

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

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

AS OF DECEMBER 31, 2019

SOUTH GEORGIA CONFERENCE OF THE UNITED METHODIST CHURCH

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FINANCIAL STATEMENTS

SOUTH GEORGIA CONFERENCE OF THE UNITED METHODIST CHURCH
 STATEMENT OF ASSETS, LIABILITIES AND NET ASSETS - MODIFIED CASH BASIS
 DECEMBER 31, 2019

ASSETS

Current Assets:

Cash and cash equivalents	\$ 3,265,448
Investments, at fair value	16,556,513
Apportionments and other receipts receivable	<u>862,806</u>
Total Current Assets	<u>20,684,767</u>
Total Assets	<u><u>\$ 20,684,767</u></u>

LIABILITIES AND NET ASSETS

Liabilities:

Current Liabilities:

Obligations payable on current year's budget	\$ <u>938,807</u>
Total Liabilities	<u>938,807</u>

Net Assets:

Restricted	14,921,571
Unrestricted	<u>4,824,389</u>
Total Net Assets	<u>19,745,960</u>
Total Liabilities and Net Assets	<u><u>\$ 20,684,767</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, 2019

Support and Revenue:

Budgeted Funds:

Conference Benevolence	\$ 953,471
Congregational Development	297,925
Clergy Support	3,461,205
Administration	1,179,323
SEJ Mission and Ministry	19,891
Other Apportioned Causes	2,905,004
	2,905,004

Total Budgeted Funds	8,816,819
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Nonbudgeted Funds	11,677,876
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Total Support and Revenue	20,494,695
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Expenses:

Budgeted Funds:

Conference Benevolence	790,120
Congregational Development	275,303
Clergy Support	2,483,606
Administration	1,106,340
SEJ Mission and Ministry	20,713
Other Apportioned Causes	2,899,080
	2,899,080

Total Budgeted Funds	7,575,162
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Nonbudgeted Funds	10,545,292
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Total Expenses	18,120,454
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Change in Net Assets	\$ 2,374,241
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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, 2019

	<u>Restricted</u>	<u>Unrestricted</u>	<u>Total</u>
Balance - January 1, 2019	\$ 13,345,229	\$ 4,026,490	\$ 17,371,719
Change in Net Assets	<u>1,576,342</u>	<u>797,899</u>	<u>2,374,241</u>
Balance - December 31, 2019	<u>\$ 14,921,571</u>	<u>\$ 4,824,389</u>	<u>\$ 19,745,960</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, 2019

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 584 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, 2019
(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 \$3,265,448 at December 31, 2019, 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, 2019, the fair value of investments was \$16,556,513.

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 receivable represent amounts

SOUTH GEORGIA CONFERENCE OF THE UNITED METHODIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019
(CONTINUED)

contributed for the period ending December 31, 2019. 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 Expenses

Certain payments to vendors reflect costs 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 at two institutions in Georgia which, at times, may exceed the amount insured by the Federal Deposit Insurance Corporation (FDIC) of \$250,000. The Conference has not experienced any losses in such accounts. The Conference believes it is not exposed to any significant credit risk on cash. At December 31, 2019, the Conference has unsecured deposits totaling \$987,439.

SOUTH GEORGIA CONFERENCE OF THE UNITED METHODIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019
(CONTINUED)

NOTE 3 – INVESTMENTS

Investments as of December 31, 2019 were \$16,556,513 and are summarized as follows:

Description	Fair Value
Morgan Stanley	\$ 14,975,235
Georgia United Methodist Foundation	1,581,278
Total Investments	\$ 16,556,513

As of December 31, 2019, unrealized gain on the Conference’s investments was \$589,687.

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, 2019:

SOUTH GEORGIA CONFERENCE OF THE UNITED METHODIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019
(CONTINUED)

	Level 1	Level 2	Level 3	Total
Morgan Stanley	\$ 14,975,235	\$ -	\$ -	\$ 14,975,235
Georgia United Methodist Foundation	-	1,581,278	-	1,581,278
	\$ 14,975,235	\$ 1,581,278	\$ -	\$ 16,556,513

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	148,881	-	-	-	148,881
Total	416,810	-	-	-	416,810
Board of Ordained Ministry					
Furniture and equipment	4,040	-	-	-	4,040
Pastoral Counseling					
Furniture and equipment	8,097	-	-	-	8,097
Conference Center					
Construction in progress	122,222	-	-	-	122,222
Administrative Services Office:					
Furniture and equipment	85,178	-	(6,706)	-	78,472
Arthur J. Moore Museum:					
Furniture and equipment	15,878	-	-	-	15,878
Total	\$ 652,225	\$ -	\$ (6,706)	\$ -	\$ 645,519

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, 2019
(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 met these obligations during 2019. Some liability remains due to market risk and changing lifespan. Wespath will continue to evaluate the actuarial liability and asset value and will bill accordingly.

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, 2019, the South Georgia Conference contributions to the various pension plans are summarized below:

Pre-82 Plan	Defined Benefit	\$ 1,721,726
CRSP	Defined Benefit	1,644,642
CRSP	Defined Contribution	802,979
UMPIP	Contributions for lay employees	48,929

NOTE 7 – OTHER BENEFIT PLANS

The Conference sponsors a defined benefit supplemental death benefit plan, which covers substantially all 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, 2019
(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 2019, 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. 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, 2019 to December 31, 2019:

Post retirement medical plan	\$ 498,250
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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 2019.

NOTE 9 – EVALUATION OF SUBSEQUENT EVENTS

The Conference has evaluated subsequent events through June 10, 2020, the date which the financial statements were available to be issued.

In March 2020, the World Health Organization officially declared a pandemic relating to the novel coronavirus outbreak known as COVID-19. The pandemic has adversely impacted the Conference's operations and cash flows. The economic impact of COVID-19 along with its associated closures and restrictions has resulted in a decrease in income for local churches and a decrease in apportionment payments to the Conference. Due to the decrease in cash flows and to avoid any personnel layoffs, the Conference applied for and subsequently received a loan from OneSouth Bank via the Paycheck Protection Program (PPP) funded by the U.S. Small Business Administration. The loan was approved on April 22, 2020 in the amount of \$535,935. The PPP loan is forgivable subject to certain conditions. The Conference anticipates meeting these conditions during 2020.

The future of the United Methodist Church is uncertain. There are various proposals for church divisions up for consideration by the General Conference. It is unclear whether the Conference will move to a new denomination as a body or fracture into smaller segments. The uncertainty makes it difficult to determine what the staffing needs will be in the future. In June 2020, the Director of Connectional Ministries and one of the Associate Directors were appointed to serve local churches. The Bishop, in consultation with the Cabinet and other Conference leaders, decided to leave those positions vacant until future staffing needs are determined.

SOUTH GEORGIA CONFERENCE OF THE UNITED METHODIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2019

(CONTINUED)

Beginning January 2020, the Conference entered into a lease agreement with Ingleside Outreach Ministries, Inc. The lease agreement is from January 28, 2020 to June 30, 2021. The rental agreement calls for the Conference to pay \$3,500 per month in rental fees. The Conference subleases a portion of the offices to the Episcopal Office.

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, 2019

	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	\$ 627,049	\$ 463,383	\$ 421,097	\$ (50,575)	\$ (8,289)
Mission and Ministry Programs	-	106,797	30,657	(84,500)	(8,360)
Total Office of Connectional Ministries	<u>627,049</u>	<u>570,180</u>	<u>451,754</u>	<u>(135,075)</u>	<u>(16,649)</u>
Arthur J. Moore Museum	114,576	103,930	104,467	(10,106)	(10,643)
Board of Laity	8,113	7,359	5,686	-	1,673
Hispanic Ministries	<u>299,865</u>	<u>272,002</u>	<u>228,213</u>	<u>(58,886)</u>	<u>(15,097)</u>
Total Conference Benevolence	<u>1,049,603</u>	<u>953,471</u>	<u>790,120</u>	<u>(204,067)</u>	<u>(40,716)</u>
<u>Congregational Development</u>					
Congregational Development					
Congregational Development	<u>326,459</u>	<u>297,925</u>	<u>275,303</u>	<u>(10,397)</u>	<u>12,225</u>
Total Congregational Development	<u>326,459</u>	<u>297,925</u>	<u>275,303</u>	<u>(10,397)</u>	<u>12,225</u>
<u>Clergy Support</u>					
Pensions, Benefits and Health Insurance					
Pre-1982 Pensions	652,600	596,253	651,812	-	(55,559)
Conference Board of Pensions	58,500	53,449	37,355	-	16,094
Comprehensive Protection Plan	700,000	633,400	667,137	78,615	44,878
HealthFlex Retiree	520,000	476,788	-	(476,788)	-
HealthFlex Disability	165,000	152,890	-	(118,958)	33,932
Benefits Underpayment	<u>90,000</u>	<u>82,229</u>	<u>-</u>	<u>(82,229)</u>	<u>-</u>
Total Pension, Benefits and Insurance	<u>2,186,100</u>	<u>1,995,009</u>	<u>1,356,304</u>	<u>(599,360)</u>	<u>39,345</u>
District Superintendent	1,063,110	954,119	847,849	(188,756)	(82,486)
Equitable Compensation	289,800	260,089	67,112	(22,641)	170,336
Pastoral Counseling Services	204,881	192,928	164,609	(33,369)	(5,050)
Conference Board of Ordained Ministry	<u>64,450</u>	<u>59,060</u>	<u>47,732</u>	<u>(3,134)</u>	<u>8,194</u>
Total Clergy Support	<u>\$ 3,808,341</u>	<u>\$ 3,461,205</u>	<u>\$ 2,483,606</u>	<u>\$ (847,260)</u>	<u>\$ 130,339</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, 2019

<u>BUDGETED FUNDS</u>	Original Budget	Actual			Change in Net Assets
		Support and Revenue	Expenses	Transfers	
<u>Administration</u>					
Annual Conference					
Annual Conference Local Arrangements	\$ 70,300	\$ 87,462	\$ 75,634	\$ -	\$ 11,828
Annual Conference Program	30,400	27,310	27,310	-	-
Annual Conference Expenses					
for Retired Ministers	16,000	14,374	15,210	-	(836)
At Large Lay Annual Conference	22,000	19,764	22,000	-	(2,236)
Total Annual Conference	138,700	148,910	140,154	-	8,756
Council on Finance and Administration	3,950	3,549	3,950	-	(401)
Personnel Committee	2,700	2,426	2,684	-	(258)
Human Resources Office	-	21,144	21,144	-	-
Conference Treasurer/Administrator	735,044	662,667	623,375	(81,407)	(42,115)
Communication Office	182,060	163,555	172,615	-	(9,060)
Conference Secretary Journal	8,000	7,187	2,138	(3,000)	2,049
Committee on Memoirs	1,000	898	1,000	-	(102)
Conference Trustee	6,500	5,839	4,892	-	947
Worker's Compensation Insurance	11,000	9,922	7,913	-	2,009
Leadership Forum	5,000	4,492	4,200	-	292
Strategic Initiative	6,000	5,390	6,000	-	(610)
Local Church Treasurer's Bond	7,500	6,738	7,151	-	(413)
Nominations Committee	1,400	1,258	984	-	274
Episcopal Committee	1,200	1,078	1,200	-	(122)
General and SEJ Delegate	6,000	5,390	6,000	-	(610)
Legal Fees	91,300	82,020	82,020	-	-
Contingency	50,000	46,860	18,920	-	27,940
Total Administration	1,257,354	1,179,323	1,106,340	(84,407)	(11,424)
SEJ Mission and Ministry	20,713	19,891	20,713	-	(822)
Total Type A, Paid Based on Expenses	6,462,470	5,911,815	4,676,082	(1,146,131)	89,602
<u>Type B, Paid Based on Money Received</u>					
World Service Apportionment	1,325,015	1,046,879	1,046,879	-	-
Episcopal - S. Ga. Office Expense	212,250	199,675	196,382	(3,293)	-
Episcopal - General Church Apportionment	392,391	283,925	283,925	-	-
Episcopal - S. Ga. Area Residence	20,000	19,272	19,272	-	-
Ga. UM Christian Higher Education	792,370	660,673	660,673	-	-
Black College Fund	178,515	152,028	152,028	-	-
Africa University	39,951	33,709	33,709	-	-
Ministerial Education Fund	447,529	358,304	355,673	(2,631)	-
General Church Administration Fund	157,335	122,290	122,290	-	-
Interdenominational Cooperation Fund	35,000	28,249	28,249	-	-
Total Type B, Paid Based on Money Received	3,600,356	2,905,004	2,899,080	(5,924)	-
Total Budgeted Funds	\$10,062,826	\$ 8,816,819	\$ 7,575,162	\$(1,152,055)	\$ 89,602

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, 2019

<u>NONBUDGET FUNDS</u>	Actual			Change in Net Assets
	Support and Revenue	Expenses	Transfers	
<u>Conference Benevolence</u>				
Ethnic Local Church Concerns	\$ -	\$ 1,900	\$ -	\$ (1,900)
Communications Council	1,189	127	-	1,062
Arthur J. Moore Museum	5,400	3,723	-	1,677
Arthur J. Moore Museum Endowment	29,532	1,383	-	28,149
Office of Connectional Ministries				
Bishop's Initiative on Child Poverty	3,558	121	-	3,437
Confirmation Retreat Join Journey	27,260	66,108	38,848	-
VIM South Georgia	1,563	2,227	-	(664)
Committee on Missions	3,043	5,617	-	(2,574)
Special New Mission	-	1,418	-	(1,418)
CCOM Office Administration	25	-	-	25
Leadership/Program Resources	-	1,273	-	(1,273)
Pathways to a Healthy Church	5,215	5,234	-	(19)
Conference Youth Ministries	2,875	878	-	1,997
Junior High Camp I	37,823	36,493	(1,330)	-
Junior High Camp II	40,075	37,445	(2,630)	-
High School Camp	30,805	29,169	(1,636)	-
Leadership Team	12,104	77,158	65,054	-
Youth Celebration	41,998	43,458	1,460	-
Conference Children's Ministries	7,479	5,385	-	2,094
Elementary Camp I	23,466	17,447	(6,019)	-
Elementary Camp II	37,185	27,940	(9,245)	-
Hispanic Ministries	3,171	338	-	2,833
Open Hands Partnership / East Africa	4,582	2,474	-	2,108
Humble Place Capital	650	-	-	650
Humble Place Program	3,501	160	-	3,341
Red Cross - Hurricane Matthew	-	22,399	-	(22,399)
UMCOR - Emergency Grant IRMA	1,356	121	-	1,235
UMCOR - Chatham County	5,587	488	-	5,099
GA UM Foundation - Board of Missions	27,409	3,478	-	23,931
GA UM Foundation - Special Evangelism	9,416	245	-	9,171
GA UM Foundation - Conference on Evangelism	3,002	100	-	2,902

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, 2019

	Actual			Change in Net Assets
	Support and Revenue	Expenses	Transfers	
<u>NONBUDGET FUNDS</u>				
<u>Conference Benevolence - (Continued)</u>				
Certified Lay Ministry	\$ 7,058	\$ 17,378	\$ -	\$ (10,320)
Kidz Quest	74,476	74,476	-	-
South Georgia Storm Recovery	124,777	214,324	-	(89,547)
Natural Church Development	216	-	-	216
Total Office of Connectional Ministries	539,675	693,352	84,502	(69,175)
Total Conference Benevolence	575,796	700,485	84,502	(40,187)
<u>Clergy Support</u>				
Episcopal Funds				
Episcopal Special Reserve	-	2,435	3,293	858
Total Episcopal Funds	-	2,435	3,293	858
Pensions, Benefits and Health Insurance				
Pre-1982 Pension	40,824	2,275	-	38,549
WIH Pitts Memorial	977,221	52,180	-	925,041
Comprehensive Protection Plan	2,290	244	-	2,046
Clergy Retirement Security Program	2,481,454	2,625,379	156,076	12,151
VIA	-	506,494	476,788	(29,706)
HealthFlex	3,259,578	3,570,371	425,765	114,972
Total Pensions, Benefits and Health Insurance	6,761,367	6,756,943	1,058,629	1,063,053
Total Clergy Support	6,761,367	6,759,378	1,061,922	1,063,911
<u>Administration</u>				
Conference Journal	1,611	110	3,000	4,501
Miscellaneous Activity	88,317	118,050	-	(29,733)
Legal Fees Reserves	42,575	-	-	42,575
Total Administration	132,503	118,160	3,000	17,343
<u>Congregational Development</u>				
New Congregational Development (Church Extension)	62,008	42,177	242,521	262,352
SGA Investment Fund	25,394	2,709	-	22,685
Kingdom Builders Club	7,593	6,493	(199,165)	(198,065)
Start Right Stay Strong	14,826	5,932	31,000	39,894
Increased Impact	19,020	42,019	9,000	(13,999)

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, 2019

	Actual			Change in Net Assets
	Support and Revenue	Expenses	Transfers	
<u>NONBUDGET FUNDS</u>				
<u>Congregational Development - (Continued)</u>				
Thomasville Church Planters	\$ -	\$ -	\$ (42,500)	\$ (42,500)
Arca De Fuego	984	15,084	-	(14,100)
Leadership Immersion Program	17,774	580	-	17,194
Gateway / White Bluff	-	-	(40,856)	(40,856)
Consultant Teams	11,555	11,480	-	75
Land Sale	48,522	5,066	-	43,456
Statesboro Land Sale	9,274	990	-	8,284
Conference Trustee's Gift	6,802	726	-	6,076
Macon District Property - Urban	2,261	241	-	2,020
Total Congregational Development	226,013	133,497	-	92,516
<u>Other Causes</u>				
Ministerial Education	19,863	1,334	2,631	21,160
GA UM Foundation - Ministerial Education	6,834	228	-	6,606
South Georgia Conference Offices	248,771	5,532	-	243,239
Christian Education Sunday	410	6,492	-	(6,082)
Peace with Justice on Sunday	1,125	563	-	562
Golden Cross	7,489	9,117	-	(1,628)
Conference Advance Special	1,432,057	1,432,057	-	-
Human Relations	1,798	1,798	-	-
Methodist Student Day	1,207	1,207	-	-
One Great Hour of Sharing	17,320	17,320	-	-
District Operational and Program Fund	644,396	644,396	-	-
District Operational Emergency Fund	7,935	6,393	-	1,542
Native American Awareness	2,803	2,657	-	146
Faith Sharing	2,501	-	-	2,501
South Georgia Special Relief	8,729	8,569	-	160
Hurricane Florence Relief	1,655	5,670	-	(4,015)
Christmas Offering - Storm Relief Fund	505	-	-	505
Sexual Ethics Workshop	5,250	3,198	-	2,052
AC 70 Club	-	505	-	(505)
World Communion Offering	2,193	2,193	-	-
St. Marys S3 Grant	25,000	-	-	25,000
Hurricane Michael	312,867	127,124	-	185,743
Hurricane Michael Disaster Coordinator	95,252	128,660	-	(33,408)
Global Ministries Secretary	-	819	-	(819)
Investment Income	1,136,237	427,940	-	708,297
Total Other Causes	3,982,197	2,833,772	2,631	1,151,056
Total Nonbudget Funds	11,677,876	10,545,292	1,152,055	2,284,639
Total All Funds	\$ 20,494,695	\$ 18,120,454	\$ -	\$ 2,374,241

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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, 2019

	Net Assets Dec. 31, 2018	Change in Net Assets		Net Assets Dec. 31, 2019
		Budget Funds	Nonbudget Funds	
<u>RESTRICTED NET ASSETS</u>				
<u>Conference Benevolence</u>				
Ethnic Local Church Concerns	\$ 3,830	\$ -	\$ (1,900)	\$ 1,930
Communications Office	19,675	-	1,062	20,737
Arthur J. Moore Museum	7,317	-	1,677	8,994
Arthur J. Moore Museum Endowment	291,125	-	28,149	319,274
Office of Connectional Ministries:				
Bishop's Initiative on Child Poverty	18,756	-	3,437	22,193
VIM South Georgia	13,729	-	(664)	13,065
Special New Missions	1,418	-	(1,418)	-
Committee on Missions	5,616	-	(2,574)	3,042
CCOM Office Administration	3,207	-	25	3,232
Leadership/Program Resources	1,273	-	(1,273)	-
Global Ministries Secretary	819	-	(819)	-
Pathways to a Healthy Church	19	-	(19)	-
Conference Youth Ministries	2,165	-	1,997	4,162
Safe Sanctuaries	2,947	-	-	2,947
Conference Children's Ministries	13,023	-	2,094	15,117
Older Adult Ministries	2,840	-	-	2,840
Hispanic Ministries	52,492	-	2,833	55,325
Open Hands Partnership / East Africa	52,675	-	2,108	54,783
Humble Place Capital	7,434	-	650	8,084
Humble Place Program	23,717	-	3,341	27,058
Red Cross - Hurricane Matthew	22,399	-	(22,399)	-
UMCOR - Emergency Grant IRMA	3,811	-	1,235	5,046
UMCOR - Chatham County	76,278	-	5,099	81,377
GA UM Foundation - Board of Missions	70,212	-	23,931	94,143
GA UM Foundation - Special Evangelism	43,917	-	9,171	53,088
GA UM Foundation - Conference on Evangelism	18,391	-	2,902	21,293
NVOAD Grant	145	-	-	145
Certified Lay Ministry	10,320	-	(10,320)	-
South GA Storm Recovery	622,859	-	(89,547)	533,312
Natural Church Development	(216)	-	216	-
Total Office of Connectional Ministries	1,070,246	-	(69,994)	1,000,252
Total Conference Benevolence	\$ 1,392,193	\$ -	\$ (41,006)	\$ 1,351,187

SOUTH GEORGIA CONFERENCE OF THE UNITED METHODIST CHURCH

SCHEDULE OF CHANGES IN NET ASSETS
MODIFIED CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2019

	Net Assets Dec. 31, 2018	Change in Net Assets		Net Assets Dec. 31, 2019
		Budget Funds	Nonbudget Funds	
<u>RESTRICTED NET ASSETS</u>				
<u>Clergy Support</u>				
Episcopal Funds				
Special Episcopal Reserve Account	\$ 5,234	\$ -	\$ 858	\$ 6,092
Total Episcopal Funds	5,234	-	858	6,092
Pensions, Benefits and Health Insurance				
Pre-1982 Pension	348,926	-	38,549	387,475
WIH Pitts Memorial	8,002,866	-	925,041	8,927,907
Comprehensive Protection Plan	37,898	-	2,046	39,944
Clergy Retirement Security Program	229,476	-	12,151	241,627
VIA	343,104	-	(29,706)	313,398
HealthFlex	(310,934)	-	114,972	(195,962)
Total Pensions, Benefits and Health Insurance	8,651,336	-	1,063,053	9,714,389
Comprehensive School Clergy	9,835	-	-	9,835
Total Clergy Support	8,666,405	-	1,063,911	9,730,316
<u>Administration</u>				
Conference Journal	16,713	-	4,501	21,214
Miscellaneous Activity	60,308	-	(29,733)	30,575
Legal Fees Reserves	-	-	42,575	42,575
Discretionary Funds	275	-	-	275
Total Administration	77,296	-	17,343	94,639
<u>Congregational Development</u>				
New Congregational Development (Church Extension)	134,010	-	262,352	396,362
SGA Investment Fund	420,324	-	22,685	443,009
Kingdom Builders Club	198,065	-	(198,065)	-
Start Right Stay Strong	15,042	-	39,894	54,936
Increased Impact	44,667	-	(13,999)	30,668
Thomasville Church Planters	42,500	-	(42,500)	-
Arca De Fuego	20,000	-	(14,100)	5,900
Leadership Immersion Program	33,919	-	17,194	51,113
Gateway / White Bluff	40,856	-	(40,856)	-
Consultant Teams	-	-	75	75
Land Sale	785,097	-	43,456	828,553
Statesboro Land Sale	153,509	-	8,284	161,793
Conference Trustee's Gift	112,583	-	6,076	118,659
Macon District Property - Urban	37,425	-	2,020	39,445
Macon District Property - General	1,115	-	-	1,115
Total Congregational Development	\$ 2,039,112	\$ -	\$ 92,516	\$ 2,131,628

SOUTH GEORGIA CONFERENCE OF THE UNITED METHODIST CHURCH

SCHEDULE OF CHANGES IN NET ASSETS
MODIFIED CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2019

	Net Assets Dec. 31, 2018	Change in Net Assets		Net Assets Dec. 31, 2019
		Budget Funds	Nonbudget Funds	
<u>RESTRICTED NET ASSETS</u>				
<u>Other Causes</u>				
Ministerial Education	\$ 174,107	\$ -	\$ 21,160	\$ 195,267
GA UM Foundation - Ministerial Education	41,874	-	6,606	48,480
South Georgia Conference Offices	738,375	-	243,239	981,614
Christian Education Sunday	13,821	-	(6,082)	7,739
Peace with Justice on Sunday	9,039	-	562	9,601
Golden Cross	75,978	-	(1,628)	74,350
District Operational Emergency Fund	33,577	-	1,542	35,119
Native American Awareness	18,829	-	146	18,975
Faith Sharing	(288)	-	2,501	2,213
South Georgia Special Relief	37,029	-	160	37,189
Hurricane Florence Relief	4,015	-	(4,015)	-
Christmas Offering - Storm Relief Fund	7,418	-	505	7,923
Sexual Ethics Workshop	9,056	-	2,052	11,108
AC 70 Club	7,000	-	(505)	6,495
St. Marys S3 Grant	-	-	25,000	25,000
Hurricane Michael	-	-	185,743	185,743
Hurricane Michael Disaster Coordinator	-	-	(33,408)	(33,408)
Pastoral Counseling Donations	393	-	-	393
Total Other Causes	1,170,223	-	443,578	1,613,801
Total Restricted Net Assets	13,345,229	-	1,576,342	14,921,571
<u>UNRESTRICTED NET ASSETS</u>	4,026,490	89,602	708,297	4,824,389
TOTAL NET ASSETS	\$ 17,371,719	\$ 89,602	\$ 2,284,639	\$ 19,745,960