WEST OHIO ANNUAL CONFERENCE OF THE UNITED METHODIST CHURCH AND AFFILIATES

Consolidated Financial Statements

For the year ended December 31, 2016

(with Independent Auditors' Report)

CLARK SCHAEFER HACKETT

CPAs & Advisors

TABLE OF CONTENTS

CLARK SCHAEFER HACKETT
CPAS & ADVISORS

4449 Easton Way, Suite 400, Columbus, Ohio 43219
P. 614.885.2208 | F. 614.885.8159 | cshco.com

INDEPENDENT AUDITORS' REPORT

To the Council on Finance and Administration and Board of Trustees
West Ohio Annual Conference of The United Methodist Church and Affiliates
Columbus, Ohio

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of the West Ohio Annual Conference of the United Methodist Church and Affiliates (a not-for-profit organization), which comprise the consolidated statement of financial position as of December 31, 2016, and the related consolidated statement of activities and changes in net assets and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated 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.

Auditors' 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 evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 the accounting policies used, and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Basis for Qualified Opinion

As discussed in Note 1 to the consolidated financial statements, the West Ohio Annual Conference of The United Methodist Church and Affiliates is the sole member of Charitable Pharmacy of Central Ohio. In our opinion, accounting principles generally accepted in the United States of America require that all majority-owned subsidiaries be accounted for as consolidated subsidiaries. If the financial statements of Charitable Pharmacy, had been consolidated with those of the West Ohio Annual Conference of The United Methodist Church and Affiliates, total assets and total liabilities would be increased by $3,378,795 and $143,932, respectively, as of December 31, 2016, and revenues and expenses would be increased by $5,017,117 and $2,242,937, respectively, for the year then ended.

Qualified Opinion

In our opinion, except for the effects of not consolidating all majority-owned subsidiaries, as discussed in the Basis for Qualified Opinion paragraph, the consolidated financial statements referred to in the first paragraph present fairly, in all material respects, the consolidated financial position of the West Ohio Annual Conference of The United Methodist Church and Affiliates as of December 31, 2016, and the changes in their net assets and their cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As discussed in Note 16 to the consolidated financial statements, management changed how the West Ohio Annual Conference of The United Methodist Church and Affiliates accounts for activity resulting from church closings. Our opinion is not modified with respect to that 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 consolidating information on pages 23 to 28 is presented for the purposes of additional analysis and it 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 consolidating 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 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 consolidating information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Clark, Schaefer, Hackett & Co.

Columbus, Ohio
May 30, 2017

Assets		
Cash and cash equivalents	$	6,976,795
Accounts receivable - apportionments		1,079,079
Accounts receivable - other		68,598
Pledge campaign receivables		159,189
Notes receivable - church extension		269,326
Investments		85,436,054
Prepaid expenses		74,298
Beneficial interest in perpetual trusts		591,632
		94,654,971
Property and equipment, net		5,154,743
	$	99,809,714
Liabilities and Net Assets		
Liabilities:		
Line of credit	$	113,545
Accounts payable and other accrued liabilities		2,276,100
Healthcare current benefit obligations		755,000
Healthcare post-retirement benefit obligations		51,160,200
Amounts held for distribution		9,098,191
		63,403,036
Net assets:		
Unrestricted		25,490,996
Temporarily restricted		10,056,571
Permanently restricted		859,111
		36,406,678
	$	99,809,714

See notes to the consolidated financial statements.

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenue and support				
Apportionments	$ 12,633,410	210,295	-	12,843,705
Medical coverage insurance	9,051,478	-	-	9,051,478
Post-retirement pension contributions	5,548,002	-	-	5,548,002
Annuity gifts	-	1,903	-	1,903
Contributions	873,131	1,114,632	-	1,987,763
Program fee income	280,049	-	-	280,049
Camp operations	536,218	-	-	536,218
Net gain on investments	3,674,994	553,220	-	4,228,214
Interest and dividends	1,748,969	145,429	-	1,894,398
Loss on beneficial interest in perpetual trusts	-	-	(30,675)	(30,675)
Loss on disposal of property and equipment	(347,582)	-	-	(347,582)
Miscellaneous	153,982	-	-	153,982
Transfers and satisfaction of donor restrictions	1,542,168	(1,535,322)	(6,846)	-
	35,694,819	490,157	(37,521)	36,147,455
Expenses				
Connectional administration and ministerial support	7,277,667	-	-	7,277,667
World services and conference benevolence	5,246,474	-	-	5,246,474
Church benevolence	362,055	-	-	362,055
Medical coverage	12,238,460	-	-	12,238,460
Post-retirement pension benefits	5,925,162	-	-	5,925,162
Camp operations	1,150,760	-	-	1,150,760
Episcopal residence	35,872	-	-	35,872
Distributions to other organizations and beneficiaries	724,436	-	-	724,436
	32,960,886	-	-	32,960,886
Change in net assets prior to change in healthcare post-retirement benefit obligations	2,733,933	490,157	(37,521)	3,186,569
Change in healthcare post-retirement benefit obligations	(1,465,479)	-	-	(1,465,479)
Change in net assets	1,268,454	490,157	(37,521)	1,721,090
Net assets, beginning of year, as restated (see Note 16)	24,222,542	9,566,414	896,632	34,685,588
Net assets, end of year	$ 25,490,996	10,056,571	859,111	36,406,678

See notes to the consolidated financial statements.

Change in net assets	$ 1,721,090
Adjustments to reconcile change in net assets to net cash and cash equivalents provided by operating activities:	
Depreciation	239,058
Change in discount to present value for pledge campaign receivables	(48,663)
Net realized gains on investments	(343,310)
Net unrealized gains on investments	(3,884,904)
Loss on beneficial interest in perpetual trusts	30,675
Change in healthcare post-retirement benefit obligations	1,465,479
Contributions of property	(485,887)
Loss on disposal of property and equipment	347,582
Changes in operating assets and liabilities:	
Accounts receivable	106,089
Pledge campaign receivables	143,663
Prepaid expenses	81,258
Accounts payable and other accrued liabilities	68,404
Healthcare current benefit obligations	755,000
Amounts held for distribution	1,541,833
Net cash provided by operating activities	1,737,367
Cash flows from investing activities:	
Net borrowings on notes receivable - church extension	36,687
Net purchases of investments	(37,958,144)
Proceeds from sale of investments	38,867,234
Purchases of property and equipment	(453,590)
Proceeds from sale of property and equipment	1,056,898
Net cash provided by investing activities	1,549,085
Cash flows from financial activities:	
Net payments on line of credit	(28,605)
Net change in cash and cash equivalents	3,257,847
Cash and cash equivalents, beginning of year	3,718,948
Cash and cash equivalents, end of year	$ 6,976,795
Noncash investing activities:	
Transfer of closed churches to the Conference	$ 485,887
Adjustments to the fair market value of property held for sale	$ (606,097)
Unrealized gains on amounts held for distribution	$ 332,635

See notes to the consolidated financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of activities

The West Ohio Annual Conference of The United Methodist Church and Affiliates (the "Conference") is a religious not-for-profit organization that was established to provide organizational structure and support to its member churches. The Conference provides management of conference-wide programs for missional, ministerial, and charitable giving purposes. The Conference also operates retirement and health care programs for eligible lay and clergy employees and retirees of the Conference and member churches.

<u>Conference and Affiliates</u>

The more than 1,000 member churches are organized into eight districts. The Conference is legally the sole member of each of the eight districts included in these consolidated financial statements. The eight districts are:

- Capitol Area North (CAN)
- Capitol Area South (CAS)
- Foothills (FTH)
- Maumee Watershed (MWD)
- Miami Valley (MIV)
- Northwest Plains (NWP)
- Ohio River Valley (ORV)
- Shawnee Valley (SHV)

Because of the control exercised by the Conference over the Community Ministries of the Capitol Area (CAM), that entity is included in the consolidated financial statements. The Conference is legally the sole member of Charitable Pharmacy of Central Ohio, however the Conference has elected to not consolidate the Charitable Pharmacy of Central Ohio into the Conference’s consolidated financial statements.

Basis of presentation

The Conference's consolidated financial statement presentation is in accordance with accounting principles generally accepted in the United States of America (GAAP). Under GAAP, the Conference's consolidated financial statements are prepared on the accrual basis of accounting, and the Conference reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Accordingly, the net assets of the Conference, and changes therein, are classified and reported as follows:

> ***Unrestricted net assets-*** Net assets that are not subject to donor-imposed restrictions and are available for use in the Conference's ongoing operations.
>
> ***Temporarily restricted net assets-*** Net assets that are limited as to use by donor-imposed restrictions that can be fulfilled by either the actions of the Conference, or the passage of time.
>
> ***Permanently restricted net assets-*** Net assets that are limited as to use by donor-imposed restrictions that permanently restrict the use of the funds by the Conference, with the exception of the investment earnings.

Generally, if the corpus of a contribution will, at some future time, become available for spending, it is recorded as temporarily restricted. In addition, contributions that are promised to be given in a future period are presented as temporarily restricted. If the corpus never becomes available for spending, it will be reported as permanently restricted. Permanently restricted net assets represent the fair value of the original gift as of the gift date and the original value of subsequent gifts to donor-restricted endowment funds.

Unrestricted net assets include unrestricted resources, including donations, gifts, and bequests available for the use of the Conference, over which the Board of Trustees has discretionary control. The Conference reviewed all endowment funds, and no reclassification to net assets was required.

Use of estimates

The preparation of consolidated 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, disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenue and expenses during the reporting periods. Accordingly, actual results could differ from those estimates.

Cash and cash equivalents

For purposes of reporting cash flows, cash includes all cash on hand, demand deposits, and highly liquid investments with original maturities of three months or less. Cash and cash equivalents excludes the cash components of investments.

The Conference and Affiliates maintain financial relationships with financial institutions subject to FDIC or NCUA membership. Under FDIC and NCUA guidelines, all depository accounts are insured up to $250,000. Throughout the year, the Conference's and certain Affiliates' deposits exceeded these limitations for deposits held at certain financial institutions. To mitigate the risk associated with deposits in excess of insured limits, management has certain deposit balances swept nightly into a short-term government obligations fund. Deposits in excess of insured limits were approximately $4.8 million at December 31, 2016.

Accounts receivable and revenue

Apportionments - Apportionment revenue represents amounts paid by member churches to fund Conference initiatives and operating expenses. Requests for apportionment contributions are sent in the early part of each year, and additional requests are sent throughout the year. The Conference records revenue during the year based on actual funds received. Final revenue and receivables for the current year are recorded at year-end, based on subsequent receipts collected in January that relate to the prior year. Accordingly, there is no need to consider or record an allowance for uncollectible apportionments. Receivables are never considered delinquent and no interest is charged on receivables. Apportionment revenue does not include amounts collected from member churches to be passed on to the general United Methodist Church. These amounts are recorded as liabilities until transferred.

Medical Coverage Insurance - The Conference operates a medical coverage plan covering eligible lay employees, eligible clergy employees, eligible retired clergy of the Conference, and member churches. Medical coverage premiums are collected from member churches and retirees monthly. Revenue is recognized upon receipt of payment. As such, no receivables are recorded, and there is no need to consider or record an allowance for uncollectible accounts. To the extent that premium costs exceed funding provided by a member church, the Conference pays for the coverage.

Camp Operations - The Conference operates several camps throughout its region. Camp sessions primarily occur in the summer. Revenue is recorded in the month that registrations and payments are received in advance of the camp session. As such, no receivables are recorded. Any revenue collected in the current year pertaining to a camp session for the next year is recognized as deferred revenue.

Program Fee Income - At times, the Conference also requests a fee for events (other than camps) to defray a portion of program costs. These programs may be educational sessions or mission trips. Fees are recorded as revenue when received and are due in advance of the session or trip. Any revenue collected during the current year that pertains to a future event is recorded as deferred revenue.

Miscellaneous Revenue - Non-operational and ancillary income is reflected as miscellaneous revenue in the consolidated statement of activities and changes in net assets. Miscellaneous revenue consists primarily of revenue generated from rental income, and random monetary or property gifts received from donors.

Investments

Investments are recorded at fair value based on quoted market values. Unrealized and realized gains or losses are included in the consolidated statement of activities and changes in net assets. See Notes 4 and 6.

Property and equipment

Property and equipment are stated at cost and depreciated over their estimated useful lives using the straight-line method. Routine repairs and maintenance are charged to expense when incurred, and improvements and additions are capitalized. The carrying value of long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate the amount of assets may not be recoverable. Management has determined there was no asset impairment on depreciable assets in 2016.

The Conference holds approximately 1,200 acres of land related to its camps that were donated or otherwise acquired in prior years. As the fair market value of this land could not be reasonably determined at the time of its donation, it is not recorded in the consolidated financial statements. In addition, the Conference is holding 9 properties for resale at December 31, 2016. These properties have been recorded at their estimated fair values.

Endowment investment and spending policies

The Conference has adopted investment policies for all investment assets for which it is accountable, including certain endowment assets. The investment policy acknowledges and accommodates objectives unique to each fund, pool, or donor. In some cases, the investment policy is designed to produce an income stream to meet conference obligations to annuitants; in other cases, the policy is designed to preserve the real purchasing power of the assets and produce increasing income over time. In all cases, the policy provides a governance framework and guidance on investment management practices that are prudent and respectful of The United Methodist Church's social principles and underlying investment objectives.

Where not restricted by donor intent, the Conference relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). Spending and disbursements from each fund are set by donor agreement or the investing body (e.g., Board of Pensions and Health Benefits, Trustees, or Council on Development). Certain affiliated churches that have placed investment assets with the Conference, be they endowed or otherwise, may request a distribution of some or all of their balances at any time. The liability for funds held for the benefit of these churches is included in amounts held for distribution on the consolidated statement of financial position.

Each district or mission board within the Conference that has investable assets, separately maintains an investment policy statement designed to meet their respective needs and objectives.

Contributions
The Conference accounts for contributions in accordance with generally accepted accounting principles. Donor contributions are recognized as revenue when the contribution is pledged or received and are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence or nature of any donor restrictions. When a restriction is satisfied, temporarily restricted net assets are released to unrestricted net assets, and reported in the statement of activities and changes in net assets as satisfaction of donor restrictions. Any temporarily restricted contributions that are received and fulfilled in the same year are recorded as temporarily restricted net assets originally, and then released to unrestricted net assets in the same year. Contributions of marketable securities and property and equipment are recorded at their fair market value at the date of the gift. All unconditional promises to give made by the Conference are recorded as liabilities.

Income and property taxes
The Conference is a nonprofit organization that is exempt from income taxes under Section 501 (c)(3) of the Internal Revenue Code, except for unrelated business income as defined by the Internal Revenue Code. The Conference did not have any unrelated business income during 2016. Accordingly, no provision for federal, state, and local income taxes is included in the consolidated financial statements.

Accounting for uncertainty in income taxes
As a religious organization, the Conference is not required to file tax returns if it has no unrelated business income. Based on its review, management does not believe the Conference has taken any material uncertain tax positions, including any position that would place the Conference's exempt status in jeopardy for 2016.

Life annuity gifts
The Council on Development (COD) receives funds from donors classified as life annuity gifts. The donors contribute an irrevocable remainder interest in the donated funds, and establish an interest that requires monthly or quarterly payments of a specified amount to the donor annuitant or another annuitant. Payments must be made for the remaining life of the specified annuitant.

Upon the death of the donor, other identified party or annuitant, the remainder interest becomes available for the final beneficiary, which is either the Conference, or other organizations generally associated with The United Methodist Church. The final beneficiary is designated in the life annuity contracts; however, the Conference enables the donor to change the final beneficiary up until the time of death, with the stipulation that the donor must either change the final beneficiary to the Conference or to another organization associated with The United Methodist Church. Since the final beneficiary is not determinable until the date of death, the Conference records all original gifts as liabilities and includes them in amounts held for distribution in the consolidated statement of financial position.

Upon the death of the donor, identified party or annuitant, if the Conference is named as the final beneficiary, then the Conference records contribution revenue for the remaining portion of the gift in the year of death. If another organization is named as the final beneficiary, then a liability is recorded to that organization by the Conference for the remaining portion of the gift. When the remaining portion of the gift is paid to the other organization, the liability is released.

Subsequent events

In preparing these consolidated financial statements, the Conference has evaluated events and transactions for potential recognition or disclosure through May 30, 2017, the date the consolidated financial statements were available to be issued.

2. PLEDGE CAMPAIGN RECEIVABLES

The Conference conducts fundraising activities on an ongoing basis and some of those efforts result in multi-year promises to give. Pledges are recorded at their estimated fair value using discount rates ranging from 5.20% to 6.17%. Pledge campaign receivables at December 31:

Pledges due in:		
Less than one year	$	74,375
One to five years		35,000
More than five years		210,000
		319,375
Less discount to present value		(160,186)
	$	159,189

3. NOTES RECEIVABLE

The Conference and Districts provide loans to member churches for purposes of providing a source of funds to pay for renovation projects or new construction. Payments are due either on a monthly or quarterly basis, or in a lump sum upon completion of project construction. Interest charged may be at a rate of Prime (3.75% at December 31, 2016) plus 2.00%, the London Interbank Offered Rate (LIBOR) (0.77% at December 31, 2016) plus 0.90%, a fixed rate ranging from 2.25% to 5.00%, or be interest free. The payment terms range from due upon project completion up to 17 years.

Notes receivable are considered delinquent if required payments are not made; however, loans are not charged incremental interest or penalty fees provided foreclosure of property does not occur. Based on this practice, despite loans made to churches closely related to the Conference, there is a certain level of credit risk that may become significant.

Management assesses the collectability of notes receivable at year-end. Based on collection activity and known financial status of the church, an allowance may be recorded. The allowance for uncollectible notes receivable was $27,865 at December 31, 2016.

Maturities of notes receivable over the subsequent five years and thereafter are as follows:

Year ending December 31		
2017	$	54,221
2018		58,709
2019		57,747
2020		47,553
2021		22,231
Thereafter		28,865
	$	269,326

4. INVESTMENTS

Marketable securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain marketable securities, it is at least reasonably possible that changes in the value will occur in the near term, and such changes could be material. Investments consisted of the following at December 31, 2016:

Money market	$	2,536,138
Government obligations		3,362,765
Corporate securities		7,974,960
Common stock		27,776,579
Mutual funds		41,210,378
Certificates of deposit		2,575,234
	$	85,436,054

5. BENEFICIAL INTEREST IN PERPETUAL TRUSTS

ORV is the beneficiary of two perpetual trusts. The trusts' assets are not in possession of the District and are administered by the Board of Trustees of The United Methodist Church. Under the terms of the trusts, ORV has the irrevocable right to receive income earned on the endowment assets in perpetuity. ORV has recorded an asset titled "beneficial interest in perpetual trusts" equivalent to the present value of the expected future cash flows from the trusts, approximated by the estimated fair market value of the trusts' assets.

6. FAIR VALUE MEASUREMENTS

Generally accepted accounting principles define fair value, establish a framework for measuring fair value, and establish a fair value hierarchy that prioritizes the inputs to valuation techniques. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that the transaction to sell the asset or transfer the liability occurs in the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market. Valuation techniques that are consistent with the market, income or cost approach are used to measure fair value.

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Conference 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 or 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 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 value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2016.

Money market and certificates of deposit: Valued based on the contractual terms of the underlying money market or cash equivalent account.

Common stock, corporate securities and government obligations: Valued at the closing price reported on the active market on which the individual securities are traded.

Mutual funds: Valued at the net asset value of shares held by the Conference at year-end.

Property held for sale: Valued at fair market value based upon real estate appraisals.

Beneficial interest in perpetual trusts: Valued at the net asset value of shares held attributable to the Conference at year-end.

The following table summarizes the valuation of financial instruments measured at fair value on a recurring basis in the consolidated statements of financial position as of December 31, 2016:

	2016			
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets				
Beneficial interest in perpetual trusts	$ 591,632	-	-	591,632
Investments				
Money market	2,536,138	2,536,138	-	-
Certificates of deposit	2,575,234	2,575,234	-	-
Government obligations	3,362,765	3,362,765	-	-
Common stock	27,776,579	27,776,579	-	-
Mutual funds	41,210,378	41,210,378	-	-
Corporate securities	7,974,960	7,974,960	-	-
	$ 86,027,686	85,436,054	-	591,632

Property held for sale is measured at fair value on a nonrecurring basis in the consolidated statements of financial positions as of December 31, 2016. Property held for sale is valued at $333,322 as a Level 3 input.

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 fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Changes in the fair value of properties held for sale and beneficial interest in perpetual trusts, which are measured on a recurring and nonrecurring basis using significant unobservable (Level 3) inputs, for 2016:

		Recurring	Nonrecurring
		Beneficial Interest in Perpetual Trust	Property Held for Sale
Balance as of December 31, 2015 (restated, see Note 16)	$	629,153	1,897,603
Fair market value of churches acquired		-	485,887
Sale of property held for resale		-	(1,375,168)
Assets placed in use, subject to depreciation		-	(675,000)
Change in beneficial interest in perpetual trust, held at year end		(37,521)	-
Balance as of December 31, 2016	$	591,632	333,322

On March 21, 2009, SHV contributed $165,000 towards a church building project in Ho Chi Mihn City in support of the ministry of The United Methodist Church in Vietnam. The property is reflected at the amount of funds contributed by SHV, and is included in net property and equipment in the consolidated statement of financial position. It is the intention of SHV to donate the property to the Vietnamese Conference of The United Methodist Church upon the legal establishment and recognition of that entity. SHV has determined that the net realizable value is zero and has fully reserved this property. There has been no change to the reserve at December 31, 2016.

Several districts have acquired church properties from former congregations that have ceased to be associated with the Conference. These properties are recorded at their estimated fair value when the relevant district determines it will be held for resale. The Conference is committed to selling these properties as soon as possible.

7. LINE OF CREDIT AND LOAN GUARANTEE

ORV maintains a $1,500,000 revolving line of credit with a financial institution due on demand. The line of credit bears interest at a rate determined by the size of the District's assets that are under management of the financial institution (2.00% at December 31, 2016). The assets of the District are pledged as collateral.

ORV is guarantor on the commercial loan of a local church in that district. At December 31, 2016, the outstanding balance on the loan was $1.3 million, for which ORV may be immediately liable if the church defaults on the loan or files a bankruptcy petition. The loan balance is due before March 1, 2023, and ORV may be released from the guarantee prior to that time, provided certain terms of the guarantee are met. The local church was current on the loan at December 31, 2016, and management does not expect to be required to perform on the guarantee. Accordingly, no related liability is recorded in these consolidated financial statements.

8. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following as of December 31, 2016:

Land and improvements	$	935,859
Buildings and building improvements		5,637,945
Leasehold improvements		638,508
Furniture and fixtures		1,665,123
Computer and office equipment		181,329
Automobiles		76,305
		9,135,069
Less accumulated depreciation		4,313,648
		4,821,421
Property held for sale		333,322
	$	5,154,743

9. OPERATING LEASES

The Conference leases administrative office space under a 15-year non-cancelable operating lease, which expires in September 2025 from UMCH Family Services, a related party. The lease requires monthly payments of approximately $20,000 for the remaining lease term. There was no amount due to this related party at December 31, 2016. The lease includes an option to purchase the land and building at a fixed price, which the Conference elected to exercise on December 27, 2016. Management expects to complete the purchase in 2017. Monthly rent payments will continue through the purchase date in accordance with the lease agreement.

ORV leases office space as a result of a grant and leaseback transaction as an operating lease expiring in January 2017 from a local church. Monthly payments of $3,333 are due in January 2017. CAN, CAS and CAM lease administrative office space under a five year lease, which expires in October 2021. The lease requires monthly payments of approximately $5,000 for the remaining lease term.

The Conference leases certain other office equipment under non-cancelable operating leases, which expire at various times over the next five years. Total lease expenditures in 2016 were $322,791. Future minimum lease payments are as follows:

Year ending December 31		
2017	$	322,905
2018		317,119
2019		318,000
2020		305,013
2021		289,101
Thereafter		717,575
	$	2,269,713

10. TEMPORARILY AND PERMANENTLY RESTRICTED NET ASSETS

The temporarily restricted net asset class includes assets and trust obligations of the Conference related to gifts with explicit donor-imposed restrictions that have not been met. Temporarily restricted net assets at December 31, 2016, are restricted to the following uses:

Church buildings	$	2,800,618
District operations		869,669
Clergy development		1,592,386
New church starts		313,398
Local churches		1,540,626
World mission projects		494,054
Retired clergy housing		1,325,908
Parsonages		231,496
Camps		476,979
Other		411,437
	$	10,056,571

The permanently restricted net asset class includes assets of the Conference related to gifts with explicit donor-imposed restrictions that permanently restrict the use of the corpus of the original gift. See Note 5 regarding beneficial interest in perpetual trusts. Permanently restricted net assets at December 31, 2016 are restricted to the following:

Beneficial interest in perpetual trusts	$	591,632
Local churches		176,057
Church buildings		68,696
Cemeteries		22,726
	$	859,111

11. FUNDS HELD IN TRUST BY OTHERS

The COD is named as the remainder beneficiary of certain trusts held by others. These trusts are not included in the consolidated financial statements as the funds are neither in the possession of nor under the control of the COD. Total estimated fair value of the COD's interest in these funds at December 31, 2016, is not available.

12. EPISCOPAL FUND

The Conference receives funds from the Episcopal Fund established by the General Council on Finance and Administration (GCFA) of The United Methodist Church. This fund is one of the general church funds to be used for administrative expenses of annual conferences.

The GCFA requires certain comparative information to be disclosed as a part of the annual audit of the Conference for the years ended December 31:

		2016	2015
Revenue			
GCFA Episcopal Fund receipts	$	92,900	91,680
Expenses			
Salaries		269,747	224,187
Payroll taxes and benefits		88,589	74,136
Travel		19,870	17,954
Episcopal initiatives		91,979	42,714
Occupancy and office expenses		24,883	19,825
		495,068	378,816
	$	(402,168)	(287,136)

Episcopal related expenses exceed funding received annually; accordingly, there is no beginning or ending cash balances as funds are fully utilized by the year-end. Other operational or contribution funding is effectively utilized to pay for Episcopal expenditures greater than the funds provided from the Episcopal Fund. None of the Episcopal Funds were used for property and equipment purchases in 2016 or 2015.

13. ENDOWMENT FUNDS AND UPMIFA

Management has determined that certain Conference assets meet the definition of endowments under the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA). The Conference has interpreted UPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds, absent explicit donor stipulations to the contrary. As a result of this interpretation, the Conference classifies as permanently restricted net assets (a) the original value of gifts donated to permanent endowments, (b) the original value of subsequent gifts to permanent endowments, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

The remaining portion of the donor-restricted endowment fund that is not classified as permanently restricted net assets is classified as temporarily restricted net assets, until those amounts are appropriated for expenditures in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Conference considers these factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

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

Summary of changes in endowment net assets for 2016:

		Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Balance as of December 31, 2015	$	-	812,726	267,479	1,080,205
Net investment income (realized and unrealized)		-	258,966	-	258,966
Amounts appropriated for expenditure		-	(25,625)	-	(25,625)
Balance as of December 31, 2016	$	-	1,046,067	267,479	1,313,546

Summary of all Conference net assets as of December 31, 2016:

		Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment funds	$	-	1,046,067	267,479	1,313,546
Non-endowment operating funds		25,490,996	9,010,504	591,632	35,093,132
	$	25,490,996	10,056,571	859,111	36,406,678

14. HEALTHCARE POST-RETIREMENT BENEFIT OBLIGATIONS

The Conference sponsors a defined benefit post-retirement healthcare plan covering substantially all employees, and is a participant in a denomination-sponsored defined benefit pension plan as described in Note 15. GAAP requires an employer to recognize the over-funded or under-funded status of a defined benefit plan, or post-retirement benefits plan, as an asset or liability in its consolidated statement of financial position.

For pension plans, the asset or liability is determined by comparing plan assets to the projected benefit obligation. Pension plans recognize changes in the funded status in the year in which the changes occur through unrestricted revenue or expense. For post-retirement plans other than pension plans, the asset and liability is determined by comparing plan assets to the accumulated benefit obligation.

The size of the post-retirement healthcare obligation and related expense is based upon the plan benefit levels approved each year by the Conference Board of Pension and Health Benefits. The Conference had assets designated for this liability totaling approximately $45 million at December 31, 2016, in the Retired Clergy Benefits Fund.

Further information about the healthcare plan as of December 31, 2016:

Fair value of plan assets	$	-
Benefit obligations		(51,160,200)
Funded status	$	(51,160,200)

Reconciliation of accrued healthcare post-retirement benefit obligations:

Healthcare post-retirement benefit obligations - beginning of year	$	(49,694,721)
Service cost		(767,826)
Interest cost		(2,260,370)
Actuarial loss		(606,514)
Net expected benefit payments		2,169,231
Change in healthcare post-retirement benefit obligations		(1,465,479)
Healthcare post-retirement benefit obligations - end of year	$	(51,160,200)

The discount rate used to determine the benefit obligation at year-end was 4.30% for 2016. For measurement purposes, the rate of increase in the per capita cost of covered healthcare benefits has been assumed to be 6.5% for 2017, 6.0% for 2018, 5.5% for 2019, 5.0% for 2020, and 4.5% for 2021 and thereafter.

Contribution ranges are dependent on years of service at retirement and apply to the retiree and his or her spouse. Plan premium is paid by the Conference upon presentment of invoice by the insurer for payment toward coverage of healthcare plan benefits and thus equals benefits paid. These payments are recorded to medical coverage expense on the consolidated statement of activities and changes in net assets.

Projected benefit payments, before reduction for participant contributions:

Year ending December 31		
2017	$	2,192,861
2018		2,306,196
2019		2,375,410
2020		2,481,284
2021		2,578,952
2022 - 2026		13,346,496
	$	25,281,199

15. RETIREMENT PLANS

The Pre-82 Plan

The Conference participates in a multi-employer defined benefit pension plan (the Plan), administered by the General Board of Pension and Health Benefits (GBPHB) of The United Methodist Church, covering all clergy with Pre-82 pension credit service. The benefits are based on the greater of the past service pension rate multiplied by the number of the clergy's Pre-82 years of service in the Plan, or the service annuity benefit specified by the Plan.

Annual contributions by the Conference are determined within certain guidelines established by the GBPHB. Contributions made by the Conference are held in a general pool with the contributions of other conferences, and are generally available to pay the beneficiaries of all employers in the Plan. The Conference's account within the Plan was over-funded as of the January 1, 2016 valuation. The Conference was not required and did not make any contributions for 2016.

The GBPHB prepares actuarial valuations annually as of January 1 and generally issues its report each September. The most recent valuation reflects the Plan asset values and liability funding status as of January 1, 2016.

Plan information and assumptions at January 1, 2016:

Assets and funding:		
Fair value of plan assets	$	78,030,023
Less pension benefit obligation		(77,833,220)
Funded past service liability	$	196,803
Assumptions:		
Interest rate		6.625%
Past service rate (PSR) increase		2.00%
Mortality table		RP-14 (MP-14)

All Plan assets are invested in the Multiple Asset Fund (MAF) of the GBPHB. The investment objective of the MAF is to maximize long-term investment returns, including current income and capital appreciation, while reducing short-term risk by investing in a broad mix of investments. Weighted-average asset allocations of Plan investments as of December 31, 2016:

	Policy Target Range		Actual
US Equity Fund	37%	43%	37.8%
International Equity Fund	23%	27%	26.1%
Fixed Income Fund	23%	27%	25.1%
Inflation Protection Fund	8%	12%	10.1%
Cash	0%	2%	0.9%

Ministerial Pension Plan 1982- 2006 (MPP)

The Conference participates in a 403(b) defined contribution plan, the MPP for clergy employees. Eligible employees are 100% vested in their contributions. When the Plan was active, the Conference made a matching contribution equal to 12% of Denomination Average Compensation (DAC) for clergy employees. This Plan was closed to new contributions at December 31, 2006.

Clergy Retirement Security Program (CRSP)

Effective January 1, 2007, the GBPHB amended its pension plan, creating the CRSP, which has both a defined benefit and defined contribution component. The defined contribution component of the CRSP is capped at 3% of eligible compensation. The defined benefit component provides annual income based on years of service and a percentage of DAC (1.25% for service years 2007 through 2013 and 1.00% thereafter).

The terms of the plan permit the Conference to use an over-funded position in the Pre-82 Plan to fund the defined benefit component of the CRSP. Although a surplus was available, the Conference made a full contribution of $3,396,908 in 2016. The Conference bills its churches at a percentage of eligible compensation regardless of whether the surplus is utilized. When amounts collected exceed the amount remitted to GBPHB, the excess funds are used to build a reserve for the post-retirement healthcare liability or other clergy benefits, as designated by the Conference Board of Pension and Health Benefits.

United Methodist Personal Investment Plan

The Conference sponsors a 403(b) defined contribution plan for clergy and full-time lay employees of the Conference and Districts. Participants are 100% vested in their contributions. The Conference and Districts make matching contributions subject to their respective adoption agreements with the GBPHB. Matching contributions for the 403(b) defined contribution plan are immediately vested. Matching contributions for 2016 totaled approximately $150,225.

16. CHANGE IN ACCOUNTING PRINCIPLE

In 2016, management changed how the Conference accounts for activity resulting from church closings. Prior to 2016, assets acquired by the Conference when churches closed were initially recorded as assets with an offsetting liability, which was then recognized as revenue when the assets were sold to a third party or transferred to a local church or affiliate organization. Associated expenses were also deferred until that time. Beginning in 2016, the Conference recognizes receipts of real and other property as contributions in the period in which the church closes, net of related liabilities and expenses. Subsequent activity is recognized in accordance with the type and timing of asset use. Management believes the change better reflects the resources currently available for mission and ministry as well as the resulting missional support of local churches and Districts.

This change in accounting principle was retrospectively applied to beginning 2016 balances and resulted in a decrease in fixed assets of $606,097, a decrease in other liabilities of $1,895,887, and an increase in unrestricted net assets of $1,289,791.

17. SUBSEQUENT EVENTS

In March of 2017, ORV accepted assignment of sole ownership of a not-for-profit Ohio limited liability company that operates mission work in that district. Management is in the process of obtaining information regarding the financial activity of this entity to determine its materiality. If the activity should prove material, the financial position and results of the entity will be consolidated in ORV for 2017 in accordance with generally accepted accounting principles.

	West Ohio Conference	Capitol Area North	Capitol Area South	Community Ministries of the Capitol Area	Foothills	Maumee Watershed
Assets						
Cash and cash equivalents	$ 4,175,951	808,494	212,768	9,719	172,910	384,631
Accounts receivable - apportionments	930,428	5,334	10,398	11,426	8,640	30,046
Accounts receivable - other	19,999	1,566	1,566	1,566	-	145
Pledge campaign receivables	159,189	-	-	-	-	-
Notes receivable - church extension	35,218	-	-	92,478	-	8,266
Investments	75,449,304	589,433	669,936	2,164,310	307,975	621,116
Due (to) from affiliate	457,659	(9,849)	(9,212)	3,383	(18,357)	(34,416)
Prepaid expenses	66,064	-	-	-	-	-
Beneficial interest in perpetual trusts	-	-	-	-	-	-
	81,293,812	1,394,978	885,456	2,282,882	471,168	1,009,788
Property and equipment, net	3,038,769	1,096	321,096	1,096	229,275	129,519
	$ 84,332,581	1,396,074	1,206,552	2,283,978	700,443	1,139,307
Liabilities and Net Assets						
Liabilities:						
Line of credit	$ -	-	-	-	-	-
Accounts payable and other accrued liabilities	2,044,137	10,353	32,001	2,150	497	7,866
Healthcare current benefit obligations	755,000	-	-	-	-	-
Healthcare post-retirement benefit obligations	51,160,200	-	-	-	-	-
Amounts held for distribution	12,159,576	-	-	-	-	-
	66,118,913	10,353	32,001	2,150	497	7,866
Net assets	18,213,668	1,385,721	1,174,551	2,281,828	699,946	1,131,441
	$ 84,332,581	1,396,074	1,206,552	2,283,978	700,443	1,139,307

See independent auditors' report on supplementary information.

	Miami Valley	Northwest Plains	Ohio River Valley	Shawnee	Subtotal	Eliminations	Total
Assets							
Cash and cash equivalents	$ 327,909	485,052	82,087	317,274	6,976,795	-	6,976,795
Accounts receivable - apportionments	34,185	15,152	29,147	4,323	1,079,079	-	1,079,079
Accounts receivable - other	43,103	-	653	-	68,598	-	68,598
Pledge campaign receivables	-	-	-	-	159,189	-	159,189
Notes receivable - church extension	-	-	113,545	19,819	269,326	-	269,326
Investments	939,681	606,059	5,007,693	2,290,376	88,645,883	(3,209,829)	85,436,054
Due (to) from affiliate	(348,726)	(1,196)	-	(39,286)	-	-	-
Prepaid expenses	-	-	8,234	-	74,298	-	74,298
Beneficial interest in perpetual trusts	-	-	591,632	-	591,632	-	591,632
	996,152	1,105,067	5,832,991	2,592,506	97,864,800	(3,209,829)	94,654,971
Property and equipment, net	540,364	272,021	607,007	14,500	5,154,743	-	5,154,743
	$ 1,536,516	1,377,088	6,439,998	2,607,006	103,019,543	(3,209,829)	99,809,714
Liabilities and Net Assets							
Liabilities:							
Line of credit	$ -	-	113,545	-	113,545	-	113,545
Accounts payable and other accrued liabilities	5,621	11,764	61,341	100,370	2,276,100	-	2,276,100
Healthcare current benefit obligations	-	-	-	-	755,000	-	755,000
Healthcare post-retirement benefit obligations	-	-	-	-	51,160,200	-	51,160,200
Amounts held for distribution	-	-	148,444	-	12,308,020	(3,209,829)	9,098,191
	5,621	11,764	323,330	100,370	66,612,865	(3,209,829)	63,403,036
Net assets	1,530,895	1,365,324	6,116,668	2,506,636	36,406,678	-	36,406,678
	$ 1,536,516	1,377,088	6,439,998	2,607,006	103,019,543	(3,209,829)	99,809,714

See independent auditors' report on supplementary information.

		West Ohio Conference	Capitol Area North	Capitol Area South	Community Ministries of the Capitol Area	Foothills	Maumee Watershed
Unrestricted net assets							
Revenue and support:							
Apportionments	$	9,654,032	225,981	198,324	262,898	227,222	382,707
Medical coverage insurance		9,171,003	-	-	-	-	-
Post-retirement pension contributions		5,630,716	-	-	-	-	-
Contributions		874,951	266,516	223,050	-	-	96,803
Program fee income		290,852	-	-	-	-	-
Camp operations		543,018	-	-	-	-	-
Net gain on investments		3,124,669	35,037	29,387	133,080	-	27,233
Interest and dividends		1,544,669	11,544	12,856	38,808	624	17,212
Loss on disposal of assets		(344,021)	-	-	-	-	-
Miscellaneous		49,152	35,972	20,611	442	50,582	86,418
Transfers and satisfaction of donor restrictions		1,510,361	-	-	-	-	-
		32,049,402	575,050	484,228	435,228	278,428	610,373
Expenses:							
Connectional administration and ministerial support		5,256,352	242,149	249,779	131,041	210,348	291,812
World services and conference benevolence		4,251,069	25,846	26,087	222,917	144,957	166,793
Church benevolence		362,055	-	-	-	-	-
Medical coverage		12,238,460	-	-	-	-	-
Post-retirement pension benefits		5,925,162	-	-	-	-	-
Camp operations		1,150,760	-	-	-	-	-
Episcopal residence		35,872	-	-	-	-	-
Distributions to other organizations and beneficiaries		722,070	-	-	-	-	-
		29,941,800	267,995	275,866	353,958	355,305	458,605
Change in unrestricted net assets prior to change in healthcare post-retirement benefit obligations		2,107,602	307,055	208,362	81,270	(76,877)	151,768
Change in healthcare post-retirement benefit obligations		(1,465,479)	-	-	-	-	-
Change in unrestricted net assets		642,123	307,055	208,362	81,270	(76,877)	151,768
Net assets, beginning of year, as restated (see Note 16)		11,033,739	1,078,666	966,189	2,018,739	776,823	979,673
Net assets, end of year	$	11,675,862	1,385,721	1,174,551	2,100,009	699,946	1,131,441

See independent auditors' report on supplementary information.

	Miami Valley	Northwest Plains	Ohio River Valley	Shawnee	Subtotal	Eliminations	Total
Unrestricted net assets							
Revenue and support:							
Apportionments	$ 587,221	354,015	569,373	171,637	12,633,410	-	12,633,410
Medical coverage insurance	-	-	-	-	9,171,003	(119,525)	9,051,478
Post-retirement pension contributions	-	-	-	-	5,630,716	(82,714)	5,548,002
Contributions	29,299	-	-	82,792	1,573,411	(700,280)	873,131
Program fee income	-	-	-	-	290,852	(10,803)	280,049
Camp operations	-	-	-	-	543,018	(6,800)	536,218
Net gain on investments	1,848	20,636	264,220	38,884	3,674,994	-	3,674,994
Interest and dividends	957	17,326	71,251	33,722	1,748,969	-	1,748,969
Gain on disposal of assets	(202)	-	(3,359)	-	(347,582)	-	(347,582)
Miscellaneous	5,724	31,675	67,954	14,202	362,732	(208,750)	153,982
Transfers and satisfaction of donor restrictions	14,000	17,807	-	-	1,542,168	-	1,542,168
	638,847	441,459	969,439	341,237	36,823,691	(1,128,872)	35,694,819
Expenses:							
Connectional administration and ministerial support	248,276	314,298	524,613	106,717	7,575,385	(297,718)	7,277,667
World services and conference benevolence	305,257	121,067	651,322	162,313	6,077,628	(831,154)	5,246,474
Church benevolence	-	-	-	-	362,055	-	362,055
Medical coverage	-	-	-	-	12,238,460	-	12,238,460
Post-retirement pension benefits	-	-	-	-	5,925,162	-	5,925,162
Camp operations	-	-	-	-	1,150,760	-	1,150,760
Episcopal residence	-	-	-	-	35,872	-	35,872
Distributions to other organizations and beneficiaries	-	-	-	2,366	724,436	-	724,436
	553,533	435,365	1,175,935	271,396	34,089,758	(1,128,872)	32,960,886
Change in unrestricted net assets prior to change in healthcare post-retirement benefit obligations	85,314	6,094	(206,496)	69,841	2,733,933	-	2,733,933
Change in healthcare post-retirement benefit obligations	-	-	-	-	(1,465,479)	-	(1,465,479)
Change in unrestricted net assets	85,314	6,094	(206,496)	69,841	1,268,454	-	1,268,454
Net assets, beginning of year, as restated (see Note 16)	534,970	1,295,616	4,129,400	1,408,727	24,222,542	-	24,222,542
Net assets, end of year	$ 620,284	1,301,710	3,922,904	1,478,568	25,490,996	-	25,490,996

		West Ohio Conference	Capitol Area North	Capitol Area South	Community Ministries of the Capitol Area	Foothills	Maumee Watershed
Temporarily restricted net assets							
Revenue and support:							
Apportionments	$	210,295	-	-	-	-	-
Annuity gifts		1,903	-	-	-	-	-
Net gain on investments		180,213	-	-	11,999	-	-
Interest and dividends		108,575	-	-	2,424	-	-
Contributions		995,070	-	-	-	-	-
Transfers and satisfaction of donor restrictions		(1,510,361)	-	-	-	-	-
Change in temporarily restricted net assets		(14,305)	-	-	14,423	-	-
Temporarily restricted net assets:							
Beginning of year		6,490,545	-	-	96,944	-	-
End of year	$	6,476,240	-	-	111,367	-	-
Permanently restricted net assets:							
Beginning of year	$	61,566	-	-	70,452	-	-
Transfers		-	-	-	-	-	-
Loss on beneficial interest in perpetual trusts		-	-	-	-	-	-
End of year	$	61,566	-	-	70,452	-	-

See independent auditors' report on supplementary information.

		Miami Valley	Northwest Plains	Ohio River Valley	Shawnee	Subtotal	Eliminations	Total
Temporarily restricted net assets								
Revenue and support:								
Apportionments	$	-	-	-	-	210,295	-	210,295
Annuity gifts		-	-	-	-	1,903	-	1,903
Contributions		52,820	22,342	44,400	-	1,114,632	-	1,114,632
Net gain on investments		22,908	-	121,655	216,445	553,220	-	553,220
Interest and dividends		25,426	25	8,979	-	145,429	-	145,429
Transfers and satisfaction of donor restrictions		(14,000)	(17,807)	6,846	-	(1,535,322)	-	(1,535,322)
Change in temporarily restricted net assets		87,154	4,560	181,880	216,445	490,157	-	490,157
Temporarily restricted net assets:								
Beginning of year		823,457	59,054	1,405,238	691,176	9,566,414	-	9,566,414
End of year	$	910,611	63,614	1,587,118	907,621	10,056,571	-	10,056,571
Permanently restricted net assets:								
Beginning of year	$	-	-	644,167	120,447	896,632	-	896,632
Transfers		-	-	(6,846)	-	(6,846)	-	(6,846)
Loss on beneficial interest in perpetual trusts		-	-	(30,675)	-	(30,675)	-	(30,675)
End of year	$	-	-	606,646	120,447	859,111	-	859,111