

UNITED METHODIST COMMUNICATIONS OF THE UNITED METHODIST CHURCH AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

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

And Report of Independent Auditor

**UNITED METHODIST COMMUNICATIONS OF
THE UNITED METHODIST CHURCH AND SUBSIDIARIES**
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Report of Independent Auditor

The General Commission
United Methodist Communications
The United Methodist Church and Subsidiaries

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

Opinion

We have audited the accompanying consolidated financial statements of United Methodist Communications of The United Methodist Church and Subsidiaries ("UMCom"), which comprise the consolidated statements of financial position as of December 31, 2024, and 2023, and the consolidated statement of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of United Methodist Communications of The United Methodist Church and Subsidiaries as of December 31, 2024 and 2023, and the change in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are required to be independent of UMCom 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 Consolidated Financial Statements

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

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

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

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

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

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

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

Supplementary Information

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

Cherry Bekaert LLP

Charlotte, North Carolina
August 4, 2025

**UNITED METHODIST COMMUNICATIONS OF
THE UNITED METHODIST CHURCH AND SUBSIDIARIES**
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2024 AND 2023

	2024	2023
ASSETS		
Cash and cash equivalents	\$ -	\$ 27,362
Investments	36,902,032	42,433,955
Due from GCFA short-term	3,062,518	-
Accrued World Service Fund allocation	3,148,773	3,623,495
Accounts receivable, net	332,278	312,244
Inventory	2,108	887
Prepaid expenses	649,171	656,585
Property and equipment, net	2,886,691	1,689,799
Total Assets	\$ 46,983,570	\$ 48,744,327
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable and accrued liabilities	\$ 3,338,298	\$ 2,103,369
Deferred income	50,215	42,651
Due to GCFA	-	291,613
Total Liabilities	3,388,513	2,437,633
Net Assets:		
Without Donor Restrictions:		
Invested in property and equipment	2,886,691	1,689,799
Board designated	9,449,062	9,191,320
Undesignated	25,223,012	27,708,126
Total Without Donor Restrictions	37,558,765	38,589,245
With Donor Restrictions:		
Subject to purpose restrictions	5,492,783	7,209,373
Endowments	543,509	508,076
Total With Donor Restrictions	6,036,292	7,717,449
Total Net Assets	43,595,057	46,306,694
Total Liabilities and Net Assets	\$ 46,983,570	\$ 48,744,327

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

**UNITED METHODIST COMMUNICATIONS OF
THE UNITED METHODIST CHURCH AND SUBSIDIARIES**
CONSOLIDATED STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2024 (WITH COMPARATIVE TOTALS FOR 2023)

	2024			2023
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Operating Revenue and Support:				
General Church Funds:				
Allocation of World Service Fund	\$ 10,865,648	\$ -	\$ 10,865,648	\$ 12,463,359
Connectional Giving Interpretation	-	966,984	966,984	1,001,088
	10,865,648	966,984	11,832,632	13,464,447
Net program revenues	467,880	-	467,880	465,436
Reimbursement from Benefit Trust	2,095,750	-	2,095,750	2,099,877
Services received from GCFA	36,225	-	36,225	40,977
Investment return from GCFA short-term pooled investment fund	(15,688)	-	(15,688)	10,322
Contributions	70,181	-	70,181	15,917
Other income	77,639	-	77,639	148,709
Production and rental service revenues (Kingswood)	44,019	-	44,019	141,170
Net assets released from restrictions	2,696,839	(2,696,839)	-	-
Total Revenue and Support	16,338,493	(1,729,855)	14,608,638	16,386,855
Operating Expenses:				
Program Services:				
Communications channels and resources	11,717,571	-	11,717,571	12,656,494
Brand – media purchases	624,786	-	624,786	4,012,814
Connectional giving interpretation	1,781,919	-	1,781,919	1,784,633
Total Program Expenses	14,124,276	-	14,124,276	18,453,941
Supporting Services:				
Management and general	6,909,251	-	6,909,251	3,675,939
Fundraising	154,824	-	154,824	62,903
Total Expenses	21,188,351	-	21,188,351	22,192,783
(Deficit) of Operating Revenue and Support over Operating Expenses	(4,849,858)	(1,729,855)	(6,579,713)	(5,805,928)
Nonoperating Items:				
Investment return, net	3,819,378	48,698	3,868,076	6,636,789
Change in net assets	(1,030,480)	(1,681,157)	(2,711,637)	830,861
Net assets, beginning of year	38,589,245	7,717,449	46,306,694	45,475,833
Net assets, end of year	\$ 37,558,765	\$ 6,036,292	\$ 43,595,057	\$ 46,306,694

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

**UNITED METHODIST COMMUNICATIONS OF
THE UNITED METHODIST CHURCH AND SUBSIDIARIES**
CONSOLIDATED STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2023

	2023		
	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Support:			
General Church Funds:			
Allocation of World Service Fund	\$ 12,463,359	\$ -	\$ 12,463,359
Connectional Giving Interpretation	-	1,001,088	1,001,088
	12,463,359	1,001,088	13,464,447
Net program revenues	465,436	-	465,436
Reimbursement from Benefit Trust	2,099,877	-	2,099,877
Services received from GCFA	40,977	-	40,977
Investment return from GCFA short-term pooled investment fund	10,322	-	10,322
Contributions	15,917	-	15,917
Other income	148,709	-	148,709
Production and rental service revenues (Kingswood)	141,170	-	141,170
Net assets released from restrictions	2,618,428	(2,618,428)	-
Total Revenue and Support	18,004,195	(1,617,340)	16,386,855
Expenses:			
Program Services:			
Communications channels and resources	12,656,494	-	12,656,494
Brand – media purchases	4,012,814	-	4,012,814
Connectional giving interpretation	1,784,633	-	1,784,633
Total Program Expenses	18,453,941	-	18,453,941
Supporting Services:			
Management and general	3,675,939	-	3,675,939
Fundraising	62,903	-	62,903
Total Expenses	22,192,783	-	22,192,783
(Deficit) of Operating Revenue and Support over Operating Expenses	(4,188,588)	(1,617,340)	(5,805,928)
Nonoperating Items:			
Investment return, net	6,636,789	-	6,636,789
Change in net assets	2,448,201	(1,617,340)	830,861
Net assets, beginning of year	36,141,044	9,334,789	45,475,833
Net assets, end of year	\$ 38,589,245	\$ 7,717,449	\$ 46,306,694

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

**UNITED METHODIST COMMUNICATIONS OF
THE UNITED METHODIST CHURCH AND SUBSIDIARIES**
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2024

	Program Services				Supporting Services		
	Communications Channels and Resources	Brand - Media Purchases	Connectional Giving Interpretation	Subtotal	Management and General	Fundraising	Total
Media, research, and program development	\$ 132,938	\$ 313,511	\$ -	\$ 446,449	\$ -	\$ -	\$ 446,449
Grant and donation distributions	39,031	311,274	-	350,305	-	-	350,305
Salaries and related benefits	7,923,108		380,712	8,303,820	4,231,233	109,554	12,644,607
Administration provided by GCFA	-	-	-	-	36,225	-	36,225
Rent and building management	(5,000)	-	-	(5,000)	309,076	-	304,076
Travel and meetings	389,663	-	3,568	393,231	1,250,729	4,660	1,648,620
Independent contractors	1,850,160	-	-	1,850,160	284,467	29,010	2,163,637
Printing, postage, supplies, and telephone	40,590	-	-	40,590	62,976	4,757	108,323
Equipment, repair, and maintenance	46,466	-	725	47,191	48,001	-	95,192
Information technology hosting, maintenance, and support	771,659	-	16,656	788,315	242,088	1,155	1,031,558
Insurance and taxes	-	-	-	-	99,150	-	99,150
Depreciation	11,823	-	-	11,823	258,908	-	270,731
Promotional and informational material	457,600	-	1,380,182	1,837,782	28,966	4,890	1,871,638
Miscellaneous	59,531	-	76	59,607	57,432	798	117,837
Total Expenses	<u>\$ 11,717,571</u>	<u>\$ 624,786</u>	<u>\$ 1,781,919</u>	<u>\$ 14,124,276</u>	<u>\$ 6,909,251</u>	<u>\$ 154,824</u>	<u>\$ 21,188,351</u>

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

**UNITED METHODIST COMMUNICATIONS OF
THE UNITED METHODIST CHURCH AND SUBSIDIARIES**
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2023

	Program Services				Supporting Services		
	Communications	Brand -	Connectional		Management		
	Channels	Media	Giving		and General	Fundraising	Total
	and Resources	Purchases	Interpretation	Subtotal			
Media, research, and program development	\$ 472,316	\$ 3,518,398	\$ -	\$ 3,990,714	\$ 8,273	\$ -	\$ 3,998,987
Grant and donation distributions	40,762	481,948	-	522,710	-	-	522,710
Salaries and related benefits	7,894,572	-	395,352	8,289,924	2,139,242	45,015	10,474,181
Administration provided by GCFA	-	-	-	-	40,977	-	40,977
Rent and building management	-	-	-	-	379,047	-	379,047
Travel and meetings	618,663	12,468	2,012	633,143	259,981	824	893,948
Independent contractors	2,169,545	-	-	2,169,545	266,373	13,196	2,449,114
Printing, postage, supplies, and telephone	138,356	-	-	138,356	37,832	493	176,681
Equipment, repair, and maintenance	73,241	-	-	73,241	21,435	-	94,676
Information technology hosting, maintenance, and support	830,072	-	43,279	873,351	292,171	3,128	1,168,650
Insurance and taxes	-	-	-	-	82,130	-	82,130
Depreciation	3,810	-	-	3,810	136,683	-	140,493
Promotional and informational material	374,650	-	1,343,990	1,718,640	5,684	-	1,724,324
Miscellaneous	40,507	-	-	40,507	6,111	247	46,865
Total Expenses	<u>\$ 12,656,494</u>	<u>\$ 4,012,814</u>	<u>\$ 1,784,633</u>	<u>\$ 18,453,941</u>	<u>\$ 3,675,939</u>	<u>\$ 62,903</u>	<u>\$ 22,192,783</u>

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

**UNITED METHODIST COMMUNICATIONS OF
THE UNITED METHODIST CHURCH AND SUBSIDIARIES**
CONSOLIDATED STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
Cash flows from operating activities:		
Change in net assets	\$ (2,711,637)	\$ 830,861
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation	270,731	140,493
Disposals of property and equipment	-	(564)
Unrealized and realized gains on investments	(3,092,254)	(6,287,970)
Changes in assets and liabilities:		
Due from GCFA short-term pooled investment fund	(3,062,518)	(275,824)
Due from General Board of Global Ministries of The United Methodist Church, Inc. and related entities	-	-
Accrued World Service Fund allocation	474,722	402,311
Accounts receivable, net	(20,034)	21,976
Inventory	(1,221)	3,340
Prepaid expenses	7,414	(366,397)
Accounts payable and accrued liabilities	1,234,929	76,939
Deferred income	7,564	19,075
Due to GCFA	(291,613)	-
Net cash flows from operating activities	<u>(7,183,917)</u>	<u>(5,435,760)</u>
Cash flows from investing activities:		
Purchases of investments	(775,822)	(348,819)
Proceeds from sales of investments	9,400,000	6,526,593
Purchases of property and equipment	(1,467,623)	(715,535)
Net cash flows from investing activities	<u>7,156,555</u>	<u>5,462,239</u>
Net change in cash and cash equivalents	(27,362)	26,479
Cash and cash equivalents, beginning of year	<u>27,362</u>	<u>883</u>
Cash and cash equivalents, end of year	<u>\$ -</u>	<u>\$ 27,362</u>

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

**UNITED METHODIST COMMUNICATIONS OF
THE UNITED METHODIST CHURCH AND SUBSIDIARIES**
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023

Note 1—Organization and nature of operations

As the communications agency for The United Methodist Church, United Methodist Communications (“UMCom”) provides leadership for The United Methodist Church (the “UMC”) through communications initiatives that promote local, national, and global ministry. Such leadership ministry is most efficient when performed at a global level and in a coordinated and strategic way. UMCom serves the UMC with communication products, programs, and services to enable more effective ministry. It takes into account the needs of the world’s people, responding by providing information that encourages spiritual growth, commitment, and transformation individually and in the global community. UMCom provides a portal to the World Wide Web for UMC; speaks to the world at large on behalf of UMC through a variety of communications channels; provides resources that support the growth of local church leaders and provides practical ideas for church life; provides independent news coverage of what UMC is doing and other topics of interest; shares stories of ministries in ways that increase giving and commitment to UMC; responds to requests for information about UMC; resources annual conference and local church communications efforts; and provides video services and video resources for group study.

The Foundation for United Methodist Communications (“UMCom Foundation”) was established on October 19, 1996, exclusively for the benefit of, to perform the functions of, and to carry out the purposes of UMCom. UMCom Foundation generates funds for communication efforts to strengthen UMC and its ministries throughout the world. Kingswood Communications, Inc. (“Kingswood”) was established on August 21, 1963 to provide media productions to entities outside of the UMC. Kingswood shares the same Board of Directors as UMCom, which is the reason for consolidation.

Principles of Consolidation – The consolidated financial statements include the financial statements of UMCom and its wholly-owned or controlled subsidiaries, Kingswood and UMCom Foundation. The consolidating schedules of UMCom, UMCom Foundation, and Kingswood are provided in supplementary schedules 1 through 5 for informational purposes. These supplementary schedules are not a required part of the basic consolidated financial statements. All significant intercompany balances and transactions among UMCom, UMCom Foundation, and Kingswood have been eliminated in consolidation.

Note 2—Summary of significant accounting policies

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

Basis of Presentation – To ensure the observance of limitations and restrictions placed on the use of resources, fund accounting is the procedure by which resources for various purposes are classified into funds that are in accordance with activities or objectives of UMCom. Separate accounts are maintained for each fund.

**UNITED METHODIST COMMUNICATIONS OF
THE UNITED METHODIST CHURCH AND SUBSIDIARIES**
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023

Note 2—Summary of significant accounting policies (continued)

For reporting purposes, UMCom's consolidated financial statements have been prepared to focus on the organization as a whole and to present balances classified into two net asset categories based on the existence or absence of donor-imposed restrictions. Accordingly, the consolidated net assets of UMCom and changes therein are classified and reported as follows:

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

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

Board Designated – Comprised of funds set aside by the General Commission to be used for specific activities within general guidelines established by UMCom.

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

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 UMCom or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

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

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

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

Use of Estimates – The preparation of the consolidated financial statements requires management of UMCom to make a number of estimates and assumptions relating to the reported amount of assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the period. Significant items subject to such estimates and assumptions include the carrying amount of property and equipment, valuation allowances for receivables and inventories, and assets and obligations related to employee benefits. Actual results could differ from those estimates.

Cash and Cash Equivalents – UMCom considers all highly liquid interest bearing instruments purchased with original maturities of three months or less at date of purchase to be cash equivalents.

**UNITED METHODIST COMMUNICATIONS OF
THE UNITED METHODIST CHURCH AND SUBSIDIARIES**
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023

Note 2—Summary of significant accounting policies (continued)

Investments – Investments consist of shares invested in Wespath Benefits and Investments (“Wespath”) Multiple Asset Fund.

UMCom’s investments are presented at net asset value (“NAV”), which approximates the estimated fair value of UMCom’s share of respective investment pools. Interest and dividend income and realized and unrealized gains or losses are calculated on a pro rata basis for UMCom’s portion of the investment pools.

Investments are carried at fair value based on quoted market prices or audited financial statements of the investee. Purchases and sales of investments are recorded on the trade date.

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

Distributions of the investment return on the CBP are characterized as interest income and are based on GCFA’s policy in the following steps:

1. The net pool return for the month to be paid by GCFA to the beneficiary agencies is the 1-month U.S. Treasury Bill Rate prevailing as of the 3 p.m. close of the first business day of the month plus a spread between 35 to 50 basis points. GCFA can modify the spread at its discretion, in which case the CBP beneficiaries will be notified of the new spread prior to the end of the prior month. This spread can be either an addition or subtraction from the 1-month U.S. Treasury Bill Rate. In months when the return of the CBP is less than 50 basis points, the payout to the CBP beneficiaries will be set at 50 basis points. In months when the return of the CBP is more than 50 basis points, the payout to the CBP Beneficiaries shall not exceed the return of the CBP.
2. The net pool return will be earned on all monies deposited up to the individual agency limit of 1.5 times the average cash pool balance for the previous two years. Above this limit, the agency will earn a net portfolio return of 1-month U.S. Treasury Bill Rate minus 15 basis points.

GCFA allocates interest earned to the agencies invested monthly. For the years ended December 31, 2024 and 2023, GCFA allocated (\$15,688) and \$10,322 of interest income, respectively. The overall return for the Cash Balance Pool for the years ended December 31, 2024 and 2023 was 4.42% and 3.83%, respectively. The overall rate of return for each agency will fluctuate based on balances throughout the year and the prevailing U.S. Treasury Bill Rates during over time.

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

**UNITED METHODIST COMMUNICATIONS OF
THE UNITED METHODIST CHURCH AND SUBSIDIARIES**
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023

Note 2—Summary of significant accounting policies (continued)

The allocation of funds in CBP as of December 31, 2024 and 2023 were as follows:

	2024	2023
Texas Methodist Foundation loan fund	15.3%	14.4%
Mutual funds	33.0%	35.4%
Short-term collateralized loan fund	0.4%	0.2%
Fixed income	4.4%	5.5%
Corporate bonds	43.6%	42.2%
Cash	3.3%	2.3%
	<u>100.0%</u>	<u>100.0%</u>

General Church Fund Allocation – Funding for UMC's operations is principally provided by allocations of World Service Fund and Connectional Giving Interpretation received from the General Funds of the UMC. At December 31, 2024 and 2023, accrued allocations from the World Service Fund were \$3,148,773 and \$3,623,495, respectively. The General Funds of UMC are allocated to UMC based on a four-year budget developed from projections of expected program costs. The allocation accounts for 74% and 76% of UMC's total operating revenue, excluding investment returns, in 2024 and 2023, respectively. UMC's continued existence is dependent upon UMC's future support. UMC's future support is dependent upon contributions from its congregations (i.e., congregational participation in the apportionment covenant).

Services Received from Personnel of an Affiliate – Services received from personnel of an affiliate for which the affiliate does not charge UMC have been measured at the cost recognized by the affiliate in providing those services. The revenue and expenses relating to those services received totaled \$36,225 and \$40,977 for the years ended December 31, 2024 and 2023, respectively.

Accounts Receivable – Trade accounts receivable are recorded at the invoiced amount and is stated at cost less an allowance for credit losses. Management's determination of the allowance for credit losses is based on an evaluation of historical levels of credit losses, current economic conditions, other risks inherent in the accounts receivable portfolio, and reasonable and supportable forecasts. These inputs are used to determine a range of expected credit losses and an allowance is recorded within the range. Accounts receivable are written off when there is no reasonable expectation of recovery. Management has determined that an allowance for credit losses is not necessary at December 31, 2024 or 2023.

Inventory – Inventory consists of printed and promotional materials and is stated at the lower of cost (first-in, first-out) or net realizable value.

Productions in Process – Costs related to productions that are in process are capitalized and expensed when revenue is recognized. Productions produced under contract, principally for other agencies of UMC, are accounted for by the completed contract method.

Property and Equipment – Property and equipment is recorded at cost, less accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets. Building and improvements are depreciated over 40 years, production equipment over 3 to 5 years, office equipment over 3 to 10 years, and computer equipment over 3 to 5 years. UMC capitalizes assets with a cost greater than \$5,000.

Deferred Income – Deferred income is recorded for advertisements and specific services for which payment is received in advance of delivery of the related products.

**UNITED METHODIST COMMUNICATIONS OF
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023

Note 2—Summary of significant accounting policies (continued)

Financial Instruments – Assets recorded at fair value in the consolidated statements of financial position are categorized based on the level of judgment used in the measurement of their fair value. These judgment levels, as defined by Financial Accounting Standards Board (“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.

Federal Income Tax Exemption – UMCom is covered under GCFA's group determination letter from the Internal Revenue Service indicating it is a nonprofit corporation and, except for taxes pertaining to unrelated business income, is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code (“IRC”). UMCom 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.

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

Revenue Recognition – UMCom recognizes revenue when products are shipped and the customer takes ownership and assumes risk of loss, collection of the relevant receivable is probable, persuasive evidence of an arrangement exists, and the sales price is fixed or determinable.

Functional Classification of Expenses – The costs of providing the various programs and other activities of UMCom have been summarized on a functional basis in the consolidated statements of activities. The consolidated statements of functional expenses present the natural classification detail of expenses by function. Direct identifiable expenses are charged to programs and supporting services. UMCom program expenses cover program ministries of UMCom, including media purchases, administrative, creative, and development functions. Media purchases emphasizing the UMC brand are funded by World Service Fund. Connectional Giving Interpretation provides resources to promote and interpret general church funds. Kingswood is a subsidiary of United Methodist Communications allowing UMCom to do business with non-UMC entities to generate revenue.

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Note 3—Liquidity and availability of resources

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

	2024	2023
Financial assets at year-end:		
Cash and cash equivalents	\$ -	\$ 27,362
Investments	36,902,032	42,433,955
Due from General Board of Global Ministries of The United Methodist Church, Inc.	3,062,518	-
Accrued World Service Fund allocation	3,148,773	3,623,495
Accounts receivable	332,278	312,244
Total financial assets	<u>43,445,601</u>	<u>46,397,056</u>
Less amounts not available to be used for general expenditures within one year:		
Board designated	9,449,062	9,191,320
Due to GCFA	-	291,613
Donor restricted for specific purposes	5,492,783	7,209,373
Funds held in perpetuity and accumulated earnings on endowment	543,509	508,076
Financial assets not available to be used within one year	<u>15,485,354</u>	<u>17,200,382</u>
Financial assets available to meet general expenditures within one year	<u>\$ 27,960,247</u>	<u>\$ 29,196,674</u>

UMCom 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 UMCom's liquidity management plan, it structures its financial assets to be available as its obligations come due. Cash in excess of daily requirements are invested in GCFA's Cash Balance Pool. This fund established by UMCom may be drawn upon, if necessary, to meet unexpected liquidity needs.

UMCom has certain assets limited to use for donor-restricted purposes. Additionally, board-designated assets are designated for future operating, and capital expenditures. These assets limited to use, which are more fully described in Notes 11 and 12 are not available for general expenditure within the next year. However, the board-designated amounts could be made available, if necessary.

Note 4—Accounts receivable

Accounts receivable at December 31 consist of the following:

	2024	2023
Accounts receivables	\$ 332,278	\$ 312,244
Less allowance for credit losses	-	-
	<u>\$ 332,278</u>	<u>\$ 312,244</u>

Based on an evaluation of historical levels of credit losses, current economic conditions, other risks inherent in the accounts receivable portfolio, and reasonable and supportable forecasts, management has determined an allowance for credit losses is not necessary at December 31, 2024 or 2023.

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Note 5—Property and equipment

Property and equipment at December 31 consist of the following:

	2024	2023
Land	\$ 198,651	\$ 198,651
Building	4,248,463	3,998,482
Production equipment	2,647,461	2,514,461
Equipment	1,536,531	1,518,698
Computer equipment	1,307,874	1,549,849
Computer software	2,599,265	1,599,966
	<u>12,538,245</u>	<u>11,380,107</u>
Less accumulated depreciation	<u>(9,651,554)</u>	<u>(9,690,308)</u>
Total property and equipment, net	<u><u>\$ 2,886,691</u></u>	<u><u>\$ 1,689,799</u></u>

Depreciation expense totaled \$270,731 and \$140,493 in 2024 and 2023, respectively.

Note 6—Investments

Investments consist of the following at December 31:

	2024		2023	
	Fair Value	Cost	Fair Value	Cost
Multiple Asset Fund - I Series (Wespath)	\$ 13,732,750	\$ 8,980,161	\$ 12,779,433	\$ 8,980,161
International Equity Fund - I Series (Wespath)	7,558,904	6,998,137	10,688,530	10,104,452
U.S. Equity Fund - I Series (Wespath)	13,506,063	8,553,278	16,644,875	12,349,886
Short Term Investment fund	2,104,314	2,049,090	2,321,117	2,297,584
	<u><u>\$ 36,902,032</u></u>	<u><u>\$ 26,580,666</u></u>	<u><u>\$ 42,433,955</u></u>	<u><u>\$ 33,732,083</u></u>

The following is a summary of the primary funds of which UMCom's pooled investments are invested:

Multiple Asset Fund I Series (Wespath) – The investments in Wespath's Multiple Asset Fund are a composite of cash equivalent securities (0.3%), U.S. equity funds (34.2%), fixed income funds (24.9%), inflation protection funds (10.0%), alternative investments (0.1%), and international equity funds (30.6%).

International Equity Fund I Series (Wespath) – A broadly diversified portfolio of foreign equities. The fund holds real estate investment trusts ("REIT") and interests in private real estate and private equity partnerships located in foreign countries.

U.S. Equity Fund I Series (Wespath) – A broadly diversified portfolio of primarily U.S. stocks. Holds securities of publicly traded U.S. based REITs, limited partnership interests in private U.S. real estate, and other private investments of U.S. companies and equity index futures of U.S. stock indexes.

Short Term Investment Fund (Wespath) – The investments in Wespath's Investment Fund which holds primarily short-term fixed income instruments including U.S. government bonds, agency bonds, corporate bonds, and other similar types of investments.

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DECEMBER 31, 2024 AND 2023

Note 6—Investments (continued)

Return on investments for the years ended December 31 were as follows:

	2024	2023
Interest and dividends	\$ 1,024,242	\$ 610,865
Gains on investments:		
Realized gains on sales of investments	2,001,381	887,500
Unrealized gains on investments	1,090,873	5,400,470
Net gains on investments	3,092,254	6,287,970
Less investment management expenses	(248,420)	(262,046)
Investment return, net	<u>\$ 3,868,076</u>	<u>\$ 6,636,789</u>

All investments may be redeemed without advance notice and there are no limitations as to the frequency of redemptions for any investment pool. UCom has no unfunded commitments to invest in any investment pool.

Note 7—Fair value of financial instruments

Required disclosures concerning the estimated fair value of financial instruments are presented below. The estimated fair value amounts have been determined based on UCom's assessment of available market information and appropriate valuation methodologies. The following table summarizes required fair value disclosures and measurements at December 31, 2024 and 2023 for assets measured at fair value on a recurring basis under ASC 820, *Fair Value Measurements and Disclosures*. The assets measured at fair value in the table below use one of three levels for defining their fair value:

		Fair Value Measurements at Reporting Date		
		Quoted Prices in Active Markets for Identical Assets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable at Fair Value Level 3
December 31, 2024	Total Assets Measured at Fair Value			
Investments:				
Investments reported at NAV:				
Wespath*	\$ 36,902,032			
Total investments	<u>\$ 36,902,032</u>			
December 31, 2023				
Investments:				
Investments reported at NAV:				
Wespath*	\$ 42,433,955			
Total investments	<u>\$ 42,433,955</u>			

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

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Note 8—Connectional giving interpretation revenue

General church funds received from the Connectional Giving Interpretation have the following purpose restrictions for the years ended December 31:

	2024	2023
World Service	\$ 318,468	\$ 352,572
General Advance Specials	297,504	297,504
Human Relations Day	51,996	51,996
One Great Hour of Sharing	104,004	104,004
World Communion Day	62,004	62,004
United Methodist Student Day	47,004	47,004
Peace with Justice	47,004	47,004
Native American Ministries	39,000	39,000
	<u>\$ 966,984</u>	<u>\$ 1,001,088</u>

Note 9—Employee benefits

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

UMCom makes bi-weekly contributions to each eligible employee's account held by Wespath based on 8% of annual employee compensation. Additionally, UMCom matches up to 2% of each employee's compensation to their United Methodist Personal Investment Plan (UMPIP). Total contributions made by UMCom and Kingswood for both components during 2024 and 2023 were \$799,104 and \$775,393, respectively.

Health, Life, and Other Employee Benefits – UMCom provides health, dental, life, and other employee benefits for its active employees and health, dental, and life benefits to retirees through a group plan, which qualifies for treatment as a multiemployer plan under ASC 715, *Compensation – Retirement Benefits*. Substantially all retired employees are eligible to participate in The General Agencies of The United Methodist Church Benefit Plan (the "Plan") if they have attained normal retirement age while in the employ of UMCom.

The Plan provides medical, dental, life, and long- and short-term disability defined benefits to participants of the general agencies, two other United Methodist related organizations, and all Bishops covered by the Episcopal Fund.

The Plan's unfunded accumulated postretirement benefit obligation was approximately \$26,250,000 and \$26,626,000 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.

The cost of the benefits is recognized as expense as premiums are paid. The total cost of benefits for active employees was \$1,046,749 and \$1,038,959 in 2024 and 2023, respectively. The cost of benefits for retired employees was \$208,186 and \$258,419 in 2024 and 2023, respectively, exclusive of reimbursement from the Benefit Trust.

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Note 9—Employee benefits (continued)

Wespath has transferred certain excess pension assets to the General Agency Benefit Trust ("Benefit Trust") established by the 1996 General Conference. Annually, the Benefit Trust allows a stated percentage, not to exceed 6% for 2024 and 2023 of the fair value of the Benefit Trust's 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 retired employee benefits. In December of 2022, the Benefit Trust agreement was amended to increase the annual distribution rate to a percentage not to exceed 8% beginning with Benefit Trust distributions on or after January of 2023. Subsequent to year-end, in May of 2023, the agreement was amended to change the fair value measurement date from December 31st of the prior year to June 30th of the previous year starting on June 1, 2024. The fair value of the Benefit Trust's assets (not plan assets) for which GCFA is the beneficiary was approximately \$154,822,000 and \$156,194,000 as of December 31, 2024 and 2023, respectively. The total amount available for reimbursement in 2024 and 2023 was \$11,947,000 and \$11,887,000, respectively, of which UMC's share, excluding retiree health benefits, was \$2,095,750 and \$2,099,877 received in 2024 and 2023, respectively.

Note 10—Related party transactions

UMCom receives the majority of its revenue through apportionments from the General Funds of UMC, which are administered by GCFA. In addition, GCFA provides various services to UMC, including cash management, payroll, and group insurance plan administration. As of and for the years ended December 31, 2024 and 2023, UMC had the following transactions with and through GCFA and other related agencies:

	2024	2023
Statements of Financial Position:		
Invested in GCFA CBP	\$ 3,062,518	\$ (291,613)
Investments	36,902,032	42,433,955
Accrued World Service Fund Allocation	3,148,773	3,623,495
Accounts receivable, net from other United Methodist Agencies	49,296	36,700
Statements of Activities:		
Revenue:		
Allocation of World Service Fund	10,865,648	12,463,359
Revenue restricted for Connectional Giving Interpretation	966,984	1,001,088
Gross program revenue	166,892	144,283
Services provided to other agencies	107,730	-
Reimbursement from General Agency Benefit Trust	2,095,750	2,099,877
Services received from GCFA	36,225	40,977
Investment return, net	3,868,076	6,636,789
Expenses:		
Services provided to:		
Administration provided by GCFA	36,225	40,977
Group insurance expense	1,254,935	1,297,378

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DECEMBER 31, 2024 AND 2023

Note 11—Board-designated net assets

Certain net assets without donor restrictions at December 31 have been designated by the General Commission for the following purposes:

	2024	2023
Property improvements	\$ 1,434,778	\$ 1,746,034
General Church Communications Ministry	6,385,771	5,816,773
Foundation	1,628,513	1,628,513
Total board-designated net assets	<u>\$ 9,449,062</u>	<u>\$ 9,191,320</u>

From time to time, the General Commission may designate other net assets without donor restrictions for specific purposes.

The Property improvements reserve funds are designated for the maintenance and enhancement of existing and future facilities and property.

The General Church Communications Ministry reserve funds are designated for communications projects in partnership with United Methodist agencies and other General Church organizations' communications directives, communications staffing stipends for smaller agencies, communications campaigns for the denomination following upcoming General Conferences, and a communications summit that are not covered in the operational budget.

The UCom Foundation designated funds are designated for future initiatives approved by UCom for projects related to the improvement of communications with the church.

Note 12—Net assets with donor restrictions

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

	2024	2023
Subject to purpose restriction:		
Promotion	\$ 760,806	\$ 1,190,661
Communication	4,601,339	5,901,339
Children's TV Campaign	130,638	117,373
Total subject to purpose restriction	<u>5,492,783</u>	<u>7,209,373</u>
Endowments:		
Accumulated earnings on UCom's endowment fund	250,480	242,541
UCom endowment fund held in perpetuity	293,029	265,535
Total held in perpetuity	<u>543,509</u>	<u>508,076</u>
Total net assets with donor restrictions	<u>\$ 6,036,292</u>	<u>\$ 7,717,449</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. Total net assets released from restrictions were \$2,696,839 and \$2,618,428 for the years ended December 31, 2024 and 2023, respectively.

**UNITED METHODIST COMMUNICATIONS OF
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DECEMBER 31, 2024 AND 2023

Note 13—Endowments

UMCom's endowment consists of individual funds established for a variety of purposes and is comprised of only donor-restricted endowment funds.

UMCom 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, UMCom 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 UMCom in a manner consistent with the standard of prudence prescribed by UPMIFA.

In accordance with applicable state laws, UMCom 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 UMCom
- The investment policies of UMCom

As of December 31, 2024, UMCom had the following endowment net asset composition by type of fund:

	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	\$ -	\$ 293,029	\$ 293,029
Accumulated investment gains	-	250,480	250,480
Endowment net assets, December 31, 2024	<u>\$ -</u>	<u>\$ 543,509</u>	<u>\$ 543,509</u>

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

	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	\$ -	\$ 265,535	\$ 265,535
Accumulated investment gains	-	242,541	242,541
Endowment net assets, December 31, 2023	<u>\$ -</u>	<u>\$ 508,076</u>	<u>\$ 508,076</u>

**UNITED METHODIST COMMUNICATIONS OF
THE UNITED METHODIST CHURCH AND SUBSIDIARIES**
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023

Note 13—Endowments (continued)

From time to time, certain donor-restricted endowment funds may have fair values less than the amount required to be maintained by donors or by law (underwater endowments). UMCCom has interpreted UPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law. At December 31, 2024 and 2023, UMCCom had no underwater endowments.

Investment and Spending Policies – UMCCom has not formally adopted an investment spending policy for their endowments.

Return Objectives and Risk Parameters – UMCCom 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 UMCCom must hold in perpetuity or for a donor-specified period(s). Under this policy, as approved by The General Commission on Communication, 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. UMCCom 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, UMCCom 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). UMCCom targets a diversified asset allocation that places a greater emphasis on corporate bonds and equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Changes in endowment net assets for the years ended December 31 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, December 31, 2022	\$ -	\$ 457,930	\$ 457,930
Investment return, net	-	50,146	50,146
Endowment net assets, December 31, 2023	-	508,076	508,076
Investment return, net	-	35,433	35,433
Endowment net assets, December 31, 2024	\$ -	\$ 543,509	\$ 543,509

UMCCom did not appropriate endowment assets for the years ended December 31, 2024 and 2023.

Note 14—Subsequent events

Management has evaluated subsequent events through August 4, 2025, the date the consolidated financial statements were available for issuance and has determined that there are no subsequent events requiring disclosure.

SUPPLEMENTARY INFORMATION

**UNITED METHODIST COMMUNICATIONS OF
THE UNITED METHODIST CHURCH AND SUBSIDIARIES**
CONSOLIDATING SCHEDULE OF FINANCIAL POSITION

SCHEDULE 1

DECEMBER 31, 2024

	UMCOM	UMCOM Foundation	Kingswood	Eliminating Entries	2024 Total
ASSETS					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	23,169,282	13,732,750	-	-	36,902,032
Intercompany due to/from	3,718,499	(2,538,638)	(1,179,861)	-	-
Due from GCFA	1,435,853	1,135,415	491,250	-	3,062,518
Accrued World Service Fund allocation	3,148,773	-	-	-	3,148,773
Accounts receivable, net	312,032	-	20,246	-	332,278
Inventory	2,108	-	-	-	2,108
Prepaid expenses	649,171	-	-	-	649,171
Property and equipment, net	2,886,691	-	-	-	2,886,691
Total Assets	\$ 35,322,409	\$ 12,329,527	\$ (668,366)	\$ -	\$ 46,983,570
LIABILITIES AND NET ASSETS					
Liabilities:					
Accounts payable and accrued liabilities	\$ 3,333,126	\$ 5,000	\$ 172	\$ -	\$ 3,338,298
Deferred income	50,215	-	-	-	50,215
Due to GCFA	-	-	-	-	-
Total Liabilities	3,383,341	5,000	172	-	3,388,513
Net Assets:					
Without Donor Restrictions:					
Invested in property and equipment	2,886,691	-	-	-	2,886,691
Board designated	7,820,549	1,628,513	-	-	9,449,062
Undesignated	19,816,123	6,075,427	(668,538)	-	25,223,012
Total Without Donor Restrictions	30,523,363	7,703,940	(668,538)	-	37,558,765
With Donor Restrictions:					
Subject to purpose restrictions	891,444	4,601,339	-	-	5,492,783
Endowments	524,261	19,248	-	-	543,509
Total With Donor Restrictions	1,415,705	4,620,587	-	-	6,036,292
Total Net Assets	31,939,068	12,324,527	(668,538)	-	43,595,057
Total Liabilities and Net Assets	\$ 35,322,409	\$ 12,329,527	\$ (668,366)	\$ -	\$ 46,983,570

See Report of Independent Auditor.

**UNITED METHODIST COMMUNICATIONS OF
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CONSOLIDATING SCHEDULE OF ACTIVITIES

SCHEDULE 2

YEAR ENDED DECEMBER 31, 2024

	UMCOM	UMCOM Foundation	Kingswood	Eliminating Entries	2024 Total
Operating Activities Without Donor Restrictions:					
General Church Funds:					
Allocation of World Service Fund	\$ 10,865,648	\$ -	\$ -	\$ -	\$ 10,865,648
Net program revenue	467,880	-	-	-	467,880
Reimbursement from Benefit Trust	2,095,750	-	-	-	2,095,750
Services received from GCFA	36,225	-	-	-	36,225
Investment return from GCFA short-term pooled investment fund	(15,688)	-	-	-	(15,688)
Contributions	-	70,181	-	-	70,181
Grant Income	1,300,000	-	-	(1,300,000)	-
Other income	161,639	-	-	(84,000)	77,639
Production rental and services	-	-	44,019	-	44,019
Net assets released from restrictions	1,396,567	1,300,272	-	-	2,696,839
Total expenses	<u>(20,882,221)</u>	<u>(1,479,824)</u>	<u>(210,306)</u>	<u>1,384,000</u>	<u>(21,188,351)</u>
Change in Net Assets Without Donor Restrictions	<u>(4,574,200)</u>	<u>(109,371)</u>	<u>(166,287)</u>	<u>-</u>	<u>(4,849,858)</u>
Operating Activities With Donor Restrictions:					
Connectional Giving Interpretation	966,984	-	-	-	966,984
Net assets released from restriction	<u>(1,396,567)</u>	<u>(1,300,272)</u>	<u>-</u>	<u>-</u>	<u>(2,696,839)</u>
Change in Net Assets With Donor Restrictions	<u>(429,583)</u>	<u>(1,300,272)</u>	<u>-</u>	<u>-</u>	<u>(1,729,855)</u>
Nonoperating Items:					
Investment return, net (without donor restrictions)	2,866,334	953,044	-	-	3,819,378
Investment return, net (with donor restrictions)	<u>48,426</u>	<u>272</u>	<u>-</u>	<u>-</u>	<u>48,698</u>
Total Nonoperating Items	2,914,760	953,316	-	-	3,868,076
Change in net assets	(2,089,023)	(456,327)	(166,287)	-	(2,711,637)
Net assets, beginning of year	<u>34,028,091</u>	<u>12,780,853</u>	<u>(502,250)</u>	<u>-</u>	<u>46,306,694</u>
Net assets, end of year	<u>\$ 31,939,068</u>	<u>\$ 12,324,527</u>	<u>\$ (668,538)</u>	<u>\$ -</u>	<u>\$ 43,595,057</u>

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**UNITED METHODIST COMMUNICATIONS OF
THE UNITED METHODIST CHURCH AND SUBSIDIARIES
CONSOLIDATING SCHEDULE OF FINANCIAL POSITION**

SCHEDULE 3

DECEMBER 31, 2023

	UMCOM	UMCOM Foundation	Kingswood	Consolidating Entries	2023 Total
ASSETS					
Cash and cash equivalents	\$ 27,362	\$ -	\$ -	\$ -	\$ 27,362
Investments	29,654,522	12,779,433	-	-	42,433,955
Due from GCFA	-	1,064,223	425,847	(1,490,070)	-
Intercompany due to/from	1,990,738	(1,062,803)	(927,935)	-	-
Accrued World Service Fund allocation	3,623,495	-	-	-	3,623,495
Accounts receivable, net	312,244	-	-	-	312,244
Inventory	887	-	-	-	887
Prepaid expenses	656,585	-	-	-	656,585
Property and equipment, net	1,689,799	-	-	-	1,689,799
Total Assets	\$ 37,955,632	\$ 12,780,853	\$ (502,088)	\$ (1,490,070)	\$ 48,744,327
LIABILITIES AND NET ASSETS					
Liabilities:					
Accounts payable and accrued liabilities	\$ 2,103,207	\$ -	\$ 162	\$ -	\$ 2,103,369
Deferred income	42,651	-	-	-	42,651
Due to GCFA CBP	1,781,683	-	-	(1,490,070)	291,613
Total Liabilities	3,927,541	-	162	(1,490,070)	2,437,633
Net Assets:					
Without Donor Restrictions:					
Invested in property and equipment	1,689,799	-	-	-	1,689,799
Board designated	7,562,807	1,628,513	-	-	9,191,320
Undesignated	22,978,351	5,232,025	(502,250)	-	27,708,126
Total Without Donor Restrictions	32,230,957	6,860,538	(502,250)	-	38,589,245
With Donor Restrictions:					
Subject to purpose restrictions	1,308,034	5,901,339	-	-	7,209,373
Endowments	489,100	18,976	-	-	508,076
Total With Donor Restrictions	1,797,134	5,920,315	-	-	7,717,449
Total Net Assets	34,028,091	12,780,853	(502,250)	-	46,306,694
Total Liabilities and Net Assets	\$ 37,955,632	\$ 12,780,853	\$ (502,088)	\$ (1,490,070)	\$ 48,744,327

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**UNITED METHODIST COMMUNICATIONS OF
THE UNITED METHODIST CHURCH AND SUBSIDIARIES
CONSOLIDATING SCHEDULE OF ACTIVITIES**

SCHEDULE 4

YEAR ENDED DECEMBER 31, 2023

	UMCOM	UMCOM Foundation	Kingswood	Consolidating Entries	2023 Total
Operating Activities Without Donor Restrictions:					
General Church Funds:					
Allocation of World Service Fund	\$ 12,463,359	\$ -	\$ -	\$ -	\$ 12,463,359
Net program revenue	465,436	-	-	-	465,436
Reimbursement from Benefit Trust	2,099,877	-	-	-	2,099,877
Services received from GCFA	40,977	-	-	-	40,977
Investment return from GCFA CBP	10,322	-	-	-	10,322
Contributions and Grants	-	15,917	-	-	15,917
Grant income	1,300,000	-	-	(1,300,000)	-
Other income	232,709	-	-	(84,000)	148,709
Employee Retention Credit	-	-	-	-	-
Production rental and services	-	-	141,170	-	141,170
Net assets released from restrictions	1,318,428	1,300,000	-	-	2,618,428
Total expenses	<u>(21,978,574)</u>	<u>(1,387,903)</u>	<u>(210,306)</u>	<u>1,384,000</u>	<u>(22,192,783)</u>
Change in Net Assets Without Donor Restrictions	<u>(4,047,466)</u>	<u>(71,986)</u>	<u>(69,136)</u>	<u>-</u>	<u>(4,188,588)</u>
Operating Activities With Donor Restrictions:					
Connectional Giving Interpretation	1,001,088	-	-	-	1,001,088
Net assets released from restriction	<u>(1,318,428)</u>	<u>(1,300,000)</u>	<u>-</u>	<u>-</u>	<u>(2,618,428)</u>
Change in Net Assets With Donor Restrictions	<u>(317,340)</u>	<u>(1,300,000)</u>	<u>-</u>	<u>-</u>	<u>(1,617,340)</u>
Nonoperating Items:					
Without Donor Restrictions:					
Investment return, net	<u>4,833,409</u>	<u>1,803,380</u>	<u>-</u>	<u>-</u>	<u>6,636,789</u>
Change in net assets	468,603	431,394	(69,136)	-	830,861
Net assets, beginning of year	<u>33,559,488</u>	<u>12,349,459</u>	<u>(433,114)</u>	<u>-</u>	<u>45,475,833</u>
Net assets, end of year	<u>\$ 34,028,091</u>	<u>\$ 12,780,853</u>	<u>\$ (502,250)</u>	<u>\$ -</u>	<u>\$ 46,306,694</u>

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**UNITED METHODIST COMMUNICATIONS OF
THE UNITED METHODIST CHURCH AND SUBSIDIARIES**
SCHEDULES OF PROGRAM REVENUE AND COST OF GOODS SOLD

SCHEDULE 5

YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024		
	Program Revenue	Costs of Goods Sold	Net Program Revenue
Contract productions	\$ 134,326	\$ (65,994)	\$ 68,332
Software and technology sales	110,982	(33,189)	77,793
Online advertisements	351,517	(33,429)	318,088
Training	3,667	-	3,667
	<u>\$ 600,492</u>	<u>\$ (132,612)</u>	<u>\$ 467,880</u>
	2023		
	Program Revenue	Costs of Goods Sold	Net Program Revenue
Contract productions	\$ 117,946	\$ (87,847)	\$ 30,099
Software and technology sales	117,519	(22,222)	95,297
Online advertisements	349,343	(44,487)	304,856
Training	35,184	-	35,184
	<u>\$ 619,992</u>	<u>\$ (154,556)</u>	<u>\$ 465,436</u>

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