

THE MID-TEXAS ANNUAL CONFERENCE OF THE GLOBAL METHODIST CHURCH

Financial Statements and
Independent Auditor's Report

December 31, 2024



Calvetti Ferguson

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Independent Auditor's Report

To the Connectional Council
The Mid-Texas Annual Conference of the Global Methodist Church
Waco, Texas

Opinion

We have audited the financial statements of The Mid-Texas Annual Conference of the Global Methodist Church (the "Organization"), a non-profit corporation, which comprise the statements of financial position as of December 31, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the Organization's financial position as of December 31, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. 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 financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not absolute assurance; as such, it is not a guarantee that an audit conducted in accordance with GAAS 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, misrepresentations, intentional omissions, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

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

We are also 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.

A handwritten signature in black ink, reading "Calvetti Ferguson". The signature is written in a cursive, flowing style.

San Antonio, Texas
October 16, 2025

The Mid-Texas Annual Conference of the Global Methodist Church

Statement of Financial Position As of December 31, 2024

Assets	
Current assets:	
Cash and cash equivalents	\$ 815,826
Total current assets	<u>815,826</u>
Total Assets	<u>\$ 815,826</u>
Liabilities and Net Assets	
Current liabilities:	
Accounts payable	\$ 6,883
Accrued expenses	<u>6,879</u>
Total current liabilities	<u>13,762</u>
Total liabilities	<u>13,762</u>
Net assets:	
Without donor restrictions	695,813
With donor restrictions	<u>106,251</u>
Total net assets	<u>802,064</u>
Total Liabilities and Net Assets	<u>\$ 815,826</u>

The accompanying notes are an integral part of this financial statement.

The Mid-Texas Annual Conference of the Global Methodist Church

Statement of Activities

For the Year Ended December 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Operating support and revenues:			
Connectional Giving	\$ 1,226,559	\$ -	\$ 1,226,559
Contributions	20,829	158,888	179,717
Services	28,119	-	28,119
Interest income	12,404	-	12,404
Miscellaneous income	7,716	-	7,716
Sales of products	293	-	293
Net assets released from restrictions	128,876	(128,876)	-
Total operating support and revenue	<u>1,424,796</u>	<u>30,012</u>	<u>1,454,808</u>
Operating expenses:			
Program	904,185	-	904,185
General and administrative	101,058	-	101,058
Total operating expenses	<u>1,005,243</u>	<u>-</u>	<u>1,005,243</u>
Change in net assets	419,553	30,012	449,565
Net assets, beginning of year	<u>276,260</u>	<u>76,239</u>	<u>352,499</u>
Net Assets, End of Year	<u>\$ 695,813</u>	<u>\$ 106,251</u>	<u>\$ 802,064</u>

The accompanying notes are an integral part of this financial statement.

The Mid-Texas Annual Conference of the Global Methodist Church

Statement of Functional Expenses For the Year Ended December 31, 2024

	Connectional	Missional	Total Program	General and Administrative	Total
Operating expenses:					
Salaries and wages	\$ 234,258	\$ -	\$ 234,258	\$ 5,580	\$ 239,838
Employee benefits	20,591	-	20,591	296	20,887
Payroll taxes	4,992	-	4,992	515	5,507
Total payroll expenses	259,841	-	259,841	6,391	266,232
Connectional giving rebate	197,786	-	197,786	-	197,786
Bulgaria partnership	-	135,949	135,949	-	135,949
Cabinet travel and ministry support	78,225	-	78,225	19,556	97,781
Seminars and events	77,712	-	77,712	-	77,712
Contract and professional fees	11,100	-	11,100	29,500	40,600
General conference	29,494	-	29,494	-	29,494
Awakening conferences	27,939	-	27,939	-	27,939
Disaster relief	-	23,925	23,925	-	23,925
International partnerships	-	21,470	21,470	-	21,470
Travel	21,456	-	21,456	-	21,456
Equipping costs	16,369	-	16,369	-	16,369
Software and applications	-	-	-	10,682	10,682
Miscellaneous expenses	-	-	-	9,432	9,432
Meetings and supplies	-	-	-	6,554	6,554
Office supplies	-	-	-	6,553	6,553
Bank fees and service charges	-	-	-	6,083	6,083
Website fees	-	-	-	4,175	4,175
Insurance	1,976	-	1,976	219	2,195
Lay activities	943	-	943	-	943
Shipping and postage	-	-	-	644	644
Phone	-	-	-	582	582
Printing and photocopying	-	-	-	446	446
Memberships and subscriptions	-	-	-	241	241
Total Operating Expenses	\$ 722,841	\$ 181,344	\$ 904,185	\$ 101,058	\$ 1,005,243

The accompanying notes are an integral part of this financial statement.

The Mid-Texas Annual Conference of the Global Methodist Church

Statement of Cash Flows For the Year Ended December 31, 2024

Cash flows from operating activities:	
Change in net assets	\$ 449,565
Adjustments to reconcile change in net assets to net cash provided by operations:	
Changes in operating assets and liabilities:	
Accounts payable	6,883
Accrued expenses	1,686
Net cash provided by operating activities	<u>458,134</u>
Net change in cash flows	458,134
Cash and cash equivalents, beginning of year	<u>357,692</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 815,826</u></u>

The accompanying notes are an integral part of this financial statement.

The Mid-Texas Annual Conference of the Global Methodist Church

Notes to the Financial Statements December 31, 2024 and 2023

Note 1 – Nature of Activities

The Mid-Texas Annual Conference of the Global Methodist Church (the “Annual Conference”) was established in 2022 as a Texas 501(c)(3) non-profit corporation. The Annual Conference is subject to the provisions and governance of the Global Methodist Church’s Transitional Book of Discipline, as amended from time to time, and any subsequent Book of Doctrines and Discipline adopted by the Global Methodist Church’s General Conference. Connectional giving and contributions comprise the majority of the revenue received by the Annual Conference. The Annual Conference is an association of congregations, clergy persons, and laity within the Global Methodist Church denomination. The Annual Conference’s mission is to make disciples of Jesus Christ who worship passionately, love extravagantly, and witness boldly.

Note 2 – Summary of Significant Accounting Policies

Basis of Accounting

The accompanying statements of the Annual Conference have been prepared on the accrual basis of accounting. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Annual Conference considers all highly liquid savings and securities with a maturity of three months or less to be cash equivalents.

Property and Equipment

All purchased classes of property and equipment owned by the Annual Conference Church are stated at cost. Donated assets are recorded at estimated market value at the date of donation. The Annual Conference capitalizes all asset acquisitions in excess of \$10,000. Depreciation on the assets owned by the Annual Conference is computed using the straight-line method over the estimated useful lives of the assets. At December 31, 2024, the Annual Conference had no capitalized property or equipment.

Basis of Presentation

The Annual Conference is required to report information regarding its financial position and activities according to two classes of net assets:

- *Net assets without donor restrictions* – Net assets available for use in the general operations and not subject to donor restrictions. Assets restricted solely through the actions of the Connectional Council are reported as net assets without donor restrictions, designated.
- *Net assets with donor restrictions* – Net assets subject to donor-imposed restrictions that are more restrictive than the Annual Conference’s mission and purpose. 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. 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. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

The Mid-Texas Annual Conference of the Global Methodist Church

Notes to the Financial Statements December 31, 2024 and 2023

Note 2 – Summary of Significant Accounting Policies (continued)

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Connectional Giving and Contributions

The Annual Conference records connectional giving and contributions in accordance with the Financial Accounting Standards Board ("FASB") Accounting Standards Update ("ASU") 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. Connectional giving and contributions received are recorded as revenue without donor restrictions or with donor restrictions, depending on the existence and/or nature of any donor restrictions. Donor-restricted support is reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires, that is, when a stipulated time restriction ends or purpose restriction is fulfilled, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Exchange Transactions

The Annual Conference recognizes revenue related to exchange transactions in accordance with ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*. The Annual Conference receives revenue through exchange transactions related to fees for various conferences and activities the Annual Conference provides to its members throughout the year (classified as services income in the statement of activities) and through the sale of products to the public (classified as sales of products income in the statement of activities). The amount of consideration received from these transactions is variable. Revenue from these transactions is recorded as an increase in net assets without donor restrictions to the extent that the earnings process is complete. Performance obligations are satisfied at a point in time when the conference/activity is held or the sale is completed. There were no receivables, contract assets, or contract liabilities related to these exchange transactions at December 31, 2024, December 31, 2023, and January 1, 2023. Disaggregation of revenue is presented on the face of the statement of activities.

Donated Services

The Annual Conference receives a variety of volunteer services. The value of these services and support is not reflected in the financial statements as such services are not susceptible to objective measurement or valuation.

Functional Expense Allocation

The costs of providing various programs and activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. These expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include payroll expenses which are allocated on the basis of estimates of time and effort, as well as cabinet travel and ministry support, contract and professional fees, and insurance expenses which are allocated on the basis of estimated usage or some other reasonable basis.

The Mid-Texas Annual Conference of the Global Methodist Church

Notes to the Financial Statements December 31, 2024 and 2023

Note 3 – Concentration of Credit Risk

The Annual Conference maintains cash accounts at multiple financial institutions. The Federal Deposit Insurance Corporation insures the balances in the cash accounts up to \$250,000 per bank. At December 31, 2024, the Annual Conference's uninsured cash balances totaled \$421,113, without consideration of reconciling items.

Note 4 – Net Assets With Donor Restrictions

Purpose-restricted net assets were as follows at December 31, 2024:

Good News women's ministry	\$	26,002
Costa Rica		21,672
Hurricanes		15,892
Turkey		14,818
Bulgaria		12,460
Minority New Church		6,458
Maui		3,492
New church start-ups		1,710
Puerto Viejo		1,200
Flood Buckets ministry		1,061
Africa		1,000
Ukraine		248
Area 16		186
LaGrange		52
Total	\$	<u>106,251</u>

Note 5 – Liquidity and Availability of Financial Resources

The following reflects the Annual Conference's financial assets as of the statement of financial position date, reduced by amounts not available for general use because of donor-stipulated restrictions.

Cash and cash equivalents	\$	815,826
Donor restrictions		<u>(106,251)</u>
Financial assets available to meet cash needs for expenditures within one year	\$	<u>709,575</u>

The Mid-Texas Annual Conference of the Global Methodist Church

Notes to the Financial Statements December 31, 2024 and 2023

Note 6 – Fair Value of Financial Instruments

The Annual Conference follows the provisions of Accounting Standards Codification (“ASC” 820), *Fair Value Measurements and Disclosures*. ASC 820 defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market, and establishes a framework for measuring fair value in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants at the measurement date.

The valuation techniques required by ASC 820 are based upon observable and unobservable inputs, and ASC 820 establishes a three-level fair value hierarchy that prioritizes the inputs used to measure fair value. The three levels of inputs used to measure fair value are as follows:

- Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets or liabilities and have the highest priority.
- Level 2 valuations are based on quoted prices in markets that are not active.
- Level 3 valuations are based on inputs that are unobservable and supported by little or no market activity.

The Annual Conference’s current assets and liabilities as presented in the statement of financial position are Level 1. The Annual Conference has no Level 2 or Level 3 assets or liabilities. The carrying amounts reported in the statement of financial position approximate fair values because of the short maturities of those instruments.

Note 7 – Employee Benefit Plan

The Annual Conference has a 403(b) plan covering its clergy employees. The Annual Conference’s contributions to the plan are comprised of a 5% non-matching contribution plus up to an additional 5% matching contribution based upon the amount employees defer from their compensation into the plan.

The Annual Conference’s total plan contributions for the year ended December 31, 2024 totaled \$14,610.

Note 8 – Subsequent Events

The Annual Conference evaluates subsequent events in accordance with ASC Topic No. 855, *Subsequent Events*. The guidance requires an entity to disclose the date through which subsequent events have been evaluated, as well as whether that date is the date the financial statements were issued or the date the financial statements were available to be issued. In preparing these financial statements, the Annual Conference has evaluated events and transactions for potential recognition or disclosure through October 16, 2025, the date the financial statements were available to be issued.