

# **THE GENERAL FUNDS OF THE UNITED METHODIST CHURCH**

## **FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION**

*As of and for the Years Ended December 31, 2024 and 2023*

*And Report of Independent Auditor*

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

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

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

### Opinion

We have audited the accompanying financial statements of The General Funds of The United Methodist Church (the “General Funds”), which comprise the statements of financial position as of December 31, 2024 and 2023, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The General Funds as of December 31, 2024 and 2023, and the changes in net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in *the Auditor’s Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of The General Funds and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about The General Funds’ ability to continue as a going concern within one year after the date the financial statements are available to be issued.

### Auditor’s Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of The General Funds' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about The General Funds' 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.

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

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of financial position information by fund, the schedule of activities information by fund, and the episcopal fund consolidating statement of functional expenses by natural account are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with 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 financial statements as a whole.

*Cherry Bekaert LLP*

Charlotte, North Carolina  
August 18, 2025

**THE GENERAL FUNDS OF  
THE UNITED METHODIST CHURCH  
STATEMENTS OF FINANCIAL POSITION**

*DECEMBER 31, 2024 AND 2023*

	<b>2024</b>	<b>2023</b>
<b>ASSETS</b>		
Due from General Council on Finance and Administration	\$ 46,046,886	\$ 62,558,512
Accounts receivable	1,934	4,152
Prepaid expenses	895,638	1,588,915
Investments held at The United Methodist Church Foundation	2,388,998	2,553,798
Net pension plan assets held at Wespath Benefits and Investments	14,120,305	10,626,928
Operating right-of-use assets	39,868	46,148
Property and equipment, net	15,749	234,450
<b>Total Assets</b>	<b>\$ 63,509,378</b>	<b>\$ 77,612,903</b>
<b>LIABILITIES AND NET ASSETS</b>		
Liabilities:		
Accounts payable and accrued expenses	\$ 759,922	\$ 1,168,457
Operating lease liability	40,205	46,541
Grants payable to and amounts held for affiliated organizations	25,321,217	28,527,708
Net unfunded pension obligation	136,354	177,609
<b>Total Liabilities</b>	<b>26,257,698</b>	<b>29,920,315</b>
Net Assets:		
Without Donor Restrictions:		
Invested in property and equipment	15,749	234,450
Board-designated	20,929,794	26,368,673
Undesignated	15,812,321	20,664,220
<b>Total Without Donor Restrictions</b>	<b>36,757,864</b>	<b>47,267,343</b>
With Donor Restrictions:		
Subject to purpose restrictions	12,511	12,511
Endowment	481,305	412,734
<b>Total With Donor Restrictions</b>	<b>493,816</b>	<b>425,245</b>
<b>Total Net Assets</b>	<b>37,251,680</b>	<b>47,692,588</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 63,509,378</b>	<b>\$ 77,612,903</b>

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

**THE GENERAL FUNDS OF  
THE UNITED METHODIST CHURCH  
STATEMENTS OF ACTIVITIES**

*YEARS ENDED DECEMBER 31, 2024 AND 2023*

	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Operating Revenue and Support:						
Contributions	\$ 98,057,418	\$ 1,191,641	\$ 99,249,059	\$ 111,932,634	\$ 288,861	\$ 112,221,495
Special gifts	-	44,038,309	44,038,309	-	43,727,278	43,727,278
Total Contributions	98,057,418	45,229,950	143,287,368	111,932,634	44,016,139	155,948,773
Grant income	405,901	-	405,901	100,000	-	100,000
Investment return on investments held at						
The United Methodist Church Foundation	284,199	58,134	342,333	317,786	55,464	373,250
Other income	388,452	-	388,452	9,401	-	9,401
Net assets released from restrictions	45,219,513	(45,219,513)	-	44,037,863	(44,037,863)	-
Total Operating Revenue and Support	144,355,483	68,571	144,424,054	156,397,684	33,740	156,431,424
Operating Expenses:						
Management and General:						
Fixed Charges:						
The Connectional Table	475,920	-	475,920	526,896	-	526,896
General Council on Finance and Administration	2,370,588	-	2,370,588	2,551,020	-	2,551,020
United Methodist Communications Division of Program and Benevolence Interpretation	669,480	-	669,480	703,584	-	703,584
Total Management and General	3,515,988	-	3,515,988	3,781,500	-	3,781,500
Program Services:						
Distributions:						
On-ratio allocations	74,414,502	-	74,414,502	84,954,321	-	84,954,321
Grants	702,711	-	702,711	450,317	-	450,317
General conference support	12,497,120	-	12,497,120	1,903,272	-	1,903,272
Central conference matters	32,634	-	32,634	117,081	-	117,081
Special gifts distributed	45,219,013	-	45,219,013	44,015,999	-	44,015,999
Total Distributions	132,865,980	-	132,865,980	131,440,990	-	131,440,990
Episcopal expenses, excluding administrative charges and nonoperating activities	22,081,736	-	22,081,736	21,322,918	-	21,322,918
Total Program Services	154,947,716	-	154,947,716	152,763,908	-	152,763,908
Total Operating Expenses	158,463,704	-	158,463,704	156,545,408	-	156,545,408
Operating Income (Loss)	(14,108,221)	68,571	(14,039,650)	(147,724)	33,740	(113,984)
Nonoperating Activities:						
Gains on pension plan assets held by Wespath						
Benefits and Investments	2,009,474	-	2,009,474	3,450,816	-	3,450,816
Net changes in benefit plan obligations	1,589,268	-	1,589,268	(781,776)	-	(781,776)
Total Nonoperating Activities	3,598,742	-	3,598,742	2,669,040	-	2,669,040
Change in net assets	(10,509,479)	68,571	(10,440,908)	2,521,316	33,740	2,555,056
Net assets, beginning of year	47,267,343	425,245	47,692,588	44,746,027	391,505	45,137,532
Net assets, end of year	\$ 36,757,864	\$ 493,816	\$ 37,251,680	\$ 47,267,343	\$ 425,245	\$ 47,692,588

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

**THE GENERAL FUNDS OF  
THE UNITED METHODIST CHURCH  
STATEMENTS OF FUNCTIONAL EXPENSES**

*YEARS ENDED DECEMBER 31, 2024 AND 2023*

	<b>2024</b>			<b>2023</b>		
	<b>Program Services</b>	<b>Management and General</b>	<b>Total</b>	<b>Program Services</b>	<b>Management and General</b>	<b>Total</b>
Operating Expenses:						
Fixed charges	\$ -	\$ 3,515,988	\$ 3,515,988	\$ -	\$ 3,781,500	\$ 3,781,500
On-ratio allocations	74,414,502	-	74,414,502	84,954,321	-	84,954,321
Grants	702,711	-	702,711	450,317	-	450,317
General conference support	12,497,120	-	12,497,120	1,903,272	-	1,903,272
Central conference matters	32,634	-	32,634	117,081	-	117,081
Special gifts distributed	45,219,013	-	45,219,013	44,015,999	-	44,015,999
Episcopal Expenses:						
Salaries	10,229,048	-	10,229,048	10,406,714	-	10,406,714
Employee benefits	2,450,268	-	2,450,268	2,552,502	-	2,552,502
Office allowance	5,357,837	-	5,357,837	5,176,956	-	5,176,956
Travel	2,189,615	-	2,189,615	1,685,597	-	1,685,597
Other	1,854,968	-	1,854,968	1,501,149	-	1,501,149
Total Operating Expenses	<u>\$ 154,947,716</u>	<u>\$ 3,515,988</u>	<u>\$ 158,463,704</u>	<u>\$ 152,763,908</u>	<u>\$ 3,781,500</u>	<u>\$ 156,545,408</u>

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

**THE GENERAL FUNDS OF  
THE UNITED METHODIST CHURCH  
STATEMENTS OF CASH FLOWS**

*YEARS ENDED DECEMBER 31, 2024 AND 2023*

	<u>2024</u>	<u>2023</u>
<b>Cash flows from operating activities:</b>		
Change in net assets	\$ (10,440,908)	\$ 2,555,056
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation	49,040	450
Loss on disposal of property and equipment	169,102	-
Noncash lease expense	337	(1,486)
Endowment contributions for long-term investment	(10,937)	-
Realized and unrealized gains on investments	(282,020)	(315,490)
Gains on pension plan assets held by Wespath Benefits and Investments	(2,009,474)	(3,450,816)
Change in accrued pension costs	(2,710,074)	(365,612)
Changes in operating assets and liabilities:		
Due from General Council on Finance and Administration	16,511,626	3,523,063
Accounts receivable	2,218	1,793
Prepaid expenses	693,277	(113,390)
Accounts payable and accrued expenses	(408,535)	113,723
Grants payable to and amounts held for affiliated organizations	(3,206,491)	(3,276,283)
Net cash flows from operating activities	<u>(1,642,839)</u>	<u>(1,328,992)</u>
<b>Cash flows from investing activities:</b>		
Sales of property and equipment	560	-
Net sales of investments	1,631,342	1,328,992
Net cash flows from investing activities	<u>1,631,902</u>	<u>1,328,992</u>
<b>Cash flows from financing activities:</b>		
Endowment contributions for long-term investment	10,937	-
Net cash flows from financing activities	<u>10,937</u>	<u>-</u>
Net change in cash and cash equivalents	-	-
Cash and equivalents, beginning of year	-	-
Cash and equivalents, end of year	<u>\$ -</u>	<u>\$ -</u>
<b>Supplemental information:</b>		
Right-of-use assets obtained in exchange for new operating lease liabilities	<u>\$ 76,395</u>	<u>\$ -</u>

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



# THE GENERAL FUNDS OF THE UNITED METHODIST CHURCH NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023

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## Note 1—Nature of the General Funds

The General Funds (the “General Funds”) of The United Methodist Church (the “Church”) have been established by the General Conference, the central legislative body of The United Methodist Church, to make possible the programmatic and administrative work of The United Methodist Church’s ministry and mission on a national and international level and have been specifically authorized to be raised on a church-wide basis. The General Conference convenes every quadrennium (four years) to determine the denomination’s future direction. It is the only body that can speak officially for the denomination. General church funds are granted by the General Funds only for the purpose or purposes set forth in the budgets or similar directives adopted for the respective funds by the General Conference and do not include funds held by local churches, annual or jurisdictional conferences, or other units of the denomination.

The General Funds allocates programmatic funding for the operations of the various agencies of the Church based on four-year budgets developed from projections of expected program costs. The General Funds’ continued existence is dependent upon contributions from the congregations of the Church (i.e., congregational participation in the apportionment covenant).

The General Council on Finance and Administration (“GCFA”) serves as a conduit for distribution of certain monies voluntarily given by church members through their local churches for general church benevolences and programs of the general agencies. These monies are transmitted to GCFA by annual conference treasurers and are distributed directly to the General Funds as specified by the General Conference.

GCFA provides certain administrative services to the General Funds and GCFA is reimbursed by the General Funds through an allocation from the General Administration Fund, earnings on invested funds, and fixed charges to certain General Funds.

The General Funds include the following:

*World Service* – World Service is segregated into two programmatic categories: (1) four general program boards and four general commissions – provides basic financial operating resources and (2) World Service Contingency – provides funding for emerging needs in the World Service Fund that occur during a quadrennium. The Connectional Table administers a portion of the contingency funds for new programs to address unanticipated needs.

*Episcopal* – Episcopal funds are available to provide for the salaries and expenses of active bishops, and for the support of retired bishops, as well as surviving spouses and minor children of deceased bishops.

*General Administration* – General Administration funds are segregated into five categories: (1) Designated Contingency net assets provide funding to those general church activities which are specifically administrative, as contrasted with programmatic, missional, or ecumenical; (2) General Conference net assets are specifically designated to finance the various administrative expenses incurred in coordinating the quadrennial General Conference session; (3) Pacific Homes Corpus (a board-designated fund), whose income distribution supports the Litigation Reserve Fund; (4) Net Assets of Benefit Programs represent the excess of benefit plan assets on deposit with Wespeth Benefits and Investments (“Wespeth”) over the related accrued benefit obligations; and (5) Special Unfunded Pension Aid – provides pensions for certain persons in a variety of fields where pensions were not previously funded.

*Interdenominational Cooperation* – Interdenominational Cooperation provides basic support for ecumenical agencies through which the Church participates in various activities with other Christian communions. The Interdenominational Cooperation Contingency provides for unforeseen or emergency situations which fall within its scope.

# THE GENERAL FUNDS OF THE UNITED METHODIST CHURCH

## NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023

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### Note 1—Nature of the General Funds (continued)

The General Funds include the following (continued):

*Black College Fund* – The Black College Fund has supported the programs and ministries of 11 historically black colleges and universities. These funds are granted directly to the General Board of Higher Education and Ministry simultaneously upon the recognition of revenue and support by the General Funds.

*Africa University* – Africa University, the only United Methodist degree-granting university in Africa, has served and graduated hundreds of men and women from 20 countries. This apportioned fund supports ongoing operations, including building maintenance, utilities, classroom equipment and supplies, faculty and staff salaries, and other operational expenses. These funds are granted directly to Africa University, Inc., Tennessee, a supporting organization to oversee funding and other activities of Africa University, simultaneously upon the recognition of revenue and support by the General Funds.

*Ministerial Education* – The Ministerial Education Fund apportionment has helped thousands of men and women become pastoral leaders in the Church. These funds are granted directly to the General Board of Higher Education and Ministry simultaneously upon the recognition of revenue and support by the General Funds.

*Special Sundays* – The Special Sundays approved by the General Conference are to be the only Sundays of church-wide emphasis, including six times throughout the year where United Methodist congregations celebrate with offerings to raise funds for particular ministries. These contributions are considered restricted by the donors for specific programs of the Church.

### Note 2—Summary of significant accounting policies

The financial statements of the General Funds have been prepared on the accrual basis of accounting. The General Funds' significant accounting policies followed are described below.

*Basis of Presentation* – The General Funds' 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 the General Funds. These net assets may be used at the discretion of General Funds' management and the Board of Directors. The General Funds has chosen to provide further classification information about net assets without donor restrictions on the 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 the General Funds or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

**THE GENERAL FUNDS OF  
THE UNITED METHODIST CHURCH  
NOTES TO THE FINANCIAL STATEMENTS**

*DECEMBER 31, 2024 AND 2023*

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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 statements of activities.

*Revenue and Support* – Revenue and support without externally-imposed restrictions are reported as increases in net assets without donor 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 stipulation or law. Grants and contributions received with externally-imposed restrictions are reported as revenue of the net assets with donor restrictions class. Expirations of temporary restrictions on net assets (i.e., the externally-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as net assets released from restrictions.

*Contributions and Gifts* – 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.

*Fixed Charges* – Fixed charges represent amounts made available to (1) GCFA for administrative functions performed by GCFA on behalf of the General Funds; (2) United Methodist Communications for the costs of promoting and interpreting the causes of each of the General Funds; and (3) Connectional Table for the discernment and articulation of the vision for the Church and the stewardship of the mission, ministries, and resources of the Church. These funds represent the administrative cost to operate the General Funds. All other General Funds costs represent programmatic operations.

*On-Ratio Allocation* – All programmatic allocations from the General Funds are calculated and paid on a ratio of budgeted net receipts after the payment of fixed charges. The General Conference has granted the on-ratio allocations contingent upon collection of revenue and support by the General Funds. Amounts granted under the on-ratio allocation but unpaid at year-end are reported as grants payable to affiliated organizations.

*General Advance* – The Advance for Christ and His Church (the “Advance”) is an official program within the Church through which donors can make gifts for specific ministries approved by the Advance Committee of the General Board of Global Ministries. Contributions received under the Advance are distributed to the agencies that carry out the particular programs of the Advance and the activity is shown as part of the special gifts revenue and special gifts distributed on the statements of activities.

*Due from General Council on Finance and Administration* – The amount due from GCFA represents conference remittances received by GCFA on behalf of the General Funds, but not yet remitted at December 31. Such remittances, when received by the General Funds from GCFA in January, will be distributed to certain agencies and other parties who receive funds from the General Funds as designated by the General Conference. In addition, the amount due from GCFA includes amounts which are held by GCFA on behalf of the General Funds related to the Episcopal Fund and certain other funds.

*Property and Equipment* – Property and equipment is comprised primarily of capitalized software and miscellaneous office equipment. Property and equipment is reported at cost at date of acquisition, or fair value at date of donation in the case of gifts. Depreciation is provided over the estimated useful lives (three to nine 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.

**THE GENERAL FUNDS OF  
THE UNITED METHODIST CHURCH  
NOTES TO THE FINANCIAL STATEMENTS**

*DECEMBER 31, 2024 AND 2023*

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

*Use of Estimates* – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the period. Actual results could differ from these estimates.

*Financial Instruments* – Assets recorded at fair value in the 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 the Financial Accounting Standards Board (“FASB”) 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* – The General Funds represent amounts which are held, administered, and maintained by the General Council on Finance and Administration of The United Methodist Church for the specific purposes of the respective funds. GCFA operates as a nonprofit corporation and is, except for taxes pertaining to unrelated business income, exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (the “IRC”). The General Funds 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 GENERAL FUNDS OF  
THE UNITED METHODIST CHURCH**  
NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023

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

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

	<u>2024</u>	<u>2023</u>
Financial assets at year-end:		
Due from General Council on Finance and Administration	\$ 46,046,886	\$ 62,558,512
Accounts receivable	1,934	4,152
Investments	2,388,998	2,553,798
Net pension plan assets held at Wespath Benefits and Investments	<u>14,120,305</u>	<u>10,626,928</u>
Total financial assets	<u>62,558,123</u>	<u>75,743,390</u>
Less amounts not available to be used for general expenditures within one year:		
Endowments	481,305	412,734
Subject to purpose restriction	12,511	12,511
Board-designated net assets limited to use excluding pension assets available to fund projected benefit payments within one year	<u>19,743,029</u>	<u>25,166,317</u>
Financial assets not available to be used within one year	<u>20,236,845</u>	<u>25,591,562</u>
Financial assets available to meet general expenditures within one year	<u>\$ 42,321,278</u>	<u>\$ 50,151,828</u>

The General Funds 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 the General Funds' liquidity management plan, it structures its financial assets to be available as its obligations become due. The General Funds 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 the quantitative information above for financial assets not available to meet general expenditures within one year. These assets limited to use, which are more fully described in Notes 8 and 9 are not available for general expenditure within the next year; however, the designated amounts as disclosed in Note 8 could be made available for general expenditures, if necessary.

A portion of the board-designated net assets relates to various pension plans described in Note 4. At December 31, 2024 and 2023, the board-designated net assets relating to these pension plans have been reduced by the projected benefit plan payments of \$1,186,765 and \$1,202,356, respectively, as these pension assets are available for expenditure within one year. Additional pension assets could be used if 2024 benefit payments exceed the projected amounts.

**THE GENERAL FUNDS OF  
THE UNITED METHODIST CHURCH  
NOTES TO THE FINANCIAL STATEMENTS**

DECEMBER 31, 2024 AND 2023

**Note 4—Employee benefits**

Wespath, an affiliated Methodist organization, administers a variety of retirement plans and programs, including managing the related investments for various church employees and organizations within the Church. Each Methodist organization is financially responsible for its respective plan obligations.

The General Funds maintain assets on deposit with and under the management of Wespath related to the Plan's obligations set forth below. These assets are held in the Pension Trust of The United Methodist Church for the exclusive benefit of Plan participants.

The assets and obligations associated with these retirement programs are more fully described and summarized in the table below:

	<b>2024</b>	<b>2023</b>
Accrued pension costs:		
Bishop Retirement, Pension, and Welfare Benefits programs	\$ 14,598,344	\$ 17,224,918
Special Unfunded Pension Aid	418,609	502,109
Total pension benefit obligations	<u>\$ 15,016,953</u>	<u>\$ 17,727,027</u>
Fair value of assets:		
Bishop Retirement, Pension, and Welfare Benefits programs	\$ 28,718,649	\$ 27,851,846
Special Unfunded Pension Aid	282,255	324,500
Total assets	<u>\$ 29,000,904</u>	<u>\$ 28,176,346</u>

*Pension Designated Investments* – The investments under Wespath management are invested in the Multiple Asset Fund at Wespath (see Note 6). The assets of these programs had investment returns of \$2,020,609 and \$3,421,715 in 2024 and 2023, respectively. The Special Unfunded Pension Aid assets had returns of \$13,537 and \$29,101 in 2024 and 2023, respectively.

*Bishop Retirement, Pension, and Welfare Benefits* – The General Funds provide support to two retirement, pension, and welfare benefits programs that are available to certain groups of United Methodist bishops. They are commonly referred to as (1) the Global Episcopal Pension Program and (2) the Central Conference Bishops' Welfare Program. These plans are described below and summarized together in the following table.

The Global Episcopal Pension Program provides pension benefits for the Jurisdictional Conference bishops for service prior to 1982 and the Central Conference bishops. Prior to 1982, all United Methodist bishops in the United States participated in the United States Bishops Pension Plan (the Pre '82 Plan), a single-employer, defined benefit plan. The plan was frozen in 1982 and, therefore, no additional service cost is incurred related to active service.

A welfare benefit program established in 2008 for Central Conference bishops provides certain benefits in the event of the death or disability of a bishop or a surviving spouse of a deceased bishop.

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**Note 4—Employee benefits (continued)**

The following tables summarize further information about these two plans together. The amounts are reflected in the Episcopal Fund of the General Funds for the periods presented.

	<u>2024</u>	<u>2023</u>
Benefit obligation:		
Benefit obligation, beginning of year	\$ (17,224,918)	\$ (17,552,944)
Service costs	(382,417)	(339,229)
Interest costs	(806,461)	(853,750)
Actuarial gain (loss):		
Experience loss	103,584	745,882
Change in assumptions - Salary scale	265,728	(61,483)
Change in assumptions - Support increases	9,713	(4,153)
Change in assumptions - Benefit increases	1,353,631	-
Change in assumptions - Discount rate	928,990	(342,719)
Plan cost allocation	33,000	36,090
Benefits paid	<u>1,120,806</u>	<u>1,147,388</u>
Benefit obligation, end of year	<u>(14,598,344)</u>	<u>(17,224,918)</u>
Fair value of assets:		
Fair value of assets, beginning of year	27,851,846	25,600,240
Actual return on assets	2,020,609	3,435,084
Plan cost allocation	(33,000)	(36,090)
Benefits paid	<u>(1,120,806)</u>	<u>(1,147,388)</u>
Fair value of assets, end of year	<u>28,718,649</u>	<u>27,851,846</u>
Net funded status	<u>\$ 14,120,305</u>	<u>\$ 10,626,928</u>
Key assumptions:		
Discount rate, end of prior year	4.74%	4.94%
Discount rate, end of current year	5.41%	4.74%
Expected return on assets	6.00%	6.00%
Salary scale	3.00%	3.00%
Annual benefit increases	2.00%	3.00%

The increase (decrease) in the discount rate for the years ended December 31, 2024 and 2023 was 0.67% and (0.20%), respectively. The effect of this increase (decrease) is reflected in the change in assumptions line item in the table above. The key assumptions described above, including discount rates, expected returns, salary scales and benefit increases, are significant estimates. Changes to these assumptions or future results that are different from these estimates could result in material differences in the benefit obligation and the net funded or unfunded status of the plan.

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**Note 4—Employee benefits (continued)**

Effective January 1, 1982, all jurisdictional Church bishops were able to participate in the Ministerial Pension Plan, a multi-employer, defined contribution plan covering all church clergy in the United States. This is now a component of Clergy Retirement Security Program, a 403(b) retirement program available to eligible clergy of the Church, which is administered by Wespath.

The General Funds expects to make no contributions to these plans in 2024.

The following projected benefit payments are expected to be paid:

<b><u>Years Ending December 31.</u></b>	<b><u>Bishops' Welfare</u></b>	<b><u>Jurisdictional Conference</u></b>	<b><u>Central Conference</u></b>	<b><u>Total</u></b>
2025	\$ 13,577	\$ 99,784	\$ 1,073,404	\$ 1,186,765
2026	16,367	85,557	1,155,903	1,257,827
2027	15,086	72,829	1,149,163	1,237,078
2028	18,508	61,487	1,127,471	1,207,466
2029	20,108	51,428	1,115,472	1,187,008
2030-2034	118,096	144,982	5,313,756	5,576,834

*Special Unfunded Pension Aid* – The General Conference has made certain commitments to several beneficiary groups for special unfunded pension aid and retirement benefits. The amounts represent payments for certain persons in various fields whose pensions were not previously funded and include the following programs:

- The General Church Retirement Allowance is for former Evangelical United Brethren general church officers who were participants in an unfunded pension plan.
- The European Service funds the pensions of displaced persons who were clergy in Europe and were brought to the United States after World War II.
- Pensions of retired clergy members of missionary conferences (1506.16 payments).
- Cuba Service I provides pensions for Cuban clergy who came to the United States after autonomy.
- Cuba Service II provides funding for pensions for clergy who stayed in Cuba after autonomy for service in the annual conference prior to autonomy.



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**Note 4—Employee benefits (continued)**

The following tables summarize further information about the Special Unfunded Pension Aid plans. The amounts are reflected in the World Service Fund of the General Funds for the periods presented.

	2024	2023
Benefit obligation:		
Benefit obligation, beginning of year	\$ (502,109)	\$ (539,695)
Interest costs	(22,113)	(24,780)
Actuarial gain (loss):		
Experience gain	(21,754)	13,795
Change in assumptions - Benefit increases	20,692	(22,368)
Change in assumptions - Discount rate	13,675	(5,199)
Benefits paid	93,000	76,138
Benefit obligation, end of year	(418,609)	(502,109)
Fair value of assets:		
Fair value of assets, beginning of year	324,500	354,007
Actual return on assets	20,305	39,757
Contributions	45,950	22,809
Plan cost allocations	(15,500)	(15,935)
Benefits paid	(93,000)	(76,138)
Fair value of assets, end of year	282,255	324,500
Net unfunded status	\$ (136,354)	\$ (177,609)
Key assumptions:		
Discount rate, end of prior year	4.74%	4.94%
Discount rate, end of current year	5.41%	4.74%
Annual benefit increases	2.00%	3.00%

The increase (decrease) in the discount rate for the years ended December 31, 2024 and 2023 was 0.67% and (0.20%), respectively. The effect of this increase (decrease) is reflected in the change in assumptions line item in the table above.

The estimated contribution for these special programs in the year ended December 31, 2024 is \$25,000. The following forecast of projected benefit payments are expected to be paid. Because the Special Unfunded Pension Aid programs involve a small number of lives, actual experience can vary dramatically from mortality assumption. Therefore, the following table includes forecasts without anticipating mortality, as well as those that do anticipate mortality.

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**Note 4—Employee benefits (continued)**

<u>Years Ending December 31,</u>	<u>No Mortality Assumptions</u>	<u>With Mortality Assumptions</u>
2025	\$ 70,315	\$ 67,064
2026	71,721	61,377
2027	73,156	55,904
2028	74,619	50,674
2029	76,111	45,700
2030-2034	404,010	162,863

*Healthcare 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 Episcopal Fund (a fund of the General Funds) 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.

The Plan’s unfunded accumulated postretirement benefit obligation was approximately \$26,250,000 and \$26,626,0000, respectively, and the Plan’s unfunded expected postretirement benefit obligation was approximately \$35,502,000 and \$36,004,000 as of December 31, 2024 and 2023, respectively.

All active and retired bishops are covered by the Plan. The cost of the benefits is recognized as expense as premiums are paid. The total costs of benefits for active and retired bishops were approximately \$1,351,000 and \$1,401,000 in 2024 and 2023, respectively, and are included in episcopal expenses on the statements of activities.

**Note 5—Investments**

The Pacific Homes Corpus was transferred to the General Funds in 1998 following the resolution of a legal dispute. The Executive Committee of GCFA has designated these funds to be held intact indefinitely. Consistent with Executive Committee resolutions, certain amounts are distributed from the earnings on these investments to support the litigation reserve fund. The Bridges of Unity Endowment Fund (“BoU”), the Pastoral Ministry Fund and the Hope for Children of Africa Fund are endowment funds invested through The United Methodist Church Foundation (“The UMC Foundation”). BoU exists to support ecumenical and interreligious ministries of the Church. The purpose of the Pastoral Ministry Fund is to meet the pastoral needs of bishops and their families not met under the provisions of the Episcopal Fund or Courtesy Fund and the purpose of the Hope for Children of Africa Fund is to assist in providing relief and reconciliation to innocent children that are victims of war, famines, and the destruction of schools and hospitals on the continent of Africa.

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**Note 5—Investments (continued)**

The following table illustrates the composition of the investments held at The UMC Foundation:

	<b>2024</b>	<b>2023</b>
Investments held at The UMC Foundation:		
Pacific Homes Corpus	\$ 1,919,545	\$ 2,143,166
Bridges of Unity Endowment	110,214	95,934
Pastoral Ministry	128,007	112,136
Hope for Children of Africa	231,232	202,562
Total Investments held at The UMC Foundation	<u>\$ 2,388,998</u>	<u>\$ 2,553,798</u>

Amounts at The UMC Foundation are carried at fair value and invested in its Methodist Socially Principled Fund (see Note 6).

The following table presents investment return for the years ended December 31:

	<b>2024</b>	<b>2023</b>
Investment return - Pacific Homes Corpus:		
Dividends and interest income	\$ 52,257	\$ 49,953
Realized gains	164,780	31,964
Unrealized gains	67,162	235,869
Total investment return - Pacific Homes Corpus	<u>284,199</u>	<u>317,786</u>
Investment return - Bridges of Unity:		
Dividends and interest income	1,885	1,865
Realized gains (losses)	21	(530)
Unrealized gains	11,688	11,927
Total investment return - Bridges of Unity	<u>13,594</u>	<u>13,262</u>
Investment return - Pastoral Ministry:		
Dividends and interest income	2,199	2,117
Realized gains (losses)	24	(42)
Unrealized gains	13,648	12,962
Total investment return - Pastoral Ministry	<u>15,871</u>	<u>15,037</u>
Investment return - Hope for Children of Africa:		
Dividends and interest income	3,972	3,825
Realized gains (losses)	43	(76)
Unrealized gains	24,654	23,416
Total investment return - Hope for Children of Africa	<u>28,669</u>	<u>27,165</u>
Total investment return	<u>\$ 342,333</u>	<u>\$ 373,250</u>

**THE GENERAL FUNDS OF  
THE UNITED METHODIST CHURCH**  
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DECEMBER 31, 2024 AND 2023

**Note 6—Fair value measurements**

For entities that calculate the net asset value (“NAV”) per share (or its equivalent), the following table provides information about the probability of investments being sold at amounts different from NAV per share for the year ended December 31, 2024:

	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency</u>	<u>Redemption Notice Period</u>
Investments held at Wespath <sup>(a)</sup>	\$ 29,000,904	none	-	-
The UMC Foundation <sup>(b)</sup>	<u>2,388,998</u>	none	daily	3 days
	<u>\$ 31,389,902</u>			

(a) Investments held at Wespath consist of investments in its Multiple Asset Fund. The Multiple Asset Fund seeks to maximize long-term investment returns, including current income and capital appreciation, while reducing short-term risk by investing in a broad mix of investments. The fund holds a pre-specified allocation of units of the following Wespath funds: Fixed Income Fund (“FIF”), Inflation Protection Fund, International Equity Fund, and U.S. Equity Fund. The Multiple Asset Fund, through its investment in the four other Wespath funds, participates in the management styles of more than 40 different investment management firms. These managers provide the fund with broad diversification of holdings in a variety of U.S. and non-U.S. securities. These include stocks, traditional bonds, inflation-linked bonds, real estate investment trusts, securities, commodities, and interests in private equity and private real estate partnerships. In addition, through FIF, Multiple Asset Fund holds participation interests in loans originated through Wespath’s Positive Social Purpose Lending Program.

(b) The General Funds is invested in The UMC Foundation’s 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.

**Note 7—Related party transactions**

The activities of the General Funds for all related party transactions are administered by GCFA which provides various services to the General Funds, such as general ledger processing and maintenance, cash management, and group insurance plan administration. GCFA, the United Methodist Communication, and the Connectional Table each receive an allocation of income, known as Fixed Charges, from certain funds included in the General Funds for the support it provides. The General Funds had the following transactions with related parties:

	<u>2024</u>	<u>2023</u>
Statements of Financial Position:		
Due from GCFA	\$ 46,046,886	\$ 62,558,512
Investments held at UMC Foundation	2,388,998	2,553,798
Investments held at Wespath Benefits and Investments	29,000,904	28,176,346
Grants payable and amounts held for affiliated organizations	25,321,217	28,527,708
Statements of Activities:		
Special gifts	44,038,309	43,727,278
Investment return on investments held at The UMC Foundation	342,333	373,250
Gains (losses) on pension plan assets held by Wespath		
Benefits and Investments	2,009,474	3,450,816
Fixed charges	3,515,988	3,781,500
Gains (losses) on investments held at Wespath Benefits and Investments	1,589,268	(781,776)
Employee benefits - group insurance expense	1,431,986	1,491,345

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**Note 8—Description of board-designated net assets**

Certain net assets without donor restrictions at December 31, 2024 and 2023 have been designated by the Board of Directors for the following purposes:

	<b>2024</b>	<b>2023</b>
Contingency funds for particular administrative purposes	\$ 6,397,289	\$ 5,351,391
General Conference	(1,800,583)	7,938,790
Central Conference Matters	48,317	28,116
Litigation reserve	337,505	389,504
Pacific Homes Corpus	2,042,848	2,254,668
Pension and retirement support	13,904,418	10,406,204
Total board-designated net assets	<u>\$ 20,929,794</u>	<u>\$ 26,368,673</u>

The contingency funds for particular administrative purposes includes World Service contingency (“WS”), General Administration contingency (“GA”) and Inter-denominational Cooperation contingency (“ICF”) funds. WS provides funding for emerging needs in the World Service Fund areas that occur during a quadrennium. These funds are allocated to program agencies for new programs to address unanticipated needs. Contingency fund allocations must be approved by the Connectional Table and GCFA. GA provides funding for unforeseen or emergency situations that fall within the scope of general administration. ICF provides for unseen or emerging issues that fall within the scope of the Inter-denominational Cooperation Fund, allocations are distributed by GCFA in concurrence with recommendations received from the Council of Bishops. The General Conference fund provides funding for General Conference delegate expenses, meeting operation costs, language services, expenses of the office of the secretary, business manager, and treasurer and other costs in support of the event. If the full amount of the provided funding is not utilized by the recipient during the quadrennium, the unused funds are returned to the applicable contingency fund.

The litigation reserve provides funding for unforeseen and emerging litigious issues.

Amounts designated for the Pacific Homes Corpus are more fully described in Note 5.

Pension and retirement support provides for funding of various pension and retirement benefits.

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**Note 9—Net assets with donor restrictions**

Net assets with donor restrictions at December 31, 2024 and 2023 have been restricted by the donors for the following purpose restrictions:

	<u>2024</u>	<u>2023</u>
Subject to purpose restriction:		
Episcopal Fund	\$ 12,511	\$ 12,511
Endowments:		
Accumulated earnings on BoU endowment	54,858	41,764
Accumulated earnings on Pastoral Ministry endowment	58,657	42,786
Accumulated earnings on Hope for Children of Africa endowment	120,565	91,896
BoU endowment fund held in perpetuity	67,207	56,270
Pastoral Ministry endowment fund held in perpetuity	69,350	69,350
Hope for Children of Africa endowment fund held in perpetuity	110,668	110,668
Total endowments	<u>481,305</u>	<u>412,734</u>
Total net assets with donor restrictions	<u>\$ 493,816</u>	<u>\$ 425,245</u>

Net assets with donor restrictions for the years ended December 31, 2024 and 2023 were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors as follows:

	<u>2024</u>	<u>2023</u>
Satisfaction of purpose restriction	<u>\$ 45,219,513</u>	<u>\$ 44,037,863</u>

**Note 10—Endowment**

As discussed in Note 5, The General Funds hold three endowment funds invested through The UMC Foundation. The Board of Directors of the General Funds 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 General Funds 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 General Funds in a manner consistent with the standard of prudence prescribed by UPMIFA.

In accordance with applicable state laws, the General Funds 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 the General Funds
- The investment policies of the General Funds

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**Note 10—Endowment (continued)**

As of December 31, 2024 and 2023, the General Funds had the following endowment net asset composition by type of fund:

	December 31, 2024		
	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	\$ -	\$ 247,225	\$ 247,225
Accumulated investment gains	-	234,080	234,080
Endowment net assets, December 31, 2024	<u>\$ -</u>	<u>\$ 481,305</u>	<u>\$ 481,305</u>
	December 31, 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	\$ -	\$ 236,288	\$ 236,288
Accumulated investment gains	-	176,446	176,446
Endowment net assets, December 31, 2023	<u>\$ -</u>	<u>\$ 412,734</u>	<u>\$ 412,734</u>

*Investment and Spending Policies* – The General Funds may choose to make distributions of the income to any proper recipient including the General Funds itself. Distributions may only be made after the corpus of the endowment has reached \$50,000. Pursuant to the endowment resolution, distributions from the endowment will follow the distribution policy of The UMC Foundation which is based on a policy of total long-term return of 6.5%. The following percentages may be used to guide The UMC Foundation's distributions policy: 3.5% for distributions; 2.0% for inflation; and 1.0% for fees and expenses. To smooth the allowable annual distributions based on valuation of the underlying assets, The UMC Foundation 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.

*Return Objectives and Risk Parameters* – The General Funds 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 the General Funds 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. The General Funds 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, the General Funds 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 General Funds 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.

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**Note 10—Endowment (continued)**

Changes in endowment net assets for the years ended December 31, 2024 and 2023 are as follows:

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
Endowment net assets, January 1, 2023	\$ -	\$ 363,129	\$ 363,129
Endowment funds received	-	140	140
Appropriation of endowment assets for expenditure	-	(5,999)	(5,999)
Investment return, net	-	55,464	55,464
Endowment net assets, December 31, 2023	-	412,734	412,734
Endowment funds received	-	10,937	10,937
Appropriation of endowment assets for expenditure	-	(500)	(500)
Investment return, net	-	58,134	58,134
Endowment net assets, December 31, 2024	\$ -	\$ 481,305	\$ 481,305

**Note 11—Leases**

The General Funds leases office space for the Commission on General Conference and the Council of Bishops. The General Funds 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. The General Funds have 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.

Right-of-use (“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 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, The General Funds uses the risk-free discount rate to determine the present value of lease payments.

Future minimum lease payments as of December 31, 2024:

2025	\$ 7,021
2026	7,021
2027	7,021
2028	7,021
2029	7,021
Thereafter	7,021
Total undiscounted cash flows	42,126
Less present value discount	(1,921)
Total lease liabilities	\$ 40,205



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**Note 11—Leases (continued)**

Required supplemental lease information for the year ended December 31, 2024 and 2023 is as follows:

	<u><b>2024</b></u>	<u><b>2023</b></u>
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	\$ 85,105	\$ 81,386
ROU assets obtained in exchange for new operating lease liabilities	76,395	-
Weighted-average remaining lease term in years for operating leases	6.00	7.00
Weighted-average discount rate for operating leases	1.59%	1.59%

**Note 12—Subsequent events**

Management has evaluated subsequent events through August 18, 2025, the date the financial statements were available for issuance, and has determined that there are no subsequent events requiring disclosure.

## **SUPPLEMENTARY INFORMATION**

**THE GENERAL FUNDS OF  
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SCHEDULE OF FINANCIAL POSITION INFORMATION BY FUND

DECEMBER 31, 2024

	General Administration		Inter-		Ministerial Education	Black College	Africa University	Subtotal
	World Service	Episcopal	General Conference	General Admin. Other				
<b>ASSETS</b>								
Due from (to) General Council on Finance and Administration	\$ 15,096,476	\$ 16,523,781	\$ (2,625,006)	\$ 4,484,050	\$ 5,623,790	\$ 3,442,607	\$ 1,904,286	\$ 44,943,364
Accounts receivable	-	1,934	-	-	-	-	-	1,934
Prepaid expenses	-	57,594	838,044	-	-	-	-	895,638
Investments held at The United Methodist Church Foundation	-	469,453	-	1,919,545	-	-	-	2,388,998
Net pension plan assets held at Wespeth Benefits and Investments	-	14,120,305	-	-	-	-	-	14,120,305
Operating lease right-of-use assets	-	-	39,868	-	-	-	-	39,868
Property and equipment, net	-	15,749	-	-	-	-	-	15,749
<b>Total Assets</b>	<b>\$ 15,096,476</b>	<b>\$ 31,188,816</b>	<b>\$ (1,747,094)</b>	<b>\$ 6,403,595</b>	<b>\$ 5,623,790</b>	<b>\$ 3,442,607</b>	<b>\$ 1,904,286</b>	<b>\$ 62,405,856</b>
<b>LIABILITIES AND NET ASSETS</b>								
Liabilities:								
Accounts payable and accrued expenses	\$ -	\$ 746,638	\$ 13,284	\$ -	\$ -	\$ -	\$ -	\$ 759,922
Lease liability	-	-	40,205	-	-	-	-	40,205
Grants payable to and amounts held for affiliated organizations	13,153,875	-	-	185,061	5,038,499	3,442,607	1,904,286	24,217,708
Net unfunded pension obligation	136,354	-	-	-	-	-	-	136,354
<b>Total Liabilities</b>	<b>13,290,229</b>	<b>746,638</b>	<b>53,489</b>	<b>185,061</b>	<b>5,038,499</b>	<b>3,442,607</b>	<b>1,904,286</b>	<b>25,154,189</b>
Net Assets:								
Without Donor Restrictions:								
Invested in property and equipment	-	15,749	-	-	-	-	-	15,749
Board-designated	1,806,247	14,120,305	(1,800,583)	6,218,534	585,291	-	-	20,929,794
Undesignated	-	15,812,308	-	-	-	-	-	15,812,308
<b>Total Without Donor Restrictions</b>	<b>1,806,247</b>	<b>29,948,362</b>	<b>(1,800,583)</b>	<b>6,218,534</b>	<b>585,291</b>	<b>-</b>	<b>-</b>	<b>36,757,851</b>
With Donor Restrictions:								
Subject to purpose restrictions	-	12,511	-	-	-	-	-	12,511
Endowment	-	481,305	-	-	-	-	-	481,305
<b>Total With Donor Restrictions</b>	<b>-</b>	<b>493,816</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>493,816</b>
<b>Total Net Assets</b>	<b>1,806,247</b>	<b>30,442,178</b>	<b>(1,800,583)</b>	<b>6,218,534</b>	<b>585,291</b>	<b>-</b>	<b>-</b>	<b>37,251,667</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 15,096,476</b>	<b>\$ 31,188,816</b>	<b>\$ (1,747,094)</b>	<b>\$ 6,403,595</b>	<b>\$ 5,623,790</b>	<b>\$ 3,442,607</b>	<b>\$ 1,904,286</b>	<b>\$ 62,405,856</b>

**THE GENERAL FUNDS OF  
THE UNITED METHODIST CHURCH**  
SCHEDULE OF FINANCIAL POSITION INFORMATION BY FUND (CONTINUED)

DECEMBER 31, 2024

	Special Gifts World Service Specials	Bishops Special Appeals	One Great Hour of Sharing	World Communion Day	Youth Services	Human Relations Day	United Methodist Student Day	Native American Day	Peace with Justice Sunday	Total	Grand Total General and Special Days
<b>ASSETS</b>											
Due from (to) General Council on Finance and Administration	\$ 238,590	\$ 13	\$ 372,567	\$ 230,456	\$ 3,779	\$ 39,497	\$ 150,365	\$ 39,290	\$ 28,965	\$ 1,103,522	\$ 46,046,886
Accounts receivable	-	-	-	-	-	-	-	-	-	-	1,934
Prepaid expenses	-	-	-	-	-	-	-	-	-	-	895,638
Investments held at The United Methodist Church Foundation	-	-	-	-	-	-	-	-	-	-	2,388,998
Net pension plan assets held at Wespeth Benefits and Investments	-	-	-	-	-	-	-	-	-	-	14,120,305
Operating lease right-of-use assets	-	-	-	-	-	-	-	-	-	-	39,868
Property and equipment, net	-	-	-	-	-	-	-	-	-	-	15,749
<b>Total Assets</b>	<b>\$ 238,590</b>	<b>\$ 13</b>	<b>\$ 372,567</b>	<b>\$ 230,456</b>	<b>\$ 3,779</b>	<b>\$ 39,497</b>	<b>\$ 150,365</b>	<b>\$ 39,290</b>	<b>\$ 28,965</b>	<b>\$ 1,103,522</b>	<b>\$ 63,509,378</b>
<b>LIABILITIES AND NET ASSETS</b>											
Liabilities:											
Accounts payable and accrued expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 759,922
Lease liability	-	-	-	-	-	-	-	-	-	-	40,205
Grants payable to and amounts held for affiliated organizations	238,590	-	372,567	230,456	3,779	39,497	150,365	39,290	28,965	1,103,509	25,321,217
Due to General Council on Finance and Administration	-	-	-	-	-	-	-	-	-	-	-
Net unfunded pension obligation	-	-	-	-	-	-	-	-	-	-	136,354
<b>Total Liabilities</b>	<b>238,590</b>	<b>-</b>	<b>372,567</b>	<b>230,456</b>	<b>3,779</b>	<b>39,497</b>	<b>150,365</b>	<b>39,290</b>	<b>28,965</b>	<b>1,103,509</b>	<b>26,257,698</b>
Net Assets:											
Without Donor Restrictions:											
Invested in property and equipment	-	-	-	-	-	-	-	-	-	-	15,749
Board-designated	-	-	-	-	-	-	-	-	-	-	20,929,794
Undesignated	-	13	-	-	-	-	-	-	-	13	15,812,321
<b>Total Without Donor Restrictions</b>	<b>-</b>	<b>13</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13</b>	<b>36,757,864</b>
With Donor Restrictions:											
Subject to purpose restrictions	-	-	-	-	-	-	-	-	-	-	12,511
Endowment	-	-	-	-	-	-	-	-	-	-	481,305
<b>Total With Donor Restrictions</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>493,816</b>
<b>Total Net Assets</b>	<b>-</b>	<b>13</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13</b>	<b>37,251,680</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 238,590</b>	<b>\$ 13</b>	<b>\$ 372,567</b>	<b>\$ 230,456</b>	<b>\$ 3,779</b>	<b>\$ 39,497</b>	<b>\$ 150,365</b>	<b>\$ 39,290</b>	<b>\$ 28,965</b>	<b>\$ 1,103,522</b>	<b>\$ 63,509,378</b>

**THE GENERAL FUNDS OF  
THE UNITED METHODIST CHURCH**  
SCHEDULE OF ACTIVITIES INFORMATION BY FUND

YEAR ENDED DECEMBER 31, 2024

	World Service	Episcopal		General Administration		Inter- Denominational Cooperation	Ministerial Education	Black College	Africa University	Subtotal	Special Gifts	
		Without Donor Restrictions	With Donor Restrictions	General Conference	GA Other						World Service Specials	
											Without Donor Restrictions	With Donor Restrictions
Operating Revenue and Support:												
Contributions	\$ 48,004,772	\$ 17,694,717	\$ 10,937	\$ 1,854,309	\$ 6,234,809	\$ 812,396	\$ 11,859,691	\$ 6,736,717	\$ 1,644,757	\$ 94,853,105	\$ -	\$ 1,180,704
Special gifts	-	-	-	-	-	-	-	-	-	-	-	-
Total Contributions	48,004,772	17,694,717	10,937	1,854,309	6,234,809	812,396	11,859,691	6,736,717	1,644,757	94,853,105	-	1,180,704
Grant income	-	-	-	305,901	100,000	-	-	-	-	405,901	-	-
Investment return on investments held at The United Methodist Church Foundation	-	-	58,134	-	284,199	-	-	-	-	342,333	-	-
Other income	-	9,165	-	379,287	-	-	-	-	-	388,452	-	-
Net assets released from restrictions	-	500	(500)	-	-	-	-	-	-	-	1,180,704	(1,180,704)
Total Operating Revenue and Support	48,004,772	17,704,382	68,571	2,539,497	6,619,008	812,396	11,859,691	6,736,717	1,644,757	95,989,791	1,180,704	-
Operating Expenses:												
Management and General:												
Fixed Charges:												
The Connectional Table	475,920	-	-	-	-	-	-	-	-	475,920	-	-
General Council on Finance and Administration	1,749,225	474,996	-	-	-	29,603	-	-	-	2,253,824	-	-
United Methodist Communications Division of Program and Benevolence Interpretation	318,468	-	-	-	-	-	-	-	-	318,468	-	-
Total Management and General	2,543,613	474,996	-	-	-	29,603	-	-	-	3,048,212	-	-
Program Services:												
Distributions:												
On-ratio allocations	45,390,821	-	-	-	5,787,254	247,788	11,859,691	6,736,717	1,644,757	71,667,028	-	-
Grants	31,482	-	-	-	661,229	10,000	-	-	-	702,711	-	-
General conference support	-	-	-	12,497,120	-	-	-	-	-	12,497,120	-	-
Central Conference Matters	-	-	-	-	32,634	-	-	-	-	32,634	-	-
Special gifts distributed	-	-	-	-	-	-	-	-	-	-	1,180,704	-
Total Distributions	45,422,303	-	-	12,497,120	6,481,117	257,788	11,859,691	6,736,717	1,644,757	84,899,493	1,180,704	-
Episcopal expenses, excluding administrative charges and nonoperating activities	-	22,081,736	-	-	-	-	-	-	-	22,081,736	-	-
Total Program Services	45,422,303	22,081,736	-	12,497,120	6,481,117	257,788	11,859,691	6,736,717	1,644,757	106,981,229	1,180,704	-
Total Operating Expenses	47,965,916	22,556,732	-	12,497,120	6,481,117	287,391	11,859,691	6,736,717	1,644,757	110,029,441	1,180,704	-
Operating Income (Loss)	38,856	(4,852,350)	68,571	(9,957,623)	137,891	525,005	-	-	-	(14,039,650)	-	-
Nonoperating Activities:												
Gains on pension plan assets held by Wespath												
Benefits and Investments	21,865	1,987,609	-	-	-	-	-	-	-	2,009,474	-	-
Net changes in benefit plan obligations	83,500	1,505,768	-	-	-	-	-	-	-	1,589,268	-	-
Total Nonoperating Activities	105,365	3,493,377	-	-	-	-	-	-	-	3,598,742	-	-
Change in net assets	144,221	(1,358,973)	68,571	(9,957,623)	137,891	525,005	-	-	-	(10,440,908)	-	-
Net assets, beginning of year	1,662,026	31,307,335	425,245	8,157,040	6,080,643	60,286	-	-	-	47,692,575	-	-
Net assets, end of year	\$ 1,806,247	\$ 29,948,362	\$ 493,816	\$ (1,800,583)	\$ 6,218,534	\$ 585,291	\$ -	\$ -	\$ -	\$ 37,251,667	\$ -	\$ -

**THE GENERAL FUNDS OF  
THE UNITED METHODIST CHURCH**  
SCHEDULE OF ACTIVITIES INFORMATION BY FUND (CONTINUED)

YEAR ENDED DECEMBER 31, 2024

	Special Gifts		Bishops'					United		Peace	Total	
	General Advance Specials		Appeals	One Great	World		Human	Methodist	Native	with	Special Gifts	
	Without Donor	With Donor	Without Donor	Hour of	Communion	Youth	Relations	Student	American	Justice	and Special	Grand Total
	Restrictions	Restrictions	Restrictions	Sharing	Day	Services	Day	Day	Ministries	Sunday	Sundays	
Operating Revenue and Support:												
Contributions	\$ -	\$ -	\$ -	\$ 1,924,292	\$ 369,094	\$ 10,831	\$ 282,890	\$ 222,173	\$ 243,723	\$ 162,247	\$ 4,395,954	\$ 99,249,059
Special gifts	-	44,038,309	-	-	-	-	-	-	-	-	44,038,309	44,038,309
Total Contributions	-	44,038,309	-	1,924,292	369,094	10,831	282,890	222,173	243,723	162,247	48,434,263	143,287,368
Grant income	-	-	-	-	-	-	-	-	-	-	-	405,901
Investment return on investments held at The United Methodist Church Foundation	-	-	-	-	-	-	-	-	-	-	-	342,333
Other income	-	-	-	-	-	-	-	-	-	-	-	388,452
Net assets released from restrictions	44,038,309	(44,038,309)	-	-	-	-	-	-	-	-	-	-
Total Operating Revenue and Support	44,038,309	-	-	1,924,292	369,094	10,831	282,890	222,173	243,723	162,247	48,434,263	144,424,054
Operating Expenses:												
Management and General:												
Fixed Charges:												
The Connectional Table	-	-	-	-	-	-	-	-	-	-	-	475,920
General Council on Finance and Administration	-	-	-	70,118	13,449	-	10,308	8,096	8,881	5,912	116,764	2,370,588
United Methodist Communications Division of Program and Benevolence Interpretation	-	-	-	104,004	62,004	-	51,996	47,004	39,000	47,004	351,012	669,480
Total Management and General	-	-	-	174,122	75,453	-	62,304	55,100	47,881	52,916	467,776	3,515,988
Program Services:												
Distributions:												
On-ratio allocations	-	-	-	1,750,170	293,641	10,831	220,586	167,073	195,842	109,331	2,747,474	74,414,502
Grants	-	-	-	-	-	-	-	-	-	-	-	702,711
General conference support	-	-	-	-	-	-	-	-	-	-	-	12,497,120
Central Conference Matters	-	-	-	-	-	-	-	-	-	-	-	32,634
Special gifts distributed	44,038,309	-	-	-	-	-	-	-	-	-	45,219,013	45,219,013
Total Distributions	44,038,309	-	-	1,750,170	293,641	10,831	220,586	167,073	195,842	109,331	47,966,487	132,865,980
Episcopal expenses, excluding administrative charges and nonoperating activities	-	-	-	-	-	-	-	-	-	-	-	22,081,736
Total Program Services	44,038,309	-	-	1,750,170	293,641	10,831	220,586	167,073	195,842	109,331	47,966,487	154,947,716
Total Operating Expenses	44,038,309	-	-	1,924,292	369,094	10,831	282,890	222,173	243,723	162,247	48,434,263	158,463,704
Operating Income (Loss)	-	-	-	-	-	-	-	-	-	-	-	(14,039,650)
Nonoperating Activities:												
Gains on pension plan assets held by Wespath												
Benefits and Investments	-	-	-	-	-	-	-	-	-	-	-	2,009,474
Net changes in benefit plan obligations	-	-	-	-	-	-	-	-	-	-	-	1,589,268
Total Nonoperating Activities	-	-	-	-	-	-	-	-	-	-	-	3,598,742
Change in net assets	-	-	-	-	-	-	-	-	-	-	-	(10,440,908)
Net assets, beginning of year	-	-	13	-	-	-	-	-	-	-	13	47,692,588
Net assets, end of year	\$ -	\$ -	\$ 13	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13	\$ 37,251,680

**THE GENERAL FUNDS OF  
THE UNITED METHODIST CHURCH**  
EPISCOPAL FUND CONSOLIDATING STATEMENT OF FUNCTIONAL EXPENSES BY NATURAL ACCOUNT

YEAR ENDED DECEMBER 31, 2024

	Management and Administration	Council of Bishops	Interpreters	Ecumenical	Jurisdictional Conferences	Central Conferences	Retired Bishops	Total
Operating Expenses:								
Salaries	\$ 637,848	\$ -	\$ -	\$ -	\$ 7,410,155	\$ 2,181,045	\$ -	\$ 10,229,048
Employee benefits	146,467	-	-	-	1,583,247	289,279	428,856	2,447,849
Continuing education	2,419	-	-	-	-	-	-	2,419
Moving expenses	-	-	-	-	217,773	-	114,811	332,584
Office allowance	-	-	-	-	3,718,870	1,638,967	-	5,357,837
Grants	500	-	-	47,931	-	-	-	48,431
Rent	84,430	-	-	-	-	-	-	84,430
Telephone	18,726	-	-	-	-	-	-	18,726
Postage and freight	3,198	-	-	-	-	-	-	3,198
Printing	298	-	-	-	-	-	-	298
Office supplies	11,723	-	-	-	-	-	-	11,723
Subscriptions/memberships	11,875	-	-	-	-	-	-	11,875
Equipment replacement/maintenance	3,900	-	-	-	149,505	25,512	-	178,917
Software support and maintenance	5,972	-	-	-	-	-	-	5,972
Promotional materials/other office expense	12,540	-	-	-	-	-	-	12,540
Depreciation	451	-	-	-	-	-	-	451
Professional fees	162,879	34,268	99,697	2,285	-	-	-	299,129
Legal fees	-	133,120	-	-	-	-	-	133,120
Meeting expense	14,247	556,609	-	-	-	-	-	570,856
Travel	171,712	50,310	-	1,069	952,362	523,507	490,655	2,189,615
Insurance	-	-	-	-	138,863	-	-	138,863
Bank/financing charges	-	-	-	-	-	810	-	810
Bad debt expense	-	(17,000)	-	-	-	-	-	(17,000)
Other	3,456	3,756	-	-	11,403	1,430	-	20,045
Episcopal expenses excluding administrative charges and nonoperating activities	1,292,641	761,063	99,697	51,285	14,182,178	4,660,550	1,034,322	22,081,736
Administrative charges (GCFA/UMCOM)	-	474,996	-	-	-	-	-	474,996
Total Operating Expenses	1,292,641	1,236,059	99,697	51,285	14,182,178	4,660,550	1,034,322	22,556,732
Nonoperating Activities:								
Net changes in benefit plan obligations	-	1,505,768	-	-	-	-	-	1,505,768
Total Nonoperating Activities	-	1,505,768	-	-	-	-	-	1,505,768
Total Expenses	\$ 1,292,641	\$ 2,741,827	\$ 99,697	\$ 51,285	\$ 14,182,178	\$ 4,660,550	\$ 1,034,322	\$ 24,062,500