

INDEPENDENT ACCOUNTANT REPORT

**Funds administered by the
Great Plains United Methodist Conference
Council on Finance and Administration**

**CONSOLIDATED FINANCIAL REPORT
December 31, 2014**

GREAT PLAINS ANNUAL CONFERENCE

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Independent Auditor's Report

Council on Finance and Administration and the Conference Treasurer
of The Great Plains Annual Conference of the United Methodist Church
Topeka, Kansas

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of The Great Plains Annual Conference of the United Methodist Church, which comprise the consolidated statement of financial position as of December 31, 2014, the related consolidated statements of activities and cash flows for the year then ended; and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of The Great Plains Annual Conference of the United Methodist Church as of December 31, 2014, 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.

Emphasis of Matter

As discussed in Note 1, members of the Kansas East, Kansas West and Nebraska United Methodist Conferences voted in June 2012 to unify the three conferences into one conference, The Great Plains Annual Conference of the United Methodist Church. The merger was effective January 1, 2014. Our opinion is not modified with respect to this matter.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information on pages 22–25 is presented for purposes of additional analysis and is not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements, or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.



Kansas City, Missouri
July 20, 2015

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The Great Plains Annual Conference of the United Methodist Church

Consolidated Statement of Financial Position
December 31, 2014

Assets

| | |
|--------------------------------------|----------------------|
| Current Assets | |
| Cash and cash equivalents | \$ 5,199,812 |
| Receivables (Note 2) | 2,268,053 |
| Prepaid expenses | 276,038 |
| Total current assets | <u>7,743,903</u> |
| Investments (Notes 3 and 4) | 62,825,381 |
| Property and equipment, net (Note 5) | 16,147,592 |
| Assets held for sale (Notes 4 and 6) | 1,839,886 |
| Total assets | <u>\$ 88,556,762</u> |

Liabilities and Net Assets

| | |
|--|----------------------|
| Current Liabilities | |
| Accounts payable | \$ 1,646,999 |
| Accrued expenses | 220,237 |
| Due to other organizations | 1,200 |
| Current portion of long-term debt (Note 7) | 145,363 |
| Total current liabilities | <u>2,013,799</u> |
| Long-Term Debt, less current maturities (Note 7) | 2,213,071 |
| Unfunded post-retirement benefit obligation (Note 9) | 1,387,489 |
| Total liabilities | <u>5,614,359</u> |
| Net Assets | |
| Unrestricted: | |
| Board designated | 65,776,942 |
| Undesignated | 6,615,006 |
| Temporarily restricted (Note 12) | 6,149,981 |
| Permanently restricted (Notes 11 and 12) | 4,400,474 |
| Total net assets | <u>82,942,403</u> |
| Total liabilities and net assets | <u>\$ 88,556,762</u> |

See Notes to Consolidated Financial Statements.

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The Great Plains Annual Conference of the United Methodist Church

Consolidated Statement of Activities
For the Year Ended December 31, 2014

| | Unrestricted | Temporarily Restricted | Permanently Restricted | Total |
|---|----------------------|---------------------------|---------------------------|----------------------|
| Support, revenues and gains: | | | | |
| Mission share revenue | \$ 13,592,279 | \$ - | \$ - | \$ 13,592,279 |
| Conference advance gifts | 24,022 | 362,014 | 4,113 | 390,149 |
| Special Sunday offerings—conf. share | - | 39,094 | - | 39,094 |
| Gifts and grants | 766,753 | 572,072 | 295 | 1,339,120 |
| Mission agency support | - | 1,166,030 | - | 1,166,030 |
| Pension and health income | 13,209,101 | 500,321 | - | 13,709,422 |
| District mission share | - | 270,095 | - | 270,095 |
| Total contributions | 27,592,155 | 2,909,626 | 4,408 | 30,506,189 |
| Program service fees | 1,643,329 | 5,485 | - | 1,648,814 |
| Net investment income | 3,529,831 | 317,366 | - | 3,847,197 |
| (Loss) on sale of assets | (318,482) | - | - | (318,482) |
| Other income | 469,111 | 34,003 | - | 503,114 |
| Total support, revenues and gains | 32,915,944 | 3,266,480 | 4,408 | 36,186,832 |
| Release of net asset restrictions: | | | | |
| Satisfaction of purpose restrictions (Note 13) | 4,083,377 | (4,083,377) | - | - |
| Total support, revenues, gains and release of net asset restrictions | 36,999,321 | (816,897) | 4,408 | 36,186,832 |
| Expenses and losses: | | | | |
| Program services: | | | | |
| Episcopal office | 4,177,522 | - | - | 4,177,522 |
| Pension and health expense | 11,639,692 | - | - | 11,639,692 |
| Clergy excellence | 1,188,474 | - | - | 1,188,474 |
| Congregational excellence | 5,525,604 | - | - | 5,525,604 |
| Mercy and justice | 2,286,350 | - | - | 2,286,350 |
| Other conference ministries | 3,930,927 | - | - | 3,930,927 |
| Total program expenses | 28,748,569 | - | - | 28,748,569 |
| Supporting activities: | | | | |
| Administrative | 4,067,631 | - | - | 4,067,631 |
| Fundraising | 45,181 | - | - | 45,181 |
| Total expenses and losses | 32,861,381 | - | - | 32,861,381 |
| Change in net assets | 4,137,940 | (816,897) | 4,408 | 3,325,451 |
| Net assets, beginning of year | 68,254,008 | 6,966,878 | 4,396,066 | 79,616,952 |
| Net assets, end of year | \$ 72,391,948 | \$ 6,149,981 | \$ 4,400,474 | \$ 82,942,403 |

See Notes to Consolidated Financial Statements.

The Great Plains Annual Conference of the United Methodist Church

Consolidated Statement of Cash Flows
For the Year Ended December 31, 2014

| | |
|---|----------------------------|
| <hr/> | |
| Cash Flows From Operating Activities | |
| Change in net assets | \$ 3,325,451 |
| Adjustments to reconcile change in net assets to net cash provided by operating activities: | |
| Depreciation expense | 692,057 |
| Cash received on contributions received for long-term investment | (4,408) |
| Net realized and unrealized gain on investments | (3,038,414) |
| Net realized and unrealized gain on investments - post-retirement benefit plan assets | (413,688) |
| Loss on sale of property and equipment | 318,482 |
| Decrease in receivables | 1,755,651 |
| Increase in prepaid expenses | (156,623) |
| Decrease in accounts payable and accrued expenses | (414,106) |
| Decrease in due to other organizations | (799,437) |
| Decrease in post-retirement benefit obligation | (2,288,590) |
| Net cash used in operating activities | <u>(1,023,625)</u> |
| Cash Flows From Investing Activities | |
| Proceeds from sale of investments | 4,488,220 |
| Purchase of investments | (7,771,256) |
| Purchase of investments - post-retirement benefit plan assets | (70,563) |
| Proceeds from sale of property and equipment | 118,570 |
| Purchase of property and equipment | (493,779) |
| Net cash used in investing activities | <u>(3,728,808)</u> |
| Cash Flows From Financing Activities | |
| Proceeds from borrowings on long-term debt | 19,953 |
| Principal repayments on long-term debt | (142,690) |
| Proceeds on contributions received for long-term investment | 4,408 |
| Net cash used in financing activities | <u>(118,329)</u> |
| Net decrease in cash and cash equivalents | (4,870,762) |
| Cash and cash equivalents, beginning of year | 10,070,574 |
| Cash and cash equivalents, end of year | <u><u>\$ 5,199,812</u></u> |
| Supplemental Disclosures of Cash Flow Information | |
| Cash paid for interest | <u><u>\$ 112,479</u></u> |

See Notes to Consolidated Financial Statements.

The Great Plains Annual Conference of the United Methodist Church**Notes to Consolidated Financial Statements**

Note 1. Nature of Organization and Significant Accounting Policies

Nature of Organization: The Great Plains Annual Conference of The United Methodist Church and Affiliates (the Conference) is a not-for-profit organization representing 17 districts, 1,035 local congregations, 220,000 lay people and nearly 800 active elders, deacons, associate members and local pastors in Kansas and Nebraska. On January 1, 2014, the three conferences of Kansas East, Kansas West, and Nebraska were legally combined into the Conference as presented in this report.

The Conference provides various services for its member churches including credentialing, appointment and supervision of clergy; administration of health benefits and retirement plans available to member clergy and lay employees; and the collection of funds for remittance to various conferences and regional, national and global ministries. The Conference is primarily supported through apportionments and charitable contributions. Approximately 80% percent of the Conference's support came from apportionments in 2014. Apportionments are included in Mission share revenue on the consolidated statement of activities.

Nature of activities: The program services of the Conference are defined as follows:

- *Episcopal office:* Support for the Bishop's office and the office of 17 district superintendents that oversee clergy deployment.
- *Clergy excellence:* Focuses on the recruitment, credentialing, training, and development of clergy leaders for every congregation in the Great Plains Conference.
- *Congregational excellence:* Equip and connect local congregations so that they may become more vital and effective in the mission of the church which includes specialized areas such as new church development, Hispanic ministries, youth ministries, campus ministries and camping.
- *Mercy and justice:* Assist local congregations develop ministries to provide mission and outreach services to their communities and to the world.
- *Other conference ministries:* Includes all other programs and ministries that do not fall under one of the categories listed above that are either self-sustaining or supported by the above ministries.

Basis of accounting: The Conference uses the accrual method of accounting. The assets and liabilities of the Conference are reported as one of three classes of net assets: unrestricted, temporarily restricted or permanently restricted.

Principles of consolidation: Generally accepted accounting principles require the Conference to consolidate entities in which it has control and an economic interest when that control is evidenced through majority ownership or voting interests. The Great Plains Annual Conference of The United Methodist Church has an economic interest in, and control of, the Great Plains United Methodist New Church Development (NCD), the Great Plains United Methodist Campus Ministry, Inc. (UMCM), and the Great Plains United Methodist Camps, Inc. (CAMP), through voting interests, and consolidation is required. The consolidated financial statements include the accounts of the Conference, the NCD, UMCM, and CAMP. All significant inter-company balances and transactions have been eliminated in consolidation.

- **NCD:** NCD works in recruitment and training of new church start pastors, parent congregations and identifying and prioritizing locations for new start churches throughout the Great Plains Conference.
- **UMCM:** The vision of UMCM is to invite, discipline and equip students so that they may be sent out as transformed leaders who can change the world.

The Great Plains Annual Conference of the United Methodist Church

Notes to Consolidated Financial Statements

Note 1. Nature of Organization and Significant Accounting Policies (Continued)

- **CAMP:** The vision of CAMP is to develop Christian spiritual leaders, provide intentional places apart to encounter God, to extend genuine Christian hospitality and community, to nurture Christian faith and discipleship, to teach Creation care and appreciation, to collaborate with the United Methodist churches and agencies and to inspire and equip guests to do love and justice.

Cash and cash equivalents: The Conference considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents. The Conference has excluded cash held in or designated for investment accounts.

Capitalization and depreciation: It is the policy of the Conference to capitalize property and equipment with a cost of \$5,000 or more. Lesser amounts are expensed at the time of purchase or donation. Purchased property and equipment is capitalized at cost, while donated property and equipment is recorded at estimated fair value. Property and equipment is depreciated over its estimated economic life using the straight-line method.

The ranges of estimated useful lives used in computing depreciation for financial statement purposes are as follows:

| | |
|------------------------------------|-------------|
| Buildings and improvements | 10–40 years |
| Furniture, fixtures and appliances | 3–7 years |
| Office equipment | 5–7 years |
| Vehicles | 5 years |

Land held for sale: Represents land contributed to the Conference held for future sale, for which no sales contract is currently in place. The land was recorded at the appraised value on the date of the gift, and is measured at the lower of carrying amount, less estimated cost to sell or fair market value.

Investments: The Conference carries its debt and equity securities at fair value. Market risk could occur and is dependent on the future changes in market prices of the various investments held. Unrealized appreciation or depreciation is reported as an increase or decrease to net assets. Fair values of investments are based on quoted market values (Level 1 measurements) or, in the case of alternative investments, at estimated values provided by the fund managers based on quoted market prices for similar instruments (Level 2), if available, or other valuation methods (Level 3). These estimated values are reviewed by management for reasonableness. See Note 4 for a schedule of fair value measurements.

Due to other organizations: Donations received with donor-placed restrictions specifying that the funds must be paid out to certain other charities are recorded as a liability.

Contributions: The Conference records contributions, including promises to give (pledges), when the contribution is deemed unconditional. Contributions are reflected in the consolidated financial statements at the earlier of the transfer of assets or at the time the unconditional promise to give is made and is reported as increases in the appropriate category of net assets in accordance with donor restrictions. When a restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the consolidated statement of activities as net assets released from restrictions.

Income taxes: All entities that consolidate into the Conference are not-for-profit organizations that are exempt from income taxes under the provisions of section 501(c)(3) of the Internal Revenue Code and do not file income tax returns pursuant to a group exemption.

The Great Plains Annual Conference of the United Methodist Church

Notes to Consolidated Financial Statements

Note 1. Nature of Organization and Significant Accounting Policies (Continued)

Uncertain tax provisions, if any, are recorded in accordance with the Financial Accounting Standards Board (FASB) *Accounting Standards Codification* (ASC) 740, Income Taxes, which requires the recognition of a liability for tax positions taken that do not meet the more-likely-than-not standard that the position will be sustained upon examination by taxing authorities. There is no liability for uncertain tax positions recorded at December 31, 2014.

Prior to the year ended December 31, 2014, CAMP filed annual form 990 returns. CAMP no longer files form 990 returns under the group exemption. Forms 990 previously filed by CAMP are subject to examination by the Internal Revenue Service (IRS) up to three years from the extended due date of each return. Generally, CAMP is no longer subject to income tax examinations by the U.S. federal, state and local tax authorities for years 2011 and prior.

Classification of net assets: The Conference reports information regarding its financial position and activities according to three classes of net assets, defined as follows:

Unrestricted: Unrestricted net assets are neither permanently nor temporarily restricted by donor-imposed stipulations. The Conference may designate portions of its unrestricted net assets as Board designated for various purposes. Included in unrestricted net assets are net assets designated by the Conference's Board for pension obligations and property-related expenses.

Temporarily restricted: Temporarily restricted net assets result from contributions and other inflows of assets whose use by the Conference is limited by donor-imposed stipulations that either expire by the passage of time or can be fulfilled or otherwise removed by actions of the Conference meeting the purpose of the restriction.

Permanently restricted: Permanently restricted net assets result from contributions and other inflows of assets whose use by the Conference is limited by donor-imposed stipulations that neither expire by the passage of time nor can be fulfilled or otherwise removed by actions of the Conference. Although such assets cannot be expended, the investment income earned on them is generally to be expended for a specific purpose.

Fundraising costs: The Conference expenses fundraising costs as incurred. Total expense for fundraising for the year ended December 31, 2014 was \$45,181, of which \$37,906 is attributable to CAMP.

Use of estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 revenue and expenses during the reporting period. Actual results could differ from those estimates.

Note 2. Receivables

Receivables at December 31, 2014, consist of the following:

| | |
|---|---------------------|
| Apportionments due from local United Methodist churches | \$ 1,668,814 |
| Other receivables | 599,239 |
| Total current receivables | <u>\$ 2,268,053</u> |

The Great Plains Annual Conference of the United Methodist Church

Notes to Consolidated Financial Statements**Note 2. Receivables (Continued)**

Apportionments: Amounts due from local United Methodist churches for apportionments consist of payments received during the first five business days in January of the subsequent year for the current fiscal year. The operating budget of the Conference is allocated to its member churches based upon a formula that takes into consideration local church operating income. Local churches are permitted to make payments through the first five business days of each succeeding year. Any apportionment amount not paid at that time is considered uncollectible and is not reflected as revenue or receivable. Therefore, no allowance for doubtful accounts has been recorded at December 31, 2014.

Note 3. Investments

The Conference has agreements with the Kansas Area United Methodist Foundation (KAUMF), the Nebraska United Methodist Foundation (NUMF) and the General Board of Pension and Health Benefits of the United Methodist Church (the General Board) in which KAUMF, NUMF and the General Board act as agents and investment managers of the Conference's investments, as well as for other organizations related to The United Methodist Church. These investments are pooled into larger investment funds at the KAUMF, NUMF and the General Board. Fund investments consist of approved equity securities, fixed-income and money market instruments in accordance with investment objectives and the Social Principles of The United Methodist Church. Investments at December 31, 2014, consist of the following:

| | Fair Value |
|----------------------------|----------------------|
| Money market | \$ 446,347 |
| U.S. government securities | 102,911 |
| Municipal bonds | 51,174 |
| Corporate bonds | 623,834 |
| U.S. government bonds | 544,888 |
| Equity securities | 1,678,393 |
| Mutual funds | 2,640,490 |
| Pooled investments | 56,684,985 |
| Other—land | 52,359 |
| | <u>\$ 62,825,381</u> |

Investment earnings for the year ended December 31, 2014 on investments, consist of the following:

| | |
|---------------------------------------|------------------|
| Interest and dividend income | 395,095 |
| Realized gains on sale of investments | 2,382,632 |
| Unrealized changes in market value | 1,069,470 |
| | <u>3,847,197</u> |

The Great Plains Annual Conference of the United Methodist Church**Notes to Consolidated Financial Statements**

Note 4. Fair Value Measurements

The Fair Value Measurements and Disclosures Topic of the *FASB Accounting Standards Codification*, defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants and requires the use of valuation techniques that are consistent with the market approach, the income approach and/or the cost approach. Inputs to valuation techniques refer to the assumptions that market participants would use in pricing the asset or liability. Inputs may be observable, meaning those that reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained from independent sources, or unobservable, meaning those that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. In that regard, the topic establishes fair value hierarchy for valuation inputs, that gives the highest priority to quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under the topic are described below:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the entity has the ability to access.

Level 2: Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation of other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair market value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The determination of where an asset or liability falls in the hierarchy requires significant judgment. The Conference evaluates its hierarchy disclosures based on various factors. It is possible that an asset or liability may be classified differently from year to year. However, the Conference expects that changes between the different levels will be rare.

Assets recorded at fair value on a recurring basis: A description of the valuation methodologies used for assets on a recurring basis is set forth below.

Investments: Where quoted prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. Level 1 securities would include highly liquid government bonds and exchange traded equities. If quoted market prices are not available, then fair values are estimated using pricing models, quoted prices of securities with similar characteristics, or discounted cash flow. Level 2 securities would include U.S. agency securities, mortgage-backed agency securities, obligations of states and political subdivisions and certain corporate, asset backed and other securities.

The Great Plains Annual Conference of the United Methodist Church**Notes to Consolidated Financial Statements**

Note 4. Fair Value Measurements (Continued)

In certain cases where there is limited activity or transparency around inputs to the valuation including alternative investments, securities are classified with the Level 3 of the valuation hierarchy.

Pooled investments: Pooled investments are valued based on the fair value of securities underlying the pool as determined generally by quoted market prices.

The investments held at the KUAMF are invested in a Short Term Income pooled fund, Fixed Income pooled income, and an Equity pooled fund. The underlying investments within these pooled funds are made up of level 1, level 2, and level 3 investments. Because the Conference's investment consists of a portion of the pooled funds, not in individual investments, all of the Conference's investments held with KAUMF are classified as level 3.

The investments held at the NUMF are invested in a Balanced Pooled Fund, Long-Term Growth Pooled Fund, and a Conservative Pooled Fund. The underlying investments within these pooled funds are made up of Level 1 investments. Because the Conference's investment consists of a portion of the pooled funds, not in individual investments, all of the Conference's investments held with NUMF are classified as Level 2.

The investments held with the General Board are in a Multiple Asset Fund, U.S. Equity Fund, Inflation Protection Fund, and STIF Pricing Fund. The underlying investments within these pooled funds are made up of Level 1 and Level 2 investments. Because the Conference's investment consists of a portion of the pooled funds, not in individual investments, all of the Conference's investments held with the General Board are classified as level 2.

Land and assets held for sale: Land and land held for sale is valued based on independent appraisals.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Conference believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of the certain financial instruments could result in a different fair value measurement at the reporting date.

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The Great Plains Annual Conference of the United Methodist Church

Notes to Consolidated Financial Statements

Note 4. Fair Value Measurements (Continued)

The following table summarizes assets and liabilities measured at fair value on a recurring basis as of December 31, 2014, segregated by the level of the valuation inputs within the fair value hierarchy utilized to measure fair value:

| | December 31, 2014 | | | Total |
|---|---------------------|----------------------|---------------------|----------------------|
| | Level 1 | Level 2 | Level 3 | |
| Investments | | | | |
| Money market | 446,347 | - | - | 446,347 |
| Fixed income securities: | | | | |
| U.S. government securities | 102,911 | - | - | 102,911 |
| US Government bonds | 544,888 | - | - | 544,888 |
| Corporate bonds | 623,834 | - | - | 623,834 |
| Municipal bonds | 51,174 | - | - | 51,174 |
| Equity securities: | | | | |
| Common stock: | | | | |
| Consumer discretionary | 98,876 | - | - | 98,876 |
| Consumer staples | 204,521 | - | - | 204,521 |
| Energy | 64,418 | - | - | 64,418 |
| Financial | 296,796 | - | - | 296,796 |
| Healthcare | 184,762 | - | - | 184,762 |
| Industrial | 307,246 | - | - | 307,246 |
| Information technology | 467,400 | - | - | 467,400 |
| Materials | 47,356 | - | - | 47,356 |
| Telecommunications | 7,018 | - | - | 7,018 |
| Mutual funds: | | | | |
| Domestic stock mutual funds | 1,034,760 | - | - | 1,034,760 |
| International stock mutual funds | 407,465 | - | - | 407,465 |
| Fixed income mutual funds | 1,198,265 | - | - | 1,198,265 |
| Pooled Investments | | | | |
| Wespath | - | 52,750,331 | - | 52,750,331 |
| Kansas Area United Methodist Foundation | - | - | 1,358,553 | 1,358,553 |
| Nebraska United Methodist Foundation | - | 2,510,928 | - | 2,510,928 |
| BL Paine Trust | - | - | 65,173 | 65,173 |
| Other | | | | |
| Land | - | - | 52,359 | 52,359 |
| | 6,088,037 | 55,261,259 | 1,476,085 | 62,825,381 |
| Land held for sale | - | - | 1,839,886 | 1,839,886 |
| Total | <u>\$ 6,088,037</u> | <u>\$ 55,261,259</u> | <u>\$ 3,315,971</u> | <u>\$ 64,665,267</u> |

The Conference does not have assets and liabilities recorded at fair value on a nonrecurring basis.

The Great Plains Annual Conference of the United Methodist Church

Notes to Consolidated Financial Statements

Note 4. Fair Value Measurements (Continued)

FASB ASC 825, Financial Instruments, requires disclosure of the fair value of financial assets and financial liabilities, including those financial assets and financial liabilities that are not measured and reported at fair value on a recurring or nonrecurring basis. Financial instruments are described as cash or contractual obligations or rights to pay or to receive cash. The methodologies for estimating fair value of financial assets and financial liabilities that are measured at fair value on a recurring or nonrecurring basis are discussed above. The fair value approximates carrying value for cash and cash equivalents, receivables, accounts payable, accrued liabilities and other current liabilities due to the short-term maturity of these instruments.

Note 5. Property and Equipment

At December 31, 2014, property and equipment consists of the following:

| | |
|------------------------------------|-----------------------------|
| Land | \$ 3,685,904 |
| Buildings and improvements | 17,866,412 |
| Furniture, fixtures and appliances | 647,368 |
| Office equipment | 249,479 |
| Vehicles | 687,466 |
| | <u>23,136,629</u> |
| Less accumulated depreciation | (6,989,037) |
| | <u><u>\$ 16,147,592</u></u> |

Note 6. Assets Held for Sale

Assets held for sale, recorded at appraised value, less estimated cost to sell, at December 31, 2014, consists of the following:

| | |
|---------------------------------------|----------------------------|
| Parsonages | \$ 335,791 |
| Piper—Land | 744,630 |
| 167th and Kill Creek, Gardner, Kansas | 759,465 |
| Total land held for sale | <u><u>\$ 1,839,886</u></u> |

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The Great Plains Annual Conference of the United Methodist Church

Notes to Consolidated Financial Statements

Note 7. Long-Term Debt

| | |
|---|--------------|
| On April 3, 1997, the Missouri River District entered into a \$89,000 promissory note with the Nebraska United Methodist Foundation for a loan for a district ministry. There is no interest rate on this loan and no collateral. | \$ 30,000 |
| On October 24, 2001, the New Church Development entered into a \$600,000, 15-year promissory note with the Kansas Area United Methodist Foundation (the Kansas Foundation) for the purchase of property near Lawrence, Kansas. This note was refinanced and rolled into a new loan on June 1, 2011, for \$430,367, also with the Foundation. This note carries a variable interest rate, which is 5.5% for 2014 and is to be repaid over 10 years with monthly payments of approximately \$4,671. The loan is secured by a real estate mortgage on the 115th and Leavenworth property. (Note #67) | 300,081 |
| On February 1, 2004, the New Church Development entered into a \$200,000, 15-year promissory note with the Kansas Foundation for the purchase of property near Basehor, Kansas. This note was refinanced with the release of the Basehor property, September 2012 and is now secured by the 115th and Leavenworth property. The note carries a variable interest rate that is 0.25% below the Kansas Foundation's base lending rate established January 1 of each year. The rate for 2014 is 3.5%. (Note #22) | 71,143 |
| On October 10, 2008, the United Methodist Campus Ministry entered into a \$900,000, 20-year promissory note with the Kansas Foundation for the purchase of property in Manhattan, Kansas. The note matures on November 1, 2028 and carries a variable interest rate at the base lending rate of the Kansas Foundation to be established every fifth year of the loan. The rate for 2014 is 5.25%. This loan is secured by a real estate mortgage on the land purchased with the proceeds in Manhattan, Kansas. (Note #58) | 664,023 |
| On October 24, 2010, the New Church Development entered into a \$360,000, 20-year promissory note with the Kansas Foundation, maturing November 1, 2030. The note carries a variable interest rate, which is of 5.5% for 2014. The loan is secured by a real estate mortgage on the Lot 4 property in Park City, Kansas. (Note #65) | 313,632 |
| On May 22, 2013, the New Church Development entered into a \$239,791, 20-year promissory note with the Kansas Foundation, maturing June 1, 2033. The note carries a variable interest rate at the base lending rate of the Kansas Foundation to be established every fifth year of the loan. The rate for 2014 is 5.25%. This loan is secured by approximately 11 acres on W. Sante Fe Street in Gardner, Kansas. (Loan #82) | 228,602 |
| On March 3, 2014, the Great Plains United Methodist Camps entered into a \$13,096, 5-year promissory note with Capital City Bank to purchase equipment. Maturing March 3, 2019, the note carries an interest rate of 3.75%. The loan is secured by the equipment purchased with the proceeds. (Note #5771) | 11,288 |
| On April 1, 2014, the New Church Development refinanced outstanding loans #81 and #84 with a \$759,115 promissory note with the Kansas Foundation, maturing April 1, 2034. The note carries a variable interest rate at the base lending rate of the Kansas Foundation to be established every fifth year of the loan. The rate for 2014 is 4.10%. This loan is secured by a real estate mortgage on the land purchased with the proceeds in Sedgwick County, Kansas. (Note #84) | 739,665 |
| | 2,358,434 |
| Less current maturities | (145,363) |
| Long-term portion | \$ 2,213,071 |

The Great Plains Annual Conference of the United Methodist Church

Notes to Consolidated Financial Statements

Note 7. Long-Term Debt (Continued)

Aggregate maturities of long-term debt by year are as follows:

Years Ending December 31,

| | |
|------------|---------------------|
| 2015 | \$ 145,363 |
| 2016 | 149,492 |
| 2017 | 157,099 |
| 2018 | 165,110 |
| 2019 | 154,710 |
| Thereafter | 1,586,660 |
| | <u>\$ 2,358,434</u> |

Note 8. Lease Commitments and Expense

The Conference leases offices for its programs and administrative services under lease agreements that expire at various times through May 2020. The Conference is responsible under certain of the agreements for maintenance, insurance and taxes.

Rental expense related to these lease commitments for the year ended December 31, 2014 totaled \$199,005.

Following is a schedule of future minimum annual rental commitments required under the operating leases at December 31, 2014:

Years Ending December 31,

| | |
|------------|-------------------|
| 2015 | \$ 126,865 |
| 2016 | 47,435 |
| 2017 | 19,920 |
| 2018 | 14,582 |
| 2019 | 3,923 |
| Thereafter | 477 |
| | <u>\$ 213,202</u> |

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Notes to Consolidated Financial Statements

Note 9. Pension and Postretirement Health Insurance

The Conference provides the following pension benefit plans for clergy members of the Conference:

Ministers Reserve Pension Fund (MRPF): The MRPF is a multiemployer defined benefit pension plan administered by the General Board of Pensions and Health Benefits (the General Board). The fund covers service prior to 1982 for substantially all clergy. The plan name is the Ministers Reserve Pension Fund and the employee identification number of the plan is 43-0652616. Based on the actuarial projected total liability for current and future pensioners, this plan is presently fully funded. Therefore, the Conference was not required to pay and did not pay any contributions into the MRPF during the year ended December 31, 2014.

| | Total Plan Net Assets | Present Value of Accumulated Plan Benefits | Total Contributions | Funded Status |
|-----------------|--------------------------|--|------------------------|------------------|
| January 1, 2014 | \$ 2,568,296,643 | \$ 2,276,716,407 | \$ - | Over 100% funded |

Ministerial Pension Plan (MPP): The MPP is a multiemployer defined contribution pension plan administered by the General Board. This plan covers service subsequent to 1981 and prior to 2007 for substantially all clergy. The plan name is the Ministerial Pension Plan and the employee identification number of the plan is 43-0652616. The plan requires the Conference to contribute 12 percent of each participant's compensation limited to the denominational average compensation. Based on the actuarial projected total liability for current and future pensioners, this plan is presently fully funded. Therefore, the Conference was not required and did not pay any contributions into the MPP during the year ended December 31, 2014.

| | Total Plan Net Assets | Present Value of Accumulated Plan Benefits | Total Contributions | Funded Status |
|-----------------|--------------------------|--|------------------------|------------------|
| January 1, 2014 | \$ 3,345,449,791 | \$ 3,018,305,126 | \$ - | Over 100% funded |

Clergy Retirement Security Plan (CRSP): For service subsequent to 2006, Conference clergy members and local pastors under Episcopal appointment are eligible for pension coverage under the CRSP. The CRSP is a multiemployer plan providing a combination of defined benefits and defined contributions. The plan name is the Clergy Retirement Security Plan and the employee identification number of the plan is 43-0652616. The defined contribution is 3 percent of the clergy's plan compensation. The defined benefit is 1.25 percent of the denomination average compensation times the number of service years accrued under the CRSP. The Conference contributed \$1,068,656 in 2014 for the defined contribution portion of the CRSP. In 2014, \$3,327,963 was transferred from the Conference deposit account to cover the contribution.

| | Total Plan Net Assets | Present Value of Accumulated Plan Benefits | Total Contributions | Funded Status |
|-----------------|--------------------------|--|------------------------|------------------|
| January 1, 2014 | \$ 1,274,294,118 | \$ 1,105,356,477 | \$ 1,068,656 | Over 100% funded |

The Great Plains Annual Conference of the United Methodist Church

Notes to Consolidated Financial Statements

Note 9. Pension and Postretirement Health Insurance (Continued)

Comprehensive Protection Plan (CPP): Certain clergy members of the Conference are provided disability and death benefits as well as certain minimum benefits related to pension coverage through participation in the CPP. During 2014, the Conference paid \$1,064,786 into the CPP.

Personal Investment Plan: Conference and local church personnel are eligible to participate in a defined contribution plan administered by the General Board. Contributions are limited by the Internal Revenue Code requirements for section 403(b) plans. No contributions are made to the plan by the Conference, as participants contribute to the plan directly.

Clergy benefit expense is presented net of the amounts billed to member churches and clergy in the accompanying consolidated financial statements.

Postretirement benefits: The Conference sponsors a postretirement health benefit plan for all retired clergy and lay employees of the former Nebraska conference that meet eligibility requirements as of December 31, 2013. Beginning January 1, 2019, any Nebraska clergy not retired by December 31, 2018, will be able to participate in the plan.

Significant balances, costs and assumptions are as follows:

| | <u>2014</u> |
|--|-----------------------|
| Accumulated post-retirement benefit obligation | \$ (7,549,473) |
| Fair value of plan assets | <u>6,161,984</u> |
| Unfunded post-retirement benefit obligation | <u>\$ (1,387,489)</u> |

The following actuarial assumptions were used in the valuation of the post-retirement obligation as of December 31, 2014:

- Discount rate of 3.45 percent.
- RP 2000 Generational Mortality Table (male and female) with projected mortality improvements Scale BB.
- Termination table T-3 was used for clergy and termination table T-7 was used for lay employees.
- Actual spouse information was used for current retired participants. For current active participants, 80% are assumed to be married at retirement, with males assumed to be three years older than females.
- 100% of eligible active participants are assumed to elect coverage at retirement.
- Post-age 64 HRA Contribution max of \$4,000 annual per person cost. The post-age 64 HRA contribution is dependent on year of retirement and service at retirement.
- The HRA contribution is not assumed to increase.
- Estimated taxes were not included in the valuation due to the commitment of the plan sponsor to ensure the cost of the coverage remains below the excise tax limits.

In accordance with *FASB ASC Topic 715, Compensation—Retirement Benefits*, the Conference has recognized the underfunded status of a defined benefit postretirement plan as a liability in the consolidated statements of financial position and recognized changes in that funded status in the year in which the changes in unrestricted net assets occur. The plan's benefit obligations are measured as of December 31, 2014.

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The Great Plains Annual Conference of the United Methodist Church

Notes to Consolidated Financial Statements

Note 9. Pension and Postretirement Health Insurance (Continued)

The following is the plan's assets by category as of December 31, 2014 (the measurement date of the plan assets):

| | 2014 |
|--------------------|--------------|
| Money market funds | \$ 440,360 |
| Mutual funds | 1,164,490 |
| Equity securities | 3,348,866 |
| Pooled investments | 1,208,268 |
| | \$ 6,161,984 |

The following table summarizes the plan assets measured at fair value on a recurring basis as of December 31, 2014, segregated by the level of the valuation inputs within the fair value hierarchy utilized to measure fair value:

| | December 31, 2014 | | | |
|----------------------------------|-------------------|--------------|---------|--------------|
| | Level 1 | Level 2 | Level 3 | Total |
| Investments | | | | |
| Fixed income securities: | | | | |
| Money market | \$ 440,360 | \$ - | \$ - | \$ 440,360 |
| Equity securities: | | | | |
| Common stock: | | | | |
| Consumer discretionary | 580,849 | - | - | 580,849 |
| Consumer staples | 385,734 | - | - | 385,734 |
| Energy | 396,850 | - | - | 396,850 |
| Financial | 587,801 | - | - | 587,801 |
| Healthcare | 626,112 | - | - | 626,112 |
| Industrial | 142,334 | - | - | 142,334 |
| Information technology | 508,912 | - | - | 508,912 |
| Materials | 65,867 | - | - | 65,867 |
| Telecommunications | 54,407 | - | - | 54,407 |
| Mutual funds: | | | | |
| Domestic stock mutual funds | 254,643 | - | - | 254,643 |
| International stock mutual funds | 456,813 | - | - | 456,813 |
| Fixed income mutual funds | 453,034 | - | - | 453,034 |
| Pooled Investments | | | | |
| Wespath | - | 1,208,268 | - | 1,208,268 |
| | \$ 4,953,716 | \$ 1,208,268 | \$ - | \$ 6,161,984 |

The Great Plains Annual Conference of the United Methodist Church

Notes to Consolidated Financial Statements

Note 9. Pension and Postretirement Health Insurance (Continued)

Cash flows: The benefits expected to be paid to participants over the next 10 years, as of December 31, 2014 are as follows:

| <u>Years Ending December 31,</u> | |
|----------------------------------|---------------------|
| 2015 | \$ 670,278 |
| 2016 | 656,829 |
| 2017 | 645,005 |
| 2018 | 625,747 |
| 2019 | 601,252 |
| 2020–2024 | 2,580,339 |
| | <u>\$ 5,779,450</u> |

Note 10. Related Parties

The Kansas Area United Methodist Foundation (KAUMF) holds and reinvests investments and holds notes payable from the Conference, as well as other United Methodist local churches (See Note 7). Trustees of KAUMF are elected by the Conference. The fair value of the investments held with KAUMF as of December 31, 2014, was \$1,358,553 of the investments presented in the consolidated financial statements.

Note 11. Endowments

Interpretation of relevant law: The Conference's endowments consist of funds permanently restricted by donors. The Conference has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as adopted by the State of Kansas applies to the Conference. In accordance with this, the Conference classifies as permanently restricted net assets (a) the fair value of gifts donated to the permanent endowment, (b) the original fair value of subsequent gifts donated to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the instructions of the applicable donor gift instrument. The Conference also considers the following factors in determining whether to expend or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund
2. The purpose of the Conference and the donor-restricted endowment fund
3. General economic conditions
4. The possible effect of inflation or deflation
5. The expected total return from income and the appreciation of investments
6. Other resources of the Conference
7. The investment policies of the Conference

Investments and spending policies: The Conference has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding for programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets are invested in a manner that is intended to produce positive results while assuming a moderate to conservative investment risk. The Conference relies on a total return strategy in which returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The spending policy of the earnings on the endowments is determined by the respective boards charged with overseeing the particular fund.

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The Great Plains Annual Conference of the United Methodist Church

Notes to Consolidated Financial Statements

Note 11. Endowments (Continued)

Changes in endowment net assets for the year ended December 31, 2014, are as follows:

| | Temporarily Restricted | Permanently Restricted | Total |
|--|---------------------------|---------------------------|---------------------|
| Endowment net assets, beginning of year | \$ 520,717 | \$ 4,396,066 | \$ 4,916,783 |
| Contributions | 2,397 | 4,408 | 6,805 |
| Investment income | 24,733 | - | 24,733 |
| Net appreciation (realized and unrealized) | 10,853 | - | 10,853 |
| Program expenditures | (26,277) | - | (26,277) |
| Endowment net assets, end of year | <u>\$ 532,423</u> | <u>\$ 4,400,474</u> | <u>\$ 4,932,897</u> |

Note 12. Restricted Net Assets

Net assets temporarily restricted at December 31, 2014, are as follows:

| | |
|----------------------------|---------------------|
| Episcopal | \$ 33,641 |
| Board of Pensions | 1,932,785 |
| Board of Trustees | 201,811 |
| Administrative | 4,165 |
| Bridges to the Future | 570,710 |
| Districts | 686,468 |
| Board of Ordained Ministry | 856,683 |
| Clergy Excellence Funds | 36,183 |
| Congregational Excellence | 44,563 |
| Mercy & Justice | 309,262 |
| Disaster Response | 666,707 |
| New Church Development | 265,172 |
| Campus Ministry | 4,799 |
| Camps | 537,032 |
| Total | <u>\$ 6,149,981</u> |

Net assets permanently restricted at December 31, 2014, are as follows:

| | |
|----------------------------|---------------------|
| Board of Pensions | \$ 2,296,845 |
| Board of Trustees | 58,000 |
| Districts | 39,827 |
| Board of Ordained Ministry | 702,088 |
| Congregational Excellence | 527,286 |
| New Church Development | 771,516 |
| Camps | 4,912 |
| Total | <u>\$ 4,400,474</u> |

The Great Plains Annual Conference of the United Methodist Church

Notes to Consolidated Financial Statements

Note 13. Net Assets Released From Restriction

Net assets were released from restrictions by incurring expenses satisfying the restricted purpose specified or by the occurrence of other events during 2014.

Purpose Restrictions:

| | |
|----------------------------|---------------------|
| Episcopal | \$ 7,294 |
| Board of Pensions | 508,321 |
| Board of Trustees | 13,998 |
| Bridges to the Future | 1,004,807 |
| Mission Agencies | 1,166,028 |
| Districts | 256,201 |
| Board of Ordained Ministry | 356,543 |
| Clergy Excellence | 32,673 |
| Congregational Excellence | 100,629 |
| Mercy & Justice | 208,908 |
| Disaster Response | 139,486 |
| Campus Ministry | 21,111 |
| Camps | 267,378 |
| | <u>\$ 4,083,377</u> |

Note 14. Concentrations

There was a significant concentration in apportionment revenue from one church, which represented approximately 15 percent of the total apportionments received for the year ended December 31, 2014.

Note 15. Subsequent Events

Subsequent to year end, the Conference has entered into two commitments to purchase property, totaling approximately \$2 million. The Conference has also entered into commitments to sell several parsonages with net book value of \$335,791 at December 31, 2014.

As of January 1, 2015, the Conference no longer offers health insurance coverage to clergy of local churches.

Management has evaluated subsequent events through July 20, 2015, the date the consolidated financial statements were available to be issued.

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The Great Plains Annual Conference of the United Methodist Church, Inc.

Supplementary Information
Bishop's Schedule of Activities
For the Year Ended December, 31, 2014

| | |
|---------------------------------------|----------------------|
| Revenues and Support: | |
| Episcopal funds—GCFA | \$ 90,000 |
| Episcopal reimbursements—GCFA | 9,450 |
| Conference mission share support | 68,847 |
| General donations | 250 |
| Episcopal apartment use of investment | 13,485 |
| Total revenues and support | <u>182,032</u> |
| Expenses: | |
| Office: | |
| Staff salary | 76,570 |
| Staff payroll taxes | 5,742 |
| Staff pension & benefits | 18,080 |
| Office expense | 9,447 |
| Bishop's ministry fund | 13,121 |
| Connectional activities | 5,533 |
| Episcopal evaluation contract service | 7,050 |
| Staff travel | 3,890 |
| Episcopacy meeting expense | 2,992 |
| Misc expense | 495 |
| Total office | <u>142,920</u> |
| Residence: | |
| Utilities | 9,460 |
| Repairs & maintenance | 7,938 |
| Grounds & pool maintenance | 5,048 |
| HOA/RE tax assessments | 656 |
| Insurance | 1,182 |
| Appliance / furniture purchase | 1,983 |
| Apartment rent | 15,460 |
| Total residence | <u>41,727</u> |
| Total expenses | <u>184,647</u> |
| Change in net assets | (2,615) |
| Net assets beginning of year | <u>87,410</u> |
| Net assets end of year | <u><u>84,795</u></u> |

The Great Plains Annual Conference of the United Methodist Church

Supplementary Information
Consolidating Statement of Financial Position
December 31, 2014

| Assets | Great Plains Conference | New Church Development | Campus Ministry | Camps | Eliminations | Consolidated Totals |
|--|-------------------------|------------------------|---------------------|---------------------|---------------------|----------------------|
| Current Assets | | | | | | |
| Cash and cash equivalents | \$ 3,273,041 | \$ 604,240 | \$ 405,211 | \$ 917,320 | \$ - | \$ 5,199,812 |
| Receivables | 2,571,309 | 43 | 1,485 | 15,163 | (319,947) | 2,268,053 |
| Prepaid expenses | 272,038 | - | - | 4,000 | - | 276,038 |
| Total current assets | 6,116,388 | 604,283 | 406,696 | 936,483 | (319,947) | 7,743,903 |
| Investments | 60,337,411 | 1,068,694 | 874,812 | 544,464 | - | 62,825,381 |
| Property and Equipment, net | 5,100,617 | 2,200,525 | 1,487,668 | 7,358,782 | - | 16,147,592 |
| Assets held for sale | 335,791 | 1,504,095 | - | - | - | 1,839,886 |
| Total assets | \$ 71,890,207 | \$ 5,377,597 | \$ 2,769,176 | \$ 8,839,729 | \$ (319,947) | \$ 88,556,762 |
| Liabilities and Net Assets | | | | | | |
| Current Liabilities | | | | | | |
| Accounts payable | \$ 1,546,311 | \$ 3,183 | \$ 11,227 | \$ 86,278 | \$ - | \$ 1,646,999 |
| Accrued expenses | 208,996 | 1,937 | 860 | 8,444 | - | 220,237 |
| Due to other organizations | 15,383 | - | 1,200 | 304,564 | (319,947) | 1,200 |
| Current portion of long-term debt | 4,000 | 102,467 | 36,396 | 2,500 | - | 145,363 |
| Total current liabilities | 1,774,690 | 107,587 | 49,683 | 401,786 | (319,947) | 2,013,799 |
| Accrued post-retirement benefit obligation | 1,387,489 | - | - | - | - | 1,387,489 |
| Long-Term Debt, less current maturities | 26,000 | 1,550,656 | 627,627 | 8,788 | - | 2,213,071 |
| Total liabilities | 3,188,179 | 1,658,243 | 677,310 | 410,574 | (319,947) | 5,614,359 |
| Net Assets | | | | | | |
| Unrestricted | 59,735,004 | 2,682,666 | 2,087,067 | 7,887,211 | - | 72,391,948 |
| Temporarily restricted | 5,342,978 | 265,172 | 4,799 | 537,032 | - | 6,149,981 |
| Permanently restricted | 3,624,046 | 771,516 | - | 4,912 | - | 4,400,474 |
| Total net assets | 68,702,028 | 3,719,354 | 2,091,866 | 8,429,155 | - | 82,942,403 |
| Total liabilities and net assets | \$ 71,890,207 | \$ 5,377,597 | \$ 2,769,176 | \$ 8,839,729 | \$ (319,947) | \$ 88,556,762 |

The Great Plains Annual Conference of the United Methodist Church

Supplementary Information
Consolidating Statement of Activities
For the Year Ended December 31, 2014

| | Great Plains Conference | New Church Development | Campus Ministry | Camps | Eliminations | Consolidated Totals |
|---|-------------------------|------------------------|-----------------|------------------|--------------------|---------------------|
| Unrestricted Net Assets | | | | | | |
| Support, revenues and gains: | | | | | | |
| Mission share revenue | \$ 13,592,279 | \$ - | \$ - | \$ - | \$ - | \$ 13,592,279 |
| Conference advance gifts | - | 20 | 4,971 | 19,031 | - | 24,022 |
| Gifts and grants | 339,918 | 7,608 | 76,561 | 342,666 | - | 766,753 |
| Pension and health income | 13,209,101 | - | - | - | - | 13,209,101 |
| Total contributions | 27,141,298 | 7,628 | 81,532 | 361,697 | - | 27,592,155 |
| Program service fees | 346,359 | - | 194,809 | 1,102,161 | - | 1,643,329 |
| Investment income (loss) | 3,488,856 | (135) | 38,927 | 2,183 | - | 3,529,831 |
| Gain (loss) on sale of assets | (46,477) | (278,105) | - | 6,100 | - | (318,482) |
| Other income | 265,496 | 46,257 | - | 157,358 | - | 469,111 |
| Total revenues and gains | 31,195,532 | (224,355) | 315,268 | 1,629,499 | - | 32,915,944 |
| Release net asset restrictions: | | | | | | |
| Satisfaction of purpose restriction | 3,794,889 | - | 21,112 | 267,376 | - | 4,083,377 |
| Intercompany revenue, net of intercompany expenses | - | 750,768 | 461,578 | 656,305 | (1,868,651) | - |
| Total revenues, gains, and release of net asset restrictions | 34,990,421 | 526,413 | 797,958 | 2,553,180 | (1,868,651) | 36,999,321 |
| Expenses and losses: | | | | | | |
| Program services: | | | | | | |
| Episcopal office | 4,177,522 | - | - | - | - | 4,177,522 |
| Pension and health expense | 11,639,692 | - | - | - | - | 11,639,692 |
| Clergy excellence | 1,188,474 | - | - | - | - | 1,188,474 |
| Congregational excellence | 2,189,285 | 757,828 | 650,443 | 1,928,048 | - | 5,525,604 |
| Mercy and Justice | 2,286,350 | - | - | - | - | 2,286,350 |
| Other conference ministries | 3,820,967 | - | 2,460 | 107,500 | - | 3,930,927 |
| Total program expenses | 25,302,290 | 757,828 | 652,903 | 2,035,548 | - | 28,748,569 |
| Supporting activities: | | | | | | |
| Administrative activities | 3,530,316 | 236,377 | 91,182 | 209,756 | - | 4,067,631 |
| Fundraising activities | 5,399 | - | 1,876 | 37,906 | - | 45,181 |
| Total supporting activities | 3,535,715 | 236,377 | 93,058 | 247,662 | - | 4,112,812 |
| Total expenses | 28,838,005 | 994,205 | 745,961 | 2,283,210 | - | 32,861,381 |
| Intercompany expenses, net of intercompany revenue | 1,868,651 | - | - | - | (1,868,651) | - |
| Total expenses and losses | 30,706,656 | 994,205 | 745,961 | 2,283,210 | (1,868,651) | 32,861,381 |
| Change in unrestricted net assets | 4,283,765 | (467,792) | 51,997 | 269,970 | - | 4,137,940 |
| Net assets, beginning of year | 55,451,239 | 3,150,458 | 2,035,070 | 7,617,241 | - | 68,254,008 |
| Net assets, end of year | \$ 59,735,004 | \$ 2,682,666 | \$ 2,087,067 | \$ 7,887,211 | \$ - | \$ 72,391,948 |

(Continued)

GREAT PLAINS CONFERENCE

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The Great Plains Annual Conference of the United Methodist Church

Consolidating Statement of Activities (Continued)
For the Year Ended December 31, 2014

| | Great Plains Conference | New Church Development | Campus Ministry | Camps | Eliminations | Consolidated Totals |
|--|-------------------------|------------------------|-----------------|----------------|--------------|---------------------|
| Temporarily restricted net assets: | | | | | | |
| Support, revenues and gains: | | | | | | |
| Conference advance gifts | \$ 362,014 | \$ - | \$ - | \$ - | \$ - | \$ 362,014 |
| Special Sunday offerings | 39,094 | - | - | - | - | 39,094 |
| Gifts and grants | 299,183 | 95 | 21,400 | 251,394 | - | 572,072 |
| Mission agency support | 1,166,030 | - | - | - | - | 1,166,030 |
| Pension and health income | 500,321 | - | - | - | - | 500,321 |
| District mission share | 270,095 | - | - | - | - | 270,095 |
| Total contributions | 2,636,737 | 95 | 21,400 | 251,394 | - | 2,909,626 |
| Program service fee | 5,485 | - | - | - | - | 5,485 |
| Investment income | 216,460 | 66,727 | 100 | 34,079 | - | 317,366 |
| Other income | 34,003 | - | - | - | - | 34,003 |
| Total revenues and gains | 2,892,685 | 66,822 | 21,500 | 285,473 | - | 3,266,480 |
| Release net asset restrictions: | | | | | | |
| Satisfaction of purpose restriction | (3,794,889) | - | (21,112) | (267,376) | - | (4,083,377) |
| Change in temporarily restricted net assets | (902,204) | 66,822 | 388 | 18,097 | - | (816,897) |
| Net assets, beginning of year | 6,245,182 | 198,350 | 4,411 | 518,935 | - | 6,966,878 |
| Net assets, end of year | \$ 5,342,978 | \$ 265,172 | \$ 4,799 | \$ 537,032 | \$ - | \$ 6,149,981 |
| Permanently restricted net assets: | | | | | | |
| Support, revenues and gains: | | | | | | |
| Mission share revenue | \$ 4,113 | \$ - | \$ - | \$ - | \$ - | \$ 4,113 |
| Gifts and grants | - | - | - | 295 | - | 295 |
| Increase in permanently restricted net assets | 4,113 | - | - | 295 | - | 4,408 |
| Net assets, beginning of year | 3,619,933 | 771,516 | - | 4,617 | - | 4,396,066 |
| Net assets, end of year | \$ 3,624,046 | \$ 771,516 | \$ - | \$ 4,912 | \$ - | \$ 4,400,474 |
| Total Change in Net Assets | 3,385,674 | (400,970) | 52,385 | 288,362 | - | 3,325,451 |
| Net assets, beginning of year | 65,316,354 | 4,120,324 | 2,039,481 | 8,140,793 | - | 79,616,952 |
| Net assets, end of year | \$ 68,702,028 | \$ 3,719,354 | \$ 2,091,866 | \$ 8,429,155 | \$ - | \$ 82,942,403 |