



## AFRICAN METHODIST EPISCOPAL CHURCH, INC. FINANCIAL DEPARTMENT

Financial Statements and Independent Auditor's Report  
Year Ended March 31, 2022  
(With Comparative Totals for 2021)

**AFRICAN METHODIST EPISCOPAL CHURCH, INC.**

**FINANCIAL DEPARTMENT  
FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT  
YEAR ENDED MARCH 31, 2022  
(WITH COMPARATIVE TOTALS FOR 2021)**

**TABLE OF CONTENTS**

	<b>Page</b>
Independent Auditor's Report .....	1
Statement of Financial Position .....	3
Statement of Activities .....	4
Statement of Functional Expenses .....	6
Statement of Cash Flows .....	6
Notes to Financial Statements.....	7
Supplementary Information:	
Independent Auditor's Report on Supplementary Information .....	16
Supplemental Schedule of Revenues .....	17
Supplemental Schedule of Expenses .....	18
Supplemental Schedule of District Payments.....	23

## **INDEPENDENT AUDITOR'S REPORT**

Members of the General Board  
African Methodist Episcopal Church, Inc.

### **Opinion**

We have audited the accompanying financial statements of The African Methodist Episcopal Church, Inc. Financial Department (the "Department") which comprise the statement of financial position as of March 31, 2022, and the related statement of activities and change in net assets, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Department as of March 31, 2022, and the change in net assets and 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 Department 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.

### **Responsibilities of Management for the Financial Statements**

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

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

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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, 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 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 Department'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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Department'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.

## **Report on Summarized Comparative Information**

We have previously audited the Department's 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 10, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended March 31, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Lanham, MD *BCA Watson Rre LLP*  
May 25, 2022

**AFRICAN METHODIST EPISCOPAL CHURCH, INC.**  
**FINANCIAL DEPARTMENT**  
**STATEMENT OF FINANCIAL POSITION**  
**MARCH 31, 2022**  
**(WITH COMPARATIVE TOTALS FOR 2021)**

	<u>2022</u>	<u>2021</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents (Note 3)	\$ 2,725,742	\$ 8,008,224
Investments (Note 5)	9,996,082	11,432,449
Other receivables (Note 10)	67,684	104,066
Prepaid expenses	<u>41,407</u>	<u>498,508</u>
Total Current Assets	<u>12,830,915</u>	<u>20,043,247</u>
<b>NON-CURRENT ASSETS</b>		
Property and equipment, net (Note 6)	1,411,817	1,686,269
Other receivables (Note 10)	<u>189,865</u>	<u>441,376</u>
Total Non-current Assets	<u>1,601,682</u>	<u>2,127,645</u>
Total Assets	<u>\$ 14,432,597</u>	<u>\$ 22,170,892</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITITES</b>		
Accounts payable and accrued expenses	\$ 180,692	\$ 273,411
Retirement payable	125,382	122,499
Due to other church departments	65,754	54,464
Deferred revenue	<u>707,005</u>	<u>3,149,347</u>
Total Current Liabilities	1,078,833	3,599,721
<b>NET ASSETS</b>		
Without donor restrictions	<u>13,353,764</u>	<u>18,571,171</u>
Total net assets	<u>13,353,764</u>	<u>18,571,171</u>
Total Liabilities and Net Assets	<u>\$ 14,432,597</u>	<u>\$ 22,170,892</u>

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

**AFRICAN METHODIST EPISCOPAL CHURCH, INC.**  
**FINANCIAL DEPARTMENT**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED MARCH 31, 2022**  
**(WITH COMPARATIVE TOTALS FOR 2021)**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2022</u>	<u>2021</u>
<b>REVENUES</b>				
Budget assessments	\$ 12,925,514	\$ -	\$ 12,925,514	\$ 11,687,461
General Conference Delegates and Alternates	2,936,683	-	2,936,683	26,618
Investment income	358,464	-	358,464	2,357,249
Other revenues	561,377	-	561,377	586,619
Total Revenues	<u>16,782,038</u>	<u>-</u>	<u>16,782,038</u>	<u>14,657,947</u>
<b>EXPENSES</b>				
<b>Program Services:</b>				
Executive Branch	3,133,424	-	3,133,424	2,522,703
General Officers' Department	1,573,716	-	1,573,716	1,272,856
Ministry Services	1,619,085	-	1,619,085	1,506,284
Educational and Episcopal Projects	3,307,484	-	3,307,484	2,839,534
General Conference Delegates and Alternates	7,767,042	-	7,767,042	472,260
Total Program Services	<u>17,400,751</u>	<u>-</u>	<u>17,400,751</u>	<u>8,613,637</u>
<b>Supporting Services:</b>				
Office of the Treasurer	2,117,337	-	2,117,337	1,824,301
General Administrative	2,190,505	-	2,190,505	757,302
Contingency and Debt Retirement	290,852	-	290,852	233,090
Total Supporting Services	<u>4,598,694</u>	<u>-</u>	<u>4,598,694</u>	<u>2,814,693</u>
Total Expenses	<u>21,999,445</u>	<u>-</u>	<u>21,999,445</u>	<u>11,428,330</u>
Change in Net Assets	(5,217,407)	-	(5,217,407)	3,229,617
Net Assets at Beginning of Year	<u>18,571,171</u>	<u>-</u>	<u>18,571,171</u>	<u>15,341,554</u>
Net Assets at End of Year	<u>\$ 13,353,764</u>	<u>\$ -</u>	<u>\$ 13,353,764</u>	<u>\$ 18,571,171</u>

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

**AFRICAN METHODIST EPISCOPAL CHURCH, INC.**  
**FINANCIAL DEPARTMENT**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED MARCH 31, 2022**  
**(WITH COMPARATIVE TOTALS FOR 2021)**

	PROGRAM SERVICES					SUPPORTING SERVICES					Total 2022	Total 2021
	Executive Branch	General Officer's Department	Ministry Services	Education & Episcopal Projects	General Conference	Total Program Services	Office of The Treasurer	General Administrative	Contingency & Debt Retirement	Total Supporting Services		
<b>Expenses:</b>												
Salary	\$ 1,440,028	\$ 495,291	\$ -	\$ -	\$ 687,234	\$ 2,622,553	\$ 607,660	\$ 172,885	\$ -	\$ 780,545	\$ 3,403,098	\$ 2,715,045
Payroll Benefits	403,083	92,945	-	-	217,822	713,850	243,685	168,887	-	412,572	1,126,422	788,484
Travel	506,279	200,436	163,937	-	393,391	1,264,043	27,490	46,878	3,633	78,001	1,342,044	493,007
Housing	-	131,245	26,053	-	-	157,298	16,406	5,859	-	22,265	179,563	75,853
Retired Bishops' Salaries	247,012	-	-	-	-	247,012	-	-	-	-	247,012	262,779
Retired Bishops' Travel	82,336	-	-	-	-	82,336	-	-	-	-	82,336	85,840
Council of Bishops	257,330	-	-	-	-	257,330	-	-	-	-	257,330	182,238
Bishops Widows/Widower	113,832	-	-	-	-	113,832	-	-	-	-	113,832	120,156
Ecumenical Officer	83,524	-	-	-	-	83,524	-	-	-	-	83,524	75,932
Retired General Officers Salary	-	99,502	-	-	-	99,502	-	-	-	-	99,502	96,503
Retired General Officers Travel/Stipend	-	58,166	-	-	-	58,166	-	-	-	-	58,166	58,166
Office Operations, Admin., Rent	-	482,925	1,061,216	-	6,600	1,550,741	-	136,142	-	136,142	1,686,883	1,029,357
Repairs and Maint.	-	9,604	-	-	3,501	13,105	121,590	2,814	-	124,404	137,509	117,577
Stipend/Susentation	-	-	-	-	780,741	780,741	1,435	144,922	-	146,357	927,098	145,641
Fund	-	-	280,183	-	-	280,183	-	-	-	-	280,183	280,183
Donations	-	-	87,696	3,307,484	204,967	3,600,147	8,610	3,880	10,623	23,113	3,623,260	2,918,909
Curriculum Uniform Series	-	3,602	-	-	-	3,602	-	-	-	-	3,602	4,803
Utilities	-	-	-	-	5,373	5,373	129,460	12,347	792	142,599	147,972	6,496
Supplies and Materials	-	-	-	-	233,813	233,813	80,142	46,350	738	127,230	361,043	23,231
Postage	-	-	-	-	24,499	24,499	10,835	8,340	3,204	22,379	46,878	3,833
Hotel	-	-	-	-	2,207,586	2,207,586	5,601	151,074	2,014	158,689	2,366,275	472,260
Food	-	-	-	-	184,868	184,868	12,874	15,410	460	28,744	213,612	710
Bank Charges/Fees	-	-	-	-	26,897	26,897	20,585	2,934	10,674	34,193	61,090	38,530
Legal Fees	-	-	-	-	80	80	851	913,860	-	914,711	914,791	441,234
Other Professional Fees/Temp. Help	-	-	-	-	526,100	526,100	86,480	104,230	66,375	257,085	783,185	69,487
Depreciation	-	-	-	-	-	-	-	-	192,062	192,062	192,062	201,928
Real Estate Taxes	-	-	-	-	-	-	8,606	-	277	8,883	8,883	-
Ministerial Retirement	-	-	-	-	-	-	567,414	-	-	567,414	567,414	502,935
Write Off	-	-	-	-	25,683	25,683	122,876	-	-	122,876	148,559	-
Audio/Visual	-	-	-	-	1,060,763	1,060,763	-	60,244	-	60,244	1,121,007	-
Security	-	-	-	-	185,943	185,943	-	56,858	-	56,858	242,801	37,412
Audit Fees	-	-	-	-	-	-	-	68,000	-	68,000	68,000	22,500
Internet/Website	-	-	-	-	268,905	268,905	-	2,599	-	2,599	271,504	58,462
Advertisement	-	-	-	-	17,250	17,250	-	-	-	-	17,250	-
Registration	-	-	-	-	177,007	177,007	-	-	-	-	177,007	2,425
Consulting Fees	-	-	-	-	46,569	46,569	-	-	-	-	46,569	29,500
Taxes	-	-	-	-	204,763	204,763	-	-	-	-	204,763	-
Electronic Voting	-	-	-	-	179,989	179,989	-	-	-	-	179,989	-
Convention Center	-	-	-	-	88,998	88,998	-	-	-	-	88,998	-
Insurance	-	-	-	-	-	-	40,337	64,092	-	104,429	104,429	66,914
Photographer	-	-	-	-	7,700	7,700	4,400	1,900	-	6,300	14,000	-
<b>Total Expenses</b>	<b>\$ 3,133,424</b>	<b>\$ 1,573,716</b>	<b>\$ 1,619,085</b>	<b>\$ 3,307,484</b>	<b>\$ 7,767,042</b>	<b>\$ 17,400,751</b>	<b>\$ 2,117,337</b>	<b>\$ 2,190,505</b>	<b>\$ 290,852</b>	<b>\$ 4,598,694</b>	<b>\$ 21,999,445</b>	<b>\$ 11,428,330</b>

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

**AFRICAN METHODIST EPISCOPAL CHURCH, INC.**  
**FINANCIAL DEPARTMENT**  
**STATEMENT OF CASH FLOWS**  
**YEAR ENDED MARCH 31, 2022**  
**(WITH COMPARATIVE TOTALS FOR 2021)**

	<u>2022</u>	<u>2021</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ (5,217,407)	\$ 3,229,618
Adjustments to reconcile change in net assets to net cash from operating activities:		
Realized and unrealized net loss (gain) on investments	85,074	(2,043,900)
Loss on write-off of property and equipment	108,665	-
Receivables write-off	39,869	-
Depreciation	192,062	205,921
Decrease (increase) in assets:		
Other receivables	248,049	(254,073)
Prepaid expenses	457,101	(26,495)
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	(92,719)	16,717
Due to other church departments	11,290	46,284
Deferred revenue	<u>(2,442,342)</u>	<u>(190,600)</u>
Net Cash from Operating Activities	<u>(6,610,358)</u>	<u>983,472</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of investments	(651,290)	(2,202,561)
Sale of investments	2,005,441	1,615,577
Proceeds from sale of property and equipment	-	27,370
Acquisition of property and equipment	<u>(26,275)</u>	<u>(120,453)</u>
Net Cash from Investing Activities	<u>1,327,876</u>	<u>(680,067)</u>
Net (Decrease) Increase in Cash and Cash Equivalents	(5,282,482)	303,405
Cash and Cash Equivalents, Beginning	<u>8,008,224</u>	<u>7,704,819</u>
Cash and Cash Equivalents, Ending	<u>\$ 2,725,742</u>	<u>\$ 8,008,224</u>
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>		
Interest paid	<u>\$ 1,568</u>	<u>\$ 4,491</u>

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



**AFRICAN METHODIST EPISCOPAL CHURCH, INC.**  
**FINANCIAL DEPARTMENT**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED MARCH 31, 2022**

**NOTE 1: ORGANIZATION AND OPERATIONS**

The African Methodist Episcopal Church, Inc. (“AME”) is a nonprofit organization, which was established in 1787. AME consists of 13 districts in the United States and 7 missionary districts abroad. Twenty-four operating funds were established to address the various causes and services that embody AME’s mission.

AME approves a budget at the Quadrennial General Conference. The General Conference allocates budget assessments to each of 20 districts based on their economic conditions. Funds collected in Districts 14 through 20 remain with the related district for missionary work. Expenses are allocated to operating funds for the various causes and services.

The African Methodist Episcopal Church, Inc. - Financial Department (the “Department”) manages both the budget assessments received from various districts and the disbursements to operating funds in accordance with the quadrennial budget. These financial statements represent the financial activities of the Finance Department only.

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The following is a summary of the significant accounting policies used by the Department.

**Basis of Accounting** - The financial statements of the Department are presented on the accrual basis of accounting. Under this method revenues are recognized when earned and expenses are recorded when incurred, without regard to the date of receipt or payment of cash.

**Budget Assessments** - Budget assessments represent each District’s required annual contribution to AME. Receipts in excess of the allocated amounts are recorded as deferred revenue, and uncollected budget assessments are recorded as budget assessments receivable.

**Basis of Presentation**

AME follows recently implemented guidance regarding the Presentation of Financial Statements for Not-for-Profit Entities. This guidance requires AME to classify its net assets into two categories: with donor restrictions and without donor restrictions.

**AFRICAN METHODIST EPISCOPAL CHURCH, INC.**  
**FINANCIAL DEPARTMENT**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED MARCH 31, 2022**

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES Continued)**

Net assets without donor restrictions are those that are not subject to donor-imposed restrictions. Net assets with donor restrictions represent contributions with donor-imposed restrictions that have not yet been satisfied. When a stipulated time restriction ends or a purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restriction. AME has no net assets with donor-imposed restrictions.

**Property, Equipment and Depreciation** - Expenditures for property and equipment in excess of \$1,000 are capitalized at cost. Donated property is recorded at market value at the time of receipt.

Depreciation is provided over the estimated useful lives of the assets using the straight-line method.

**Investments** - Investments in mutual funds, corporate securities and certificates of deposits with maturities greater than ninety days are reported as investments and carried at fair market value at fiscal year-end.

AME's assets or liabilities valued on a recurring basis are carried at fair value and classified using the following fair value hierarchy:

Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2: Observable market-based inputs other than quoted prices in active markets for identical assets or liabilities. This includes instruments that are primarily valued using valuation techniques that use observable market-based inputs or unobservable inputs that are corroborated by market data.

Level 3: Prices or valuations that require inputs that are both significant to the fair value measurement and unobservable. This is comprised of instruments whose fair value is estimated based on a market approach using alternate techniques or internally developed models using significant inputs that are generally less readily observable because of limited market activity or little transparency.

**AFRICAN METHODIST EPISCOPAL CHURCH, INC.**  
**FINANCIAL DEPARTMENT**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED MARCH 31, 2022**

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES Continued)**

FASB ASC 820, *Fair Value Measurement* requires the use of observable market data if such data is available without undue cost and effort.

**Income Taxes** - AME is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. As a unit within AME, the Department is similarly tax exempt.

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

**Adoption of New Accounting Pronouncement** - There were no new accounting pronouncements implemented by AME during 2022.

The following ASU is to be adopted. Management is evaluating the impact on the financial statements upon adoption:

- ASU 2016-02, *Leases (Topic 842)* – The standard is effective for AME for fiscal years beginning after December 15, 2021 (fiscal year 2022/23).

**NOTE 3: CASH AND CASH EQUIVALENTS**

The Department considers all highly liquid debt instruments purchased with an original maturity of three months or less from purchase to be cash equivalents. At March 31, 2022, cash and cash equivalent consisted of:

Cash	\$	2,424,047
Money Market		301,695
Total	\$	2,725,742

AME's cash balances in financial institutions may occasionally exceed the federally insured limit of \$250,000. At March 31, 2022, the amount in excess of the Federal Deposit Insurance Corporation (“FDIC”) limit was \$2,687,358.

**AFRICAN METHODIST EPISCOPAL CHURCH, INC.**  
**FINANCIAL DEPARTMENT**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED MARCH 31, 2022**

**NOTE 4: FAIR VALUE MEASUREMENTS**

The following table presents the AME's financial assets that are measured at fair value on a recurring basis at March 31, 2022 consistent with the fair value hierarchy provisions of FASB ASC 820-10.

	Fair Value Measurement Using			2022 Total
	Quoted Prices in Active Markets for Identifiable Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Other (Level 3)	
Cash Equivalents				
Money Market Funds	\$ 301,695	\$ -	\$ -	\$ 301,695
Total Cash Equivalent	301,695	-	-	301,695
Investments				
Certificates of Deposit	-	875,438	-	875,438
Equity Securities	6,544,077	-	-	6,544,077
Fixed Income Fund	917,009	-	-	917,009
Mutual Funds	1,445,779	-	-	1,445,779
Unit Trusts	46,499	-	-	46,499
Bonds	167,280	-	-	167,280
Total Investments	9,120,644	875,438	-	9,996,082
<b>Total</b>	<b>\$ 9,422,339</b>	<b>\$ 875,438</b>	<b>\$ -</b>	<b>\$ 10,297,777</b>

**NOTE 5: INVESTMENTS**

AME's investments, without including those investments classified as cash equivalents, totaled \$9,996,082.

Investment income consisted of the following for the year ended March 31, 2022:

Realized and unrealized gains/(losses)	\$ (85,074)
Interest and dividends	443,538
Total investment income	<u>\$ 358,464</u>

**AFRICAN METHODIST EPISCOPAL CHURCH, INC.**  
**FINANCIAL DEPARTMENT**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED MARCH 31, 2022**

**NOTE 6: PROPERTY AND EQUIPMENT**

Property and equipment consisted of the following:

<b>2022</b>	
Land	\$ 301,227
Building and improvements	4,557,785
Furniture and equipment	<u>481,673</u>
	5,340,685
Less accumulated depreciation	<u>(3,928,868)</u>
Property and equipment, net	<u><u>\$ 1,411,817</u></u>

Depreciation expense for fiscal year 2022 was \$192,062.

**NOTE 7: RETIREMENT PAYABLE**

Retirement payable of \$125,382 represents an amount payable to a 403b retirement plan for a Bishop of the church.

**NOTE 8: LINES OF CREDIT**

The Department has a line of credit and collateral with Bank of America for \$300,000. The Department also has a line of credit with Truist Company for \$2.5 million. Interest accrues on the outstanding balance at 2.5% over the Wall Street Journal rate. As of March 31, 2022, there were no outstanding balances on the lines of credit.

**NOTE 9: RELATED PARTY TRANSACTIONS**

The following are related party transactions entered into by the Department:

- AME founded Service and Development Agency, Inc. (SADA) in 1978 to coordinate and administer international development and relief projects. The quadrennial budget included an allocation for funds to be disbursed to SADA for overseas development.
- The Department leases office space to SADA at \$1,100 per month.
- The Department leases office space to Women’s Missionary Society (WMS) at \$2,000 per month. WMS is a division within AME.

**AFRICAN METHODIST EPISCOPAL CHURCH, INC.**  
**FINANCIAL DEPARTMENT**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED MARCH 31, 2022**

**NOTE 9: RELATED PARTY TRANSACTIONS (Continued)**

- The Department leases office space to the Second Episcopal District at \$2,500 per month. The Second District Episcopal District is a district within the AME.
- The Department leases office space to the Legal Department at \$550 per month. The Legal Department is a department within AME.
- The Department leases office space to the General Conference at \$550 per month. The General Conference is a department within AME.

**NOTE 10: OTHER RECEIVABLES**

Department and District receivables	\$	156,049
Insurance receivables		33,816
Other		67,684
Total		257,550
Less current portion		67,684
Non-current portion	\$	189,866

**NOTE 11: RETIREMENT BENEFITS**

AME established a defined contribution plan for payment of retirement benefits to Bishops and General Officers elected after January 1, 2000. Under the terms of this plan, a contribution of up to 5% of the gross salary of Bishops and General Officers of AME will be matched by an annuity contribution of up to 10%, from the General Budget Fund. AME paid \$194,085 to the plan in fiscal year 2022.

**NOTE 12: COMPARATIVE 2021 FINANCIAL DATA**

The amounts shown for fiscal year 2021 in the accompanying financial statements are included only to provide a basis of comparison with fiscal year 2022 and are not intended to present all information necessary for a fair presentation in accordance with accounting principles generally accepted in the United States of America.

**AFRICAN METHODIST EPISCOPAL CHURCH, INC.**  
**FINANCIAL DEPARTMENT**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED MARCH 31, 2022**

**NOTE 13. LIQUIDITY AND AVAILABILITY**

The following represents the AME’s financial assets at March 31, 2022:

Cash	\$	2,725,742
Investments		9,996,082
Accounts receivables		257,550
<b>Total financial assets</b>	<b>\$</b>	<b><u>12,979,374</u></b>

Financial assets available to meet general expenditures over the next twelve months	\$	<u>12,979,374</u>
---	----	-------------------

**NOTE 14: PAYCHECK PROTECTION PROGRAM LOAN**

On April 2, 2021, AME closed on a loan of \$499,745 from the Small Business Administration (SBA) Paycheck Protection Program. AME received forgiveness for the PPP loan, based on the criteria set forth by SBA, on October 29, 2021. The amount eligible for forgiveness was, subject to certain limitations, the sum of the organization’s payroll costs, rent and utilities paid by AME.

**NOTE 15: COMMITMENT AND CONTINGENCIES**

The AME Church is subject to other claims, legal proceedings, and investigations. In the opinion of management, such matters should be covered by insurance and if not so covered, are of such kind or involve such amounts, as would not have a significant effect on the financial position or results of operations of the AME Church Finance Department if disposed of unfavorably, and at the financial statements date are not estimable.

The AME Church Finance Department represents the Connectional AME Church and provide administrative services for its departmental business operations. In Fiscal Year 2022, the Department of Retirement Services (DRS) and its “Church Retirement Plan” initiated an investigation which identified probable mismanagement and misappropriation of funds from the said plan and its participants. Thus, possibly resulting in a “potential loss” for the Department of Retirement Services (DRS).

A potential contingency exists whereby the Connectional AME Church may be liable for restoration of funds to the Church Retirement Plan Participants. As of March 31, 2022, the amount of the “potential loss” was not estimable and will not be quantified until the completion of the ongoing internal investigation and plan audit.

**AFRICAN METHODIST EPISCOPAL CHURCH, INC.**  
**FINANCIAL DEPARTMENT**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED MARCH 31, 2022**

**NOTE 16: SUBSEQUENT EVENTS**

As a result of the incidence of COVID-19, economic uncertainties may negatively impact the financial position and results of operations of AME. The duration of these uncertainties and the ultimate financial effects cannot be reasonably estimated at this time.

In preparing these financial statements, AME evaluated events and transactions for potential recognition through May 25, 2022, the date the financial statements were available to be issued. There were no events or transactions that was discovered during our evaluation that required an adjustment to these financial statements.



**SUPPLEMENTARY INFORMATION**

**INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY  
INFORMATION**

Members of the General Board  
African Methodist Episcopal Church, Inc.

We have audited the financial statements of the African Methodist Episcopal Church – Finance Department as of and for the year ended March 31, 2022, and have issued our report thereon dated May 25, 2022 which contained an unmodified opinion on those financial statements (See page 1). Our audit was performed for the purpose of forming an opinion on those financial statements as a whole.

The accompanying supplementary information is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Washington, DC *BCA Watson Rice LLP*  
May 25, 2022

**AFRICAN METHODIST EPISCOPAL CHURCH, INC.**  
**FINANCIAL DEPARTMENT**  
**SUPPLEMENTAL SCHEDULE OF REVENUES**  
**YEAR ENDED MARCH 31, 2022**  
**(WITH COMPARATIVE TOTALS FOR 2021)**

<b>BUDGET ASSESSMENTS</b>	<u>2022</u>	<u>2021</u>
1 <sup>st</sup> District	\$ 1,786,950	\$ 1,615,788
2 <sup>nd</sup> District	1,683,641	1,522,381
3 <sup>rd</sup> District	598,397	541,079
4 <sup>th</sup> District	1,136,950	1,028,048
5 <sup>th</sup> District	1,285,025	1,161,943
6 <sup>th</sup> District	1,255,376	1,135,135
7 <sup>th</sup> District	1,194,925	1,080,474
8 <sup>th</sup> District	383,996	347,215
9 <sup>th</sup> District	535,095	483,841
10 <sup>th</sup> District	768,147	694,566
11 <sup>th</sup> District	1,404,575	1,270,042
12 <sup>th</sup> District	418,990	378,857
13 <sup>th</sup> District	424,919	384,216
14 <sup>th</sup> District	2,697	2,438
15 <sup>th</sup> District	13,480	12,188
16 <sup>th</sup> District	1,797	1,625
17 <sup>th</sup> District	6,291	5,688
18 <sup>th</sup> District	6,291	5,688
19 <sup>th</sup> District	16,175	14,625
20 <sup>th</sup> District	1,797	1,624
<b>Total Budget Assessments</b>	<u>12,925,514</u>	<u>11,687,461</u>
<b>OTHER REVENUE</b>		
General Conference Delegates and Alternates Revenues	2,936,683	26,618
Other Revenues	457,390	503,360
Rental of building	81,567	82,200
Gift shop	15,172	1,059
Investment	358,464	2,357,249
Haiti Relief Fund	7,248	-
Total Other Revenue	<u>3,856,524</u>	<u>2,970,486</u>
<b>TOTAL REVENUES</b>	<u>\$ 16,782,038</u>	<u>\$ 14,657,947</u>

See Independent Auditor's Report on Supplementary Information

**AFRICAN METHODIST EPISCOPAL CHURCH, INC.**  
**FINANCIAL DEPARTMENT**  
**SUPPLEMENTAL SCHEDULE OF EXPENSES**  
**YEAR ENDED MARCH 31, 2022**  
**(WITH COMPARATIVE TOTALS FOR 2021)**

	<b>2022</b>	<b>2021</b>
<b><u>EXECUTIVE BRANCH</u></b>		
Bishops' salaries	\$ 1,440,028	\$ 1,124,693
Bishops' expenses	604,230	422,735
Council of Bishops	257,479	182,238
Retired Bishops' salaries	247,012	262,779
Retired Bishops' expenses	82,336	85,840
Widows of Bishops	113,832	120,156
Bishops' annuities	164,132	141,112
Ecumenical Officer	83,524	75,932
New Bishops 403(b)	140,851	107,218
<b>Total</b>	3,133,424	2,522,703
 <b><u>OFFICE OF THE TREASURER</u></b>		
Treasurer's salary	64,675	44,222
Administration and travel	50,301	36,260
Financial Department	1,168,711	1,014,731
Ministerial Retirement	567,414	502,935
Institutional Development	203,644	162,962
Gift Shop	52,427	58,388
Sunday School	10,161	4,802
<b>Total</b>	2,117,333	1,824,300
 <b><u>OFFICE OF THE SECRETARY</u></b>		
Secretary's salary	61,911	44,222
Administration and travel	138,783	116,602
<b>Total</b>	200,694	160,824
 <b><u>CHRISTIAN RECORDER</u></b>		
Editor's salary	61,911	44,222
Office operation and rent	35,468	32,248
Administration and travel	50,223	36,556
<b>Total</b>	147,602	113,026

(continued)

**AFRICAN METHODIST EPISCOPAL CHURCH, INC.**  
**FINANCIAL DEPARTMENT**  
**SUPPLEMENTAL SCHEDULE OF EXPENSES (CONTINUED)**  
**YEAR ENDED MARCH 31, 2022**  
**(WITH COMPARATIVE TOTALS FOR 2021)**

	<u>2022</u>	<u>2021</u>
<b><u>RETIRED GENERAL OFFICERS</u></b>	\$ 157,667	\$ 154,669
<b><u>WOMEN'S MISSIONARY SOCIETY</u></b>	287,892	261,720
<b><u>OVERSEAS DEVELOPMENT</u></b>	550,225	541,445
<b><u>SERVICE AND DEVELOPMENT AGENCY</u></b>		
Administration and travel	240,612	218,736
Child survival project	194,600	176,908
Clinic-Haiti and U.S.	22,672	20,612
Fund developer	23,616	21,468
R.A. Hildebrand Clinic	33,056	30,052
<b>Total</b>	514,556	467,776
<b><u>LAY ORGANIZATION</u></b>	178,716	162,468
<b><u>GENERAL ADMINISTRATION</u></b>		
General Conference Commission	1,291	-
General Board of Commissions	435,439	55,448
Legal	920,288	238,942
Computations Committee	27,920	-
General Officers Council	7,409	9,093
Social action	17,097	15,843
Connectional Council	6,944	-
Women in ministry	13,092	11,904
Board of Incorporators	12,500	2,771
Health office and operation	8,614	3,550
Judicial Council	9,178	3,500
Miscellaneous administration	37,354	48,540
Association of Scouts	5,570	4,940
Administration for Community Education	7,914	7,502
Music Committee	10,938	9,880
Richard Allen Young Adult Council	32,816	29,836
Website	31,796	41,222
Meeting planner	107,361	86,552
General office transition	375,211	129,899
Audit expense departments	68,000	22,500
General Officer's 403(b)	53,234	35,380
<b>Total</b>	2,189,966	757,302

(continued)

**AFRICAN METHODIST EPISCOPAL CHURCH, INC.**  
**FINANCIAL DEPARTMENT**  
**SUPPLEMENTAL SCHEDULE OF EXPENSES (CONTINUED)**  
**YEAR ENDED MARCH 31, 2022**  
**(WITH COMPARATIVE TOTALS FOR 2021)**

	<u>2022</u>	<u>2021</u>
<b><u>INTERDENOMINATIONAL COOPERATIVE FUND</u></b>		
National Council of Churches	\$ 30,000	\$ -
World Methodist Council	-	25,000
Commission of Chaplains	17,675	-
Church World Services	9,521	18,000
Other Denominational Allocation	5,500	4,875
World Council of Churches	25,000	25,000
Total	87,696	72,875

**EDUCATIONAL INSTITUTIONS**

Morris Brown College	281,292	255,720
Wilberforce University	281,292	255,720
Allen University	281,292	255,720
Paul Quinn College	281,292	255,720
Edward Waters College	281,292	255,720
Shorter College	281,292	255,720
Payne Theological Seminary	281,292	255,720
Turner Theological Seminary	281,292	255,720
Theological Scholarships	100,080	99,254
AMEC University	200,496	182,066
Theological Scholarships 14-20 Districts	10,961	18,042
Dickerson-Green Theological Seminary	130,000	-
Jackson Seminary 24	66,664	-
Educational Foundation	31,301	23,828
Wilberforce Institute	200,496	182,268
Total	2,990,334	2,551,218

**EXTENDED BUDGET IN EDUCATION**

Monrovia College	42,812	38,916
Bonner Campbell Training Center	60,864	55,336
R.R. Wright School	30,579	27,796
Richard Allen High School	9,172	8,336
Sizanne College	18,348	16,680
Jordan Agricultural School	9,172	8,336
Anne Health Academy	6,116	5,560
Daniel Payne College	26,180	23,800
Kittrell College	16,052	14,596
Total	219,295	199,356

(continued)

**AFRICAN METHODIST EPISCOPAL CHURCH, INC.**  
**FINANCIAL DEPARTMENT**  
**SUPPLEMENTAL SCHEDULE OF EXPENSES (CONTINUED)**  
**YEAR ENDED MARCH 31, 2022**  
**(WITH COMPARATIVE TOTALS FOR 2021)**

	<u>2022</u>	<u>2021</u>
<b><u>EPISCOPAL DISTRICT PROJECTS</u></b>		
Camp Baber	\$ 30,580	\$ 27,800
Reid Center	36,696	33,360
Mother Bethel	30,580	27,800
Total	97,856	88,960
<b><u>GENERAL CONFERENCE</u></b>		
	7,767,041	472,260
<b><u>DEBT RETIREMENT</u></b>		
	10,599	5,191
<b><u>ENDOWMENT</u></b>		
	-	26,468
<b><u>CONTINGENCY RESERVE</u></b>		
	273,222	201,428
<b><u>SUNDAY SCHOOL UNION</u></b>		
Salary	61,911	44,222
Administration and travel	33,818	24,838
Housing	16,406	11,718
Total	112,135	80,778
<b><u>GLOBAL WITNESS AND MINISTRIES</u></b>		
Salary	61,911	44,222
Stipend	97,844	88,948
Administration and travel	117,063	92,640
Total	276,818	225,810
<b><u>RESEARCH AND SCHOLARSHIPS</u></b>		
Salary	61,911	44,222
Administration and travel	89,246	70,187
Housing	16,406	11,718
Total	167,563	126,127
<b><u>ANNUITY INVESTMENTS AND INSURANCE</u></b>		
Salary	61,911	44,222
Administration and travel	58,282	55,974
Housing	16,406	11,718
Total	136,599	111,914

(continued)

**AFRICAN METHODIST EPISCOPAL CHURCH, INC.**  
**FINANCIAL DEPARTMENT**  
**SUPPLEMENTAL SCHEDULE OF EXPENSES (CONTINUED)**  
**YEAR ENDED MARCH 31, 2022**  
**(WITH COMPARATIVE TOTALS FOR 2021)**

	2022	2021
<b><u>CHRISTIAN EDUCATION</u></b>		
Salary	\$ 61,911	\$ 44,222
Administration and travel	130,191	112,373
Housing	16,406	11,718
Curriculum Uniform Services	3,602	4,803
Total	212,110	173,116
 <b><u>CHURCH GROWTH AND DEVELOPMENT</u></b>		
Salary	61,911	44,222
Administration and travel	84,210	70,650
Housing	16,406	11,718
Total	162,527	126,590
 <b><u>OTHER EXPENSES</u></b>		
Disaster Relief Fund-AMEC	6,958	-
Miscellaneous expenses	617	6
Total	7,575	6
 <b>TOTAL EXPENSES</b>	 \$21,999,445	 \$ 11,428,330

See Independent Auditor's Report on Supplementary Information



**AFRICAN METHODIST EPISCOPAL CHURCH, INC.**  
**FINANCIAL DEPARTMENT**  
**SUPPLEMENTAL SCHEDULE OF DISTRICT PAYMENTS**  
**YEAR ENDED MARCH 31, 2022**

<b>DISTRICT</b>	<b>Budget</b> <b>Assessments for</b> <b>Fiscal Year 2022</b>	<b>31-Mar-21</b>		<b>Total Fiscal Year</b> <b>2022 Amount Due</b>	<b>Cash Receipts</b> <b>in Fiscal Year</b> <b>2022</b>	<b>31-Mar-22</b>	
		<b>Budget</b> <b>Assessment</b> <b>Receivable</b>	<b>Deferred</b> <b>Revenue at</b> <b>March 31,</b>			<b>Budget</b> <b>Assessments</b> <b>Receivable</b>	<b>Deferred</b> <b>Revenue at</b> <b>March 31,</b>
1 <sup>st</sup> District	\$ 1,786,950	\$ -	\$ 6,380	\$ 1,780,570	\$ 1,780,570	\$ -	\$ -
2 <sup>nd</sup> District	1,683,641	-	39,036	1,644,605	1,644,605	-	-
3 <sup>rd</sup> District	598,397	-	-	598,397	598,397	-	-
4 <sup>th</sup> District	1,136,950	-	3	1,136,947	1,136,947	-	-
5 <sup>th</sup> District	1,285,025	-	268,142	1,016,883	1,364,696	-	347,813
6 <sup>th</sup> District	1,255,376	-	-	1,255,376	1,255,376	-	-
7 <sup>th</sup> District	1,194,925	-	252,073	942,852	1,293,709	-	350,857
8 <sup>th</sup> District	383,996	-	3	383,993	387,058	-	3,065
9 <sup>th</sup> District	535,095	-	111,531	423,564	428,732	-	5,168
10 <sup>th</sup> District	768,147	-	5	768,142	768,142	-	-
11 <sup>th</sup> District	1,404,575	-	2	1,404,573	1,404,573	-	-
12 <sup>th</sup> District	418,990	-	4	418,986	418,988	-	2
13 <sup>th</sup> District	424,919	-	2	424,917	424,917	-	-
14 <sup>th</sup> District	2,697	-	101	2,596	2,696	-	100
15 <sup>th</sup> District	13,480	-	(1)	13,481	13,481	-	-
16 <sup>th</sup> District	1,797	-	-	1,797	1,797	-	-
17 <sup>th</sup> District	6,291	-	1	6,290	6,290	-	-
18 <sup>th</sup> District	6,291	-	1	6,290	6,290	-	-
19 <sup>th</sup> District	16,175	-	-	16,175	16,175	-	-
20 <sup>th</sup> District	1,797	-	-	1,797	1,797	-	-
<b>Total</b>	<b>\$ 12,925,514</b>	<b>\$ -</b>	<b>\$ 677,283</b>	<b>\$ 12,248,231</b>	<b>\$ 12,955,236</b>	<b>\$ -</b>	<b>\$ 707,005</b>

See Independent Auditor's Report on Supplementary Information