

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

DECEMBER 31, 2020 AND 2019

Note 5—Fair value measurement (continued)

	Fair Value Measurements at Reporting Date Using			
	Amounts Measured at Fair Value	Quoted Prices in Active Markets for Identical Instruments (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
December 31, 2019				
Funds held by outside trustees for the benefit of the Board:	\$ 10,143	\$ -	\$ -	\$ 10,143
Investments reported at net asset value:				
Multiple Asset Fund - I Series (Wespath)	25,706,452			
Total Investments	<u>\$ 25,706,452</u>			

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

The following methods and assumptions were 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.

The following is a reconciliation of activity for 2020 and 2019 for assets measured at fair value based on significant unobservable information:

	2020	2019
Balance, beginning of year	\$ 10,143	\$ 702,022
Change in fair value	372	412
Sales and redemptions	-	(692,291)
Balance, end of year	<u>\$ 10,515</u>	<u>\$ 10,143</u>

In accordance with ASC Subtopic 820-10, certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. 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.

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Note 6—Accounts receivable

Accounts receivable at December 31 consist of the following:

	2020		
	Discipleship Ministries	The Upper Room	Total
Trade accounts	\$ -	\$ 1,021,776	\$ 1,021,776
Due from other agencies	25,507	(231)	25,276
Other	3,047	-	3,047
	<u>28,554</u>	<u>1,021,545</u>	<u>1,050,099</u>
Less allowance for doubtful accounts	-	(104,687)	(104,687)
	<u>\$ 28,554</u>	<u>\$ 916,858</u>	<u>\$ 945,412</u>
	2019		
	Discipleship Ministries	The Upper Room	Total
Trade accounts	\$ -	\$ 597,414	\$ 597,414
Due from other agencies	367,317	11,473	378,790
Other	337	2,712	3,049
	<u>367,654</u>	<u>611,599</u>	<u>979,253</u>
Less allowance for doubtful accounts	-	(116,570)	(116,570)
	<u>\$ 367,654</u>	<u>\$ 495,029</u>	<u>\$ 862,683</u>

Note 7—Property, buildings, and equipment

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

	2020		
	Discipleship Ministries	The Upper Room	Total
Land and land improvements	\$ 257,318	\$ 223,836	\$ 481,154
Buildings and improvements	1,687,340	7,989,289	9,676,629
Furniture, fixtures, and equipment	1,320,436	601,202	1,921,638
	<u>3,265,094</u>	<u>8,814,327</u>	<u>12,079,421</u>
Less accumulated depreciation	(2,810,907)	(6,831,179)	(9,642,086)
	<u>\$ 454,187</u>	<u>\$ 1,983,148</u>	<u>\$ 2,437,335</u>

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Note 7—Property, buildings, and equipment (continued)

	2019		Total
	Discipleship Ministries	The Upper Room	
Land and land improvements	\$ 257,318	\$ 223,836	\$ 481,154
Buildings and improvements	1,687,340	8,006,350	9,693,690
Furniture, fixtures, and equipment	1,548,836	754,202	2,303,038
	3,493,494	8,984,388	12,477,882
Less accumulated depreciation	(2,928,521)	(6,504,672)	(9,433,193)
	<u>\$ 564,973</u>	<u>\$ 2,479,716</u>	<u>\$ 3,044,689</u>

Depreciation expense was \$607,354 and \$794,984 for 2020 and 2019, respectively. Included in buildings and improvements is the Board's portion of a building jointly owned with the General Board of Higher Education and Ministry.

Property owned by the Board is presented in Schedule 3.

Note 8—Employee benefits

Retirement Benefits – Full-time laypersons and clergy employed by the Board participate in the Retirement Plan for General Agencies (RPGA). 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 (UMPIP). Total contributions made by the Board for both components during 2020 and 2019 were \$890,230 and \$922,417, 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 \$1,213,218 and \$1,380,367 in 2020 and 2019, respectively, and the cost of retired employees was \$443,533 and \$375,614, respectively, exclusive of reimbursement from the General Agency Benefit Trust ("Benefit Trust").

The Plan's unfunded accumulated postretirement benefit obligation was approximately \$71,430,000 and \$76,725,000 as of December 31, 2020 and 2019, respectively, and the Plan's unfunded expected postretirement benefit obligation ("EPBO") was approximately \$100,140,000 and \$106,750,000 as of December 31, 2020 and 2019, respectively.

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Note 8—Employee benefits (continued)

Wespath has transferred certain excess pension assets to the Benefit Trust established by the 1996 General Conference. Annually, the Benefit Trust allows a stated percentage payout, 6% for 2020 and 2019, 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 \$186,112,000 and \$167,449,000 as of December 31, 2020 and 2019, respectively. The total amount available for reimbursement in 2020 and 2019 was \$10,046,935 and \$8,797,702, respectively, of which the Board's share, net of retiree health benefits was \$2,060,245 and \$1,767,974, respectively.

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>2020</u>	<u>2019</u>
Statements of Financial Position:		
Due from GCFA short-term pooled investment fund	\$ 5,363,879	\$ 4,785,487
Accrued World Service Fund allocation	2,395,483	2,236,823
Accrued World Service Fund allocation - SBC21	135,170	125,618
Accrued World Service Fund allocation - NACP	73,405	68,218
Accounts receivable from related organizations	25,276	378,790
Funds held by outside trustees for the benefit of the Board	10,515	10,143
Statements of Activities:		
Revenue:		
Net sales - United Methodist Publishing House	249,234	347,238
Allocations through GCFA - World Service	6,742,055	7,348,179
Allocations through GCFA - Youth Service Fund	13,832	37,039
Allocations through GCFA - NACP	207,037	225,649
Allocations through GCFA - SBC21	381,241	415,516
Benefit Trust distribution	2,060,245	1,767,974
Reimbursements from related organizations	226,283	229,428
Services received from GCFA	23,065	22,166
Investment return from GCFA short-term pooled investment fund	201,172	198,309
Expenses:		
Personnel expenses - Group insurance expense	1,656,751	1,755,981
Administration provided by GCFA	23,065	22,166

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 Schedule 1 and 2, respectively.

GENERAL BOARD OF DISCIPLESHIP OF THE UNITED METHODIST CHURCH
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Note 10—Board-designated net assets

Certain net assets without donor restrictions at December 31, 2020 and 2019 have been designated by the Board of directors for the following purposes:

	<u>2020</u>	<u>2019</u>
Discipleship Ministries:		
Older Adult Ministries Plan	\$ 44,500	\$ 46,301
Division on Ministries with Young People International Scholarship Fund	76,442	139,423
Division on Ministries with Young People Racial Justice Contingency Grant	-	20,568
Total Board-Designated Net Assets	<u>\$ 120,942</u>	<u>\$ 206,292</u>
The Upper Room:		
Capital Expenditures	\$ 2,258,293	\$ 1,761,725
Emmaus Funding Plan	25,000	25,000
Academy Leader Program	50,000	50,000
CTR Program	147,879	169,101
Chaplains Fund	50,000	50,000
International Editions Fund	62,584	62,584
Total Board-Designated Net Assets	<u>\$ 2,593,756</u>	<u>\$ 2,118,410</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:

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.

Division on Ministries with Young People International Scholarship Fund – The purpose is to provide young people outside of the United States with an educational scholarship to further their education.

Division on Ministries with Young People Racial Justice Contingency Grant – To provide seed-money grants of up to \$2,500 for at least 20 racial justice ministry projects initiated and led by young people to local churches and groups.

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.

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.

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 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.

GENERAL BOARD OF DISCIPLESHIP OF THE UNITED METHODIST CHURCH
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Note 11—Net assets with donor restrictions

Net assets with donor restrictions at December 31, 2020 and 2019 have been restricted by the donors for the following purpose restrictions:

	<u>2020</u>	<u>2019</u>
Discipleship Ministries:		
Subject to purpose restrictions:		
New Church Starts Foundation for Evangelism	\$ 69,813	\$ 62,357
National Hispanic Plan	148,178	262,040
Native American Comprehensive Plan	174,069	144,684
Strengthening the Black Church for the 21st Century	8,078	3,423
E-Reader Project	230,609	202,845
Korean Partner in Mission	189,465	183,987
Total subject to purpose restrictions	<u>820,212</u>	<u>859,336</u>
Endowments:		
Accumulated earnings on the Board endowment fund	1,502,991	1,496,509
The Board endowment fund held in perpetuity	382,940	382,940
Total endowments	<u>1,885,931</u>	<u>1,879,449</u>
Total net assets with donor restrictions	<u>\$ 2,706,143</u>	<u>\$ 2,738,785</u>
The Upper Room:		
Subject to purpose restrictions:		
Emmaus Funding Plan	\$ 48,558	\$ 48,727
Crisis Literature Programs	97,212	2,309
Spiritual Academies Fund	101,552	70,531
Chaplain Donations	117,992	69,220
Stephen Bryant Prayer and Spiritual Formation	5,160	-
Total subject to purpose restrictions	<u>370,474</u>	<u>190,787</u>
Endowments:		
Accumulated earnings on the Upper Room endowment fund	230,934	201,128
Upper Room endowment fund held in perpetuity	714,175	708,840
Total endowments	<u>945,109</u>	<u>909,968</u>
Total net assets with donor restrictions	<u>\$ 1,315,583</u>	<u>\$ 1,100,755</u>
Totals:		
Total subject to purpose restrictions	\$ 1,190,686	\$ 1,050,123
Total endowments	<u>2,831,040</u>	<u>2,789,417</u>
Total net assets with donor restrictions	<u>\$ 4,021,726</u>	<u>\$ 3,839,540</u>

GENERAL BOARD OF DISCIPLESHIP OF THE UNITED METHODIST CHURCH
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Note 11—Net assets with donor restrictions (continued)

Net assets with donor restrictions for the years ended December 31, 2020 and 2019 were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors.

	<u>2020</u>	<u>2019</u>
Discipleship Ministries:		
New Church Starts Foundation for Evangelism	\$ -	\$ 339
Legacy of Leadership Camp Annual Fund	-	126,452
National Hispanic Plan	145,194	186,111
Native American Comprehensive Plan	297,760	275,858
Strengthening the Black Church for the 21st Century	496,479	562,364
E-Reader Project	18,538	167,038
Korean Partner in Mission	42,029	52,328
Sam Taylor	117,950	120,587
O'Neal Memorial Fund	-	1,227
Solomon Cramer	-	756,300
Board of Discipleship Total	<u>1,117,950</u>	<u>2,248,604</u>
The Upper Room:		
Emmaus Gift Fund	12,807	39,331
Spiritual Academies Fund	3,298	10,195
Chaplain Donations	163,405	153,657
The Upper Room Total	<u>179,510</u>	<u>203,183</u>
Total Releases from Restrictions	<u>\$ 1,297,460</u>	<u>\$ 2,451,787</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
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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:

	December 31, 2020		
	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	\$ -	\$ 1,097,115	\$ 1,097,115
Accumulated investment gains	-	1,733,925	1,733,925
Endowment net assets, December 31, 2020	<u>\$ -</u>	<u>\$ 2,831,040</u>	<u>\$ 2,831,040</u>
	December 31, 2019		
	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	\$ -	\$ 1,091,780	\$ 1,091,780
Accumulated investment gains	-	1,697,637	1,697,637
Endowment net assets, December 31, 2019	<u>\$ -</u>	<u>\$ 2,789,417</u>	<u>\$ 2,789,417</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, 2020 and 2019, 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
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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, 2020 and 2019 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, December 31, 2018	\$ -	\$ 3,292,021	\$ 3,292,021
Investment return, net	-	382,636	382,636
Contributions	-	19,165	19,165
Release of funds held in perpetuity	-	(719,196)	(719,196)
Appropriation of endowment assets for expenditure pursuant to spending-rate policy	-	(185,209)	(185,209)
Endowment net assets, December 31, 2019	-	2,789,417	2,789,417
Investment return, net	-	154,238	154,238
Contributions	-	5,335	5,335
Appropriation of endowment assets for expenditure pursuant to spending-rate policy	-	(117,950)	(117,950)
Endowment net assets, December 31, 2020	<u>\$ -</u>	<u>\$ 2,831,040</u>	<u>\$ 2,831,040</u>

Note 13—Contingencies

During 2020, an outbreak of a novel strain of coronavirus (“COVID-19”) emerged globally. As a result of the spread of COVID-19, economic uncertainties have arisen that could negatively impact the Board's revenue and operations for an indeterminable time period. Other financial impacts could occur that are unknown at this time.

The Protocol of Reconciliation and Grace Through Separation was introduced as legislation in early 2020 for the upcoming General Conference. This joins other legislative proposals that if adopted by the General Conference would provide an alternative way for churches to separate from The United Methodist Church. These proposals include a provision for new denominations to receive financial payments from The United Methodist Church and retain their real estate. The scheduled General Conference has been delayed until 2022, and the financial impact resulting from these potential separations on the Board is unknown at this time.

GENERAL BOARD OF DISCIPLESHIP OF THE UNITED METHODIST CHURCH

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Note 14—Paycheck protection program

The Board received a Paycheck Protection Program loan (“PPP”) in the amount of \$2,352,400 in April 2020. The PPP loan is granted by the Small Business Administration under the Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”). PPP loans are considered conditional contributions under ASC 958-605, *Not-for-Profit Entities –Revenue Recognition*. The loan must be repaid if the Commission does not overcome certain barriers within the CARES Act. The barriers under the program include the requirement to maintain employee headcount, spend up to 60% of the loan proceeds on certain payroll and employee benefits, and restricts other loan proceeds to be used for other qualifying expenses such as mortgage interest, rent, and utilities. The Board believed it had not substantially met all barriers for loan forgiveness and, therefore, returned \$1,209,600 in May 2020. For the remaining amount, the Commission believes it has not substantially met all barriers for full loan forgiveness yet and, therefore, has recorded the receipt of the funds of \$1,142,800 as deferred revenue in the statement of financial position as of December 31, 2020.

Note 15—Subsequent events

Management has evaluated subsequent events through July 26, 2021, 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.

In July 2021, the Kern building was sold for \$55,000,000. The all cash proceeds, which will result in a gain in 2021, will be split equally by the Board and The General Board of Higher Education.

DRAFT

SUPPLEMENTAL SCHEDULES

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GENERAL BOARD OF DISCIPLESHIP OF THE UNITED METHODIST CHURCH
STRENGTHENING THE BLACK CHURCH FOR THE 21ST CENTURY INFORMATION

SCHEDULE 1

DECEMBER 31, 2020 AND 2019

Statements of Financial Position Information

	<u>2020</u>	<u>2019</u>
Assets		
Accrued World Service allocation	\$ 135,170	\$ 125,618
Total Assets	<u>\$ 135,170</u>	<u>\$ 125,618</u>
Liabilities		
Deferred income	\$ -	\$ 50,000
Due to GBOD	127,092	222,195
Total Liabilities	<u>127,092</u>	<u>272,195</u>
Net Assets		
Without donor restrictions	-	(150,000)
With donor restrictions	8,078	3,423
Total Liabilities and Net Assets	<u>\$ 135,170</u>	<u>\$ 125,618</u>

Statements of Activities and Changes in Net Assets Information

	<u>2020</u>			<u>2019</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	\$ -	\$ 381,241	\$ 381,241	\$ -	\$ 415,516	\$ 415,516
Registrations and project income	-	119,893	119,893	-	149,945	149,945
Release of restrictions	496,479	(496,479)	-	562,364	(562,364)	-
Total Revenues	<u>496,479</u>	<u>4,655</u>	<u>501,134</u>	<u>562,364</u>	<u>3,097</u>	<u>565,461</u>
Expenses:						
Program services	101,980	-	101,980	338,251	-	338,251
Personnel expenses	198,165	-	198,165	294,986	-	294,986
Staff travel	6,945	-	6,945	35,357	-	35,357
Other general and administrative expense	39,389	-	39,389	43,770	-	43,770
Total Expenses	<u>346,479</u>	<u>-</u>	<u>346,479</u>	<u>712,364</u>	<u>-</u>	<u>712,364</u>
Change in net assets	150,000	4,655	154,655	(150,000)	3,097	(146,903)
Net (deficit) asset, beginning of year	(150,000)	3,423	(146,577)	-	326	326
Net assets (deficit), end of year	<u>\$ -</u>	<u>\$ 8,078</u>	<u>\$ 8,078</u>	<u>\$ (150,000)</u>	<u>\$ 3,423</u>	<u>\$ (146,577)</u>

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

SCHEDULE 2

DECEMBER 31, 2020 AND 2019

Statements of Financial Position Information

	<u>2020</u>	<u>2019</u>
Assets		
Accrued World Service allocation	\$ 73,405	\$ 68,218
Due from GBOD	100,664	76,466
Total Assets	<u>\$ 174,069</u>	<u>\$ 144,684</u>
Net Assets		
With donor restrictions	<u>\$ 174,069</u>	<u>\$ 144,684</u>
Total Liabilities and Net Assets	<u>\$ 174,069</u>	<u>\$ 144,684</u>

Statements of Activities and Changes in Net Assets Information

	<u>2020</u>			<u>2019</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	\$ -	\$ 207,037	\$ 207,037	\$ -	\$ 225,649	\$ 225,649
Registrations and project income	-	2,807	2,807	-	6,376	6,376
Grants and contributions	-	100,000	100,000	-	400	400
Investment return, net	-	17,301	17,301	-	20,064	20,064
Release of restrictions	297,760	(297,760)	-	275,858	(275,858)	-
Total Revenues	<u>297,760</u>	<u>29,385</u>	<u>327,145</u>	<u>275,858</u>	<u>(23,369)</u>	<u>252,489</u>
Expenses:						
Program services	65,000	-	65,000	422	-	422
Personnel expenses	162,498	-	162,498	152,655	-	152,655
Staff travel	5,435	-	5,435	18,038	-	18,038
Meeting expense	-	-	-	199	-	199
Other general and administrative expense	64,827	-	64,827	104,544	-	104,544
Total Expenses	<u>297,760</u>	<u>-</u>	<u>297,760</u>	<u>275,858</u>	<u>-</u>	<u>275,858</u>
Change in net assets	-	29,385	29,385	-	(23,369)	(23,369)
Net asset, beginning of year	-	144,684	144,684	-	168,053	168,053
Net assets, end of year	<u>\$ -</u>	<u>\$ 174,069</u>	<u>\$ 174,069</u>	<u>\$ -</u>	<u>\$ 144,684</u>	<u>\$ 144,684</u>

**GENERAL BOARD OF DISCIPLESHIP OF THE UNITED METHODIST CHURCH
REAL ESTATE HOLDINGS (UNAUDITED)**

SCHEDULE 3

DECEMBER 31, 2020

Identification	Location	Description	County Appraised Value*	Ownership	Notes
Denman Property:					
Main Campus (includes bldg.)	1900, 1902, & 1908 Grand Ave. S & 917 19th Ave. S Nashville, TN	1.73 acres	\$ 16,387,800	The Upper Room	Denman Building and Adjacent Lots
Parking Lots	1901, 1903, 1905, 1907, 1909, 1911 & 1913 Adelia St. Nashville, TN	1.19 acres	6,371,100	The Upper Room	Adjacent to Denman Building
Single Family House	1915 Adelia St. Nashville, TN	0.17 acres	1,340,400	The Upper Room	Offices adjacent to Denman Building
Single Family House	1001 18th Ave. S Nashville, TN	0.20 acres	1,348,800	The Upper Room	Offices 1 block from Denman Building
Single Family House	1003 18th Ave. S Nashville, TN	0.20 acres	1,505,500	The Upper Room	Offices 1 block from Denman Building
Kern Property:***					
Main Campus (includes bldg.)	2001 & 2005 Grand Ave. (corner of 19th and Grand Ave.) Nashville, TN	1.19 acres	2,593,050	Joint 50/50** GBOD & GBHEM	Kern Building and Parking Lots
Scarritt Mall (open land)	1001 19th Ave. S (corner of 19th Ave. S and Scarritt Place) Scarritt Place, Nashville, TN	1.83 acres	3,985,750	Joint 50/50** GBOD & GBHEM	Open Space Adjacent to Kern Building
Parking Lots	2009 & 2011 Grand Ave. (adjacent to Main Campus) Nashville, TN	0.73 acres	1,612,900	Joint 50/50** GBOD & GBHEM	Kern Parking Lots
Parking Lots	2013 Grand Ave. (adjacent to Main Campus) Nashville, TN	0.59 acres	1,426,350	Joint 50/50** GBOD & GBHEM	Under Lease by Park Happy
Leased Parcel	406 21st Ave. Nashville, TN	0.80 acres	3,186,350	Joint 50/50** GBOD & GBHEM	Under Lease by Panera Bread Co.
		8.63 acres	\$ 39,758,000		

* Note that financial statements reflect property at historical costs. Presented above is County Appraised Value effective 1/1/2017.

** Tax Appraised Values for the Leased Parcel and the Kern Property are 50% of the total appraised values because of joint ownership.

*** In July 2021, the Kern building was sold for \$55,000,000. The all cash proceeds, which will result in a gain in 2021, will be split equally by the Board and The General Board of Higher Education.