

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

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

**AS OF DECEMBER 31, 2017**

SOUTH GEORGIA CONFERENCE OF THE UNITED METHODIST CHURCH

TABLE OF CONTENTS  
DECEMBER 31, 2017

	<u>Page</u>
<b>INDEPENDENT AUDITOR’S REPORT .....</b>	<b>1-2</b>
<b>FINANCIAL STATEMENTS</b>	
<u>Exhibit</u>	
A Statement of Assets, Liabilities, and Net Assets – Modified Cash Basis.....	3
A-1 Statement of Support, Revenue and Expenses – Modified Cash Basis.....	4
A-2 Statement of Change in Net Assets – Modified Cash Basis.....	5
Notes to the Financial Statements.....	6-12
<b>SUPPLEMENTARY INFORMATION</b>	
<u>Schedule</u>	
1 Schedule of Support, Revenue and Expenses and Changes in Net Assets – Modified Cash Basis.....	13-17
2 Schedule of Changes in Net Assets – Modified Cash Basis .....	18-20

**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, 2017, 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**

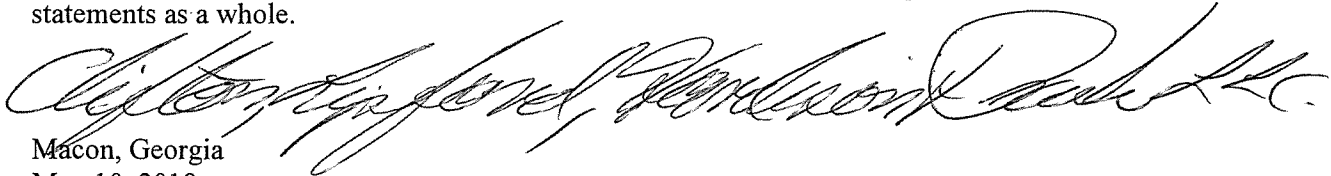
In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and net assets of the South Georgia Conference of The United Methodist Church as of December 31, 2017, and its support, revenue, expenses and changes in net assets – modified 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 10, 2018

## **FINANCIAL STATEMENTS**

SOUTH GEORGIA CONFERENCE OF THE UNITED METHODIST CHURCH

STATEMENT OF ASSETS, LIABILITIES AND NET ASSETS - MODIFIED CASH BASIS  
DECEMBER 31, 2017

ASSETS

Current Assets:

Cash and cash equivalents	\$ 2,560,610
Investments, at fair value	13,803,826
Apportionments and other receipts receivable	696,550
Prepaid expenses	540
	<hr/>
Total Current Assets	17,061,526
	<hr/>
Total Assets	<u>\$ 17,061,526</u>

LIABILITIES AND NET ASSETS

Liabilities:

Current Liabilities:

Obligations payable on current year's budget	\$ 831,397
	<hr/>
Total Liabilities	831,397
	<hr/>

Net Assets:

Temporarily restricted	12,214,995
Unrestricted	4,015,134
	<hr/>
Total Net Assets	16,230,129
	<hr/>
Total Liabilities and Net Assets	<u>\$ 17,061,526</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, 2017

Support and Revenue:

Budgeted Funds:

Conference Benevolence	\$ 1,022,240
Congregational Development	292,614
Clergy Support	4,178,072
Administration	985,618
SEJ Mission and Ministry	20,308
Other Apportioned Causes	3,082,060

Total Budgeted Funds 9,580,912

Nonbudgeted Funds 14,023,460

Total Support and Revenue 23,604,372

Expenses:

Budgeted Funds:

Conference Benevolence	1,070,637
Congregational Development	294,057
Clergy Support	4,165,809
Administration	935,138
SEJ Mission and Ministry	20,713
Other Apportioned Causes	3,082,060

Total Budgeted Funds 9,568,414

Nonbudgeted Funds 12,339,461

Total Expenses 21,907,875

Change in Net Assets \$ 1,696,497

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, 2017

	Temporarily Restricted	Unrestricted	Total
Balance - January 1, 2017, restated	\$ 10,704,139	\$ 3,829,493	\$ 14,533,632
Change in Net Assets	1,510,856	185,641	1,696,497
Balance - December 31, 2017	<u>\$ 12,214,995</u>	<u>\$ 4,015,134</u>	<u>\$ 16,230,129</u>

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

EXHIBIT A-2



## **NOTES TO THE FINANCIAL STATEMENTS**

SOUTH GEORGIA CONFERENCE OF THE UNITED METHODIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2017

**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 597 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, 2017  
(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 \$2,560,610 at December 31, 2017, 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, 2017, the fair value of investments was \$13,803,826.

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, 2017  
(CONTINUED)

receivable represent amounts contributed for the period ending December 31, 2017. 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, 2017.

SOUTH GEORGIA CONFERENCE OF THE UNITED METHODIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2017  
(CONTINUED)

**NOTE 3 – INVESTMENTS**

Investments as of December 31, 2017 were \$13,803,826 and are summarized as follows:

Description	Fair Value
Morgan Stanley	\$ 13,173,892
NRCD UM FCU	32,788
Georgia United Methodist Foundation	597,146
Total Investments	\$ 13,803,826

As of December 31, 2017, unrealized gains on the Conference's investments were \$368,306.

**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, 2017:

SOUTH GEORGIA CONFERENCE OF THE UNITED METHODIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2017  
(CONTINUED)

	Level 1	Level 2	Level 3	Total
Morgan Stanley	\$ 13,173,892	\$ -	\$ -	\$ 13,173,892
NRCD UM FCU	-	32,788	-	32,788
Georgia United Methodist Foundation	-	597,146	-	597,146
	\$ 13,173,892	\$ 629,934	\$ -	\$ 13,803,826

**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	161,057	1,443	-	-	162,500
Total	428,986	1,443	-	-	430,429
Board of Ordained Ministry					
Furniture and equipment	4,040	-	-	-	4,040
Pastoral Counseling					
Furniture and equipment	8,071	-	-	-	8,071
Conference Center					
CIP - Planning	122,222	-	-	-	122,222
Administrative Services Office:					
Furniture and equipment	122,953	7,397	-	-	130,350
Arthur J. Moore Museum:					
Furniture and equipment	26,387	-	(7,269)	-	19,118
Total	\$ 712,659	\$ 8,840	\$ (7,269)	\$ -	\$ 714,230

**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, 2017  
(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, 2017, the South Georgia Conference contributions to the various pension plans are summarized below:

Pre-82 Plan	Defined Benefit	\$ 3,123,149
CRSP	Defined Benefit	1,777,716
CRSP	Defined Contribution	807,882
UMPIP	Contributions for lay employees	46,103

**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, 2017  
(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 2017, 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, 2017 to December 31, 2017:

HealthFlex benefit plan	\$ 437,373
-------------------------	------------

**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 2017.

**NOTE 9 – RESTATEMENT OF TEMPORARILY RESTRICTED NET ASSETS**

The Conference determined that a prior period adjustment was needed to record four previously unrecorded investments that belong to the Conference. The effect of this adjustment is as follows:

	<b>Temporarily Restricted Net Assets</b>
Net assets December 31, 2016, as previously reported	\$ 10,541,197
Restated	162,942
Net assets December 31, 2016, restated	\$ 10,704,139

**NOTE 10 – EVALUATION OF SUBSEQUENT EVENTS**

The Conference has evaluated subsequent events through May 10, 2018, 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, 2017

	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	\$ 745,311	\$ 592,754	\$ 660,677	\$ -	\$ (67,923)
Executive Committee	-	904	-	-	904
Mission and Ministry Programs	-	80,830	83,280	-	(2,450)
Total Office of Connectional Ministries	<u>745,311</u>	<u>674,488</u>	<u>743,957</u>	<u>-</u>	<u>(69,469)</u>
Arthur J. Moore Museum	119,138	110,290	119,711	-	(9,421)
Hispanic Ministries	256,740	231,937	201,883	-	30,054
Board of Laity	6,113	5,525	5,086	-	439
Total Conference Benevolence	<u>1,127,302</u>	<u>1,022,240</u>	<u>1,070,637</u>	<u>-</u>	<u>(48,397)</u>
<b><u>Congregational Development</u></b>					
Congregational Development					
Congregational Development	323,906	292,614	294,057	-	(1,443)
Total Congregational Development	<u>323,906</u>	<u>292,614</u>	<u>294,057</u>	<u>-</u>	<u>(1,443)</u>
<b><u>Clergy Support</u></b>					
Pensions, Benefits and Health Insurance					
Pre-1982 Pensions	1,372,000	1,257,782	1,336,313	-	(78,531)
Comprehensive Protection Plan	725,000	742,913	669,172	-	73,741
HealthFlex Retiree	520,000	476,892	476,757	-	135
HealthFlex Disability	170,000	158,282	141,305	-	16,977
Benefits Underpayment	80,000	66,895	66,895	-	-
Total Pension, Benefits and Insurance	<u>2,867,000</u>	<u>2,702,764</u>	<u>2,690,442</u>	<u>-</u>	<u>12,322</u>
District Superintendents Expenses	997,948	901,287	961,609	-	(60,322)
Equitable Compensation	297,700	268,865	188,215	-	80,650
Pastoral Counseling Services	193,387	174,656	188,282	-	(13,626)
Conference Board of Ordained Ministry	144,496	130,500	137,261	-	(6,761)
Total Clergy Support	<u>\$ 4,500,531</u>	<u>\$ 4,178,072</u>	<u>\$ 4,165,809</u>	<u>\$ -</u>	<u>\$ 12,263</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, 2017

<b>BUDGETED FUNDS</b>	Original Budget	Actual			Change in Net Assets
		Support and Revenue	Expenses	Transfers	
<b><u>Administration</u></b>					
Annual Conference					
Annual Conference Local Arrangements	\$ 67,600	\$ 99,233	\$ 86,376	\$ -	\$ 12,857
Annual Conference Program	35,500	32,137	18,885	-	13,252
Annual Conference Expenses for Retired Ministers	17,000	15,389	12,420	-	2,969
At Large Lay Annual Conference	24,000	21,726	22,750	-	(1,024)
<b>Total Annual Conference</b>	<b>144,100</b>	<b>168,485</b>	<b>140,431</b>	<b>-</b>	<b>28,054</b>
Council on Finance and Administration	6,650	6,020	6,254	-	(234)
Conference Treasurer/Administrator	649,975	588,399	622,588	-	(34,189)
Conference Journal	10,500	9,505	2,888	-	6,617
Committee on Memoirs	1,000	1,592	1,687	-	(95)
Conference Trustee	12,900	11,678	7,742	-	3,936
Worker's Compensation Insurance	18,000	16,295	9,926	-	6,369
Leadership Forum	3,000	3,312	3,597	-	(285)
Strategic Initiative	-	5,379	5,379	-	-
Local Church Treasurer's Bond	7,500	6,789	7,151	-	(362)
Nominations Committee	2,000	1,811	970	-	841
Episcopal Committee	1,200	1,086	749	-	337
General and SEJ Delegate	1,000	962	1,057	-	(95)
Legal Fees & Expenses	31,500	28,516	27,655	-	861
Contingency	150,000	135,789	97,064	-	38,725
<b>Total Administration</b>	<b>1,039,325</b>	<b>985,618</b>	<b>935,138</b>	<b>-</b>	<b>50,480</b>
SEJ Mission and Ministry	20,713	20,308	20,713	-	(405)
<b>Total Type A, Paid Based on Expenses</b>	<b>7,011,777</b>	<b>6,498,852</b>	<b>6,486,354</b>	<b>-</b>	<b>12,498</b>
<b><u>Type B, Paid Based on Money Received</u></b>					
World Service Apportionment	1,318,991	1,156,501	1,156,501	-	-
Episcopal - S. Ga. Office Expense	111,438	104,502	104,502	-	-
Episcopal - General Church Apportionment	390,607	335,271	335,271	-	-
Episcopal - S. Ga. Area Residence	20,000	23,842	23,842	-	-
Ga. UM Christian Higher Education	767,370	689,426	689,426	-	-
Black College Fund	177,703	160,267	160,267	-	-
Africa University	39,769	36,909	36,909	-	-
Ministerial Education Fund	445,494	403,318	403,318	-	-
General Church Administration Fund	156,619	139,855	139,855	-	-
Interdenominational Cooperation Fund	34,841	32,169	32,169	-	-
<b>Total Type B, Paid Based on Money Received</b>	<b>3,462,832</b>	<b>3,082,060</b>	<b>3,082,060</b>	<b>-</b>	<b>-</b>
<b>Total Budgeted Funds</b>	<b>\$ 10,474,609</b>	<b>\$ 9,580,912</b>	<b>\$ 9,568,414</b>	<b>\$ -</b>	<b>\$ 12,498</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, 2017

<b><u>NONBUDGET FUNDS</u></b>	Actual			Change in Net Assets
	Support and Revenue	Expenses	Transfers	
<b><u>Conference Benevolence</u></b>				
Ethnic Local Church Concerns	\$ -	\$ 6,445	\$ -	\$ (6,445)
Communications Council	1,108	214	-	894
Arthur J. Moore Museum	3,767	9,968	-	(6,201)
Office of Connectional Ministries				
Bishop's Initiative on Child Poverty	3,344	105	-	3,239
Confirmation Retreat Join Journey	46,890	46,890	-	-
VIM South Georgia	1,328	274	-	1,054
Committee on Missions	399	96	-	303
Online Registrations	225,415	225,415	-	-
OCM Office Administration	-	(75)	-	75
Pathways to a Healthy Church	9,909	6,619	-	3,290
Conference Youth Ministries	1,367	375	-	992
Junior High Camp I	26,839	26,839	-	-
Junior High Camp II	26,379	26,379	-	-
High School Camp	23,845	23,845	-	-
Leadership Team	74,038	74,038	-	-
Youth Celebration	30,262	28,180	-	2,082
Camp Discovery	23,845	23,845	-	-
Conference Children's Ministries	1,150	10,098	-	(8,948)
Elementary Camp I	39,760	39,760	-	-
Elementary Camp II	30,744	30,744	-	-
Open Hands Partnership / East Africa	4,224	315	-	3,909
Humble Place Capital	650	-	-	650
Humble Place Program	4,342	121	-	4,221
Red Cross - Hurricane Matthew	51,131	6,976	-	44,155
UMCOR - Emergency Grant IRMA	10,000	5,762	-	4,238
UMCOR - Chatham County	77,936	241	-	77,695
GA UM Foundation - Board of Missions	9,238	745	-	8,493
GA UM Foundation - Special Evangelism	5,760	215	-	5,545
GA UM Foundation - Conference on Evangelism	1,685	91	-	1,594
NVOAD Grant	4,599	4,114	-	485
Kidz Quest	63,117	63,117	-	-
South Georgia Storm Recovery	332,227	63,868	-	268,359
<b>Total Office of Connectional Ministries</b>	<b>1,130,423</b>	<b>708,992</b>	<b>-</b>	<b>421,431</b>
<b>Total Conference Benevolence</b>	<b>\$ 1,135,298</b>	<b>\$ 725,619</b>	<b>\$ -</b>	<b>\$ 409,679</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, 2017

	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	\$ 3,323	\$ 1,326	\$ -	\$ 1,997
Total Episcopal Funds	3,323	1,326	-	1,997
Pensions, Benefits and Health Insurance				
Pre-1982 Pension	1,076,659	1,233,722	-	(157,063)
WIH Pitts Memorial	884,553	44,947	-	839,606
Comprehensive Protection Plan	2,132	236	-	1,896
Clergy Retirement Security Program	2,824,131	2,814,450	-	9,681
One Exchange	476,757	443,613	-	33,144
HealthFlex	3,824,050	3,785,618	-	38,432
Total Pensions, Benefits and Health Insurance	9,088,282	8,322,586	-	765,696
Comprehensive School Clergy	1,189	6,500	-	(5,311)
Total Clergy Support	9,092,794	8,330,412	-	762,382
<b><u>Administration</u></b>				
Conference Journal	2,485	220	-	2,265
Miscellaneous Activity	167,220	119,140	-	48,080
Discretionary Funds	6,360	6,360	-	-
Total Administration	176,065	125,720	-	50,345
<b><u>Congregational Development</u></b>				
New Congregational Development (Church Extension)	8,585	829	-	7,756
SGA Investment Fund	23,643	2,613	-	21,030
Kingdom Builders Club	187,524	8,213	-	179,311
New Congregational Supporters	734	23,924	-	(23,190)
Vision Promoters	1,357	44,231	-	(42,874)
New Congregation Planters	1,947	63,465	-	(61,518)
Leadership Immersion Program	22,226	6,804	-	15,422
Gateway / White Bluff	3,984	55,210	-	(51,226)
Consultant Teams	23,637	23,637	-	-
New Church Builders Fund	-	4,242	-	(4,242)
Land Sale	190,092	3,759	-	186,333
Statesboro District Property	8,635	954	-	7,681
Conference Trustee's Gift	6,333	700	-	5,633
Hispanic Ministries	2,953	326	-	2,627
Macon District Property - Urban	2,105	233	-	1,872
Total Congregational Development	\$ 483,755	\$ 239,140	\$ -	\$ 244,615

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, 2017

<b><u>NONBUDGET FUNDS</u></b>	Actual			Change in Net Assets
	Support and Revenue	Expenses	Transfers	
<b><u>Other Causes</u></b>				
Ministerial Education	\$ 40,036	\$ 836	\$ -	\$ 39,200
GA UM Foundation - Ministerial Education	3,837	206	-	3,631
South Georgia Conference Offices	59,541	4,289	-	55,252
Christian Education Sunday	4,176	4,890	-	(714)
Peace with Justice on Sunday	2,562	3,990	-	(1,428)
Golden Cross	9,762	7,553	-	2,209
Conference & General Advance Special	1,731,037	1,731,037	-	-
Human Relations	1,753	1,753	-	-
Methodist Student Day	2,411	2,411	-	-
Discipleship Covenant Conference	-	2,613	-	(2,613)
UMCOR Sunday	11,094	11,094	-	-
District Operational and Program Fund	643,688	643,688	-	-
District Operational Emergency Fund	21,616	35,060	-	(13,444)
Native American Awareness	2,252	735	-	1,517
Strengthening The Black Church	850	850	-	-
South Georgia Fund of Special Relief	6,697	4,220	-	2,477
Sexual Ethics Workshop	8,671	4,051	-	4,620
Pastoral Counseling Donations	2,000	2,075	-	(75)
World Communion Offering	1,773	1,773	-	-
St. Marys S3 Grant	665	21,665	-	(21,000)
St. Marys - Young Clergy Academy	31,850	57,647	-	(25,797)
Investment Income	549,277	376,134	-	173,143
<b>Total Other Causes</b>	<b>3,135,548</b>	<b>2,918,570</b>	<b>-</b>	<b>216,978</b>
<b>Total Nonbudget Funds</b>	<b>14,023,460</b>	<b>12,339,461</b>	<b>-</b>	<b>1,683,999</b>
<b>Total All Funds</b>	<b>\$ 23,604,372</b>	<b>\$ 21,907,875</b>	<b>\$ -</b>	<b>\$ 1,696,497</b>

SOUTH GEORGIA CONFERENCE OF THE UNITED METHODIST CHURCH

SCHEDULE OF CHANGES IN NET ASSETS  
MODIFIED CASH BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2017

	Restated	Change in Net Assets		Net Assets Dec. 31, 2017
	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	\$ 14,064	\$ -	\$ (6,445)	\$ 7,619
Communications Office	19,223	-	894	20,117
Arthur J. Moore Museum	26,613	-	(6,201)	20,412
Office of Connectional Ministries:				
Bishop's Initiative on Child Poverty	15,536	-	3,239	18,775
VIM South Georgia	13,042	-	1,054	14,096
Special New Missions	1,418	-	-	1,418
Committee on Missions	7,270	-	303	7,573
OCM Office Administration	3,057	-	75	3,132
Leadership/Program Resources	1,477	-	-	1,477
Global Ministries Secretary	819	-	-	819
Pathways to a Healthy Church	(841)	-	3,290	2,449
Conference Youth Ministries	3,003	-	992	3,995
Youth Celebration	(2,082)	-	2,082	-
Safe Sanctuaries	3,001	-	-	3,001
Laos	3,658	-	-	3,658
Conference Children's Ministries	18,946	-	(8,948)	9,998
Older Adult Ministries	3,840	-	-	3,840
Open Hands Partnership / East Africa	48,900	-	3,909	52,809
Humble Place Capital	6,134	-	650	6,784
Humble Place Program	17,700	-	4,221	21,921
Red Cross - Hurricane Matthew	-	-	44,155	44,155
UMCOR - Emergency Grant IRMA	-	-	4,238	4,238
UMCOR - Chatham County	-	-	77,695	77,695
GA UM Foundation - Board of Missions	65,296	-	8,493	73,789
GA UM Foundation - Special Evangelism	40,583	-	5,545	46,128
GA UM Foundation - Conference on Evangelism	17,414	-	1,594	19,008
NVOAD Grant	-	-	485	485
South GA Storm Recovery	116,315	-	268,359	384,674
Natural Church Development	1,532	-	-	1,532
Total Office of Connectional Ministries	386,018	-	421,431	807,449
Total Conference Benevolence	\$ 445,918	\$ -	\$ 409,679	\$ 855,597

SOUTH GEORGIA CONFERENCE OF THE UNITED METHODIST CHURCH

SCHEDULE OF CHANGES IN NET ASSETS  
MODIFIED CASH BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2017

	Restated	Change in Net Assets		Net Assets Dec. 31, 2017
	Net Assets Dec. 31, 2016	Budget Funds	Nonbudget Funds	
<b><u>TEMPORARILY RESTRICTED NET ASSETS</u></b>				
<b><u>Clergy Support</u></b>				
Episcopal Funds				
Special Episcopal Reserve Account	\$ 2,101	\$ -	\$ 1,997	\$ 4,098
Total Episcopal Funds	2,101	-	1,997	4,098
Pensions, Benefits and Health Insurance				
Pre-1982 Pension	494,968	-	(157,063)	337,905
WIH Pitts Memorial	6,850,630	-	839,606	7,690,236
Comprehensive Protection Plan	36,853	-	1,896	38,749
Clergy Retirement Security Program	211,038	-	9,681	220,719
One Exchange	311,886	-	33,144	345,030
HealthFlex	(467,138)	-	38,432	(428,706)
Total Pensions, Benefits and Health Insurance	7,438,237	-	765,696	8,203,933
Comprehensive School Clergy	15,367	-	(5,311)	10,056
Total Clergy Support	7,455,705	-	762,382	8,218,087
<b><u>Administration</u></b>				
Conference Journal	14,440	-	2,265	16,705
Miscellaneous Activity	2,942	-	48,080	51,022
Total Administration	17,382	-	50,345	67,727
<b><u>Congregational Development</u></b>				
New Congregational Development (Church Extension)	129,422	-	7,756	137,178
SGA Investment Fund	408,725	-	21,030	429,755
Kingdom Builders Club	6,222	-	179,311	185,533
New Congregational Supporters	23,190	-	(23,190)	-
Vision Promoters	42,874	-	(42,874)	-
New Congregation Planters	61,518	-	(61,518)	-
Leadership Immersion Program	18,049	-	15,422	33,471
Gateway / White Bluff	92,998	-	(51,226)	41,772
New Church Builders Fund	4,242	-	(4,242)	-
Land Sale	549,352	-	186,333	735,685
Statesboro District Property	149,272	-	7,681	156,953
Conference Trustee's Gift	109,477	-	5,633	115,110
Hispanic Ministries	51,043	-	2,627	53,670
Macon District Property - Urban	36,392	-	1,872	38,264
Macon District Property - General	1,115	-	-	1,115
Total Congregational Development	\$ 1,683,891	\$ -	\$ 244,615	\$ 1,928,506



SOUTH GEORGIA CONFERENCE OF THE UNITED METHODIST CHURCH

SCHEDULE OF CHANGES IN NET ASSETS  
 MODIFIED CASH BASIS  
 FOR THE YEAR ENDED DECEMBER 31, 2017

	Restated	Change in Net Assets		Net Assets Dec. 31, 2017
	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	\$ 118,586	\$ -	\$ 39,200	\$ 157,786
GA UM Foundation - Ministerial Education	39,649	-	3,631	43,280
South Georgia Conference Offices	646,415	-	55,252	701,667
Christian Education Sunday	26,741	-	(714)	26,027
Peace with Justice on Sunday	13,233	-	(1,428)	11,805
Golden Cross	69,899	-	2,209	72,108
Discipleship Covenant Conference	2,613	-	(2,613)	-
District Operational Emergency Fund	40,777	-	(13,444)	27,333
Native American Awareness	17,090	-	1,517	18,607
Faith Sharing	5,304	-	-	5,304
South Georgia Fund of Special Relief	37,837	-	2,477	40,314
Sexual Ethics Workshop	4,436	-	4,620	9,056
AC 70 Club	7,000	-	-	7,000
St. Marys S3 Grant	21,000	-	(21,000)	-
St. Marys - Young Clergy Academy	50,195	-	(25,797)	24,398
Pastoral Counseling Donations	468	-	(75)	393
Total Other Causes	2,785,134	-	288,450	3,073,584
Total Temporarily Restricted Net Assets	10,704,139	-	1,510,856	12,214,995
<b><u>UNRESTRICTED NET ASSETS</u></b>	3,829,493	12,498	173,143	4,015,134
<b>TOTAL NET ASSETS</b>	<b>\$ 14,533,632</b>	<b>\$ 12,498</b>	<b>\$ 1,683,999</b>	<b>\$ 16,230,129</b>