

**FIRST UNITED METHODIST CHURCH  
OF FORT WORTH**

Fort Worth, Texas

Consolidated Financial Statements

Years Ended December 31, 2023 and 2022

# FIRST UNITED METHODIST CHURCH OF FORT WORTH

Consolidated Financial Statements  
Years Ended December 31, 2023 and 2022

## TABLE OF CONTENTS

	<u>Page</u>
Independent Auditors' Report	3 - 4
Consolidated Financial Statements:	
Consolidated Statements of Financial Position	5
Consolidated Statements of Activities	6 - 7
Consolidated Statements of Functional Expenses	8 - 9
Consolidated Statements of Cash Flows	10
Notes to Consolidated Financial Statements	11 - 17
Supplemental Information:	
Consolidating Financial Statements	19 - 22



## INDEPENDENT AUDITORS' REPORT

To the Finance and Audit Committees  
First United Methodist Church of Fort Worth  
Fort Worth, Texas

### ***Opinion***

We have audited the accompanying consolidated financial statements of First United Methodist Church of Fort Worth (the "Church"), which comprise the consolidated statements of financial position as of December 31, 2023 and 2022, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of First United Methodist Church of Fort Worth as of December 31, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Basis for Opinion***

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

### ***Management's Responsibilities for the Financial Statements***

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

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

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

### *Auditors' Responsibilities for the Audit of the Financial Statements (continued)*

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

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

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

### *Supplementary Information*

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information on pages 19 - 22 is 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 audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

*PSK LLP*

Arlington, Texas  
July 31, 2024

**FIRST UNITED METHODIST CHURCH OF FORT WORTH**

## Consolidated Statements of Financial Position

December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
ASSETS		
Cash	\$ 4,955,631	\$ 6,495,931
Accounts receivable	3,120	1,698
Prepaid expenses	80,870	89,622
Property and equipment, net	30,851,051	30,820,680
Investments	101,230	98,410
Beneficial interest in charitable trusts	<u>1,214,491</u>	<u>1,085,055</u>
Total assets	<u>\$ 37,206,393</u>	<u>\$ 38,591,396</u>
LIABILITIES AND NET ASSETS		
Accounts payable and accrued expenses	\$ 363,267	\$ 256,022
Construction and retainage payable	-	135,966
Funds held for others	76,058	77,248
Deferred income	69,071	88,283
Note payable	<u>-</u>	<u>2,200,935</u>
Total liabilities	<u>508,396</u>	<u>2,758,454</u>
Net assets		
Without donor restrictions	33,850,417	32,862,772
With donor restrictions	<u>2,847,580</u>	<u>2,970,170</u>
Total net assets	<u>36,697,997</u>	<u>35,832,942</u>
Total liabilities and net assets	<u>\$ 37,206,393</u>	<u>\$ 38,591,396</u>

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

**FIRST UNITED METHODIST CHURCH OF FORT WORTH**

## Consolidated Statement of Activities

Year Ended December 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and other support:			
Contributions	\$ 6,217,200	\$ 2,044,472	\$ 8,261,672
Program fees	1,356,878	-	1,356,878
In-kind contributions	-	225,646	225,646
Net investment returns	-	145,656	145,656
Other revenue	376,419	100	376,519
Net assets released from restrictions	<u>2,538,464</u>	<u>(2,538,464)</u>	<u>-</u>
 Total revenues and other support	 <u>10,488,961</u>	 <u>(122,590)</u>	 <u>10,366,371</u>
Expenses:			
Program services	7,316,917	-	7,316,917
Supporting services	<u>2,184,399</u>	<u>-</u>	<u>2,184,399</u>
 Total expenses	 <u>9,501,316</u>	 <u>-</u>	 <u>9,501,316</u>
 Change in net assets	 987,645	 (122,590)	 865,055
Net assets at beginning of year	<u>32,862,772</u>	<u>2,970,170</u>	<u>35,832,942</u>
Net assets at end of year	<u>\$ 33,850,417</u>	<u>\$ 2,847,580</u>	<u>\$ 36,697,997</u>

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

**FIRST UNITED METHODIST CHURCH OF FORT WORTH**

## Consolidated Statement of Activities

Year Ended December 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and other support:			
Contributions	\$ 6,171,885	\$ 3,316,194	\$ 9,488,079
Program fees	1,538,677	-	1,538,677
In-kind contributions	-	173,282	173,282
Net investment returns	-	(320,384)	(320,384)
Other revenue	363,585	100	363,685
Net assets released from restrictions	<u>3,540,919</u>	<u>(3,540,919)</u>	<u>-</u>
Total revenues and other support	<u>11,615,066</u>	<u>(371,727)</u>	<u>11,243,339</u>
Expenses:			
Program services	6,868,848	-	6,868,848
Supporting services	<u>1,842,036</u>	<u>-</u>	<u>1,842,036</u>
Total expenses	<u>8,710,884</u>	<u>-</u>	<u>8,710,884</u>
Change in net assets	2,904,182	(371,727)	2,532,455
Net assets at beginning of year	<u>29,958,590</u>	<u>3,341,897</u>	<u>33,300,487</u>
Net assets at end of year	<u>\$ 32,862,772</u>	<u>\$ 2,970,170</u>	<u>\$ 35,832,942</u>

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

**FIRST UNITED METHODIST CHURCH OF FORT WORTH**

## Consolidated Statement of Functional Expenses

Year Ended December 31, 2023

	Program Services	Supporting Services	Total
Personnel costs	\$ 4,295,512	\$ 825,760	\$ 5,121,272
Support for others	1,223,293	-	1,223,293
Meals, travel, and lodging	168,072	6,325	174,397
Supplies and resources	337,289	35,313	372,602
Media and technology	66,360	141,617	207,977
Risk management	-	307,608	307,608
Fees for services	414,649	97,720	512,369
Facilities	61,079	637,586	698,665
Depreciation	750,663	132,470	883,133
	<u>\$ 7,316,917</u>	<u>\$ 2,184,399</u>	<u>\$ 9,501,316</u>

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

**FIRST UNITED METHODIST CHURCH OF FORT WORTH**

## Consolidated Statement of Functional Expenses

Year Ended December 31, 2022

	Program Services	Supporting Services	Total
Personnel costs	\$ 4,020,168	\$ 764,685	\$ 4,784,853
Support for others	1,221,286	-	1,221,286
Meals, travel, and lodging	161,234	12,671	173,905
Supplies and resources	325,629	29,183	354,812
Media and technology	58,245	131,530	189,775
Risk management	-	244,373	244,373
Fees for services	432,274	89,704	521,978
Facilities	55,529	464,981	520,510
Depreciation	594,483	104,909	699,392
	<u>\$ 6,868,848</u>	<u>\$ 1,842,036</u>	<u>\$ 8,710,884</u>

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

**FIRST UNITED METHODIST CHURCH OF FORT WORTH**

Consolidated Statements of Cash Flows  
 Years Ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Cash flows from operating activities:		
Change in net assets	\$ 865,055	\$ 2,532,455
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	883,133	699,392
Noncash compensation	-	19,731
Net investment loss (income)	(145,656)	320,384
Contributions restricted for building and improvements	(871,673)	(2,219,721)
(Increase) decrease in assets:		
Accounts receivable	(1,422)	(794)
Prepaid expenses	8,752	(33,470)
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	107,245	62,501
Funds held for others	(1,190)	11,619
Deferred income	(19,212)	841
Net cash provided by operating activities	<u>825,032</u>	<u>1,392,938</u>
Cash flows from investing activities:		
Proceeds from sale of investments	13,400	-
Purchases of property and equipment	<u>(1,049,470)</u>	<u>(5,491,565)</u>
Net cash used in investing activities	<u>(1,036,070)</u>	<u>(5,491,565)</u>
Cash flows from financing activities:		
Advances on note payable	136,608	3,220,935
Payments on note payable	(2,337,543)	(1,020,000)
Contributions restricted for building and improvements	<u>871,673</u>	<u>2,219,721</u>
Net cash provided by (used in) financing activities	<u>(1,329,262)</u>	<u>4,420,656</u>
Change in cash	(1,540,300)	322,029
Cash at beginning of year	<u>6,495,931</u>	<u>6,173,902</u>
Cash at end of year	<u>\$ 4,955,631</u>	<u>\$ 6,495,931</u>
Supplemental disclosure:		
Cash paid for interest and capitalized	<u>\$ 70,787</u>	<u>\$ 77,797</u>

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

**FIRST UNITED METHODIST CHURCH OF FORT WORTH**

## Notes to Consolidated Financial Statements

**1 - Organization and Nature of Activities**

First United Methodist Church of Fort Worth (the “Church”), a Texas nonprofit corporation, serves various charitable, educational, religious and/or missionary undertakings. The majority of the Church's revenues and support are contributed by its members who reside in the greater Fort Worth area.

The Church extends its ministry through another nonprofit entity, the First Street Methodist Mission, (the “Mission”). The Mission is affiliated with the Church as a result of management and financial control. The financial statements of this entity are consolidated with the financial statements of the Church. All inter-company transactions have been eliminated. The Church and Mission are exempt from federal income taxes under section 501(c)(3) of the Internal Revenue Code as other than a private foundation.

**2 - Significant Accounting Policies**

Basis of Accounting - The consolidated financial statements of the Church have been prepared on the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned, and expenses are recorded when the obligation is incurred. The consolidated financial statements of the Church have been prepared using accounting principles generally accepted in the United States of America.

Basis of Presentation - Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified as follows:

Net Assets Without Donor Restrictions - Net assets available for use in general operations and not subject to donor restrictions.

Net Assets With Donor Restrictions - Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions may be perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Revenues and Support - Revenues and support for the Church are primarily derived from contributions from the Church membership.

Functional Allocation of Expenses - The costs of program and supporting services activities have been summarized on a functional basis in the consolidated statements of activities. The consolidated statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Costs are allocated on the basis of estimates of time and effort.

In-Kind Contributions - In-kind contributions, which are donations of food, clothing, materials and supplies used by First Street Methodist Mission, are recognized as support and expenses in the consolidated statements of activities. In-kind contributions are recorded at their estimated fair market value at the date of receipt and totaled \$225,646 and \$173,282 for the years ended December 31, 2023 and 2022, respectively.

Cash and Cash Equivalents - For purposes of reporting cash flows, the Church considers all bank deposits and highly liquid financial instruments with original maturities of three months or less, to be cash and cash equivalents.

## FIRST UNITED METHODIST CHURCH OF FORT WORTH

### Notes to Consolidated Financial Statements

#### 2 - Significant Accounting Policies (continued)

Property and Equipment - It is the Church's policy to capitalize purchases of property and equipment over \$10,000. Property and equipment are recorded at cost, if purchased, and fair market value at date of donation, if contributed. Land, buildings, improvements, and equipment on hand prior to March 31, 1986 are stated at estimated value based upon insurance values and appraisal district valuations as of that date. Depreciation is calculated using the straight-line method over the estimated useful lives of the respective assets as follows:

Buildings and improvements	7 to 40 years
Furniture, fixtures and equipment	3 to 10 years
Vehicles	5 years

Within the United Methodist Church denomination, all properties of local churches are held in trust for the benefit of the entire denomination with ownership and usage of church property subject to the United Methodist Book of Discipline ("the Discipline"). The trust is irrevocable except as provided by the Discipline.

Donated Assets - Donated marketable securities and other noncash donations are recorded as contributions at their estimated fair values at the date of donation.

Investment Policy - Certain investments are held by a trustee, who is responsible for all investment decisions, managing the trust and determining the strategy to achieve objectives per the provisions of the trust document. The Church has a beneficial interest in the assets held by the trustee.

Use of Estimates - Management used estimates and assumptions in preparing these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America. Those estimates and assumptions affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were used.

Compensated Absences - Employees of the Church, administrative and ministerial, are entitled to paid vacation depending upon length of service and other factors. Any unused vacation benefits expire at the end of each calendar year. Accordingly, no liability has been recorded in the accompanying consolidated financial statements. The Church's policy is to recognize the cost of compensated absences when paid to employees.

Concentrations of Credit Risk - The Church maintains deposits with highly reputable financial institutions, which at times are in excess of the federally insured limit. It is the opinion of management that the solvency of the financial institutions is sufficient to cover any related exposure.

Income Taxes - The Church follows the Income Taxes topic of the FASB ASC, which prescribes a comprehensive model for the financial statement recognition, measurement, presentation and disclosure of uncertain tax positions taken or expected to be taken in income tax returns. The Church is not aware of any activities that would jeopardize its tax-exempt status and is not aware of any activities that are subject to tax on unrelated business income, other than those reported on Form 990T. As of December 31, 2023, the Church has no uncertain tax positions that qualify for either recognition or disclosure in the consolidated financial statements and does not expect this to change in the next twelve months. The 2019 through 2023 tax years remain subject to examination by the Internal Revenue Service.

Subsequent Events - Subsequent events have been evaluated through July 31, 2024, which is the date the consolidated financial statements were available to be issued.

## FIRST UNITED METHODIST CHURCH OF FORT WORTH

### Notes to Consolidated Financial Statements

#### 3 - Liquidity and Availability of Resources

The Church operates under a budget for activities supported by unrestricted tithes and offerings. Its Governing Board (the “Board”) is responsible for monitoring the liquidity necessary to meet the Church’s operating needs and meets periodically throughout the year to evaluate the actual results of financial operations versus the budget. Additionally, the Church maintains Board designated and donor-restricted ministry funds, at times, purposed for various other activities consistent with the mission of the Church (see Notes 9 and 10). Church management, in collaboration with the Board, appropriates resources from Board designated and donor-restricted funds.

Financial assets available for general expenditure, that is, without donor restrictions limiting their use or without requiring specific action of the Board, within one year of the date of the consolidated statement of financial position are comprised of the following:

	2023	2022
Cash	\$ 4,955,631	\$ 6,495,931
Accounts receivable	3,120	1,698
Investments and beneficial interest in charitable trusts	1,315,721	1,183,465
	6,274,472	7,681,094
Donor-imposed restrictions	(2,847,580)	(2,970,170)
Board designations	(2,100,170)	(3,610,909)
Financial assets available to meet general expenditure needs within one year	\$ 1,326,722	\$ 1,100,015

#### 4 - Property and Equipment

The following is a summary of property and equipment as of December 31, 2023:

	2023	2022
Land	\$ 4,090,066	\$ 4,090,066
Buildings and improvements	39,982,979	25,198,310
Furniture, fixtures and equipment	8,706,410	4,505,538
Vehicles	127,068	127,068
Construction in progress	439,553	18,511,590
	53,346,076	52,432,572
Less accumulated depreciation	(22,495,025)	(21,611,892)
Net property and equipment	\$ 30,851,051	\$ 30,820,680

#### 5 - Beneficial Interest in Charitable Trust

The Church received a 10% split interest in a perpetual trust established from the bequest of Sheila E. Allen (the “Allen Trust”) and is entitled to receive, into perpetuity, its proportionate share of the annual net investment income earned from trust assets. The assets are held in trust by a bank who is the trustee of the Allen Trust. Because the present value of the future cash flows from the trust cannot be reasonably determined, the reported value of the Church’s beneficial interest is measured by its share of the fair value of the trust’s assets, which amounted to \$224,220 and \$196,243 at December 31, 2023 and 2022, respectively.

**FIRST UNITED METHODIST CHURCH OF FORT WORTH**  
Notes to Consolidated Financial Statements

### 5 - Beneficial Interest in Charitable Trust (continued)

The income distributed from the Allen Trust is to be used to maintain and preserve Church buildings; and in accordance with the trust document, it is included in net assets with donor restrictions until appropriated for expenditure. The Church's share of trust distributions amounted to approximately \$4,700 and \$5,000 for 2023 and 2022, respectively.

The Church received a beneficial interest in a testamentary trust established from the bequest of Saul B. Sells known as the Helen F. Sells Charitable Trust (the "Sells Trust") and is entitled to receive its proportionate share of the annual net investment income earned from trust assets until such time that the trust terminates. The assets are held in trust by a bank who is the trustee of the Sells Trust. Because the present value of the future cash flows from the trust cannot be reasonably determined, the reported value of the Church's beneficial interest is measured by its share of the fair value of the trust's assets, which amounted to \$990,271 and \$888,812 at December 31, 2023 and 2022, respectively.

The income distributed from the Sells Trust is to be used for the care, feeding and clothing of needy individuals in Tarrant County and is included in net assets with donor restrictions until appropriated for expenditure. Distributions received by the Church for 2023 and 2022 amounted to approximately \$31,000 and \$48,000, respectively.

### 6 - Fair Value Measurements

The Church follows the Fair Value Measurements topic of the FASB ASC for all financial assets and liabilities measured at fair value on a recurring basis. The topic establishes a framework for measuring fair value and enhances disclosure requirements for fair value measurements. The topic defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The topic establishes market or observable inputs as the preferred sources of values, followed by assumptions based on hypothetical transactions in the absence of market inputs. The topic establishes a hierarchy for grouping these assets and liabilities, based on the significance level of the following inputs:

Level I – Quoted prices in active markets for identical assets or liabilities.

Level II – Quoted prices in active markets for similar assets and liabilities, quoted prices for identical or similar instruments in markets that are not active and model-derived valuations whose inputs are observable or whose significant drivers are observable.

Level III – Significant inputs to the valuation model are unobservable.

The table below summarizes the investments and beneficial interest in charitable trusts by level as of December 31, 2023:

	Assets at Fair Value as of December 31, 2023			
	Level I	Level II	Level III	Total
Investments - equity mutual funds	\$ 101,230	\$ -	\$ -	\$ 101,230
Beneficial interest in charitable trusts				
Sheila E. Allen Trust	213,974	10,246	-	224,220
Saul B. Sells Trust	990,271	-	-	990,271
Total assets at fair value	<u>\$ 1,305,475</u>	<u>\$ 10,246</u>	<u>\$ -</u>	<u>\$ 1,315,721</u>

**FIRST UNITED METHODIST CHURCH OF FORT WORTH**  
Notes to Consolidated Financial Statements

### 6 - Fair Value Measurements (continued)

The table below summarizes the investments and beneficial interest in charitable trusts by level as of December 31, 2022:

	Assets at Fair Value as of December 31, 2022			
	Level I	Level II	Level III	Total
Investments - equity mutual funds	\$ 98,410	\$ -	\$ -	\$ 98,410
Beneficial interest in charitable trusts				
Sheila E. Allen Trust	187,182	9,061	-	196,243
Saul B. Sells Trust	888,812	-	-	888,812
Total assets at fair value	<u>\$ 1,174,404</u>	<u>\$ 9,061</u>	<u>\$ -</u>	<u>\$ 1,183,465</u>

The beneficial interest in charitable trusts is carried at fair value based on information obtained from the trustees regarding the trust holdings, the value of these holdings and other pertinent information. The trusts have invested in a diversified portfolio with an emphasis on domestic common stocks and mutual funds. In addition, investments have been made in international common stocks and mutual funds, domestic and international fixed income securities and structured alternative investments. Level I investments include cash, equities, fixed income and other tangible assets. Level II investments include hedge funds, real estate, and alternative investments.

Investments are also recorded at fair value and include money market funds and mutual funds that are valued using quoted prices on nationally recognized securities exchanges.

### 7 - Note Payable

In November 2020, the Church secured a construction loan with a financial institution with available credit of \$6,500,000. The loan bears interest at a variable rate equal to the Prime Rate, with a floor of 3.25% and ceiling of 4.25%. Payments of interest only are required on a monthly basis through November 2023, at which time monthly payments of principal and interest will commence at an amount sufficient to amortize the balance over a period of 240 months. The loan matures in November 2043 and is secured by Church property. The outstanding balance was \$2,200,935 as of December 31, 2022. The note was paid in full during 2023.

### 8 - Related Parties

The Methodist Justice Ministry (“MJM”) is organized to provide free legal advice and representation to people in the community whose incomes are at 125% or less of federal poverty guidelines. MJM is self-funded although funds have been contributed to MJM by members of the Church.

The First Methodist Church of Fort Worth Foundation, Inc. (the “Foundation”) is organized to receive and preserve gifts and bequests which are intended to benefit the Church and to support and assist in carrying out the purposes and programs of the Church.

The Church has determined not to include the net assets and operating results of MJM or the Foundation in these consolidated financial statements as control of these organizations does not exist through a majority voting interest or board representation.

**FIRST UNITED METHODIST CHURCH OF FORT WORTH**  
Notes to Consolidated Financial Statements

**8 - Related Parties (continued)**

A summary of financial data of the Foundation at December 31, 2023 and 2022 follows:

	<u>2023</u>	<u>2022</u>
Total assets	\$ 90,620,945	\$ 79,886,646
Total liabilities	<u>447,502</u>	<u>404,550</u>
Net assets	<u>\$ 90,173,443</u>	<u>\$ 79,482,096</u>

The Church received contributions from the Foundation as follows:

	<u>2023</u>	<u>2022</u>
Contributions for general use	\$ 2,495,790	\$ 2,400,000
Contributions for programs and ministries	<u>103,892</u>	<u>121,841</u>
	<u>\$ 2,599,682</u>	<u>\$ 2,521,841</u>

**9 - Net Assets Without Donor Restrictions**

The balance of net assets without donor restrictions as of December 31, 2023 and 2022 includes net assets designated by the Board for the following purposes:

	<u>2023</u>	<u>2022</u>
Funds designated for future operating costs:		
General Memorial Funds	\$ 35,977	\$ 33,629
Operating Cash Reserve	600,000	282,473
Funds designated for future capital costs:		
Next90 Project	4,806	128,451
Board of Trustees Funds	1,291,483	3,006,573
Funds designated for perpetual care:		
Columbarium	<u>167,904</u>	<u>159,783</u>
	<u>\$ 2,100,170</u>	<u>\$ 3,610,909</u>

**10 - Net Assets With Donor Restrictions**

The balance of net assets with donor restrictions as of December 31, 2023 and 2022, relates to certain contributions for which the donor has imposed restrictions. These restrictions require the Church to use such funds for expenses directly related to Church activities that correspond to the donor's wishes. Net assets with donor restrictions consisted of the following as of December 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Property acquisitions	\$ 100,000	\$ 214,034
Program expenses	1,232,718	1,385,901
Advance pledges	199,141	186,770
Investments (scholarships)	101,230	98,410
Beneficial interest in testamentary trust	990,271	888,812
Beneficial interest in perpetual trust	<u>224,220</u>	<u>196,243</u>
	<u>\$ 2,847,580</u>	<u>\$ 2,970,170</u>

**FIRST UNITED METHODIST CHURCH OF FORT WORTH**  
Notes to Consolidated Financial Statements

**10 - Net Assets With Donor Restrictions (continued)**

During the years ended December 31, 2023 and 2022, net assets with donor restrictions in the amount of \$2,538,464 and \$3,540,919, respectively, had been expended in accordance with donor restrictions and have been reclassified to net assets without donor restrictions.

**11 - Retirement Plan**

The Church participates in two retirement plans of the General Board of Pensions of the United Methodist Church. A defined benefit plan is available only to clergy, and the Church contributes toward this plan amounts determined by the Central Texas Conference of the United Methodist Church. A defined contribution plan is available to both clergy and lay employees. For lay employees, the Church contributed 3% of participating employees' compensation annually. For clergy, the Church also contributed 3% of participating clergy persons' compensation annually. For the years ended December 31, 2023 and 2022, pension expense was \$140,438 and \$141,981, respectively.

**SUPPLEMENTARY INFORMATION**

**FIRST UNITED METHODIST CHURCH OF FORT WORTH**  
 Consolidating Statement of Financial Position - By Fund  
 December 31, 2023

	Budget	Designated	Temporarily Restricted	Permanently Restricted	Weekday	Mission	Total
<b>ASSETS</b>							
Cash	\$ 206,328	\$ 2,100,170	\$ 1,066,809	\$ -	\$ 1,120,398	\$ 461,926	\$ 4,955,631
Accounts receivable	3,120	-	-	-	-	-	3,120
Prepaid expenses	63,478	-	17,392	-	-	-	80,870
Property and equipment, net	30,851,051	-	-	-	-	-	30,851,051
Investments	-	-	101,230	-	-	-	101,230
Beneficial interest in charitable trusts	-	-	990,271	224,220	-	-	1,214,491
<b>Total assets</b>	<b><u>\$ 31,123,977</u></b>	<b><u>\$ 2,100,170</u></b>	<b><u>\$ 2,175,702</u></b>	<b><u>\$ 224,220</u></b>	<b><u>\$ 1,120,398</u></b>	<b><u>\$ 461,926</u></b>	<b><u>\$ 37,206,393</u></b>
<b>LIABILITIES AND NET ASSETS</b>							
Accounts payable and accrued expenses	\$ 342,502	\$ -	\$ 12,752	\$ -	\$ 1,635	\$ 6,378	\$ 363,267
Funds held for others	-	-	76,058	-	-	-	76,058
Deferred income	7,850	-	-	-	61,221	-	69,071
<b>Total liabilities</b>	<b><u>350,352</u></b>	<b><u>-</u></b>	<b><u>88,810</u></b>	<b><u>-</u></b>	<b><u>62,856</u></b>	<b><u>6,378</u></b>	<b><u>508,396</u></b>
<b>Net assets</b>							
Without donor restrictions	30,773,625	2,100,170	-	-	976,622	-	33,850,417
With donor restrictions	-	-	2,086,892	224,220	80,920	455,548	2,847,580
<b>Total net assets</b>	<b><u>30,773,625</u></b>	<b><u>2,100,170</u></b>	<b><u>2,086,892</u></b>	<b><u>224,220</u></b>	<b><u>1,057,542</u></b>	<b><u>455,548</u></b>	<b><u>36,697,997</u></b>
<b>Total liabilities and net assets</b>	<b><u>\$ 31,123,977</u></b>	<b><u>\$ 2,100,170</u></b>	<b><u>\$ 2,175,702</u></b>	<b><u>\$ 224,220</u></b>	<b><u>\$ 1,120,398</u></b>	<b><u>\$ 461,926</u></b>	<b><u>\$ 37,206,393</u></b>

**FIRST UNITED METHODIST CHURCH OF FORT WORTH**

Consolidating Statement of Activities - By Fund

Year Ended December 31, 2023

	<u>Budget</u>	<u>Designated</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Weekday</u>	<u>Mission</u>	<u>Total</u>
Revenues and other support:							
Contributions	\$ 5,003,001	\$ 1,214,199	\$ 1,482,693	\$ -	\$ -	\$ 561,779	\$ 8,261,672
Program fees	-	-	-	-	1,356,878	-	1,356,878
In-kind contributions	-	-	-	-	-	225,646	225,646
Net investment return	-	-	117,679	27,977	-	-	145,656
Other revenue	205,010	-	100	-	171,409	-	376,519
Interfund transfers	<u>3,893,685</u>	<u>(2,721,208)</u>	<u>(1,172,477)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues and other support	<u>9,101,696</u>	<u>(1,507,009)</u>	<u>427,995</u>	<u>27,977</u>	<u>1,528,287</u>	<u>787,425</u>	<u>10,366,371</u>
Expenses:							
Program services	4,657,840	3,730	307,514	-	1,289,360	1,058,473	7,316,917
Supporting services	<u>2,184,399</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,184,399</u>
Total expenses	<u>6,842,239</u>	<u>3,730</u>	<u>307,514</u>	<u>-</u>	<u>1,289,360</u>	<u>1,058,473</u>	<u>9,501,316</u>
Change in net assets	2,259,457	(1,510,739)	120,481	27,977	238,927	(271,048)	865,055
Net assets at beginning of year	<u>28,514,168</u>	<u>3,610,909</u>	<u>1,966,411</u>	<u>196,243</u>	<u>818,615</u>	<u>726,596</u>	<u>35,832,942</u>
Net assets at end of year	<u>\$ 30,773,625</u>	<u>\$ 2,100,170</u>	<u>\$ 2,086,892</u>	<u>\$ 224,220</u>	<u>\$ 1,057,542</u>	<u>\$ 455,548</u>	<u>\$ 36,697,997</u>

**FIRST UNITED METHODIST CHURCH OF FORT WORTH**  
 Consolidating Statement of Financial Position - By Fund  
 December 31, 2022

	Budget	Designated	Temporarily Restricted	Permanently Restricted	Weekday	Mission	Total
<b>ASSETS</b>							
Cash	\$ 149,818	\$ 3,611,139	\$ 1,119,755	\$ -	\$ 886,508	\$ 728,711	\$ 6,495,931
Accounts receivable	1,698	-	-	-	-	-	1,698
Prepaid expenses	89,622	-	-	-	-	-	89,622
Property and equipment, net	30,820,680	-	-	-	-	-	30,820,680
Investments	-	-	98,410	-	-	-	98,410
Beneficial interest in charitable trusts	-	-	888,812	196,243	-	-	1,085,055
	<u>-</u>	<u>-</u>	<u>888,812</u>	<u>196,243</u>	<u>-</u>	<u>-</u>	<u>1,085,055</u>
Total assets	<u>\$ 31,061,818</u>	<u>\$ 3,611,139</u>	<u>\$ 2,106,977</u>	<u>\$ 196,243</u>	<u>\$ 886,508</u>	<u>\$ 728,711</u>	<u>\$ 38,591,396</u>
<b>LIABILITIES AND NET ASSETS</b>							
Accounts payable and accrued expenses	\$ 186,529	\$ 230	\$ 63,318	\$ -	\$ 3,830	\$ 2,115	\$ 256,022
Construction and retainage payable	135,966	-	-	-	-	-	135,966
Funds held for others	-	-	77,248	-	-	-	77,248
Deferred income	24,220	-	-	-	64,063	-	88,283
Note payable	2,200,935	-	-	-	-	-	2,200,935
	<u>2,547,650</u>	<u>230</u>	<u>140,566</u>	<u>-</u>	<u>67,893</u>	<u>2,115</u>	<u>2,758,454</u>
Total liabilities	<u>2,547,650</u>	<u>230</u>	<u>140,566</u>	<u>-</u>	<u>67,893</u>	<u>2,115</u>	<u>2,758,454</u>
Net assets							
Without donor restrictions	28,514,168	3,610,909	-	-	737,695	-	32,862,772
With donor restrictions	-	-	1,966,411	196,243	80,920	726,596	2,970,170
	<u>-</u>	<u>-</u>	<u>1,966,411</u>	<u>196,243</u>	<u>80,920</u>	<u>726,596</u>	<u>2,970,170</u>
Total net assets	<u>28,514,168</u>	<u>3,610,909</u>	<u>1,966,411</u>	<u>196,243</u>	<u>818,615</u>	<u>726,596</u>	<u>35,832,942</u>
Total liabilities and net assets	<u>\$ 31,061,818</u>	<u>\$ 3,611,139</u>	<u>\$ 2,106,977</u>	<u>\$ 196,243</u>	<u>\$ 886,508</u>	<u>\$ 728,711</u>	<u>\$ 38,591,396</u>

**FIRST UNITED METHODIST CHURCH OF FORT WORTH**

Consolidating Statement of Activities - By Fund

Year Ended December 31, 2022

	<u>Budget</u>	<u>Designated</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Weekday</u>	<u>Mission</u>	<u>Total</u>
Revenues and other support:							
Contributions	\$ 4,151,709	\$ 2,020,176	\$ 2,616,320	\$ -	\$ -	\$ 699,874	\$ 9,488,079
Program fees	-	-	-	-	1,538,677	-	1,538,677
In-kind contributions	-	-	-	-	-	173,282	173,282
Net investment return	-	-	(269,413)	(50,971)	-	-	(320,384)
Other revenue	195,618	-	100	-	167,967	-	363,685
Interfund transfers	<u>4,399,405</u>	<u>(1,998,312)</u>	<u>(2,398,093)</u>	<u>-</u>	<u>-</u>	<u>(3,000)</u>	<u>-</u>
Total revenues and other support	<u>8,746,732</u>	<u>21,864</u>	<u>(51,086)</u>	<u>(50,971)</u>	<u>1,706,644</u>	<u>870,156</u>	<u>11,243,339</u>
Expenses:							
Program services	4,374,818	16,287	314,851	-	1,317,018	845,874	6,868,848
Supporting services	<u>1,842,036</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,842,036</u>
Total expenses	<u>6,216,854</u>	<u>16,287</u>	<u>314,851</u>	<u>-</u>	<u>1,317,018</u>	<u>845,874</u>	<u>8,710,884</u>
Change in net assets	2,529,878	5,577	(365,937)	(50,971)	389,626	24,282	2,532,455
Net assets at beginning of year	<u>25,984,290</u>	<u>3,605,332</u>	<u>2,332,348</u>	<u>247,214</u>	<u>428,989</u>	<u>702,314</u>	<u>33,300,487</u>
Net assets at end of year	<u>\$ 28,514,168</u>	<u>\$ 3,610,909</u>	<u>\$ 1,966,411</u>	<u>\$ 196,243</u>	<u>\$ 818,615</u>	<u>\$ 726,596</u>	<u>\$ 35,832,942</u>