

**SOUTH GEORGIA CONFERENCE OF  
THE UNITED METHODIST CHURCH**

**INDEPENDENT AUDITOR'S REPORT  
AND FINANCIAL STATEMENTS**

**AS OF DECEMBER 31, 2016**

SOUTH GEORGIA CONFERENCE OF THE UNITED METHODIST CHURCH

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**INDEPENDENT AUDITOR’S REPORT**

South Georgia Conference of The  
 United Methodist Church  
 Macon, Georgia

Ladies and Gentlemen:

We have audited the accompanying financial statements of the South Georgia Conference of The United Methodist Church (a nonprofit religious organization), which comprise the statement of assets, liabilities, and net assets-modified cash basis as of December 31, 2016, the related statement of support, revenue and expense-modified cash basis, and the statement of change in net assets – modified cash basis for the year then ended, and the related notes to the financial statements.

**Management’s Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting as described in Note 1; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible 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.

**Auditor’s Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the financial statements 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 entity’s internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and net assets of the South Georgia Conference of The United Methodist Church as of December 31, 2016, and its support, revenue, expenses and changes in net assets – modified cash basis for the year then ended, on the basis of accounting described in the Note 1.

**Basis of Accounting**

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, in conformity with the accounting practices permitted by the General Conference of The United Methodist Church, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

**Report on Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of support, revenue and expenses and changes in net assets – modified cash basis on pages 13 through 17 and the schedule of changes in net assets – modified cash basis on pages 18 through 20 are 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 modified cash basis of accounting, in conformity with the accounting practices permitted by the General Conference of The United Methodist Church. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

A large, stylized handwritten signature in black ink, likely belonging to the auditor, is written across the bottom of the page.

Macon, Georgia  
March 30, 2017

## **FINANCIAL STATEMENTS**

SOUTH GEORGIA CONFERENCE OF THE UNITED METHODIST CHURCH

STATEMENT OF ASSETS, LIABILITIES AND NET ASSETS - MODIFIED CASH BASIS  
DECEMBER 31, 2016

ASSETS

Current Assets:

Cash and cash equivalents	\$ 2,501,465
Investments, at fair value	12,078,714
Apportionments and other receipts receivable	724,382
Prepaid expenses	7,187

Total Current Assets 15,311,748

Total Assets \$ 15,311,748

LIABILITIES AND NET ASSETS

Liabilities:

Current Liabilities:

Obligations payable on current year's budget	\$ 941,058
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Total Liabilities 941,058

Net Assets:

Temporarily restricted	10,541,197
Unrestricted	3,829,493

Total Net Assets 14,370,690

Total Liabilities and Net Assets \$ 15,311,748

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

EXHIBIT A

SOUTH GEORGIA CONFERENCE OF THE UNITED METHODIST CHURCH

STATEMENT OF SUPPORT, REVENUE AND EXPENSES - MODIFIED CASH BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2016

Support and Revenue:

Budgeted Funds:

Conference Benevolence	\$ 752,406
Congregational Development	535,835
Clergy Support	4,110,652
Administration	1,044,343
SEJ Mission and Ministry	52,320
Other Apportioned Causes	2,985,863
	2,985,863

Total Budgeted Funds	9,481,419
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Nonbudgeted Funds	12,197,546
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Total Support and Revenue	21,678,965
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Expenses:

Budgeted Funds:

Conference Benevolence	811,366
Congregational Development	511,484
Clergy Support	4,124,152
Administration	786,551
SEJ Mission and Ministry	57,603
Other Apportioned Causes	2,985,863
	2,985,863

Total Budgeted Funds	9,277,019
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Nonbudgeted Funds	11,833,531
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Total Expenses	21,110,550
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Change in Net Assets	\$ 568,415
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The accompanying notes are an integral part of the financial statements.

SOUTH GEORGIA CONFERENCE OF THE UNITED METHODIST CHURCH

STATEMENT OF CHANGES IN NET ASSETS - MODIFIED CASH BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2016

	Temporarily Restricted	Unrestricted	Total
Balance - January 1, 2016	\$ 10,221,744	\$ 3,580,531	\$ 13,802,275
Change in Net Assets	319,453	248,962	568,415
Balance - December 31, 2016	<u>\$ 10,541,197</u>	<u>\$ 3,829,493</u>	<u>\$ 14,370,690</u>

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



**NOTES TO THE FINANCIAL STATEMENTS**

SOUTH GEORGIA CONFERENCE OF THE UNITED METHODIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2016

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Organization**

The accompanying financial statements include the assets, liabilities, net assets and financial activities of the South Georgia Conference of The United Methodist Church (the “Conference”), an organization providing services at a level of administration beyond the individual local churches. The Conference is composed of approximately 610 United Methodist local churches, grouped into six districts, located in the southern half of Georgia. Through the Conference, the membership provides support for programs beyond the local church, such as for United Methodist colleges and universities in Georgia, and for ministerial salary supplements at smaller churches. Support also is provided to the Southeastern Jurisdictional and General Conference of The United Methodist Church, and programs organized and administered by those conferences, such as missionary programs worldwide.

**Fund Accounting**

To ensure observance of limitations and restrictions placed on the use of resources available to the Conference, the accounts of the Conference are maintained in accordance with the principles of fund accounting. This is the procedure by which resources for various purposes are classified for accounting and reporting purposes into funds established according to their nature and purposes. Separate equity accounts are maintained. In the accompanying financial statements, funds that have similar characteristics have been combined into fund groups. Accordingly, all financial transactions have been recorded and reported by fund group. This fund basis of presentation is not in conformity with generally accepted accounting principles.

Each line item on the Conference’s Statement of Support, Revenue and Expenses – Modified Cash Basis is an individual fund or is a summary of several individual funds. The individual funds are also classified into two types (four groups): (a) budgeted versus nonbudgeted, and (b) restricted versus unrestricted.

Budgeted funds are those for which the Conference adopts an annual formal financial plan (a budget) showing anticipated support and revenue and proposed expenditures for the individual funds, and apportions the estimated revenues to member churches by sending requests for support and contributions. Nonbudgeted funds are those for which no specific dollar amounts of annual revenue or expenditure are estimated, although the programs represented by funds in this group are included in the Conference’s planning process. Funds in either group (budgeted or nonbudgeted) may be restricted or unrestricted.

Restricted funds are those for which unexpended monies at the end of each annual accounting period are carried forward in an individual net asset accounts and in future periods may be expended only for the purposes for which the fund was established. Unrestricted funds are those for which unexpended monies at the end of each annual accounting period are transferred into a common, accumulated net asset account representing claims on assets (monies) which in future periods may be expended for any organizational purpose properly approved by the Conference or its designated representatives. Funds in either group (restricted or unrestricted) may originate as budgeted or nonbudgeted.

# SOUTH GEORGIA CONFERENCE OF THE UNITED METHODIST CHURCH

## NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2016 (CONTINUED)

### **Basis of Accounting**

The Conference accounts are maintained on the modified cash basis of accounting; consequently, most apportionments, contributions and related assets are recognized when received rather than earned, and most expenses are recognized when paid rather than when the obligation is incurred. Accordingly, the accompanying financial statements are not intended to present financial position and results of operations in conformity with generally accepted accounting principles.

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

### **Cash and Cash Equivalents**

The Conference considers cash and cash equivalents to include time deposits, certificates of deposit, sweep accounts, money market funds, and highly liquid debt instruments with maturities of three months or less at the date of their acquisition.

### **Investments**

The Conference has adopted FASB ASC 958-320, *Investments- Debt and Equity Securities*. FASB ASC 958-320, investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of support and revenue, expenses, and changes in fund balances. Unrealized gains and losses are included in the change in net assets. Realized gains and losses on investments are calculated on a moving cost average.

The Conference's policy is to carry its cash in interest-bearing accounts and to invest cash in excess of immediate operating requirements in income-producing investments. Cash and temporary cash investments of \$2,501,465 at December 31, 2016, were composed primarily of checking and sweep accounts, and are stated at cost.

Certificates of deposit and other investments are carried at fair value. Interest is accrued for amounts earned but not yet received. Unrealized gains and losses are included in the change in net assets. As of December 31, 2016, the fair value of investments was \$12,078,714.

Interest revenue and gains or losses on transactions in marketable securities, and interest from cash and cash equivalents, are included in support and revenue from nonbudgeted funds.

### **Apportionments Receivable**

To reflect cash receipts and disbursements in the appropriate budget period, the financial statements include certain transactions, which occurred during the first three weeks subsequent to year-end and exclude such transactions for the similar period at the beginning of the year. Such receipts have been classified as Apportionments and Other Receipts Receivable, and the related disbursements have been classified as Obligations Payable on Current Year's Budget, on the Statement of Assets, Liabilities and Fund Balance – Modified Cash Basis. Apportionments

SOUTH GEORGIA CONFERENCE OF THE UNITED METHODIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2016  
(CONTINUED)

receivable represent amounts contributed for the period ending December 31, 2016. All apportionments receivable are considered contributed support and are expected to mature in the next fiscal year. Based upon prior experience, management does not consider it necessary to provide an allowance for doubtful accounts.

**Prepaid expense**

Certain payments to vendors reflect cost applicable to future accounting periods, and are recorded as prepaid items in the financial statements.

**Plant Assets and Related Liabilities**

Under the modified cash basis of accounting, the costs of property and equipment acquisitions are recorded as operating expenditures at the time of purchase. Property and equipment acquisitions are recorded at cost, estimated cost, or if donated, at fair market value on the date of donation. It is the Conference's policy to capitalize assets costing \$500 or more.

Land, buildings and major items of equipment and furniture purchased by the Conference are not a responsibility of the Conference Council on Finance and Administration. Legal title to these assets is held by the Board of Trustees of the South Georgia Annual Conference of The United Methodist Church, Inc.

The Board of Trustees owns other residence buildings and land throughout the State of Georgia. The underlying mortgages and assets are the responsibility of the Board of Trustees and are not reflected in the accompanying financial statements.

**Income Taxes**

The Conference is exempt from federal and state income taxes as a religious organization.

**NOTE 2 – CONCENTRATIONS OF CREDIT RISK**

The Conference maintains its demand deposit accounts in two institutions in Georgia. The Federal Deposit insurance Corporation (FDIC) insures demand deposits of each institution up to \$250,000. The bank balance was not in excess of the FDIC coverage as of December 31, 2016.

SOUTH GEORGIA CONFERENCE OF THE UNITED METHODIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2016  
(CONTINUED)

**NOTE 3 – INVESTMENTS**

Investments as of December 31, 2016 were \$12,078,714 and are summarized as follows:

Description	Fair Value
Morgan Stanley	\$ 11,642,980
NRCD UM FCU	32,756
Georgia United Methodist Foundation	402,978
Total Investments	\$ 12,078,714

As of December 31, 2016, unrealized losses on the Conference's investments were \$539,274.

**NOTE 4 – FAIR VALUE MEASUREMENTS**

The Conference's investments are reported at fair value in the accompanying statement of assets, liabilities, and net assets. The methods used to measure fair value may produce an amount that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Conference believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date. The fair value measurement establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described below:

**Basis of Fair Value Measurement**

- Level 1     Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets and liabilities;
- Level 2     Quoted prices in markets that are not considered to be active or financial instruments for which all significant inputs are observable, either directly or indirectly;
- Level 3     Prices or valuations that require inputs that are both significant to the fair value measurement and unobservable.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

The investment assets are classified in their entirety based upon the lowest level that is significant to the fair value measurement. The following table sets forth by level, within the fair value hierarchy, the Conference's financial instruments as of December 31, 2016:

SOUTH GEORGIA CONFERENCE OF THE UNITED METHODIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2016  
(CONTINUED)

	Level 1	Level 2	Level 3	Total
Morgan Stanley	\$ 11,642,980	\$ -	\$ -	\$ 11,642,980
NRCD UM FCU	-	32,756	-	32,756
Georgia United Methodist Foundation	-	402,978	-	402,978
	<u>\$ 11,642,980</u>	<u>\$ 435,734</u>	<u>\$ -</u>	<u>\$ 12,078,714</u>

**NOTE 5 – CAPITAL ASSETS**

The following is a summary of certain capital assets that were purchased by the Conference and utilized in administration or program services. These assets are carried on the Board of Trustees' books as explained in Note 1. The Conference has compiled capital asset listings as required by the General Council on Finance and Administration. These assets are stated at cost or management's estimate of cost as follows:

	Beginning Balance	Additions	Deletions	Transfers	Ending Balance
Office of Connectional Ministries:					
Building	\$ 267,929	\$ -	\$ -	\$ -	\$ 267,929
Furniture and equipment	157,541	3,516	-	-	161,057
Total	<u>425,470</u>	<u>3,516</u>	<u>-</u>	<u>-</u>	<u>428,986</u>
Board of Ordained Ministry					
Furniture and equipment	4,040	-	-	-	4,040
Pastoral Counseling					
Furniture and equipment	8,355	-	(284)	-	8,071
Conference Center					
Construction in progress	122,222	-	-	-	122,222
Administrative Services Office:					
Furniture and equipment	119,530	3,863	(1,155)	715	122,953
Arthur J. Moore Museum:					
Furniture and equipment	38,302	-	(11,915)	-	26,387
Total	<u>\$ 717,919</u>	<u>\$ 7,379</u>	<u>\$ (13,354)</u>	<u>\$ 715</u>	<u>\$ 712,659</u>

**NOTE 6 – PENSION BENEFIT PLANS**

For its ministerial personnel, the Conference participates in pension programs administered by Wespeth. Accordingly, responsibility for full disclosures related to the program rests with the General Conference. Contributions are calculated on "pension plan compensation" which is defined as the minister's taxable salary plus a housing component. When a minister's status is one that is eligible for pension benefits and contributions are made for the minister, the minister is immediately vested.

SOUTH GEORGIA CONFERENCE OF THE UNITED METHODIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2016

(CONTINUED)

Benefits for services rendered prior to January 1, 1982, are in a plan called the "Pre-82 Plan", and annual contributions represent the actuarially determined amount required to fund future pension payments. The unfunded portion of those benefits is unfunded service costs, which is being funded through the conference budget, funds raised in the pension campaign held in the 1980's, and a bequest left to the Conference by W. I. H. Pitts. The South Georgia Conference is required to fund all past service costs over a 40-year period which ends December 31, 2021. Until this obligation is reached \$1,300,000 is included each year in the Conference budget.

Beginning January 1, 1982, the clergy pension plan was changed to the Ministerial Pension Plan (MPP) with defined contributions into each minister's account. At the time of a minister's retirement at least 65% of the balance in the minister's account is turned into an annuity. Contributions to the Ministerial Pension Plan ended on December 31, 2006.

Beginning January 1, 2007, the Clergy Retirement Security Plan (CRSP) was established. This plan has two parts: a defined benefit plan and a defined contribution plan. From January 1, 2007 through December 31, 2013, the benefit from the defined benefit plan is based on 1.25% of the Denominational Average Compensation (DAC) of the year that the minister retires times the number of years of service the minister has in the CRSP plan; beginning on January 1, 2014, this amount was lowered to 1% of the DAC. This benefit is paid to the minister (with the option of including the minister's spouse) over their lifetime. The defined contribution plan is a 403(b) plan and this money is available to them at the time of retirement. This plan is directly billed to local churches.

Ministers are encouraged to contribute a portion of their salary into the United Methodist Personal Investment Plan (UMPIP) which is an approved 403(b) plan. This plan is voluntary with the ministers having control over how the funds are invested. Local churches are billed directly by and the money is paid directly to Wespath for this plan.

Lay employees of the Conference are eligible to participate in the United Methodist Personal Investment Plan (UMPIP) after working for the Conference for one year. The Conference contributes 9 % of their salary if the lay employee contributes at least 3 % of their salary. Lay employees are immediately vested in this plan.

During the year ended December 31, 2016, the South Georgia Conference contributions to the various pension plans are summarized below:

Pre-82 Plan	Defined Benefit	\$ 2,961,139
CRSP	Defined Benefit	1,798,046
CRSP	Defined Contribution	790,225
UMPIP	Contributions for lay employees	36,363

**NOTE 7 – OTHER BENEFIT PLANS**

The Conference sponsors a defined benefit supplemental death benefit plan, which covers substantially all of its active and retired clergy members. The Comprehensive Protection Plan is fully funded each year and is paid through apportionments by the Conference. The participants do not make contributions to the plan.

SOUTH GEORGIA CONFERENCE OF THE UNITED METHODIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2016  
(CONTINUED)

The Annual Conference assists retired clergy and their families in securing Medicare supplement policies to provide for their post-retirement medical needs through One Exchange. The Annual Conference provides a Health Reimbursement Account to clergy based on years of service in South Georgia, and participation in the Conference health insurance while active. In 2016, clergy with 10-19 years of service in South Georgia received \$158 a month; clergy with 20 or more years of service received \$210 a month. As long as the cost of this benefit is affordable the Conference will continue to fund a portion of the cost of a Medicare Companion plan for our retired ministers.

As of January 1, 1993, the provisions of Statement of Financial Accounting Standards (SFAS) No. 106, *Employer's Accounting for Post Retirement Benefits Other Than Pensions*, were adopted. Legal opinion has been obtained that the plans described above are multi-employer plans as that term is defined in Paragraph 79 of SFAS No. 106. Accordingly, the post retirement benefit costs are recognized on a current period basis and were as follows for the period January 1, 2016 to December 31, 2016:

HealthFlex benefit plan	\$ 456,452
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**NOTE 8 – LEASING ARRANGEMENTS**

The Conference maintains offices in Macon, Georgia, in a building owned by Middle Georgia Properties. The offices are leased under a three-year operating lease expiring in July 2016 with a three-year renewal option. Rental expense under this lease amounted to \$32,850 in 2016.

**NOTE 9 – EVALUATION OF SUBSEQUENT EVENTS**

The Conference has evaluated subsequent events through March 30, 2017, the date which the financial statements were available to be issued.



**SUPPLEMENTARY INFORMATION**

SOUTH GEORGIA CONFERENCE OF THE UNITED METHODIST CHURCH

SCHEDULE OF SUPPORT, REVENUE AND EXPENSES  
AND CHANGES IN NET ASSETS - MODIFIED CASH BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2016

	Original Budget	Actual			Change in Net Assets
		Support and Revenue	Expenses	Transfers	
<b><u>BUDGETED FUNDS</u></b>					
<b><u>Type A, Paid Based on Expenses</u></b>					
<b><u>Conference Benevolences Office of Connectional Ministries</u></b>					
Council Staff and Office	\$ 715,561	\$ 576,978	\$ 625,686	\$ -	\$ (48,708)
Mission and Ministry Programs	-	73,332	76,849	-	(3,517)
Total Office of Connectional Ministries	715,561	650,310	702,535	-	(52,225)
Arthur J. Moore Museum	106,241	96,541	105,520	-	(8,979)
Board of Laity	6,113	5,555	3,311	-	2,244
Total Conference Benevolence	827,915	752,406	811,366	-	(58,960)
<b><u>Congregational Development</u></b>					
Congregational Development					
Congregational Development	323,554	293,235	318,783	-	(25,548)
Hispanic Ministries	268,090	242,600	192,701	-	49,899
Total Congregational Development	591,644	535,835	511,484	-	24,351
<b><u>Clergy Support</u></b>					
Pensions, Benefits and Health Insurance					
Pre-1982 Pensions	1,370,000	1,241,090	1,345,520	-	(104,430)
Comprehensive Protection Plan	715,000	727,831	646,960	-	80,871
HealthFlex Retiree	520,000	474,014	474,014	-	-
HealthFlex Disability	175,000	160,789	140,921	-	19,868
Benefits Underpayment	80,000	72,472	72,472	-	-
Total Pension, Benefits and Insurance	2,860,000	2,676,196	2,679,887	-	(3,691)
District Superintendent	961,420	866,772	929,949	-	(63,177)
Equitable Compensation	297,700	268,392	190,598	-	77,794
Pastoral Counseling Services	187,250	168,816	186,543	-	(17,727)
Conference Board of Ordained Ministry	143,946	130,476	137,175	-	(6,699)
Total Clergy Support	\$ 4,450,316	\$ 4,110,652	\$ 4,124,152	\$ -	\$ (13,500)

SOUTH GEORGIA CONFERENCE OF THE UNITED METHODIST CHURCH

SCHEDULE OF SUPPORT, REVENUE AND EXPENSES  
AND CHANGES IN NET ASSETS - MODIFIED CASH BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2016

<b><u>BUDGETED FUNDS</u></b>	Original Budget	Actual			Change in Net Assets
		Support and Revenue	Expenses	Transfers	
<b><u>Administration</u></b>					
Annual Conference					
Annual Conference Local Arrangements	\$ 78,250	\$ 89,315	\$ 68,237	\$ -	\$ 21,078
Annual Conference Program	35,200	34,922	19,899	-	15,023
Annual Conference Expenses					
for Retired Ministers	15,000	13,603	12,090	-	1,513
At Large Lay Annual Conference	24,000	21,765	13,975	-	7,790
Total Annual Conference	152,450	159,605	114,201	-	45,404
Council on Finance and Administration	10,400	9,431	5,694	-	3,737
Conference Treasurer/Administrator	654,112	593,191	579,079	-	14,112
Conference Secretary Expense	3,000	2,721	3,002	-	(281)
Conference Journal	14,100	12,787	-	-	12,787
Committee on Memoirs	850	771	850	-	(79)
Conference Trustee	9,640	8,742	6,336	-	2,406
Worker's Compensation Insurance	20,000	18,137	4,626	-	13,511
Leadership Forum	4,000	3,627	2,297	-	1,330
Local Church Treasurer's Bond	7,500	6,801	7,151	-	(350)
Nominations Committee	1,000	907	883	-	24
Episcopal Committee	1,000	907	504	-	403
General and SEJ Delegate	22,000	19,951	17,090	-	2,861
Legal Fees	28,000	25,392	28,000	-	(2,608)
Contingency	200,000	181,373	16,838	-	164,535
Total Administration	1,128,052	1,044,343	786,551	-	257,792
SEJ Mission and Ministry	57,603	52,320	57,603	-	(5,283)
Total Type A, Paid Based on Expenses	7,055,530	6,495,556	6,291,156	-	204,400
<b><u>Type B, Paid Based on Money Received</u></b>					
World Service Apportionment	1,252,678	1,110,871	1,110,871	-	-
Episcopal - S. Ga. Office Expense	106,696	97,348	97,348	-	-
Episcopal - General Church Apportionment	403,815	352,577	352,577	-	-
Episcopal - S. Ga. Area Residence	25,000	23,107	23,107	-	-
Ga. UM Christian Higher Education	737,856	660,208	660,208	-	-
Black College Fund	171,559	153,284	153,284	-	-
Africa University	38,405	35,197	35,197	-	-
Ministerial Education Fund	430,070	387,529	387,529	-	-
General Church Administration Fund	151,241	135,296	135,296	-	-
Interdenominational Cooperation Fund	33,651	30,446	30,446	-	-
Total Type B, Paid Based on Money Received	3,350,971	2,985,863	2,985,863	-	-
Total Budgeted Funds	\$10,406,501	\$ 9,481,419	\$9,277,019	\$ -	\$ 204,400

SOUTH GEORGIA CONFERENCE OF THE UNITED METHODIST CHURCH

SCHEDULE OF SUPPORT, REVENUE AND EXPENSES  
AND CHANGES IN NET ASSETS - MODIFIED CASH BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2016

	Actual			
	Support and Revenue	Expenses	Transfers	Change in Net Assets
<b><u>NONBUDGET FUNDS</u></b>				
<b><u>Conference Benevolence</u></b>				
Ethnic Local Church Concerns	\$ 306	\$ 82	\$ -	\$ 224
Communications Council	418	111	-	307
Arthur J. Moore Museum	3,456	1,822	-	1,634
Office of Connectional Ministries				
Bishop's Initiative on Child Poverty	2,701	82	-	2,619
Confirmation Retreat Join Journey	43,426	43,426	-	-
VIM South Georgia	1,645	2,656	-	(1,011)
Committee on Missions	405	-	-	405
Online Registrations	179,480	179,480	-	-
CCOM Office Administration	-	(150)	-	150
Global Ministries Secretary	-	60	-	(60)
Pathways to a Healthy Church	4,334	5,758	-	(1,424)
Conference Youth Ministries	-	313	-	(313)
Junior High Camp I	23,046	23,046	-	-
Junior High Camp II	32,733	32,733	-	-
Leadership Team	82,242	82,242	-	-
Youth Celebration	21,993	24,253	-	(2,260)
Youth Service Fund	-	381	-	(381)
Safe Sanctuaries	-	989	-	(989)
Conference Children's Ministries	1,017	13,408	-	(12,391)
Elementary Camp I	21,472	21,472	-	-
Elementary Camp II	27,872	27,872	-	-
Elementary Camp III	22,347	22,347	-	-
Open Hands Partnership / East Africa	(83)	52,631	-	(52,714)
Humble Place Capital	787	5,011	-	(4,224)
Humble Place Program	4,843	30,120	-	(25,277)
Kidz Quest	63,797	63,797	-	-
South Georgia Storm Recovery	25,192	24,894	-	298
<b>Total Office of Connectional Ministries</b>	<b>559,249</b>	<b>656,821</b>	<b>-</b>	<b>(97,572)</b>
<b>Total Conference Benevolence</b>	<b>\$ 563,429</b>	<b>\$ 658,836</b>	<b>\$ -</b>	<b>\$ (95,407)</b>

SOUTH GEORGIA CONFERENCE OF THE UNITED METHODIST CHURCH

SCHEDULE OF SUPPORT, REVENUE AND EXPENSES  
AND CHANGES IN NET ASSETS - MODIFIED CASH BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2016

	Actual			Change in Net Assets
	Support and Revenue	Expenses	Transfers	
<b><u>NONBUDGET FUNDS</u></b>				
<b><u>Clergy Support</u></b>				
Episcopal Funds				
Episcopal Special Reserve	\$ 3,500	\$ 1,404	\$ -	\$ 2,096
Total Episcopal Funds	3,500	1,404	-	2,096
Pensions, Benefits and Health Insurance				
Pre-1982 Pension	1,244,830	1,215,174	-	29,656
WIH Pitts Memorial	698,783	403,781	-	295,002
Comprehensive Protection Plan	5,416	202	-	5,214
Clergy Retirement Security Program	2,738,120	2,756,968	-	(18,848)
One Exchange	474,014	425,108	-	48,906
HealthFlex	3,443,986	3,481,356	-	(37,370)
Total Pensions, Benefits and Health Insurance	8,605,149	8,282,589	-	322,560
Comprehensive School Clergy	334	89	-	245
Total Clergy Support	8,608,983	8,284,082	-	324,901
<b><u>Administration</u></b>				
Conference Journal	3,938	1,338	-	2,600
Miscellaneous Activity	51,432	49,576	-	1,856
Discretionary Funds	300	300	-	-
Total Administration	55,670	51,214	-	4,456
<b><u>Congregational Development</u></b>				
New Congregational Development (Church Extension)	4,465	744	-	3,721
SGA Investment Fund	8,886	2,370	-	6,516
Kingdom Builders Club	5,290	100,276	-	(94,986)
New Congregational Supporters	602	134	-	468
Vision Promoters	1,079	248	-	831
New Congregation Planters	1,851	354	-	1,497
Leadership Immersion Program	25,188	7,139	-	18,049
Gateway / White Bluff	98,369	5,371	-	92,998
New Church Builders Fund	-	2,928	-	(2,928)
Land Sale	187,820	32,700	-	155,120
Statesboro Land Sale	3,245	865	-	2,380
IOH - Savannah District Minister	643	20,881	-	(20,238)
Conference Trustee's Gift	2,380	635	-	1,745
Hispanic Ministries	1,110	296	-	814
Savannah Urban Ministries	22,573	134,310	-	(111,737)
Macon District Property - Urban	791	211	-	580
Total Congregational Development	\$ 364,292	\$ 309,462	\$ -	\$ 54,830

SOUTH GEORGIA CONFERENCE OF THE UNITED METHODIST CHURCH

SCHEDULE OF SUPPORT, REVENUE AND EXPENSES  
AND CHANGES IN NET ASSETS - MODIFIED CASH BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2016

	Actual			Change in Net Assets
	Support and Revenue	Expenses	Transfers	
<b><u>NONBUDGET FUNDS</u></b>				
<b><u>Other Causes</u></b>				
Ministerial Education	\$ 36,744	\$ 562	\$ -	\$ 36,182
South Georgia Conference Offices	30,221	3,728	-	26,493
Christian Education Sunday	1,245	153	-	1,092
Peace with Justice on Sunday	1,407	644	-	763
Golden Cross	2,503	3,075	-	(572)
Conference Advance Special	1,134,345	1,134,345	-	-
General Advance Special	300,303	300,303	-	-
Human Relations	1,819	1,819	-	-
Methodist Student Day	1,870	1,870	-	-
Discipleship Covenant Conference	-	3,125	-	(3,125)
One Great Hour of Sharing	12,681	12,681	-	-
District Operational and Program Fund	652,255	652,255	-	-
District Operational Emergency Fund	6,776	1,062	-	5,714
Native American Awareness	2,355	1,104	-	1,251
Strengthening The Black Church	2,470	7,603	-	(5,133)
South Georgia Special Relief	6,881	2,352	-	4,529
Sexual Ethics Workshop	7,025	7,638	-	(613)
Youth Service Fund - Administration	1,093	1,093	-	-
World Communion Offering	2,863	2,863	-	-
Bishop's Appeal 818-01	-	25	-	(25)
St. Marys S3 Grant	21,151	21,151	-	-
St. Marys - Young Clergy Academy	12,766	48,649	-	(35,883)
Investment Income	366,399	321,837	-	44,562
<b>Total Other Causes</b>	<b>2,605,172</b>	<b>2,529,937</b>	<b>-</b>	<b>75,235</b>
<b>Total Nonbudget Funds</b>	<b>12,197,546</b>	<b>11,833,531</b>	<b>-</b>	<b>364,015</b>
<b>Total All Funds</b>	<b>\$ 21,678,965</b>	<b>\$ 21,110,550</b>	<b>\$ -</b>	<b>\$ 568,415</b>

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SOUTH GEORGIA CONFERENCE OF THE UNITED METHODIST CHURCH

SCHEDULE OF CHANGES IN NET ASSETS  
 MODIFIED CASH BASIS  
 FOR THE YEAR ENDED DECEMBER 31, 2016

	Net Assets Dec. 31, 2015	Change in Net Assets		Net Assets Dec. 31, 2016
		Budget Funds	Nonbudget Funds	
<b><u>TEMPORARILY RESTRICTED NET ASSETS</u></b>				
<b><u>Conference Benevolence</u></b>				
Ethnic Local Church Concerns	\$ 13,840	\$ -	\$ 224	\$ 14,064
Communications Office	18,916	-	307	19,223
Arthur J. Moore Museum	24,979	-	1,634	26,613
Office of Connectional Ministries:				
Bishop's Initiative on Child Poverty	12,917	-	2,619	15,536
VIM South Georgia	14,053	-	(1,011)	13,042
Special New Missions	1,418	-	-	1,418
Committee on Missions	6,865	-	405	7,270
CCOM Office Administration	2,907	-	150	3,057
Leadership/Program Resources	1,477	-	-	1,477
Global Ministries Secretary	879	-	(60)	819
Pathways to a Healthy Church	583	-	(1,424)	(841)
Conference Youth Ministries	3,316	-	(313)	3,003
Youth Celebration	178	-	(2,260)	(2,082)
Youth Service Fund	381	-	(381)	-
Safe Sanctuaries	3,990	-	(989)	3,001
Laos	3,658	-	-	3,658
Conference Children's Ministries	31,337	-	(12,391)	18,946
Older Adult Ministries	3,840	-	-	3,840
Open Hands Partnership / East Africa	101,614	-	(52,714)	48,900
Humble Place Capital	10,358	-	(4,224)	6,134
Humble Place Program	42,977	-	(25,277)	17,700
South GA Storm Recovery	116,017	-	298	116,315
Natural Church Development	1,532	-	-	1,532
Total Office of Connectional Ministries	360,297	-	(97,572)	262,725
Total Conference Benevolence	\$ 418,032	\$ -	\$ (95,407)	\$ 322,625



SOUTH GEORGIA CONFERENCE OF THE UNITED METHODIST CHURCH

SCHEDULE OF CHANGES IN NET ASSETS  
MODIFIED CASH BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2016

	Change in Net Assets			Net Assets Dec. 31, 2016
	Net Assets Dec. 31, 2015	Budget Funds	Nonbudget Funds	
<b><u>TEMPORARILY RESTRICTED NET ASSETS</u></b>				
<b><u>Clergy Support</u></b>				
Episcopal Funds				
Special Episcopal Reserve Account	\$ 5	\$ -	\$ 2,096	\$ 2,101
Total Episcopal Funds	5	-	2,096	2,101
Pensions, Benefits and Health Insurance				
Pre-1982 Pension	465,312	-	29,656	494,968
WIH Pitts Memorial	6,555,628	-	295,002	6,850,630
Comprehensive Protection Plan	31,639	-	5,214	36,853
Clergy Retirement Security Program	229,886	-	(18,848)	211,038
One Exchange	262,980	-	48,906	311,886
HealthFlex	(429,768)	-	(37,370)	(467,138)
Total Pensions, Benefits and Health Insurance	7,115,677	-	322,560	7,438,237
Comprehensive School Clergy	15,122	-	245	15,367
Total Clergy Support	7,130,804	-	324,901	7,455,705
<b><u>Administration</u></b>				
Conference Journal	11,840	-	2,600	14,440
Miscellaneous Activity	1,086	-	1,856	2,942
Total Administration	12,926	-	4,456	17,382
<b><u>Congregational Development</u></b>				
New Congregational Development (Church Extension)	125,701	-	3,721	129,422
SGA Investment Fund	402,209	-	6,516	408,725
Kingdom Builders Club	101,208	-	(94,986)	6,222
New Congregational Supporters	22,722	-	468	23,190
Vision Promoters	42,043	-	831	42,874
New Congregation Planters	60,021	-	1,497	61,518
Leadership Immersion Program	-	-	18,049	18,049
Gateway / White Bluff	-	-	92,998	92,998
New Church Builders Fund	7,170	-	(2,928)	4,242
Land Sale	394,232	-	155,120	549,352
Statesboro Land Sale	146,892	-	2,380	149,272
IOH - Savannah District Minister	20,238	-	(20,238)	-
Conference Trustee's Gift	107,732	-	1,745	109,477
Hispanic Ministries	50,229	-	814	51,043
Savannah Urban Ministries	111,737	-	(111,737)	-
Macon District Property - Urban	35,812	-	580	36,392
Macon District Property - General	1,115	-	-	1,115
Total Congregational Development	\$ 1,629,061	\$ -	\$ 54,830	\$ 1,683,891

SOUTH GEORGIA CONFERENCE OF THE UNITED METHODIST CHURCH

SCHEDULE OF CHANGES IN NET ASSETS  
 MODIFIED CASH BASIS  
 FOR THE YEAR ENDED DECEMBER 31, 2016

	Net Assets Dec. 31, 2015	Change in Net Assets		Net Assets Dec. 31, 2016
		Budget Funds	Nonbudget Funds	
<b><u>TEMPORARILY RESTRICTED NET ASSETS</u></b>				
<b><u>Other Causes</u></b>				
Ministerial Education	\$ 82,404	\$ -	\$ 36,182	\$ 118,586
South Georgia Conference Offices	619,922	-	26,493	646,415
Christian Education Sunday	25,649	-	1,092	26,741
Peace with Justice on Sunday	12,470	-	763	13,233
Golden Cross	70,471	-	(572)	69,899
Discipleship Covenant Conference	5,738	-	(3,125)	2,613
District Operational Emergency Fund	35,063	-	5,714	40,777
Native American Awareness	15,839	-	1,251	17,090
Strengthening The Black Church	5,133	-	(5,133)	-
Faith Sharing	5,304	-	-	5,304
South Georgia Special Relief	33,308	-	4,529	37,837
Sexual Ethics Workshop	5,049	-	(613)	4,436
AC 70 Club	7,000	-	-	7,000
Bishop's Appeal 818-01	25	-	(25)	-
St. Marys S3 Grant	21,000	-	-	21,000
St. Marys - Young Clergy Academy	86,078	-	(35,883)	50,195
Pastoral Counseling Donations	468	-	-	468
<b>Total Other Causes</b>	<b>2,659,982</b>	<b>-</b>	<b>85,503</b>	<b>2,745,485</b>
<b>Total Temporarily Restricted Net Assets</b>	<b>10,221,744</b>	<b>-</b>	<b>319,453</b>	<b>10,541,197</b>
<b><u>UNRESTRICTED NET ASSETS</u></b>	<b>3,580,531</b>	<b>204,400</b>	<b>44,562</b>	<b>3,829,493</b>
<b>TOTAL NET ASSETS</b>	<b>\$ 13,802,275</b>	<b>\$ 204,400</b>	<b>\$ 364,015</b>	<b>\$ 14,370,690</b>