuity or for a specified term, as well as to provide additional real growth through new gifts and investment return.

The activity of the Permanent Fund for the years ended December 31, 2023 and 2022 was as follows:

	2023	2022
Contributions	$ 2,993	$ 1,442
Dividends and interest income	497,495	328,515
Unrealized investment gains (losses)	1,663,876	(2,885,376)
Gas royalties	1,754	6,583
Distributions to General Funds	(610,333)	(622,721)
Property taxes	(21)	(121)
Net increase (decrease) in Permanent Fund	$ 1,555,764	$ (3,171,678)

The Permanent Fund assets are included in the long-term investment portfolio on the consolidated statements of financial position. The net assets of the Permanent Fund are included in net assets with donor restrictions on the consolidated statements of financial position.

Note 10—Board-designated net assets

Certain net assets without donor restrictions at December 31, 2023 and 2022 have been designated by the Board of Directors for the following purposes:

	2023	2022
Annual Conference Administrative and Financial Support	$ 223,953	$ 236,377

Note 11—Net assets with donor restrictions

Net assets with donor restrictions at December 31, 2023 and 2022 have been restricted by the donors for the following purpose restrictions:

	2023	2022
Subject to purpose restrictions:		
The Professional Association of UMC Secretaries Scholarship Fund	$ 200	$ 200
The Professional Association of UMC Secretaries Adv Certification Program Fund	2,352	2,352
Data Services Study	7,475	7,475
UMC Foundation Summit Christian Stewardship	9,383	9,383
Clergy Retreat	571	-
Total subject to purpose restrictions	19,981	19,410
Endowments:		
The Professional Association of UMC Secretaries endowment	50	50
Permanent Fund endowment fund held in perpetuity	5,514,686	5,511,693
Accumulated earnings on Permanent Fund endowment fund	9,187,670	7,634,899
UMC Foundation endowment fund held in perpetuity	80,184	80,184
Accumulated earnings on UMC Foundation endowment fund	86,634	67,456
Total endowments	14,869,224	13,294,282
Total net assets with donor restrictions	$ 14,889,205	$ 13,313,692

Note 12—Endowment

The Foundation has established an endowment solely for the charitable purposes of the Church, with its principal objectives being the promotion and development of religious, charitable, and educational activities. In addition, the Permanent Fund held by GCFA, which is more fully described in Note 9, is a donor-restricted endowment fund established from various gifts from third parties for the benefit of the Church.

The Board of Directors of GCFA has interpreted the Uniform Prudent Management of Institutional Funds Act (“UPMIFA”) as requiring the preservation of the fair value of the original gift date of the donor restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, GCFA classifies as donor-restricted net assets (a) the original value of gifts donated to the endowment, (b) the original value of subsequent gifts to the endowment, and (c) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by UPMIFA.

Note 12—Endowment (continued)

In accordance with applicable state laws, GCFA considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purposes of the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of GCFA
- The investment policies of GCFA

As of December 31, 2023 and 2022, GCFA had the following endowment net asset composition by type of fund:

	2023		
	Without Donor Restrictions	**With Donor Restrictions**	**Total**
Donor-restricted endowment funds:			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	$ -	$ 5,594,920	$ 5,594,920
Accumulated investment gains	-	9,274,304	9,274,304
Endowment net assets, December 31,	$ -	$ 14,869,224	$ 14,869,224

	2022		
	Without Donor Restrictions	**With Donor Restrictions**	**Total**
Donor-restricted endowment funds:			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	$ -	$ 5,591,927	$ 5,591,927
Accumulated investment gains	-	7,702,355	7,702,355
Endowment net assets, December 31,	$ -	$ 13,294,282	$ 13,294,282

From time to time, certain donor-restricted endowment funds may have fair values less than the amount required to be maintained by donors or by law (underwater endowments). GCFA has interpreted UPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law. At December 31, 2023 and 2022, GCFA had no underwater endowments.

Investment and Spending Policies – GCFA may choose to make distributions of the income to any proper recipient. Distributions may only be made after the corpus of the endowment has reached $50,000 with the exception of special approval by the Board of Directors to distribute earnings prior to reaching $50,000. Distributions from the endowment will follow the distribution policy of the Church, which is based on a policy of total long-term return of 6.5%. The following percentages may be used to guide GCFAs distribution policy: 3.5% for Ministry distributions; 2.0% for inflation; and 1% for fees and expenses. To smooth the allowable annual distributions based on valuation of the underlying assets, GCFA uses a five-year moving average of quarterly portfolio values. The moving average is determined for the five-year period immediately preceding the fiscal year in which the funds are to be spent.

Note 12—Endowment (continued)

Return Objectives and Risk Parameters – GCFA has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that GCFA must hold in perpetuity or for a donor-specified period(s). Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to produce results that provide for the preservation of capital and income for support of programs while assuming a moderate level of investment risk. GCFA expects its endowment funds, over time, to produce current income within the total return strategy. Actual returns may vary.

Strategies Employed for Achieving Objectives – To satisfy its long-term rate-of-return objectives, GCFA relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). GCFA targets a diversified asset allocation that places a greater emphasis on corporate bonds and equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Changes in endowment net assets for the years ended December 31, 2023 and 2022 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, December 31, 2021	$ -	$ 16,475,718	$ 16,475,718
Investment return, net	-	(2,560,347)	(2,560,347)
Contributions	-	1,754	1,754
Appropriation of endowment assets for expenditure pursuant to spending-rate policy	-	(622,843)	(622,843)
Endowment net assets, December 31, 2022	-	13,294,282	13,294,282
Investment return, net	-	2,231,586	2,231,586
Contributions	-	2,993	2,993
Appropriation of endowment assets for expenditure pursuant to spending-rate policy	-	(659,637)	(659,637)
Endowment net assets, December 31, 2023	$ -	$ 14,869,224	$ 14,869,224

Note 13—Fair value of financial instruments

Required disclosures concerning the estimated fair value of financial instruments are presented below. The estimated fair value amounts have been determined based on GCFAs assessment of available market information and appropriate valuation methodologies. The following table summarizes required fair value disclosures and measurements at December 31, 2023 and 2022 for assets measured at fair value on a recurring basis under ASC 820, *Fair Value Measurements and Disclosures*:

December 31, 2023	Total Assets Measured at Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments:				
Short-term investment portfolio:				
Texas Methodist Foundation Loan Fund	$ 16,680,104	$ -	$ -	$ 16,680,104
Mutual funds	38,751,338	38,751,338	-	-
Short-term collateralized loan fund	168,946	168,946	-	-
Fixed income	6,340,595	6,340,595	-	-
Corporate bonds	48,802,060	-	48,802,060	-
	110,743,043	$ 45,260,879	$ 48,802,060	$ 16,680,104
Alternative investments:				
Altegris Millennium Fund, Ltd.*	2,226,284			
Total short-term investment portfolio	112,969,327			
Long-term investment portfolio:				
Cash and cash equivalents	16,044,064	16,044,064	-	-
Mutual funds	4,869,740	4,869,740	-	-
Common stocks	49,799,308	49,799,308	-	-
Government securities	11,098,172	11,098,172	-	-
Corporate bonds	7,158,319	-	7,158,319	-
Alternative investments	509,222	-	-	509,222
	89,478,825	$ 81,811,284	$ 7,158,319	$ 509,222
Alternative investments:				
Summit Partners*	377,815			
Blackstone*	717,309			
Hawk Ridge*	286,632			
Ironwood Institutional*	1,333,010			
Mission Crest*	574,463			
Sculptor Access Ltd.*	830,510			
Total long-term investment portfolio	93,598,564			
Benefit Trust Assets - Multiple Asset Fund (Held with Wespath)*	156,194,302			
Total investments at fair value	$ 362,762,193			

Note 13—Fair value of financial instruments (continued)

* In accordance with ASC Subtopic 820-10, certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the consolidated statements of financial position.

December 31, 2022	Total Assets Measured at Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments:				
Short-term investment portfolio:				
Texas Methodist Foundation Loan Fund	$ 9,387,475	$ -	$ -	$ 9,387,475
Mutual funds	15,660,236	15,660,236	-	-
Short-term collateralized loan fund	162,230	162,230	-	-
Fixed income	7,079,018	7,079,018	-	-
Corporate bonds	36,972,287	-	36,972,287	-
Total short-term investment portfolio	69,261,246	$ 22,901,484	$ 36,972,287	$ 9,387,475
Long-term investment portfolio:				
Cash and cash equivalents	13,029,189	$ 13,029,189	$ -	$ -
Mutual funds	4,104,415	4,104,415	-	-
Common stocks	38,274,420	38,274,420	-	-
Government securities	9,961,551	9,961,551	-	-
Corporate bonds	5,345,095	-	5,345,095	-
Alternative investments	395,979	-	-	395,979
	71,110,649	$ 65,369,575	$ 5,345,095	$ 395,979
Alternative investments:				
Summit Partners*	362,419			
Blackstone*	744,828			
Hawk Ridge*	263,321			
Ironwood Institutional*	1,255,066			
Mission Crest*	600,000			
Sculptor Access Ltd.*	740,590			
Total long-term investment portfolio	75,076,873			
Benefit Trust Assets - Multiple Asset Fund (Held with Wespath)*	148,588,482			
Total investments at fair value	$ 292,926,601			

* In accordance with ASC Subtopic 820-10, certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the consolidated statements of financial position.

Note 13—Fair value of financial instruments (continued)

For alternative investments and entities that calculate net asset value per share (or its equivalent), the following table provides information about the probability of investments being sold at amounts different from the net asset value per share for the year ended December 31, 2023:

	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Multiple Asset Fund (Wespath) [a]	$ 156,194,302	none	daily	daily
Summit Partners [b]	377,815	none	monthly	30 days
Blackstone [c]	717,309	none	quarterly tenders	65 days
Hawk Ridge [d]	286,632	none	quarterly	60 days
Ironwood Institutional [e]	1,333,010	none	quarterly	30 - 120 days
Mission Crest [f]	574,463	none	quarterly	60 days
Sculptor Access Ltd. [g]	830,510	none	quarterly	45 days
Altegris Millennium Fund, Ltd. [h]	2,226,284	2,000,000	quarterly	95 days

(a) The investments in Wespath's Multiple Asset Fund are a composite of U.S. equity funds (34.8%), fixed income funds (24.6%), international equity funds (30.3%), inflation protection funds (9.9%), and cash (0.4%).

(b) Summit Partners Sustainable Opportunities L/S Fund Limited is an alternative investment fund primarily invested in long and short investments in global equity securities and other equity-related instruments of public companies. The fund seeks to make investments based on individual themes and focus on companies that offer disruptive, market-driven solutions to global sustainability challenges. The primary investment objective is to achieve capital appreciation and deliver strong risk-adjusted returns over a market cycle.

(c) Blackstone Real Estate Income Trust ("BREIT") is a non-listed, perpetual life real estate investment trust. BREIT invests primarily in stabilized income-generating commercial real estate inside and outside the United States and real estate debt investments.

(d) Hawk Ridge Partners Offshore Ltd. is an exempted investment company that primarily invests a majority of its assets through a master-feeder structure in Hawk Ridge Master Fund (the "Master Fund"). The Master Fund focuses on acquiring long positions in undervalued companies with promising business features, while also taking short positions in companies with overly high values and weak business features.

(e) Ironwood Institutional Multi-Strategy Fund LLC is a fund with an investment objective of capital appreciation with limited variability of returns. The fund primarily invests in four hedge fund strategies: relative value, market neutral and hedged equity, event-driven, and distressed and credit securities.

(f) Mission Crest Macro Fund Limited is an open-ended investment company that serves as a feeder fund, investing a majority of its assets into Mission Crest Macro Master Fund Limited. The fund's objective is to maximize capital appreciation over the long term through employing a multi-portfolio manager strategy.

(g) Sculptor Access Ltd. is part of a group of private investment funds that invests all of its assets in a single underlying fund. The investment objective of the underlying fund is to achieve consistent, positive, absolute returns with low volatility by attempting to exploit pricing inefficiencies in equity and debt securities.

Note 13—Fair value of financial instruments (continued)

(h) Altegris Millennium Fund, Ltd. is an investment company that invests substantially all of its assets into Millennium International, Ltd, which in turn invests substantially all of its assets directly into Millennium Offshore Intermediate, L.P., which in turn invests substantially all of its assets directly into Millennium Partners L.P. The investment objective of the underlying fund is to achieve above-average appreciation by opportunistically trading and investing in a wide variety of securities, instruments, and other investment opportunities and engaging in a broad array of trading and investment strategies.

The following is a reconciliation of activity for 2023 and 2022 for assets measured at fair value based on Level 3 significant unobservable information:

	ACAP Strategic Fund	Texas Methodist Foundation Loan Fund
December 31, 2021	$ 643,466	$ 15,768,015
Interest income	-	363,591
Unrealized losses	(247,487)	-
Withdrawals	-	(6,744,131)
December 31, 2022	395,979	9,387,475
Interest income	-	395,724
Unrealized losses	113,243	-
Deposits	-	10,000,000
Withdrawals	-	(3,103,095)
December 31, 2023	$ 509,222	$ 16,680,104

Note 14—Insurance activity

Effective October 1, 2012, UMI provides, on a direct basis at varying limits, self-insured retentions, and deductibles, directors & officers ("D&O"), employment practices liability ("EPL"), property liability, general liability, sexual misconduct, equipment breakdown, umbrella, and terrorism coverage to members of GCFA. UMI reinsures all lines of coverage with various unaffiliated reinsurers subject to retentions.

Effective October 1, 2017, UMI began providing insured policyholders with access to cyber liability coverage with limits of $250,000 per occurrence and $20 million in the aggregate. Coverage is provided to insureds through a master agreement with GCFA and GCFA is 100% reinsured by third party reinsurance. UMI administers the cyber liability program on behalf of GCFA.

Note 14—Insurance activity (continued)

The various coverages, percentage of reinsurance layer placed, and limits of reinsurance are as follows:

Coverage	Years	Percentage of Coverage Placed and Reinsurance Limits
D&O and EPL	10/1/12-3/31/17	100% of $1 million per occurrence, $25 million in aggregate
	4/1/17-12/31/18	90% of $1 million per occurrence, $25 million in aggregate
	1/1/19-12/31/19	100% of $1 million per occurrence
Property	10/1/12-12/31/14	100% of $20 million per occurrence
	1/1/15-12/31/17	95% of $5 million per occurrence, $30 million in aggregate
		100% of $10 million in excess of $5 million per occurrence
		100% of $15 million in excess of $15 million per occurrence and $30 million in aggregate
	1/1/18-12/31/18	95% of $5 million per occurrence, $25 million in aggregate
		100% of $25 million in excess of $5 million per occurrence and $50 million in aggregate
	1/1/19-12/31/19	100% of insured values
General liability (including casualty and sexual misconduct)	10/1/12-12/31/14	100% of $1 million per occurrence, $3 million annually per church, $5 million annually in aggregate
	1/1/15-12/31/18	95% of $3 million per occurrence
	1/1/19-12/31/19	100% of $3 million per occurrence
Equipment breakdown	10/1/12-10/1/19	100% of $100 million per occurrence and annually in aggregate
Umbrella	10/1/12-12/31/13	100% of $500,000 to $1 million per occurrence, $3 million to $15 million annually in the aggregate, dependent on the underlying coverage
	1/1/14-12/31/14	97.5% of first $1 million per occurrence, $3 million annually in aggregate
		100% of $4 million in excess of $1 million per occurrence and $8 million annually in aggregate
	1/1/15-12/31/17	95% of $1 million per occurrence, up to a $4 million aggregate, dependent on the underlying coverage
		100% of $4 million in excess of $1 million per occurrence and $8 million annually in aggregate
	1/1/18-12/31/18	95% of $5 million per occurrence
	1/1/19-12/31/19	100% of $5 million per occurrence
Terrorism	10/1/12-12/31/14	100% of $40 million per occurrence and annually in aggregate
	1/1/15-12/31/18	100% of $55 million in excess of $25,000 per occurrence and $55 million annually in aggregate
	1/1/19-12/31/19	100% of insured values plus liability limits

Note 14—Insurance activity (continued)

In May 2018, GCFA decided to change the direction of the property and casualty insurance program of the Church. As a consequence, effective January 1, 2019, UMI ceased providing new and renewal coverage with the intention of having UMI's operations consist solely of the run-off of its insurance business. Effective March 1, 2019, due to lower than projected renewal rates into UMIA third party insurer placements, UMI began writing on a direct basis at varying limits, self-insured retentions, and deductibles, D&O, EPL, property liability, general liability, sexual misconduct, equipment breakdown, umbrella, and terrorism coverage to members of GCFA. UMI reinsures 100% of all lines of coverage with an unaffiliated reinsurer.

Beginning January 1, 2020, UMI no longer writes direct coverage and has begun transitioning insurance placements for policyholders at policy renewal to third party insurers through UMIA and Suracy. Effective June 21, 2022, UMI transitions insurance placements for policyholders at policy renewal to third party insurers through UMIA and Sovereign.

Effective January 1, 2005, PACT entered into a reinsurance agreement with Zurich to assume the workers' compensation, general liability (including sexual misconduct), auto, property, and inland marine coverages of its Members at various limits. Effective January 1, 2009, PACT discontinued its assumption of property coverage from Zurich. Effective October 1, 2010, PACT terminated its reinsurance agreement with Zurich and ceased assuming risk on all lines of business. UMI assumed all risk related to the policy years in run-off.

Effective July 13, 2014, per an agreement with Zurich, the letter of credit was canceled and PACT's obligations were collateralized through an investment trust account held for the benefit of Zurich. The trust is comprised of a money market fund and fixed maturity securities. Total assets held in trust for the benefit of Zurich amounted to $281,390 and $447,891 as of December 31, 2023 and 2022, respectively.

The Zurich reinsurance agreement also requires UMI to provide a minimum loss fund to be held in a loss escrow account for the benefit of Zurich. The minimum loss fund can be increased up to the balance of outstanding case basis reserves for losses and loss adjustment expenses at the request of Zurich. The loss escrow fund totaled $50,000 as of December 31, 2023 and 2022.

Reinsurance transactions exclude claim handling fees which are retained by UMI.

No premiums were written or earned on a direct or ceded basis in 2023. Ceded return premiums of $59,651 were written and earned on a ceded basis in 2022.

The components of the liability for losses and loss adjustment expenses and related reinsurance recoverable as of December 31, 2023 and 2022 are as follows:

	2023		2022	
	Gross Liability	**Reinsurance Recoverable**	**Gross Liability**	**Reinsurance Recoverable**
Case-basis reserves	$ 142,360	$ -	$ 5,350,669	$ 4,921,632
IBNR reserves	1,579,083	1,455,184	1,621,000	1,489,512
Claim handling fees	15,269	-	12,500	-
Net	$ 1,736,712	$ 1,455,184	$ 6,984,169	$ 6,411,144

Note 14—Insurance activity (continued)

Losses and loss adjustment expense activity for the years ended December 31, 2023 and 2022 are as follows:

	2023	2022
Liabilities as of January 1, net of reinsurance recoverable of $6,411,144 and $3,517,935, respectively	$ 573,025	$ 455,895
Incurred related to:		
Development of prior years	111,373	316,700
Claim handling fees	15,269	18,145
Total incurred during the year, net of reinsurance recoveries of $6,637,044 and $3,683,900, respectively	126,642	334,845
Paid related to:		
Prior years	(402,870)	(199,570)
Claim handling fees	(15,269)	(18,145)
Total paid during the year, net of reinsurance recoveries of ($5,629,430) and ($790,688), respectively	(418,139)	(217,715)
Liability as of December 31, net of reinsurance recoverable of $1,455,184 and $6,411,144, respectively	$ 281,528	$ 573,025

The unfavorable prior year development of $111,373 recorded in 2023 is predominantly attributable to development on the 2017 through 2020 property liability coverage.

The unfavorable prior year development of $316,700 recorded in table 2 above is predominantly attributable to development on the 2017 through 2020 property liability coverage and offset by generally favorable development on other lines of business.

Note 14—Insurance activity (continued)

The reconciliation of the net incurred and paid losses development tables to the liability for losses and loss adjustment expenses on the consolidated statements of financial position as of December 31, 2023 and 2022 is as follows:

	2023	2022
Net outstanding liabilities:		
Property and Crime	$ -	$ 236,136
General Liability	-	22,355
Sexual Misconduct	40,818	101,190
Other short-duration insurance lines	228,610	200,844
Liabilities for unpaid losses and loss adjustment expenses, net of reinsurance	269,428	560,525
Reinsurance recoverable:		
Property and Crime	271,164	4,802,382
General Liability	149,490	574,231
Sexual Misconduct	999,530	999,530
Other short-duration insurance lines	35,000	35,001
Total reinsurance recoverable on unpaid losses and loss adjustment expenses	1,455,184	6,411,144
Unallocated loss adjustment expenses	12,100	12,500
Total gross liability for unpaid losses and loss adjustment expenses	$ 1,736,712	$ 6,984,169

Other short-duration insurance lines above include liabilities for unpaid losses and loss adjustment expenses, net of reinsurance of $228,610 related to PACT workers' compensation coverage assumed from Zurich from 2006 to 2010. The workers' compensation coverage is not disclosed as a significant category due to the age of the respective coverage, which are older than the six years requiring disclosure, by ASU 2015-09, *Disclosures about Short-Duration Contracts*.

Note 14—Insurance activity (continued)

The following is information about incurred and cumulative paid losses and loss adjustment expenses, net of reinsurance, and total IBNR liabilities plus expected development on reported claims, net of reinsurance and the cumulative number of reported claims as of December 31, 2023, by significant category for the years presented:

Accident Year	Net Incurred	Cumulative Net Paid	Net Total IBNR Plus Expected Development on Reported Claims	Cumulative Number of Reported Claims
2013	$ -	$ -	$ -	76
2014	-	-	-	151
2015	284,979	284,979	-	233
2016	451,579	451,579	-	376
2017	837,763	837,763	-	449
2018	1,413,200	1,413,200	-	512
2019	247,379	247,379	-	361
2020	-	-	-	209
2021	-	-	-	-
2022	-	-	-	-
2023	-	-	-	-
Total	$ 3,234,900	$ 3,234,900	$ -	

General Liability

Accident Year	Net Incurred	Cumulative Net Paid	Net Total IBNR Plus Expected Development on Reported Claims	Cumulative Number of Reported Claims
2013	$ -	$ -	$ -	30
2014	-	-	-	41
2015	11,619	11,619	-	48
2016	6,535	6,535	-	65
2017	77,630	77,630	-	91
2018	24,012	24,012	-	99
2019	22,977	22,977	-	61
2020	-	-	-	17
2021	-	-	-	-
2022	-	-	-	-
2023	-	-	-	-
Total	$ 142,773	$ 142,773	$ -	

Sexual Misconduct

Accident Year	Net Incurred	Cumulative Net Paid	Net Total IBNR Plus Expected Development on Reported Claims	Cumulative Number of Reported Claims
2013	$ -	$ -	$ -	1
2014	-	-	-	-
2015	5,500	1,785	3,715	1
2016	7,000	-	7,000	-
2017	10,000	397	9,603	1
2018	13,500	-	13,500	-
2019	7,000	-	7,000	-
2020	-	-	-	1
2021	-	-	-	-
2022	-	-	-	-
2023	-	-	-	-
Total	$ 43,000	$ 2,182	$ 40,818	

UMI determines the number of reported claims by tracking the number of claims by occurrence and excluding claims closed that are without payment.

Note 15—Related party transactions and service providers

For the first quarter of 2023 and during the year ended December 31, 2022, certain expenses incurred related to the operations of UMI were paid by GCFA. Salaries and benefit expenses, travel, and various general and administrative fees were paid by GCFA on the behalf of UMI totaling $190,614 for the year ended December 31, 2022, and are included as a component of insurance services on the consolidated statements of activities. During 2022, UMI reimbursed GCFA for expenses quarterly, and the payable amount as of December 31, 2022 totaled $49,930 and are eliminated on the consolidated statements of financial position. This expense included salaries, benefits, and related payroll expenses totaling $175,329 for 2022 associated with UMI's president and CEO.

GCFA received administration fees of $30,299 and $12,625 during 2023 and 2022, respectively, based on a fixed fee arrangement agreed to by UMI and GCFA. This fee is eliminated in consolidation of UMI.

UMI entered into a line of credit with GCFA on January 1, 2016, to borrow up to $2,000,000 in order to fund the operating needs of UMI. On April 7, 2017, UMI received additional capital in the form of a $2,000,000 surplus note to GCFA. Concurrent with this transaction, the $2,000,000 line of credit agreement with GCFA was rescinded.

During 2023, Artex provided regulatory compliance services for UMI. Fees for services performed by Artex were $53,687 for the year ended December 31, 2023. During 2022, Artex provided accounting and regulatory compliance services for UMI, pursuant to an agreement administered by CIAC. Fees for services performed by Artex were $114,750 for the year ended December 31, 2022 and are included as a component of general and administrative expenses on the consolidated statements of activities. An employee of Artex is an officer of UMI.

In addition to transactions with UMI, GCFA had the following transactions with other agencies of the Church:

	2023	2022
Consolidated Statements of Financial Position:		
Due from annual conferences	$ 22,626,231	$ 22,396,883
Due from UMI	-	49,930
General Agency Benefit Trust assets	156,194,302	148,588,482
Due to related organizations:		
General agencies - CBP	37,472,616	29,438,955
Other affiliated organizations	231,547	421,471
General advance specials	5,187,861	12,368,677
General Funds	62,561,970	66,085,034
Funds held on behalf of annual conferences	26,713,994	-
UMI	89,632	-
General Agency Benefit Trust obligations	156,194,302	148,588,482
Consolidated Statements of Activities - Revenues:		
Allocation from The General Funds	5,547,210	5,871,329
Distribution from Benefit Trust	1,409,943	1,358,041
Consolidated Statements of Activities - Expenses:		
Group insurance expense	768,446	730,528

Note 15—Related party transactions and service providers (continued)

Funds held on behalf of annual conferences relate to funds that GCFA has agreed to accept and hold from annual conferences in relation to funding the settlement negotiated by the United Methodist Ad Hoc Committee (the "Committee") within the Boy Scouts of America ("BSA") bankruptcy proceeding. GCFA has entered into agreements with various annual conferences to collect and hold funds until instructed, in writing, by the Committee and/or the BSA Leadership Team to either disburse an amount to the escrow account established by the Committee and the Settlement Trust or return the funds to the annual conferences. Until GCFA receives written instructions to disburse or return the funds, it will pay an initial interest rate of 3.25% per annum. On a quarterly basis, GCFA will review all relevant market conditions and determine adjustments to the interest rate and will notify the BSA Leadership Team of any change to the interest rate and when such change will become effective. GCFA will provide a quarterly report to the Committee and the BSA Leadership Team showing the deposits received, total accumulated interest, disbursements made, and the total balance. If GCFA is directed to disburse an amount to the escrow account established by the Committee and the Settlement Trust, any interest accrued in relation to the amount disbursed will also be transferred to the escrow account. If GCFA is directed to return an amount to the annual conferences, any interest accrued in relation to the amount returned will also be transferred to the annual conferences, on ratio based on the respective amounts returned.

Note 16—Net assets – UMI

In accordance with laws of the state of Vermont, for the purpose of submitting its financial statements to the state for regulatory purposes, UMI is required to use U.S. GAAP with the exception of variances prescribed by Vermont laws and regulations or permitted by the Department. Pursuant to laws of the state of Vermont, UMI is required to maintain capital and surplus of $250,000, which meets the liquidity requirements of the Department. At December 31, 2023 and 2022, UMI's net assets without donor restrictions amounted to $307,336 and $1,088,173, respectively.

Effective December 18, 2013, UMI issued surplus notes with original principal totaling $2,395,700, payable to 18 former members of PACT in exchange for their ownership interest in PACT. The notes have a stated interest rate per annum of 0.5%, which compounds quarterly as of the date of issuance. The surplus notes can be re-paid at any time without penalty. Interest is due annually, in arrears, and is required to be paid annually until the notes have been fully paid. Upon approval from the Department, a surplus note totaling $8,700 was settled with one former member during 2014. Upon approval of the Department, surplus notes totaling $350,000 and $358,050 were repaid to former members during 2021 and 2019, respectively. Interest payments of $-0- and $8,395 were made on the surplus notes in 2023 and 2022, respectively, upon approval from the Department. Interest payable totaling $8,694 and $299 was accrued at December 31, 2023 and 2022, respectively. Interest payable is included as a component of accounts payable and accrued expenses on the consolidated statements of financial position.

Effective April 7, 2017, UMI issued a $2,000,000 surplus note to GCFA in return for a capital contribution of $2,000,000. The note has a stated interest rate per annum of 5%, payable quarterly, which was temporarily reduced to 0.5% effective January 2022 through December 31, 2024. Principal is due in five years, with no prepayment penalty subject to approval from the Department. Interest payments of $10,000 were made on the surplus note in 2023 and 2022, upon approval from the Department. This surplus note and related interest have been eliminated in these consolidated financial statements.

All principal and interest payments are subject to approval by the Department. Interest expense totaled $18,395 in 2023 and 2022, and is included as a component of general and administrative expenses on the consolidated statements of activities. For regulatory purposes, the note is considered contributed capital in accordance with accounting practices prescribed by the Department. However, such inclusion in net assets without donor restrictions is not in accordance with U.S. GAAP, which requires the surplus notes to be carried as a liability. As such, the surplus notes have been presented as a liability in the consolidated statements of financial position as of December 31, 2023 and 2022.

Note 17—Commitments and contingencies

Various lawsuits, claims, and other contingent liabilities arise in the course of GCFAs religious, education, insurance, and ministry activities. While the ultimate disposition of these contingencies is not determinable at this time, management believes that any resulting liability will not materially affect the consolidated financial position, changes in net assets, and cash flows of GCFA.

Note 18—Leases

GCFA leases certain office space and office equipment. GCFA determines whether a contract contains a lease at inception by determining if the contract conveys the right to control the use of identified property, plant, or equipment for a period of time in exchange for consideration. GCFA has lease agreements with lease and non-lease components, which are generally accounted for separately with amounts allocated to the lease and non-lease components based on stand-alone prices.

ROU assets and lease liabilities are recognized at the commencement date based on the present value of the future minimum lease payments over the lease term. Renewal and termination clauses are factored into the determination of the lease term if it is reasonably certain that these options would be exercised. Lease assets are amortized over the lease term unless there is a transfer of title or purchase option reasonably certain of exercise, in which case the asset life is used. In order to determine the present value of lease payments, GCFA uses the risk-free discount rate to determine the present value of lease payments.

Future minimum lease payments as of December 31, 2023:

Years Ending December 31,	Operating	Finance
2024	$ 6,780	$ 113,447
2025	6,780	117,723
2026	1,130	117,723
2027	-	122,171
2028	-	122,171
Thereafter	-	260,132
Total undiscounted cash flows	14,690	853,367
Less present value discount	(208)	(47,664)
Total lease liabilities	$ 14,482	$ 805,703

Required supplemental information for the year ended December 31, 2023 is as follows:

Cash paid for amounts included in the measurement of lease liabilities:	
Operating cash flows from finance leases (i.e. interest)	247
Financing cash flows from finance leases (i.e. principal portion)	6,534
Operating cash flows from operating leases	113,447
Weighted-average remaining lease term in years for finance leases	2.17
Weighted-average remaining lease term in years for operating leases	8.00
Weighted-average discount rate for finance leases	1.37%
Weighted-average discount rate for operating leases	1.63%

Note 19—Subsequent events

Management has evaluated subsequent events through September 11, 2024, the date the consolidated financial statements were available for issuance and has determined that there are no subsequent events requiring disclosure other than those included below.

SUPPLEMENTARY INFORMATION

GENERAL COUNCIL ON FINANCE AND ADMINISTRATION OF THE UNITED METHODIST CHURCH AND AFFILIATES
CONSOLIDATING STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2023 (WITH COMPARATIVE TOTALS FOR 2022)

	2023							2022
	GCFA	UMC Foundation	UMI	Permanent Fund	Benefit Trust	Eliminations	TOTAL	TOTAL
ASSETS								
Cash and cash equivalents	$ 7,580,364	$ -	$ 250,816	$ -	$ -	$ -	7,831,180	$ 24,476,695
Short-term investment portfolio	112,969,327	-	-	-	-	-	112,969,327	69,261,246
Accrued interest and dividends receivable	739,302	26,621	2,122	-	-	-	768,045	567,660
Due from annual conferences	22,626,231	-	-	-	-	-	22,626,231	22,396,883
Accounts receivable	698,594	-	-	-	-	-	698,594	1,123,578
Prepaid expenses and other assets	374,595	-	38,486	-	-	-	413,081	278,822
Long-term investment portfolio	18,594,786	93,317,174	281,390	14,923,165	-	(33,517,951)	93,598,564	75,076,873
Lease right-of-use assets	2,000,000	-	-	-	-	(2,000,000)	-	-
General Agency Benefit Trust assets	-	-	-	-	156,194,302	-	156,194,302	148,588,482
Operating right-of-use asets	827,540	54,068	-	-	-	-	881,608	927,888
Fixed assets, net	556,642	-	-	-	-	-	556,642	776,990
Investment in subsidiary	3,664,690	-	-	-	-	(3,664,690)	-	-
Reinsurance recoverable - unpaid losses	-	-	1,455,184	-	-	-	1,455,184	6,411,144
Premiums and agency fee receivable (net of allowance for credit losses of $61,702 and $61,702)	-	-	168,088	-	-	-	168,088	-
Loss escrow	-	-	125,000	-	-	-	125,000	125,000
Total Assets	$ 170,632,071	$ 93,397,863	$ 2,321,086	$ 14,923,165	$ 156,194,302	$ (39,182,641)	$ 398,285,846	$ 350,011,261

GENERAL COUNCIL ON FINANCE AND ADMINISTRATION OF THE UNITED METHODIST CHURCH AND AFFILIATES
CONSOLIDATING STATEMENT OF FINANCIAL POSITION (CONTINUED)

DECEMBER 31, 2023 (WITH COMPARATIVE TOTALS FOR 2022)

	2023							2022
	GCFA	UMC Foundation	UMI	Permanent Fund	Benefit Trust	Eliminations	TOTAL	TOTAL
LIABILITIES AND NET ASSETS								
Lease liability								
Accounts payable and accrued expenses	$ 2,059,204	$ 69,350	$ 191,616	$ 4,353	$ -	$ -	$ 2,324,523	$ 2,054,349
Due to Related Organizations:								
General agencies	37,472,616	-	-	-	-	-	37,472,616	29,438,955
Other affiliated organizations	173,747	(69,023)	(89,633)	216,456	-	-	231,547	421,471
General advance specials	5,187,861	-	-	-	-	-	5,187,861	12,368,677
General Funds	62,561,970	-	-	-	-	-	62,561,970	66,085,034
Funds held on behalf of annual conferences	26,713,994	-	-	-	-	-	26,713,994	-
Lease liability	820,185	-	-	-	-	-	820,185	926,313
General Agency Benefit Trust obligations	-	-	-	-	156,194,302	-	156,194,302	148,588,482
Funds held for investors in the UMC Foundation	-	93,057,765	-	-	-	(33,517,951)	59,539,814	45,451,394
Liability for losses and loss adjustment expenses	-	-	1,736,712	-	-	-	1,736,712	6,984,169
Losses payable	-	-	23,207	-	-	-	23,207	31,690
Deferred agency revenue	-	-	147,434	-	-	-	147,434	147,434
Surplus notes	-	-	3,678,950	-	-	(2,000,000)	1,678,950	1,678,950
Total Liabilities	134,989,577	93,058,092	5,688,286	220,809	156,194,302	(35,517,951)	354,633,115	314,176,918
Net Assets:								
Without Donor Restrictions:								
Invested in property and equipment	556,642	-	-	-	-	-	556,642	776,990
Board-designated	223,953	-	-	-	-	-	223,953	236,377
Undesignated	34,851,251	163,570	(3,367,200)	-	-	(3,664,690)	27,982,931	21,507,284
Total Without Donor Restrictions	35,631,846	163,570	(3,367,200)	-	-	(3,664,690)	28,763,526	22,520,651
With Donor Restrictions:								
Subject to purpose restrictions	10,598	9,383	-	-	-	-	19,981	19,410
Endowment	50	166,818	-	14,702,356	-	-	14,869,224	13,294,282
Total With Donor Restrictions	10,648	176,201	-	14,702,356	-	-	14,889,205	13,313,692
Total Net Assets	35,642,494	339,771	(3,367,200)	14,702,356	-	(3,664,690)	43,652,731	35,834,343
Total Liabilities and Net Assets	$ 170,632,071	$ 93,397,863	$ 2,321,086	$ 14,923,165	$ 156,194,302	$ (39,182,641)	$ 398,285,846	$ 350,011,261

GENERAL COUNCIL ON FINANCE AND ADMINISTRATION OF THE UNITED METHODIST CHURCH AND AFFILIATES

CONSOLIDATING STATEMENT OF ACTIVITIES BY NET ASSET CATEGORY

YEAR ENDED DECEMBER 31, 2023 (WITH COMPARATIVE TOTALS FOR 2022)

	2023					
	Without Donor Restrictions					
	GCFA	UMC Foundation	UMI	Board Designated	Intercompany Eliminations	Total Without Donor Restrictions
Operating Revenue and Support:						
Allocation from UMC:						
Allocation from the General Funds:						
World Service Fund	$ 1,940,475	$ -	$ -	$ -	$ -	$ 1,940,475
Episcopal	474,996	-	-	-	-	474,996
General Administration	2,996,190	-	-	-	-	2,996,190
Interdenominational Cooperation	26,869	-	-	-	-	26,869
Human Relations Day	10,623	-	-	-	-	10,623
One Great Hour of Sharing	61,122	-	-	-	-	61,122
Student Day	7,581	-	-	-	-	7,581
World Communion Day	15,656	-	-	-	-	15,656
Peace with Justice Sunday	5,086	-	-	-	-	5,086
Native American Ministries Sunday	8,612	-	-	-	-	8,612
Total all General Funds	5,547,210	-	-	-	-	5,547,210
Other Operating Income:						
Investment Return:						
Interest and dividends, net of fees and interest paid to depositors	3,606,891	3,460	21,379	-	(10,000)	3,621,730
Realized gains (losses)on investments	362,126	(37)	(19,014)	-	-	343,075
Investment Return, Net	3,969,017	3,423	2,365	-	(10,000)	3,964,805
Distribution from Benefit Trust	1,409,943	-	-	-	-	1,409,943
Contribution and other	1,374,598	-	-	-	(6,276)	1,368,322
Grant income	-	-	-	-	-	-
Premiums earned, net of reinsurance	-	-	-	-	-	-
Other service fee income	1,788,900	260,387	209,393	-	(64,769)	2,193,911
Net assets released from restriction	4,926	-	-	-	-	4,926
Total Other Operating Income	8,547,384	263,810	211,758	-	(81,045)	8,941,907
Total Operating Revenue and Support	14,094,594	263,810	211,758	-	(81,045)	14,489,117
Operating Expenses:						
Program Services:						
Administration	4,897,201	-	-	12,424	-	4,909,625
Financial services	1,404,534	-	-	-	65,806	1,470,340
Management information systems	2,769,759	-	-	-	-	2,769,759
Statistics and records	912,543	-	-	-	-	912,543
Total Program Services	9,984,037	-	-	12,424	65,806	10,062,267
United Methodist Church Foundation:						
Funds management	-	225,381	-	-	(72,308)	153,073
Management and general	-	25,045	-	-	(8,034)	17,011
United Methodist Insurance Company:						
Insurance services	-	-	1,009,528	-	(65,299)	944,229
Total Operating Expenses	9,984,037	250,426	1,009,528	12,424	(79,835)	11,176,580
Excess (deficiency) of operating revenue over operating expenses	4,110,557	13,384	(797,770)	(12,424)	(1,210)	3,312,537
Nonoperating Revenues (Expenses):						
Net increase (decrease) in Permanent Fund	-	-	-	-	-	-
Unrealized gains (losses) on debt securities to be held to maturity	2,897,267	11,724	-	-	-	2,908,991
Gain on sale of fixed assets	-					-
Other comprehensive gain (loss)	-	-	21,347	-	-	21,347
Total Nonoperating Revenues (Expenses)	2,897,267	11,724	21,347	-	-	2,930,338
Change in net assets	7,007,824	25,108	(776,423)	(12,424)	(1,210)	6,242,875
Net assets, beginning of year	28,400,069	138,462	(2,590,777)	236,377	(3,663,480)	22,520,651
Net assets, end of year	$ 35,407,893	$ 163,570	$ (3,367,200)	$ 223,953	$ (3,664,690)	$ 28,763,526

GENERAL COUNCIL ON FINANCE AND ADMINISTRATION OF THE UNITED METHODIST CHURCH AND AFFILIATES
CONSOLIDATING STATEMENT OF ACTIVITIES BY NET ASSET CATEGORY (CONTINUED)

YEAR ENDED DECEMBER 31, 2023 (WITH COMPARATIVE TOTALS FOR 2022)

	2023					
	With Donor Restrictions					
	UMC Foundation	Other	Permanent Fund	Total With Donor Restrictions	2023 Total Consolidated	2022 Total Consolidated
Operating Revenue and Support:						
Allocation from UMC:						
Allocation from the General Funds:						
World Service Fund	$ -	$ -	$ -	$ -	$ 1,940,475	$ 2,009,948
Episcopal	-	-	-	-	474,996	474,996
General Administration	-	-	-	-	2,996,190	3,247,025
Interdenominational Cooperation	-	-	-	-	26,869	28,772
Human Relations Day	-	-	-	-	10,623	9,639
One Great Hour of Sharing	-	-	-	-	61,122	65,222
Student Day	-	-	-	-	7,581	7,642
World Communion Day	-	-	-	-	15,656	15,633
Peace with Justice Sunday	-	-	-	-	5,086	5,171
Native American Ministries Sunday	-	-	-	-	8,612	7,281
Total all General Funds	-	-	-	-	5,547,210	5,871,329
Other Operating Income:						
Investment Return:						
Interest and dividends, net of fees and interest paid to depositors	2,619	-	-	2,619	3,624,349	1,219,610
Realized gains (losses)on investments	(52)	-	-	(52)	343,023	(617,395)
Investment Return, Net	2,567	-	-	2,567	3,967,372	602,215
Distribution from Benefit Trust	-	-	-	-	1,409,943	1,358,041
Contribution and other	-	-	-	-	1,368,322	595,003
Grant income	-	5,497	-	5,497	5,497	14,770
Premiums earned, net of reinsurance	-	-	-	-	-	59,651
Other service fee income	-	-	-	-	2,193,911	1,933,820
Net assets released from restriction	-	(4,926)	-	(4,926)	-	-
Total Other Operating Income	2,567	571	-	3,138	8,945,045	4,563,500
Total Operating Revenue and Support	2,567	571	-	3,138	14,492,255	10,434,829
Operating Expenses:						
Program Services:						
Administration	-	-	-	-	4,909,625	4,797,599
Financial services	-	-	-	-	1,470,340	1,363,937
Management information systems	-	-	-	-	2,769,759	2,203,417
Statistics and records	-	-	-	-	912,543	595,975
Total Program Services	-	-	-	-	10,062,267	8,960,928
United Methodist Church Foundation:						
Funds management	-	-	-	-	153,073	144,645
Management and general	-	-	-	-	17,011	16,073
United Methodist Insurance Company:						
Insurance services	-	-	-	-	944,229	965,198
Total Operating Expenses	-	-	-	-	11,176,580	10,086,844
Excess (deficiency) of operating revenue over operating expenses	2,567	571	-	3,138	3,315,675	347,985
Nonoperating Revenues (Expenses):						
Net increase (decrease) in Permanent Fund	-	-	1,555,764	1,555,764	1,555,764	(3,171,678)
Unrealized gains (losses) on debt securities to be held to maturity	16,611	-	-	16,611	2,925,602	(4,722,773)
Gain on sale of fixed assets	-	-	-	-	-	7,766,130
Other comprehensive gain (loss)	-	-	-	-	21,347	(29,629)
Total Nonoperating Revenues (Expenses)	16,611	-	1,555,764	1,572,375	4,502,713	(157,950)
Change in net assets	19,178	571	1,555,764	1,575,513	7,818,388	190,035
Net assets, beginning of year	157,023	10,077	13,146,592	13,313,692	35,834,343	35,644,308
Net assets, end of year	$ 176,201	$ 10,648	$ 14,702,356	$ 14,889,205	$ 43,652,731	$ 35,834,343

GENERAL COUNCIL ON FINANCE AND ADMINISTRATION OF THE UNITED METHODIST CHURCH

STATEMENT OF FUNCTIONAL EXPENSES FOR GCFA (NON-CONSOLIDATED) AND COMPARISON TO BUDGET (UNAUDITED)

YEAR ENDED DECEMBER 31, 2023

	Administration										
	General Secretary's Office	**Building & Support Services**	**Episcopal Services**	**Legal Services**	**Audit**	**Staff Benefits/ Recruitment**	**Shared Services**	**Association Training And Other**	**Meetings**	**Total**	**Budget (Unaudited)**
Salaries	$ 706,549	$ 619,734	$ 252,206	$ 394,371	$ -	$ 904,291	$ 388,350	$ -	$ -	$ 3,265,501	$ 3,065,184
Employee benefits	210,416	226,704	86,688	114,205	-	264,204	71,360	-	-	973,577	1,024,937
Continuing education	5,878	396	2,478	3,031	-	34,811	3,004	-	-	49,598	32,587
Retiree benefits	-	-	-	-	-	72,355	-	-	-	72,355	109,000
Grants	-	-	-	-	-	-	-	11,683	3,251	14,934	-
Telephone	2,170	2,875	1,680	1,200	-	3,142	2,895	-	-	13,962	15,168
Postage and freight	90	3,474	60	86	-	105	238	-	-	4,053	7,847
Printing	2,300	-	-	15	-	57	1,143	-	-	3,515	2,250
Office supplies	112	3,137	-	-	-	900	533	-	-	4,682	911
Rent	-	104,592	-	-	-	-	-	-	-	104,592	113,447
Moving expense	-	-	-	-	-	-	-	-	-	-	-
Subscriptions and memberships	13,645	595	-	1,207	-	4,731	5,666	-	-	25,844	18,091
Equipment replacement/maintenance	345	2,179	-	-	-	-	922	-	-	3,446	4,877
Software support and maintenance	5,028	64,700	-	10,445	-	11	-	-	-	80,184	67,376
Building repair and maintenance	-	1,081	-	-	-	-	-	-	-	1,081	2,800
Promotional materials/other office expense	2,020	-	-	-	-	-	2,742	-	-	4,762	8,950
Depreciation	1,352	-	-	-	-	-	-	-	-	1,352	2,333
Amortization of right of use assets	-	6,594	-	-	-	-	-	-	-	6,594	-
Professional fees	221	-	-	146,052	705,743	7,394	-	-	13,588	872,998	876,400
Meeting	556	27	-	68	-	2,043	17,666	5,312	54,394	80,066	103,075
Staff travel	33,958	1,736	10,946	3,269	-	6,470	47,915	9,498	17,791	131,583	87,273
Insurance	-	-	-	69,399	-	-	-	-	-	69,399	90,641
Bank/financing charges	-	239	-	-	-	-	-	-	-	239	-
Bad debt expense	-	-	-	-	-	-	-	-	-	-	-
Overhead allocation	(3,546)	(256,077)	-	(13,670)	-	(602,184)	-	-	-	(875,477)	(929,134)
Other	-	-	-	785	-	-	-	-	-	785	1,200
Total Expenses for Operations	$ 981,094	$ 781,986	$ 354,058	$ 730,463	$ 705,743	$ 698,330	$ 542,434	$ 26,493	$ 89,024	$ 4,909,625	$ 4,705,213

GENERAL COUNCIL ON FINANCE AND ADMINISTRATION OF THE UNITED METHODIST CHURCH
STATEMENT OF FUNCTIONAL EXPENSES FOR GCFA (NON-CONSOLIDATED) AND COMPARISON TO BUDGET (UNAUDITED) (CONTINUED)

YEAR ENDED DECEMBER 31, 2023

	Operations							
	Financial Services	Budget (Unaudited)	Management Information Systems	Budget (Unaudited)	Statistics and Records	Budget (Unaudited)	Total	Budget (Unaudited)
Salaries	$ 1,137,318	$ 1,090,853	$ 1,291,885	$ 1,307,000	$ 224,970	$ 267,301	$ 5,919,674	$ 5,730,338
Employee benefits	345,907	350,373	369,532	443,000	64,877	94,892	1,753,893	1,913,202
Continuing education	40	2,363	11,448	14,000	250	800	61,336	49,750
Retiree benefits	-	-	-	-	-	-	72,355	109,000
Grants	-	-	-	-	-	-	14,934	-
Telephone	3,023	3,060	126,854	141,530	600	600	144,439	160,358
Postage and freight	232	900	6,424	3,000	-	-	10,709	11,747
Printing	-	-	-	-	151	144	3,666	2,394
Office supplies	579	648	1,368	-	-	-	6,629	1,559
Rent	-	-	-	-	-	-	104,592	113,447
Moving expense	-	-	-	-	-	-	-	-
Subscriptions and memberships	1,934	1,301	29,748	40,000	-	315	57,526	59,707
Equipment replacement/maintenance	24	-	98,120	122,880	540	-	102,130	127,757
Software support and maintenance	361	-	501,182	696,735	619,504	230,620	1,201,231	994,731
Building repair and maintenance	-	-	-	-	-	-	1,081	2,800
Promotional materials/other office expense	-	-	-	-	-	-	4,762	8,950
Depreciation	-	-	265,506	271,000	-	-	266,858	273,333
Amortization of right of use assets	-	-	-	-	-	-	6,594	-
Professional fees	-	-	25,907	21,000	-	2,250	898,905	899,650
Meeting	-	-	-	-	-	-	80,066	103,075
Staff travel	2,031	4,126	41,667	49,000	1,651	8,192	176,932	148,591
Insurance	28	-	118	-	-	-	69,545	90,641
Bank/financing charges	20,865	-	-	-	-	-	21,104	-
Bad debt expense	(3,000)	-	-	-	-	-	(3,000)	-
Overhead allocation	(104,990)	(104,990)	-	-	-	-	(980,467)	(1,034,124)
Other	182	-	-	-	-	-	967	1,200
Total Expenses for Operations	$ 1,404,534	$ 1,348,634	$ 2,769,759	$ 3,109,145	$ 912,543	$ 605,114	$ 9,996,461	$ 9,768,106

GENERAL COUNCIL ON FINANCE AND ADMINISTRATION OF THE UNITED METHODIST CHURCH

INCURRED AND CUMULATIVE PAID LOSSES AND ALLOCATED LOSS ADJUSTMENT EXPENSES, NET OF REINSURANCE (UNAUDITED)

YEAR ENDED DECEMBER 31, 2023

The following is information about incurred and paid claims development, net of reinsurance and by significant category for years ended December 31,

Property and Crime

Incurred Losses and Allocated Loss Adjustment Expenses, Net of Reinsurance

Accident Year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
2013	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
2014	-	-	-	-	-	-	-	-	-	-	-
2015	-	-	275,000	293,000	284,928	284,928	284,928	284,960	284,960	284,979	284,979
2016	-	-	-	410,000	480,000	455,000	455,000	451,542	451,579	451,579	451,579
2017	-	-	-	-	740,000	715,000	720,000	720,000	720,000	831,931	837,763
2018	-	-	-	-	-	990,000	1,110,000	1,050,000	1,145,000	1,337,906	1,413,200
2019	-	-	-	-	-	-	345,000	230,000	255,000	255,000	247,379
2020	-	-	-	-	-	-	-	-	-	-	-
2021	-	-	-	-	-	-	-	-	-	-	-
2022	-	-	-	-	-	-	-	-	-	-	-
2023	-	-	-	-	-	-	-	-	-	-	-
Total											3,234,900

Cumulative Paid Losses and Allocated Loss Adjustment Expenses, Net of Reinsurance

Accident Year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
2013	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
2014	-	-	-	-	-	-	-	-	-	-	-
2015	-	-	138,969	281,051	284,928	284,928	284,928	284,960	284,960	284,979	284,979
2016	-	-	-	169,600	284,050	430,269	434,507	451,542	451,579	451,579	451,579
2017	-	-	-	-	286,677	675,450	707,021	711,945	715,085	831,931	837,763
2018	-	-	-	-	-	397,445	978,779	1,025,691	1,080,828	1,109,391	1,413,200
2019	-	-	-	-	-	-	159,175	202,535	246,100	247,379	247,379
2020	-	-	-	-	-	-	-	-	-	-	-
2021	-	-	-	-	-	-	-	-	-	-	-
2022	-	-	-	-	-	-	-	-	-	-	-
2023	-	-	-	-	-	-	-	-	-	-	-
Total											3,234,900
All outstanding liabilities before 2013, net of reinsurance											-
Liabilities for losses and loss adjustment expenses, net of reinsurance											$ -

General Liability

Incurred Losses and Allocated Loss Adjustment Expenses, Net of Reinsurance

Accident Year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
2013	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
2014	-	-	-	-	-	-	-	-	-	-	-
2015	-	-	35,000	10,000	7,135	12,500	11,619	11,619	11,619	11,619	11,619
2016	-	-	-	23,000	8,500	7,500	6,466	6,466	6,466	6,466	6,535
2017	-	-	-	-	24,000	36,500	47,500	42,000	62,500	72,757	77,630
2018	-	-	-	-	-	30,000	16,500	16,000	20,000	20,000	24,012
2019	-	-	-	-	-	-	14,500	15,000	22,500	24,075	22,977
2020	-	-	-	-	-	-	-	-	-	-	-
2021	-	-	-	-	-	-	-	-	-	-	-
2022	-	-	-	-	-	-	-	-	-	-	-
2023	-	-	-	-	-	-	-	-	-	-	-
Total											142,773

Cumulative Paid Losses and Allocated Loss Adjustment Expenses, Net of Reinsurance

Accident Year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
2013	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
2014	-	-	-	-	-	-	-	-	-	-	-
2015	-	-	4,642	5,499	7,135	7,135	11,619	11,619	11,619	11,619	11,619
2016	-	-	-	3,370	5,414	6,466	6,466	6,466	6,466	6,466	6,535
2017	-	-	-	-	3,840	7,274	14,015	36,158	49,284	53,349	77,630
2018	-	-	-	-	-	3,506	5,986	8,134	10,884	18,705	24,012
2019	-	-	-	-	-	-	4,374	6,131	15,939	22,423	22,977
2020	-	-	-	-	-	-	-	-	-	-	-
2021	-	-	-	-	-	-	-	-	-	-	-
2022	-	-	-	-	-	-	-	-	-	-	-
2023	-	-	-	-	-	-	-	-	-	-	-
Total											142,773
All outstanding liabilities before 2013, net of reinsurance											-
Liabilities for losses and loss adjustment expenses, net of reinsurance											$ -

GENERAL COUNCIL ON FINANCE AND ADMINISTRATION OF THE UNITED METHODIST CHURCH
INCURRED AND CUMULATIVE PAID LOSSES AND ALLOCATED LOSS ADJUSTMENT EXPENSES, NET OF REINSURANCE (UNAUDITED) (CONTINUED)

YEAR ENDED DECEMBER 31, 2023

Sexual Misconduct

Incurred Losses and Allocated Loss Adjustment Expenses, Net of Reinsurance

Accident Year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
2013	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
2014	-	-	-	-	-	-	-	-	-	-	-
2015	-	-	14,000	13,500	9,500	7,500	7,000	6,000	5,500	5,500	5,500
2016	-	-	-	20,500	19,000	11,500	10,000	8,000	7,000	7,000	7,000
2017	-	-	-	-	24,000	19,500	15,500	12,000	10,000	10,000	10,000
2018	-	-	-	-	-	26,000	16,000	16,000	13,500	13,500	13,500
2019	-	-	-	-	-	-	10,000	8,500	7,000	7,000	7,000
2020	-	-	-	-	-	-	-	-	-	-	-
2021	-	-	-	-	-	-	-	-	-	-	-
2022	-	-	-	-	-	-	-	-	-	-	-
2023	-	-	-	-	-	-	-	-	-	-	-
Total											43,000

Cumulative Paid Losses and Allocated Loss Adjustment Expenses, Net of Reinsurance

Accident Year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
2013	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
2014	-	-	-	-	-	-	-	-	-	-	-
2015	-	-	-	-	-	1,785	1,785	1,785	1,785	1,785	1,785
2016	-	-	-	-	-	-	-	-	-	-	-
2017	-	-	-	-	-	397	397	397	397	397	397
2018	-	-	-	-	-	-	-	-	-	-	-
2019	-	-	-	-	-	-	-	-	-	-	-
2020	-	-	-	-	-	-	-	-	-	-	-
2021	-	-	-	-	-	-	-	-	-	-	-
2022	-	-	-	-	-	-	-	-	-	-	-
2023	-	-	-	-	-	-	-	-	-	-	-
Total											2,182

All outstanding liabilities before 2013, net of reinsurance	60,372
Liabilities for losses and loss adjustment expenses, net of reinsurance	$ 101,190

GENERAL COUNCIL ON FINANCE AND ADMINISTRATION OF THE UNITED METHODIST CHURCH

AVERAGE ANNUAL PERCENTAGE PAYOUT OF INCURRED LOSSES BY AGE (UNAUDITED)

YEAR ENDED DECEMBER 31, 2023

The following is the average annual percentage payout of incurred claims, by age, net of reinsurance as of December 31, 2023 by significant category:

	Average Annual Percentage Payout of Incurred Claims by Age									
Years	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**
Type of Insurance:										
Property and Crime	44.2%	42.8%	7.4%	1.4%	1.3%	10.4%	0.2%	0.0%	0.0%	0.0%
General Liability	27.5%	13.3%	19.6%	17.0%	21.5%	9.0%	15.2%	0.5%	0.0%	0.0%
Sexual Misconduct	0.0%	0.8%	0.0%	8.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%