

**Funds Under the Stewardship of the  
New York Annual Conference of the  
United Methodist Church**

Combined Financial Statements

December 31, 2016

## **Independent Auditors' Report**

**Board of Trustees**  
**Funds Under the Stewardship of the New York**  
**Annual Conference of the United Methodist Church**  
**White Plains, New York**

We have audited the accompanying combined financial statements of the Funds Under the Stewardship of the New York Annual Conference of the United Methodist Church (the "NYAC"), which comprise the combined statement of financial position as of December 31, 2016, and the related combined statements of activities and cash flows for the year then ended, and the related notes to the combined financial statements.

### ***Management's Responsibility for the Combined Financial Statements***

Management is responsible for the preparation and fair presentation of these combined financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of combined financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditors' Responsibility***

Our responsibility is to express an opinion on these combined 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 combined financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the combined 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 combined 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 combined financial statements.

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

***Basis for Qualified Opinion***

As more fully described in note 3 to the combined financial statements, the NYAC has not recorded the funded status of its postretirement benefit plan in the combined financial statements, which in our opinion, should be recognized to conform with accounting principles generally accepted in the United States of America. If the funded status of the postretirement benefit plan was accounted for properly, liabilities would be increased by \$2,891,122 and net assets would be decreased by the same amount as of December 31, 2016. The effect on the combined statements of activities and cash flows has not been determined.

***Qualified Opinion***

In our opinion, except for the effects of not recording the related asset and accumulated postretirement benefit obligation in the combined financial statements at the fair market value and present value of the anticipated actuarial cost of the health benefits for retirees and related benefit expense as discussed in the Basis for Qualified Opinion paragraph, the combined financial statements referred to in the first paragraph present fairly, in all material respects, the combined financial position of the New York Annual Conference as of December 31, 2016, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Report on Summarized Comparative Information***

We have previously audited the NYAC's December 31, 2015 combined financial statements, and for the reason discussed in the basis for qualified opinion on the 2016 financial statements we also expressed a qualified audit opinion on those 2015 audited combined financial statements in our report dated June 23, 2016. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2015 is consistent, in all material respects, with the audited combined financial statements from which it has been derived.

***Report on Supplemental Information***

Our audit was conducted for the purpose of forming an opinion on the combined financial statements as a whole. The supplemental information on pages 19 through 21 is presented for purposes of additional analysis and is not a required part of the combined 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 combined financial statements. The information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, except for the effects of the matter described in their Basis for Qualified Opinion, the information is fairly stated in all material respects in relation to the combined financial statements as a whole.

*PKF O'Connor Davies, LLP*

Harrison, New York  
July 17, 2017

**Funds Under the Stewardship of the New York  
Annual Conference of the United Methodist Church**

Combined Statement of Financial Position

December 31, 2016

(with comparative amounts at December 31, 2015)

|  | 2016                 | 2015                 |
|--|----------------------|----------------------|
| <b>ASSETS</b>  |                      |                      |
| Cash and cash equivalents  | \$ 3,565,744         | \$ 3,068,509         |
| Investments  | 14,272,795           | 16,694,022           |
| Church apportionments receivable                                   | 190,178              | 104,928              |
| Accounts receivable, net   | 520,249              | 288,146              |
| Parish development loans receivable, net                           | 1,537,430            | 1,254,305            |
| Prepaid expenses and other assets                                  | 524,226              | 641,527              |
| Custodial funds held   | 4,094                | 32,240               |
| Property and equipment, net  | 9,887,438            | 6,094,863            |
|  | <b>\$ 30,502,154</b> | <b>\$ 28,178,540</b> |
| <br><b>LIABILITIES AND NET ASSETS</b>                              |                      |                      |
| Liabilities  |                      |                      |
| Church apportionments designated for future periods                | \$ 57,513            | \$ 42,845            |
| Accounts payable and accrued expenses                              | 1,456,340            | 1,421,477            |
| Capital lease obligations  | 27,304               | 37,762               |
| Deferred revenue   | 27,913               | 39,373               |
| Loan payable - Conference Board of Pensions and Health<br>Benefits | 329,917              | 339,917              |
| Loan payable - United Methodist Development Fund                   | 328,962              | 397,932              |
| Loan payable - U.S. Small Business Administration                  | 678,139              | 691,858              |
| Custodial funds held   | 4,094                | 32,240               |
| Total Liabilities  | 2,910,182            | 3,003,404            |
| Net Assets   |                      |                      |
| Unrestricted   | 18,230,954           | 15,960,184           |
| Temporarily restricted   | 8,625,319            | 8,479,253            |
| Permanently restricted   | 735,699              | 735,699              |
| Total Net Assets   | 27,591,972           | 25,175,136           |
|  | <b>\$ 30,502,154</b> | <b>\$ 28,178,540</b> |

See notes to combined financial statements

**Funds Under the Stewardship of the New York  
Annual Conference of the United Methodist Church**

Combined Statement of Activities  
Year Ended December 31, 2016  
(with summarized totals for the year ended December 31, 2015)

|                                       | Unrestricted         | Temporarily<br>Restricted | Permanently<br>Restricted | 2016<br>Total        | 2015<br>Total        |
|---------------------------------------|----------------------|---------------------------|---------------------------|----------------------|----------------------|
| <b>SUPPORT AND REVENUE</b>            |                      |                           |                           |                      |                      |
| Church apportionments                 | \$ 2,310,788         | \$ 5,013,639              | \$ -                      | \$ 7,324,427         | \$ 7,303,984         |
| Designated benevolences               | -                    | 1,516,970                 | -                         | 1,516,970            | 2,261,312            |
| Fees and reimbursements               | 290,328              | -                         | -                         | 290,328              | 317,290              |
| Grants and contributions              | 770,613              | 13,024                    | -                         | 783,637              | 355,883              |
| Retreat                               | 1,521,355            | -                         | -                         | 1,521,355            | 1,387,424            |
| Store sales                           | 3,804                | -                         | -                         | 3,804                | -                    |
| Investment return (loss)              | 1,104,966            | 70,202                    | -                         | 1,175,168            | (477,772)            |
| Interest                              | 312,288              | -                         | -                         | 312,288              | 64,389               |
| Other                                 | 381                  | -                         | -                         | 381                  | 960                  |
| Gain on sale of properties            | 998,770              | -                         | -                         | 998,770              | 372,885              |
| Net assets released from restrictions | <u>6,467,769</u>     | <u>(6,467,769)</u>        | <u>-</u>                  | <u>-</u>             | <u>-</u>             |
| Total Support and Revenue             | <u>13,781,062</u>    | <u>146,066</u>            | <u>-</u>                  | <u>13,927,128</u>    | <u>11,586,355</u>    |
| <b>EXPENSES</b>                       |                      |                           |                           |                      |                      |
| Program                               | 6,538,976            | -                         | -                         | 6,538,976            | 7,699,803            |
| Campsite                              |                      |                           |                           |                      |                      |
| Quinipet                              | 1,631,888            | -                         | -                         | 1,631,888            | 1,633,449            |
| Epworth                               | -                    | -                         | -                         | -                    | 114                  |
| Kingswood                             | 81,101               | -                         | -                         | 81,101               | 67,659               |
| Capital campaign                      | 2,570                | -                         | -                         | 2,570                | 17,905               |
| Management and general                | <u>3,255,757</u>     | <u>-</u>                  | <u>-</u>                  | <u>3,255,757</u>     | <u>3,041,660</u>     |
| Total Expenses                        | <u>11,510,292</u>    | <u>-</u>                  | <u>-</u>                  | <u>11,510,292</u>    | <u>12,460,590</u>    |
| Change in Net Assets                  | 2,270,770            | 146,066                   | -                         | 2,416,836            | (874,235)            |
| <b>NET ASSETS</b>                     |                      |                           |                           |                      |                      |
| Beginning of year                     | <u>15,960,184</u>    | <u>8,479,253</u>          | <u>735,699</u>            | <u>25,175,136</u>    | <u>26,049,371</u>    |
| End of year                           | <u>\$ 18,230,954</u> | <u>\$ 8,625,319</u>       | <u>\$ 735,699</u>         | <u>\$ 27,591,972</u> | <u>\$ 25,175,136</u> |

**Funds Under the Stewardship of the New York  
Annual Conference of the United Methodist Church**

Combined Statement of Cash Flows

Year Ended December 31, 2016

(with comparative amounts for the year ended December 31, 2015)

|   | 2016         | 2015         |
|---|--------------|--------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>   |              |              |
| Change in net assets  | \$ 2,416,836 | \$ (874,235) |
| Adjustment to reconcile change in net assets to net cash<br>from operating activities |              |              |
| Realized and unrealized (gains) losses on investments                                 | (1,190,528)  | 534,175      |
| Gain on sale of properties  | (998,770)    | (372,885)    |
| Depreciation  | 429,046      | 372,551      |
| Provision for bad debts   | 10,639       | 491,894      |
| Net change in operating assets and liabilities  |              |              |
| Church apportionments receivable  | (85,250)     | 53,522       |
| Accounts receivable   | (242,742)    | (539,195)    |
| Parish development loans receivable   | (283,125)    | 564,732      |
| Prepaid expenses and other assets   | 117,301      | (123,970)    |
| Church apportionments designated for future periods                                   | 14,668       | 8,986        |
| Accounts payable and accrued expenses   | 34,863       | (163,201)    |
| Deferred revenue  | (11,460)     | 39,373       |
| Net Cash from Operating Activities  | 211,478      | (8,253)      |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>   |              |              |
| Proceeds from sale of investments   | 4,219,035    | 761,212      |
| Purchase of investments   | (607,280)    | (1,620,495)  |
| Proceeds from sale of property  | 998,770      | 372,885      |
| Property and equipment acquisitions   | (4,221,621)  | (610,687)    |
| Net Cash from Investing Activities  | 388,904      | (1,097,085)  |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>   |              |              |
| Repayment of capital lease obligations  | (10,458)     | (28,232)     |
| Repayment of loans payable  | (92,689)     | (87,127)     |
| Net Cash from Financing Activities  | (103,147)    | (115,359)    |
| Net Change in Cash and Cash Equivalents   | 497,235      | (1,220,697)  |
| <b>CASH AND CASH EQUIVALENTS</b>  |              |              |
| Beginning of year   | 3,068,509    | 4,289,206    |
| End of year   | \$ 3,565,744 | \$ 3,068,509 |
| <b>SUPPLEMENTAL CASH FLOW INFORMATION</b>   |              |              |
| Interest paid   | \$ 42,126    | \$ 48,703    |

**Funds Under the Stewardship of the  
New York Annual Conference of the United Methodist Church**

Notes to Combined Financial Statements  
December 31, 2016

**1. Organization**

The New York Annual Conference of the United Methodist Church (“NYAC”) is one of fifty-nine annual conferences of the United Methodist Church (“UMC”) in the United States of America. Annual conferences provide regional administrative governance of and support for individual United Methodist churches that are members of the conference.

The NYAC includes all churches in the Metropolitan New York area, Long Island, the Hudson Valley, the lower Catskill Mountains and the western half of the State of Connecticut. The NYAC’s Council on Finance and Administration (“CCFA”) consists of representative clergy and lay staffs that are responsible for administering the financial affairs of the NYAC and includes only those funds under the stewardship of that body.

The CCFA derives substantially all of its support and revenue from the NYAC’s local churches. Expenses consist primarily of clergy support, the NYAC apportionments to the General Council on Finance and Administration of the UMC (“GCFA”) located in Nashville, Tennessee, support for religious and charitable programs, support for missions and church ministries, and management and financial administration of the NYAC.

CCFA administers the apportionment (revenue sharing) function among the local churches. CCFA also supports local churches by the collection and timely remittance of amounts invoiced for pension and health benefits. CCFA administers workers compensation insurance and provides services for other NYAC and UMC entities.

The Camping and Retreat Ministry of the NYAC is a program of the UMC established for the purpose of providing experiences which shape and expand the Christian commitment of persons of all ages, empowering them to live the truth of the Gospel in their daily lives. The Camping and Retreat Ministry operated two camps in New York State known as Quinipet and Kingswood.

The Episcopal Office of the NYAC provides support to the resident Bishop. The Episcopal Office receives, prioritizes and prepares communications for the Bishop’s attention and response, and maintains pastoral records used for assignment of clergy. Additionally, the Episcopal Office arranges and prepares for meetings and other gatherings that the Bishop leads or attends.

The Board of Trustees of the NYAC (the “Board of Trustees”) receives, collects and holds in trust, for the benefit of the NYAC and its agencies, donations, bequests and devises of any kind or character, real or personal, that may be given, devised, bequeathed, or conveyed to the Board of Trustees or to the NYAC and its agencies for any benevolent, charitable, or religious purpose. The Board of Trustees administers the income therefrom, in accordance with the directions of the donor, trustor, or testator, and in the interest of the UMC, society, institution, or agency contemplated by such donor, trustor, or testator, under the direction of NYAC. In addition, the Board of Trustees is responsible for administering the legal, insurance and property matters of the NYAC.

**Funds Under the Stewardship of the  
New York Annual Conference of the United Methodist Church**

Notes to Combined Financial Statements  
December 31, 2016

**2. Summary of Significant Accounting Policies**

***Principles of Combination***

The combined financial statements of the Funds Under the Stewardship of the NYAC of the UMC includes the accounts of CCFA, the Board of Trustees, the Camping and Retreat Ministry and the Episcopal Office all of which are under common management. Intercompany transactions including administrative services such as finance, human resources and payroll and related receivables and payables have been eliminated.

***Use of Estimates***

The accompanying combined financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"), which requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the combined financial statements and the reported amounts of revenue and expenses during the combined reporting period. Actual results could differ from those estimates.

***Financial Statement Presentation***

Net assets are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the NYAC are reported as unrestricted, temporarily restricted and permanently restricted.

***Cash and Cash Equivalents***

For purposes of the combined statements of financial position and cash flows, the NYAC considers all highly liquid debt instruments with a maturity at time of purchase, of three months or less, to be cash equivalents.

***Allowance for Doubtful Accounts Receivable and Apportionments Receivable***

An allowance for doubtful accounts receivable is estimated based on a combination of write-off history, aging analysis and any specific known troubled accounts. The allowance for doubtful accounts receivable approximated \$205,683 at December 31, 2016.

***Fair Value of Financial Instruments***

The NYAC follows U.S. GAAP guidance on *Fair Value Measurements* which defines fair value and establishes a fair value hierarchy organized into three levels based upon the input assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with unadjusted quoted prices in active markets. Level 2 inputs relate to assets with other than quoted prices in active markets which may include quoted prices for similar assets or liabilities or other inputs which can be corroborated by observable market data. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist.



**Funds Under the Stewardship of the  
New York Annual Conference of the United Methodist Church**

Notes to Combined Financial Statements  
December 31, 2016

**2. Summary of Significant Accounting Policies (continued)**

***Investments Valuation***

Investments are carried at fair value.

***Investment Income Recognition***

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Realized and unrealized gains and losses are included in the determination of change in net assets.

***Property and Equipment***

Property and equipment is stated at cost, less accumulated depreciation. Donated assets are capitalized at their fair value at the time of the donation. Maintenance, routine repairs and minor replacements are charged to operations as incurred, while those improvements which materially extend the lives of the assets are capitalized. Depreciation is recognized on assets or groups of like assets purchased together with a minimum value of \$2,500. Depreciation is calculated using the straight-line method with one half year being recognized in the year of purchase and in the last year. Such assets are depreciated over the estimated useful lives as follows:

|                         |           |
|-------------------------|-----------|
| Building                | 50 years  |
| Building improvements   | 15 years  |
| Furniture and equipment | 3-7 years |
| Computer equipment      | 3 years   |

***Capitalized Costs***

The NYAC capitalizes certain costs incurred in connection with improvements of its conference center and camps located in New York. Upon completion of the project, these costs are reclassified as building improvements and are depreciated over their estimated useful life.

***Asset Retirement Obligations***

The NYAC follows U.S. GAAP guidance on, *Accounting for Conditional Asset Retirement Obligations*, which requires recognition of a liability for legal obligations associated with the retirement of tangible long-lived assets when the timing and/or method of settlement of the obligation is conditional on a future event. This guidance requires that the fair value of a liability for a conditional asset retirement obligation be recognized in the period in which it occurred when a reasonable estimate of fair value can be made. The NYAC is not aware of the existence of any asset retirement obligations.

**Funds Under the Stewardship of the  
New York Annual Conference of the United Methodist Church**

Notes to Combined Financial Statements  
December 31, 2016

**2. Summary of Significant Accounting Policies (continued)**

***Revenue Recognition***

The NYAC recognizes as revenue, all amounts received during the year from churches under apportionment and those amounts received through an annually determined date in January of the following year which are designated by the remitting churches for the prior year's apportionment. Amounts recognized as revenue, but received after December 31, are recorded as church apportionments receivable.

***Apportionments, Contributions and Benevolences***

Church apportionments, contributions and benevolences are recorded as temporarily restricted net assets and support and revenue if they are received with donor imposed stipulations that limit their use. Donor restrictions expire by either the passage of stipulated time or the accomplishment of the stated purpose. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the combined statement of activities as net assets released from restrictions. Permanently restricted contributions are those funds whose use is limited by donor imposed restrictions that neither expire by the passage of time nor can be fulfilled or otherwise removed by actions of the NYAC.

***In-Kind Support***

A number of clergy and laity of the NYAC have contributed significant amounts of their time to the affairs of the NYAC, however, these services have not been reflected in the combined financial statements as they do not meet the U.S. GAAP criteria for recognition.

***Summarized Financial Information***

The combined statements of activities include prior year summarized comparative information in total which does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with the combined financial statements for the year ended December 31, 2015 from which the summarized information was derived.

***Functional Expenses***

The costs of providing the NYAC's programs and other activities have been summarized on a functional basis in the combined statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

***Accounting for Uncertainty in Income Taxes***

The NYAC recognizes the effect of income tax positions only if those positions are more likely than not to be sustained. Management has determined that the NYAC had no uncertain tax positions that would require financial statement recognition or disclosure. The NYAC is no longer subject to examination by applicable taxing jurisdictions for periods prior to December 31, 2013.

**Funds Under the Stewardship of the  
New York Annual Conference of the United Methodist Church**

Notes to Combined Financial Statements  
December 31, 2016

**2. Summary of Significant Accounting Policies *(continued)***

***Subsequent Events Evaluation by Management***

Management has evaluated subsequent events for disclosure and/or recognition in the combined financial statements through the date that the combined financial statements were available to be issued, which date is July 17, 2017.

**3. Postretirement Health Benefits Plan**

The NYAC is partnering with One Exchange to provide a choice of Medicare Supplement and Medicare Advantage health insurance plans for the NYAC's current and future eligible retirees who are already enrolled in Medicare. These plans are combined with an individual Health Reimbursement Account ("HRA") for each retiree and spouse, as applicable. NYAC will fund the HRA within the plan chosen by the retiree with a fixed amount (determined each year by the NYAC similar to the past service pension rate) with which the retiree may choose to pay healthcare premiums and other health-related expenses. The fixed amount for 2016 was \$2,700 per participant. The NYAC's expense for its retirees for 2016 was \$1,101,683.

U.S. GAAP guidance requires that the funded status of the Postretirement Health Benefits Plan (the "Plan") be recognized in the accompanying combined statement of financial position and the disclosures about NYAC's participation in the Plan be made. The General Board of Pension and Health Benefits of the UMC (the "General Board") obtained an actuarial valuation of the Plan as of December 31, 2016. The valuation of the accumulated post-retirement benefit obligation as of December 31, 2016, was \$21,881,002. This represents the portion of the expected post-retirement benefit obligation attributed to retirees past service. If the funded status of the Plan was recognized in these combined financial statements, liabilities would be increased by \$2,891,122 and net assets would be decreased by the same amount at December 31, 2016. As of December 31, 2016, the account balance for the purpose of funding the Plan's postretirement health benefits was \$18,989,880.

**4. Parish Development Loans Receivable**

The NYAC's Parish Development Commission provides unsecured financing to its member churches and NYAC entities for improvements and major repairs from a revolving loan fund. The loans are made at interest rates determined by the Parish Development Committee which range from 4% to 6%.

Loan principal and interest repayments are deposited back into the revolving loan fund to fund future loans and grants. The NYAC annually reviews the collectability of loans outstanding and adjusts the allowance for doubtful accounts accordingly. As of December 31, 2016, the allowance for doubtful accounts approximated \$156,021.

**Funds Under the Stewardship of the  
New York Annual Conference of the United Methodist Church**

Notes to Combined Financial Statements  
December 31, 2016

**5. Endowment, Investments and Investment Return**

***Interpretation of Law***

The NYAC follows the provisions of the New York Prudent Management of Institutional Funds Act (“NYPMIFA”). Consistent with its interpretation of NYPMIFA, the NYAC classified as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the NYAC in a manner consistent with the standard of prudence prescribed by NYPMIFA.

***Return Objectives and Risk Parameters***

The NYAC maintains various donor-restricted endowment funds and Board designated endowment funds whose purpose is to provide long term support for its programs and facilities. The NYAC has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to program supported by its endowment, while attempting to maintain purchasing power of the endowment assets.

The NYAC utilizes a total return investment approach with its asset allocation diversified over multiple asset classes and sub classes. The overall investment objective of the endowment funds and Board designated endowment funds (collectively, the “Endowment”) is to provide the greatest level of support for operating expenses and capital maintenance of the NYAC consistent with the preservation of purchasing power of the Endowment. To balance the current and future needs for operating and maintenance support, the NYAC seeks to maintain or enhance the real (inflation-adjusted) purchasing power of the Endowment, net of payments pursuant to the spending policy described below. This objective leads to a fixed income and equity-oriented investment strategy. The NYAC’s investment performance objective is to attain, over a majority of market cycles, an annualized real total return, net of fees, of at least 5% per annum.

***Spending Rate Methods***

The NYAC’s policy is to expend amounts from the Endowment to support current operations equal to five percent of the three-year quarterly average market value of investments held. The NYAC may use Board designated endowment funds for operating purposes with the approval of its Trustees.

If permanently restricted Endowment funds have experienced losses below the permanently restricted amount of such funds due to market fluctuations, U.S. GAAP requires that such excess losses be absorbed by the unrestricted net assets of the NYAC and that future gains be allocated to unrestricted net assets until such losses have been restored. The NYAC’s donor restricted Endowment funds have not experienced any losses during 2016.

**Funds Under the Stewardship of the  
New York Annual Conference of the United Methodist Church**

Notes to Combined Financial Statements  
December 31, 2016

**5. Endowment, Investments and Investment Return (continued)**

The following is a reconciliation of the Endowment activity in investments:

|                             | Unrestricted        | Temporarily<br>Restricted | Permanently<br>Restricted | Total                |
|-----------------------------|---------------------|---------------------------|---------------------------|----------------------|
| Balance, January 1, 2016    | \$ 8,898,602        | \$ 7,059,721              | \$ 735,699                | \$ 16,694,022        |
| Contributions               | 469,979             | 118,431                   | -                         | 588,410              |
| Investment income, net      | (21,440)            | 6,080                     | -                         | (15,360)             |
| Capital appreciation        | 1,126,406           | 64,122                    | -                         | 1,190,528            |
| Appropriations for programs | <u>(3,575,705)</u>  | <u>(609,100)</u>          | <u>-</u>                  | <u>(4,184,805)</u>   |
| Balance, December 31, 2016  | <u>\$ 6,897,842</u> | <u>\$ 6,639,254</u>       | <u>\$ 735,699</u>         | <u>\$ 14,272,795</u> |
| Comprised of the Following: |                     |                           |                           |                      |
| Donor restricted funds      | \$ -                | \$ 6,639,254              | \$ 735,699                | \$ 7,374,953         |
| Board designated funds      | 6,897,842           | -                         | -                         | <u>6,897,842</u>     |
|                             |                     |                           |                           | <u>\$ 14,272,795</u> |

The following are major categories of investments measured and categorized by the fair value hierarchy at fair value at December 31, 2016:

|                                    | Level 1          | Level 2             | Total               |
|------------------------------------|------------------|---------------------|---------------------|
| Money market fund                  | \$ 86,219        | \$ -                | \$ 86,219           |
| Fixed Income fund                  | -                | 939,495             | 939,495             |
| Equity fund                        | -                | 226,886             | 226,886             |
| Balanced fund                      | -                | 4,384,455           | 4,384,455           |
| Bond fund                          | -                | 258,615             | 258,615             |
| Mixed asset fund                   | <u>-</u>         | <u>8,377,125</u>    | <u>8,377,125</u>    |
| Total Investments at<br>Fair Value | <u>\$ 86,219</u> | <u>\$14,186,576</u> | <u>\$14,272,795</u> |

Investment return consists of the following for the year ended December 31, 2016:

|                                   |                    |
|-----------------------------------|--------------------|
| Interest and dividends            | \$ 18,864          |
| Net realized and unrealized gains | 1,190,528          |
| Investment fees                   | <u>(34,224)</u>    |
| Total Investment Return           | <u>\$1,175,168</u> |

**Funds Under the Stewardship of the  
New York Annual Conference of the United Methodist Church**

Notes to Combined Financial Statements  
December 31, 2016

**6. Property and Equipment**

Property and equipment consists of the following at December 31, 2016:

|                          | CCFA             | Board of<br>Trustees | Camping<br>Ministry | Episcopal<br>Office | Total               |
|--------------------------|------------------|----------------------|---------------------|---------------------|---------------------|
| Buildings                | \$ -             | \$ -                 | \$ 821,047          | \$ -                | \$ 821,047          |
| Building improvements    | -                | -                    | 1,118,721           | -                   | 1,118,721           |
| District parsonages      | -                | 1,379,578            | -                   | -                   | 1,379,578           |
| Episcopal residence      | -                | 1,016,414            | -                   | -                   | 1,016,414           |
| Conference center        | -                | 4,058,858            | -                   | -                   | 4,058,858           |
| Vehicles                 | -                | -                    | 212,058             | -                   | 212,058             |
| Land improvements        | -                | -                    | 1,231,546           | -                   | 1,231,546           |
| Camp property            | -                | 107,112              | -                   | -                   | 107,112             |
| Furniture and equipment  | 70,901           | 65,786               | 173,387             | 62,977              | 373,051             |
| Construction in progress | -                | 2,797,317            | -                   | -                   | 2,797,317           |
|                          | 70,901           | 9,425,065            | 3,556,759           | 62,977              | 13,115,702          |
| Accumulated depreciation | <u>(45,651)</u>  | <u>(2,035,718)</u>   | <u>(1,089,196)</u>  | <u>(57,699)</u>     | <u>(3,228,264)</u>  |
|                          | <u>\$ 25,250</u> | <u>\$ 7,389,347</u>  | <u>\$ 2,467,563</u> | <u>\$ 5,278</u>     | <u>\$ 9,887,438</u> |

**7. Capital Lease Obligations**

The Camping Ministry has entered into agreements to lease two vehicles under capital leases. Payments remaining on the capital leases are due as follows for years ending December 31:

|                                   |                  |
|-----------------------------------|------------------|
| 2017                              | \$ 12,108        |
| 2018                              | 12,108           |
| 2019                              | <u>4,036</u>     |
|                                   | 28,252           |
| Less amount representing interest | <u>(948)</u>     |
|                                   | <u>\$ 27,304</u> |

**8. Loan Payable – Conference Board of Pensions and Health Benefits**

In 2005 and 2006, the NYAC borrowed \$389,917 from the Conference Board of Pensions and Health Benefits Fund (an uncombined fund of the NYAC), to repay ministerial pension plan contributions in arrears at the time. The loan is non-interest bearing and has no specific repayment terms, and the NYAC has not adopted a plan or designated specific funds to repay the loan which remains outstanding as of December 31, 2016 in the amount of \$329,917.

**Funds Under the Stewardship of the  
New York Annual Conference of the United Methodist Church**

Notes to Combined Financial Statements  
December 31, 2016

**9. Loan Payable – United Methodist Development Fund**

In 2001, the Board of Trustees borrowed \$1,000,000 from the United Methodist Development Fund towards the purchase and renovation of the conference center located in White Plains, New York. This loan is secured by the NYAC's real property. In July 2012, the NYAC renegotiated the terms of this loan reducing the interest rate from 8% to 4.75%. The loan requires monthly payments of principal and interest of \$7,200 through the loan's maturity in January 2021. Interest expense amounted to \$17,431 for 2016. Aggregate maturities of this obligation at December 31, 2016 are due as follows:

| <u>Year</u> | <u>Amount</u>     |
|-------------|-------------------|
| 2017        | \$ 72,863         |
| 2018        | 76,121            |
| 2019        | 79,817            |
| 2020        | 83,692            |
| 2021        | <u>16,469</u>     |
|             | <u>\$ 328,962</u> |

**10. Loan Payable – U.S. Small Business Administration**

In December 12, 2013, the Camping Ministries obtained a loan from the U.S. Small Business Administration in the amount \$703,200 to repair/replace disaster damaged land improvements. There were no advances on this loan until 2016. The loan is secured by the Quinipet camp real property. The loan provides for principal and interest at 3% beginning in December 2014 through the loan's maturity in December 2044. Interest expense for 2016 amounted to \$23,045. Aggregate maturities of this obligation at December 31, 2016 are due as follows:

| <u>Year</u> | <u>Amount</u>     |
|-------------|-------------------|
| 2017        | \$ 16,823         |
| 2018        | 17,334            |
| 2019        | 17,862            |
| 2020        | 18,406            |
| 2021        | 18,966            |
| Thereafter  | <u>588,748</u>    |
|             | <u>\$ 678,139</u> |

**Funds Under the Stewardship of the  
New York Annual Conference of the United Methodist Church**

Notes to Combined Financial Statements  
December 31, 2016

**11. Custodial Funds**

Custodial funds of \$4,094 represent funds transferred to the NYAC from churches that have closed in order to pay for expenses and fees on their behalf subsequent to their closing. These funds are valued using Level 1 inputs for the year ended December 31, 2016.

**12. Retirement Plans**

The NYAC participates in a multiemployer defined benefit pension plan administered by the General Board that covers substantially all UMC clergy. There are three plans under these multiemployer plans which are 1) Clergy Retirement Security Program (“CRSP”), 2) the Ministerial Pension Plan (“MPP Annuities”) and 3) the Pre-1982 Plan. This multiemployer plan is a non-electing church plan under the Internal Revenue Code Sections 414 (e) and 410 (d) and as such is exempt from the minimum funding requirements of ERISA, the Pension Protection Act of 2006, and Internal Revenue Code Sections 412 and 430 through 436. Accordingly, no funding improvement plan or zoning funding requirements apply.

**Pre-1982 Plan**

The Pre-1982 Plan covers service prior to 1982. The Pre-1982 Plan provisions specify that the specific benefit levels of the plan are determined by participating plan sponsors at their annual meeting. The NYAC adopted the following benefit levels for 2016:

|                                 |        |
|---------------------------------|--------|
| Past service rate               | \$ 592 |
| Contingent annuitant percentage | 70%    |

As of January 1, 2016, the valuation date, the Pre-1982 Plan had a funded status of 104%. No expense was recognized in 2016, since the plan service rate was not increased.

**MPP Annuities**

The MPP Annuities cover service from 1982 through 2006. As of January 1, 2016, the valuation date, the MPP Annuities plan had a funded status of 105%. Expense for 2016 amounted to \$0.

**CRSP**

The CRSP plan covers service on or after January 1, 2007. The plan has both defined benefit and defined contribution components. As of January 1, 2016, the valuation date, the CRSP plan had a funded status of 105%. Expense for 2016 amounted to \$124,113.

**United Methodist Personal Investment Plan (“UMPIP”)**

Lay-staff retirement benefits are covered under UMPIP, a 403(b) defined contribution plan. Participation in UMPIP requires each eligible employee to contribute 3% or more of wages to receive a 12% of salary contribution by the NYAC. Expense for 2016 amounted to \$228,387.



**Funds Under the Stewardship of the  
New York Annual Conference of the United Methodist Church**

Notes to Combined Financial Statements  
December 31, 2016

**13. Medical and Health Plan**

The NYAC provides health benefits under a multi-employer plan, HealthFlex, administered by the General Board. HealthFlex provides medical and health benefits for eligible clergy and eligible lay-staff employed by the NYAC.

The cost of participating in HealthFlex is based on a uniform rate determined annually by the NYAC. The NYAC's expense for its clergy and staff in HealthFlex for 2016 was \$377,645.

**14. Support Services**

CCFA provides payroll processing and administrative services on a reimbursement basis to the Camping Ministry, the Episcopal Office, the Board of Trustees and the United Methodist Frontier Foundation (the "Frontier Foundation") (an uncombined entity). The Episcopal office books have been moved to the CCFA accounting software in 2017 and is treated as a separate fund.

**15. Pension and Health Benefits Deposit Accounts**

In accordance with a resolution of the NYAC, the Conference Board of Pensions and Health Benefits maintains five accounts with the General Board on behalf of the NYAC for the purpose of funding NYAC's participation in the multiemployer defined benefit plans disclosed in note 12 and the multiemployer medical and health plan disclosed in note 13.

As of December 31, 2016, the account balances for the purpose of funding the multiemployer benefit plans were the Integrity in Pensions account (\$1,284,242) and the Pre-82 pension account (\$24,495,226).

As of December 31, 2016, the account balance for the purpose of funding the multiemployer medical and health plan was the Retiree HRA Funding account (\$199,202).

The Deposit account with a balance of (\$9,990) at December 31, 2016, serves as a clearing account through which Healthflex, CRSP and Death and Disability ("CPP") benefit bills are settled with the plan administrator.

The General account with a balance of (\$290,939) at December 31, 2016, is used to fund certain wellness initiatives approved by the Board of Pensions and Health Benefits and host seminars for those about to retire for NYAC's participation in the aforementioned multiemployer plans.

Pursuant to U.S. GAAP these deposit accounts are not recorded in the accounts of the NYAC due to them being part of a multiemployer plans.

**Funds Under the Stewardship of the  
New York Annual Conference of the United Methodist Church**

Notes to Combined Financial Statements  
December 31, 2016

**16. Restrictions and Limitations on Net Assets**

Certain net assets of the NYAC are restricted based upon donor stipulations. Such restricted net assets are deemed “released from restriction” when the NYAC expends funds in accordance with the donor’s stipulated purpose. Restricted funds to be held in perpetuity by donor instruction are classified as permanently restricted net assets. The table below presents the net assets released from restrictions and the components of restricted net assets at December 31, 2016:

| Fund Description                | Net Assets<br>Released From<br>Restriction<br>in 2016 | Temporarily<br>Restricted<br>Net Assets at<br>December 31, 2016 | Permanently<br>Restricted<br>Net Assets at<br>December 31, 2016 |
|---------------------------------|---|---|---|
| <b>Special Funds</b>            |   |   |   |
| Epworth - Camp Capital Fund     | \$ 94,442   | \$ 482,076  | \$ -  |
| Epworth - Other Capital Fund    | 642   | 67,996  | -   |
| Groveville Cemetery Fund        | -   | 3,846   | -   |
| South Norwalk                   | -   | 1,658,731   | -   |
| Young Clergy DAP Fund           | 12,000  | 306,023   | -   |
| Parish Development Loan Fund    | -   | 575,857   | -   |
| Permanent Endowment             | -   | 8,621   | 8,750   |
|                                 | <u>107,084</u>  | <u>3,103,150</u>  | <u>8,750</u>  |
| <b>Trust Funds</b>              |   |   |   |
| Aldersgate Church Fund          | -   | 93,130  | 87,673  |
| Collard Fund                    | -   | 19,983  | 5,000   |
| Denver Fund                     | -   | 464,317   | 505,000   |
| Dier Trust Fund                 | -   | 4,025,484   | -   |
| Hess Craryville                 | -   | 630   | 2,500   |
| Hess Five Points                | -   | 374   | 1,500   |
| Hess Fund for National Division | -   | 5,424   | 18,341  |
| Hess Fund for World Division    | -   | 1,604   | 9,170   |
| Hess Methodist Hospital         | -   | 1,715   | 6,000   |
| Jeffersonville Fund             | -   | 2,283   | 1,000   |
| Shauman Fund                    | -   | 31,637  | 3,504   |
| Williams Fund                   | -   | 119,133   | 20,000  |
|                                 | <u>-</u>  | <u>4,765,714</u>  | <u>659,688</u>  |
| General Camping Programs        | 2,294   | 122,597   | 60,726  |
| Quinipet Camp Program           | 215   | 7,921   | 6,535   |
|                                 | <u>2,509</u>  | <u>130,518</u>  | <u>67,261</u>   |
| Conference Programs             | 6,358,176   | 625,937   | -   |
|                                 | <u>\$ 6,467,769</u>                                   | <u>\$ 8,625,319</u>   | <u>\$ 735,699</u>   |

**Funds Under the Stewardship of the  
New York Annual Conference of the United Methodist Church**

Notes to Combined Financial Statements  
December 31, 2016

**17. Gain on Sale of Properties**

In 2016, the NYAC sold various churches, resulting in a gain on sale of properties totaling \$998,700. This amount is included in the combined statement of activities.

**18. Concentrations of Credit Risk**

Financial instruments, which potentially subject the NYAC to concentrations of credit risk consist primarily of cash and cash equivalents, investments and receivables. At times, the NYAC maintains balances with banking institutions that exceed the Federal Deposit Insurance Corporation's insurable limit. Investments are diversified to reduce concentrations so that there is no significant concentration of credit risk. The NYAC's receivables are primarily from its member churches. The NYAC believes that no significant concentrations of credit risk exist with respect to its cash and cash equivalents, investments and receivables.

**19. Operating Lease Commitments**

The NYAC leases office equipment, telecommunications equipment and software under various commercial operating leases with equipment suppliers or commercial leasing companies. Rent expense for 2016 was \$81,842. Aggregate minimum annual rental payments at December 31, 2016 for the years ending December 31, are payable as follows:

|      |                   |
|------|-------------------|
| 2017 | \$ 53,334         |
| 2018 | 32,047            |
| 2019 | 18,932            |
| 2020 | <u>16,187</u>     |
|      | <u>\$ 120,500</u> |

**20. Contingencies**

The NYAC is involved in litigation arising in the normal course of business. Management estimates that the ultimate resolution of these matters will not be material to the NYAC's financial position.

\* \* \* \* \*

**Funds Under the Stewardship of the  
New York Annual Conference  
of the United Methodist Church**

Supplemental Information

December 31, 2016

**Funds Under the Stewardship of the New York  
Annual Conference of the United Methodist Church**

Combining Schedule of Financial Position  
December 31, 2016  
(with comparative amounts at December 31, 2015)

|   | CCFA                 | Board of Trustees    | Camping Ministry    | Episcopal Office  | Sub-Total            | Eliminating Entries Debit (Credit) | 2016 Combined        | 2015 Combined        |
|---|----------------------|----------------------|---------------------|-------------------|----------------------|------------------------------------|----------------------|----------------------|
| <b>ASSETS</b>   |                      |                      |                     |                   |                      |                                    |                      |                      |
| Cash and cash equivalents                                       | \$ 3,252,138         | \$ -                 | \$ 191,992          | \$ 121,614        | \$ 3,565,744         | \$ -                               | \$ 3,565,744         | \$ 3,068,509         |
| Investments   | 3,912,406            | 10,112,019           | 222,568             | 25,802            | 14,272,795           | -                                  | 14,272,795           | 16,694,022           |
| Church apportionments receivable                                | 190,178              | -                    | -                   | -                 | 190,178              | -                                  | 190,178              | 104,928              |
| Accounts receivable, net  | 382,724              | -                    | 137,525             | -                 | 520,249              | -                                  | 520,249              | 288,146              |
| Parish development loans receivable, net                        | 1,537,430            | -                    | -                   | -                 | 1,537,430            | -                                  | 1,537,430            | 1,254,305            |
| Due from the NYAC   | -                    | -                    | 640                 | -                 | 640                  | (640)                              | -                    | -                    |
| Prepaid expenses and other assets                               | 523,226              | 1,000                | -                   | -                 | 524,226              | -                                  | 524,226              | 641,527              |
| Due from the Camping Ministry                                   | 328,547              | -                    | -                   | -                 | 328,547              | (328,547)                          | -                    | -                    |
| Due from the Board of Trustees                                  | 1,340,505            | -                    | -                   | -                 | 1,340,505            | (1,340,505)                        | -                    | -                    |
| Due from the Episcopal Office                                   | 27,038               | -                    | -                   | -                 | 27,038               | (27,038)                           | -                    | -                    |
| Custodial funds held  | 4,094                | -                    | -                   | -                 | 4,094                | -                                  | 4,094                | 32,240               |
| Property and equipment, net                                     | 25,250               | 7,389,347            | 2,467,563           | 5,278             | 9,887,438            | -                                  | 9,887,438            | 6,094,863            |
|   | <u>\$ 11,523,536</u> | <u>\$ 17,502,366</u> | <u>\$ 3,020,288</u> | <u>\$ 152,694</u> | <u>\$ 32,198,884</u> | <u>\$ (1,696,730)</u>              | <u>\$ 30,502,154</u> | <u>\$ 28,178,540</u> |
| <b>LIABILITIES AND NET ASSETS</b>                               |                      |                      |                     |                   |                      |                                    |                      |                      |
| <b>Liabilities</b>  |                      |                      |                     |                   |                      |                                    |                      |                      |
| Church apportionments designated for future periods             | \$ 57,513            | \$ -                 | \$ -                | \$ -              | \$ 57,513            | \$ -                               | \$ 57,513            | \$ 42,845            |
| Accounts payable and accrued expenses                           | 1,371,068            | 35,000               | 50,272              | -                 | 1,456,340            | -                                  | 1,456,340            | 1,421,477            |
| Capital lease obligations                                       | -                    | -                    | 27,304              | -                 | 27,304               | -                                  | 27,304               | 37,762               |
| Deferred revenue  | -                    | -                    | 27,913              | -                 | 27,913               | -                                  | 27,913               | 39,373               |
| Due to CCFA   | -                    | 1,340,505            | 329,187             | 27,038            | 1,696,730            | (1,696,730)                        | -                    | -                    |
| Loan payable - Conference Board of Pensions and Health Benefits | 329,917              | -                    | -                   | -                 | 329,917              | -                                  | 329,917              | 339,917              |
| Loan payable - United Methodist Development Fund                | -                    | 328,962              | -                   | -                 | 328,962              | -                                  | 328,962              | 397,932              |
| Mortgage payable - U.S. Small Business Administration           | -                    | -                    | 678,139             | -                 | 678,139              | -                                  | 678,139              | 691,858              |
| Custodial funds held  | 4,094                | -                    | -                   | -                 | 4,094                | -                                  | 4,094                | 32,240               |
| Total Liabilities   | 1,762,592            | 1,704,467            | 1,112,815           | 27,038            | 4,606,912            | (1,696,730)                        | 2,910,182            | 3,003,404            |
| <b>Net Assets</b>   |                      |                      |                     |                   |                      |                                    |                      |                      |
| Unrestricted  | 6,239,222            | 10,162,821           | 1,703,255           | 125,656           | 18,230,954           | -                                  | 18,230,954           | 15,960,184           |
| Temporarily restricted  | 3,521,722            | 4,966,640            | 136,957             | -                 | 8,625,319            | -                                  | 8,625,319            | 8,479,253            |
| Permanently restricted  | -                    | 668,438              | 67,261              | -                 | 735,699              | -                                  | 735,699              | 735,699              |
| Total Net Assets  | <u>9,760,944</u>     | <u>15,797,899</u>    | <u>1,907,473</u>    | <u>125,656</u>    | <u>27,591,972</u>    | <u>-</u>                           | <u>27,591,972</u>    | <u>25,175,136</u>    |
|   | <u>\$ 11,523,536</u> | <u>\$ 17,502,366</u> | <u>\$ 3,020,288</u> | <u>\$ 152,694</u> | <u>\$ 32,198,884</u> | <u>\$ (1,696,730)</u>              | <u>\$ 30,502,154</u> | <u>\$ 28,178,540</u> |

See independent auditors' report

**Funds Under the Stewardship of the New York  
Annual Conference of the United Methodist Church**  
Combining Schedule of Activities  
Year Ended December 31, 2016  
(with summarized totals for the year ended December 31, 2015)

|                                       | CCFA         |                        |              | Board of Trustees |                        |                        |               | Camping Ministry |                        |                        |              | Episcopal Office | Eliminating Entries |        | 2016 Combined | 2015 Combined |  |
|---------------------------------------|--------------|------------------------|--------------|-------------------|------------------------|------------------------|---------------|------------------|------------------------|------------------------|--------------|------------------|---------------------|--------|---------------|---------------|--|
|                                       | Unrestricted | Temporarily Restricted | Total        | Unrestricted      | Temporarily Restricted | Permanently Restricted | Total         | Unrestricted     | Temporarily Restricted | Permanently Restricted | Total        | Unrestricted     | (Debit)             | Credit |               |               |  |
| <b>SUPPORT AND REVENUE</b>            |              |                        |              |                   |                        |                        |               |                  |                        |                        |              |                  |                     |        |               |               |  |
| Church apportionments                 | \$ 2,310,788 | \$ 5,013,639           | \$ 7,324,427 | \$ -              | \$ -                   | \$ -                   | \$ -          | \$ -             | \$ -                   | \$ -                   | \$ -         | \$ -             | \$ -                | \$ -   | \$ 7,324,427  | \$ 7,303,984  |  |
| Contributed benevolences              | -            | 1,516,970              | 1,516,970    | -                 | -                      | -                      | -             | -                | -                      | -                      | -            | -                | -                   | -      | 1,516,970     | 2,261,312     |  |
| Fees and reimbursements               | 290,328      | -                      | 290,328      | -                 | -                      | -                      | -             | -                | -                      | -                      | -            | -                | -                   | -      | 290,328       | 317,290       |  |
| Grants and contributions              | 82,516       | -                      | 82,516       | 462,340           | 13,024                 | -                      | 475,364       | 152,857          | -                      | -                      | 152,857      | 117,900          | (45,000)            | -      | 783,637       | 355,883       |  |
| Retreat                               | -            | -                      | -            | -                 | -                      | -                      | -             | 1,521,355        | -                      | -                      | 1,521,355    | -                | -                   | -      | 1,521,355     | 1,387,424     |  |
| Store sales                           | -            | -                      | -            | -                 | -                      | -                      | -             | 3,804            | -                      | -                      | 3,804        | -                | -                   | -      | 3,804         | -             |  |
| Investment return (loss)              | 291,495      | 33,234                 | 324,729      | 808,775           | 19,171                 | -                      | 827,946       | 1,999            | 17,797                 | -                      | 19,796       | 2,697            | -                   | -      | 1,175,168     | (477,772)     |  |
| Interest                              | 312,265      | -                      | 312,265      | -                 | -                      | -                      | -             | 23               | -                      | -                      | 23           | -                | -                   | -      | 312,288       | 64,389        |  |
| Other                                 | -            | -                      | -            | -                 | -                      | -                      | -             | 381              | -                      | -                      | 381          | -                | -                   | -      | 381           | 960           |  |
| Gain on sale of properties            | -            | -                      | -            | 998,770           | -                      | -                      | 998,770       | -                | -                      | -                      | -            | -                | -                   | -      | 998,770       | 372,885       |  |
| Net assets released from restrictions | 6,306,933    | (6,306,933)            | -            | 158,327           | (158,327)              | -                      | -             | 2,509            | (2,509)                | -                      | -            | -                | -                   | -      | -             | -             |  |
| Total Support and Revenue             | 9,594,325    | 256,910                | 9,851,235    | 2,428,212         | (126,132)              | -                      | 2,302,080     | 1,682,928        | 15,288                 | -                      | 1,698,216    | 120,597          | (45,000)            | -      | 13,927,128    | 11,586,355    |  |
| <b>EXPENSES</b>                       |              |                        |              |                   |                        |                        |               |                  |                        |                        |              |                  |                     |        |               |               |  |
| Program                               | 6,306,933    | -                      | 6,306,933    | 158,327           | -                      | -                      | 158,327       | -                | -                      | -                      | -            | 73,716           | -                   | -      | 6,538,976     | 7,699,803     |  |
| Campsite                              |              |                        |              |                   |                        |                        |               |                  |                        |                        |              |                  |                     |        |               |               |  |
| Quinipet                              | -            | -                      | -            | -                 | -                      | -                      | -             | 1,631,888        | -                      | -                      | 1,631,888    | -                | -                   | -      | 1,631,888     | 1,633,449     |  |
| Epworth                               | -            | -                      | -            | -                 | -                      | -                      | -             | -                | -                      | -                      | -            | -                | -                   | -      | -             | 114           |  |
| Kingswood                             | -            | -                      | -            | -                 | -                      | -                      | -             | 81,101           | -                      | -                      | 81,101       | -                | -                   | -      | 81,101        | 67,659        |  |
| Capital campaign                      | -            | -                      | -            | -                 | -                      | -                      | -             | 2,570            | -                      | -                      | 2,570        | -                | -                   | -      | 2,570         | 17,905        |  |
| Management and general                | 2,708,997    | -                      | 2,708,997    | 457,166           | -                      | -                      | 457,166       | -                | -                      | -                      | -            | 134,594          | (45,000)            | -      | 3,255,757     | 3,041,660     |  |
| Total Expenses                        | 9,015,930    | -                      | 9,015,930    | 615,493           | -                      | -                      | 615,493       | 1,715,559        | -                      | -                      | 1,715,559    | 208,310          | (45,000)            | -      | 11,510,292    | 12,460,590    |  |
| Change in Net Assets                  | 578,395      | 256,910                | 835,305      | 1,812,719         | (126,132)              | -                      | 1,686,587     | (32,631)         | 15,288                 | -                      | (17,343)     | (87,713)         | -                   | -      | 2,416,836     | (874,235)     |  |
| <b>NET ASSETS</b>                     |              |                        |              |                   |                        |                        |               |                  |                        |                        |              |                  |                     |        |               |               |  |
| Beginning of year                     | 5,660,827    | 3,264,812              | 8,925,639    | 8,350,102         | 5,092,772              | 668,438                | 14,111,312    | 1,735,886        | 121,669                | 67,261                 | 1,924,816    | 213,369          | -                   | -      | 25,175,136    | 26,049,371    |  |
| End of year                           | \$ 6,239,222 | \$ 3,521,722           | \$ 9,760,944 | \$ 10,162,821     | \$ 4,966,640           | \$ 668,438             | \$ 15,797,899 | \$ 1,703,255     | \$ 136,957             | \$ 67,261              | \$ 1,907,473 | \$ 125,656       | \$ -                | \$ -   | \$ 27,591,972 | \$ 25,175,136 |  |

**Episcopal Office of the New York Annual Conference of the United Methodist Church**

Schedule of Cash Receipts and Disbursements

Year Ended December 31, 2016  
(with comparative amounts for the year ended December 31, 2015)

|  | <u>2016</u>          | <u>2015</u>          |
|--|----------------------|----------------------|
| <b>CASH RECEIPTS</b>                                   |                      |                      |
| Budget support   | \$117,900            | \$117,039            |
| Interest   | 600                  | 548                  |
| Investment income                                      | 12,797               | 5,265                |
| Miscellaneous  | <u>-</u>             | <u>17,421</u>        |
| Total Cash Receipts                                    | <u>131,297</u>       | <u>140,273</u>       |
| <br><b>CASH DISBURSEMENTS</b>                          |                      |                      |
| Salaries   | 49,800               | 45,000               |
| Employee benefits                                      | 23,916               | 17,619               |
| Supplies   | 48,081               | 7,529                |
| Postage  | 5,476                | 640                  |
| Telephone  | 963                  | -                    |
| Professional fees                                      | 2,092                | 2,116                |
| Travel and entertainment                               | 22,509               | 14,681               |
| Network support  | 2,364                | 3,560                |
| Miscellaneous  | <u>37,524</u>        | <u>1,073</u>         |
| Total Cash Disbursements                               | <u>192,725</u>       | <u>92,218</u>        |
| <br><b>PAYMENT OF PRIOR YEAR ACCRUED LIABILITIES</b>   |                      |                      |
| Travel and entertainment                               | <u>7,163</u>         | <u>7,163</u>         |
| <br>Excess of Cash Receipts over<br>Cash Disbursements | <br>(68,591)         | <br>40,892           |
| <br>Cash at beginning of year                          | <br><u>190,206</u>   | <br><u>149,314</u>   |
| <br>Cash at end of year                                | <br><u>\$121,615</u> | <br><u>\$190,206</u> |