

**GENERAL BOARD OF DISCIPLESHIP OF  
THE UNITED METHODIST CHURCH  
d/b/a DISCIPLESHIP MINISTRIES**

CONSOLIDATED FINANCIAL STATEMENTS  
AND SUPPLEMENTARY INFORMATION

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

*And Report of Independent Auditor*

**GENERAL BOARD OF DISCIPLESHIP OF  
THE UNITED METHODIST CHURCH  
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## Report of Independent Auditor

To the Board of Directors  
General Board of Discipleship  
The United Methodist Church

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

### Opinion

We have audited the accompanying consolidated financial statements of the General Board of Discipleship of The United Methodist Church d/b/a Discipleship Ministries (the “Board”), which comprise the consolidated statements of financial position as of December 31, 2023 and 2022, and 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 Board of Discipleship of The United Methodist Church d/b/a Discipleship Ministries as of December 31, 2023 and 2022, and changes in its net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 Board and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Responsibilities of Management for the 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 Board’s 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 an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the 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 Board's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Board's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

#### **Report on Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. Schedules 1 and 2 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 audit 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.

#### **Disclaimer of Opinion on Supplementary Real Estate Holdings Appraised Values**

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplemental Real Estate Holdings Appraised Values information presented in Schedule 3, which is the responsibility of management, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the consolidated financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

*Cherry Bekaert LLP*

Charlotte, North Carolina  
September 16, 2024

**GENERAL BOARD OF DISCIPLESHIP OF THE UNITED METHODIST CHURCH**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

DECEMBER 31, 2023 AND 2022

	2023				2022			
	Consolidating Information			Consolidated Total	Consolidating Information			Consolidated Total
	World Service	The Upper Room	Eliminations		World Service	The Upper Room	Eliminations	
<b>ASSETS</b>								
Cash and cash equivalents	\$ 1,134,821	\$ 33,484	\$ -	\$ 1,168,305	\$ 218,440	\$ 169,777	\$ -	\$ 388,217
Due from General Council on Finance and Administration ("GCFA")								
Cash Balance Pool ("CBP")	4,874,941	977,470	-	5,852,411	4,824,455	507,228	-	5,331,683
Accrued World Service Income	1,772,006	-	-	1,772,006	1,973,597	-	-	1,973,597
Accrued World Service Income - Strengthening the Black Church	99,951	-	-	99,951	111,048	-	-	111,048
Accrued World Service Income - Native American Comprehensive Plan	54,279	-	-	54,279	60,306	-	-	60,306
Accrued Employee Retention Credit	-	-	-	-	220,869	351,620	-	572,489
Investments	39,796,408	21,433,295	-	61,229,703	33,791,850	22,493,886	-	56,285,736
Funds held by outside trustees for the benefit of the Board	6,209	5,131	-	11,340	5,980	4,942	-	10,922
Accounts receivable, net	1,706,081	594,112	(1,500,000)	800,193	1,676,253	1,329,784	(1,500,000)	1,506,037
Accrued income receivable	246,738	260,550	-	507,288	203,897	227,926	-	431,823
Inventories	-	427,173	-	427,173	-	362,623	-	362,623
Prepaid expenses and other assets	176,317	206,222	-	382,539	267,753	130,907	-	398,660
Property, buildings, and equipment, net	31,549	1,818,966	-	1,850,515	86,428	1,926,399	-	2,012,827
<b>Total Assets</b>	<b>\$ 49,899,300</b>	<b>\$ 25,756,403</b>	<b>\$ (1,500,000)</b>	<b>\$ 74,155,703</b>	<b>\$ 43,440,876</b>	<b>\$ 27,505,092</b>	<b>\$ (1,500,000)</b>	<b>\$ 69,445,968</b>
<b>LIABILITIES AND NET ASSETS</b>								
Liabilities:								
Accounts payable and accrued expenses	\$ 1,117,734	\$ 3,070,563	\$ (1,500,000)	\$ 2,688,297	\$ 874,797	\$ 2,487,721	\$ (1,500,000)	\$ 1,862,518
Custodial funds payable	218,131	-	-	218,131	207,308	-	-	207,308
Accrued royalties	-	56,923	-	56,923	-	62,570	-	62,570
Deferred income	1,302	1,083,141	-	1,084,443	30,031	1,768,969	-	1,799,000
Total Liabilities	1,337,167	4,210,627	(1,500,000)	4,047,794	1,112,136	4,319,260	(1,500,000)	3,931,396
Net Assets:								
Without Donor Restrictions:								
Board-designated	25,990,733	6,133,132	-	32,123,865	22,816,172	6,157,668	-	28,973,840
Undesignated	18,862,288	13,645,781	-	32,508,069	16,052,292	15,322,626	-	31,374,918
Total Without Donor Restrictions	44,853,021	19,778,913	-	64,631,934	38,868,464	21,480,294	-	60,348,758
With Donor Restrictions:								
Subject to purpose restrictions	1,851,233	630,533	-	2,481,766	1,571,856	603,755	-	2,175,611
Endowments	1,857,879	1,136,330	-	2,994,209	1,888,420	1,101,783	-	2,990,203
Total With Donor Restrictions	3,709,112	1,766,863	-	5,475,975	3,460,276	1,705,538	-	5,165,814
Total Net Assets	48,562,133	21,545,776	-	70,107,909	42,328,740	23,185,832	-	65,514,572
<b>Total Liabilities and Net Assets</b>	<b>\$ 49,899,300</b>	<b>\$ 25,756,403</b>	<b>\$ (1,500,000)</b>	<b>\$ 74,155,703</b>	<b>\$ 43,440,876</b>	<b>\$ 27,505,092</b>	<b>\$ (1,500,000)</b>	<b>\$ 69,445,968</b>

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

**GENERAL BOARD OF DISCIPLESHIP OF THE UNITED METHODIST CHURCH**  
**CONSOLIDATED STATEMENT OF ACTIVITIES**

YEAR ENDED DECEMBER 31, 2023

	Consolidating Information							2023 Consolidated Total
	World Service			The Upper Room			Eliminations	
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total		
Revenues:								
Sales of literature	\$ 24,937	\$ -	\$ 24,937	\$ 8,964,299	\$ -	\$ 8,964,299	\$ -	\$ 8,989,236
Cost of goods sold	-	-	-	(1,704,710)	-	(1,704,710)	-	(1,704,710)
Net Sales	24,937	-	24,937	7,259,589	-	7,259,589	-	7,284,526
Allocations through the GCFA:								
World Service	6,079,763	-	6,079,763	-	-	-	-	6,079,763
Native American Comprehensive Plan	-	186,699	186,699	-	-	-	-	186,699
Strengthening the Black Church	-	343,791	343,791	-	-	-	-	343,791
Youth Service Fund	15,716	-	15,716	-	-	-	-	15,716
Registration fees/special projects	989,720	96,996	1,086,716	594,566	11,297	605,863	-	1,692,579
Grants and contributions	5,877	387,959	393,836	1,004,865	314,993	1,319,858	-	1,713,694
Rental income	-	-	-	500,637	-	500,637	-	500,637
Other income	2,385,623	533	2,386,156	22,842	189	23,031	(2,365,011)	44,176
Benefit trust distribution	1,403,231	-	1,403,231	1,364,483	-	1,364,483	-	2,767,714
Services received from GCFA	31,133	-	31,133	-	-	-	-	31,133
Investment return from GCFA GBP	240,770	-	240,770	12,857	-	12,857	-	253,627
Investment return, net	4,485,062	71,430	4,556,492	2,921,816	49,444	2,971,260	-	7,527,752
Net assets with donor restrictions released from restrictions	838,572	(838,572)	-	314,598	(314,598)	-	-	-
Total Revenues	16,500,404	248,836	16,749,240	13,996,253	61,325	14,057,578	(2,365,011)	28,441,807
Expenses:								
Program Services:								
General secretary	532,041	-	532,041	-	-	-	-	532,041
Stakeholder relations	959,631	-	959,631	-	-	-	-	959,631
Strategic programming	3,795,750	-	3,795,750	-	-	-	-	3,795,750
Communications	1,411,442	-	1,411,442	-	-	-	-	1,411,442
Strengthening the Black Church	467,808	-	467,808	-	-	-	-	467,808
Native American Comprehensive Plan	200,255	-	200,255	-	-	-	-	200,255
The Upper Room	-	-	-	12,919,581	-	12,919,581	-	12,919,581
Total Program Services	7,366,927	-	7,366,927	12,919,581	-	12,919,581	-	20,286,508
Supporting Services:								
Management and general	3,142,920	-	3,142,920	2,216,730	-	2,216,730	(2,365,011)	2,994,639
Fundraising	6,000	-	6,000	561,323	-	561,323	-	567,323
Total Supporting Services	3,148,920	-	3,148,920	2,778,053	-	2,778,053	(2,365,011)	3,561,962
Total Expenses	10,515,847	-	10,515,847	15,697,634	-	15,697,634	(2,365,011)	23,848,470
Excess (Deficiency) of Revenue Over Expenses	5,984,557	248,836	6,233,393	(1,701,381)	61,325	(1,640,056)	-	4,593,337
Changes in net assets	5,984,557	248,836	6,233,393	(1,701,381)	61,325	(1,640,056)	-	4,593,337
Net assets, beginning of year	38,868,464	3,460,276	42,328,740	21,480,294	1,705,538	23,185,832	-	65,514,572
Net assets, end of year	\$ 44,853,021	\$ 3,709,112	\$ 48,562,133	\$ 19,778,913	\$ 1,766,863	\$ 21,545,776	\$ -	\$ 70,107,909

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

**GENERAL BOARD OF DISCIPLESHIP OF THE UNITED METHODIST CHURCH**  
**CONSOLIDATED STATEMENT OF ACTIVITIES**

YEAR ENDED DECEMBER 31, 2022

	Consolidating Information							2022 Consolidated Total
	World Service			The Upper Room			Eliminations	
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total		
Revenues:								
Sales of literature	\$ 20,271	\$ -	\$ 20,271	\$ 10,174,427	\$ -	\$ 10,174,427	\$ -	\$ 10,194,698
Cost of goods sold	-	-	-	(2,112,861)	-	(2,112,861)	-	(2,112,861)
Net Sales	20,271	-	20,271	8,061,566	-	8,061,566	-	8,081,837
Allocations through the GCFA:								
World Service	6,515,893	-	6,515,893	-	-	-	-	6,515,893
Native American Comprehensive Plan	-	200,092	200,092	-	-	-	-	200,092
Strengthening the Black Church	-	368,453	368,453	-	-	-	-	368,453
Youth Service Fund	18,238	-	18,238	-	-	-	-	18,238
Registration fees/special projects	62,979	77,107	140,086	360,214	-	360,214	-	500,300
Grants and contributions	1,963	1,149,640	1,151,603	565,795	350,155	915,950	-	2,067,553
Reimbursements from related organizations	45,000	145,000	190,000	-	-	-	-	190,000
Rental income	1,710	-	1,710	458,912	-	458,912	-	460,622
Paycheck Protection Program	-	-	-	-	-	-	-	-
Employee Retention Credit	2,690	84	2,774	4,189	-	4,189	-	6,963
Other income	1,857,271	65	1,857,336	166,056	54	166,110	(2,020,214)	3,232
Benefit trust distribution	1,298,902	-	1,298,902	1,189,417	-	1,189,417	-	2,488,319
Services received from GCFA	30,893	-	30,893	-	-	-	-	30,893
Investment return from GCFA CBP	51,561	-	51,561	11,007	-	11,007	-	62,568
Investment return, net	(6,386,714)	(117,443)	(6,504,157)	(4,587,817)	-	(4,587,817)	-	(11,091,974)
Net assets with donor restrictions released from restrictions	935,072	(935,072)	-	266,723	(266,723)	-	-	-
Total Revenues	4,455,729	887,926	5,343,655	6,496,062	83,486	6,579,548	(2,020,214)	9,902,989
Expenses:								
Program Services:								
General secretary	422,148	-	422,148	-	-	-	-	422,148
Stakeholder relations	826,837	-	826,837	-	-	-	-	826,837
Strategic programming	2,634,177	-	2,634,177	-	-	-	-	2,634,177
Communications	1,175,612	-	1,175,612	-	-	-	-	1,175,612
Strengthening the Black Church	595,811	-	595,811	-	-	-	-	595,811
Native American Comprehensive Plan	205,417	-	205,417	-	-	-	-	205,417
The Upper Room	-	-	-	10,299,506	-	10,299,506	-	10,299,506
Total Program Services	5,860,002	-	5,860,002	10,299,506	-	10,299,506	-	16,159,508
Supporting Services:								
Management and general	2,910,429	-	2,910,429	2,322,009	-	2,322,009	(2,020,214)	3,212,224
Fundraising	6,000	-	6,000	527,595	-	527,595	-	533,595
Total Supporting Services	2,916,429	-	2,916,429	2,849,604	-	2,849,604	(2,020,214)	3,745,819
Total Expenses	8,776,431	-	8,776,431	13,149,110	-	13,149,110	(2,020,214)	19,905,327
Excess (Deficiency) of Revenue Over Expenses	(4,320,702)	887,926	(3,432,776)	(6,653,048)	83,486	(6,569,562)	-	(10,002,338)
Nonoperating Items:								
Net gain on sale of assets	-	-	-	3,205,562	-	3,205,562	-	3,205,562
Changes in net assets	(4,320,702)	887,926	(3,432,776)	(3,447,486)	83,486	(3,364,000)	-	(6,796,776)
Net assets, beginning of year	43,189,166	2,572,350	45,761,516	24,927,780	1,622,052	26,549,832	-	72,311,348
Net assets, end of year	\$ 38,868,464	\$ 3,460,276	\$ 42,328,740	\$ 21,480,294	\$ 1,705,538	\$ 23,185,832	\$ -	\$ 65,514,572

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

**GENERAL BOARD OF DISCIPLESHIP OF THE UNITED METHODIST CHURCH**  
**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**

YEAR ENDED DECEMBER 31, 2023

	Program Services							Supporting Services							Total Supporting Services	2023 Consolidated Total
	World Service				Upper Room			World Service				Upper Room				
	General Secretary	Stakeholder Relations	Strategic Programming	Communications	Strengthening the Black Church - 21st Century	Native American Comprehensive Plan	Upper Room Program	Total Program Services	Management and General	Fundraising	Management and General	Fundraising	Eliminations			
Expenses:																
Grant distribution	\$ -	\$ 301,469	\$ -	\$ -	\$ -	\$ -	79,600	\$ 381,069	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 381,069
Programs and projects	-	68,616	1,001,975	114,909	160,352	6,736	675,561	2,028,149	-	-	-	-	-	-	-	2,028,149
Personnel expenses	335,530	449,748	2,458,948	638,722	251,161	159,342	5,840,480	10,133,931	1,724,006	6,000	1,247,354	309,747	(1,294,795)	1,992,312	12,126,243	
Staff travel and expense	26,001	38,889	187,527	34,037	32,275	5,215	280,424	604,368	7,049	-	23,054	-	(23,054)	7,049	611,417	
Contractual services	20,711	96,415	115,861	212,311	-	12,325	3,056,108	3,513,731	650,229	-	423,617	-	(423,617)	650,229	4,163,960	
Office expenses	56,193	3,782	19,448	248,592	21,815	16,567	181,800	548,197	262,425	-	211,254	-	(211,254)	262,425	810,622	
Fulfillment postage	469	15	652	24,098	852	70	1,427,242	1,453,398	82	-	443	-	(443)	82	1,453,480	
Depreciation expense	10,930	-	-	-	-	-	446,034	456,964	211,086	-	77,364	-	(178,204)	110,246	567,210	
Meetings	80,207	-	-	-	281	-	-	80,488	350	-	55,640	-	(55,640)	350	80,838	
Promotional	-	-	600	128,365	807	-	115,920	245,692	-	-	-	251,576	-	251,576	497,268	
Insurance and taxes	-	-	-	-	-	-	183,097	183,097	249,535	-	172,462	-	(172,462)	249,535	432,632	
Miscellaneous	2,000	697	10,739	10,408	265	-	633,315	657,424	7,025	-	5,542	-	(5,542)	7,025	664,449	
Administration provided by GCFA	-	-	-	-	-	-	-	-	31,133	-	-	-	-	31,133	31,133	
<b>Total Expenses</b>	<b>\$ 532,041</b>	<b>\$ 959,631</b>	<b>\$ 3,795,750</b>	<b>\$ 1,411,442</b>	<b>\$ 467,808</b>	<b>\$ 200,255</b>	<b>\$ 12,919,581</b>	<b>\$ 20,286,508</b>	<b>\$ 3,142,920</b>	<b>\$ 6,000</b>	<b>\$ 2,216,730</b>	<b>\$ 561,323</b>	<b>\$ (2,365,011)</b>	<b>\$ 3,561,962</b>	<b>\$ 23,848,470</b>	

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



**GENERAL BOARD OF DISCIPLESHIP OF THE UNITED METHODIST CHURCH**  
**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**

YEAR ENDED DECEMBER 31, 2022

	Program Services							Supporting Services							Total Supporting Services	2022 Consolidated Total
	World Service				Upper Room			World Service			Upper Room					
	General Secretary	Stakeholder Relations	Strategic Programming	Communications	Strengthening the Black Church - 21st Century	Native American Comprehensive Plan	Upper Room Program	Total Program Services	Management and General	Fundraising	Management and General	Fundraising	Eliminations			
Expenses:																
Grant distribution	\$ -	\$ 239,050	\$ -	\$ -	\$ -	\$ -	\$ 89,857	\$ 328,907	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 328,907
Programs and projects	5,655	31,077	217,244	120,831	301,642	9,600	421,916	1,107,965	-	-	-	-	-	-	-	1,107,965
Personnel expenses	271,284	445,881	2,212,500	568,950	246,738	170,831	5,085,646	9,001,830	1,614,519	6,000	1,046,320	278,128	(1,084,114)	1,860,853	10,862,683	
Staff travel and expense	9,836	22,133	97,154	41,653	24,937	5,133	159,706	360,552	2,299	-	7,893	-	(7,893)	2,299	362,851	
Contractual services	11,265	83,296	78,414	286,816	-	325	2,029,675	2,489,791	584,515	-	375,645	-	(375,645)	584,515	3,074,306	
Office expenses	44,854	4,540	20,507	36,766	19,444	19,202	164,575	309,888	213,162	-	160,293	-	(160,293)	213,162	523,050	
Fulfillment postage	1,687	-	2,403	20,526	287	117	1,448,013	1,473,033	239	-	1,315	-	(1,315)	239	1,473,272	
Depreciation expense	3,266	-	-	-	-	-	334,417	337,683	218,182	-	72,724	-	(175,977)	114,929	452,612	
Meetings	73,583	-	-	-	-	175	-	73,758	-	-	47,919	-	(47,919)	-	73,758	
Promotional	-	-	-	98,814	371	34	162,070	261,289	-	-	-	249,467	-	249,467	510,756	
Insurance and taxes	-	-	-	-	-	-	337,888	337,888	245,472	-	159,917	-	(159,917)	245,472	583,360	
Miscellaneous	718	860	5,955	1,256	2,392	-	65,743	76,924	1,148	-	449,983	-	(7,141)	443,990	520,914	
Administration provided by GCFA	-	-	-	-	-	-	-	-	30,893	-	-	-	-	30,893	30,893	
<b>Total Expenses</b>	<b>\$ 422,148</b>	<b>\$ 826,837</b>	<b>\$ 2,634,177</b>	<b>\$ 1,175,612</b>	<b>\$ 595,811</b>	<b>\$ 205,417</b>	<b>\$ 10,299,506</b>	<b>\$ 16,159,508</b>	<b>\$ 2,910,429</b>	<b>\$ 6,000</b>	<b>\$ 2,322,009</b>	<b>\$ 527,595</b>	<b>\$ (2,020,214)</b>	<b>\$ 3,745,819</b>	<b>\$ 19,905,327</b>	

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

**GENERAL BOARD OF DISCIPLESHIP OF THE UNITED METHODIST CHURCH**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**

YEARS ENDED DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
<b>Cash flows from operating activities:</b>		
Change in net assets	\$ 4,593,337	\$ (6,796,776)
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation	567,210	452,612
Net realized gains on investments	(803,879)	-
Net unrealized (gains) losses on investments	(6,634,109)	11,091,974
Net gain on disposal of 18th Ave properties and equipment	-	(3,205,562)
Net loss of disposal of additional property and equipment	-	11,721
Gifts restricted for long-term investments	(1,435)	(3,300)
Changes in operating assets and liabilities:		
Due from GCFA CBP	(520,728)	(149,783)
Accrued World Service Income	201,591	82,086
Accrued World Service Income - Strengthening the Black Church	11,097	4,821
Accrued World Service Income - Native American Comprehensive Plan	6,027	2,618
Accrued Employee Retention Credit	572,489	578,693
Funds held by outside trustees for the benefit of the Board	(418)	(118)
Accounts receivable, net	705,844	(801,191)
Accrued income receivable	(75,465)	(65,182)
Inventories	(64,550)	479,924
Prepaid expenses and other assets	16,121	3,552
Accounts payable and accrued expenses	825,779	40,780
Custodial funds payable	10,823	7,409
Accrued royalties	(5,647)	1,575
Deferred income	(714,557)	(482,213)
Net cash flows from operating activities	<u>(1,310,470)</u>	<u>1,253,640</u>
<b>Cash flows from investing activities:</b>		
Purchases of property, buildings, and equipment	(404,898)	(1,145,384)
Proceeds from sale of investments	4,000,000	-
Proceeds from sale of property, buildings, and equipment	-	3,390,000
Purchases of investments	(1,505,979)	(3,379,909)
Net cash flows from investing activities	<u>2,089,123</u>	<u>(1,135,293)</u>
<b>Cash flows from financing activities:</b>		
Proceeds from gifts restricted for long-term investments	1,435	3,300
Net cash flows from financing activities	<u>1,435</u>	<u>3,300</u>
Net change in cash and cash equivalents	780,088	121,647
Cash and cash equivalents, beginning of year	388,217	266,570
Cash and cash equivalents, end of year	<u>\$ 1,168,305</u>	<u>\$ 388,217</u>

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

# GENERAL BOARD OF DISCIPLESHIP OF THE UNITED METHODIST CHURCH

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022

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### Note 1—Organization and nature of operations

The General Board of Discipleship of The United Methodist Church d/b/a Discipleship Ministries was created to assist The United Methodist conferences, districts, and local churches in their disciple-making ministries. This assistance is provided through program activities and the development and distribution of religious materials and resources. Revenue is derived primarily from allocations received from the World Service Fund (the basic benevolence fund of The United Methodist Church (the “Church”)), fees for special programs and projects and from sales of literature to churches, related organizations, and individuals.

The Upper Room is incorporated as a separate entity within Discipleship Ministries and is financially maintained and presented as a separate fund of Discipleship Ministries in accordance with the Book of Discipline. Discipleship Ministries and The Upper Room each has its own Board of Directors, the members of which are common. Strengthening the Black Church for the 21st Century (“SBC21”) and the Native American Comprehensive Plan (“NACP”) are special initiatives of The United Methodist Church, administratively assigned to Discipleship Ministries. SBC21 and NACP each has its own advisory committees separate from the Discipleship Ministries Board of Directors.

The accompanying consolidated financial statements present the consolidated accounts of Discipleship Ministries, The Upper Room, and the administratively assigned special initiatives for SBC21 and NACP and collectively will be referred to as the “Board”. All material interdivisional accounts and transactions have been eliminated in consolidation.

### Note 2—Summary of significant accounting policies

The consolidated financial statements have been prepared using the accrual basis of accounting. The Board’s significant accounting policies are described below:

*Basis of Presentation* – The Board 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 the activities or objectives of the Board. Separate accounts are maintained for each fund.

For reporting purposes, however, the Board’s consolidated financial statements have been prepared to focus on the organization as a whole. Net assets are classified into two categories based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Board and changes therein are classified and reported 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 the Board. These net assets may be used at the discretion of Board's management and the Board of Directors. Board 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:

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

*Undesignated* – Represents the cumulative net assets without donor restrictions excluding those net assets 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 the Board or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

# GENERAL BOARD OF DISCIPLESHIP OF THE UNITED METHODIST CHURCH

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022

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### Note 2—Summary of significant accounting policies (continued)

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 restrictions. 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.

*Cash and Cash Equivalents* – Cash and cash equivalents include cash on hand or on deposit with banks and highly liquid, short-term investments with original maturities of three months or less.

The Board places its cash and cash equivalents on deposit with financial institutions in the United States. The Federal Deposit Insurance Corporation covers \$250,000 for substantially all depository accounts. The Board from time to time may have amounts on deposit in excess of the insured limits. As of December 31, 2023, the Board had one account with \$900,742 in excess of these insured amounts.

*Due from General Council on Finance and Administration Cash Balance Pool* – The amounts presented as due from General Council on Finance and Administration (“GCFA”) Cash Balance Pool in the accompanying consolidated financial statements represent the Board’s portion of the Cash Balance Pool (“CBP”) portfolio managed by GCFA on behalf of certain agencies and related organizations of the The United Methodist Church. The amount due from this fund effectively represents the amount of cash deposits that are available to the Board to be disbursed out of GCFA’s centralized cash management system. Since these deposits are legally invested in GCFA’s name and not in a separate demand account in the Board’s name, they are not classified as cash and cash equivalents, but rather are considered an amount due from GCFA. The CBP includes funds invested in demand deposits, corporate bonds, taxable municipal bonds, mutual funds, and notes from other United Methodist organizations.

Distributions of the investment return on the CBP are characterized as interest income and 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 U.S. 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 U.S. Treasury Bill Rate minus 15 basis points.

**GENERAL BOARD OF DISCIPLESHIP OF THE UNITED METHODIST CHURCH**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

DECEMBER 31, 2023 AND 2022

**Note 2—Summary of significant accounting policies (continued)**

GCFA allocates interest earned to the agencies invested monthly. For the years ended December 31, 2023 and 2022, GCFA allocated \$253,627 and \$62,568 of interest income, respectively. The overall return for the Cash Balance Pool for the years ended December 31, 2023 and 2022 was 3.83% and 1.09%, respectively. The overall rate of return for each agency will fluctuate based on balances throughout the year and the prevailing U.S. Treasury Bill Rates during over time.

While interest income can be earned based on the performance of the pooled investment funds, the Board believes there is little to no risk exposure to losses due to the relationship with GCFA and policy under which the pooled funds are invested. GCFA is the owner of the residual risk of the investment portfolio. The operating cash requirements of the general agencies are centrally managed by GCFA.

The allocation of funds in the short-term investment pool as of December 31, 2023, and 2022 were as follows:

	<u>2023</u>	<u>2022</u>
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	<u>2.3%</u>	<u>13.2%</u>
	<u>100%</u>	<u>100%</u>

World Service Allocation – Funding for the Board’s operations is principally provided by allocations of the World Service Fund received from the General Funds of the Church, of which \$1,926,236 and \$2,144,951 as of December 31, 2023 and 2022, respectively, was accrued and unpaid. The General Funds of the Church are allocated to the Board based on a four-year budget developed from projections of expected program costs. The Board’s continued existence is dependent upon the Church’s future support. The Church’s future support is dependent upon contributions from its congregations.

*Funds Held by Outside Trustees for the Benefit of the Board* – These funds are managed by other entities that hold the funds in trust. They are recorded at fair value of the assets held by the third party.

Accounts Receivable – Trade accounts receivable are recorded at the invoiced amount and is stated at cost less an allowance for credit losses. 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.

*Investments* – The Board’s investments are primarily in third party investment pools presented at net asset value (“NAV”), which approximates the estimated fair value of the Board’s share of the respective investment pools. The Board also invests directly in fixed income securities. Investment return represents the Board’s pro rata share of interest and dividends and realized and unrealized gains and losses within respective investment pools.

*Inventories* – Inventories of printed literature are valued at the lower of cost (first-in, first-out) or net realizable value.

**GENERAL BOARD OF DISCIPLESHIP OF THE UNITED METHODIST CHURCH**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

DECEMBER 31, 2023 AND 2022

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**Note 2—Summary of significant accounting policies (continued)**

*Property, Buildings, and Equipment* – Property, buildings, and equipment are stated at cost, less accumulated depreciation. The Board capitalizes assets with a cost greater than \$5,000. Depreciation is computed by the straight-line method over the estimated useful lives of the assets, which range from three to fifty years. Upon retirement or disposal of assets, the asset and accumulated depreciation are adjusted accordingly, and any gain or loss is reflected in nonoperating results. Maintenance and repairs are charged to expense as incurred; betterments are capitalized.

*Functional Expenses* – The costs of providing program and other activities have been summarized on a functional basis in the consolidated statements of activities. The consolidated statements of functional expenses present the natural classification detail of expenses by function. While most costs have been directly assigned to a functional category, certain joint 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:

<u>Expense</u>	<u>Method of Allocation</u>
Salaries and benefits	Time and effort
Communication and web services	Time and effort

*Custodial Funds Payable* – The Board holds funds for others, representing investment amounts owned by various organizations but administered by the Board as part of the general investment pool. The Board’s responsibilities for these funds are custodial in nature and consist of establishing and monitoring investment policies for these deposits and distributing the income earned or the principal at withdrawal in accordance with the depositor’s instructions.

*Deferred Income* – Subscriptions to The Upper Room and other publications are deferred and recognized as income over the term of the related subscription.

*Income Taxes* – The Board is covered under GCFA’s group determination letter from the Internal Revenue Service indicating that it is a nonprofit corporation and, except for taxes pertaining to unrelated business income, is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code (“IRC”). The Board is also exempt from filing a Form 990 due to its affiliation with a religious organization as described in Section 509(a) of the IRC.

The Board 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 the Board include, but are not limited to, the tax-exempt status and determination of whether income is subject to unrelated business income tax; however, the Board has determined that such tax positions do not result in an uncertainty requiring recognition.

*Revenue Concentration* – Funding for the Board’s operations is significantly provided by apportionments received from the General Funds of the Church that are allocated to the Board based on a four-year budget developed from projections of expected program costs. The apportionment accounted for approximately 32% and 34% of the Board’s total revenue, excluding investment returns, in 2023 and 2022, respectively. The Board is dependent upon the Church’s future support as well as sales of literature. The Church’s future support is dependent upon contributions from its congregations (i.e., congregational participation in the apportionment covenant) as well as sales of literature to those congregations.

# GENERAL BOARD OF DISCIPLESHIP OF THE UNITED METHODIST CHURCH

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022

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### Note 2—Summary of significant accounting policies (continued)

*Revenue Recognition* – The Board recognizes registration fees/special project revenues when the performance obligation has been met which is when the service is performed or the good is provided. Sales of literature revenue is recognized when the goods are shipped to the customer.

*Use of Estimates* – Management of the Board has made a number of estimates and assumptions relating to the reporting of assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period to prepare these consolidated financial statements in conformity with U.S. generally accepted accounting principles (“U.S. GAAP”). Actual results could differ from those estimates.

*Services Received from Personnel of an Affiliate* – Services received from personnel of an affiliate for which the affiliate does not charge the Board has been measured at the cost recognized by the affiliate in providing those services. The revenue and expense relating to those services received are presented in the related party Note 9 and totaled \$31,133 and \$30,893 for the years ended December 31, 2023 and 2022, respectively.

*Financial Instruments* – Assets recorded at fair value in the statements of financial position are categorized based on the level of judgment associated with the inputs used to measure their fair value. Level inputs, as defined by the Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) 820, *Fair Value Measurements and Disclosures*, are as follows:

*Level 1* – Values are unadjusted quoted prices for identical assets in active markets accessible at the measurement date.

*Level 2* – Inputs include quoted prices for similar assets in active markets, quoted prices from those willing to trade in markets that are not active, or other inputs that are observable or can be corroborated by market data for the term of the instrument. Such inputs include market interest rates and volatilities, spreads, and yield curves.

*Level 3* – Certain inputs are unobservable (supported by little or no market activity) and significant to the fair value measurement. Unobservable inputs reflect the best estimate of what hypothetical market participants would use to determine a transaction price for the asset or liability at the reporting date.

Investments consisting of U.S. Treasury Bills are stated at fair value. Purchases and sales are accounted for on the trade date. Amortization of discounts is included in investment return, net.

*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. The Board adopted this ASU effective January 1, 2023 using the modified retrospective approach. Adoption of the new standard had no material effect on the Board’ financial statements or disclosures.

**GENERAL BOARD OF DISCIPLESHIP OF THE UNITED METHODIST CHURCH**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

DECEMBER 31, 2023 AND 2022

**Note 3—Liquidity and availability of resources**

The table below represent financial assets available for general expenditures within one year at December 31, 2023:

	<u>World Service</u>	<u>The Upper Room</u>	<u>Consolidated</u>
Financial assets at year-end:			
Cash and cash equivalents	\$ 1,134,821	\$ 33,484	\$ 1,168,305
Due from GCFA CBP	4,874,941	977,470	5,852,411
Accrued World Service	1,772,006	-	1,772,006
Accrued World Service - SBC21	99,951	-	99,951
Accrued World Service - NACP	54,279	-	54,279
Investments	39,796,408	21,433,295	61,229,703
Funds held by outside trustees for the benefit of the Board	6,209	5,131	11,340
Accounts receivable	1,706,081	594,112	2,300,193
Accrued income receivable	246,738	260,550	507,288
Total financial assets	<u>49,691,434</u>	<u>23,304,042</u>	<u>72,995,476</u>
Less amounts not available to be used for general expenditures within one year:			
Due from The Upper Room	1,500,000	-	1,500,000
Custodial funds payable	218,131	-	218,131
Board designated	25,990,733	6,133,132	32,123,865
Purpose restrictions	1,851,233	1,019,716	2,870,949
Endowments	1,857,879	747,147	2,605,026
Financial assets not available to be used within one year	<u>31,417,976</u>	<u>7,899,995</u>	<u>39,317,971</u>
Financial assets available to meet general expenditures within one year	<u>\$ 18,273,458</u>	<u>\$ 15,404,047</u>	<u>\$ 33,677,505</u>



**GENERAL BOARD OF DISCIPLESHIP OF THE UNITED METHODIST CHURCH**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

DECEMBER 31, 2023 AND 2022

**Note 3—Liquidity and availability of resources (continued)**

The table below represent financial assets available for general expenditures within one year at December 31, 2022:

	<u>World Service</u>	<u>The Upper Room</u>	<u>Consolidated</u>
Financial assets at year-end:			
Cash and cash equivalents	\$ 218,440	\$ 169,777	\$ 388,217
Due from GCFA CBP	4,824,455	507,228	5,331,683
Accrued World Service	1,973,597	-	1,973,597
Accrued World Service - SBC21	111,048	-	111,048
Accrued World Service - NACP	60,306	-	60,306
Accrued Income for ERC	220,869	351,620	572,489
Investments	33,791,850	22,493,886	56,285,736
Funds held by outside trustees for the benefit of the Board	5,980	4,942	10,922
Accounts receivable	1,676,253	1,772,627	3,448,880
Accrued income receivable	203,897	227,926	431,823
Total financial assets	<u>43,086,695</u>	<u>25,528,006</u>	<u>68,614,701</u>
Less amounts not available to be used for general expenditures within one year:			
Due from The Upper Room	1,500,000	-	1,500,000
Custodial funds payable	207,308	-	207,308
Board designated	22,816,172	6,157,668	28,973,840
Purpose restrictions	1,571,856	603,755	2,175,611
Endowments	1,888,420	1,101,783	2,990,203
Financial assets not available to be used within one year	<u>27,983,756</u>	<u>7,863,206</u>	<u>35,846,962</u>
Financial assets available to meet general expenditures within one year	<u>\$ 15,102,939</u>	<u>\$ 17,664,800</u>	<u>\$ 32,767,739</u>

The Board considers general expenditures to include program expenses, supporting services, and any commitments or liabilities to be paid in the subsequent year. As part of the Board's liquidity management plan, it structures its financial assets to be available as its obligations come due. Cash in excess of daily requirements are invested in the GCFA's CBP. This fund established by the Board may be drawn upon, if necessary, to meet unexpected liquidity needs.

The Board also has certain assets limited to use for donor-restricted purposes, as well as other board-designated assets that are designated for future capital expenditure, programs, and plant facilities. These assets limited to use, which are more fully described in Note 10 are not available for general expenditure within the next year. However, the board-designated amounts could be made available, if necessary. As part of Board's liquidity management plan, cash in excess of daily requirements are invested in GCFA's CBP.

**GENERAL BOARD OF DISCIPLESHIP OF THE UNITED METHODIST CHURCH**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

DECEMBER 31, 2023 AND 2022

**Note 4—Investments**

The investments at December 31, 2023 and 2022 consist of the following:

	2023		2022	
	Fair Value	Cost	Fair Value	Cost
Multiple Asset Fund - I Series (Wespath)	\$ 56,052,514	\$ 48,613,241	\$ 51,763,089	\$ 50,605,674
Fixed Income Fund - I Series (Wespath)	3,716,091	3,796,314	2,187,445	2,500,000
Inflation Protection Fund - I Series (Wespath)	-	-	2,335,202	2,500,000
Treasury Bills	1,461,098	1,448,067	-	-
	<u>\$ 61,229,703</u>	<u>\$ 53,857,622</u>	<u>\$ 56,285,736</u>	<u>\$ 55,605,674</u>

*Multiple Asset Fund – I Series (GCFA - Disciple)* – The investments in Wespath Benefits and Investments (“Wespath”) Multiple Asset Fund – I Series are a composite of U.S. equity funds (34%), fixed income funds (25%), international equity funds (31%), and inflation protection funds (10%).

*Fixed Income Fund – I Series (Wespath)* – The Fixed Income Fund – I Series comprises of publicly traded U.S. fixed income securities and fixed income securities denominated in currencies other than the U.S. dollar.

*Inflation Protection Fund – I Series (Wespath)* – The Inflation Protection Fund – I Series holds a combination of U.S. and foreign fixed income securities, commodity futures contracts, and senior secured loans.

*Treasury Bills* – The investment in comprises of short-term U.S. government fixed income security.

Net investment return for the years ended December 31, 2023 and 2022 was as follows:

	2023	2022
Return on investments:		
Realized gains on sale of investments	\$ 803,879	\$ -
Unrealized (losses) gains on investments	6,723,873	(11,091,974)
Investment return, net	<u>\$ 7,527,752</u>	<u>\$ (11,091,974)</u>

**Note 5—Fair value measurement**

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

**GENERAL BOARD OF DISCIPLESHIP OF THE UNITED METHODIST CHURCH**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

DECEMBER 31, 2023 AND 2022

**Note 5—Fair value measurement (continued)**

	<b>Fair Value Measurements at Reporting Date Using</b>			
	<b>Amounts Measured at at Fair Value</b>	<b>Quoted Prices in Active Markets for Identical Instruments (Level 1)</b>	<b>Significant Other Observable Inputs (Level 2)</b>	<b>Significant Unobservable Inputs (Level 3)</b>
<b>December 31, 2023</b>				
Funds held by outside trustees for the benefit of the Board:	\$ 11,340	\$ -	\$ -	\$ 11,340
Fixed income:				
Treasury Bills	1,461,098	\$ 1,461,098		
Investments reported at NAV				
Multiple Asset Fund - I Series (Wespath)*	56,052,514			
Fixed Income Fund - I Series (Wespath)*	3,716,091			
Total investments	<u>\$ 61,229,703</u>	<u>\$ 1,461,098</u>	<u>\$ -</u>	<u>\$ -</u>

	<b>Fair Value Measurements at Reporting Date Using</b>			
	<b>Amounts Measured at at Fair Value</b>	<b>Quoted Prices in Active Markets for Identical Instruments (Level 1)</b>	<b>Significant Other Observable Inputs (Level 2)</b>	<b>Significant Unobservable Inputs (Level 3)</b>
<b>December 31, 2022</b>				
Funds held by outside trustees for the benefit of the Board:	\$ 10,922	\$ -	\$ -	\$ 10,922
Investments reported at NAV				
Multiple Asset Fund - I Series (Wespath)*	51,763,089			
Fixed Income Fund - I Series (Wespath)*	2,187,445			
Inflation Protection Fund - I Series (Wespath)*	2,335,202			
Total investments	<u>\$ 56,285,736</u>			

\* In accordance with ASC Subtopic 820-10, certain investments that are measured at fair value using NAV 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.

**GENERAL BOARD OF DISCIPLESHIP OF THE UNITED METHODIST CHURCH**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

DECEMBER 31, 2023 AND 2022

**Note 5—Fair value measurement (continued)**

The following method was used to estimate the fair value of each class of financial instruments:

*Funds Held by Outside Trustees for the Benefit of the Board* – The fair values of funds held by outside trustees for the benefit of the Board are determined using primarily Level 3 inputs.

There were no purchases or sales of Level 3 investments for the year ended December 31, 2023.

In accordance with ASC Subtopic 820-10, certain investments that are measured at fair value using NAV per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. All investments may be redeemed without advance notice and there are no limitations as to the frequency of redemptions for any investment pool. The Board has no unfunded commitments to invest in any investment pool.

**Note 6—Accounts receivable**

Accounts receivable at December 31 consist of the following:

	<b>2023</b>		
	<b>Discipleship Ministries</b>	<b>The Upper Room</b>	<b>Total</b>
Trade accounts	\$ -	\$ 616,726	\$ 616,726
Due from other agencies	200,000	44,572	244,572
Other	6,081	10,664	16,745
	<u>206,081</u>	<u>671,962</u>	<u>878,043</u>
Less allowance for credit losses	-	(77,850)	(77,850)
	<u>\$ 206,081</u>	<u>\$ 594,112</u>	<u>\$ 800,193</u>
	<b>2022</b>		
	<b>World Service</b>	<b>The Upper Room</b>	<b>Total</b>
Trade accounts	\$ -	\$ 1,575,204	\$ 1,575,204
Due from other agencies	170,027	27,144	197,171
Other	6,226	22	6,248
	<u>176,253</u>	<u>1,602,370</u>	<u>1,778,623</u>
Less allowance for credit losses	-	(272,586)	(272,586)
	<u>\$ 176,253</u>	<u>\$ 1,329,784</u>	<u>\$ 1,506,037</u>

**GENERAL BOARD OF DISCIPLESHIP OF THE UNITED METHODIST CHURCH**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

DECEMBER 31, 2023 AND 2022

**Note 7—Property, buildings, and equipment**

Property, buildings, and equipment at December 31 consist of the following:

	<b>2023</b>		
	<b>World Service</b>	<b>The Upper Room</b>	<b>Total</b>
Land and land improvements	\$ -	\$ 126,151	\$ 126,151
Buildings and improvements	153,281	7,922,380	8,075,661
Furniture, fixtures, and equipment	725,866	1,322,263	2,048,129
	879,147	9,370,794	10,249,941
Less accumulated depreciation	(847,598)	(7,551,828)	(8,399,426)
	<u>\$ 31,549</u>	<u>\$ 1,818,966</u>	<u>\$ 1,850,515</u>
	<b>2022</b>		
	<b>World Service</b>	<b>The Upper Room</b>	<b>Total</b>
Land and land improvements	\$ -	\$ 126,151	\$ 126,151
Buildings and improvements	153,281	7,561,623	7,714,904
Furniture, fixtures, and equipment	725,866	1,243,579	1,969,445
Work in progress	34,543	-	34,543
	913,690	8,931,353	9,845,043
Less accumulated depreciation	(827,262)	(7,004,954)	(7,832,216)
	<u>\$ 86,428</u>	<u>\$ 1,926,399</u>	<u>\$ 2,012,827</u>

Depreciation expense was \$567,210 and \$452,612 for 2023 and 2022, respectively.

In January 2022, the properties at 1001 and 1003 18<sup>th</sup> Ave South were sold for \$3,390,000. The all-cash proceeds belonged entirely to Upper Room. The net gain on this sale of \$3,205,562 has been reflected on the consolidated statement of activities for the year ended December 31, 2022.

# GENERAL BOARD OF DISCIPLESHIP OF THE UNITED METHODIST CHURCH

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022

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### Note 8—Employee benefits

*Retirement Benefits* – Full-time laypersons and clergy employed by the Board participate in the Retirement Plan for General Agencies. This defined contribution plan is administered by Wespath. The Board makes semi-monthly contributions to each eligible employee's account held by Wespath based on 8% of annual employee compensation. Additionally, the Board matches up to 2% of each employee's compensation to their United Methodist Personal Investment Plan. Total contributions made by the Board for both components during 2023 and 2022 were \$912,009 and \$833,645, 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.

The Board 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 \$2,100 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 the Board's 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 \$1,347,931 and \$1,164,352 in 2023 and 2022, respectively, and the cost of retired employees was \$375,003 and \$404,416, respectively, exclusive of reimbursement from the General Agency Benefit Trust ("Benefit Trust").

The Plan's unfunded accumulated postretirement benefit obligation was approximately \$26,626,000 and \$25,007,000 and 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.

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 payout, 8% and 6% for 2023 and 2022 of the fair market value of Benefit Trust assets at year-end for which GCFA is the beneficiary to be available for distribution in the subsequent year in order to reimburse the participating agencies, through GCFA, for their funding of active and retiree employee benefits. The fair value of the Benefit Trust's assets (not plan assets) for which GCFA is the beneficiary, was approximately \$156,194,000 and \$148,588,000 as of December 31, 2023 and 2022, respectively. The total amount available for reimbursement in 2023 and 2022 was \$11,887,000 and \$11,424,000, respectively, of which the Board's share, net of retiree health benefits was \$2,767,714 and \$2,488,319, respectively.

**GENERAL BOARD OF DISCIPLESHIP OF THE UNITED METHODIST CHURCH**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

DECEMBER 31, 2023 AND 2022

**Note 9—Related party transactions**

The Board receives a portion of its revenue through apportionments from the General Funds of The United Methodist Church, which are administered by GCFA. In addition, GCFA provides various services to the Board, such as general ledger processing, cash management, and group insurance plan administration. The Board had the following transactions with GCFA and related organizations:

	<u>2023</u>	<u>2022</u>
Statements of Financial Position:		
Due from GCFA CBP	\$ 5,852,411	\$ 5,331,683
Accrued World Service Fund allocation	1,772,006	1,973,597
Accrued World Service Fund allocation - SBC21	99,951	111,048
Accrued World Service Fund allocation - NACP	54,279	60,306
Investments held at Wespath Benefits and Investments	59,768,605	56,285,736
Accounts receivable from related organizations	244,572	197,171
Funds held by outside trustees for the benefit of the Board	11,340	10,922
Statements of Activities:		
Revenue:		
Net sales - United Methodist Publishing House	102,044	127,043
Allocations through GCFA - World Service	6,079,763	6,515,893
Allocations through GCFA - Youth Service Fund	15,716	18,238
Allocations through GCFA - NACP	186,699	200,092
Allocations through GCFA - SBC21	343,791	368,453
Benefit Trust distribution	2,767,714	2,488,319
Reimbursements from related organizations	-	190,000
Services received from GCFA	31,133	30,893
Investment return from GCFA CBP	253,627	62,568
Investment return, net from Wespath Benefits and Investments	7,514,721	(11,091,974)
Expenses:	-	
Personnel expenses - Group insurance expense	1,722,934	1,568,768
Administration provided by GCFA	31,133	30,893

SBC21 and NACP are special initiatives separate from the Board, funded by a separate World Service allocation. The Board provides telephone, computer network, mail, and building maintenance services on a service fee basis. The Board provides office space, computer equipment, human resources, accounting, financial reporting, auditing, and budget support services on an in-kind basis. SBC21 and NACP financial information are included and identified in these consolidated financial statements and in Schedules 1 and 2.

**GENERAL BOARD OF DISCIPLESHIP OF THE UNITED METHODIST CHURCH**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

DECEMBER 31, 2023 AND 2022

**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:

	<u>2023</u>	<u>2022</u>
World Service:		
Kern Property Fund	\$ 25,935,718	\$ 22,754,783
Older Adult Ministries Plan	36,560	44,500
Youth Service Fund	18,455	16,889
Total board-designated net assets	<u>\$ 25,990,733</u>	<u>\$ 22,816,172</u>
The Upper Room:		
Capital Expenditures	\$ 2,476,147	\$ 2,476,147
Emmaus Funding Plan	25,000	25,000
Academy Leader Program	50,000	50,000
CTR Program	89,528	114,064
Chaplains Fund	50,000	50,000
International Editions Fund	62,584	62,584
18th Avenue Houses Fund	3,379,873	3,379,873
Total board-designated net assets	<u>\$ 6,133,132</u>	<u>\$ 6,157,668</u>

From time to time, the Board may designate other net assets without donor restrictions for specific purposes. The following are descriptions of each Board designation:

*Kern Property Fund* – This is a Board-designated “quasi-endowment” fund, whereby the initial proceeds from the sale of the Kern Property, \$27,415,259 remains in an investment account with an annual draw of no more than 4% of the fund’s value as of June 30 of the prior year. The entire fund, including any investment earnings, is Board-designated, and made available to the agency according to Board-established practices. The use of the annual draw is not contingent upon the fund’s market value exceeding the initial investment.

*Older Adult Ministries Plan* – Older Adult Ministries is founded on the principle that ongoing faith development of midlife and older adults is critical for the transformation of the world. Balance of unspent Older Adult Ministries Plan moneys to specifically support programming for Older Adults.

*Youth Service Fund* – Youth Service Fund (“YSF”) is the national United Methodist mission fund supported by youth. Through YSF, United Methodist teens raise money for other teens doing ministry in their churches and communities impacting poverty, illiteracy, absenteeism, and social justice.

*Capital Expenditures* – Funds set aside for maintenance of property, plant, and equipment.

*Emmaus Gift Fund Programs* – From undesignated gifts received in 2016 that were in excess of the needs of programs that receive fund development money. This is designated to be used as a matching gift to encourage donors’ giving to the Emmaus International program.



**GENERAL BOARD OF DISCIPLESHIP OF THE UNITED METHODIST CHURCH**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

DECEMBER 31, 2023 AND 2022

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**Note 10—Board-designated net assets (continued)**

*Academy Leader Program Fund* – From undesignated gifts received in 2016 that was in excess of the needs of programs that receive fund development money. This is designated to be used as a matching gift to encourage donors' giving to the Academy Leadership Endowment.

*CTR Program* – From undesignated gifts received in 2016 and 2017 that were in excess of the needs of programs that receive fund development money. This is designated to be used for funding new yet to be identified program initiatives.

*Chaplains Fund* – Large undesignated estate gift set aside by the Board to use as corpus for interest income for the Chaplains Program.

*International Editions Fund* – Large undesignated estate gift set aside by Board to use as corpus for interest income for the International Program.

*18<sup>th</sup> Avenue Houses Fund* – Property sale proceeds of \$3,379,873 from two houses owned by The Upper Room to be designated for the cost of property management, renovation, and capital investments related to the Denman Building, Chapel, and the Beasley House. The fund can also be used for the purpose of securing settings and spaces needed for staff and stakeholders to gather for retreat and planning while The Upper Room owned properties are being leased.

**GENERAL BOARD OF DISCIPLESHIP OF THE UNITED METHODIST CHURCH**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

DECEMBER 31, 2023 AND 2022

**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:

	<u>2023</u>	<u>2022</u>
World Service:		
Subject to purpose restrictions:		
New Church Starts Foundation for Evangelism	\$ 70,043	\$ 65,709
National Hispanic Plan	118,671	111,327
Native American Comprehensive Plan	169,115	170,601
Strengthening the Black Church for the 21st Century	31,683	1,367
Korean Partner in Mission	187,895	179,048
Lilly Grant for Compelling Preaching	<u>1,273,826</u>	<u>1,043,804</u>
Total subject to purpose restrictions	<u>1,851,233</u>	<u>1,571,856</u>
Endowments:		
Accumulated earnings on the Board endowment fund	1,474,939	1,505,480
The Board endowment fund held in perpetuity	<u>382,940</u>	<u>382,940</u>
Total endowments	<u>1,857,879</u>	<u>1,888,420</u>
Total net assets with donor restrictions	<u>\$ 3,709,112</u>	<u>\$ 3,460,276</u>
The Upper Room:		
Subject to purpose restrictions:		
Emmaus Funding Plan	\$ 21,312	\$ 28,671
Crisis Literature Programs	107,723	155,357
Spiritual Academies Fund	152,594	171,478
Chaplain Donations	327,189	233,789
Stephen Bryant Prayer and Spiritual Formation	<u>21,715</u>	<u>14,460</u>
Total subject to purpose restrictions	<u>630,533</u>	<u>603,755</u>
Endowments:		
Accumulated earnings on the Upper Room endowment fund	391,014	357,902
Upper Room endowment fund held in perpetuity	<u>745,316</u>	<u>743,881</u>
Total endowments	<u>1,136,330</u>	<u>1,101,783</u>
Total net assets with donor restrictions	<u>\$ 1,766,863</u>	<u>\$ 1,705,538</u>
Totals:		
Total subject to purpose restrictions	\$ 2,481,766	\$ 2,175,611
Total endowments	<u>2,994,209</u>	<u>2,990,203</u>
Total net assets with donor restrictions	<u>\$ 5,475,975</u>	<u>\$ 5,165,814</u>

**GENERAL BOARD OF DISCIPLESHIP OF THE UNITED METHODIST CHURCH**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

DECEMBER 31, 2023 AND 2022

**Note 11—Net assets with donor restrictions (continued)**

Net assets with donor restrictions for the years ended December 31, 2023 and 2022 were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors.

	<u>2023</u>	<u>2022</u>
World Service:		
National Hispanic Plan	\$ -	\$ 4,458
Native American Comprehensive Plan	200,255	205,417
Strengthening the Black Church for the 21st Century	467,809	595,811
Korean Partner in Mission	35,551	24,390
Sam Taylor	115,000	100,000
Lilly Grant for Compelling Preaching	19,957	4,996
Board of Discipleship total	<u>838,572</u>	<u>935,072</u>
The Upper Room:		
Emmaus Gift Fund	19,594	21,512
Crisis Literature Programs	68,460	72,590
Spiritual Academies Fund	53,425	12,320
Chaplain Donations	172,919	160,301
Stephen Bryant Prayer and Spiritual Formation	200	-
The Upper Room total	<u>314,598</u>	<u>266,723</u>
Total releases from restrictions	<u>\$ 1,153,170</u>	<u>\$ 1,201,795</u>

**Note 12—Endowment**

The Board's endowment consists of individual donor-restricted funds established for a variety of purposes. As required by U.S. GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Directors of the General Board of Discipleship 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, the Board 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 Board in a manner consistent with the standard of prudence prescribed by UPMIFA.

**GENERAL BOARD OF DISCIPLESHIP OF THE UNITED METHODIST CHURCH**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

DECEMBER 31, 2023 AND 2022

**Note 12—Endowment (continued)**

In accordance with applicable state laws, the Board 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 Board and 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 the Board
- The investment policies of the Board

The Board had the following endowment net asset composition by type of fund as of December 31:

	<b>December 31, 2023</b>		
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
Donor-restricted endowment funds:			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	\$ -	\$ 1,128,256	\$ 1,128,256
Accumulated investment gains	-	1,865,953	1,865,953
Board-designated quasi endowment	25,935,718	-	25,935,718
Endowment net assets, December 31, 2023	<u>\$ 25,935,718</u>	<u>\$ 2,994,209</u>	<u>\$ 28,929,927</u>

	<b>December 31, 2022</b>		
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
Donor-restricted endowment funds:			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	\$ -	\$ 1,126,821	\$ 1,126,821
Accumulated investment gains	-	1,863,382	1,863,382
Board-designated quasi endowment	22,754,783	-	22,754,783
Endowment net assets, December 31, 2022	<u>\$ 22,754,783</u>	<u>\$ 2,990,203</u>	<u>\$ 25,744,986</u>

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or the applicable state law requires the Board to retain as a fund of perpetual duration. The Board has interpreted UPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law. At December 31, 2023 and 2022, the Board had no underwater endowments.

*Investment and Spending Policies* – The Board has a policy of appropriating up to 4% of the previous 12 rolling quarters' average quarter-end market values for distribution annually. In establishing this policy, the Board considered the long-term expected return on its endowment. Accordingly, over the long term, the Board expects the current spending policy to allow its endowment to grow at an average rate of 3% annually. This is consistent with the Board's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

**GENERAL BOARD OF DISCIPLESHIP OF THE UNITED METHODIST CHURCH**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

DECEMBER 31, 2023 AND 2022

**Note 12—Endowment (continued)**

*Return Objectives and Risk Parameters* – The Board 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 the Board 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 exceed the price and yield results of selected markets and comparative indices such as the Russell 1000 indexes, while assuming a moderate level of investment risk. The Board expects its endowment funds, over time, to provide an average rate of return of approximately 7% annually. Actual returns in any given year may vary from this amount.

*Strategies Employed for Achieving Objectives* – To satisfy its long-term rate-of-return objectives, the Board 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). The Board 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.

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

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
Endowment net assets, December 31, 2021	\$ 27,435,953	\$ 3,050,018	\$ 30,485,971
Investment return, net	(4,681,170)	36,885	(4,644,285)
Contributions and designations	-	3,300	3,300
Appropriation of endowment assets for expenditure pursuant to spending-rate policy	-	(100,000)	(100,000)
Endowment net assets, December 31, 2022	22,754,783	2,990,203	25,744,986
Investment return, net	3,252,411	117,571	3,369,982
Contributions and designations	-	1,435	1,435
Appropriation of endowment assets for expenditure pursuant to spending-rate policy	(71,476)	(115,000)	(186,476)
Endowment net assets, December 31, 2023	<u>\$ 25,935,718</u>	<u>\$ 2,994,209</u>	<u>\$ 28,929,927</u>

**Note 13—Subsequent events**

Management has evaluated subsequent events through September 16, 2024, the date the consolidated financial statements were available for issuance. Management has determined that there are no subsequent events requiring disclosure other than those included below.

## **SUPPLEMENTARY INFORMATION**

**GENERAL BOARD OF DISCIPLESHIP OF THE UNITED METHODIST CHURCH**  
**STRENGTH INING THE BLACK CHURCH FOR THE 21<sup>ST</sup> CENTURY INFORMATION**

SCHEDULE 1

DECEMBER 31, 2023 AND 2022

**Statements of Financial Position Information**

	<u>2023</u>	<u>2022</u>
<b>Assets</b>		
Accrued World Service allocation	\$ 99,951	\$ 111,048
Accrued income	-	-
<b>Total Assets</b>	<u>\$ 99,951</u>	<u>\$ 111,048</u>
<b>Liabilities</b>		
Accrued expenses	\$ 19,826	\$ 18,785
Due to GBOD	48,442	90,896
<b>Total Liabilities</b>	<u>\$ 68,268</u>	<u>\$ 109,681</u>
<b>Net Assets</b>		
With donor restrictions	\$ 31,683	\$ 1,367
<b>Total Liabilities and Net Assets</b>	<u>\$ 99,951</u>	<u>\$ 111,048</u>

**Statements of Activities and Changes in Net Assets Information**

	<u>2023</u>			<u>2022</u>		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues:						
Allocations through the GCFA:						
World Service	\$ -	\$ 343,791	\$ 343,791	\$ -	\$ 368,453	\$ 368,453
Registrations and project income	-	96,483	96,483	-	74,958	74,958
Grants and contributions	-	57,850	57,850	-	153,375	153,375
Paycheck Protection Program	-	-	-	-	-	-
Release of restrictions	467,808	(467,808)	-	595,811	(595,811)	-
<b>Total Revenues</b>	<u>467,808</u>	<u>30,316</u>	<u>498,124</u>	<u>595,811</u>	<u>975</u>	<u>596,786</u>
Expenses:						
Program services	160,352	-	160,352	301,643	-	301,643
Personnel expenses	251,161	-	251,161	246,738	-	246,738
Staff travel	32,275	-	32,275	24,937	-	24,937
Other general and administrative expense	24,020	-	24,020	22,493	-	22,493
<b>Total Expenses</b>	<u>467,808</u>	<u>-</u>	<u>467,808</u>	<u>595,811</u>	<u>-</u>	<u>595,811</u>
Change in net assets	-	30,316	30,316	-	975	975
Net assets, beginning of year	-	1,367	1,367	-	392	392
Net assets, end of year	<u>\$ -</u>	<u>\$ 31,683</u>	<u>\$ 31,683</u>	<u>\$ -</u>	<u>\$ 1,367</u>	<u>\$ 1,367</u>

**GENERAL BOARD OF DISCIPLESHIP OF THE UNITED METHODIST CHURCH**  
**NATIVE AMERICAN COMPREHENSIVE PLAN INFORMATION**

**SCHEDULE 2**

DECEMBER 31, 2023 AND 2022

**Statements of Financial Position Information**

	<u>2023</u>	<u>2022</u>
<b>Assets</b>		
Accrued World Service allocation	\$ 54,279	\$ 60,306
Accrued Employee Retention Credit Income	-	7,000
Due from GBOD	129,156	118,251
<b>Total Assets</b>	<u>\$ 183,435</u>	<u>\$ 185,557</u>
<b>Liabilities</b>		
Accrued Expenses	\$ 14,321	\$ 14,956
<b>Total Liabilities</b>	<u>\$ 14,321</u>	<u>\$ 14,956</u>
<b>Net Assets</b>		
With donor restrictions	\$ 169,115	\$ 170,601
<b>Total Liabilities and Net Assets</b>	<u>\$ 183,436</u>	<u>\$ 185,557</u>

**Statements of Activities and Changes in Net Assets Information**

	<u>2023</u>			<u>2022</u>		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues:						
Allocations through the GCFA:						
World Service	\$ -	\$ 186,699	\$ 186,699	\$ -	\$ 200,092	\$ 200,092
Grants and contributions	-	513	513	-	2,149	2,149
Employee Retention Credit	-	304	304	-	84	84
Investment return, net	-	11,253	11,253	-	(19,187)	(19,187)
Release of restrictions	200,255	(200,255)	-	205,417	(205,417)	-
<b>Total Revenues</b>	<u>200,255</u>	<u>(1,486)</u>	<u>198,769</u>	<u>205,417</u>	<u>(22,279)</u>	<u>183,138</u>
Expenses:						
Program services	18,736	-	18,736	9,600	-	9,600
Personnel expenses	159,342	-	159,342	170,831	-	170,831
Staff travel	5,215	-	5,215	5,133	-	5,133
Meeting expense	-	-	-	175	-	175
Promotional materials	-	-	-	34	-	34
Other general and administrative expense	16,962	-	16,962	19,644	-	19,644
<b>Total Expenses</b>	<u>200,255</u>	<u>-</u>	<u>200,255</u>	<u>205,417</u>	<u>-</u>	<u>205,417</u>
Change in net assets	-	(1,486)	(1,486)	-	(22,279)	(22,279)
Net assets, beginning of year	-	170,601	170,601	-	192,880	192,880
Net assets, end of year	<u>\$ -</u>	<u>\$ 169,115</u>	<u>\$ 169,115</u>	<u>\$ -</u>	<u>\$ 170,601</u>	<u>\$ 170,601</u>



**GENERAL BOARD OF DISCIPLESHIP OF THE UNITED METHODIST CHURCH**  
**REAL ESTATE HOLDINGS (UNAUDITED) – NON-GAAP**

SCHEDULE 3

DECEMBER 31, 2023

Identification	Location	Description	County Appraised Value*	Ownership	Notes
<b>Denman Property:</b>					
Main Campus (includes bldg.)	1900, 1902, & 1908 Grand Ave. S & 917 19th Ave. S Nashville, TN	1.73 acres	\$ 22,202,500	The Upper Room	Denman Building and Adjacent Lots
Parking Lots	1901, 1903, 1905, 1907, 1909, 1911 & 1913 Adelia St. Nashville, TN	1.19 acres	7,962,300	The Upper Room	Adjacent to Denman Building
Single Family House	1915 Adelia St. Nashville, TN	0.17 acres	1,599,300	The Upper Room	Offices adjacent to Denman Building
		3.09 acres	\$ 31,764,100		

\* Note that the consolidated financial statements reflect property at historical costs. Presented above is County Appraised Value effective 1/1/2021