

VIII. ACCOUNTANTS’ REPORTS  
AND FINANCIAL STATEMENTS

JANUARY 1, 2011, through DECEMBER 31, 2011

A. REPORT OF THE COUNCIL ON FINANCE AND ADMINISTRATION.....	87
B. TREASURER’S REPORT .....	95
C. AUDIT REPORT, CENTRAL TREASURY .....	96
D. FINANCIAL STATEMENTS .....	115
Africa University .....	87, 91, 95, 116, 121
All Things New .....	124
Annual Conference Offering .....	92
Annual Conference Session .....	89, 119, 120
Appalachian Ministry Network .....	88, 115, 122
Archives .....	89, 119
Assistant to the Bishop .....	89,119
Black College Fund .....	87, 91, 95
Board of:	
Church and Society .....	88
Communications .....	88, 124
Discipleship .....	88
Higher Education and Campus Ministry.....	88
Global Ministries .....	88
Laity .....	88, 118
Ordained Ministry .....	89, 119
Trustees .....	89, 119, 120
Camp Rainbow Connection .....	95
Campus Ministry .....	116, 117
Cash Receipts and Disbursements .....	95
Centers for:	
Clergy Excellence .....	89
Congregational Excellence .....	88, 117
Inclusivity & Lay Leadership Excellence.....	88
Justice and Missional Excellence.....	88
Chaplain Services.....	115
Church Development Team .....	88
Church Extension Fund.....	91, 95,121, 123
Clergy Families in Transition .....	89, 119
Commission on:	
Disabilities .....	88, 118
Ethnic Minorities (CEMCA).....	88, 118
Status and Role of Women (COSROW) .....	88, 118
Common Table .....	88, 116-117, 121-123
Computer Services .....	89, 119
Conference Apportionments .....	87, 91-93, 119-121
Conference Auto .....	89, 119
Conference Benevolence Grants.....	88, 115, 122
Conference Publications .....	89, 93, 119, 120
Conference Reserves.....	90, 93
Conference Treasurer .....	89, 95, 119
Connectional Ministries .....	88
Cash Receipts and Disbursements .....	95
Council on Finance and Administration .....	91, 120
Disaster Response Funds .....	116
District Superintendents’ Fund ....	87, 89, 91-92, 95
District Superintendents’ Salaries .....	94
Education Fund .....	87, 91
Episcopal Fund .....	87, 91
Episcopal Residence .....	89
Equitable Compensation .....	87, 95, 97, 121
Francis Asbury Education Fund .....	123
General Conference, 2012 .....	89
Heart Havens .....	92
Healthcare, Active and Retired .....	91
Interdenominational Coop. Fund .....	89, 91, 95
Lake Junaluska Dam Fund .....	119
Ministerial Education Fund .....	87, 91, 95
Mission Personnel, Committee on .....	88
Native American Awareness Sunday .....	95
Pastor Relocation Transition Fund.....	93
Pension Liability, pre-82.....	91
Retirees, Disabled & Widowed Fund .....	121
Society of St. Andrew .....	88, 115, 122
Special Sundays .....	95
Travel & Meeting Expenses .....	89, 92
UMFS .....	95
UMCOR.....	95
Virginia Assembly Center .....	115
Virginia Council of Churches .....	88
Virginia Homes, Samaritan’s Fund .....	95
Virginia Interfaith Center .....	88
Virginia United Methodist Historical Society....	89
World Service and Conference Benevolences .....	87, 91, 95, 115-117,122
Youth Service Fund.....	95

Council on Finance and Administration

SECTION I - Summary of Conference Budget for 2013						
	Sch.	2012	2013	% of Budget	Inc.\(Dec.)	% Chg.
Conference Apportionments						
401 - Conference Mission & Ministries	A	3,565,000	3,595,000	11.23%	30,000	0.84%
402 - Conference Services	B	1,897,000	1,963,000	6.14%	66,000	3.48%
403 - District Superintendents Fund	C	2,150,000	2,150,000	6.72%	-	0.00%
404 - Equitable Compensation		550,000	550,000	1.72%	-	0.00%
405 - Church Extension & Development		812,500	512,500	1.60%	(300,000)	-36.92%
406 - Virginia Education Fund		1,018,875	1,018,875	3.17%	-	0.00%
Total Conference Apportionments		9,993,375	9,789,375	30.58%	(204,000)	-2.04%
Clergy Benefits Apportionments						
407 - Active Clergy Health		8,713,713	9,062,262	28.33%	348,549	4.00%
408 - Retired Clergy Health		5,434,412	5,651,788	17.67%	217,376	4.00%
409 - Pension Liability Assessment - Pre 82		2,010,310	1,387,695	4.34%	(622,615)	-30.97%
Total Clergy Benefit Apportionments		16,158,435	16,101,745	50.34%	(56,690)	-0.35%
General & Jurisdictional Apportionments						
410 - Episcopal Fund		962,717	885,107	2.77%	(77,610)	-8.06%
411 - World Service		3,160,556	3,054,317	9.55%	(106,239)	-3.36%
412 - General & Jurisdictional Connectional Fund		611,450	518,847	1.62%	(92,603)	-15.14%
413 - Ministerial Education		1,048,613	1,048,594	3.28%	(19)	0.00%
414 - Black College Fund		418,244	418,255	1.31%	11	0.00%
415 - Africa University Fund		93,606	93,598	0.29%	(8)	-0.01%
416 - Interdenominational Cooperation Fund		83,004	81,968	0.26%	(1,036)	-1.25%
Total General & Jurisdictional Apportionments		6,378,190	6,100,686	19.08%	(277,504)	-4.28%
Total Apportionments		32,530,000	31,991,806	100.00%	(538,194)	-1.65%

Schedule A - Apportionment 401 - Conference Mission & Ministries					
	2012	2013	Budget	Inc.\(Dec.)	% Chg.
Conference Benevolence Grants					
1. Chaplain Service of Churches	119,500	119,500	0.37%	-	0.00%
2. Virginia Council of Churches	62,800	62,800	0.20%	-	0.00%
3. Virginia Interfaith Center	5,000	5,000	0.02%	-	0.00%
5. Society of St. Andrew	5,000	5,000	0.02%	-	0.00%
6. Appalachian Ministry Network	1,800	1,800	0.01%	-	0.00%
7. Industrial & Commercial Ministries	900	900	0.00%	-	0.00%
	195,000	195,000	0.62%	-	0.00%
Conference Programs					
	105,447	105,447	0.33%	-	0.00%
New Church Start Salary Support					
	400,000	400,000	1.25%	-	0.00%
Campus Ministries					
	825,000	825,000	2.58%	-	0.00%
Program & Board Administrative Expenses					
1. Common Table	8,500	8,500	0.03%	-	0.00%
2. Departmental Administration (See below)	64,522	64,680	0.20%	158	0.24%
3. Agency Administration (See below)	132,005	124,750	0.39%	(7,255)	-5.50%
4. Personnel Costs (See below)	1,171,886	1,248,267	3.90%	76,381	6.52%
5. Information Technologies	29,500	29,500	0.09%	-	0.00%
6. Video Production & Documentation	5,000	5,000	0.02%	-	0.00%
7. Regional Ministry Teams	20,000	-	0.00%	(20,000)	-100.00%
8. Building Operations & Services	165,000	165,000	0.52%	-	0.00%
9. Postage, Printing & Telephone	34,284	10,000	0.03%	(24,284)	-70.83%
10. Contingency	5,000	10,000	0.03%	5,000	100.00%
	1,635,697	1,665,697	5.21%	30,000	1.83%
Contingency Funds - Budget Shortfall					
	403,856	403,856	1.24%	-	0.00%
	3,565,000	3,595,000	11.23%	30,000	0.84%
Supporting Schedule, Line 2 - Departmental Administration					
1. Connectional Ministries	9,600	9,600	0.03%	-	0.00%
2. Communications	8,407	8,425	0.03%	18	0.19%
3. Congregational Excellence	11,370	11,370	0.03%	-	0.00%
4. Ministries with Young People	11,745	11,745	0.04%	-	0.00%
5. Inclusivity and Lay Leadership Excellence	11,400	10,500	0.04%	(900)	-6.24%
6. Justice and Missional Excellence	12,000	13,040	0.03%	1,040	7.75%
	64,522	64,680	0.20%	158	0.24%
Supporting Schedule, Line 3 - Agency Administration					
1. Church & Society	10,550	9,150	0.03%	(1,400)	-12.56%
2. Discipleship	18,150	18,100	0.06%	(50)	-0.25%
3. Global Ministries	17,955	19,500	0.06%	1,545	7.76%
4. Committee on Mission Personnel	35,000	35,000	0.11%	-	0.00%
5. Communications	6,700	6,700	0.02%	-	0.00%
6. Higher Education	9,000	9,000	0.03%	-	0.00%
7. Laity	11,700	11,700	0.03%	-	0.00%
8. CEMCA	6,400	5,600	0.02%	(800)	-11.76%
9. COSROW	4,550	3,700	0.01%	(850)	-15.10%
10. Commission on Disabilities	8,200	2,500	0.03%	(5,700)	-67.66%
11. Church Development Team	3,800	3,800	0.01%	-	0.00%
	132,005	124,750	0.41%	(7,255)	-5.50%
Supporting Schedule, Line 4 - Personnel Costs					
1. Common Table Program Staff	945,789	1,011,364	3.16%	65,575	6.93%
2. Information Technologies	120,500	123,342	0.39%	2,842	2.36%
3. Advocate Staff Salary Support	70,597	39,031	0.12%	(31,566)	-44.71%
4. Video Production	35,000	74,530	0.23%	39,530	112.94%
	1,171,886	1,248,267	3.90%	76,381	6.52%

Schedule B - Apportionment 402 - Conference Services					
	2012	2013	Budget	Inc.\(Dec.)	% Chg.
1. Board of Ordained Ministry (see below)	275,940	293,940	0.92%	18,000	6.50%
2. Bishop's Assistant	155,000	115,000	0.36%	(40,000)	-25.81%
3. Annual Conference Session	210,000	200,000	0.63%	(10,000)	-4.76%
4. Mortgage Payments	265,000	330,000	1.03%	65,000	24.53%
5. Treasurer's Office	352,000	370,000	1.16%	18,000	5.11%
6. Computer Services	80,000	80,000	0.25%	-	0.00%
7. Wesley Foundation Property Maint	50,000	50,000	0.16%	-	0.00%
8. Richmond Area Episcopal Expense	26,500	26,500	0.08%	-	0.00%
9. Pastor Relocation & Transition	17,000	17,000	0.05%	-	0.00%
10. Archives	15,000	7,500	0.02%	(7,500)	-50.00%
11. Council on Finance and Administration	7,500	7,500	0.02%	-	0.00%
12. Historical Society	8,700	8,000	0.03%	(700)	-8.05%
13. Board of Trustees	2,000	2,000	0.01%	-	0.00%
14. Telephone Service	20,000	15,000	0.05%	(5,000)	-25.00%
15. Insurance	32,000	27,000	0.08%	(5,000)	-15.63%
16. Postage & Printing	30,000	25,000	0.08%	(5,000)	-16.67%
17. Building Operations & Services	23,000	23,000	0.07%	-	0.00%
18. Conference Publications	7,500	7,500	0.02%	-	0.00%
19. Bishop's auto allowance	5,000	5,000	0.02%	-	0.00%
20. Contingency Funds for Unforeseen Expenses	10,000	10,000	0.03%	-	0.00%
21. Legal	13,000	13,000	0.04%	-	0.00%
22. Episcopal Residence	-	100,000	0.31%	100,000	
23. 2012 General Conf. Hosting costs	9,800	-	0.00%	(9,800)	-100.00%
24. Contingency Funds - Budget Shortfall	282,060	230,060	0.72%	(52,000)	-18.44%
	1,897,000	1,963,000	6.14%	66,000	3.48%

Board of Ordained Ministry

1. Minister's Family Counseling	15,000	15,000	0.05%	-	0.00%
2. Candidates' Evaluation	20,000	20,000	0.06%	-	0.00%
3. Sexual Ethics Response Team	1,780	1,780	0.01%	-	0.00%
4. Clergy Families in Transition	20,000	20,000	0.06%	-	0.00%
5. Center for Clergy Excellence	8,620	12,620	0.04%	4,000	46.40%
6. Personnel Costs	151,000	155,000	0.48%	4,000	2.65%
7. Board of Ordained Ministry Administration	59,540	69,540	0.22%	10,000	16.80%
	275,940	293,940	0.92%	18,000	6.52%

Schedule C - Apportionment 403 - District Superintendents Fund					
	2012	2013	Budget	Inc.\(Dec.)	% Chg.
1. Salaries & Pension	1,690,572	1,700,000	5.31%	9,428	0.47%
2. Travel & Meetings	113,500	115,000	0.36%	1,500	1.32%
3. Other	21,200	25,000	0.08%	3,800	17.12%
4. Contingency Funds - Conference Budget Shortfall	324,728	310,000	0.97%	(14,728)	-3.56%
	2,150,000	2,150,000	6.72%	-	0.00%

SECTION II - Conference Reserve Schedule (2011 Audited)

<b>A. Income &amp; Gains:</b>		
Donations	\$ 2,605	
Interest & Dividends	571	
Wespath Investments	16,633	
Miscellaneous	1,388	
		\$ 21,197
<b>B. Expenses:</b>		
Reserve investment losses	\$ 86,947	
Solar panel investment	20,000	
Bank service charges	5,512	
		112,459
<b>C. Net reserve losses for year (A-B)</b>		\$ (91,262)
<b>D. Apportionment Closeouts (Income over Spending)</b>		
Conference Benevolences	\$ 129,304	
Conference Services	11,269	
District Superintendents	134,752	
Equitable Compensation	29,463	
		304,788
<b>Net Change in Reserves (C+D)</b>		\$ 213,526
<b>Beginning Balance, January 1st</b>		(46,248)
<b>Ending Balance, December 31st</b>		\$ 167,278

SECTION III - Recommended Apportionments to Districts and Local Churches

A. Total Recommended Apportionment Levels: (subject to change with General Conference action)

The Council of Finance and Administration (CFA) recommends that the amounts apportioned from the General, Jurisdictional, and Annual Conference be apportioned to the districts as follows:

<b>2013 Virginia Conference Apportionments</b>	
401-Conference Mission & Ministries	3,595,000
402-Conference Service	1,951,000
403-District Superintendents Fund	2,150,000
404-Equitable Compensation	550,000
405-Church Extension & Development	512,500
406-Virginia Education Fund	1,018,875
407-Active Clergy Health	9,062,262
408-Retired Clergy Health	5,651,788
409-Pension Liability Assessment - Pre 82	1,387,695
410-Episcopal Fund	862,982
411-World Service	3,095,016
412-General & Jurisdictional Connectional Fund	504,303
413-Ministerial Education	1,049,604
414-Black College Fund	418,658
415-Africa University Fund	93,688
416-Interdenominational Cooperation Fund	82,047
	\$31,985,418

B. APPORTIONMENT RECOMMENDATION SPECIFICS:

Report on 2011

As set out in Annual Conference procedures, the Annual Conference is informed, through this report, of shortfalls in World Service and Conference Benevolences and Conference Services. For 2011, the shortfalls for World Service and Conference Mission and Ministries Benevolences and Conference Services were \$1,394,977. These shortfalls were managed through budget cuts, contingency funds and Conference reserves in accordance with Annual Conference-approved policy.

Education Fund

The Education Fund is apportioned to the districts at \$1,018,875 for 2013. CFA strongly urges the churches to accept and pay this fund amount in full. Based on recommendations of the Common Table, the following percentage distribution of the fund is proposed for 2013:

- Ferrum College 19.5%
- Randolph-Macon College 18.5%
- Randolph College 16.0%
- Randolph-Macon Academy 10.0%
- Shenandoah University 18.0%
- Virginia Wesleyan College 18.0%

Pensions and Conference Health:

CFA recommends the cost of health, pensions and other clergy benefits be apportioned in three separate apportionments. The first apportionment for active clergy health and benefits costs and the second apportionment for retired clergy health. The third apportionment is for pension liabilities with the General Board of Pension and Health Benefits of The United Methodist Church. These costs were combined into two apportionments in the prior year.

The apportionments are to be apportioned on the formula basis described in Section IV of this report.

Church Extension and Development Fund (CEF)

This fund is apportioned to the districts at \$512,500 for 2013, and is based on recommendations of the Common Table. The recommended formula for the distribution of receipts to the fund is as follows:

- (1) 65% of the amounts raised are to be directed to the Church Development Team for conference-wide grants to new and existing churches.
- (2) 25% of amounts raised by districts are to be returned to the district; and,
- (3) 10% of amounts raised are to be directed to a joint committee of the Commission on Ethnic Minority Concerns and Advocacy and the Grants Committee of the Common Table.

SECTION IV— Apportionment Procedures

A. APPORTIONMENT FORMULA:

All Apportionments except for the Active Clergy Health Benefits

Apportionments are calculated using the last year of available statistics of each local church (i.e. 2013 apportionments are calculated using 2011 statistics). The formula is based on total net paid expenses which are the total expenditures of the church minus expenditures for benevolent causes, apportionments, capital improvements, and payments on loans and mortgages. The apportionments for each church are sent to each district based on decimal calculations from the formula below:

Individual Church Net Paid/Total of all Conference Churches Net Paid = Church Decimal

Active Clergy Health Benefits Apportionment Formula

The costs of the active clergy health benefits will be apportioned using a two-tier calculation. The first tier will consist of a fixed dollar amount

(\$5,000) per health plan eligible clergy based upon the July 1, 2012, appointment list. The remaining costs after the tier one calculation will be apportioned to the churches based upon total clergy (regardless of classification) compensation (salary plus accountable reimbursement) paid by a church divided by the total clergy compensation paid in the last year of available statistics (2011 for 2013 apportionments). The district then passes the apportionments on to the local church according to recommendations developed by the district superintendents and the district stewards.

**B. REPORTING GUIDELINES:**

District superintendents will report the apportioned amounts for each church to the Conference treasurer and the apportioned amounts will be shown on the monthly Treasurer’s report sent to each church (§615.1 of *2008 Discipline*). Apportionments are to be calculated and distributed annually rather than on a quadrennial basis. The Annual Conference will raise World Service funds only through contributions from the local churches. CFA urges that district superintendents, pastors, and local church leaders seek to fully implement §812 of the *2008 Discipline*.

**C. IMPORTANCE OF WORLD SERVICE:**

The importance of World Service to the life of the Church is lifted up to the Annual Conference. “The World Service Fund is basic in the financial program of The United Methodist Church. The World Service apportionment represents the minimum needs of the general agencies of the Church. Payment in full of these apportionments by local churches and annual conferences is the first benevolent responsibility of the Church.” (§812 of the 2008 Discipline).

**SECTION V — Annual Conference Special Offerings**

Annual Conference offerings provide important and life-giving support for key Conference programs. The following are recommended for approval for 2013:

- United Methodist Family Services. It is recommended that December be designated as United Methodist Family Services Month and that each church promote an offering during this time for this purpose.
- Christian Education. It is recommended that each church designate a week in September for the observance of Christian Education and that an offering be taken. The offering is to be forwarded to the Conference treasurer and will be allocated as follows: (a) 50% for Conference Division on Education; and (b) 50% back to the districts for education and leadership development.
- Industrial and Commercial Ministries. It is recommended that Labor Day Sunday be designated for Industrial and Commercial Ministries and that churches receive an offering at that time in support of this Virginia Conference program.
- Virginia United Methodist Homes Samaritan Fund. It is recommended that the period between Mother’s Day and Father’s Day be designated in support of the Virginia United Methodist Homes Samaritan Fund, and that local church offerings collected during that period be dedicated to this Virginia Conference program.
- Heart Havens. It is recommended that February be designated as Heart Havens Month and that each church promote an offering during this time for this purpose.
- Annual Conference Offering. CFA recommends continued support for this important offering.

**SECTION VI — Recommended Policies**

**A. DISTRICT SUPERINTENDENT’S FUND**

**Overall Policies for the Fund:** It is recommended that, in compliance with the *Book of Discipline*, the salaries and expenses for district superintendents (DS), and those under special appointment, be published in the conference Journal with each DS’s salary individually calculated and assigned each year as part of the appointive process, using the following criteria:

- The starting salary for each newly appointed district superintendents (DS) shall: (a) not exceed 95% of the Bishop’s annual salary (maximum); or (b) not be less than twice the minimum salary of an Elder (minimum).
- The salary is to be set at an amount equal to the person’s most recent annual salary, plus a fixed dollar amount set by the Annual Conference (upon recommendation of CFA), but not to exceed \$4,000 (except that such increase must conform to the upper and lower salary limitations set out above).
- Each year, the annual salaries of DSs are to be adjusted by a percentage or an amount to be set by the Annual Conference (upon recommendation of CFA), but not to exceed in aggregate the latest five-year average percentage change in the Conference Average Salary, with the total annual salary not to exceed 95% of Bishop’s annual salary. CFA also administers salary-related expenses, to include such items as pensions, supplemental benefits, travel by voucher, continuing education, and other Cabinet-related expenses. The total cost of salaries and related expenses apportioned to Districts are to be based on the current approved decimal system (upon recommendation of CFA). All other DS costs, such as housing, district office expenses and staff, are to be paid at the district level.

**Authorizations for 2013:**

The district superintendents’ salaries will remain the same for 2013.

**B. TRAVEL & MEETING EXPENSES** for board and agency members and staff engaged in Conference business are provided and are to be managed as follows:

- The mileage reimbursement rate is set at 35 cents for conference staff and the IRS reimbursement rate for volunteers (currently 14 cents) serving boards and agencies of the Conference.
- Meals are to be reimbursed at actual costs, but not to exceed \$20 per 24-hour period. (Breakfast on the date of departure from home/office is not accepted; dinner on the date of return is not accepted, except when the arrival to home/office is after 7 p.m.).
- Reimbursement for daily room charges is set at \$85, if the travel incurred extends to a period over three hours prior to the starting time of 10 a.m. on the day of the meeting.
- Spouse expenses are not part of allowable expenses.
- To encourage stewardship in this area, CFA suggests: (1) that advance reading materials be provided for study prior to meetings; and (2) that there be use of teleconferencing, where feasible.

**C. INDIVIDUAL EXPENSES FOR ANNUAL CONFERENCE** are provided for and managed as follows:

Each charge is responsible for the expenses of both the clergy and lay members (including diaconal ministers) from that charge to the annual conference, working out its own plan of compensating for actual expenses. Persons not covered through local church appointment shall receive annual conference reimbursement not to exceed \$100 a night for mileage, meals and lodging; the Conference Treasurer shall reimburse the claimant through voucher of approved expenses. Coverage under this section extends to:

- (a) retired clergy who retired with pension under one of the *Disciplinary* options and who are not serving full-time;
- (b) clergy on incapacity leave;
- (c) clergy on sabbatical leave who are members of the Virginia Annual Conference;
- (d) retired diaconal ministers who served at least eight years in the Virginia Conference and who are granted a retired relationship by the conference;
- (e) persons expecting their first appointment;
- (f) members of the conference who have been appointed to attend a theological school;
- (g) those serving as chaplains in Armed Forces;
- (h) deaconesses under appointment;
- (i) furloughed missionary members of the Virginia Annual Conference;
- (j) those on loan to other annual conferences, whose expenses are not otherwise provided for; and
- (k) clergy returning from an approved leave of absence receiving local church pastoral appointments.

Each district is responsible for the expenses of its district superintendent, youth members and members-at-large. Each board, agency or committee is responsible for the expenses of its chairpersons. Boards and other agencies and institutions served by clergy under appointment will be responsible for said clergy’s expenses to the annual conference.

**D. CONFERENCE RESERVE FUNDS**

**Policies on the Maintenance of Reserve Fund Levels:** The Council is reviewing the Reserve polices in light of the current economic situation. The following policies are unchanged from the past; however, they represent targets that at present are not realities. Reserve funds in the amount of \$200,000 are available for emergencies and catastrophic needs related to the maintenance of conference property held by the conference trustees, and include:

- 1) Virginia United Methodist Center;
- 2) Wesley Foundation buildings; and
- 3) the episcopal residence. [The total value of these properties is estimated at more than \$15 million.]

Reserve funds in the amount of \$300,000 are available to maintain orderly cash flow during the Conference year, with such activity to cover salaries, grants, etc. Reserve funds in the amount of \$300,000 are available to cover actions emerging from Annual Conference vote, emergencies, support of advances for campaigns and potential liabilities of the Conference. Of the amounts reserved: (1) up to \$50,000 is available for emergency needs of the Common Table, with the approval of CFA; and (2) up to \$100,000 may be allocated by CFA between sessions of Annual Conference, as deemed necessary.

Consistent with approved Annual Conference policies (effective January 1992), the use of investment income is authorized to maintain reserve levels. (At the discretion of CFA, excesses may be used to: (1) meet shortfalls in Conference benevolences; (2) meet shortfalls in Conference Services; and/or (3) reduce apportionments from the Annual Conference to local churches. The status of conference reserves at the end of the prior actual year is to be reviewed each year by CFA and included in the report to the Annual Conference Session. (See the conference Undesignated Reserve report in Section II.)

**E. PASTOR RELOCATION TRANSITION FUND:**

1. By action of the June 2003 Annual Conference, CFA has established Pastor Relocation Transition Fund and has provided funding through the Conference Services apportionment.
2. Churches/charges which are served by full-time clergy appointed to their charge as pastor may request reimbursement on the following schedule for an incoming pastor, if the previous pastor served two years or less in the appointment to their charge:
  - One-year appointment – Seventy-five percent of the verified moving expenses up to a maximum of \$3,000 reimbursement.
  - Two-year appointment – Fifty percent of the verified moving expenses up to a maximum of \$2,000 reimbursement.
3. No moving expenses will be reimbursed that are not in compliance with the Virginia Conference Guidelines for Moving Expenses as printed in the Journal of the Virginia Conference.
4. Payment will be made at the end of the year based on a pro-rata share of the apportionment receipts from the churches.

**F. CONFERENCE JOURNAL**

The *2012 Journal of the Virginia Conference* is to be made available by posting on the Virginia Conference website <[www.vaumc.org](http://www.vaumc.org)> as a pdf file. It will be available as a CD or printed copy upon request at a cost of \$10 for the CD and \$25 for the print version. Requests for printed copies must be made by Aug. 15 of the calendar year, and payment must be made at the time the order is placed. Only a small quantity of Journals will be printed and distributed in compliance with the *Book of Discipline* (§606.2), to district offices, Conference staff, and those purchasing copies before the Aug. 15 deadline. Because many other conferences across the connection are finding great success with delivery of the conference Journal through their websites and because it is imperative that the conference continues to find ways to reduce costs, the Conference Publications Committee believes this new policy will serve the Virginia Conference well.

**G. CONFERENCE PUBLICATIONS:**

It is recommended that the Conference-Provided Publications Committee be continued, composed of the following: (1) the director of the Connectional Ministries; (2) conference Business Manager; (3) the *Journal* Editor; and (4) the conference director of Communications, who will serve as the convener of the committee. The Committee may convene at any time at the request of any committee member as long as a majority of the committee members are present. [The committee oversees the production and publication of the conference Journal and other such

publications and mailings that are appropriate to keeping the conference members linked to the business of the Annual Conference.]

H. CLERGY DIRECTORY

One copy of the Directory of the Ministry is to be mailed to all Virginia Conference clergy (active and retired, including lay pastors and diaconal ministers). Widows/widowers of clergy are also entitled to a free copy upon request. Additional copies may be purchased at a cost of \$4 each (includes shipping and handling). An updated version of the directory is available on the conference website as a pdf file.

I. AUDIT REPORTS:

CFA stresses the requirement that all agencies, institutions, and district offices submit a copy of their audit report to the conference Treasurer by June 1 of each year. Audits should be conducted by independent, professional auditors.

J. IRS REGULATIONS:

CFA recommends that all church and/or charge treasurers comply with the IRS regulations.

K. REQUESTS FOR BUDGET FUNDING:

CFA recommends that all groups requesting funding from CFA submit requests for budget funding to CFA by Jan. 15 of the year the request is being made. This will allow the requests to be reviewed by CFA in sufficient time for consideration at the Annual Conference session the following June.

SECTION VII – A Church in Mission

We are a church in mission and a three-pronged focus of teaching, communication and recognition enriches us as a conference and as Christians. With it, we are able to share and learn further what it means to enter into the vision and share concerns with many people. But more importantly, it sets out a focus throughout our Conference on the value and importance of the unique connectional relationship we have as United Methodists. Our charter has already been defined for us and it is set out in Scripture: “Just as in the human body, though it is made up of many parts, is a single unit, because of these parts, though many, make one body, so it is with Christ.” (1 Corinthians 12:12). And that body is composed of all of God’s children, including the rich and poor, found and lost, and secure and dispossessed. For as Jesus said, “Truly, I tell you, just as you did it to one of the least of these who are members of my family, you did it to me.” (Matthew 25:40). As part of that body, we are called to serve our brothers and sisters in mission throughout the connection. Because of our covenant with God and with each other, it is our goal to fund the basic missional witness of The United Methodist Church. We have much to be proud of as a conference, as we live out the full meaning of the Stewardship of the gospel. Our connectional giving — the important life blood of the work we all do together – is a reflection of the great commitment that Virginia United Methodists have to the mission and ministry work of our Lord. The budgets we draw up, while important, are more than a series of numbers. They reveal the very character of the people who build them, support them, and act through them. They are Christ’s work in the world, put into a plan for receiving and spending — collective understandings of commitments to fulfilling ministries and mission priorities. It is no small thing we do individually, when collectively we are making such big impacts beyond our church doors.

The stewardship of our conference is part of our response to the needs we know about, as well as those not yet seen. Seeing the need, then doing what Jesus would do. That’s true stewardship!

SECTION VIII — Special Reports

The Council on Finance and Administration will continue an internal committee to monitor activities of agencies of the conference to assure compliance with ¶¶612.2 and 612.16 of the *2008 Discipline*.

Jeff Davis, President

REQUIRED REPORT

The Council on Finance and Administration (CFA), as requested by the 2011 Annual Conference, presents the following report regarding district superintendents’ salaries. The Annual Conference requested that CFA present a plan that addresses the concerns of the motion passed during the 2011 Annual Conference regarding district superintendents’ salaries. CFA provides the following plan in response to the request: The annual salary for all new district superintendents (appointed July 1, 2012, and after) be \$88,000. All current district superintendents who are presently below \$88,000 would move to \$88,000 as of January 1, 2013. All district superintendents currently above \$88,000 would remain at their current level.

Report of the Treasurer  
Cash Receipts for the Year Ending December 31, 2011

		YTD	YTD	Increase	Pct.
Apportioned Funds		12/31/11	12/31/10	(Decrease)	Inc.\Dec.
<i>Conference Retained Funds</i>					
401	World Service & Conf. Benevolences	6,059,142	5,479,521	579,621	10.58%
403	Equitable Compensation	440,600	973,410	(532,810)	-54.74%
406	District Superintendents	2,255,284	2,090,385	164,899	7.89%
407	Conference Services	1,637,127	1,844,248	(207,121)	-11.23%
409	Church Extension & Development	652,042	630,039	22,003	3.49%
411	Ministerial Education	866,709	845,240	21,469	2.54%
Subtotal		11,910,904	11,862,843	48,061	0.41%
<i>Pass-through Funds</i>					
402	Episcopal	809,802	776,169	33,633	4.33%
404	Active Clergy Health Benefits	7,662,179	7,230,785	431,394	5.97%
405	Reitred Clergy Health & Pensions	5,327,302	5,145,512	181,790	3.53%
408	Educational Fund	842,533	819,256	23,277	2.84%
412	General & Jurisdictional Connectional	478,271	457,811	20,460	4.47%
413	Interdenominational Coop.	68,311	66,637	1,674	2.51%
414	Black College	342,849	337,850	4,999	1.48%
415	Africa University	82,226	77,485	4,741	6.12%
Subtotal		15,613,473	14,911,505	701,968	4.71%
Total Apportioned Funds		27,524,377	26,774,348	750,029	2.80%
General Advance Specials					
	World Missions	796,500	1,843,616	(1,047,116)	-56.80%
	U.M.C.O.R.	799,885	607,628	192,257	31.64%
	Va. Conference Advance Specials	360,456	405,072	(44,616)	-11.01%
Special Days					
	Human Relations Day	12,316	11,721	595	5.08%
	One Great Hour of Sharing	118,553	91,543	27,010	29.51%
	Native American Awareness	15,204	21,660	(6,456)	-29.81%
	Peace with Justice	8,534	11,912	(3,378)	-28.36%
	World Communion	23,262	26,176	(2,914)	-11.13%
	UM Student Day	11,317	13,922	(2,605)	-18.71%
Other Funds					
	Christian Education Fund	1,982	4,271	(2,289)	-53.59%
	Youth Service	19,594	16,238	3,356	20.67%
	Samaritan Fund - VA Homes	32,419	46,431	(14,012)	-30.18%
	UMFS	147,560	87,951	59,609	67.78%
	Comm. on Disab.\Camp Rainbow	84,049	40,635	43,414	106.84%
	Other	128,924	145,932	(17,008)	-11.65%
Total Non-Apportioned Funds		2,560,555	3,374,708	(814,153)	-24.13%
Total Church Receipts		30,084,932	30,149,056	(64,124)	-0.21%



L.P. MARTIN & COMPANY

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ROBERT C. JOHNSON, C.P.A.  
LEE P. MARTIN, C.P.A. (1948-76)

Independent Auditors' Report

To the Council on Finance and Administration  
The Central Treasury of The Virginia Annual  
Conference of The United Methodist Church  
Richmond, Virginia

We have audited the accompanying statements of financial position of The Central Treasury of The Virginia Annual Conference of The United Methodist Church as of December 31, 2011 and 2010, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Central Treasury's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audits 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 audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Central Treasury of The Virginia Annual Conference of The United Methodist Church as of December 31, 2011 and 2010, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States.

*L. P. Martin & Company, P.C.*

July 23, 2012

THE CENTRAL TREASURY OF THE VIRGINIA ANNUAL  
CONFERENCE OF THE UNITED METHODIST CHURCH

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2011

ASSETS

	Unrestricted	Temporarily Restricted	Total
Cash and Cash Equivalents	\$ 152,490	\$ 2,076,666	\$ 2,229,156
Investments	-	3,792,452	3,792,452
ACCOUNTS RECEIVABLE:			
Churches of the Conference	-	2,881,706	2,881,706
Other	-	12,357	12,357
TOTAL ACCOUNTS RECEIVABLE	-	2,894,063	2,894,063
Notes and Loans Receivable	-	757,059	757,059
Prepaid Expenses	25,500	55,091	80,591
PROPERTY AND EQUIPMENT:			
United Methodist Office Building:			
Land and Improvements	683,019	-	683,019
Building	4,282,783	-	4,282,783
Furniture, Fixtures and Equipment	687,597	-	687,597
Episcopal Residence	445,111	-	445,111
	6,098,510	-	6,098,510
Less Accumulated Depreciation	(1,792,403)	-	(1,792,403)
NET PROPERTY AND EQUIPMENT	4,306,107	-	4,306,107
TOTAL ASSETS	\$ 4,484,097	\$ 9,575,331	\$ 14,059,428

The accompanying notes are an integral part of this statement.

LIABILITIES AND NET ASSETS

	Unrestricted	Temporarily Restricted	Total
<u>LIABILITIES:</u>			
Fund Receipts Payable to Beneficiary Organizations and Other	\$ 10,712	\$ 3,380,422	\$ 3,391,134
Prepaid Subscriptions and Registration	-	65,511	65,511
Notes Payable	1,881,144	-	1,881,144
 TOTAL LIABILITIES	 1,891,856	 3,445,933	 5,337,789
<u>NET ASSETS:</u>			
<u>Unrestricted:</u>			
General Operating Fund	167,278	-	167,278
Property and Equipment Fund	2,424,963	-	2,424,963
<u>Temporarily Restricted:</u>			
Funds of Boards and Agencies	-	6,129,398	6,129,398
 TOTAL NET ASSETS	 2,592,241	 6,129,398	 8,721,639
  TOTAL LIABILITIES AND NET ASSETS	  \$ 4,484,097	  \$ 9,575,331	  \$ 14,059,428

THE CENTRAL TREASURY OF THE VIRGINIA ANNUAL  
CONFERENCE OF THE UNITED METHODIST CHURCH

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2010

	<u>ASSETS</u>		
	Unrestricted	Temporarily Restricted	Total
Cash and Cash Equivalents	\$ (34,728)	\$ 3,843,475	\$ 3,808,747
Investments	-	2,012,766	2,012,766
<u>ACCOUNTS RECEIVABLE:</u>			
Churches of the Conference	-	2,301,566	2,301,566
Other	-	50,201	50,201
TOTAL ACCOUNTS RECEIVABLE	-	2,351,767	2,351,767
Notes and Loans Receivable	-	1,045,366	1,045,366
Prepaid Expenses	-	83,263	83,263
<u>PROPERTY AND EQUIPMENT:</u>			
<u>United Methodist Office Building:</u>			
Land and Improvements	683,019	-	683,019
Building	4,282,783	-	4,282,783
Furniture, Fixtures and Equipment	616,241	-	616,241
<u>Virginia UM Assembly Center:</u>			
Land	133,344	-	133,344
Episcopal Residence	445,111	-	445,111
	6,160,498	-	6,160,498
Less Accumulated Depreciation	(1,604,031)	-	(1,604,031)
NET PROPERTY AND EQUIPMENT	4,556,467	-	4,556,467
 TOTAL ASSETS	 \$ 4,521,739	 \$ 9,336,637	 \$ 13,858,376

The accompanying notes are an integral part of this statement.



LIABILITIES AND NET ASSETS

	Unrestricted	Temporarily Restricted	Total
<u>LIABILITIES:</u>			
Fund Receipts Payable to Beneficiary Organizations and Other	\$ 11,520	\$ 3,787,088	\$ 3,798,608
Prepaid Subscriptions and Registration	-	85,323	85,323
Notes Payable	2,239,196	-	2,239,196
 TOTAL LIABILITIES	 2,250,716	 3,872,411	 6,123,127
<u>NET ASSETS:</u>			
<u>Unrestricted:</u>			
General Operating Fund	(46,248)	-	(46,248)
Property and Equipment Fund	2,317,271	-	2,317,271
<u>Temporarily Restricted:</u>			
Funds of Boards and Agencies	-	5,464,226	5,464,226
 TOTAL NET ASSETS	 2,271,023	 5,464,226	 7,735,249
  TOTAL LIABILITIES AND NET ASSETS	  \$ 4,521,739	  \$ 9,336,637	  \$ 13,858,376

THE CENTRAL TREASURY OF THE VIRGINIA ANNUAL  
CONFERENCE OF THE UNITED METHODIST CHURCH

STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2011

	Unrestricted		Temporarily Restricted	
	General Operating	Property and Equipment	Boards and Agencies	Total
<u>CHURCH REMITTANCES AND SUPPORT:</u>				
Church Remittances	\$ -	\$ -	\$ 30,022,878	\$ 30,022,878
Contributions	-	-	907,550	907,550
Registration Revenue	-	-	340,099	340,099
Subscription Revenue	-	-	71,093	71,093
TOTAL CHURCH REMITTANCES AND SUPPORT	-	-	31,341,620	31,341,620
<u>OTHER REVENUE:</u>				
Investment Income (Loss)	(69,744)	-	12,036	(57,708)
Loss on Disposal of Land to Blackstone	-	(133,344)	-	(133,344)
Rents and Other Income	-	-	485,618	485,618
TOTAL CHURCH REMITTANCES, SUPPORT AND REVENUE	(69,744)	(133,344)	31,839,274	31,636,186
<u>NET ASSETS RELEASED FROM RESTRICTIONS:</u>				
Satisfaction of Program Restrictions	30,461,424	-	(30,461,424)	-
<u>EXPENSES:</u>				
<u>Remittances:</u>				
General Church and Southeastern Jurisdiction	7,037,839	-	-	7,037,839
Conference Board of Pensions and Health Benefits	12,987,581	-	-	12,987,581
District	163,011	-	-	163,011
TOTAL REMITTANCE EXPENSES	20,188,431	-	-	20,188,431
<u>Conference Activities:</u>				
Benevolences	1,494,404	-	-	1,494,404
Program Activities	4,734,851	-	-	4,734,851
Scholarships	231,186	-	-	231,186
TOTAL CONFERENCE ACTIVITIES	6,460,441	-	-	6,460,441
Management and General	3,812,552	188,372	-	4,000,924
TOTAL EXPENSES	30,461,424	188,372	-	30,649,796
<u>NET ASSET TRANSFERS:</u>				
Property and Equipment Acquisitions	-	71,356	(71,356)	-
Interfund Appropriations	283,270	358,052	(641,322)	-
TOTAL NET ASSET TRANSFERS	283,270	429,408	(712,678)	-
CHANGE IN NET ASSETS	213,526	107,692	665,172	986,390
NET ASSETS, BEGINNING OF YEAR	(46,248)	2,317,271	5,464,226	7,735,249
NET ASSETS, END OF YEAR	\$ 167,278	\$ 2,424,963	\$ 6,129,398	\$ 8,721,639

The accompanying notes are an integral part of this statement.



THE CENTRAL TREASURY OF THE VIRGINIA ANNUAL  
CONFERENCE OF THE UNITED METHODIST CHURCH

STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2010

	Unrestricted		Temporarily Restricted	
	General Operating	Property and Equipment	Boards and Agencies	Total
CHURCH REMITTANCES AND SUPPORT:				
Church Remittances	\$ -	\$ -	\$ 30,064,161	\$ 30,064,161
Contributions	-	-	856,284	856,284
Registration Revenue	-	-	358,573	358,573
Subscription Revenue	-	-	81,538	81,538
TOTAL CHURCH REMITTANCES AND SUPPORT	-	-	31,360,556	31,360,556
OTHER REVENUE:				
Investment Income	212,716	-	39,118	251,834
Rents and Other Income	-	-	465,738	465,738
TOTAL CHURCH REMITTANCES, SUPPORT AND REVENUE	212,716	-	31,865,412	32,078,128
NET ASSETS RELEASED FROM RESTRICTIONS:				
Satisfaction of Program Restrictions	30,954,546	-	(30,954,546)	-
EXPENSES:				
Remittances:				
General Church and Southeastern Jurisdiction	7,714,076	-	-	7,714,076
Conference Board of Pensions and Health Benefits	12,376,076	-	-	12,376,076
District	157,563	-	-	157,563
TOTAL REMITTANCE EXPENSES	20,247,715	-	-	20,247,715
Conference Activities:				
Benevolences	1,387,666	-	-	1,387,666
Program Activities	5,080,702	-	-	5,080,702
Scholarships	259,495	-	-	259,495
TOTAL CONFERENCE ACTIVITIES	6,727,863	-	-	6,727,863
Management and General	3,978,968	190,737	-	4,169,705
TOTAL EXPENSES	30,954,546	190,737	-	31,145,283
NET ASSET TRANSFERS:				
Property and Equipment Acquisitions	-	66,478	(66,478)	-
Interfund Appropriations	544,592	111,910	(656,502)	-
TOTAL NET ASSET TRANSFERS	544,592	178,388	(722,980)	-
CHANGE IN NET ASSETS	757,308	(12,349)	187,886	932,845
NET ASSETS, BEGINNING OF YEAR	(803,556)	2,329,620	5,276,340	6,802,404
NET ASSETS, END OF YEAR	\$ (46,248)	\$ 2,317,271	\$ 5,464,226	\$ 7,735,249

The accompanying notes are an integral part of this statement.

THE CENTRAL TREASURY OF THE VIRGINIA ANNUAL  
CONFERENCE OF THE UNITED METHODIST CHURCH

STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2011 AND 2010

	2011	2010
OPERATING ACTIVITIES:		
Increase in Net Assets	\$ 986,390	\$ 932,845
Adjustments to Reconcile Increase in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	188,372	190,737
Loss on Disposal of Land to Blackstone	133,344	-
Net Realized Loss on Investments	61,270	55,478
Net Unrealized Loss (Gain) on Investments	78,619	(215,388)
Changes in Assets and Liabilities Which Provided (Used) Cash:		
Accounts Receivable	(542,296)	268,069
Prepaid Expenses	2,672	(16,363)
Accounts Payable	(427,286)	1,496,331
NET CASH PROVIDED BY OPERATING ACTIVITIES	481,085	2,711,709
INVESTING ACTIVITIES:		
Collections on Notes Receivable, Net	288,307	151,160
Purchase of Property and Equipment	(71,356)	(66,478)
Purchase of Investments, Net	(1,919,575)	(47,557)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	(1,702,624)	37,125
FINANCING ACTIVITIES:		
Payments on Notes Payable	(358,052)	(111,910)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,579,591)	2,636,924
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	3,808,747	1,171,823
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 2,229,156	\$ 3,808,747

The accompanying notes are an integral part of these statements.



THE CENTRAL TREASURY OF THE VIRGINIA ANNUAL  
CONFERENCE OF THE UNITED METHODIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2011 AND 2010

NOTE 1 - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities - The Central Treasury receives and disburses, in accordance with the actions of the Annual Conference, remittances from local church treasurers for all duly authorized general, jurisdictional, Annual Conference, and district causes. It also implements administrative and fiscal policies and procedures as directed by the Council on Finance and Administration.

The purpose of the Council on Finance and Administration is to develop, maintain and administer a comprehensive and coordinated plan of fiscal and administrative policies, procedures and management services for the Annual Conference.

The purpose of the Annual Conference is to coordinate the relationship between the general program boards and commissions and the conference, districts and Virginia United Methodist local churches.

Basis of Presentation - The Central Treasury is required to report information regarding its financial position and activities according to three classes of net assets based upon the existence or absence of donor-imposed restrictions as follows:

Unrestricted net assets include the General Operating and Property and Equipment Funds. The General Operating Fund reflects all resources of the Central Treasury which are expendable at the discretion of the Council on Finance and Administration for any purpose in carrying out the operations of the Conference. The Property and Equipment Fund is used to account for asset additions, disposals and depreciation charges.

Temporarily restricted net assets include the Boards and Agencies Funds. This category includes net assets which are expendable for operating purposes; however, their use has been restricted by the donor (primarily local United Methodist churches) for specific purposes.

The Central Treasury has no permanently restricted net assets as of December 31, 2011 or 2010. This category includes net assets which would be subject to donor-imposed stipulations that they be maintained permanently by the Central Treasury.

Year-end Closing - The Central Treasury closes its books approximately fifteen days subsequent to December 31 each year in order to record final apportionment payments for the year from local churches and pay all expenditures for the Conference year then ended. Cash received and expended after December 31 is shown on the statements of financial position in these statements as accounts receivable and fund receipts payable.

(Continued)

THE CENTRAL TREASURY OF THE VIRGINIA ANNUAL  
CONFERENCE OF THE UNITED METHODIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2011 AND 2010

NOTE 1 - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES,  
(Continued)

Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Recognition of Contributions - Contributions are recognized when the donor makes a promise to give to the Central Treasury that is, in substance, unconditional. Contributions recognized are recorded as unrestricted, temporarily restricted or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

Valuation of Investments and Income Recognition - Investments are stated at fair value. Listed stocks and securities are valued at closing quotations, while unlisted securities are valued at the most recent bid price. Purchases and sales of securities are recorded on a trade-date basis. Unrealized gains and losses are recognized in the period in which they occur. Interest and dividends are recognized in the period earned, and realized gains or losses on securities are recorded in the period of sale.

Functional Expenses - The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities.

Property and Equipment - Property and equipment is stated at cost, or the estimated fair value at the date of contribution. Expenditures for maintenance, repairs and minor renewals are expensed when incurred. Depreciation is recorded using the straight-line method.

The Central Treasury reviews its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets held and used is measured by a comparison of the carrying amount of an asset to undiscounted expected cash flows. Future events could cause the Central Treasury to conclude that impairment indicators exist and that long-lived assets may be impaired. To date, no impairment losses have been recorded.

Income Taxes - The Conference is a not-for-profit organization and is exempt from federal and state income taxes.

(Continued)



THE CENTRAL TREASURY OF THE VIRGINIA ANNUAL  
CONFERENCE OF THE UNITED METHODIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2011 AND 2010

NOTE 1 - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES,  
(Continued)

Contributed Materials and Services - During the two years presented, the value of contributed materials and the value of contributed services that either (a) created or enhanced a nonfinancial asset or (b) required specialized skills, was provided by individuals possessing those skills, and would have been purchased if not contributed was not material to the financial statements and has not been recognized.

Cash and Cash Equivalents - For the purposes of the statement of cash flows, the Central Treasury considers all cash and other highly liquid investments with initial maturities of three months or less to be cash equivalents.

NOTE 2 - INVESTMENTS

Cost and fair value of investments as of December 31, 2011 and 2010 are summarized as follows:

	2011		2010	
	Cost	Fair Value	Cost	Fair Value
Mutual Funds	\$ 3,117,417	\$ 3,274,561	\$ 1,764,014	\$ 1,999,776
Other Investments	517,891	517,891	12,990	12,990
	<u>\$ 3,635,308</u>	<u>\$ 3,792,452</u>	<u>\$ 1,777,004</u>	<u>\$ 2,012,766</u>

Investments in the amount of \$2,425,819 and \$2,012,766 were managed by the United Methodist Foundation of the Virginia Conference, Inc. (the Foundation), an affiliate of the Central Treasury, for the years ended December 31, 2011 and 2010, respectively. The General Board of Pension and Health Benefits of the United Methodist Church, through its investment arm Wespeth Investment Management, was the custodian of investments in the amount of \$1,366,633 as of December 31, 2011.

The following schedule summarizes the investment return (loss) and its classification in the statements of activities for the years ended December 31, 2011 and 2010:

	Temporarily		
December 31, 2011	Unrestricted	Restricted	Total
Interest and Dividends	\$ 90,802	\$ 12,036	\$ 102,838
Realized Loss on Investments	(61,270)	-	(61,270)
Unrealized Loss on Investments	(78,619)	-	(78,619)
Investment Fees	(20,657)	-	(20,657)
Total Investment Return (Loss)	<u>\$ (69,744)</u>	<u>\$ 12,036</u>	<u>\$ (57,708)</u>

(Continued)

THE CENTRAL TREASURY OF THE VIRGINIA ANNUAL  
CONFERENCE OF THE UNITED METHODIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2011 AND 2010

NOTE 2 - INVESTMENTS, (Continued)

December 31, 2010	Unrestricted	Temporarily Restricted	Total
Interest and Dividends	\$ 65,440	\$ 40,299	\$ 105,739
Realized Loss on Investments	(54,297)	(1,181)	(55,478)
Unrealized Gain on Investments	215,388	-	215,388
Investment Fees	(13,815)	-	(13,815)
Total Investment Return	<u>\$ 212,716</u>	<u>\$ 39,118</u>	<u>\$ 251,834</u>

NOTE 3 - CHARITABLE GIFT ANNUITY

During 2002 the United Methodist Foundation of the Virginia Conference, Inc. (the Foundation) entered into a charitable gift annuity agreement on behalf of the Conference. The asset associated with this annuity is included in the investments of the Central Treasury as presented in the financial statements. Quarterly payments of \$2,525 are to be paid to the donor until his death. Upon termination, the remaining value of the gift annuity is to be distributed to the Conference and designated for the cost to construct the Archives Room of the United Methodist Building.

At December 31, 2011 and 2010, the net asset balance included in the Funds of Boards and Agencies temporarily restricted net assets in connection with this gift annuity agreement amounts to \$0.

NOTE 4 - NOTES AND LOANS RECEIVABLE

Notes and loans receivable as of December 31, 2011 and 2010, are comprised of the following:

	2011	2010
Churches of the Conference	\$ 174,927	\$ 489,624
Francis Asbury Educational Loans	<u>582,132</u>	<u>555,742</u>
TOTAL	<u>\$ 757,059</u>	<u>\$ 1,045,366</u>

(Continued)



THE CENTRAL TREASURY OF THE VIRGINIA ANNUAL  
CONFERENCE OF THE UNITED METHODIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2011 AND 2010

NOTE 4 - NOTES AND LOANS RECEIVABLE, (Continued)

The Church Development Team of the Conference makes loans to churches of the Conference for acquisitions and improvements. The loans had various repayment terms with maturities ranging from 2012 to 2021 carrying a 4.0% interest rate. Loan disbursements were paid from the Church Development Team Church Extension and Development Fund, the Revealing Christ Campaign Fund, and the Building in Faith Campaign Fund. On March 29, 2011, all of the Church Development Team loans, except the non-interest bearing Charlottesville District loan, were sold to the Virginia United Methodist Credit Union for face value. Accordingly, no gain or loss was recognized in connection with the sale.

Francis Asbury Educational Loans are made from funds given in memory of Francis Asbury. Use of these loans is restricted to assisting qualified United Methodist students in obtaining a higher education. Loan terms require payment of principal and interest (at 4%) within six years of graduation or withdrawal.

The Virginia United Methodist Assembly Center loan receivable was noninterest bearing and due on demand. During 2010, the Annual Conference forgave the Virginia United Methodist Assembly Center loan receivable in the amount of \$80,570.

The Central Treasury provides an allowance for doubtful collections that is based upon a review of outstanding receivables, historical collection information, and existing economic conditions. Delinquent receivables are written off based on individual credit evaluation and specific circumstances of the borrower. No allowance for doubtful collections is deemed necessary as of December 31, 2011 and 2010.

As of December 31, 2011 and 2010, the Central Treasury had received written intentions to give in the approximate amount of \$1,500,000 and \$2,000,000, respectively, in connection with the All Things New church development program. The intentions to give are not reflected in the accompanying financial statements.

NOTE 5 - CAMPUS MINISTRY BUILDINGS

The Conference is responsible to provide insurance coverage on eight Wesley Foundation campus ministry buildings located throughout the Conference territory. As of December 31, 2011, the insured value for these eight buildings approximates \$7,340,000. These buildings are owned by various Wesley Foundations. Accordingly, the value of these properties is not reflected in the accompanying statements of financial position.

(Continued)

THE CENTRAL TREASURY OF THE VIRGINIA ANNUAL  
CONFERENCE OF THE UNITED METHODIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2011 AND 2010

NOTE 6 - CAMP OVERLOOK

As of December 31, 2011 and 2010, the title to the property known as Camp Overlook located in Rockingham County, Virginia is held by the Board of Trustees of the Virginia Annual Conference. The title dated March 12, 1973 is held for the benefit of those districts of the United Methodist Church which include the Virginia counties of Frederick, Warren, Page, Shenandoah, Rockingham and Augusta. Accordingly, the value of this property is not reflected in the accompanying statements of financial position.

NOTE 7 - NOTES PAYABLE

Notes payable at December 31, 2011 and 2010, consist of the following:

	2011	2010
\$4,500,000 construction loan, with interest to vary at the 30-day LIBOR rate plus .85%. Collateralized by a first lien deed of trust on real estate and improvements.	\$ 1,881,144	\$ 2,239,196

During 2002, to minimize the effect of changes in its LIBOR based debt, the Central Treasury entered into two interest rate swap contracts. The first swap contract is effective April 1, 2002 and expires April 1, 2012. Under this \$1,300,000 swap contract, the Central Treasury will pay interest at a fixed 6.91% rate and receive interest at a floating LIBOR rate plus .85%. The second swap contract was effective July 1, 2002 and was due to expire July 1, 2007. Under this \$1,200,000 swap contract, the Central Treasury paid interest at a fixed 6.51% rate and received interest at a floating LIBOR rate plus .85%. On May 12, 2006, the \$1,200,000 swap contract was restructured whereby the Central Treasury will pay interest at a fixed 6.75% rate and receive interest at a floating LIBOR rate plus .85%. The restructured swap contract has a new expiration date of May 1, 2016. In addition to interest payments, the Central Treasury is required to make scheduled principal payments in connection with both swap contracts. During 2011, the Central Treasury made an accelerated principal payment of \$258,174 on its outstanding bank debt.

Effective April 1, 2012, the Central Treasury refinanced both swap contracts and consolidated them into one loan in the principal amount of \$2,016,000. The note payable is due in fixed monthly installments of principal of \$21,000 to the year 2020, and bears interest at the rate of 3.25%. The note is secured by a deed of trust on the Virginia United Methodist office building as well as a security interest in all deposits and investments maintained by the Central Treasury with the lender institution. In connection with the April 1, 2012 refinancing, an early termination loan fee was incurred by the Central Treasury in the amount of \$148,905.

(Continued)



THE CENTRAL TREASURY OF THE VIRGINIA ANNUAL  
CONFERENCE OF THE UNITED METHODIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2011 AND 2010

NOTE 7 - NOTES PAYABLE, (Continued)

The scheduled maturities of debt for the next five years, reflecting the April 1, 2012 refinancing, as of December 31, 2011 are as follows:

<u>Year</u>	<u>Amount</u>
2012	\$ 182,049
2013	252,000
2014	252,000
2015	252,000
2016	252,000

Interest paid and expensed for the years ended December 31, 2011 and 2010 was \$131,868 and \$141,235, respectively.

NOTE 8 - RETIREMENT PLANS

Ministerial and lay employees of the Conference are eligible to participate in pension plans offered by the United Methodist Church. U.S. bishops, conference members, and local pastors under Episcopal appointment are eligible for pension coverage under the Clergy Retirement Security Program (CRSP), formerly the Ministerial Pension Plan (MPP).

In addition to the CRSP, certain ministerial employees are provided disability and death benefits as well as certain minimum benefits related to pension coverage through participation in the Comprehensive Protection Plan (CPP).

CRSP and CPP are defined contribution plans which currently encourage a three percent employee contribution and call for a 16.4 percent employer contribution (12 percent for CRSP and 4.4 percent for CPP). The contribution is limited to approximately the first \$61,700 of employee wages. CRSP and CPP pension expense for the Central Treasury amounted to approximately \$314,500 and \$320,000 for the years ended December 31, 2011 and 2010, respectively.

Conference lay employees are eligible for pension coverage under the United Methodist Personal Investment Plan (UMPIP), formerly the Cumulative Pension and Benefit Fund (CPBF). UMPIP is a defined contribution plan which currently calls for a three percent employee contribution and a nine percent employer contribution. UMPIP pension expense for the Central Treasury amounted to approximately \$101,000 and \$111,000 for the years ended December 31, 2011 and 2010, respectively.

(Continued)

THE CENTRAL TREASURY OF THE VIRGINIA ANNUAL  
CONFERENCE OF THE UNITED METHODIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2011 AND 2010

NOTE 8 - RETIREMENT PLANS, (Continued)

The General Board of Pension and Health Benefits of the United Methodist Church, as a matter of its own policy, has changed certain retirement plan provisions from guaranteed to market-based yield agreements, and vice versa. This change in policy may have a direct effect on the Conference's benefit obligation including the obligation in connection with Supplement One to the Clergy Retirement Security Program, commonly referred to as the Pre-82 Pension Plan, and it could eventually result in the Conference's assumption of greater future benefits and related necessary increases in retirement contribution levels, which may result in a material adverse effect on the financial position of the Conference. These factors create some uncertainty about the Conference's ability to continue to fund current operations. The accompanying financial statements do not include any adjustments related to these contingencies.

NOTE 9 - COMMITMENTS

At December 31, 2011, the Church Development Team of the Conference has committed grants and loans for the purpose of building new churches in connection with the Revealing Christ Campaign for approximately \$308,000. Additionally, the Church Development Team has committed grants and loans to churches for approximately \$443,000 in connection with the Church Development Team Church Extension and Development Fund.

On December 13, 2011, the Central Treasury entered into a contract for the purchase of land and construction of a new Episcopal residence in the approximate amount of \$465,000. The construction of the residence is expected to be completed in 2012.

NOTE 10 - CONCENTRATIONS OF CREDIT RISK

Financial instruments which potentially subject the Central Treasury to concentrations of credit risk consist primarily of investments and cash and cash equivalents. The Central Treasury places its investments and its cash and cash equivalents with creditworthy institutions and diversifies its holdings among entities, thereby limiting the amount of credit exposure to any one entity. As of December 31, 2011, the Central Treasury has \$3,147 of cash deposits in excess of federally insured limits being held by a federally insured financial depository institution.

The investments of the Central Treasury, in general, are exposed to various risks, such as interest rate, credit and overall market volatility risks. In addition, due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statement of financial position.

(Continued)



THE CENTRAL TREASURY OF THE VIRGINIA ANNUAL  
CONFERENCE OF THE UNITED METHODIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2011 AND 2010

NOTE 11 - CONTINGENCIES

The Conference, from time to time, is a defendant in civil actions. The Conference intends to vigorously defend the claims asserted against it by all claimants. Management believes that any ultimate liability arising from these actions should not have a material adverse effect on the financial position of the Conference. Due to uncertainties in the settlement process, it is at least reasonably possible that management’s estimate of any ultimate liability will change within the near term.

NOTE 12 - FAIR VALUE OF FINANCIAL INSTRUMENTS

The Central Treasury’s investments are reported at fair value in the accompanying statement of financial position.

	Fair Value Measurements at Reporting Date Using:	
	Quoted Prices in Active Markets for Identical Assets	
	Fair Value	(Level 1)
December 31, 2011		
Equity Funds	\$ 1,075,504	\$ 1,075,504
Bond Funds	1,333,814	1,333,814
Index Funds	865,243	865,243
Money Market Funds	517,891	517,891
Total	\$ 3,792,452	\$ 3,792,452
December 31, 2010		
Equity Funds	\$ 765,179	\$ 765,179
Bond Funds	405,511	405,511
Index Funds	829,086	829,086
Money Market Funds	12,990	12,990
Total	\$ 2,012,766	\$ 2,012,766

(Continued)

THE CENTRAL TREASURY OF THE VIRGINIA ANNUAL  
CONFERENCE OF THE UNITED METHODIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2011 AND 2010

NOTE 12 - FAIR VALUE OF FINANCIAL INSTRUMENTS, (Continued)

Generally accepted accounting principles establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, Level 2 inputs consist of observable inputs other than quoted prices for identical assets, and Level 3 inputs have the lowest priority. The Central Treasury uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, The Central Treasury measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value.

Level 1 Fair Value Measurements

The fair values of equity funds, bond funds, index funds and money market funds are based on quoted market prices.

The carrying amounts of financial instruments including cash and cash equivalents, accounts receivable and promises to give approximate fair value at December 31, 2011 and 2010, because of the relatively short maturity of these instruments.

The carrying value of notes receivable and notes payable approximate fair value at December 31, 2011 and 2010, based on the lending rates currently offered for loans with similar terms and maturities.

NOTE 13 - GENERAL OPERATING FUND

At December 31, 2011 and 2010, the components of the General Operating Fund are as follows:

	2011	2010
Council on Finance and Administration Reserve Fund	\$ 167,278	\$ (46,248)

During 2010, the Central Treasury transferred the deficit positions of the District Superintendent’s Fund, the Equitable Compensation Commission Fund and the UM Building Debt Service Fund to the Council on Finance and Administration Reserve Fund.

(Continued)

THE CENTRAL TREASURY OF THE VIRGINIA ANNUAL  
CONFERENCE OF THE UNITED METHODIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2011 AND 2010

NOTE 14 - VIRGINIA UNITED METHODIST ASSEMBLY CENTER

In 2010, the Annual Conference approved the transfer of title of the Virginia United Methodist Assembly Center property, including land with a carrying value of \$133,344, to the Virginia United Methodist Assembly Center Corporation. During 2011, the title was transferred and the Annual Conference recognized a loss on the disposition of land in the amount of \$133,344.

NOTE 15 - SUBSEQUENT EVENTS

The preparation of the financial statements includes an evaluation of subsequent events through July 23, 2012, which is the date that the financial statements were available to be issued.

Effective April 1, 2012, the Central Treasury refinanced both swap contracts and consolidated them into one loan in the principal amount of \$2,016,000. The note payable is due in fixed monthly installments of principal of \$21,000 to the year 2020, and bears interest at the rate of 3.25%.

In May 2012, the Annual Conference entered into a contract with a third party to sell the current Episcopal residence for \$419,000. The closing date for this sale took place on July 9, 2012.

No provision has been made in the accompanying financial statements related to these matters.

401 - World Service & Conference Benevolences

Line	Description	Apportion. Collection	Other Income	Expenses	Balance to Program Fd	Balance to Conf. Res.	Beginning Balance	Ending Balance
WS	World Service Apportionment	2,760,015	-	2,760,015	-	-	-	-
A	Conference Benevolence Grants	283,108	-	281,455	-	1,653	-	-
B	Conference Programs	109,790	157,729	311,385	(43,866)	-	178,127	134,261
C	New Church Start Salary Support	402,359	-	362,504	-	39,855	-	-
D	Campus Ministries	867,949	-	844,921	-	23,028	-	-
E	Program & Board Administrative Exp.	1,587,912	109,195	1,627,867	-	69,240	-	-
F	Contingency for Conf. Benev. Shortfall					-		-
		6,011,133	266,924	6,188,147	(43,866)	133,776	178,127	134,261

401 - World Service & Conference Benevolences, Line A - Conference Benevolence Grants

Conference Benevolence Apportionment	283,108
Expenses	
Chaplain Services	149,000
Virginia Council of Churches	80,000
Virginia UM Assembly Center	36,775
Virginia Interfaith	8,010
Society of Saint Andrews	5,000
Appalachian Ministry Network	1,780
Industrial & Commercial Ministries	890
Total Expenses	281,455
Balance to (from) Conference Reserves	1,653

401 - World Service & Conference Benevolences, Line B - Conference Programs

	Grants	Programs	Emerging Funds	Total
Net Apportionment Income	35,600	-	74,190	109,790
Funded Programs		135,961	(135,961)	-
Other Income		157,729		157,729
Transfer from Emerging Funds		13,200	(13,200)	-
Total Income	35,600	306,890	(74,971)	267,519
Expenses				
Program expenses		275,785		275,785
Transfer to Common Table Grant Fund (626)	35,600			35,600
Total Expenses	35,600	275,785	-	311,385
Net Income over Expenses	-	31,105	(74,971)	(43,866)
Transfer to Emerging Funds		(30,896)	30,896	-
Beginning Balance	-	-	178,127	178,127
Ending Balance	-	209	134,052	134,261

Common Table Programs	Funded Programs	Other Income	Program Fd Transfer	Expenses	Balance to Program Fd
55103 - Annual Conference Orientation for Youth & College Age	-	8,850	-	12,285	(3,435)
55106 - Events Brochure & Youth Thrive	5,000	-	-	3,984	1,016
55107 - Basis Training (Adult Youth Workers Retreat)	3,000	1,210	-	1,377	2,833
55113 - LEAD	4,000	6,300	-	9,348	952
55120 - School for Children's Ministries	2,000	-	-	-	2,000
55203 - Regional Workshops on Economic Justice	2,000	-	-	1,500	500
55204 - Green Church Evangelism	1,000	-	-	1,000	-
55205 - Theological Ecological Pilgrimage	2,000	75	-	1,946	129
55208 - Conf. Legislative Network (CLN)	2,000	5,175	-	7,262	(87)
55503 - Small Group Leaders for Youth Retreats	6,000	-	-	5,500	500
55534 - Older Adult Retreat	2,500	-	-	2,273	227
55702 - New Pastors, New Passion, From Maintenance to Mission	5,000	-	-	650	4,350
55705 - Conference Disaster Response Committee	7,000	-	-	7,000	-
55708 - UM Volunteers In Mission - Team Leader Training	2,000	-	-	2,006	(6)
55709 - VA Conf School of Christian Mission	6,000	-	-	6,000	-
55712 - Voices of Youth Awakening the UMC to Mission	3,000	-	-	3,000	-
55727 - Conference Wide Mission Training	1,500	-	-	1,500	-
56001 - Campus Ministry Mission/Study/Travel Fund	7,500	209	-	-	7,500
56002 - Campus Ministry Implementation Consulting	-	-	6,000	6,000	-
56007 - Campus Ministry Internship Program	5,000	-	-	-	5,000
56008 - Campus Minsitry Board Training & Fundraising	-	-	1,000	1,280	(280)
56203 - Lay Supply Orientation	890	-	-	1,218	(328)
56303 - Bishop's Convocation	-	1,638	3,200	3,800	1,038
56305 - African American Ministry - Special Submission	11,071	-	-	4,799	6,272
56501 - Leadership Training Event	3,000	-	-	2,909	91
56504 - Lay Missionary Planting Network	-	-	-	-	-
56702 - Benevolence Interpretation-VA UM COMM	15,000	-	-	14,870	130
56803 - Embracing the Multi-Ethnic Body of Christ	2,000	-	-	339	1,661
56804 - Jubilee Assistance Project	-	-	3,000	2,768	232
56805 - Spanish Immersion & Pastoral Dialogue	2,500	-	-	2,500	-
56806 - Disciple Bible Outreach Ministries of Virginia	4,000	-	-	3,283	717
56810 - Common Table Solar Panel Support	20,000	-	-	20,000	-
643 - Advent-Lent Devotional Booklet	-	50	-	50	-
64906 - Middle School Fall Retreat	-	46,892	-	50,365	(3,473)
64907 - Middle School Missions	-	19,735	-	18,985	750
64909 - Sr High Fall Retreat	-	67,595	-	64,988	2,607
692 - Camp Loud & Clear	7,000	-	-	7,000	-
785 - Vocation Care	2,000	-	-	2,000	-
781 - Small Church Leadership Inititive	2,000	-	-	2,000	-
	135,961	157,729	13,200	275,785	30,896

401 - World Service & Conference Benevolences, Line C - New Church Start Salary Support

Conference Benevolence Apportionment	402,359
Expenses	
Grants to New Faith Communities for salaries	362,504
Total Expenses	362,504
Balance to (from) Conference Reserves	39,855

401 - WORLD SERVICE & CONFERENCE BENEVOLENCES, Line D - Campus Ministry

Conference Benevolence Apportionment	867,949
Expenses	
Accountable Reimbursement	11,192
Grants - Outsource	70,056
Housing Allowance - Clergy	112,500
Insurance	1,236
Salaries - Campus Ministers	351,033
Insurance - Lay Health	6,228
Insurance - Clergy Health	52,380
Insurance - Disability & Life - BPP	1,151
Pensions - Clergy Emplr's Contribution	56,594
Pensions - Lay Emplr's Contribution	10,532
Longwood Wesley Fndn	2,268
Harrisonburg-Wesley Fndn	3,907
Mary Washington-Wesley Fndn	62,660
Pace Student Center--VCU	3,727
UVA-Wesley Fndn	3,859
Va Tech-Wesley Fndn	7,938
Tidewater Wesley Fndn	3,371
William & Mary-Wesley Fndn	1,898
No Va Commuter Ministry	44,254
Christopher Newport Commuter Ministry	17,252
SW VA Comm College Ministry	20,885
Miscellaneous Expenses	-
Total Expenses	844,921
Balance to (from) Conference Reserves	23,028

401 - World Service & Conference Benevolences, Line E - Administrative Expenses

Line	Description	Net Apportion.	Other inc./ Fund Transfers	Expenses	Balance to Conf. Res.
1	Common Table	9,753		9,343	410
2	Departmental Administration	68,664		52,642	16,022
3	Agency Administration	137,521		95,493	42,028
4	Personnel Costs	917,232	101,500	1,051,439	(32,707)
5	Information Technologies	150,885	79,195	211,484	18,596
6	Advocate Support	71,500	(71,500)	-	-
7	Regional Ministry Teams	20,124		-	20,124
8	Office Rent	165,970		165,970	-
9	Postage, Printing & Phone	32,446		32,446	-
10	Contingency	13,817		9,050	4,767
		1,587,912	109,195	1,627,867	69,240

Line 2, Department Administration	Fund 501 Conn. Min.	Fund 502 Comm.	Fund 505 Congreg. Excellence	Fund 507 Youth, Yng Adult, Singles	Fund 509 Lay Life Disab.	Fund 510 Mission Office	Total
Conference Benevolence Apportionment	9,591	8,908	11,184	12,354	13,785	12,842	68,664
Expenses							
Books / Subscriptions	94	166	210	47	358	527	1,402
Background checks	-	-	-	1,845		42	1,887
Cellular Telephone	780	1,910	390	540		780	4,950
Continuing Education	180	450	400	-	-	75	1,105
Continuing Education - ATP	400	1,070	-	20	98	400	1,988
Dues	250	100	-	25	476	-	851
Office Supplies	269	495	252	450	418	864	2,748
Program expenes	-	-	-		235		235
Training	-	-	150		-	-	150
Travel	7,370	2,926	10,924	3,805	3,919	7,747	36,691
Miscellaneous Expenses		281	22	22	57	253	635
Total Expenses	9,343	7,398	12,348	6,754	6,111	10,688	52,642
Balance to (from) Conference Reserves	248	1,510	(1,164)	5,600	7,674	2,154	16,022

Line 3, Agency Administration	Fund 515 Church & Society	Fund 516 Disciple.	Fund 517 Global Min.	Fund 519 Comm.	Fund 521 Higher Educ.	Fund 522 Laity	SubTotal A (to below)
Conference Benevolence Apportionment	10,663	19,312	19,019	7,835	9,558	11,834	78,221
Expenses							
Meetings	2,814	6,670	3,136	1,919	2,159	1,472	18,170
Contributions	50	-	-				50
Registration fees	-		115				115
Travel	60		2,336			4,948	7,344
Annual Conference	934	1,161	590	423	95		3,203
Honorarium\Program	150	1,800	192				2,142
Software & supplies					3,695		3,695
Interns			3,230				3,230
Miscellaneous	502	558	1,680		554	611	3,905
Total Expenses	4,510	10,189	11,279	2,342	6,503	7,031	41,854
Balance to (from) Conference Reserves	6,153	9,123	7,740	5,493	3,055	4,803	36,367

Line 3, Agency Administration (continued)	Fund 525	Fund 526	Fund 527	Fund 531	Fund 667	SubTotal A	Total
	COSROW	CEMCA	Comm. On Disabilities	Church Develop.	Mission Personnel	(above)	
Conference Benevolence Apportionment	5,364	6,502	8,063	3,836	35,535	78,221	137,521
Expenses							
Meetings	129	2,902	891	762		18,170	22,854
Contributions						50	50
Registration fees						115	115
Travel						7,344	7,344
Annual Conference	20	299	11,497			3,203	15,019
Honorarium\Program\Grants	306				36,713	2,142	39,161
Software & supplies		120				3,695	3,815
Interns						3,230	3,230
Miscellaneous						3,905	3,905
Total Expenses	455	3,321	12,388	762	36,713	41,854	95,493
Balance to (from) Conference Reserves	4,909	3,181	(4,325)	3,074	(1,178)	36,367	42,028

Line 4-7, Personnel Costs, IT, and Advocate Support	Personnel Costs	Information Technologies	Advocate Support
Income			
Conference Benevolence Apportionment	917,232	150,885	71,500
Conference Services Apportionment		79,195	
Transfers to cover salaries	71,500		(71,500)
Transfers from other funds	30,000		
	1,018,732	230,080	-
Expenses			
Salaries & accountable reimbursements	781,946	90,310	
Health insurance	92,701	11,007	
Pensions	80,092	8,128	
Payroll taxes	41,977	6,695	
Housing	37,500	-	
Life and disability insurance	7,190	759	
Workers' compensation insurance	2,725	-	
Other personnel costs	7,308	137	
Software support		21,257	
Service contracts		20,115	
Large hardware purchases		14,796	
Telephone		11,520	
Small software purchases		10,642	
Small hardware purchases		6,593	
Repairs		3,385	
Cell phones		1,594	
Miscellaneous		4,546	
	1,051,439	211,484	-
Balance to (from) Conference Reserves	(32,707)	18,596	-

407 - Conference Services

Line	Budget	Apportion.	Uncollected Apportion.	Net Apportion.	Other Income	Expenses	Balance to Conf. Res.	Beginning Balance	Ending Balance
1	Board of Ordained Ministry	276,720	276,720	273,926	113	233,212	40,827	-	-
2	Bishop's Assistant	213,310	2,151	211,159	-	160,206	50,953	-	-
3	Pastor Relocation & Transition	17,000	164	16,836	-	14,797	2,039	-	-
4	Annual Conference Session	210,000	2,124	207,876	5,833	234,691	(20,982)	-	-
5	Mortgage Payments	265,000	2,672	262,328	149	489,920	(227,443)	-	-
6	Treasurer's Office	365,000	3,648	361,352	-	358,935	2,417	-	-
7	Computer Services	80,000	805	79,195	-	79,195	-	-	-
8	Wesley Foundation Property Maint.	50,000	497	49,503	-	39,210	-	14,296	24,589
9	Richmond Area Episcopal Exp.	26,500	260	26,240	-	26,500	(260)	-	-
10	Archives	15,000	154	14,846	50	12,520	2,376	-	-
11	Council on Finanace & Admin.	8,500	82	8,418	-	6,083	2,335	-	-
12	Historical Society	8,700	95	8,605	180	4,518	4,267	-	-
13	Board of Trustees	2,000	27	1,973	-	830	1,143	-	-
14	Telephone Service	20,000	198	19,802	9,130	9,831	19,101	-	-
15	Insurance	32,000	319	31,681		25,147	6,534	-	-
16	Postage & Printing	25,000	247	24,753	33,129	47,684	10,198	-	-
17	Conference Publications	20,000	205	19,795	3,382	5,057	18,120	-	-
18	Bishop's Automobile	5,000	51	4,949		1,327	-	31,417	35,039
19	Contingency Funds for Unseen Exp.	10,000	103	9,897	-	5,332	4,565	-	-
20	Legal	25,000	257	24,743		30,732	-	192,932	186,943
21	Lake Junaluska Dam Project	33,333	347	32,986		33,333	(347)	-	-
22	2012 General Conference Hosting	9,800	102	9,698		-	(102)	19,600	29,400
23	Budget Shortfall Contingency	301,383		-	-	-	-	-	-
		2,019,246	291,228	1,700,561	51,966	1,819,060	(84,259)	258,245	275,971

Line 1, Board of Ordained Ministry	Apportion.	Uncollected Apportion.	Net Apportion.	Other Income	Expenses	Balance to Conf. Res.
Minister's Family Counseling	15,000	151	14,849	-	7,925	6,924
Candidates' Evaluation	20,000	202	19,798	113	15,749	4,162
Sexual Ethics Response Team	1,780	18	1,762	-	-	1,762
Clergy Families in Transistion	20,000	205	19,795	-	1,579	18,216
Office Administration	15,400	163	15,237	-	8,575	6,662
Personnel Costs	145,000	1,456	143,544	-	147,274	(3,730)
Board Administration	59,540	599	58,941	-	52,110	6,831
	276,720	2,794	273,926	113	233,212	40,827

	Line 2, Bishop's Assistant	Line 6, Treasurer's Office	Line 7, Computer Services	Line 14, Telephone Service	Line 16, Postage & Printing
Conference Benevolence Apportionment	213,310	365,000	80,000	20,000	25,000
Less: Uncollected Apportionments	2,151	3,648	805	198	247
Net Apportionment Income	211,159	361,352	79,195	19,802	24,753
Other income:					
Transfer from Conference Benevolences				6,490	25,956
Reimbursements and cost sharing				2,640	3,916
Other income					3,257
	211,159	361,352	79,195	28,932	57,882

Expenses:					
Salaries	111,988	229,972			
Pensions	12,837	22,283			
Transfer to Information Technologies Fund			79,195		
Audit		32,000			
Property & Equipment purchase	-				5,195
Office Rent	4,200	22,980			
Insurance - Health	10,476	16,704			
Taxes - Employer Social Security	-	19,549			
Housing Allowance - Clergy	15,000				
Training		450			
Telephone expense				9,831	
Printing and copying					18,347
Travel	1,730	5,914			
Office Supplies	331	1,163			1,761
Postage	12				13,108
Insurance - Disability & Life - BPP		2,997			
Cellular Telephone	780	780			
Accountable Reimbursement	1,480				
Equipment rental & maintenance					9,273
Miscellaneous Expenses	137	2,600			
Insurance	395	929			
AC Expenses	840	614			
Total Expenses	160,206	358,935	79,195	9,831	47,684
Balance to (from) Conference Reserves	50,953	2,417	-	19,101	10,198

	Line 10,	Line 11,	Line 12,	Line 13,	Line 17,
	Achives	CFA	Historical Society	Board of Trustees	Conference Publications
Conference Benevolence Apportionment	15,000	8,500	8,700	2,000	20,000
Less: Uncollected Apportionments	154	82	95	27	205
Net Apportionment Income	14,846	8,418	8,605	1,973	19,795
Other income	50		180		3,382
Total Income	14,896	8,418	8,785	1,973	23,177
Expenses:					
Salaries	10,400				
Meetings		920	1,444	707	
Student Assistant @RMC			500		
Dues			200		
Taxes - Employer Social Security	796				
Travel		384		68	643
Office Supplies	1,304				
Postage	1			24	4,224
Printing & Copying	19	76	106		
Heritage Publication			900		
Distributions					
Site maintenance			800		
Miscellaneous Expenses			25	31	190
Insurance			523		
AC Expenses		4,703	20		
Total Expenses	12,520	6,083	4,518	830	5,057
Balance to (from) Conference Reserves	2,376	2,335	4,267	1,143	18,120

Line 4, Annual Conference Session

Conference Benevolence Apportionment	210,000
Less: Uncollected Apportionments	2,124
Net Apportionment Income	207,876
Other income	5,833
Total Income	213,709
Expenses:	
Miscellaneous	214
Honorarium	3,400
Office Supplies	1,059
Postage/UPS	14,531
Printing/Copying	13,875
Storage Expense	3,927
Travel	169
AC Book of Reports	4,242
AC Choir	5,050
AC Comm-Nominations	1,126
AC Comm-Planning	1,514
AC Commits-Plan/Minutes	6,281
AC Rules	355
AC Site Selection	9
AC Worship	6,239
AC Decorations/Platform	211
AC Computers/Electronics	12,829
AC Election Expenses	5,054
AC Expenses	5,216
AC Lodging	8,066
AC Meeting Place Rental	92,863
AC Per Diem	46,412
AC Registration Expense	2,049
AC Trans/Truck	-
Total Expenses	234,691
Balance to (from) Conference Reserves	(20,982)

Other Apportionments

	Fund 403, Equitable Comp.	Fund 408, District Superintend.
Apportionment	500,000	2,540,000
Less: Uncollected Apportionments	59,647	285,628
Net Apportionment Income	440,353	2,254,372
Expenses		
Grants - salary support	410,572	-
Grants - sustaining	-	-
Salaries	-	1,583,839
Employment benefits	-	383,592
Travel	-	112,460
Meals & lodging	-	27,322
Continuing Education & Training	-	6,787
Insurance	-	5,949
Meetings	318	1,620
Miscellaneous	-	51
Carryover deficit from prior years	-	-
	410,890	2,121,620
Closeout to Conference Reserves	29,463	132,752

Conference Passthrough Apportionments (Do not effect Conference Reserves)

	Fund 404, Conf. Health Plan	Fund 405, Ret./Dis. & Widowed	Fund 408, Education Fund	Fund 409, Church Ext. & Develop.
Apportionment	8,451,813	5,997,912	1,072,500	812,500
Less: Uncollected Apportionments	789,700	672,444	230,492	160,504
Net Apportionment Income	7,662,113	5,325,468	842,008	651,996
Distributions:				
Pensions Office	7,662,113	5,325,468	-	-
Ferrum College	-	-	164,191	-
RMC	-	-	155,771	-
Randolph College	-	-	134,721	-
RMA	-	-	84,201	-
Shenandoah University	-	-	151,562	-
Va Wesleyan College	-	-	151,562	-
Church Extension Fund	-	-	-	423,788
Common Table Grant Program	-	-	-	65,120
Districts	-	-	-	163,088
	7,662,113	5,325,468	842,008	651,996
Net amount for the year	-	-	-	-

General & Jurisdictional Apportionments

	Fund 402, Episcopal Fund	Fund 412, General Connectional	Fund 413, Interdonom. Cooperation	Fund 414, Black College Fund	Fund 415, Africa University
Apportionment	911,326	604,805	85,478	437,551	97,927
Less: Uncollected Apportionments	106,259	130,146	18,317	96,983	16,154
Net Apportionment Income	805,067	474,659	67,161	340,568	81,773
Distributions:					
General Council on Finance and Admin.	805,067	278,078	67,161	340,568	81,773
Southeast Jurisdiction	-	196,581	-	-	-
	805,067	474,659	67,161	340,568	81,773
Net amount for the year	-	-	-	-	-



401 - World Service & Conference Benevolences

Line	Description	Apportion. Collection	Other Income	Expenses	Balance to Program Fd	Balance to Conf. Res.	Beginning Balance	Ending Balance
WS	World Service Apportionment	2,760,015	-	2,760,015	-	-	-	-
A	Conference Benevolence Grants	283,108	-	281,455	-	1,653	-	-
B	Conference Programs	109,790	157,729	311,385	(43,866)	-	178,127	134,261
C	New Church Start Salary Support	402,359	-	362,504	-	39,855	-	-
D	Campus Ministries	867,949	-	844,921	-	23,028	-	-
E	Program & Board Administrative Exp.	1,587,912	109,195	1,627,867	-	69,240	-	-
F	Contingency for Conf. Benev. Shortfall					-		-
		6,011,133	266,924	6,188,147	(43,866)	133,776	178,127	134,261

401 - World Service & Conference Benevolences, Line A - Conference Benevolence Grants

Conference Benevolence Apportionment	283,108
Expenses	
Chaplain Services	149,000
Virginia Council of Churches	80,000
Virginia UM Assembly Center	36,775
Virginia Interfaith	8,010
Society of Saint Andrews	5,000
Appalachian Ministry Network	1,780
Industrial & Commercial Ministries	890
Total Expenses	281,455
Balance to (from) Conference Reserves	1,653

401 - World Service & Conference Benevolences, Line B - Conference Programs

	Grants	Programs	Emerging Funds	Total
Net Apportionment Income	35,600	-	74,190	109,790
Funded Programs		135,961	(135,961)	-
Other Income		157,729		157,729
Transfer from Emerging Funds		13,200	(13,200)	-
Total Income	35,600	306,890	(74,971)	267,519
Expenses				
Program expenses		275,785		275,785
Transfer to Common Table Grant Fund (626)	35,600			35,600
Total Expenses	35,600	275,785	-	311,385
Net Income over Expenses	-	31,105	(74,971)	(43,866)
Transfer to Emerging Funds		(30,896)	30,896	-
Beginning Balance	-	-	178,127	178,127
Ending Balance	-	209	134,052	134,261

Individual Funds Above \$250,000 and Capital Campaigns

622 - Church Extension Fund	
Income:	
Church Extension & Development Apportionment	423,788
Interest on loans	982
Other	1,476
Total Income	426,246
Expenses:	
Grants	154,694
Church planter training and coaching	38,573
Consulting	9,100
Common Table Salary Support	30,000
Website expenses	3,032
Intern personnel expenses	2,960
Meeting	1,254
Travel	1,081
Office	190
Other	677
Total Expenses	241,561
Net Expenses over Income	184,685
Beginning balance	2,579,314
Ending balance	2,763,999
930 - Property and Equipment Fund	
Income:	
Principal payments on mortgage	358,052
Transfers in for equipment purchases	71,356
Total Income	429,408
Expenses:	
Gift of real estate	133,344
Depreciation	188,372
Total Expenses	321,716
Net Expenses over Income	107,692
Beginning balance	2,317,271
Ending balance	2,424,963
653 - Francis Asbury Education Fund	
Income:	
Net Gain on Foundation Investments	11,826
Interest on loans	
Donations	5,919
Total Income	17,745
Expenses:	
Total Expenses	-
Net Expenses over Income	17,745
Beginning balance	566,643
Ending balance	584,388

**627 - UM Communications/Operations**

## Income:

Subscriptions	70,584
Advertising	30,922
Other	853
<b>Total Income</b>	<b>102,359</b>

## Expenses:

Printing & copying	83,241
Office supplies and expenses	649
Equipment purchases	
Travel	3,162
Cell phone	
Photography & Outside Resources	1,116
Other	1,238
<b>Total Expenses</b>	<b>89,406</b>

Net Expenses over Income	12,953
Beginning balance	301,633
<b>Ending balance</b>	<b>314,586</b>

**621 - All Things New**

## Income:

Donations	524,932
<b>Total Income</b>	<b>524,932</b>

## Expenses:

Central Conference Pension Initiative	44,952
Fundraising expenses & accounting	38,075
Meetings	95
Other	1,125
<b>Total Expenses</b>	<b>84,247</b>

Net Expenses over Income	440,685
Beginning balance	(24,712)
<b>Ending balance</b>	<b>415,973</b>