

North Carolina Conference, Southeastern Jurisdiction, of The United Methodist Church, Inc. and Affiliates

Consolidated Financial Report
December 31, 2010

**North Carolina Conference, Southeastern Jurisdiction,
of The United Methodist Church, Inc. and Affiliates**

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Contents

Independent Auditor's Report on the Financial Statements and Supplementary Information	1
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Financial Statements	
Consolidated statements of financial position	2
Consolidated statements of activities	3 – 4
Consolidated statements of cash flows	5
Notes to consolidated financial statements	6 – 20

Supplementary Information	
Consolidating statement of financial position	21
Statement of financial position, Conference	22
Statement of activities, Conference	23
Statement of financial position, District Superintendent Offices	24
Statement of activities, District Superintendent Offices	25
Statement of financial position, Board of Missions, Inc.	26
Statement of activities, Board of Missions, Inc.	27
Statement of financial position detail, Conference	28 – 31
Statement of activities detail, Conference	32 – 35
Statement of financial position detail, summary of investments, Conference	36
Detail schedules of central and special fund activities, Conference:	
Schedules	
1. Equitable Compensation	37 – 38
2. Emerging Church Support	39 – 40
3. Joint Committee on Incapacity	41
4. Annual Conference Expense	42
5. Conference Treasurer's Office Expense	43
6. Staff Housing	44
7. Connectional Ministries Office, Meetings and Programs	45
8. Connectional Ministries, Staff Salaries	46
9. Connectional Ministries, Task Forces	47
10. Education and Nurture	48
11. Commission on Laity	49
12. Commission on Evangelism	50
13. Commission on Church and Society	51
14. Golden Cross Fund	52
15. Commission on Missions and Outreach Ministries	53
16. College Chaplaincy Support Program	54
17. Board of Ordained Ministry	55
18. Commission on Communications	56
19. Media Center	57
20. Central Supplies	58
21. Youth Activities	59
22. Ten Dollar Club	60
23. Board of Pensions	61
24. Insurance	62
25. Ministerial Education Fund	63
26. Ministers' Transition Fund	64
27. Board of Trustees Fund	65
28. Congregational Development Fund, Inc.	66
29. Contingency Reserve	67

Independent Auditor's Report

To the Council on Finance and Administration
North Carolina Conference, Southeastern Jurisdiction,
of The United Methodist Church, Inc.
Garner, North Carolina

We have audited the accompanying consolidated statements of financial position of North Carolina Conference, Southeastern Jurisdiction, of The United Methodist Church, Inc. and affiliates (the "Conference") as of December 31, 2010 and 2009, and the related consolidated statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Conference's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of North Carolina Conference, Southeastern Jurisdiction, of The United Methodist Church, Inc. and affiliates as of December 31, 2010 and 2009, and the changes in their net assets and their cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The consolidating and other supplementary information is presented for purposes of additional analysis of the basic consolidated financial statements rather than to present the financial position and changes in net assets of the individual entities. The consolidating and other supplementary information has been subjected to the auditing procedures applied in the audits of the basic consolidated financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic consolidated financial statements taken as a whole.

McGladrey & Pullen, LLP

Raleigh, North Carolina
May 25, 2011

**North Carolina Conference, Southeastern Jurisdiction,
of The United Methodist Church, Inc. and Affiliates**

**Consolidated Statements of Financial Position
December 31, 2010 and 2009**

	2010	2009
Assets		
Cash and cash equivalents	\$ 6,112,988	\$ 6,389,791
Accounts receivable (Note 7)	2,902,528	3,002,940
Investments (Notes 2 and 12)	84,823,569	77,450,531
Mortgage loans receivable from local churches, less allowance for doubtful loans 2010 \$600,000; 2009 \$600,000	3,209,629	3,027,346
Other assets (Note 3)	946,438	797,520
Property and equipment, net (Notes 4 and 8)	9,641,011	7,714,406
Total assets	\$ 107,636,163	\$ 98,382,534
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses (Note 7)	\$ 3,806,812	\$ 3,868,959
Agency payables	348,891	447,394
Mortgages payable (Note 8)	326,750	340,339
Accumulated postretirement benefit obligation (Note 6)	46,018,965	43,310,544
Total liabilities	50,501,418	47,967,236
Commitments and Contingencies (Notes 5 and 6)		
Net assets:		
Unrestricted:		
Designated, next year's approved budget	12,491,909	11,670,800
Designated, postretirement benefit plan	14,673,406	1,000,000
Undesignated	23,917,329	30,874,606
Temporarily restricted (Note 10)	6,052,101	6,869,892
Total net assets	57,134,745	50,415,298
Total liabilities and net assets	\$ 107,636,163	\$ 98,382,534

See Notes to Consolidated Financial Statements.

**North Carolina Conference, Southeastern Jurisdiction,
of The United Methodist Church, Inc. and Affiliates**

**Consolidated Statement of Activities
Year Ended December 31, 2010**

	Unrestricted	Temporarily Restricted	Total
Revenues, gains and other support:			
Apportionments	\$ 15,732,133	\$ -	\$ 15,732,133
Other church remittances	1,394,306	-	1,394,306
Restricted contributions	-	2,103,529	2,103,529
Insurance premiums	7,712,130	-	7,712,130
Registration fees	318,263	-	318,263
Investment income	1,208,565	60,922	1,269,487
Unrealized appreciation on investments	7,376,566	200,063	7,576,629
Pension plan funding	6,793,881	-	6,793,881
Gains from sale of property (Note 13)	178,000	-	178,000
Grants	-	1,373,008	1,373,008
Other	2,182,199	-	2,182,199
Total revenues, gains, and other support	42,896,043	3,737,522	46,633,565
Net assets released from donor restrictions (Note 11)	4,555,313	(4,555,313)	-
Expenses and distributions:			
Program:			
Mission development / spiritual formation	3,102,245	-	3,102,245
Episcopal	2,514,232	-	2,514,232
Benefit and welfare (Notes 5 and 6)	18,902,846	-	18,902,846
General church distributions	3,373,386	-	3,373,386
Disaster response and recovery	329,546	-	329,546
District Superintendent offices	2,415,282	-	2,415,282
Other	6,087,839	-	6,087,839
Administrative	1,136,419	-	1,136,419
Fund raising	169,242	-	169,242
Total expenses and distributions	38,031,037	-	38,031,037
Increase (decrease) in net assets from operating activities	9,420,319	(817,791)	8,602,528
Nonoperating:			
Postretirement changes other than net periodic postretirement cost (Note 6)	(1,883,081)	-	(1,883,081)
Change in net assets	7,537,238	(817,791)	6,719,447
Net assets at beginning of year	43,545,406	6,869,892	50,415,298
Net assets at end of year	\$ 51,082,644	\$ 6,052,101	\$ 57,134,745

See Notes to Consolidated Financial Statements.

**North Carolina Conference, Southeastern Jurisdiction,
of The United Methodist Church, Inc. and Affiliates**

**Consolidated Statement of Activities
Year Ended December 31, 2009**

	Unrestricted	Temporarily Restricted	Total
Revenues, gains and other support:			
Apportionments	\$ 15,174,106	\$ -	\$ 15,174,106
Other church remittances	1,560,819	-	1,560,819
Restricted contributions	-	2,212,664	2,212,664
Insurance premiums	7,612,744	-	7,612,744
Registration fees	330,630	-	330,630
Investment income	1,095,303	64,827	1,160,130
Unrealized appreciation on investments	10,198,490	285,534	10,484,024
Pension plan funding	6,876,267	-	6,876,267
Gains from sale of property (Note 13)	3,171,050	-	3,171,050
Grants	-	2,147,348	2,147,348
Other	1,526,155	1,160	1,527,315
Total revenues, gains, and other support	47,545,564	4,711,533	52,257,097
Net assets released from donor restrictions (Note 11)	3,981,124	(3,981,124)	-
Expenses and distributions:			
Program:			
Mission development / spiritual formation	2,515,782	-	2,515,782
Episcopal	2,954,634	-	2,954,634
Benefit and welfare (Notes 5 and 6)	17,103,792	-	17,103,792
General church distributions	3,349,885	-	3,349,885
Disaster response and recovery	466,537	-	466,537
District Superintendent offices	2,355,089	-	2,355,089
Other	5,481,436	-	5,481,436
Administrative	1,744,826	-	1,744,826
Fund raising	296,962	-	296,962
Total expenses and distributions	36,268,943	-	36,268,943
Increase in net assets from operating activities	15,257,745	730,409	15,988,154
Nonoperating:			
Postretirement changes other than net periodic postretirement cost (Note 6)	(5,183,126)	-	(5,183,126)
Change in net assets	10,074,619	730,409	10,805,028
Net assets at beginning of year	33,470,787	6,139,483	39,610,270
Net assets at end of year	\$ 43,545,406	\$ 6,869,892	\$ 50,415,298

See Notes to Consolidated Financial Statements.

**North Carolina Conference, Southeastern Jurisdiction,
of The United Methodist Church, Inc. and Affiliates**

**Consolidated Statements of Cash Flows
Years Ended December 31, 2010 and 2009**

	2010	2009
Cash Flows From Operating Activities		
Change in net assets	\$ 6,719,447	\$ 10,805,028
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	285,852	283,981
Provision for mortgage loans receivable	-	594,000
Unrealized appreciation of investments	(7,576,629)	(10,484,024)
Realized (gain) loss on sale of investments	(122,144)	8,462
Gain on disposal of property and equipment	(178,000)	(3,171,050)
Changes in assets and liabilities:		
Decrease in accounts receivable	100,412	118,791
Increase in other assets	(148,918)	(35,454)
Increase (decrease) in accounts payable and accrued expenses	115,853	(1,230,009)
Increase (decrease) in agency payables	(98,503)	62,971
Increase in accumulated postretirement benefit liability	2,708,421	5,511,759
Net cash provided by operating activities	1,805,791	2,464,455
Cash Flows From Investing Activities		
Purchases of investments with United Methodist Foundation	(16,189,312)	(1,109,161)
Proceeds from sales of investments with United Methodist Foundation	13,653,480	1,191,224
Purchases of other investments	(9,370,474)	(12,209,468)
Proceeds from sales of other investments	12,232,041	10,169,359
Mortgage loans originated	(700,780)	(1,520,486)
Principal payments received on mortgage loans	518,497	500,466
Acquisition of property and equipment	(2,212,457)	(3,218,835)
Proceeds from sale of property and equipment	-	3,261,270
Net cash used in investing activities	(2,069,005)	(2,935,631)
Cash Flows From Financing Activities		
Net borrowings (repayments) on mortgages payable	(13,589)	43,572
Net decrease in cash and cash equivalents	(276,803)	(427,604)
Cash and cash equivalents:		
Beginning	6,389,791	6,817,395
Ending	\$ 6,112,988	\$ 6,389,791

See Notes to Consolidated Financial Statements.

**North Carolina Conference, Southeastern Jurisdiction,
of The United Methodist Church, Inc. and Affiliates**

Notes to Consolidated Financial Statements

Note 1. Nature of Business and Significant Accounting Policies

The North Carolina Conference, Southeastern Jurisdiction, of The United Methodist Church, Inc. and affiliates (the "Conference") are incorporated in the State of North Carolina and together constitute the fundamental body of The United Methodist Church in eastern North Carolina, which under Episcopal leadership provides the mechanism for admitting and ordaining clergy, appointing itinerant pastors to churches, and supplying them with mutual support. The Conference is composed of ministerial and lay members and other individuals as required in *The Book of Discipline of The United Methodist Church*, which, in an annual meeting, defines the programs and responsibilities of the Church as a whole.

A summary of the Conference's significant accounting policies follows:

Principles of consolidation: As a result of formal affiliations and economic interdependency between the Conference and Board of Missions, Inc., North Carolina Annual Conference, The United Methodist Church (d/b/a Board of Missions, Inc.) and the twelve District Superintendent offices of the Conference, the financial statements of these organizations are presented on a consolidated basis and include the accounts of all entities. All significant intercompany accounts and transactions have been eliminated in the consolidation.

Basis of presentation: In preparing its financial statements, the Conference classifies net assets and revenues, expenses, gains, and losses based on the existence or absence of donor-imposed restrictions. Accordingly, 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 stipulations.

Designated, next year's approved budget, unrestricted net assets – Net assets that have been obtained through donor funding and apportionments to be spent in the subsequent year.

Designated, postretirement benefits plan, unrestricted net assets – Net assets that have been internally designated for purposes of future obligations related to the plan.

Temporarily restricted net assets – Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Conference and/or by the passage of time.

Permanently restricted net assets – Net assets subject to donor-imposed stipulations that they be maintained permanently by the Conference. At December 31, 2010 and 2009, there were no permanently restricted net assets.

Estimates: In preparing its financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities as of the date of the statement of financial position and the reported amounts of revenues and expenses in the statement of activities for the reporting period. Actual results could differ from those estimates.

Revenue and support: The principal source of revenue and support is apportionments received from the local churches. Apportionments are the recommended levels of support assigned to local churches. Apportionments expire at the end of each calendar year. Local churches do not have any commitment on any underpayment of their apportionments.

**North Carolina Conference, Southeastern Jurisdiction,
of The United Methodist Church, Inc. and Affiliates**

Notes to Consolidated Financial Statements

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

Cash and cash equivalents: The Conference deposits its cash in large commercial financial institutions. At times, such balances may exceed the Federal depository insurance limits but the Conference believes such amounts do not represent a significant credit risk. Cash equivalents include certificates of deposit with an original maturity date of three months or less.

Accounts receivable: Since a significant dollar amount of member church support is received close to the Conference's year-end, the Conference provides the member churches with a cut-off date subsequent to year-end in order for churches to fulfill their annual apportionments. Thus, the Conference recognizes accounts receivable at the dollar amount of apportionments received by the cut-off date related to the prior year.

Mortgage loans receivable: Mortgage loans receivable are stated at the amount of unpaid principal less an allowance for loan losses. The allowance for loan losses is established through a provision for loan losses charged to operations. The allowance is an amount that management believes will be adequate to absorb losses on existing loans, including any accrued interest that may become uncollectible based on evaluations of the collectability of loans and prior loan loss experience. In certain instances, the terms of loans in the portfolio may be modified at the request of the borrower by deferring scheduled interest payments until a later date. Loans that are modified are placed on non-accrual status. The evaluations undertaken by management to establish the allowance take into account such factors as changes in the nature and volume of loan portfolio, review of specific loan performance, overall portfolio quality, and current economic conditions that may affect the borrowers' ability to pay. While management uses the best information available to make evaluations, future adjustments may be necessary, if economic or other conditions differ substantially from the assumptions used. Loans are charged off against the allowance when management believes that collectability is unlikely.

Fair value of financial instruments: The carrying value of cash equivalents, mortgage loans receivable from local churches, and mortgages payable approximate fair value. Investments in equity securities with readily determinable fair values and all investments in debt securities are stated at fair value, with fair value measured as described in Note 12. Changes in fair value of investments, including both realized and unrealized gains and losses, are included in the accompanying consolidated statements of activities. In determining realized gains and losses, the cost of investments is determined using the specific-identification method.

Property and equipment: Purchased land, buildings and equipment are recorded at cost, less accumulated depreciation, since 1983. Prior to 1983, if historical costs were unavailable, estimated historical costs were used. Church properties assumed by the Conference, as well as land donated to the Conference, are initially recorded at their estimated fair value at the time of receipt.

Depreciation is computed using the straight-line method over the following estimated useful lives:

	<u>Years</u>
Buildings	30 - 40
Improvements to buildings	10 - 40
Improvements to land	10 - 40
Furniture and equipment	5 - 15

**North Carolina Conference, Southeastern Jurisdiction,
of The United Methodist Church, Inc. and Affiliates**

Notes to Consolidated Financial Statements

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

Impairment of long-lived assets: The Conference reviews its long-lived assets, including equipment and buildings, for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be fully recoverable. To determine the recoverability of its long-lived assets, the Conference evaluates the probability that future estimated undiscounted net cash flows will be less than the carrying amount of the assets. If such estimated cash flows are less than the carrying amount of the long-lived assets, then such assets are written down to their fair value. There has been no impairment of long-lived assets during 2010 or 2009.

Postretirement benefits other than pensions: The Conference recognizes net periodic postretirement cost and the accumulation of such costs as plan participants render the services necessary to earn their postretirement benefits. Plan participants include clergy members and lay staff of the Annual Conference who meet eligibility guidelines for each postretirement plan. The post retirement benefits plan is an unfunded plan that provides medical, dental, and life insurance benefits.

The Conference uses an actuary to determine the estimated accumulated postretirement benefit obligation. A change in plan provisions and/or the actuarial assumptions used could significantly change the amount of the accumulated postretirement benefit liability reported in the accompanying financial statements.

Other accounting policies: The expenditures for each year are financed principally by funds received from revenue from unrestricted apportionments of the previous year. Accordingly, the revenue from apportionments shown in the accompanying statement of activities will be available for operations budgeted for the ensuing year.

Insurance premiums: The Conference administers a self funded insurance program under which health benefits are provided for clergy and selected lay employees of the Conference. Insurance premium revenue and related expenses are recorded in the period for which the premium relates. The Conference accrues for claim expenses which have been incurred but not reported at year end on an estimated basis.

Program expenses:

Mission development/spiritual formation – Funding is used for the work of lay and ordained Christians carrying forward the work of Christian nurture and spiritual formation, including the work of the United Methodist Youth. It also provides funding for the work of witness, outreach/missions and social justice, including the work on the United Methodist Men and United Methodist Women.

Episcopal – Funding is used for the work of the Bishop and Cabinet, annual conference program, ecumenism, Christian unity, congregational development, monitoring and accountability, and nominations.

Benefit and welfare – Funding is provided for pension, health insurance, disability and other benefit plans for clergy and lay employees. In addition, funding is provided for grant programs for benefit and welfare assistance for both clergy and laity within the Conference.

General Church distributions – Payments are made to the General Church for funding received from local churches for General Church apportionments and advance specials.

**North Carolina Conference, Southeastern Jurisdiction,
of The United Methodist Church, Inc. and Affiliates**

Notes to Consolidated Financial Statements

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

Disaster response and recovery – Funding is provided for disaster response and recovery efforts out of the Conference.

District Superintendent offices – Funding is used for the operations of and programs conducted by the twelve District Superintendent offices within the Conference.

Other – Program expenses are recorded for various programs of the Conference including, but not limited to, property management, accounting support for local congregations, and appointive system support.

Income taxes: The Conference is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

Management evaluated the Conference's tax positions and concluded that the Conference had taken no uncertain tax positions that require adjustment to the consolidated financial statements to comply with the provisions of the Income Taxes Topic of the Financial Accounting Standards Board ("FASB") Accounting Standards Codification (ASC). With few exceptions, the Conference is no longer subject to income tax examinations by the U.S. federal, state, or local tax authorities for the years before 2007.

Subsequent events: The Conference has evaluated its subsequent events (events occurring after December 31, 2010) through May 25, 2011, which represents the date the consolidated financial statements were available to be issued.

Recent accounting pronouncements: In July 2010, the FASB issued Accounting Standards Update (ASU) 2010-20, *Disclosures about the Credit Quality of Financing Receivables and the Allowance for Credit Losses*. ASU 2010-20 requires more robust and disaggregated disclosures about the credit quality of financing receivables and allowances for credit losses, including disclosure about credit quality indicators, past due information and modifications of finance receivables. This ASU is effective for the Conference effective January 1, 2011. Management has not yet assessed the impact of the adoption of the new requirements.

**North Carolina Conference, Southeastern Jurisdiction,
of The United Methodist Church, Inc. and Affiliates**

Notes to Consolidated Financial Statements

Note 2. Investments

Investments at December 31, 2010 and 2009, including the Conference's portion of the assets invested at the United Methodist Foundation, Inc. and affiliate (the "Foundation"), the General Board of Pension and Health Benefits of the United Methodist Church and the United Methodist Benefit Board, Inc. ("GBOP"), and the National United Methodist Foundation are as follows:

	2010	2009
Certificates of deposit	\$ 3,547,208	\$ 7,088,616
Assets invested by the United Methodist Foundation (in pooled funds):	64,044,703	55,738,430
Assets invested by the GBOP (in pooled funds):	15,788,165	13,386,086
Assets invested by the National United Methodist Foundation (in pooled funds):	1,443,493	1,237,399
	<u>\$ 84,823,569</u>	<u>\$ 77,450,531</u>

The Conference's investments held with Foundation represent approximately 58 and 57 percent of the pooled investments at the Foundation at December 31, 2010 and 2009, respectively. The Foundation's pooled investments were \$110,223,764 and \$98,010,947 at December 31, 2010 and 2009, respectively. Investment and administrative fees charged by the Foundation to the Conference related to these investments was \$585,105 and \$496,678 for the years ended December 31, 2010 and 2009, respectively.

Market risk: Market risk arises primarily from changes in the market value of financial instruments. Theoretically, the Conference's exposure is equal to the notional value of contracts purchased and unlimited on such contracts sold short.

Exposure to market risk is influenced by a number of factors, including the relationships between financial instruments, and the volatility and liquidity in the markets in which the financial instruments are traded. In many cases, the use of financial instruments serves to modify or offset market risk associated with other transactions and, accordingly, serves to decrease the Conference's overall exposure to market risk. The Conference attempts to control its exposure to market risk through various analytical monitoring techniques.

Concentrations of credit risk: The Conference's investment portfolio is impacted by various trading and brokerage activities in which counterparties primarily include broker-dealers, banks, and other financial institutions. In the event counterparties do not fulfill their obligations, the Conference may be exposed to risk. The risk of default depends on the creditworthiness of the counterparty or issuer of the instrument.

In the normal course of business, the Foundation and the other entities affiliated with the United Methodist Church enter into contracts and agreements with certain service providers, such as clearing and custody agents, trustees and administrators that contain a variety of representations and warranties and which provide general indemnifications and guarantees against specified potential losses in connection with their activities as an agent of, or providing services to, the investor. The maximum exposure under these agreements is unknown, as this may involve future claims that could be made against the investor and have not yet occurred. The Conference expects the risk of any future obligation under these arrangements to be remote and has not recorded any contingent liability in the consolidated financial statements for these indemnifications related to its investments held with the Foundation or other entities affiliated with the United Methodist Church.

**North Carolina Conference, Southeastern Jurisdiction,
of The United Methodist Church, Inc. and Affiliates**

Notes to Consolidated Financial Statements

Note 2. Investments (Continued)

Total investment return is comprised of the following for the years ended December 31, 2010 and 2009:

	<u>2010</u>	<u>2009</u>
Investment income (net of investment and administrative fees 2010 \$585,105; 2009 \$496,678)	\$ 1,147,343	\$ 1,168,592
Net realized gain (loss) on investments	122,144	(8,462)
Unrealized gain on investments	7,576,629	10,484,024
	<u>\$ 8,846,116</u>	<u>\$ 11,644,154</u>

Note 3. Other Assets

Other assets at December 31, 2010 and 2009 consist of the following:

	<u>2010</u>	<u>2009</u>
Inventory	\$ 123,107	\$ 123,108
Church properties and donated land held for resale	229,098	228,748
Note receivable from Camps	277,858	333,101
Loans to churches, net	140,000	-
Other	176,375	112,563
	<u>\$ 946,438</u>	<u>\$ 797,520</u>

Note 4. Property and Equipment

Property and Equipment at December 31, 2010 and 2009 is comprised of the following:

	<u>2010</u>	<u>2009</u>
Land and land improvements	\$ 2,122,912	\$ 2,091,411
Buildings and building improvements	8,111,573	3,521,497
Furniture and equipment	1,854,683	1,581,972
Construction in progress	-	2,940,420
	<u>12,089,168</u>	<u>10,135,300</u>
Less accumulated depreciation	2,448,157	2,420,894
	<u>\$ 9,641,011</u>	<u>\$ 7,714,406</u>

Depreciation expense for the years ended December 31, 2010 and 2009 was \$285,852 and \$283,981, respectively.

**North Carolina Conference, Southeastern Jurisdiction,
of The United Methodist Church, Inc. and Affiliates**

Notes to Consolidated Financial Statements

Note 5. Pensions

In 1981, the Conference began participating in multiemployer pension and benefit plans provided by the General Board of Pension and Health Benefits ("GBOPHB"). Six pension and benefit plans provided benefits for clergy and lay staff as follows for all service after December 31, 1981.

The Ministerial Pension Plan ("MPP") provided retirement benefits for bishops of The United Methodist Church ("UMC") elected by a Jurisdictional Conference, clergy members of an Annual Conference and local pastors of the Annual Conference under Episcopal appointment or those eligible for appointment to a charge through December 31, 2006. The MPP was a defined contribution plan and contributions were based on 12% of a participant's plan compensation. The MPP was frozen as of December 31, 2006 (except for bishops for whom the plan was frozen as of August 31, 2008). The MPP was replaced by the Clergy Retirement Security Program ("CRSP") beginning January 1, 2007. The CRSP has both defined benefit and defined contribution components. The defined benefit component of the CRSP is a multiemployer plan through the GBOPHB. The annual contributions for the years ended December 31, 2010 and 2009 were \$3,725,808 and \$3,548,193, respectively, and represents the contribution for all plan participants including those from local churches, the Annual Conference and participating extension ministries. The defined benefit component of the plan is billed to local churches for participants at 10.4% of plan compensation. The defined contribution component of the CRSP is based on 3% of plan compensation and is billed to local churches for plan participants. Under the CRSP, the expense for 2010 and 2009 totaled \$291,414 and \$278,508 for the defined benefit and \$84,061 and \$80,338 for the defined contribution components, respectively, for plan participants for whom the salary-paying unit is the Annual Conference.

Supplements to the MPP and the CRSP also provide defined benefits in accordance with their predecessor plan, the Ministers Reserve Pension Fund (subsequently named Supplement One to the MPP and Supplement One to the CRSP). All plan participants, as of December 31, 1981, entitled to receive benefits through Supplement One to MPP or CRSP will receive upon retirement a monthly benefit, disability, surviving spouse and surviving children benefits. Benefits are based on years of service and an approved pension rate per year of service. The pension rate is based on a percent of the Conference average salary. Benefits are subject to certain reductions if the participant retires before reaching the age of 65. This plan is a multi-employer plan whose cost is shared by all plan sponsors within the plan (plan sponsors include annual conferences and general boards and agencies within the United Methodist Conference). As a multi-employer plan, the portion of the liability attributed to the service years for plan participants within the North Carolina Conference is not recognized by the Conference. The Conference voluntarily agreed to fund the prior service liability for service years prior to 1982 and approves this payment annually by Annual Conference approval of the recommendation of the Conference Board of Pension. On January 1, 2007, the net unfunded liability based on a pension rate of \$572 per service year was \$32,927,070. The contributions to the plan for the prior service liability were \$2,603,119 and \$2,491,386 for 2010 and 2009, respectively, and are recognized in the Statement of Activities. The amount paid to fund the unfunded prior service liability is determined annually by the GBOPHB. Funding for these prior service liability contributions for the Supplement One to the CRSP are raised through a special apportionment as part of a funding plan approved by the 1991 session of the North Carolina Annual Conference.

The Cumulative Pension and Benefit Fund ("CPBF") provided retirement benefits for lay staff of the Annual Conference through December 31, 2006. The CPBF was a defined contribution plan and was based on 12% of plan compensation. The CPBF was replaced beginning January 1, 2007 for lay staff of the Annual Conference with the United Methodist Personal Investment Plan ("UMPIP"). Like the CPBF, the UMPIP is a defined contribution plan and is based on 12% of plan compensation. The expenses for the UMPIP for 2010 and 2009 were \$184,588 and \$199,530, respectively. Eligibility for the CPBF and UMPIP is defined as lay staff working 25 or more hours per week who have been employed for longer than one year.

**North Carolina Conference, Southeastern Jurisdiction,
of The United Methodist Church, Inc. and Affiliates**

Notes to Consolidated Financial Statements

Note 5. Pensions (Continued)

The Comprehensive Protection Plan ("CPP") provides death, disability and educational benefits for all individuals eligible to participate in the CRSP (clergy members actively serving under Episcopal appointment). The Basic Protection Plan ("BPP") provides death and disability benefits for lay staff under active employment who participate in the UMPIP. The expense for these two plans was \$72,677 and \$71,506 for 2010 and 2009, respectively.

Note 6. Postretirement Benefits Other Than Pensions

The Conference has an unfunded postretirement benefits plan that provides medical, dental, and life insurance benefits to current and future Conference retirees participating in the pension plans summarized in Note 5. Benefits under the plan are based primarily on the participants' official title while employed by the Conference, the participants' age, and the participants' length of service. The Conference uses December 31 as its measurement date for the plan.

The following table provides a reconciliation of the changes in the plan's accumulated postretirement benefit obligation for the years ended December 31, 2010 and 2009:

	<u>2010</u>	<u>2009</u>
Reconciliation of accumulated postretirement benefit obligation:		
Accumulated postretirement benefit obligation, beginning	\$ 43,310,544	\$ 37,798,785
Service costs for benefits earned during the year	772,878	622,992
Interest cost on accumulated postretirement benefit obligation	2,587,171	2,257,106
Actuarial losses	1,067,653	4,238,356
Benefit payments	(2,088,136)	(1,936,941)
Plan participant contributions	368,855	330,246
Accumulated postretirement benefit obligation, ending	<u>46,018,965</u>	<u>43,310,544</u>
Reconciliation of fair value of plan assets:		
Fair value of plan assets, beginning	-	-
Benefit payments	(2,088,136)	(1,936,941)
Employer contributions (Conference)	1,719,281	1,606,695
Plan participant contributions (Retirees)	368,855	330,246
Fair value of plan assets, ending	<u>-</u>	<u>-</u>
Funded status, accumulated postretirement benefit obligation in excess of plan assets	<u>\$ (46,018,965)</u>	<u>\$ (43,310,544)</u>

**North Carolina Conference, Southeastern Jurisdiction,
of The United Methodist Church, Inc. and Affiliates**

Notes to Consolidated Financial Statements

Note 6. Postretirement Benefits Other Than Pensions (Continued)

The components of the net periodic postretirement cost charged to benefit and welfare expense for the years ended December 31, 2010 and 2009 consisted of the following:

	<u>2010</u>	<u>2009</u>
Service cost for benefits earned during the year	\$ 772,878	\$ 622,992
Interest cost on projected benefit obligation	2,587,171	2,257,106
Amortization of unrecognized prior service cost	57,560	57,560
Amortization of prior service credit	(872,988)	(872,988)
Amortization of unrecognized actuarial gains	-	(129,342)
	<u>\$ 2,544,621</u>	<u>\$ 1,935,328</u>

Amounts recognized in postretirement changes other than net periodic postretirement cost:

	<u>2010</u>	<u>2009</u>
Amortization of unrecognized actuarial gains	\$ -	\$ 129,342
Amortization of prior service credit	872,988	872,988
Actuarial losses	1,067,653	4,238,356
Amortization of unrecognized prior service cost	(57,560)	(57,560)
	<u>\$ 1,883,081</u>	<u>\$ 5,183,126</u>

Amounts recognized in unrestricted net assets but not yet recognized as components of net periodic postretirement cost at December 31, 2010 and 2009:

	<u>2010</u>	<u>2009</u>
Unrecognized actuarial (gains) losses	\$ 362,047	\$ (705,605)
Unamortized prior service credit	(6,983,904)	(7,856,892)
Unamortized prior service cost	345,357	402,917
	<u>\$ (6,276,500)</u>	<u>\$ (8,159,580)</u>

Amounts in unrestricted net assets expected to be recognized as components of net periodic postretirement cost in 2011 and 2010:

	<u>2011</u>	<u>2010</u>
Amortization of unrecognized prior service cost	\$ 57,560	\$ 57,560
Amortization of unrecognized prior service credit	(872,988)	(872,988)
	<u>\$ (815,428)</u>	<u>\$ (815,428)</u>

**North Carolina Conference, Southeastern Jurisdiction,
of The United Methodist Church, Inc. and Affiliates**

Notes to Consolidated Financial Statements

Note 6. Postretirement Benefits Other Than Pensions (Continued)

Weighted-average assumptions used to determine benefit obligations and net periodic postretirement benefit cost for years ended December 31 are:

	<u>2010</u>	<u>2009</u>
Discount rate	6.00%	6.00%
Expected return on plan assets (unfunded)	0%	0%

The health care trend rate was assumed to be 10.0% for 2010. For 2011, the trend of health care costs used to determine the benefit obligation and net periodic postretirement benefit cost is 10.5% with such rates declining gradually to 5.0%.

Assumed health care rates have a significant effect on the amounts reported for the plan. A one percent change in assumed health care costs trend rates would have the following effect:

	<u>1% Increase</u>	<u>1% Decrease</u>
Effect on total service and interest cost components	\$ 611,544	\$ (485,338)
Effect on the accumulated postretirement benefit obligation	7,105,576	(5,729,093)

The Conference is on an unfunded basis regarding the plan; therefore, there are no assets in the plan. However, \$14,673,000 and \$1,000,000 has been internally designated, which is held by a related party, for purposes of future obligations related to the plan at December 31, 2010 and 2009.

The benefits expected to be paid by Conference contributions of the same amount in each of the next five fiscal years and in the aggregate for the five fiscal years thereafter are as follows:

<u>Year</u>	<u>Amount</u>
2011	\$ 1,969,121
2012	2,227,389
2013	2,152,931
2014	2,247,438
2015	2,523,119
2016-2020	14,573,586
	<u>\$ 25,693,584</u>

**North Carolina Conference, Southeastern Jurisdiction,
of The United Methodist Church, Inc. and Affiliates**

Notes to Consolidated Financial Statements

Note 7. Related Party Transactions

United Methodist Foundation, Inc. and affiliate (the "Foundation") was established primarily as an investment pool available for organizations, churches and agencies related to the North Carolina Conference, Southeastern Jurisdiction, of The United Methodist Church, Inc. The Conference and the Foundation share certain common board representation. Net accounts receivable due from the Foundation was \$44,540 at December 31, 2010 and net accounts payable due to the Foundation was \$2,127 at December 31, 2009.

During September 2010, the Foundation entered into an operating lease with the Conference for office space in the Conference's building. The lease expires in August 2015. For the year ended December 31, 2010, the Conference recognized rental income of \$12,055 related to this lease in other revenues in the consolidated statement of activities. The following is a schedule of future minimum lease receipts at December 31, 2010:

Year Ending December 31,	Amount
2011	\$ 36,768
2012	38,608
2013	40,537
2014	42,554
2015	29,302
	<u>\$ 187,769</u>

Certain accounting functions are performed by the Conference on behalf of the Foundation. The revenue associated with these accounting functions is not material, and as a result, is not recognized in the accompanying consolidated financial statements. As discussed in Note 2, the Conference has significant amounts of investments held with the Foundation and other entities affiliated with the United Methodist Church.

Note 8. Mortgages Payable

Some of the Conference's District Superintendent Offices have outstanding mortgages payable related to their parsonages. At December 31, 2010 and 2009, the outstanding amounts due were \$326,750 and \$340,339, respectively.

Maturities of the mortgages payable due in future years are as follows:

Year Ending December 31,	Amount
2011	\$ 16,338
2012	16,338
2013	16,338
2014	16,338
2015	16,338
Thereafter	245,063
	<u>\$ 326,750</u>

**North Carolina Conference, Southeastern Jurisdiction,
of The United Methodist Church, Inc. and Affiliates**

Notes to Consolidated Financial Statements

Note 9. Operating Lease

The Conference leased office space under a noncancelable operating lease for the period August 8, 2008 through August 31, 2010. This lease required that the Conference pay property taxes, insurance and specified maintenance plus minimum monthly rentals. Rent expense charged to operations was \$200,000 and \$303,000 in 2010 and 2009. See Note 13 for details of this sale and leaseback transaction.

Note 10. Temporarily Restricted Net Assets

Temporarily restricted net assets at December 31, 2010 and 2009 are available for the following purposes:

	<u>2010</u>	<u>2009</u>
Disaster relief and preparedness	\$ 312,733	\$ 465,722
Establishment of new churches	2,500,001	2,198,259
Zimbabwe Orphan Endeavor program	689,498	783,124
Other	2,549,869	3,422,787
	<u>\$ 6,052,101</u>	<u>\$ 6,869,892</u>

Note 11. Net Assets Released From Restrictions

During the years ended December 31, 2010 and 2009, net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by the donors as follows:

	<u>2010</u>	<u>2009</u>
Disaster relief and preparedness	\$ 322,194	\$ 378,555
Establishment of new churches	417,679	347,748
Duke Endowment retiree benefit supplement	808,374	800,873
Zimbabwe Orphan Endeavor program	1,358,014	1,742,117
Other	1,649,052	711,831
	<u>\$ 4,555,313</u>	<u>\$ 3,981,124</u>

Note 12. Fair Value Measurements

Guidance provided by the FASB 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 at the measurement date. The Conference utilizes valuation techniques to maximize the use of observable inputs and minimize the use of unobservable inputs. Assets and liabilities recorded at fair value are categorized within the fair value hierarchy based upon the level of judgment associated with the inputs used to measure their value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). Inputs are broadly defined as assumptions market participants would use in pricing an asset or liability. The three levels of the fair value hierarchy are described below:

**North Carolina Conference, Southeastern Jurisdiction,
of The United Methodist Church, Inc. and Affiliates**

Notes to Consolidated Financial Statements

Note 12. Fair Value Measurements (Continued)

Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. Listed equities would be an example of the type of investments included in Level 1. As required by the guidance provided by the FASB, the Conference does not adjust the quoted price for these investments, even in situations where the Conference holds a large position and a sale could reasonably impact the quoted price.

Level 2 - Inputs other than quoted prices within Level 1 that are observable for the asset or liability, either directly or indirectly; and fair value is determined through the use of models or other valuation methodologies. Investments within this category would generally include corporate bonds and loans, less liquid and restricted equity securities and certain over-the-counter derivatives. A significant adjustment to a Level 2 input could result in the Level 2 measurement becoming a Level 3 measurement.

Level 3 - Inputs are unobservable for the asset or liability and include situations where there is little, if any, market activity for the asset or liability. The inputs into the determination of fair value are based upon the best information in the circumstances and may require significant management judgment or estimation. Investments within this category would generally include equity and debt positions in private companies and general and limited partnership interests in corporate private equity and real estate funds, debt funds, certain funds of hedge funds and distressed debt. The Conference does not have any Level 3 financial instruments as of December 31, 2010 or 2009.

The tables below present the balances of financial assets measured at fair value on a recurring basis by level at December 31, 2010 and 2009.

December 31, 2010				
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Financial assets				
Investments:				
Assets invested by the United Methodist Foundation	\$ 64,044,703	\$ -	\$ 64,044,703	\$ -
Assets invested by the GBOP	15,788,165	-	15,788,165	-
Assets invested by the National United Methodist Foundation	1,443,493	-	1,443,493	-
Total financial assets	\$ 81,276,361	\$ -	\$ 81,276,361	\$ -

December 31, 2009				
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Financial assets				
Investments:				
Assets invested by the United Methodist Foundation	\$ 55,738,430	\$ -	\$ 55,738,430	\$ -
Assets invested by the GBOP	13,386,086	-	13,386,086	-
Assets invested by the National United Methodist Foundation	1,237,399	-	1,237,399	-
Total financial assets	\$ 70,361,915	\$ -	\$ 70,361,915	\$ -

**North Carolina Conference, Southeastern Jurisdiction,
of The United Methodist Church, Inc. and Affiliates**

Notes to Consolidated Financial Statements

Note 12. Fair Value Measurements (Continued)

The following presents further information regarding the composition of the Conference's investments at December 31, 2010 and 2009:

Investments at December 31, 2010	Fair Value	Unfunded Commitment	Redemption Frequency (If Currently Eligible)	Redemption Notice Period (In Days)
United Methodist Foundation^(a)	\$ 64,044,703	\$ -	Quarterly	0
General Board of Pension^(b)	15,788,165	-	Monthly	15
National United Methodist Foundation^(c)	1,443,493	-	Monthly	15

Investments at December 31, 2009	Fair Value	Unfunded Commitment	Redemption Frequency (if Currently Eligible)	Redemption Notice Period (in Days)
United Methodist Foundation^(a)	\$ 55,738,430	\$ -	Quarterly	0
General Board of Pension^(b)	13,386,086	-	Monthly	15
National United Methodist Foundation^(c)	1,237,399	-	Monthly	15

- (a) The Foundation provides a management-investment pool for long-term and permanent funds of the Conference and local churches, institutions, and ministries of the Church. The Foundation provides two investment alternatives for its unit holders. One option is the Balanced Fund, which utilizes an investment allocation of 65% equities and 35% fixed income securities. The second option is a Fixed Income Fund, which utilizes an investment allocation strategy of 95% fixed income securities and 5% equities. Equity instruments held by the Foundation include large cap domestic equities, mid/small cap domestic equities, and international equities. Fixed income instruments held by the Foundation include short-term, intermediate-term, and high-yield domestic fixed income assets. The Foundation invests all funds according to the Social Principles of the United Methodist Church as described in The Book of Discipline and the Statement of Investment Guidelines published by the denomination's General Council on Finance and Administration. The fair values of investments held by the Foundation have been estimated using the net asset value per share of the investments.
- (b) The GBOP selects and manages investments in a manner that is consistent with a methodology termed "socially responsible investing," an investment strategy dedicated to attaining market rates of return, while upholding the social values of the organization administering the investment program. The Conference holds investments in five different types of funds managed by the GBOP. These funds enable the Conference to earn current income while preserving capital by investing in a broad mix of equity and fixed income securities. The fair values of investments in this category have been estimated using the net asset value per share of the investments.
- (c) The National United Methodist Foundation includes investments in small cap equities, large cap equities, and international equities. The National United Methodist Foundation selects and manages investments in a manner that is consistent with a methodology termed "socially responsible investing," an investment strategy dedicated to attaining market rates of return, while upholding the social values of the organization administering the investment program. The fair values of investments in this category have been estimated using the net asset value per share of the investments.

**North Carolina Conference, Southeastern Jurisdiction,
of The United Methodist Church, Inc. and Affiliates**

Notes to Consolidated Financial Statements

Note 13. Gains From Sale of Property

During 2008, the Conference sold the Methodist Building for \$3,353,748 and leased back a portion of the office space. The sale resulted in a gain on the disposal of the building of \$2,530,562. The lease agreement was for two years and expired in August 2010. The present value of the future minimum lease payments were such that the Conference retained a greater than "minor," but less than "substantially all" of its financial interest in the building. Accordingly, the Conference deferred the gain on the sale equal to the present value of the minimum lease payments over the term of the leaseback and elected to recognize the gain over and above the present value of the lease payments immediately. The deferred portion of the gain was recognized in proportion to the related gross rental charged to expense over the lease term. Details about the 2008 sale and leaseback transaction are as follows:

Methodist Building sales price (net of expenses)	\$ 3,353,748
Less carrying value of the Methodist Building	<u>823,186</u>
Gain on sale	2,530,562
Net present value of rent payments (recognized over lease term)	<u>593,000</u>
Excess gain (recognized immediately)	<u>\$ 1,937,562</u>

The Conference recognized gains of \$178,000 and \$293,000 during 2010 and 2009, respectively, related to the sale and leaseback transaction.

The deferred portion of the gain is \$-0- and \$178,000 at December 31, 2010 and 2009, respectively, and is included in accounts payable and accrued expenses in the consolidated statements of financial position.

During 2009, the Conference also sold the Raleigh Towne Apartments land for \$3,075,000. The sale resulted in a gain of \$2,878,050 net of expenses.

**North Carolina Conference, Southeastern Jurisdiction,
of The United Methodist Church, Inc. and Affiliates**

**Consolidating Statement of Financial Position
December 31, 2010**

	Conference	District Superintendent Offices	Board of Missions, Inc.	Eliminations	Total
Assets					
Cash and cash equivalents	\$ 4,377,683	\$ 1,877,058	\$ 642,399	\$ (784,152)	\$ 6,112,988
Accounts receivable	2,879,460	-	23,068	-	2,902,528
Investments	84,130,478	554,028	139,063	-	84,823,569
Mortgage loans receivable, less allowance for doubtful loans of \$600,000	-	-	3,209,629	-	3,209,629
Other assets	825,689	120,749	-	-	946,438
Property and equipment, net	7,284,802	1,946,009	410,200	-	9,641,011
Total assets	\$ 99,498,112	\$ 4,497,844	\$ 4,424,359	\$ (784,152)	\$ 107,636,163
Liabilities and Net Assets					
Accounts payable and accrued expenses	\$ 4,586,772	\$ 4,192	\$ -	\$ (784,152)	\$ 3,806,812
Agency payables	348,891	-	-	-	348,891
Mortgages payable	-	326,750	-	-	326,750
Accumulated postretirement benefit obligation	46,018,965	-	-	-	46,018,965
Total liabilities	50,954,628	330,942	-	(784,152)	50,501,418
Net assets:					
Unrestricted:					
Designated, next year's approved budget	12,491,909	-	-	-	12,491,909
Designated, postretirement benefits plan	14,673,406	-	-	-	14,673,406
Undesignated	16,403,612	3,089,358	4,424,359	-	23,917,329
Temporarily restricted	4,974,557	1,077,544	-	-	6,052,101
Total net assets	48,543,484	4,166,902	4,424,359	-	57,134,745
Total liabilities and net assets	\$ 99,498,112	\$ 4,497,844	\$ 4,424,359	\$ (784,152)	\$ 107,636,163

**North Carolina Conference, Southeastern Jurisdiction,
of The United Methodist Church, Inc. and Affiliates**

**Statement of Financial Position, Conference
December 31, 2010**

Assets

Cash and cash equivalents	\$ 4,377,683
Accounts receivable	2,879,460
Investments	84,130,478
Other assets	825,689
Property and equipment, net	7,284,802
Total assets	\$ 99,498,112

Liabilities and Net Assets

Liabilities:

Accounts payable and accrued expenses	\$ 4,586,772
Agency payables	348,891
Accumulated postretirement benefit obligation	46,018,965
Total liabilities	50,954,628

Net assets:

Unrestricted:	
Designated, next year's approved budget.	12,491,909
Designated, postretirement benefits plan	14,673,406
Undesignated	16,403,612
Temporarily restricted	4,974,557
Total net assets	48,543,484
Total liabilities and net assets	\$ 99,498,112

North Carolina Conference, Southeastern Jurisdiction,
of The United Methodist Church, Inc. and Affiliates

Statement of Activities, Conference
Year Ended December 31, 2010

	Unrestricted	Temporarily Restricted	Total
Revenues, gains and other support:			
Apportionments	\$ 15,732,133	\$ -	\$ 15,732,133
Other church remittances	143,330	-	143,330
Restricted contributions	-	2,103,529	2,103,529
Insurance premiums	7,712,130	-	7,712,130
Registration fees	318,263	-	318,263
Investment income	1,025,576	60,922	1,086,498
Unrealized appreciation on investments	7,376,335	200,063	7,576,398
Pension plan funding	6,793,881	-	6,793,881
Gains from sale of property	178,000	-	178,000
Grants	-	833,374	833,374
Other	1,774,672	-	1,774,672
Total revenues, gains, and other support	41,054,320	3,197,888	44,252,208
Net assets released from donor restrictions	3,296,651	(3,296,651)	-
Expenses and distributions:			
Program:			
Mission development/spiritual formation	3,102,245	-	3,102,245
Episcopal	2,514,232	-	2,514,232
Benefit and welfare	18,902,846	-	18,902,846
General church distributions	3,373,386	-	3,373,386
Disaster response and recovery	329,546	-	329,546
District Superintendent offices	-	-	-
Benevolent Funds	1,371,519	-	1,371,519
Congregational Development	522,313	-	522,313
Scholarship Funds	8,050	-	8,050
Property Management Activities	860,795	-	860,795
Conference Connectional Ministries	997,366	-	997,366
Resource Ministries	651,337	-	651,337
Communications	46,108	-	46,108
Other	5,914,139	-	5,914,139
Administrative	1,136,419	-	1,136,419
Fund raising	169,242	-	169,242
Total expenses	35,442,055	-	35,442,055
Increase (decrease) in net assets from operating activities	8,908,916	(98,763)	8,810,153
Nonoperating:			
Postretirement changes other than net periodic postretirement cost	(1,883,081)	-	(1,883,081)
Change in net assets	7,025,835	(98,763)	6,927,072
Net assets at beginning of year	36,543,092	5,073,320	41,616,412
Net assets at end of year	\$ 43,568,927	\$ 4,974,557	\$ 48,543,484

**North Carolina Conference, Southeastern Jurisdiction,
of The United Methodist Church, Inc. and Affiliates**

**Statement of Financial Position, District Superintendent Offices
December 31, 2010**

Assets

Cash	\$	1,877,058
Investments		554,028
Other assets		120,749
Property and equipment, net		1,946,009
Total assets	\$	4,497,844

Liabilities and Net Assets

Liabilities:

Accounts payable and accrued expenses	\$	4,192
Mortgages payable		326,750
Total liabilities		330,942

Net assets:

Unrestricted:		
Undesignated		3,089,358
Temporarily restricted		1,077,544
Total net assets		4,166,902
Total liabilities and net assets	\$	4,497,844

**North Carolina Conference, Southeastern Jurisdiction,
of The United Methodist Church, Inc. and Affiliates**

**Statement of Activities, District Superintendent Offices
Year Ended December 31, 2010**

	Unrestricted	Temporarily Restricted	Total
Revenues, gains and other support:			
Other church remittances	\$ 1,250,976	\$ -	\$ 1,250,976
Grants	-	539,634	539,634
Other	382,076	-	382,076
Total revenues, gains, and other support	1,633,052	539,634	2,172,686
Net assets released from donor restrictions	1,258,662	(1,258,662)	-
Expenses and distributions:			
Program:			
Other	2,415,284	-	2,415,284
Total expenses	2,415,284	-	2,415,284
Change in net assets	476,430	(719,028)	(242,598)
Net assets at beginning of year	2,612,928	1,796,572	4,409,500
Net assets at end of year	\$ 3,089,358	\$ 1,077,544	\$ 4,166,902

**North Carolina Conference, Southeastern Jurisdiction,
of The United Methodist Church, Inc. and Affiliates**

**Statement of Financial Position, Board of Missions, Inc.
December 31, 2010**

Assets

Cash	\$	642,399
Accounts receivable		23,068
Investments		139,063
Mortgage loans receivable, less allowance for doubtful loans of \$600,000		3,209,629
Property and equipment, net		410,200
Total assets	\$	4,424,359

Liabilities and Net Assets

Unrestricted:

Undesignated	\$	4,424,359
Total liabilities and net assets	\$	4,424,359

**North Carolina Conference, Southeastern Jurisdiction,
of The United Methodist Church, Inc. and Affiliates**

**Statement of Activities, Board of Missions, Inc.
Year Ended December 31, 2010**

	Unrestricted	Temporarily Restricted	Total
Revenues, gains and other support:			
Revenues:			
Investment income	\$ 182,989	\$ -	\$ 182,989
Unrealized appreciation on investments	231	-	231
Other	25,451	-	25,451
Total revenues, gains, and other support	208,671	-	208,671
Expenses and distributions:			
Program:			
Other	173,700	-	173,700
Total expenses	173,700	-	173,700
Change in net assets	34,971	-	34,971
Net assets at beginning of year	4,389,388	-	4,389,388
Net assets at end of year	\$ 4,424,359	\$ -	\$ 4,424,359

North Carolina Conference, Southeastern Jurisdiction,
of The United Methodist Church, Inc. and Affiliates

Statement of Financial Position Detail, Conference
December 31, 2010

Assets	Cash	Investments	Due From Other Funds	Accounts Receivable	Property and Equipment, Net	Other Assets	Total Assets
Central Funds	\$ 4,377,317	\$ 21,676,938	\$ -	\$ 2,601,145	\$ -	\$ 317,132	\$ 28,972,532
Special Funds:							
Abundant Life New Church Accounting Support	-	-	3,952	-	-	-	3,952
Adult Education Programs	-	-	22,353	-	-	-	22,353
Adult Study Tour	-	-	1,660	-	-	-	1,660
Advance Specials World Missions	-	-	24,636	100	-	-	24,736
Annual Conference Merit Scholarship	-	-	2,437	-	-	-	2,437
Bishop's Initiative-Children	-	-	2,282	-	-	-	2,282
Blackburn Scholarship Fund	-	180,004	244	146	-	-	180,394
Board of Ordained Ministry	-	-	10,617	-	-	-	10,617
Board of Pensions	-	14,397,403	2,120,430	16	-	-	16,517,849
Board of Trustees	-	2,888,371	1,573,433	139,468	7,284,433	215,379	12,101,084
Central Supplies	-	-	4,693	181	-	6,307	11,181
Children's Ministries	-	-	61,921	-	-	-	61,921
Church Extension - SFT Funds	-	334,051	-	270	-	-	334,321
Church of Risen Lord UMC Accounting Support	-	-	10,725	-	-	-	10,725
Church Redevelopment Endowment, SFT Funds	-	233,140	-	189	-	-	233,329
Church Salary Endowment, SFT Funds	-	431,475	-	349	-	-	431,824
Clergy Counseling and Consultation Services	-	-	3,852	-	-	-	3,852
Committee on Disaster Preparedness	-	-	26,019	-	-	-	26,019
Communications Events	-	-	1,373	-	-	-	1,373
Conference Advance Specials	-	-	150,787	-	-	-	150,787
Conference Mission Work Team	-	-	736	-	-	-	736
Conference Summer School	-	-	8,475	-	-	-	8,475
Congregational Development Fund, Inc.	-	841,964	12,945	-	-	140,000	994,909
Congregational Development Fund, Inc. Properties	-	-	1,554	-	-	131,451	133,005
Congregational Development Initiatives - Administration	-	-	10,354	11	369	1,000	11,734
Congregational Development Initiatives - Designated Donations	-	16,870	68,585	23	-	-	85,488
Copier Fund	-	-	6,162	-	-	-	6,162
Crossbeams	-	-	17,298	-	-	-	17,298
Crossroads UMC Accounting Support	-	-	130	-	-	-	130
Disaster Recovery Seed Funding	-	-	50,000	-	-	-	50,000
Division of National Missions	-	-	5,991	-	-	-	5,991
Effective Ministry Training Fund	-	-	71,790	-	-	-	71,790
Elizabeth City New Church Accounting Support	-	-	1,200	-	-	-	1,200
Episcopal Residence	-	-	-	160	-	-	160
Farm Crisis	-	-	5,048	-	-	-	5,048
Footprints	-	-	12,544	-	-	-	12,544
General Conference	-	-	430	-	-	-	430
Golden Cross Fund	-	-	68,542	-	-	-	68,542
Handicap Accessibility Program	-	-	3,320	-	-	-	3,320
Health Ministries	-	-	18,328	-	-	-	18,328
Hispanic Ministries	-	-	108,913	2,148	-	-	111,061
Historical Book Sales	-	-	1,088	-	-	-	1,088
Historical Society Event	-	-	1,507	-	-	-	1,507
Holding Reserve	-	-	47,650	-	-	-	47,650
Holly Ridge New Church Accounting Support	-	-	41	46	-	-	87
Howard M. McLamb Ministerial Scholarship Fund	-	93,289	33,355	76	-	-	126,720
Hunger and Human Needs Fund	-	-	1,969	-	-	-	1,969
Insurance Fund	-	5,430,925	1,415,959	39,342	-	520	6,886,746
Isa Grant Scholarship Fund	-	-	1,779	-	-	-	1,779
John Wesley Endowment	-	409,121	11,714	331	-	-	421,166
Jurisdictional Conference	-	-	28,262	-	-	-	28,262
Lady Banquet	-	-	19,802	-	-	-	19,802
Lay Employee Disability Fund	-	-	135,936	-	-	-	135,936
Local Church Webhosting	-	-	4,532	-	-	-	4,532

(Continued)

North Carolina Conference, Southeastern Jurisdiction,
of The United Methodist Church, Inc. and Affiliates

Statement of Financial Position Detail, Conference (Continued)
December 31, 2010

Assets	Cash	Investments	Due From Other Funds	Accounts Receivable	Property and Equipment, Net	Other Assets	Total Assets
Media Center	-	-	12,462	-	-	-	12,462
Medical Grant Fund	-	280,745	28,709	227	-	-	309,681
MERC Initiatives	366	353,769	-	10,286	-	-	364,421
MERC Initiatives - IT/REACH Grant	-	-	49,012	-	-	-	49,012
MERCI Emergency Repair Program	-	-	2,682	-	-	-	2,682
Methodist Board of Publications	-	10,744	1,203	15	-	-	11,962
Ministers' Transition Fund	-	17,983,871	-	15,355	-	-	18,009,226
Ministerial Education Fund	-	-	266,489	-	-	-	266,489
Mission Work Volunteer	-	-	2,106	-	-	-	2,106
Missions and Multicultural Ministries	-	-	169,718	-	-	-	169,718
Missionary to Armenia	-	-	386	-	-	-	386
Native American Awareness	-	83,445	-	68	-	-	83,513
NC Conference Campus Ministries	-	38,045	-	54	-	-	38,099
NC Conference Historical Society	-	-	3,220	-	-	-	3,220
NC Conference Newspaper	-	210,284	33,721	293	-	-	244,298
Neighbor to Neighbor	-	-	21,109	-	-	-	21,109
New Ordinands Holy Land Trips	-	-	11,500	-	-	-	11,500
North Carolina State Commission on Campus Ministry	-	10,480	-	15	-	-	10,495
Pastoral Counseling Commission	-	-	2,332	-	-	-	2,332
Peace With Justice	-	-	3,841	-	-	-	3,841
Pension Billing	-	1,410,094	171,692	50,313	-	-	1,632,099
Printer Fund	-	-	31,571	4	-	-	31,575
Retiree Welfare Benefits Liability	-	16,403,483	435,352	13,471	-	-	16,852,306
Rural Affordable Housing Project	-	-	4,583	-	-	-	4,583
Rural Church Consultation Services	-	-	12,248	-	-	-	12,248
Scouting Ministries	-	-	41	-	-	-	41
SEJ Association-Communicators	-	7,186	-	5	-	-	7,191
Showers of Blessing New Church Accounting Support	-	-	20,998	-	-	-	20,998
Solid Rock New Church Accounting Support	-	-	660	-	-	-	660
Spirit For Tomorrow Campaign	-	-	1,900	-	-	-	1,900
Stewardship Seminars	-	-	1,447	-	-	1,000	2,447
Ten Dollar Club	-	-	537,576	-	-	-	537,576
Town and Country Committee	-	-	21,019	-	-	-	21,019
Trinity (Sanford) New Church Accounting Support	-	-	1,391	-	-	-	1,391
UMCOR Disaster Relief Funding	-	-	42,045	-	-	-	42,045
United Methodist Men	-	-	340	-	-	-	340
UN Study Tour Scholarships	-	-	6,200	-	-	-	6,200
Wellspring	-	-	78,734	-	-	1,400	80,134
Youth Activities	-	-	33,835	-	-	11,500	45,335
Youth Service Fund	-	-	2,845	3,992	-	-	6,837
Zimbabwe Orphan Endeavor	-	394,781	300,034	1,361	-	-	696,176
Subtotal	4,377,683	84,130,478	8,510,364	2,879,460	7,284,802	825,689	108,008,476
Elimination of interfund balances	-	-	(8,510,364)	-	-	-	(8,510,364)
Total	\$ 4,377,683	\$ 84,130,478	\$ -	\$ 2,879,460	\$ 7,284,802	\$ 825,689	\$ 99,498,112

North Carolina Conference, Southeastern Jurisdiction,
of The United Methodist Church, Inc. and Affiliates

Statement of Financial Position Detail, Conference (Continued)
December 31, 2010

Liabilities and Net Assets	Liabilities	Due to Other Funds	Total Liabilities	Net Assets (Deficit)	Total Liabilities and Net Assets
Central Funds	\$ 2,730,045	\$ 6,432,780	\$ 9,162,825	\$ 19,809,707	\$ 28,972,532
Special Funds:					
Abundant Life New Church Accounting Support	-	-	-	3,952	3,952
Adult Education Programs	-	-	-	22,353	22,353
Adult Study Tour	-	-	-	1,660	1,660
Advance Specials World Missions	24,736	-	24,736	-	24,736
African American Director of Christian Education	-	24,983	24,983	(24,983)	-
Annual Conference Merit Scholarship	-	-	-	2,437	2,437
Bishop's Initiative-Children	-	-	-	2,282	2,282
Blackburn Scholarship Fund	-	-	-	180,394	180,394
Board of Ordained Ministry	-	-	-	10,617	10,617
Board of Pensions	-	-	-	16,517,849	16,517,849
Board of Trustees	33,031	416,146	449,177	11,651,907	12,101,084
Central Supplies	-	-	-	11,181	11,181
Children's Ministries	-	-	-	61,921	61,921
Church Extension - SFT Funds	-	39,999	39,999	294,322	334,321
Church of Risen Lord UMC Accounting Support	-	-	-	10,725	10,725
Church Redevelopment Endowment, SFT Funds	-	5,001	5,001	228,328	233,329
Church Salary Endowment, SFT Funds	-	8,099	8,099	423,725	431,824
Circles of Hispanic Ministries	-	683	683	(683)	-
Clergy Counseling and Consultation Services	-	-	-	3,852	3,852
Closer Walk UMC Accounting Support	-	118	118	(118)	-
Committee on Disaster Preparedness	-	-	-	26,019	26,019
Communications Events	-	-	-	1,373	1,373
Conference Advance Specials	150,787	-	150,787	-	150,787
Conference Mission Work Team	-	-	-	736	736
Conference Summer School	-	-	-	8,475	8,475
Congregational Development Fund, Inc.	-	-	-	994,909	994,909
Congregational Development Fund, Inc. Properties	-	-	-	133,005	133,005
Congregational Development Initiatives - Administration	-	-	-	11,734	11,734
Congregational Development Initiatives - Designated Donations	-	-	-	85,488	85,488
Copier Fund	-	-	-	6,162	6,162
Crossbeams	-	-	-	17,298	17,298
Crossroads UMC Accounting Support	-	-	-	130	130
Disaster Recovery Seed Funding	-	-	-	50,000	50,000
Division of National Missions	5,991	-	5,991	-	5,991
Effective Ministry Training Fund	-	-	-	71,790	71,790
Elizabeth City New Church Accounting Support	-	-	-	1,200	1,200
Episcopal Residence	132,276	38,922	171,198	(171,038)	160
Farm Crisis	-	-	-	5,048	5,048
Fayetteville Korean New Church Accounting Support	-	1,696	1,696	(1,696)	-
Footprints	-	-	-	12,544	12,544
GBOM Disciple Bible Outreach	-	-	-	-	-
General Conference	-	-	-	430	430
Golden Cross Fund	-	-	-	68,542	68,542
Greater Heights UMC (East Clayton) Accounting Support	-	1,553	1,553	(1,553)	-
Handicap Accessibility Program	-	-	-	3,320	3,320
Health Ministries	-	-	-	18,328	18,328
Hispanic Ministries	-	-	-	111,061	111,061
Historical Book Sales	-	-	-	1,088	1,088
Historical Society Event	-	-	-	1,507	1,507
Holding Reserve	47,704	-	47,704	(54)	47,650
Holly Ridge New Church Accounting Support	-	-	-	87	87
Howard M. McLamb Ministerial Scholarship Fund	-	-	-	126,720	126,720
Hunger and Human Needs Fund	-	-	-	1,969	1,969
Insurance Fund	1,203,380	-	1,203,380	5,683,366	6,886,746
Isa Grant Scholarship Fund	-	-	-	1,779	1,779
John Wesley Endowment	-	-	-	421,166	421,166
Jurisdictional Conference	-	-	-	28,262	28,262
Laity Banquet	-	-	-	19,802	19,802
Lay Employee Disability Fund	-	-	-	135,936	135,936
Local Church Webhosting	-	-	-	4,532	4,532

(Continued)

North Carolina Conference, Southeastern Jurisdiction,
of The United Methodist Church, Inc. and Affiliates

Statement of Financial Position Detail, Conference (Continued)
December 31, 2010

Liabilities and Net Assets	Liabilities	Due to Other Funds	Total Liabilities	Net Assets (Deficit)	Total Liabilities and Net Assets
Media Center	\$ -	\$ -	\$ -	\$ 12,462	\$ 12,462
Medical Grant Fund	-	-	-	309,681	309,681
MERC Initiatives	-	332,459	332,459	31,962	364,421
MERC Initiatives - IT/REACH Grant	-	-	-	49,012	49,012
MERCI Emergency Repair Program	-	-	-	2,682	2,682
Methodist Board of Publications	-	-	-	11,962	11,962
Ministers' Transition Fund	439,209	1,132,814	1,572,023	16,437,203	18,009,226
Ministerial Education Fund	142,077	-	142,077	124,412	266,489
Mission Work Volunteer	-	-	-	2,106	2,106
Missions and Multicultural Ministries	-	-	-	169,718	169,718
Missionary to Armenia	-	-	-	386	386
Native American Awareness	14,137	55,241	69,378	14,135	83,513
Native American Project	-	7,297	7,297	(7,297)	-
NC Conference Campus Ministries	-	-	-	38,099	38,099
NC Conference Historical Society	-	-	-	3,220	3,220
NC Conference Newspaper	-	-	-	244,298	244,298
Neighbor to Neighbor	-	-	-	21,109	21,109
New Ordinands Holy Land Trips	-	-	-	11,500	11,500
North Carolina State Commission on Campus Ministry	-	-	-	10,495	10,495
Pastoral Counseling Commission	-	-	-	2,332	2,332
Peace With Justice	1,921	-	1,921	1,920	3,841
Pension Billing	1,127	-	1,127	1,630,972	1,632,099
Printer Fund	-	-	-	31,575	31,575
Retiree Welfare Benefits Liability	46,018,965	-	46,018,965	(29,166,659)	16,852,306
Rural Affordable Housing Project	-	-	-	4,583	4,583
Rural Church Consultation Services	-	-	-	12,248	12,248
Scouting Ministries	-	-	-	41	41
SEJ Association-Communicators	7,191	-	7,191	-	7,191
Shepherd's House UMC Accounting Support	-	2,362	2,362	(2,362)	-
Showers of Blessing New Church Accounting Support	-	-	-	20,998	20,998
Solid Rock New Church Accounting Support	-	-	-	660	660
Spirit For Tomorrow Campaign	-	-	-	1,900	1,900
Stewardship Seminars	-	-	-	2,447	2,447
Ten Dollar Club	-	-	-	537,576	537,576
Town and Country Committee	-	-	-	21,019	21,019
Trinity (Cleveland) New Church Accounting Support	-	6,130	6,130	(6,130)	-
Trinity (Sanford) New Church Accounting Support	-	-	-	1,391	1,391
UMCOR Disaster Relief Funding	-	-	-	42,045	42,045
United Methodist Men	-	-	-	340	340
UN Study Tour	-	4,081	4,081	(4,081)	-
UN Study Tour Scholarships	-	-	-	6,200	6,200
Wellspring	-	-	-	80,134	80,134
Youth Activities	-	-	-	45,335	45,335
Youth Service Fund	2,051	-	2,051	4,786	6,837
Zimbabwe Orphan Endeavor	-	-	-	696,176	696,176
Subtotal	50,954,628	8,510,364	59,464,992	48,543,484	108,008,476
Elimination of interfund balances	-	(8,510,364)	(8,510,364)	-	(8,510,364)
Total	\$ 50,954,628	\$ -	\$ 50,954,628	\$ 48,543,484	\$ 99,498,112

North Carolina Conference, Southeastern Jurisdiction,
of The United Methodist Church, Inc. and Affiliates

Statement of Activities Detail, Conference (Continued)
Year Ended December 31, 2010

	Net Assets (Deficit) January 1, 2010	Revenue	Expense	Net Revenue/ (Expense)	Central Fund Transfers	Non- Operating	Net Assets (Deficit) December 31, 2010
Central Fund:							
General	\$ 17,482,721	\$ 16,922,700	\$ 44,229	\$ 16,878,472	\$ (14,551,486)	\$ -	\$ 19,809,707
Annual Budget Programs:							
African University Fund	-	56,548	60,416	(3,868)	3,868	-	-
Annual Conference Expense	-	89	128,704	(128,615)	128,615	-	-
Bishop's Day Apart	-	950	5,748	(4,798)	4,798	-	-
Black Colleges	-	250,630	269,946	(19,316)	19,316	-	-
BODM: Sexual Ethics Program	-	2,574	12,239	(9,665)	9,665	-	-
Board of Ordained Ministry	-	3,200	186,057	(182,857)	182,857	-	-
Board of Institutions	-	-	265	(265)	265	-	-
Cabinet Discretionary Fund	-	-	768	(768)	768	-	-
Camps Maintenance	-	-	275,000	(275,000)	275,000	-	-
Campus Ministries	-	-	475,960	(475,960)	475,960	-	-
Children's Ministry	-	-	16,286	(16,286)	16,286	-	-
College Chaplaincy Support Fund	-	-	254,521	(254,521)	254,521	-	-
Commission on Christian Unity	-	-	5,495	(5,495)	5,495	-	-
Commission on Church and Society	-	-	1,801	(1,801)	1,801	-	-
Commission on Communications	-	65	82,699	(82,634)	82,634	-	-
Commission on Education	-	-	214	(214)	214	-	-
Commission on Evangelism	-	3,915	26,153	(22,238)	22,238	-	-
Commission on Higher Education	-	-	3,367	(3,367)	3,367	-	-
Commission on Laity	-	-	27,042	(27,042)	27,042	-	-
Commission on Missions and Outreach Ministries	-	1,545	403,580	(402,035)	402,035	-	-
Commission on Stewardship	-	-	10,105	(10,105)	10,105	-	-
Commission on Worship	-	-	1,291	(1,291)	1,291	-	-
Committee on Archives and History	-	-	4,890	(4,890)	4,890	-	-
Committee on Disaster Preparedness	-	-	5,999	(5,999)	5,999	-	-
Committee on Episcopacy	-	-	883	(883)	883	-	-
Conference Board of Trustees Expense	-	-	1,488	(1,488)	1,488	-	-
Conference Claimants, Pensions	-	-	2,511,545	(2,511,545)	2,511,545	-	-
Conference Journal	-	1,277	25,965	(24,688)	24,688	-	-
Conference Media Center	-	-	4,651	(4,651)	4,651	-	-
Conference Plan of Inclusiveness	-	-	40,579	(40,579)	40,579	-	-
Conference Secretary's Office Expense	-	-	99,197	(99,197)	99,197	-	-
Conference Staff Relations Committee	-	-	880	(880)	880	-	-
Conference Treasurer's Office Expense	-	690	814,221	(813,531)	813,531	-	-
Contingency Reserve Funds	-	3,806	296,886	(293,080)	293,080	-	-
Connectional Ministries Office, Meetings and Programs	-	20	104,561	(104,541)	104,541	-	-
Connectional Ministries, Staff Salaries	-	-	910,079	(910,079)	910,079	-	-
Connectional Ministries, Task Forces	-	-	1,444	(1,444)	1,444	-	-
CPI Program	-	-	44,345	(44,345)	44,345	-	-
Criminal Justice and Mercy Ministries	-	-	10,076	(10,076)	10,076	-	-
Disability Concerns	-	-	904	(904)	904	-	-
Disciple Bible Outreach Ministries	-	-	27,906	(27,906)	27,906	-	-
District Superintendents' Fund Cabinet Expense	-	-	28,024	(28,024)	28,024	-	-
District Superintendents' Fund Salaries	-	-	1,424,969	(1,424,969)	1,424,969	-	-
District Superintendents' Fund Travel	-	-	71,192	(71,192)	71,192	-	-
Effective Ministry Program	-	-	23,255	(23,255)	23,255	-	-
Emerging Church Support	-	-	639,229	(639,229)	639,229	-	-
Emerging Ministries	-	-	3,631	(3,631)	3,631	-	-
Episcopal Fund	-	517,675	543,697	(26,022)	26,022	-	-
Episcopal Residence	-	-	13,953	(13,953)	13,953	-	-
Equitable Compensation	-	-	90,061	(90,061)	90,061	-	-
General Administration	-	-	214,172	(214,172)	214,172	-	-

(Continued)

North Carolina Conference, Southeastern Jurisdiction,
of The United Methodist Church, Inc. and Affiliates

Statement of Activities Detail, Conference
Year Ended December 31, 2010

	Net Assets (Deficit) January 1, 2010	Revenue	Expense	Net Revenue/ (Expense)	Central Fund Transfers	Non- Operating	Net Assets (Deficit) December 31, 2010
General and Jurisdictional Conference	\$ -	\$ -	\$ 49,301	\$ (49,301)	\$ 49,301	\$ -	\$ -
Golden Cross	-	-	14,000	(14,000)	14,000	-	-
Human Relations Day	-	10,900	10,900	-	-	-	-
In-coming WATS	-	-	3,628	(3,628)	3,628	-	-
Information Management Office	-	3,600	289,886	(286,286)	286,286	-	-
Interdenominational Cooperation	-	49,166	52,664	(3,498)	3,498	-	-
Joint Committee on Incapacity	-	-	405,297	(405,297)	405,297	-	-
Jurisdictional Conference	-	-	153,388	(153,388)	153,388	-	-
Legal Counsel	-	-	21,539	(21,539)	21,539	-	-
Methodist Building Operating Fund	-	-	161,968	(161,968)	161,968	-	-
Methodist Building Capital Maintenance	-	-	185,106	(185,106)	185,106	-	-
Methodist Home for Children	-	-	176,738	(176,738)	176,738	-	-
Methodist Retirement Homes, Inc.	-	-	186,040	(186,040)	186,040	-	-
Ministerial Education Fund	-	-	664,063	(664,063)	664,063	-	-
Ministerial Relations Office	-	-	268,148	(268,148)	268,148	-	-
Minister's Moving Expense	-	-	155,067	(155,067)	155,067	-	-
Monitoring and Accountability	-	-	2,832	(2,832)	2,832	-	-
Multicultural Ministry	-	570	9,249	(8,679)	8,679	-	-
New Faith Community Office Expense	-	-	44,006	(44,006)	44,006	-	-
New Faith Community Salary and Benefits	-	-	196,908	(196,908)	196,908	-	-
Nominations	-	-	791	(791)	791	-	-
North Carolina Christian Advocate	-	-	61,496	(61,496)	61,496	-	-
North Carolina Council of Churches	-	-	16,744	(16,744)	16,744	-	-
Office of the Bishop	-	-	27,340	(27,340)	27,340	-	-
Older Adults	-	254	5,500	(5,246)	5,246	-	-
One Great Hour of Sharing	-	52,541	52,541	-	-	-	-
Refuge and Immigration	-	-	5,241	(5,241)	5,241	-	-
Seminary Visitation	-	-	41	(41)	41	-	-
Spiritual Life	-	-	125	(125)	125	-	-
Staff Housing	-	-	49,766	(49,766)	49,766	-	-
Treasurer Bonding and Insurance	-	-	7,720	(7,720)	7,720	-	-
United Methodist Student Day	-	11,066	11,066	-	-	-	-
World Communion	-	17,080	17,080	-	-	-	-
World Service	-	-	1,976,647	(1,976,647)	1,976,647	-	-
Youth Ministry	-	-	50,482	(50,482)	50,482	-	-
Total Central Fund	\$ 17,482,721	\$ 17,910,861	\$ 15,583,876	\$ 2,326,986	\$ -	\$ -	\$ 19,809,707

(Continued)

North Carolina Conference, Southeastern Jurisdiction,
of The United Methodist Church, Inc. and Affiliates

Statement of Activities Detail, Conference (Continued)
Year Ended December 31, 2010

	Net Assets (Deficit) January 1, 2010	Revenue	Expense	Net Revenue/ (Expense)	Central Fund Transfers	Non- Operating	Net Assets (Deficit) December 31, 2010
Special Funds:							
Abundant Life New Church Accounting Support	\$ 3,101	\$ 96,029	\$ 95,178	\$ 851	\$ -	\$ -	\$ 3,952
Adult Education Programs	22,353	-	-	-	-	-	22,353
Adult Study Tour	1,660	-	-	-	-	-	1,660
African American Director of Christian Education	(24,983)	-	-	-	-	-	(24,983)
Annual Conference Merit Scholarship	1,564	873	-	873	-	-	2,437
Bishop's Initiative-Children	2,099	185	2	183	-	-	2,282
Blackburn Scholarship Fund	168,053	19,891	7,550	12,341	-	-	180,394
Board of Ordained Ministry	10,617	-	-	-	-	-	10,617
Board of Pensions	14,623,635	8,177,291	6,283,077	1,894,214	-	-	16,517,849
Board of Trustees	11,490,669	11,962,824	11,801,586	161,238	-	-	11,651,907
Central Supplies	7,215	72,586	68,620	3,966	-	-	11,181
Children's Ministries	114,084	16,286	68,449	(52,163)	-	-	61,921
Church Extension - SFT Funds	278,178	36,144	20,000	16,144	-	-	294,322
Church of Risen Lord UMC Accounting Support	10,725	-	-	-	-	-	10,725
Church Redevelopment Endowment, SFT Funds	205,048	25,780	2,500	23,280	-	-	228,328
Church Salary Endowment, SFT Funds	381,354	47,371	5,000	42,371	-	-	423,725
Circles of Hispanic Ministries	(683)	-	-	-	-	-	(683)
Clergy Counseling and Consultation Services	3,714	-	(138)	138	-	-	3,852
Closer Walk UMC Accounting Support	(474)	43,540	43,184	356	-	-	(118)
Committee on Disaster Preparedness	15,378	11,627	986	10,641	-	-	26,019
Communications Events	1,373	-	-	-	-	-	1,373
Conference Mission Work Team	3,461	775	3,500	(2,725)	-	-	736
Conference Summer School	8,475	-	-	-	-	-	8,475
Congregational Development Fund, Inc.	979,321	15,767	179	15,588	-	-	994,909
Congregational Development Fund, Inc. Properties	137,165	-	4,160	(4,160)	-	-	133,005
Congregational Development Initiatives - Administration	(309,915)	490,948	169,299	321,649	-	-	11,734
Congregational Development Initiatives - Designated Donations	355,041	594,359	863,912	(269,553)	-	-	85,488
Copier Fund	6,669	4,619	5,126	(507)	-	-	6,162
Crossbeams	17,298	-	-	-	-	-	17,298
Crossroads UMC Accounting Support	1,429	92,195	93,494	(1,299)	-	-	130
Disaster Recovery Seed Funding	50,000	-	-	-	-	-	50,000
Effective Ministry Training Fund	102,891	23,255	54,356	(31,101)	-	-	71,790
Elizabeth City New Church Accounting Support	1,200	-	-	-	-	-	1,200
Episcopal Residence	(168,704)	23,953	26,287	(2,334)	-	-	(171,038)
Farm Crisis	5,048	-	-	-	-	-	5,048
Fayetteville Korean New Church Accounting Support	-	41,504	43,200	(1,696)	-	-	(1,696)
Footprints	14,789	-	2,245	(2,245)	-	-	12,544
General Conference	(24,220)	24,650	-	24,650	-	-	430
Golden Cross Fund	48,006	37,079	16,543	20,536	-	-	68,542
Greater Heights UMC (East Clayton) Accounting Support	16,324	234,345	252,222	(17,877)	-	-	(1,553)
Handicap Accessibility Program	51,155	-	47,835	(47,835)	-	-	3,320
Health Ministries	15,000	35,000	31,672	3,328	-	-	18,328
Hispanic Ministries	151,134	4,221	44,294	(40,073)	-	-	111,061
Historical Book Sales	1,088	-	-	-	-	-	1,088
Historical Society Event	1,507	-	-	-	-	-	1,507
Holding Reserve	(54)	-	-	-	-	-	(54)
Holly Ridge New Church Accounting Support	-	41,504	41,417	87	-	-	87
Howard M. McLamb Ministerial Scholarship Fund	116,275	10,445	-	10,445	-	-	126,720
Hunger and Human Needs Fund	1,969	-	-	-	-	-	1,969
Insurance Fund	17,661,203	11,314,748	23,292,585	(11,977,837)	-	-	5,683,366
Isa Grant Scholarship Fund	2,207	72	500	(428)	-	-	1,779
John Wesley Endowment	375,937	45,229	-	45,229	-	-	421,166
Jurisdictional Conference	3,613	24,650	1	24,649	-	-	28,262
Lait Banquet	14,693	5,109	-	5,109	-	-	19,802
Lay Employee Disability Fund	126,686	26,321	17,071	9,250	-	-	135,936
Local Church Webhosting	3,879	2,350	1,697	653	-	-	4,532

(Continued)

North Carolina Conference, Southeastern Jurisdiction,
of The United Methodist Church, Inc. and Affiliates

Statement of Activities Detail, Conference (Continued)
Year Ended December 31, 2010

	Net Assets (Deficit) January 1, 2010	Revenue	Expense	Net Revenue/ (Expense)	Central Fund Transfers	Non- Operating	Net Assets (Deficit) December 31, 2010
Media Center	\$ 12,426	\$ 4,667	\$ 4,631	\$ 36	\$ -	\$ -	\$ 12,462
Medical Grant Fund	286,110	30,971	7,400	23,571	-	-	309,681
MERC Initiatives	244,263	163,577	375,878	(212,301)	-	-	31,962
MERC Initiatives - IT/REACH Grant	84,536	-	35,524	(35,524)	-	-	49,012
MERC Emergency Repair Program	16,747	-	14,065	(14,065)	-	-	2,682
Methodist Board of Publications	10,756	1,206	-	1,206	-	-	11,962
Ministers' Transition Fund	14,909,466	2,105,270	577,533	1,527,737	-	-	16,437,203
Ministerial Education Fund	-	203,927	79,515	124,412	-	-	124,412
Mission Work Volunteer	1,340	7,130	6,364	766	-	-	2,106
Missions and Multicultural Ministries	212,862	37,180	80,324	(43,144)	-	-	169,718
Missionary to Armenia	386	-	-	-	-	-	386
Native American Awareness	28,712	13,915	28,492	(14,577)	-	-	14,135
Native American Project	(7,297)	-	-	-	-	-	(7,297)
NC Conference Campus Ministries	33,830	4,269	-	4,269	-	-	38,099
NC Conference Historical Society	3,145	75	-	75	-	-	3,220
NC Conference Newspaper	165,127	109,572	30,401	79,171	-	-	244,298
Neighbor to Neighbor	7,044	14,065	-	14,065	-	-	21,109
New Ordinands Holy Land Trips	11,500	-	-	-	-	-	11,500
North Carolina State Commission on Campus Ministry	9,319	1,176	-	1,176	-	-	10,495
Pastoral Counseling Commission	2,332	-	-	-	-	-	2,332
Peace With Justice	4,695	4,241	7,016	(2,775)	-	-	1,920
Pension Billing	1,505,217	3,851,788	3,726,033	125,755	-	-	1,630,972
Printer Fund	30,751	10,962	10,138	824	-	-	31,575
Retiree Welfare Benefits Liability	(42,072,144)	15,625,331	836,765	14,788,566	-	(1,883,081)	(29,166,659)
Rural Affordable Housing Project	4,583	-	-	-	-	-	4,583
Rural Church Consultation Services	32,868	-	20,620	(20,620)	-	-	12,248
Scouting Ministries	41	-	-	-	-	-	41
Shepherd's House UMC Accounting Support	(2,362)	-	-	-	-	-	(2,362)
Showers of Blessing New Church Accounting Support	20,998	-	-	-	-	-	20,998
Solid Rock New Church Accounting Support	215	81,046	80,601	445	-	-	660
Spirit For Tomorrow Campaign	1,900	-	-	-	-	-	1,900
Stewardship Seminars	2,356	1,685	1,594	91	-	-	2,447
Storm Emergency Response	-	5,107	5,107	-	-	-	-
Ten Dollar Club	505,788	106,788	75,000	31,788	-	-	537,576
Town and Country Committee	21,019	20,000	20,000	-	-	-	21,019
Trinity (Cleveland) New Church Accounting Support	2,617	149,222	157,969	(8,747)	-	-	(6,130)
Trinity (Sanford) New Church Accounting Support	(29)	78,592	77,172	1,420	-	-	1,391
UMCOR Disaster Relief Funding	50,216	-	8,171	(8,171)	-	-	42,045
United Methodist Men	340	-	-	-	-	-	340
UN Study Tour	(4,081)	-	-	-	-	-	(4,081)
UN Study Tour Scholarships	6,200	-	-	-	-	-	6,200
Wellspring	75,896	34,160	29,922	4,238	-	-	80,134
Youth Activities	25,806	290,891	271,362	19,529	-	-	45,335
Youth Service Fund	1,249	24,041	20,504	3,537	-	-	4,786
Zimbabwe Orphan Endeavor	783,124	1,271,888	1,358,835	(86,947)	-	-	696,177
Total special funds	24,133,691	57,856,267	51,373,099	6,483,168	-	(1,883,081)	28,733,778
Total all funds	41,616,412	75,767,128	66,956,975	8,810,154	-	(1,883,081)	48,543,484
Elimination of interfund balances	-	(31,514,920)	(31,514,920)	-	-	-	-
Total	\$ 41,616,412	\$ 44,252,208	\$ 35,442,055	\$ 8,810,153	\$ -	\$ (1,883,081)	\$ 48,543,484

**North Carolina Conference, Southeastern Jurisdiction,
of The United Methodist Church, Inc. and Affiliates**

**Statement of Financial Position Detail, Summary of Investments, Conference
December 31, 2010**

	Fair Value
Central Funds:	
Investment in United Methodist Foundation, Inc.	\$ 19,781,508
Certificates of deposit	895,430
Investment in United Methodist Development Fund	1,000,000
	<u>21,676,938</u>
Conference Board of Pensions:	
Investment in United Methodist Foundation, Inc.	19,334
General Board of Pensions Accounts	15,788,163
	<u>15,807,497</u>
Congregational Development Fund, Inc.:	
Certificates of deposit	757,435
Money Market Fund	84,529
	<u>841,964</u>
Ministers' Transition Fund, Investment in	
United Methodist Foundation, Inc.	17,993,871
Retiree Welfare Benefits Liability:	
United Methodist Foundation, Inc.	14,959,989
Investment in National United Methodist Foundation	1,443,494
	<u>16,403,483</u>
Southeastern Jurisdiction Association - Communicators,	
Investment in United Methodist Foundation, Inc.	7,186
Academy, Investment in	
United Methodist Foundation, Inc.	16,870
Blackburn Scholarship Fund, Investment in	
United Methodist Foundation, Inc.	180,004
Church Redevelopment Endowment, SFT Funds, Investment in	
United Methodist Foundation, Inc.	233,140
Conference Board of Trustees Reserve Fund:	
Investment in United Methodist Foundation, Inc.	2,078,553
Certificates of deposit	809,818
	<u>2,888,371</u>
Church Salary Endowment, Investment in	
United Methodist Foundation, Inc.	431,475
John Wesley Endowment/New Church Development, Investment in	
United Methodist Foundation, Inc.	409,121
MERCI Reserve, Investment in	
United Methodist Foundation, Inc.	353,769
Howard M. McLamb Ministerial Scholarship Fund, Investment in	
United Methodist Foundation, Inc.	93,289
Christian Advocate (Finch) Fund, Investment in	
United Methodist Foundation, Inc.	10,744
Christian Advocate Fund, Investment in	
United Methodist Foundation, Inc.	210,284
NC State Commission on Campus Ministry, Investment In	
United Methodist Foundation, Inc.	10,480
NCC/Conference/Campus Ministry, Investment In	
United Methodist Foundation, Inc.	38,045
Insurance, Investment in	
United Methodist Foundation, Inc.	5,430,925
Church Extension, SFT Funds, Investment in	
United Methodist Foundation, Inc.	334,051
Medical Grant Fund, Investment in	
United Methodist Foundation, Inc.	280,745
Native American Awareness	
Investment in United Methodist Foundation	83,445
ZOE, Investment in United Methodist Foundation, Inc.	394,781
	<u>\$ 84,130,478</u>

**North Carolina Conference, Southeastern Jurisdiction,
of The United Methodist Church, Inc. and Affiliates**

**Detail Schedules of Central Fund Activities
Year Ended December 31, 2010**

Schedule 1 - Equitable Compensation

Revenues:		
Budget available for 2010		\$ 127,903
Expense:		
Other expenses		5,000
Allocation to Districts:		
Burlington District	\$ 23,277	
Elizabeth City District	14,625	
Fayetteville District	27,601	
Rockingham District	6,480	
Rocky Mount District	6,378	
Sanford District	6,700	
Total distributions to Districts		<u>85,061</u>
Total distributions and expense		<u>90,061</u>
Excess of budget available over expenses		<u>\$ 37,842</u>
Budget available for 2011		<u>\$ 127,261</u>

(Continued)

**North Carolina Conference, Southeastern Jurisdiction,
of The United Methodist Church, Inc. and Affiliates**

**Detail Schedules of Central Fund Activities
Year Ended December 31, 2010**

Schedule 1 - Equitable Compensation (Continued)

Allocation to Districts:

<u>Church #</u>	<u>Church Name</u>		
Burlington District:			
C21	Concord	\$	14,875
C25	Palmers Grove		1,282
C26	Evergreen		7,120
District total			23,277
Elizabeth City District:			
C148	Mt. Hermon		4,500
C194	Wesley Chapel		10,125
District total			14,625
Fayetteville District:			
C216	Christ		27,601
Rockingham District:			
C850	New Hope		3,159
C588	Philadelphia		3,321
District total			6,480
Rocky Mount District:			
C659	South Rosemary		6,378
Sanford District:			
C707	Fair Promise		6,700
Conference total			\$ 85,061

**North Carolina Conference, Southeastern Jurisdiction,
of The United Methodist Church, Inc. and Affiliates**

**Detail Schedules of Central Fund Activities
Year Ended December 31, 2010**

Schedule 2 - Emerging Church Support

Revenues:	
Budget available for 2010	<u>\$ 651,854</u>
Distributions:	
Allocations to Districts:	
Durham District	\$ 119,638
Elizabeth City District	10,000
Fayetteville District	155,239
Goldsboro District	93,994
New Bern District	96,848
Raleigh District	78,264
Sanford District	70,733
Wilmington District	<u>14,513</u>
Total distributions to Districts	<u>639,229</u>
Total distributions	<u>639,229</u>
Excess of budget available over distributions	<u><u>\$ 12,625</u></u>
Budget available for 2011	<u><u>\$ 823,419</u></u>

**North Carolina Conference, Southeastern Jurisdiction,
of The United Methodist Church, Inc. and Affiliates**

**Detail Schedules of Central Fund Activities
Year Ended December 31, 2010**

Schedule 2 - Emerging Church Support (Continued)

Allocation to Districts:

<u>Church #</u>	<u>Church Name</u>		
Durham District:			
C894	Abundant Life	\$	80,024
C887	Shepherd's House		39,614
District total			119,638
Sanford District:			
C863	Mighty Wind UMC		10,000
Fayetteville District:			
C890	Cornerstone		3,711
C891	Crossroads		28,978
C861	Solid Rock UMC		81,046
C901	Fayetteville Korean		41,504
District total			155,239
Goldsboro District:			
C888	Greater Heights UMC		14,962
C895	Trinity (Cleveland)		79,032
District total			93,994
New Bern District:			
C425	Trinity (Hubert)		4,290
C899	Waters Edge UMC		51,054
C902	The Edge (Holly Ridge)		41,504
District total			96,848
Raleigh District:			
C889	All Saints' UMC		13,317
C463	Apex		35,000
C892	Wakefield UMC		29,947
District total			78,264
Sanford District:			
C886	Trinity UMC		70,733
Wilmington District:			
C893	Closer Walk		14,513
Conference total			\$ 639,229

**North Carolina Conference, Southeastern Jurisdiction,
of The United Methodist Church, Inc. and Affiliates**

**Detail Schedules of Central Fund Activities
Year Ended December 31, 2010**

Schedule 3 - Joint Committee on Incapacity

Revenues:

Budget available for 2010	\$ 425,660	
Total budget available		\$ 425,660

Distributions:

Clergy support, disability	12,900	
Employer health insurance	385,613	
Employer life insurance	6,377	
Other	407	
Total distributions		405,297
Excess of budget available over distributions		\$ 20,363

Budget available for 2011		\$ 447,087
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**North Carolina Conference, Southeastern Jurisdiction,
of The United Methodist Church, Inc. and Affiliates**

**Detail Schedules of Central Fund Activities
Year Ended December 31, 2010**

Schedule 4 - Annual Conference Expense

Revenues:		
Sales	\$	89
Budget available for 2010		178,077
Total budget available and revenues:		\$ 178,166
Distributions:		
Payroll expenses		5,672
Travel expense		26,985
Speaker expense		6,100
Rental expense		24,573
Printing		16,945
Postage		2,278
Office expense and equipment		7,673
Professional fees		1,289
Event expense		37,189
Total distributions		128,704
Excess of budget available and revenues over distributions		\$ 49,462
Budget available for 2011		\$ 214,208

**North Carolina Conference, Southeastern Jurisdiction,
of The United Methodist Church, Inc. and Affiliates**

**Detail Schedules of Central Fund Activities
Year Ended December 31, 2010**

Schedule 5 - Conference Treasurer's Office Expense

Revenues:		
Budget available for 2010	\$	877,868
Registration fees		690
Total budget available and revenues		\$ 878,558
Distributions:		
Administration:		
Payroll, lay staff salaries		477,586
Clergy compensation		5,550
Employer benefits		144,205
Temporary staff		332
Travel expense		18,554
Continuing education		4,004
Maintenance		4,627
Miscellaneous receipts		8,845
Phone and internet access		11,246
Printing and paper		4,702
Office supplies and postage		12,021
Office equipment and leases		11,263
Taxes, subscriptions and service charges		5,288
Professional fees		105,998
Total distributions		814,221
Excess of budget available and revenues over distributions		\$ 64,337
Budget available for 2011	\$	960,905

**North Carolina Conference, Southeastern Jurisdiction,
of The United Methodist Church, Inc. and Affiliates**

**Detail Schedules of Central Fund Activities
Year Ended December 31, 2010**

Schedule 6 - Staff Housing

Revenues:		
Budget available for 2010	\$	49,766
Distributions:		
NC Conference Budget Transfers		49,766
Total Distributions		<u>49,766</u>
Excess of budget available over distributions	\$	<u><u>-</u></u>
 Budget available for 2011	 \$	 <u><u>102,430</u></u>

**North Carolina Conference, Southeastern Jurisdiction,
of The United Methodist Church, Inc. and Affiliates**

**Detail Schedules of Central Fund Activities
Year Ended December 31, 2010**

Schedule 7 - Connectional Ministries, Meetings and Programs

Revenues:		
Budget available for 2010	\$	139,010
Registration fees		20
Total budget available and revenues		\$ 139,030
Distributions:		
Administration:		
Travel		26,685
Maintenance		608
Miscellaneous		5,254
Printing and paper		2,239
Professional fees		9,519
Phone and internet		14,532
Office and postage		2,342
Office equipment and leases		5,491
Programs:		
Staff travel, in Conference		15,695
Staff travel, out of Conference		8,762
Staff travel, mobile phones		3,453
Spiritual formation		408
Episcopal		615
Miscellaneous		8,545
Resource ministries		413
Total distributions		104,561
Excess of budget available and revenues over distributions		\$ 34,469
Budget available for 2011		\$ 122,425

**North Carolina Conference, Southeastern Jurisdiction,
of The United Methodist Church, Inc. and Affiliates**

**Detail Schedules of Central Fund Activities
Year Ended December 31, 2010**

Schedule 8 - Connectional Ministries, Staff Salaries

Revenues:

Budget available for 2010 **\$ 1,105,913**

Distributions:

Payroll, lay staff salaries **529,474**

Clergy support, salaries **134,485**

Clergy support, utilities **14,061**

Employer FICA **36,101**

Employer benefits **195,958**

Total distributions **910,079**

Excess of budget available over distributions **\$ 195,834**

Budget available for 2011 **\$ 1,250,973**

**North Carolina Conference, Southeastern Jurisdiction,
of The United Methodist Church, Inc. and Affiliates**

**Detail Schedules of Central Fund Activities
Year Ended December 31, 2010**

Schedule 9 - Connectional Ministries, Task Forces

Revenues:	
Budget available for 2010	\$ 1,633
Distributions:	
Administration	109
Conference structure task force	1,335
Total distributions	<u>1,444</u>
Excess of budget available over distributions	<u>\$ 189</u>
 Budget available for 2011	 <u>\$ -</u>

**North Carolina Conference, Southeastern Jurisdiction,
of The United Methodist Church, Inc. and Affiliates**

**Detail Schedules of Central Fund Activities
Year Ended December 31, 2010**

Schedule 10 - Education and Nurture

Revenues:

Budget available for 2010 \$ 2,302

Distributions:

Administration \$ 121

Council and Committee 90

Educational programs 3

Total distributions 214

**Excess of budget available
over distributions** \$ 2,088

Budget available for 2011 \$ 3,258

**North Carolina Conference, Southeastern Jurisdiction,
of The United Methodist Church, Inc. and Affiliates**

**Detail Schedules of Central Fund Activities
Year Ended December 31, 2010**

Schedule 11 - Commission on Laity

Revenues:		
Budget available for 2010		\$ 28,037
Distributions:		
Administration	\$ 9,962	
Council and Committee	3,660	
Program	4,840	
Program supplies	141	
Lay Leader	2,680	
UMM president and programs	301	
UMM programs	5,458	
	27,042	
Total distributions		27,042
Excess of budget available over distributions		\$ 995
		\$ 995
Budget available for 2011		\$ 26,908

**North Carolina Conference, Southeastern Jurisdiction,
of The United Methodist Church, Inc. and Affiliates**

**Detail Schedules of Central Fund Activities
Year Ended December 31, 2010**

Schedule 12 - Commission on Evangelism

Revenues:		
Budget available for 2010	\$	54,550
Sales/receipts		1,640
Registration fees		2,275
Total budget available and revenues		<u>58,465</u>
Distributions:		
Administration		9,141
Council and Committee		6,192
Programs		10,820
Total distributions		<u>26,153</u>
Excess of budget available and revenues over distributions		<u>\$ 32,312</u>
 Budget available for 2011		 <u><u>\$ 124,823</u></u>

**North Carolina Conference, Southeastern Jurisdiction,
of The United Methodist Church, Inc. and Affiliates**

**Detail Schedules of Central Fund Activities
Year Ended December 31, 2010**

Schedule 13 - Commission on Church and Society

Revenues:

Budget available for 2010 \$ 8,698

Distributions:

Administration \$ 1,126

Council and Committee 675

Total distributions 1,801

Excess of budget available over distributions \$ 6,897

Budget available for 2011 \$ 12,828

**North Carolina Conference, Southeastern Jurisdiction,
of The United Methodist Church, Inc. and Affiliates**

**Detail Schedules of Central Fund Activities
Year Ended December 31, 2010**

Schedule 14 - Golden Cross Fund

Revenues:		
Budget available for 2010	\$	14,000
Distributions:		
Administration		14,000
Excess of budget available over distributions	<u>\$</u>	<u>-</u>
Budget available for 2011	<u>\$</u>	<u>13,929</u>

**North Carolina Conference, Southeastern Jurisdiction,
of The United Methodist Church, Inc. and Affiliates**

**Detail Schedules of Central Fund Activities
Year Ended December 31, 2010**

Schedule 15 - Commission on Missions and Outreach Ministries

Revenues:		
Budget available for 2010	\$	547,352
Miscellaneous receipts		450
Registration fees		1,095
Total budget available and revenues		<u>548,897</u>
Distributions:		
Administration		12,841
Council and Committee		9,551
Church and Community		189,500
Volunteers in Mission		49,896
Promotion of Mission Studies		3,000
Ganta project		10,800
Emerging needs		9,358
Project Agape		21,091
Peru International grants		5,000
Juan Wesley Center, Chile		5,000
Missionary salary support		28,341
Missions Shipping		3,902
Justice for our Neighbor		55,300
Total distributions		<u>403,580</u>
Excess of budget available and revenues over distributions		<u>\$ 145,317</u>
 Budget available for 2011		 <u>\$ 582,777</u>

**North Carolina Conference, Southeastern Jurisdiction,
of The United Methodist Church, Inc. and Affiliates**

**Detail Schedules of Central Fund Activities
Year Ended December 31, 2010**

Schedule 16 - College Chaplaincy Support Program

Revenues:

Budget available for 2010 \$ 275,000

Distributions:

Methodist University \$ 76,356

N.C. Wesleyan College 76,356

Louisburg College 76,356

Duke Divinity School 9,672

Greensboro College 7,381

High Point University 7,381

Bennett College 1,019

Total distributions 254,521

Excess of budget available over distributions \$ 20,479

Budget available for 2011 \$ 275,000

**North Carolina Conference, Southeastern Jurisdiction,
of The United Methodist Church, Inc. and Affiliates**

**Detail Schedules of Central Fund Activities
Year Ended December 31, 2010**

Schedule 17 - Board of Ordained Ministry

Revenues:		
Budget available for 2010	\$ 186,203	
Registration fees	3,200	
Total budget available and revenues	189,403	\$
Distributions:		
Administration	\$ 1,599	
Council and Committee	42,498	
Programs	63,594	
Member recognition	5,228	
Orientation for new pastors	1,222	
Residence in Ordained Ministry	3,536	
Pastoral care	14,283	
Testing and counseling	26,100	
License for local pastor study	15,552	
Enlistment	4,622	
Continuing education	4,362	
ABLC	1,211	
Background checks	65	
Orders Meetings	75	
Young Clergy Retreat	2,110	
Total distributions	186,057	
Excess of budget available and revenues over distributions		\$ 3,346
 Budget available for 2011		 \$ 176,499

**North Carolina Conference, Southeastern Jurisdiction,
of The United Methodist Church, Inc. and Affiliates**

**Detail Schedules of Central Fund Activities
Year Ended December 31, 2010**

Schedule 18 - Commission on Communications

Revenues:

Budget available for 2010 \$ 86,974

Sales 65

Distributions: 87,039

Administration 82,699

Total distributions 82,699

Excess of budget available over distributions \$ 4,340

Budget available for 2011 \$ 87,639

**North Carolina Conference, Southeastern Jurisdiction,
of The United Methodist Church, Inc. and Affiliates**

**Detail Schedules of Special Fund Activities
Year Ended December 31, 2010**

Schedule 19 - Media Center

Revenues:			
Receipts	\$	16	
NC Conference budget receipts		4,651	
Total revenues			\$ 4,667
Distributions:			
Miscellaneous		91	
Paper and printing		570	
Program expenses		2,886	
Office Supplies		460	
Equipment expense		624	
Total distributions			4,631
Excess of revenues over distributions			36
Net assets:			
Beginning			12,426
Ending			\$ 12,462
Consisting of pooled cash			
Net assets		12,462	\$ 12,462

**North Carolina Conference, Southeastern Jurisdiction,
of The United Methodist Church, Inc. and Affiliates**

**Detail Schedules of Special Fund Activities
Year Ended December 31, 2010**

Schedule 20 - Central Supplies

Revenues:		
Sales, other	\$ 471	
Interfund sales	72,115	
Total revenues	<u>72,115</u>	\$ 72,586
Distributions:		
Postage	23,020	
Internet access and email	18,628	
Supplies and professional fees	3,622	
Telephone	23,350	
Total distributions	<u>68,620</u>	68,620
Excess of revenues over distributions		<u>3,966</u>
Net assets:		
Beginning		7,215
Ending		<u>\$ 11,181</u>
Consisting of:		
Pooled cash	4,693	
Inventory	6,307	
Accounts receivable	181	
Net assets	<u>11,181</u>	\$ 11,181

**North Carolina Conference, Southeastern Jurisdiction,
of The United Methodist Church, Inc. and Affiliates**

**Detail Schedules of Special Fund Activities
Year Ended December 31, 2010**

Schedule 21 - Youth Activities

Revenues		\$ 290,891
Distributions:		
Youth Activities	\$ 3,268	
Youth Global Vision	23,270	
Youth Rally Day	2,887	
Youth Kaleidoscope	15,504	
Youth Trail Hike	4,661	
Youth Summer Breakaway	66,392	
Youth ACS	65,818	
Youth Pilgrimage	83,067	
Planning Retreat	1,811	
Bishops Confirmation Class	4,114	
Youth CCYM Travel	570	
Total distributions	271,362	
Excess of revenues over distributions		19,529
Net assets:		
Beginning		25,806
Ending		\$ 45,335
Consisting of:		
Pooled cash	33,835	
Other assets	11,500	
Net assets	45,335	\$ 45,335

**North Carolina Conference, Southeastern Jurisdiction,
of The United Methodist Church, Inc. and Affiliates**

**Detail Schedules of Special Fund Activities
Year Ended December 31, 2010**

Schedule 23 - Board of Pensions

Revenues:		
Donations, offerings, and church receipts	\$ 765	
Past service liability apportionment	3,065,206	
Duke Endowment receipts	808,374	
Unrealized gains and losses	1,501,802	
GBOP Receipts, deposit account	50,307	
Dividends, United Methodist Foundation, Inc.	245	
Registration fees	2,437	
Transfers, NC Conference Budget Receipts	2,511,545	
Transfers, CFA Supplemental	236,610	
Total revenues	8,177,291	\$ 8,177,291
Distributions:		
Payroll, lay staff salaries	73,569	
Clergy support, Duke Endowment	829,228	
Employer FICA	5,343	
Employer pension	8,487	
Employer health insurance	2,258,460	
Employer life insurance	12,865	
Workers compensation	707	
Past Service liability payment	2,603,119	
GBOP special grants	13,467	
Pension Support Fund	3,625	
Lay disability benefit	1,036	
Phone/Internet expenses	2,965	
Mileage reimbursements	2,709	
Lodging and meals	16,570	
Out of Conference travel and meals	2,292	
Registration fees	450	
Miscellaneous	8,034	
Postage	2,899	
Transfers to other funds	434,352	
Professional fees	170	
Supplies	1,559	
Print shop charges	1,171	
Total distributions	6,283,077	6,283,077
Excess of revenues over distributions		1,894,214
Net assets:		
Beginning		14,623,635
Ending		\$ 16,517,849
Consisting of:		
Pooled cash	2,120,430	
GBOP deposit account	13,983,170	
Accounts receivable	16	
Investment in the United Methodist Foundation, Inc.	19,334	
Investment in Superannuate Endowment	394,899	
Net assets	16,517,849	\$ 16,517,849

**North Carolina Conference, Southeastern Jurisdiction,
of The United Methodist Church, Inc. and Affiliates**

**Detail Schedules of Special Fund Activities
Year Ended December 31, 2010**

Schedule 22 - Ten Dollar Club

Revenues:		
Ten Dollar Club		\$ 106,788
Distributions:		
Grants		<u>75,000</u>
Excess of revenues over distributions		<u>31,788</u>
Net assets:		
Beginning		<u>505,788</u>
Ending		<u><u>\$ 537,576</u></u>
Consisting of pooled cash	\$ 537,576	
Net assets		<u><u>\$ 537,576</u></u>

**North Carolina Conference, Southeastern Jurisdiction,
of The United Methodist Church, Inc. and Affiliates**

**Detail Schedules of Special Fund Activities
Year Ended December 31, 2010**

Schedule 24 - Insurance

Revenues:		
Insurance premiums	\$ 9,961,024	
Unrealized gain	266,789	
Dividends, United Methodist Foundation, Inc.	203,747	
Retiree drug subsidy	607,205	
Other	275,983	
Total revenues		\$ 11,314,748
Distributions:		
Payroll, lay staff salaries	86,295	
Clergy support salaries	427	
Benefit management	23,015,540	
Professional fees	92,927	
Telephone	3,952	
Employer health insurance	13,219	
Employer pension	10,950	
Employer FICA	5,967	
Maintenance agreements	5,498	
Awards	42,750	
Lay disability benefit	1,232	
Flex plan fees	2,100	
Supplies, office and other	1,838	
Mileage reimbursements	2,520	
Employer life insurance	270	
Workers' compensation	666	
In Conference travel and meetings	454	
Printing, other	5,745	
Miscellaneous	235	
Total distributions		23,292,585
Deficiency of revenues over distributions		(11,977,837)
Net assets:		
Beginning		<u>17,661,203</u>
Ending		<u><u>\$ 5,683,366</u></u>
Consisting of:		
Pooled cash	1,415,959	
Investment in United Methodist Foundation, Inc.	5,430,925	
Accounts receivable, insurance premiums	31,782	
Accounts receivable, United Methodist Foundation, Inc.	7,560	
Other assets	520	
Accounts payable	(1,203,380)	
Net assets		<u><u>\$ 5,683,366</u></u>

**North Carolina Conference, Southeastern Jurisdiction,
of The United Methodist Church, Inc. and Affiliates**

**Detail Schedules of Special Fund Activities
Year Ended December 31, 2010**

Schedule 25 - Ministerial Education Fund

Revenues		\$ 203,927
Distributions:		
Scholarships	\$ 79,515	
Total distributions	<u>79,515</u>	
Excess of revenues over distributions		<u><u>124,412</u></u>
Net assets:		
Beginning		-
Ending		<u><u>\$ 124,412</u></u>
Consisting of:		
Pooled cash	266,489	
Agency payable	<u>(142,077)</u>	
Net assets		<u><u>\$ 124,412</u></u>
Agency payable, beginning balance		<u>\$ 189,436</u>
NC Conference budget receipts	460,136	
General Church remittances	<u>(507,495)</u>	
Agency payable, ending balance		<u><u>\$ 142,077</u></u>
Net assets, beginning balance		\$ -
Excess of revenues over distributions		<u>124,412</u>
Net assets, ending balance		<u><u>\$ 124,412</u></u>

North Carolina Conference, Southeastern Jurisdiction,
of The United Methodist Church, Inc. and Affiliates

Detail Schedules of Special Fund Activities
Year Ended December 31, 2010

Schedule 26 - Ministers' Transition Fund

Revenues:		
From ministers and institutions	\$ 122,891	
Dividends, United Methodist Foundation, Inc.	227,631	
Unrealized gain	1,754,748	
Total revenues		\$ 2,105,270
Distributions:		
Paid to retirees	558,518	
Interest expense for prior year retirees	4,329	
Professional fees	14,530	
Interfund purchases and transfers	156	
Total distributions		<u>577,533</u>
Excess of revenues over distributions		<u>1,527,737</u>
Net assets:		
Beginning		<u>14,909,466</u>
Ending		<u><u>\$ 16,437,203</u></u>
Consisting of:		
Accounts receivable, United Methodist Foundation, Inc.	14,569	
Accounts receivable, other	786	
Investment in United Methodist Foundation, Inc.	17,993,871	
Accounts payable	(439,209)	
Pooled cash	(1,132,814)	
Net assets		<u><u>\$ 16,437,203</u></u>

**North Carolina Conference, Southeastern Jurisdiction,
of The United Methodist Church, Inc. and Affiliates**

**Detail Schedules of Special Fund Activities
Year Ended December 31, 2010**

Schedule 27 - Board of Trustees Fund

Revenues:	
Capital gains	\$ 178,000
Unrealized gain	202,689
Gains from sale of property	175
Dividends, United Methodist Foundation	26,556
Interest income	37,157
Rental income	17,440
Receipts, management fees	3,033
Transfers, NC Conference Budget Receipt	406,049
Transfers in from other funds	11,091,725
Total revenues	<u>\$ 11,962,824</u>
Distributions:	
Designated donations paid	78,691
Mileage reimbursements	2,119
Depreciation expense	241,738
Insurance	255,676
Utilities, electric	43,826
Association fees	7,922
Property and real estate taxes	2,553
Building, grounds and property maintenance	33,734
Rental expense	201,150
Dues and subscriptions	1,125
Miscellaneous	36,872
Professional fees	39,641
Supplies	11,745
Telephone	5,431
Office equipment	29,862
Transfer to other funds	10,809,501
Total distributions	<u>11,801,586</u>
Excess of revenues over distributions	<u>161,238</u>
Net assets:	
Beginning	11,490,669
Ending	<u>\$ 11,651,907</u>
Consisting of:	
Pooled cash	1,157,287
Accounts receivable, United Methodist Foundation	1,583
Accounts receivable, other	137,885
Investments	2,888,371
Property and equipment, net	7,284,433
Other assets	215,379
Accounts payable	(33,031)
Net assets	<u>\$ 11,651,907</u>

**North Carolina Conference, Southeastern Jurisdiction,
of The United Methodist Church, Inc. and Affiliates**

**Detail Schedules of Special Fund Activities
Year Ended December 31, 2010**

Schedule 28 - Congregational Development Fund, Inc.

Revenues:		
Interest income	\$ 15,767	
Total revenues	<u>15,767</u>	\$ 15,767
Distributions:		
Miscellaneous	179	
Total distributions	<u>179</u>	179
Excess of revenues over distributions		<u>15,588</u>
Net assets:		
Beginning		<u>979,321</u>
Ending		<u>\$ 994,909</u>
Consisting of:		
Pooled cash	12,945	
Investments	841,964	
Accounts receivable	140,000	
Net assets	<u>994,909</u>	<u>\$ 994,909</u>

**North Carolina Conference, Southeastern Jurisdiction,
of The United Methodist Church, Inc. and Affiliates**

**Supplementary Schedule of Central Fund Activities
Year Ended December 31, 2010**

Schedule 29 - Contingency Reserve

Revenues:	
Interest on investments	\$ 60,294
Interest on Methodist Foundation	397,641
Net reclaim from prior year	506,549
Post audit receipts	3,806
	<u>968,290</u>
Expense:	
Current year budget supplements	501,674
Subsequent year budget supplements	463,819
Interest paid	44,230
Audit adjustments (budget reclaimed)	60,273
	<u>1,069,996</u>
Decrease in net assets	(101,706)
Change in accumulated realized and unrealized losses	1,607,584
Net assets at beginning of year, including gains	5,811,920
Net assets at end of year, including gains	<u>\$ 7,317,798</u>