

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

FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2005

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, GA

Ladies and Gentlemen:

We have audited the accompanying statement of assets, liabilities and net assets – modified cash basis of the South Georgia Conference of the United Methodist Church (a non-profit religious organization) as of December 31, 2005, and the related statement of support and revenue, expenses and changes in net assets – modified cash basis for the year then ended. These financial statements are the responsibility of the Conference's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in the notes, these financial statements were prepared on the modified cash basis of accounting, in conformity with the accounting practices permitted by General Conferences of United Methodist Churches, which practices differ from generally accepted accounting principles. The effects on the financial statements of the variances between the statutory basis of accounting and generally accepted accounting principles, although not reasonably determinable, are presumed to be material.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to in the first paragraph do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Conference as of December 31, 2005 or the changes in its net assets for the year then ended.

However, in our opinion, the financial statements referred to in the first paragraph 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, 2005, and its support and revenue, expenses and changes in net assets – modified cash basis for the year then ended, on the basis of accounting described in the notes to the financial statements.

April 7, 2006
Macon, Georgia

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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, 2005

ASSETS

Current Assets:

Cash and cash equivalents	\$ 202,891
Investments, at fair value	7,769,642
Apportionments and other receipts receivable	2,342,819
Prepaid expenses	58,819
Notes receivable from the Macon District	<u>303,000</u>
 Total Current Assets	 <u>10,677,171</u>
 Total Assets	 <u><u>\$ 10,677,171</u></u>

LIABILITIES AND NET ASSETS

Liabilities:

Current Liabilities:

Obligations payable on current year's budget	\$ 2,128,147
Due to Episcopal Residence	<u>10,864</u>
 Total Liabilities	 <u>2,139,011</u>
 <u>Net Assets:</u>	
Temporarily restricted	4,865,626
Unrestricted	<u>3,672,534</u>
 Total Net Assets	 <u>8,538,160</u>
 Total Liabilities and Net Assets	 <u><u>\$ 10,677,171</u></u>

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

SOUTH GEORGIA CONFERENCE OF THE UNITED METHODIST CHURCH

STATEMENT OF SUPPORT, REVENUE AND EXPENSES - MODIFIED CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2005

Support and Revenue:

Budgeted Funds:

World Service and Conference Benevolence	\$ 2,599,742
Clergy Support	5,261,459
Administration	1,161,653
Other Apportioned Causes	<u>1,389,295</u>

Total Budgeted Funds	<u>10,412,149</u>
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Nonbudgeted Funds	<u>12,789,153</u>
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Total Support and Revenue	<u>23,201,302</u>
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Expenses:

Budgeted Funds:

World Service and Conference Benevolence	2,645,585
Clergy Support	5,438,419
Administration	1,137,991
Other Apportioned Causes	<u>1,389,295</u>

Total Budgeted Funds	<u>10,611,290</u>
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Nonbudgeted Funds	<u>12,618,072</u>
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Total Expenses	<u>23,229,362</u>
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Change in Net Assets	<u>\$ (28,060)</u>
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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, 2005

	2005		
	Temporarily Restricted	Unrestricted	Total
Balance - January 1, 2005	\$ 4,752,629	\$ 3,813,590	\$ 8,566,219
Change in Net Assets	112,997	(141,056)	(28,059)
Balance - December 31, 2005	\$ 4,865,626	\$ 3,672,534	\$ 8,538,160

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, 2005

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 660 United Methodist local churches, grouped into nine districts, located in the southern half of Georgia. Through 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 Southeast Jurisdictional and General Conferences 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 fund balance account 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 Fund Balance 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, 2005

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 SFAS No. 124 *Accounting for Certain Investments Held by Not-for-Profit Organizations*. Under SFAS No. 124, 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 \$202,891 at December 31, 2005, 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, 2005, the fair value of investments was \$7,769,642.

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 two 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.

SOUTH GEORGIA CONFERENCE OF THE UNITED METHODIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2005

Apportionments receivable represent amounts contributed for the period ending December 31, 2005. 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

It is the policy of the Conference to pay certain salaries and other miscellaneous obligations on the first of the month. To accommodate mailing time, January checks are written in December. These disbursements are classified as Prepaid Expenses on the Statement of Certain Assets, Liabilities and Fund Balance – Modified Cash Basis.

Notes receivable

Consistent with the modified cash basis of accounting, losses on uncollectible loans made by the South Georgia Conference Investment Fund, Inc. are accounted for by the direct write-off method, rather than by the allowance method. Recoveries of loan losses are recognized as revenue in the year received.

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 \$100,000. The bank balance in excess of the FDIC limit totaled \$7,503 as of December 31, 2005. It is the opinion of management that solvency of the referenced financial institution is not a particular concern at this time.

SOUTH GEORGIA CONFERENCE OF THE UNITED METHODIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005

Note 3 – NOTES RECEIVABLE OF THE SOUTH GEORGIA CONFERENCE

As of December 31, 2005 the only outstanding note receivable was to the Macon District Board of Trustees for the purpose of purchasing land and buildings for the Vision of Jesus United Methodist Church. This note receivable originated during 2005, for the purpose of purchasing a place of worship for the congregation. The note receivable will be repaid as CD's in the district's name mature or when the East Macon United Methodist Church is sold. The original loan amount was \$350,000, non-interest bearing and unsecured. As of December 31, 2005, the outstanding note receivable balance is \$303,000.

Note 4 – FIXED ASSETS

The following is a summary of certain fixed 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 fixed 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	Ending Balance
Office of Connectional Ministries:				
Building	\$ 267,929	\$ -	\$ -	\$ 267,929
Furniture and equipment	121,534	6,852	-	128,386
Total	389,463	6,852	-	396,315
Episcopal Office:				
Furniture and equipment	50,090	2,775	-	52,865
Episcopal Residence:				
Residence	-	449,965	-	449,965
Land	63,500	-	-	63,500
Total	63,500	449,965	-	513,465
Administrative Services Office:				
Furniture and equipment	86,074	26,871	(24,842)	88,103
Arthur J. Moore Museum:				
Furniture and equipment	24,591	-	-	24,591
Total	\$ 613,718	\$ 486,463	\$ (24,842)	\$ 1,075,339

During 2005 the Conference completed the construction of the new Episcopal Residence. The construction of the new residence was funded by various donations and the sale proceeds of the old Episcopal Residence. As of December 31, 2005, there was no debt associated with new Episcopal Residence.

SOUTH GEORGIA CONFERENCE OF THE UNITED METHODIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005

Note 5 – DUE TO EPISCOPAL RESIDENCE

In 2004, the Episcopal Residence received two donations totaling \$185,000, for the construction of a new Episcopal Area Residence. As of December 31, 2005, there was \$10,864 still available for the construction of the new Episcopal Residence.

Note 6 – BENEFIT PLANS

For its ministerial and certain qualified lay personnel, the Conference participates in pension programs administered by the General Board of Pensions, and Health Benefits of The United Methodist Church. Accordingly, responsibility for full disclosures related to the program rests with the General Conference. Contributions are based on a formula related to salary levels.

Accumulated pension benefits for retired individuals are established under the Ministerial Pension Plan (MPP) adopted as of January 1, 1982. Benefits for services rendered on and after January 1, 1982, covered by this defined contribution plan, are fully funded as contributions are made. Benefits for services rendered prior to January 1, 1982, covered under the previous defined benefit plan, represent the actuarially determined amount required to fund future pension payments. The unfunded portion of those benefits is unfunded past service costs, which is being funded through apportionments. The South Georgia Conference is required to fund all past service costs over a 40-year period-which ends on December 31, 2021.

During the year ended December 31, 2005, the South Georgia Conference contributions to the pension benefit program amounted to \$1,300,000.

Note 7 – 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.

The Annual Conference sponsors a defined benefit post retirement medical plan that covers substantially all of its statutory and common-law employees. The plan is contributory; retiree contributions have been established as a percentage of premium expense, with the percentage being based on years of participation in the Conference health insurance program.

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, 2005 to December 31, 2005:

Comprehensive protection plan	\$ 887,777
Healthflex benefit plan	5,055,685

SOUTH GEORGIA CONFERENCE OF THE UNITED METHODIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005

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 four-year operating lease expiring in July 2009. The Conference does have the option for two additional three-year terms. Rental expense under this lease amounted to \$31,635 in 2005.

Note 9 – CONFERENCE INVESTMENT FUND

The South Georgia Conference Investment Fund, Inc. was established in 1966 after a conference wide capital funds crusade was conducted to generate financial support for Church Extension and Magnolia Manor. During their March 2, 2005 Annual Meeting, the Trustees of the Fund voted unanimously to recommend the following action to the 2005 South Georgia Annual Conference:

1. The South Georgia Investment Fund, Inc. Trustees recommended to the 2005 South Georgia Annual Conference that the South Georgia Investment Fund, Inc. be dissolved as soon as possible after the approval of the Annual Conference.
2. The remaining funds be turned over to the South Georgia Conference Trustees for equal distribution to the South Georgia Home for the Aging, Inc. and the South Georgia Annual Conference New and Revitalized Congregational Development Committee (the successor group of Church Extensions).
3. The South Georgia Home for the Aging, Inc. and the South Georgia Conference New and Revitalized Congregational Development Committee place their portion in an investment account of their own choosing.
4. The South Georgia Home for the Aging, Inc. and the South Georgia Conference New and Revitalized Congregational Development Committee be permitted to use the interest / investment income, but that the principal be maintained to benefit the ministries in perpetuity.

It was approved during the 2005 South Georgia Annual Conference to implement the Trustees of the South Georgia Conference Investment Fund, Inc. recommendations. The South Georgia Conference Investment Fund, Inc. was dissolved during 2005.

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INDEPENDENT AUDITOR'S REPORT
ON THE SUPPLEMENTARY INFORMATION

South Georgia Conference of the United Methodist Church
Macon, Georgia

Our audit was made for the purpose of forming an opinion on the basic financial statements for the year ended December 31, 2005, taken as a whole. The supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplementary information for the year ended December 31, 2005 has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

April 7, 2006
Macon, Georgia

SUPPLEMENTARY INFORMATION

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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, 2005

	Budget	Actual			Change in Net Assets
		Support and Revenue	Expenses	Transfers	
<u>BUDGETED FUNDS</u>					
<u>World Service and Conference Benevolence</u>					
World Service Apportionment	\$ 1,264,735	\$ 1,154,027	\$ 1,154,027	\$ -	\$ -
Conference Benevolences					
Office of Connectional Ministries					
Council Staff and Office	703,388	457,355	479,857	-	(22,502)
Travel	-	3,603	995	-	2,608
Executive Committee	3,990	1,801	928	-	873
Mission and Ministry Programs	-	122,121	109,573	-	12,548
Mission Agency Support	-	53,724	53,724	-	-
Total Office of Connectional Ministries	707,378	638,604	645,077	-	(6,473)
New Congregational Development	439,016	434,638	434,638	-	-
Hispanic Ministries	322,460	305,604	337,606	-	(32,002)
Arthur J. Moore Museum	74,237	66,869	74,237	-	(7,368)
Total Conference Benevolences	1,543,091	1,445,715	1,491,558	-	(45,843)
<u>Total World Service and Conference Benevolence</u>	2,807,826	2,599,742	2,645,585	-	(45,843)
<u>Clergy Support</u>					
Episcopal Area Funds					
Episcopal South Georgia Area Office	51,254	46,432	46,432	-	-
Area Residence	19,000	17,212	17,212	-	-
Special Episcopal Account	4,750	4,303	4,303	-	-
Total Episcopal Area Funds	75,004	67,947	67,947	-	-
Pensions, Benefits and Health Insurance					
Pre-1982 Pensions	1,340,000	1,224,578	1,338,944	-	(114,366)
Comprehensive Protection Plan	900,000	887,777	887,777	-	-
Healthflex Retiree	1,328,000	1,201,352	1,201,352	-	-
Healthflex Disability	105,950	99,212	70,132	-	29,080
Healthflex Transitional Grant	-	313,835	313,555	-	280
Healthflex Underpayment	71,250	64,455	64,455	-	-
MPP Arrearage Contingency	47,500	43,408	27,859	-	15,549
Total Pension, Benefits and Insurance	3,792,700	3,834,617	3,904,074	-	(69,457)
District Superintendent	1,043,212	945,079	1,023,947	-	(78,868)
Equitable Compensation	337,800	306,023	338,110	-	(32,087)
Pastoral Counseling Services	50,362	45,625	49,778	-	(4,153)
Comprehensive School Clergy	3,800	3,443	3,401	-	42
Conf Board of Ordained Ministry	64,822	58,725	51,162	-	7,563
Total Clergy Support	\$ 5,367,700	\$ 5,261,459	\$ 5,438,419	\$ -	\$ (176,960)

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, 2005

	Budget	Actual			Change in Net Assets
		Support and Revenue	Expenses	Transfers	
<u>BUDGETED FUNDS</u>					
<u>Administration</u>					
Annual Conference					
Annual Conference Session Expense	\$ 58,000	\$ 67,593	\$ 57,670	\$ -	\$ 9,923
Annual Conference Business Expense	21,000	18,909	17,222	-	1,687
Annual Conference Expenses for Retired Ministers	21,000	18,909	22,850	-	(3,941)
At Large Lay Annual Conference	18,000	16,209	18,000	-	(1,791)
Total Annual Conference	118,000	121,620	115,742	-	5,878
Council on Finance and Administration	7,000	6,303	6,752	-	(449)
Conference Treasurer/Administrator	420,000	379,407	409,349	-	(29,942)
Conference Secretary Expense	2,000	1,801	1,375	-	426
Conference Journal	13,000	28,971	28,971	-	-
Committee on Memoirs	600	540	140	-	400
Conference Trustee	18,400	16,568	19,739	-	(3,171)
Worker's Compensation Insurance	8,500	7,654	4,998	-	2,656
Leadership Forum	5,000	4,502	3,871	-	631
Local Church Treasurer's Bond	3,700	3,332	3,670	-	(338)
Nominations Committee	500	450	378	-	72
Episcopal Committee	1,500	1,350	1,119	-	231
SEJ Mission and Ministry	113,806	104,651	104,651	-	-
Administrative General Church	110,975	100,105	100,105	-	-
Episcopal General Church	327,501	294,352	294,352	-	-
Contingency	100,000	90,047	42,779	-	47,268
Total Administration	1,250,482	1,161,653	1,137,991	-	23,662
<u>Other Apportioned Causes</u>					
State Cooperative Funds					
Christian Higher Education	703,480	625,613	625,613	-	-
Georgia Christian Council	15,510	14,174	14,174	-	-
Georgia Council on Moral and Civic Concerns	18,050	16,496	16,496	-	-
Georgia's Pastors' School	2,900	2,650	2,650	-	-
Wesleyan Christian Advocate	33,250	30,387	30,387	-	-
Total State Cooperative Funds	773,190	689,320	689,320	-	-
Black College Fund	188,410	168,404	168,404	-	-
Africa University	43,274	39,146	39,146	-	-
Ministerial Education Fund	470,611	458,995	458,995	-	-
Interdenominational Cooperation Fund	37,044	33,430	33,430	-	-
Total Other Apportioned	1,512,529	1,389,295	1,389,295	-	-
Total Budgeted Funds	\$ 10,938,537	\$ 10,412,149	\$ 10,611,290	\$ -	\$ (199,141)

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, 2005

	Actual			Change in Net Assets
	Support and Revenue	Expenses	Transfers	
<u>NONBUDGET FUNDS</u>				
<u>World Service and Conference Benevolence</u>				
Ethnic Local Church Concerns	\$ 1,266	\$ 1,507	\$ -	\$ (241)
Communications Council	1,614	9,973	-	(8,359)
Arthur J. Moore Museum	4,416	7,700	-	(3,284)
Office of Connectional Ministries				
Bishop's Initiative on Child Poverty	2,283	12,900	(28,369)	(38,986)
Confirmation Retreat Join Journey	22,040	28,315	-	(6,275)
VIM South Georgia	7,301	6,130	-	1,171
South Georgia Tornado Relief	10,615	48,313	-	(37,698)
Committee on Missions	668	-	-	668
Online Registrations	111,487	117,160	-	(5,673)
CCOM Office Administration	878	196	-	682
Winter Camp Meeting	15,540	15,972	-	(432)
Global Ministries Secretary	-	500	-	(500)
Schools for Christian Mission	-	852	-	(852)
Pathways to a Health Church	12,878	11,628	-	1,250
Conference Youth Ministries	7,500	11,246	17,226	13,480
Junior High Camp	24,782	20,075	(4,708)	(1)
Junior High Camp II	30,640	24,866	(5,774)	-
February Event	278	278	-	-
Leadership Team	47,941	47,941	-	-
Youth Celebration	51,793	46,649	(6,744)	(1,600)
Mission Macon	5,094	5,094	-	-
Youth Service Fund	210	-	-	210
Conference Children's Ministries	4,644	1,667	-	2,977
Elementary Camp I	34,151	34,151	-	-
Elementary Camp II	31,492	31,492	-	-
Elementary Camp III	21,628	21,628	-	-
Older Adult Ministries	3,586	5,397	-	(1,811)
CCOM Housing/Maintenance	718	4,506	-	(3,788)
Southwest Georgia Flooding	-	500	-	(500)
Hope for the Children of Africa	378	101	28,369	28,646
SG Partnership / East Africa	1,543	11,077	(19,552)	(29,086)
Humble Place Capital	18,018	13,250	19,552	24,320
Humble Place Program	18,897	17,100	-	1,797
Health & Welfare Ministries	4,732	15,489	-	(10,757)
Education	-	201	-	(201)
Missions Celebration Event	1,968	1,968	-	-
Black Church Summit	2,500	2,223	-	277
Lay Leadership Academy	-	198	-	(198)
Kidz Quest	41,640	41,640	-	-
South GA Tornado Relief	54,275	6,000	-	48,275
Russian UMC Theological Seminary	224	6,219	-	(5,995)
Igniting Ministries	60	60	-	-
Total Office of Connectional Ministries	592,382	612,982	-	(20,600)
Total World Service and Conference Benevolence	\$ 599,678	\$ 632,162	\$ -	\$ (32,484)

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, 2005

	Actual			Change in Net Assets
	Support and Revenue	Expenses	Transfers	
<u>NONBUDGET FUNDS</u>				
<u>Clergy Support</u>				
Episcopal Funds				
Episcopal Office Reserve	\$ 426	\$ 4,772	\$ -	\$ (4,346)
Episcopal Residence Reserve	6,196	18,505	-	(12,309)
Episcopal Special Reserve	748	-	-	748
Total Episcopal Funds	7,370	23,277	-	(15,907)
Pensions, Benefits and Health Insurance				
Pre-1982 Pension	26,989	10,203	-	16,786
WIH Pitts Memorial	575,550	-	-	575,550
Comprehensive Protection Plan	820	1,489	-	(669)
HF Transition Grants Reserve	-	1,316	-	(1,316)
Ministerial Pension Plan	136,717	172,784	-	(36,067)
Healthflex	5,347,658	5,055,685	-	291,973
Total Pensions, Benefits and Health Insurance	6,087,734	5,241,477	-	846,257
Comprehensive School Clergy	5,611	10,534	-	(4,923)
Total Clergy Support	6,100,715	5,275,288	-	825,427
<u>Administration</u>				
Conference Journal	22,863	17,431	-	5,432
Miscellaneous Activity	27,590	27,590	-	-
Administrative Services Office Reserves	836	-	-	836
Discretionary Funds	500	-	-	500
Total Administration	51,789	45,021	-	6,768
<u>New Congregational Development</u>				
Church Extension	21,343	-	-	21,343
SGA Investment Fund	388,062	-	-	388,062
Kingdom Builders Club	57,562	368,023	-	(310,461)
New Congregational Supporters	3,015	2,220	-	795
Vision Promoters	3,449	-	-	3,449
New Congregation Planters	32,482	31,371	-	1,111
New Church Builders Fund	113,884	56,966	-	56,918
Saint Mary's Grant	572	37,031	-	(36,459)
Bishop's New Congregational Initiative	4,668	39,192	-	(34,524)
Hispanic Ministries	1,410	15,146	-	(13,736)
Total New Congregational Development	\$ 626,447	\$ 549,949	\$ -	\$ 76,498

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, 2005

	Actual			Change in Net Assets
	Support and Revenue	Expenses	Transfers	
<u>NONBUDGET FUNDS</u>				
<u>Other Causes</u>				
Ministerial Education	\$ 20,749	\$ 9,251	\$ -	\$ 11,498
South Georgia Conference Offices	574	-	-	574
Christian Education Sunday	771	-	-	771
Peace with Justice on Sunday	2,466	1,052	-	1,414
Golden Cross	8,652	1,513	-	7,139
Conference Advance Special	4,083,223	4,104,672	-	(21,449)
General Advance Special	940,128	932,864	-	7,264
Human Relations	2,053	2,053	-	-
4th Sunday World Service	214	968	-	(754)
Methodist Student Day	2,937	2,937	-	-
One Great Hour of Sharing	12,874	12,874	-	-
Native American Awareness	2,673	3,337	-	(664)
Relief Association	20,974	37,236	-	(16,262)
South Georgia Special Relief	6,234	3,250	-	2,984
AC 70 Club	2,000	-	-	2,000
Youth Services Fund	300	210	-	90
Conference Investment Fund - Current	3,375	5,309	-	(1,934)
Conference Investment Fund - Reserve	21,521	784,483	-	(762,962)
World Communion Offering	8,118	8,118	-	-
Human Relations	15,000	7,922	-	7,078
Miscellaneous	27,590	27,590	-	-
Interest Income	228,098	170,013	-	58,085
Total Other Causes	5,410,524	6,115,652	-	(705,128)
Total Nonbudget Funds	12,789,153	12,618,072	-	171,081
Total All Funds	\$ 23,201,302	\$ 23,229,362	\$ -	\$ (28,060)

SOUTH GEORGIA CONFERENCE OF THE UNITED METHODIST CHURCH

SCHEDULE OF CHANGES IN NET ASSETS
MODIFIED CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2005

	Net Assets Jan. 1, 2005	Change in Net Assets		Net Assets Dec. 31, 2005
		Budget Funds	Nonbudget Funds	
<u>TEMPORARILY RESTRICTED NET ASSETS</u>				
<u>World Service and Conference Benevolence</u>				
Ethnic Local Church Concerns	\$ 36,269	\$ -	\$ (241)	\$ 36,028
Communications Office	48,671	-	(8,359)	40,312
Arthur J. Moore Museum	25,702	-	(3,284)	22,418
Office of Connectional Ministries:				
Bishop's Initiative on Child Poverty	39,225	-	(38,986)	239
Southwest Georgia Flooding	500	-	(500)	-
Confirmation Retreat Join Journey	7,094	-	(6,275)	819
VIM South Georgia	10,569	-	1,171	11,740
South GA Tornado Relief	37,698	-	(37,698)	-
Special New Missions	1,418	-	-	1,418
Mission Admin Global Gathering	2,702	-	-	2,702
Committee on Missions	4,526	-	668	5,194
Partner's in Ministry Leadership	5,661	-	-	5,661
Online Registrations	5,673	-	(5,673)	-
CCOM Office Administration	955	-	682	1,637
Leadership/Program Resources	1,288	-	-	1,288
Winter Camp Meeting	-	-	(432)	(432)
Global Ministries Secretary	2,236	-	(500)	1,736
Media Center	6,514	-	-	6,514
Russia Mission Work Team	514	-	-	514
Schools for Christian Mission	1,831	-	(852)	979
Pathways to a Health Church	-	-	1,250	1,250
Conference Youth Ministries	23,331	-	13,480	36,811
Youth Celebration	1,600	-	(1,600)	-
Youth Service Fund	1,468	-	210	1,678
Conference Children's Ministries	44,455	-	2,977	47,432
Labor Day Laity Retreat	828	-	-	828
Adult Leadership Development	825	-	-	825
Older Adult Ministries	(132)	-	(1,811)	(1,943)
CCOM Housing/Maintenance	20,142	-	(3,788)	16,354
Hope for the Children of Africa	-	-	28,646	28,646
SG Partnership / East Africa	41,823	-	(29,086)	12,737
Humble Place Capital	6,462	-	24,320	30,782
Humble Place Program	12,970	-	1,797	14,767
Health & Welfare Ministries	4,792	-	(10,757)	(5,965)
Education	201	-	(201)	-
Black Church Summitt	2,499	-	277	2,776
Lay Leadership Academy	198	-	(198)	-
Dave Hanson Scholarship Fund	422	-	-	422
South GA Storm Recovery	1,764	-	48,275	50,039
Russian UMC Theological Seminary	6,021	-	(5,995)	26
Igniting Ministries	435	-	-	435
Total Office of Connectional Ministries	298,508	-	(20,599)	277,909
Total World Service and Conference Benevolence	\$ 409,150	\$ -	\$ (32,483)	\$ 376,667

SOUTH GEORGIA CONFERENCE OF THE UNITED METHODIST CHURCH

SCHEDULE OF CHANGES IN NET ASSETS
MODIFIED CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2005

	Net Assets Jan. 1, 2005	Change in Net Assets		Net Assets Dec. 31, 2005
		Budget Funds	Nonbudget Funds	
<u>TEMPORARILY RESTRICTED NET ASSETS</u>				
<u>Clergy Support</u>				
Episcopal Funds				
Episcopal Office Reserve	\$ 14,764	\$ -	\$ (4,346)	\$ 10,418
Special Episcopal Reserve Account	3,909	-	748	4,657
Episcopal Residence Reserve	13,987	-	(12,309)	1,678
Total Episcopal Funds	32,660	-	(15,907)	16,753
Pensions, Benefits and Health Insurance				
Pre-1982 Pension	170,593	-	16,786	187,379
WIH Pitts Memorial	1,488,849	-	575,550	2,064,399
Comprehensive Protection Plan	23,000	-	(669)	22,331
HF Transition Grants Reserve	89,412	-	(1,316)	88,096
Ministerial Pension Plan	-	-	(36,067)	(36,067)
Healthflex	(76,711)	-	291,973	215,262
Total Pensions, Benefits and Health Insurance	1,695,143	-	846,257	2,541,400
Comprehensive School Clergy	15,395	-	(4,923)	10,472
Total Clergy Support	1,743,198	-	825,427	2,568,625
<u>Administration</u>				
Conference Journal	-	-	5,432	5,432
Administrative Services Office Reserves	-	-	836	836
Discretionary Funds	-	-	500	500
Total Administration	-	-	6,768	6,768
<u>New Congregational Development</u>				
Church Extension	298,692	-	21,343	320,035
SGA Investment Fund	-	-	388,062	388,062
Kingdom Builders Club	399,345	-	(310,461)	88,884
New Congregational Supporters	2,538	-	795	3,333
Vision Promoters	5,085	-	3,449	8,534
New Congregation Planters	66,201	-	1,111	67,312
New Church Builders Fund	536,875	-	56,918	593,793
Saint Mary's Grant	101,469	-	(36,459)	65,010
Hispanic Ministries	43,346	-	(13,736)	29,610
Bishop's New Congregational Initiative	133,493	-	(34,524)	98,969
Total New Congregational Development	\$ 1,587,044	\$ -	\$ 76,498	\$ 1,663,542

SOUTH GEORGIA CONFERENCE OF THE UNITED METHODIST CHURCH

SCHEDULE OF CHANGES IN NET ASSETS
 MODIFIED CASH BASIS
 FOR THE YEAR ENDED DECEMBER 31, 2005

	Net Assets Jan. 1, 2005	Change in Net Assets		Net Assets Dec. 31, 2005
		Budget Funds	Nonbudget Funds	
<u>TEMPORARILY RESTRICTED NET ASSETS</u>				
<u>Other Causes</u>				
Ministerial Education	\$ (20,749)	\$ -	\$ 11,498	\$ (9,251)
South Georgia Conference Offices	16,109	-	574	16,683
Christian Education Sunday	9,193	-	771	9,964
Peace with Justice on Sunday	11,356	-	1,414	12,770
Golden Cross	71,442	-	7,139	78,581
Conference Advance Special	(62,868)	-	(21,449)	(84,317)
General Advance Special	28,837	-	7,264	36,101
4th Sunday World Service	754	-	(754)	-
Native American Awareness	3,782	-	(664)	3,118
Strategic Ministry Fund	9,118	-	-	9,118
Faith Sharing	5,304	-	-	5,304
Relief Association	150,651	-	(16,262)	134,389
South Georgia Special Relief	19,207	-	2,984	22,191
AC 70 Club	4,000	-	2,000	6,000
Youth Services Fund	-	-	90	90
Conference Investment Fund - Current	1,934	-	(1,934)	-
Conference Investment Fund - Reserve	762,962	-	(762,962)	-
Appointment Transition Event	2,205	-	7,078	9,283
Total Other Causes	2,600,281	-	(686,715)	1,913,566
Total Temporarily Restricted Net Assets	4,752,629	-	112,997	4,865,626
<u>UNRESTRICTED NET ASSETS</u>	3,813,590	(199,141)	58,085	3,672,534
TOTAL NET ASSETS	\$ 8,566,219	\$ (199,141)	\$ 171,082	\$ 8,538,160