

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

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

AS OF DECEMBER 31, 2018

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, 2018, 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

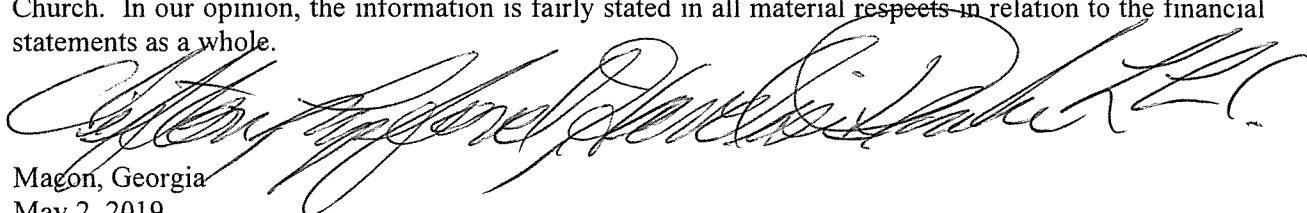
In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and net assets of the South Georgia Conference of The United Methodist Church as of December 31, 2018, and its support, revenue, expenses and changes in net assets – modified 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.



Macon, Georgia
May 2, 2019

FINANCIAL STATEMENTS

SOUTH GEORGIA CONFERENCE OF THE UNITED METHODIST CHURCH

STATEMENT OF ASSETS, LIABILITIES AND NET ASSETS - MODIFIED CASH BASIS
DECEMBER 31, 2018

ASSETS

Current Assets:

Cash and cash equivalents	\$ 3,366,587
Investments, at fair value	13,768,245
Apportionments and other receipts receivable	1,088,605
Prepaid expenses	<u>24</u>
Total Current Assets	<u>18,223,461</u>
Total Assets	<u><u>\$ 18,223,461</u></u>

LIABILITIES AND NET ASSETS

Liabilities:

Current Liabilities:

Obligations payable on current year's budget	<u>\$ 851,742</u>
Total Liabilities	<u>851,742</u>

Net Assets:

Restricted	13,345,229
Unrestricted	<u>4,026,490</u>
Total Net Assets	<u>17,371,719</u>
Total Liabilities and Net Assets	<u><u>\$ 18,223,461</u></u>

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, 2018

Support and Revenue:

Budgeted Funds:

Conference Benevolence	\$ 920,817
Congregational Development	295,719
Clergy Support	4,160,822
Administration	1,087,022
SEJ Mission and Ministry	19,708
Other Apportioned Causes	3,098,857
	3,098,857

Total Budgeted Funds	9,582,945
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Nonbudgeted Funds	11,342,815
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Total Support and Revenue	20,925,760
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Expenses:

Budgeted Funds:

Conference Benevolence	713,798
Congregational Development	191,549
Clergy Support	3,208,427
Administration	1,017,447
SEJ Mission and Ministry	20,713
Other Apportioned Causes	3,081,894
	3,081,894

Total Budgeted Funds	8,233,828
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Nonbudgeted Funds	11,550,342
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Total Expenses	19,784,170
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Change in Net Assets	\$ 1,141,590
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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, 2018

	<u>Restricted</u>	<u>Unrestricted</u>	<u>Total</u>
Balance - January 1, 2018	\$ 12,214,995	\$ 4,015,134	\$ 16,230,129
Change in Net Assets	<u>1,130,234</u>	<u>11,356</u>	<u>1,141,590</u>
Balance - December 31, 2018	<u>\$ 13,345,229</u>	<u>\$ 4,026,490</u>	<u>\$ 17,371,719</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, 2018

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 586 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, 2018
(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 \$3,366,587 at December 31, 2018, 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, 2018, the fair value of investments was \$13,768,245.

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, 2018
(CONTINUED)

receivable represent amounts contributed for the period ending December 31, 2018. 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 \$1,000 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 office and 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, 2018.

SOUTH GEORGIA CONFERENCE OF THE UNITED METHODIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018
(CONTINUED)

NOTE 3 – INVESTMENTS

Investments as of December 31, 2018 were \$13,768,245 and are summarized as follows:

Description	Fair Value
Morgan Stanley	\$ 12,885,852
Georgia United Methodist Foundation	882,393
Total Investments	\$ 13,768,245

As of December 31, 2018, unrealized loss on the Conference’s investments was \$816,113.

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, 2018:

SOUTH GEORGIA CONFERENCE OF THE UNITED METHODIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018
(CONTINUED)

	Level 1	Level 2	Level 3	Total
Morgan Stanley	\$ 12,885,852	\$ -	\$ -	\$ 12,885,852
Georgia United Methodist Foundation	-	882,393	-	882,393
	\$ 12,885,852	\$ 882,393	\$ -	\$ 13,768,245

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	162,500	1,499	(15,118)	-	148,881
Total	430,429	1,499	(15,118)	-	416,810
Board of Ordained Ministry					
Furniture and equipment	4,040	-	-	-	4,040
Pastoral Counseling					
Furniture and equipment	8,071	1,499	(1,473)	-	8,097
Conference Center					
Construction in progress	122,222	-	-	-	122,222
Administrative Services Office:					
Furniture and equipment	130,350	9,828	(55,000)	-	85,178
Arthur J. Moore Museum:					
Furniture and equipment	19,118	-	(3,240)	-	15,878
Total	\$ 714,230	\$ 12,826	\$ (74,831)	\$ -	\$ 652,225

NOTE 6 – PENSION BENEFIT PLANS

For its ministerial personnel, the Conference participates in pension programs administered by Wespath. 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, 2018
(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. The South Georgia Conference anticipates meeting these obligations during 2019.

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, 2018, the South Georgia Conference contributions to the various pension plans are summarized below:

Pre-82 Plan	Defined Benefit	\$ 6,484,925
CRSP	Defined Benefit	1,699,345
CRSP	Defined Contribution	809,991
UMPIP	Contributions for lay employees	48,620

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, 2018
(CONTINUED)

The Annual Conference assists retired clergy and their families in securing Medicare supplement policies to provide for their post-retirement medical needs through VIA. 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 2018, clergy with 10-19 years of service and participation in South Georgia received \$158 a month and a onetime 10% bonus payment of \$95; clergy with 20 or more years of service and insurance participation received \$210 a month and a onetime 10% bonus payment of \$152. 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, 2018 to December 31, 2018:

HealthFlex benefit plan	\$ 473,540
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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 2018.

NOTE 9 – EVALUATION OF SUBSEQUENT EVENTS

The Conference has evaluated subsequent events through May 2, 2019, the date which the financial statements were available to be issued.

The 2019 Special Session of the General Conference passed legislation allowing churches to disaffiliate with the UMC. This legislation requires the Annual Conference to approve a process for disaffiliation, and provides that the Annual Conference may require certain payments upon disaffiliation. The South Georgia Annual Conference will consider a motion at their June 2019 session to require departing churches to pay 100% of the current year apportionments, and the same amount in anticipation of the next year's apportionments. If passed, this will allow for smoother budgeting processes that take into consideration the financial impact of churches disaffiliating.

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, 2018

	Original Budget	Actual			Change in Net Assets
		Support and Revenue	Expenses	Transfers	
<u>BUDGETED FUNDS</u>					
<u>Type A, Paid Based on Expenses</u>					
<u>Conference Benevolences Office of Connectional Ministries</u>					
Council Staff and Office	\$ 549,149	\$ 460,370	\$ 401,815	\$ (49,879)	\$ 8,676
Mission and Ministry Programs	-	88,665	18,432	(73,980)	(3,747)
Total Office of Connectional Ministries	549,149	549,035	420,247	(123,859)	4,929
Arthur J. Moore Museum	122,576	111,240	109,082	(10,948)	(8,790)
Board of Laity	6,113	5,548	4,121	-	1,427
Hispanic Ministries	280,980	254,994	180,348	(50,477)	24,169
Total Conference Benevolence	958,818	920,817	713,798	(185,284)	21,735
<u>Congregational Development</u>					
Congregational Development					
Congregational Development	325,014	295,719	191,549	(113,323)	(9,153)
Total Congregational Development	325,014	295,719	191,549	(113,323)	(9,153)
<u>Clergy Support</u>					
Pensions, Benefits and Health Insurance					
Pre-1982 Pensions	1,303,000	1,195,335	1,302,259	-	(106,924)
Conference Board of Pensions	60,500	55,501	32,356	-	23,145
Comprehensive Protection Plan	715,000	653,071	667,670	85,832	71,233
HealthFlex Retiree	520,000	478,934	-	(478,934)	-
HealthFlex Disability	170,000	158,751	-	(125,640)	33,111
Benefits Underpayment	90,000	82,563	-	(82,563)	-
Total Pension, Benefits and Insurance	2,858,500	2,624,155	2,002,285	(601,305)	20,565
District Superintendent	1,043,304	946,821	818,444	(185,185)	(56,808)
Equitable Compensation	289,800	263,000	97,470	(35,708)	129,822
Pastoral Counseling Services	196,834	178,631	162,766	(32,980)	(17,115)
Conference Board of Ordained Ministry	163,318	148,215	127,462	(19,511)	1,242
Total Clergy Support	\$ 4,551,756	\$ 4,160,822	\$ 3,208,427	\$ (874,689)	\$ 77,706

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, 2018

BUDGETED FUNDS	Original Budget	Actual			Change in Net Assets
		Support and Revenue	Expenses	Transfers	
<u>Administration</u>					
Annual Conference					
Annual Conference Local Arrangements	\$ 67,900	\$ 88,720	\$ 67,900	\$ -	\$ 20,820
Annual Conference Program	34,400	29,674	9,640	-	20,034
Annual Conference Expenses					
for Retired Ministers	16,000	13,802	11,700	-	2,102
At Large Lay Annual Conference	20,000	17,252	17,355	-	(103)
Total Annual Conference	<u>138,300</u>	<u>149,448</u>	<u>106,595</u>	<u>-</u>	<u>42,853</u>
Council on Finance and Administration	6,650	5,736	6,650	-	(914)
Human Resources Office	-	7,106	7,106	-	-
Conference Treasurer/Administrator	719,385	573,976	597,080	(80,282)	(103,386)
Communication Office	177,687	161,254	168,828	-	(7,574)
Conference Secretary Journal	8,000	6,901	3,788	-	3,113
Committee on Memoirs	1,000	1,131	1,000	-	131
Conference Trustee	6,700	5,780	6,700	-	(920)
Worker's Compensation Insurance	15,000	13,173	9,067	-	4,106
Leadership Forum	4,000	3,450	1,687	-	1,763
Strategic Initiative	5,000	4,313	1,027	-	3,286
Local Church Treasurer's Bond	7,500	6,470	7,151	-	(681)
Nominations Committee	1,400	1,208	215	-	993
Episcopal Committee	1,200	1,035	1,086	-	(51)
General and SEJ Delegate	3,000	2,588	1,683	-	905
Legal Fees	91,300	78,757	35,165	-	43,592
Contingency	75,000	64,696	62,619	-	2,077
Total Administration	<u>1,261,122</u>	<u>1,087,022</u>	<u>1,017,447</u>	<u>(80,282)</u>	<u>(10,707)</u>
SEJ Mission and Ministry	20,713	19,708	20,713	-	(1,005)
Total Type A, Paid Based on Expenses	<u>7,117,423</u>	<u>6,484,088</u>	<u>5,151,934</u>	<u>(1,253,578)</u>	<u>78,576</u>
<u>Type B, Paid Based on Money Received</u>					
World Service Apportionment	1,361,460	1,180,015	1,180,015	-	-
Episcopal - S. Ga. Office Expense	111,438	104,475	101,194	(3,281)	-
Episcopal - General Church Apportionment	403,184	334,907	334,907	-	-
Episcopal - S. Ga. Area Residence	20,000	18,858	18,858	-	-
Ga. UM Christian Higher Education	767,370	680,099	680,099	-	-
Black College Fund	183,425	161,997	161,997	-	-
Africa University	41,050	37,348	37,348	-	-
Ministerial Education Fund	459,838	407,655	393,973	(13,682)	-
General Church Administration Fund	161,662	141,020	141,020	-	-
Interdenominational Cooperation Fund	35,963	32,483	32,483	-	-
Total Type B, Paid Based on Money Received	<u>3,545,390</u>	<u>3,098,857</u>	<u>3,081,894</u>	<u>(16,963)</u>	<u>-</u>
Total Budgeted Funds	<u>\$10,662,813</u>	<u>\$ 9,582,945</u>	<u>\$ 8,233,828</u>	<u>\$(1,270,541)</u>	<u>\$ 78,576</u>

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, 2018

<u>NONBUDGET FUNDS</u>	Actual			Change in Net Assets
	Support and Revenue	Expenses	Transfers	
<u>Conference Benevolence</u>				
Ethnic Local Church Concerns	\$ 172	\$ 3,961	\$ -	\$ (3,789)
Communications Council	(350)	92	-	(442)
Arthur J. Moore Museum	3,001	16,096	-	(13,095)
Arthur J. Moore Museum Endowment	291,125	-	-	291,125
Office of Connectional Ministries				
Bishop's Initiative on Child Poverty	68	87	-	(19)
Confirmation Retreat Join Journey	36,565	60,728	24,163	-
VIM South Georgia	249	616	-	(367)
Committee on Missions	43	2,000	-	(1,957)
CCOM Office Administration	75	-	-	75
Leadership/Program Resources	202	406	-	(204)
Pathways to a Healthy Church	4,748	7,178	-	(2,430)
Conference Youth Ministries	-	1,830	-	(1,830)
Junior High Camp I	31,605	28,245	(3,360)	-
Junior High Camp II	32,364	29,491	(2,873)	-
High School Camp	31,209	28,454	(2,755)	-
Leadership Team	7,294	77,750	70,456	-
Youth Celebration	24,398	27,446	3,048	-
Camp Discovery	31,209	31,209	-	-
Safe Sanctuaries	-	54	-	(54)
Laos	-	3,658	-	(3,658)
Conference Children's Ministries	652	1,875	4,248	3,025
Elementary Camp I	26,298	21,828	(4,470)	-
Elementary Camp II	35,346	27,726	(7,620)	-
Older Adult Ministries	-	1,000	-	(1,000)
Hispanic Ministries	(933)	245	-	(1,178)
Open Hands Partnership / East Africa	108	242	-	(134)
Humble Place Capital	650	-	-	650
Humble Place Program	1,901	105	-	1,796
Red Cross - Hurricane Matther	(442)	21,314	-	(21,756)
UMCOR - Emergency Grant IRMA	-	427	-	(427)
UMCOR - Chatham County	(1,062)	355	-	(1,417)
GA UM Foundation - Board of Missions	(3,160)	417	-	(3,577)
GA UM Foundation - Special Evangelism	(1,977)	234	-	(2,211)
GA UM Foundation - Conference on Evangelism	(522)	95	-	(617)

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, 2018

<u>NONBUDGET FUNDS</u>	Actual			Change in Net Assets
	Support and Revenue	Expenses	Transfers	
<u>Conference Benevolence - (Continued)</u>				
NVOAD Grant	\$ -	\$ 340	\$ -	\$ (340)
Certified Lay Ministry	10,250	4,930	5,000	10,320
Kidz Quest	69,191	69,517	326	-
South Georgia Storm Recovery	358,078	119,893	-	238,185
Natural Church Development	-	1,748	-	(1,748)
Total Office of Connectional Ministries	694,407	571,443	86,163	209,127
Total Conference Benevolence	988,355	591,592	86,163	482,926
<u>Clergy Support</u>				
Episcopal Funds				
Episcopal Special Reserve	-	2,145	3,281	1,136
Total Episcopal Funds	-	2,145	3,281	1,136
Pensions, Benefits and Health Insurance				
Pre-1982 Pension	1,262,586	1,251,565	-	11,021
WIH Pitts Memorial	348,973	36,343	-	312,630
Comprehensive Protection Plan	(674)	177	-	(851)
Clergy Retirement Security Program	2,528,511	2,670,652	150,898	8,757
One Exchange	-	480,860	478,934	(1,926)
HealthFlex	3,333,441	3,657,935	442,266	117,772
Total Pensions, Benefits and Health Insurance	7,472,837	8,097,532	1,072,098	447,403
Comprehensive School Clergy	(175)	46	-	(221)
Total Clergy Support	7,472,662	8,099,723	1,075,379	448,318
<u>Administration</u>				
Conference Journal	812	804	-	8
Miscellaneous Activity	146,759	137,473	-	9,286
Discretionary Funds	3,200	2,925	-	275
Total Administration	150,771	141,202	-	9,569
<u>Congregational Development</u>				
New Congregational Development (Church Extension)	30,190	33,358	-	(3,168)
SGA Investment Fund	(7,473)	1,958	-	(9,431)
Kingdom Builders Club	13,422	890	-	12,532
Start Right Stay Strong	18,000	2,958	-	15,042
Increased Impact	33,521	28,854	40,000	44,667

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, 2018

NONBUDGET FUNDS	Actual			Change in Net Assets
	Support and Revenue	Expenses	Transfers	
<u>Congregational Development - (Continued)</u>				
Thomasville Church Planters	\$ -	\$ -	\$ 42,500	\$ 42,500
Arca De Fuego	-	-	20,000	20,000
Leadership Immersion Program	589	141	-	448
Gateway / White Bluff	(726)	190	-	(916)
Land Sale	52,894	3,482	-	49,412
Statesboro Land Sale	(2,729)	715	-	(3,444)
Conference Trustee's Gift	(2,002)	525	-	(2,527)
Macon District Property - Urban	(665)	174	-	(839)
Total Congregational Development	135,021	73,245	102,500	164,276
<u>Other Causes</u>				
Ministerial Education	3,364	725	13,682	16,321
GA UM Foundation - Ministerial Education	(1,189)	217	-	(1,406)
South Georgia Conference Offices	40,762	4,054	-	36,708
Christian Education Sunday	520	5,543	(7,183)	(12,206)
Peace with Justice on Sunday	1,526	4,292	-	(2,766)
Golden Cross	4,210	340	-	3,870
Conference Advance Special	1,449,123	1,449,123	-	-
Human Relations	1,548	1,548	-	-
Methodist Student Day	1,900	1,900	-	-
One Great Hour of Sharing	22,398	22,398	-	-
District Operational and Program Fund	662,097	662,097	-	-
District Operational Emergency Fund	22,967	16,723	-	6,244
Native American Awareness	948	726	-	222
Faith Sharing	1,152	6,744	-	(5,592)
South Georgia Special Relief	5,358	8,643	-	(3,285)
Hurricane Florence Relief	54,684	50,669	-	4,015
Christmas Offering - Storm Relief Fund	7,444	26	-	7,418
Sexual Ethics Workshop	9,690	9,690	-	-
Pastoral Counseling Donations	30,000	30,000	-	-
World Communion Offering	1,797	1,797	-	-
St. Marys - Young Clergy Academy	-	24,398	-	(24,398)
Investment Income	275,707	342,927	-	(67,220)
Total Other Causes	2,596,006	2,644,580	6,499	(42,075)
Total Nonbudget Funds	11,342,815	11,550,342	1,270,541	1,063,014
Total All Funds	\$ 20,925,760	\$ 19,784,170	\$ -	\$ 1,141,590

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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, 2018

	Net Assets Dec. 31, 2017	Change in Net Assets		Net Assets Dec. 31, 2018
		Budget Funds	Nonbudget Funds	
<u>RESTRICTED NET ASSETS</u>				
<u>Conference Benevolence</u>				
Ethnic Local Church Concerns	\$ 7,619	\$ -	\$ (3,789)	\$ 3,830
Communications Office	20,117	-	(442)	19,675
Arthur J. Moore Museum	20,412	-	(13,095)	7,317
Arthur J. Moore Museum Endowment	-	-	291,125	291,125
Office of Connectional Ministries:				
Bishop's Initiative on Child Poverty	18,775	-	(19)	18,756
VIM South Georgia	14,096	-	(367)	13,729
Special New Missions	1,418	-	-	1,418
Committee on Missions	7,573	-	(1,957)	5,616
CCOM Office Administration	3,132	-	75	3,207
Leadership/Program Resources	1,477	-	(204)	1,273
Global Ministries Secretary	819	-	-	819
Pathways to a Healthy Church	2,449	-	(2,430)	19
Conference Youth Ministries	3,995	-	(1,830)	2,165
Safe Sanctuaries	3,001	-	(54)	2,947
Laos	3,658	-	(3,658)	-
Conference Children's Ministries	9,998	-	3,025	13,023
Older Adult Ministries	3,840	-	(1,000)	2,840
Hispanic Ministries	53,670	-	(1,178)	52,492
Open Hands Partnership / East Africa	52,809	-	(134)	52,675
Humble Place Capital	6,784	-	650	7,434
Humble Place Program	21,921	-	1,796	23,717
Red Cross - Hurricane Matthew	44,155	-	(21,756)	22,399
UMCOR - Emergency Grant IRMA	4,238	-	(427)	3,811
UMCOR - Chatham County	77,695	-	(1,417)	76,278
GA UM Foundation - Board of Missions	73,789	-	(3,577)	70,212
GA UM Foundation - Special Evangelism	46,128	-	(2,211)	43,917
GA UM Foundation - Conference on Evangelism	19,008	-	(617)	18,391
NVOAD Grant	485	-	(340)	145
Certified Lay Ministry	-	-	10,320	10,320
South GA Storm Recovery	384,674	-	238,185	622,859
Natural Church Development	1,532	-	(1,748)	(216)
Total Office of Connectional Ministries	861,119	-	209,127	1,070,246
Total Conference Benevolence	\$ 909,267	\$ -	\$ 482,926	\$ 1,392,193

SOUTH GEORGIA CONFERENCE OF THE UNITED METHODIST CHURCH

SCHEDULE OF CHANGES IN NET ASSETS
MODIFIED CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2018

	Change in Net Assets			Net Assets Dec. 31, 2018
	Net Assets Dec. 31, 2017	Budget Funds	Nonbudget Funds	
<u>RESTRICTED NET ASSETS</u>				
<u>Clergy Support</u>				
Episcopal Funds				
Special Episcopal Reserve Account	\$ 4,098	\$ -	\$ 1,136	\$ 5,234
Total Episcopal Funds	4,098	-	1,136	5,234
Pensions, Benefits and Health Insurance				
Pre-1982 Pension	337,905	-	11,021	348,926
WIH Pitts Memorial	7,690,236	-	312,630	8,002,866
Comprehensive Protection Plan	38,749	-	(851)	37,898
Clergy Retirement Security Program	220,719	-	8,757	229,476
One Exchange	345,030	-	(1,926)	343,104
HealthFlex	(428,706)	-	117,772	(310,934)
Total Pensions, Benefits and Health Insurance	8,203,933	-	447,403	8,651,336
Comprehensive School Clergy	10,056	-	(221)	9,835
Total Clergy Support	8,218,087	-	448,318	8,666,405
<u>Administration</u>				
Conference Journal	16,705	-	8	16,713
Miscellaneous Activity	51,022	-	9,286	60,308
Discretionary Funds	-	-	275	275
Total Administration	67,727	-	9,569	77,296
<u>Congregational Development</u>				
New Congregational Development (Church Extension)	137,178	-	(3,168)	134,010
SGA Investment Fund	429,755	-	(9,431)	420,324
Kingdom Builders Club	185,533	-	12,532	198,065
Start Right Stay Strong	-	-	15,042	15,042
Increased Impact	-	-	44,667	44,667
Thomasville Church Planters	-	-	42,500	42,500
Arca De Fuego	-	-	20,000	20,000
Leadership Immersion Program	33,471	-	448	33,919
Gateway / White Bluff	41,772	-	(916)	40,856
Land Sale	735,685	-	49,412	785,097
Statesboro Land Sale	156,953	-	(3,444)	153,509
Conference Trustee's Gift	115,110	-	(2,527)	112,583
Macon District Property - Urban	38,264	-	(839)	37,425
Macon District Property - General	1,115	-	-	1,115
Total Congregational Development	\$ 1,874,836	\$ -	\$ 164,276	\$ 2,039,112

SOUTH GEORGIA CONFERENCE OF THE UNITED METHODIST CHURCH

SCHEDULE OF CHANGES IN NET ASSETS
 MODIFIED CASH BASIS
 FOR THE YEAR ENDED DECEMBER 31, 2018

	Net Assets Dec. 31, 2017	Change in Net Assets		Net Assets Dec. 31, 2018
		Budget Funds	Nonbudget Funds	
<u>RESTRICTED NET ASSETS</u>				
<u>Other Causes</u>				
Ministerial Education	\$ 157,786	\$ -	\$ 16,321	\$ 174,107
GA UM Foundation - Ministerial Education	43,280	-	(1,406)	41,874
South Georgia Conference Offices	701,667	-	36,708	738,375
Christian Education Sunday	26,027	-	(12,206)	13,821
Peace with Justice on Sunday	11,805	-	(2,766)	9,039
Golden Cross	72,108	-	3,870	75,978
District Operational Emergency Fund	27,333	-	6,244	33,577
Native American Awareness	18,607	-	222	18,829
Faith Sharing	5,304	-	(5,592)	(288)
South Georgia Special Relief	40,314	-	(3,285)	37,029
Hurricane Florence Relief	-	-	4,015	4,015
Christmas Offering - Storm Relief Fund	-	-	7,418	7,418
Sexual Ethics Workshop	9,056	-	-	9,056
AC 70 Club	7,000	-	-	7,000
St. Marys - Young Clergy Academy	24,398	-	(24,398)	-
Pastoral Counseling Donations	393	-	-	393
Total Other Causes	3,019,914	-	189,421	3,209,335
Total Restricted Net Assets	12,214,995	-	1,130,234	13,345,229
<u>UNRESTRICTED NET ASSETS</u>	4,015,134	78,576	(67,220)	4,026,490
TOTAL NET ASSETS	\$ 16,230,129	\$ 78,576	\$ 1,063,014	\$ 17,371,719