

**U**PPER NEW YORK ANNUAL  
CONFERENCE OF THE  
UNITED METHODIST CHURCH

---

*FINANCIAL STATEMENTS*

December 31, 2023

# Table of Contents

---

## UPPER NEW YORK ANNUAL CONFERENCE OF THE UNITED METHODIST CHURCH

INDEPENDENT AUDITORS' REPORT	1
AUDITED FINANCIAL STATEMENTS	4
STATEMENT OF FINANCIAL POSITION	4
STATEMENT OF ACTIVITIES	5
STATEMENT OF FUNCTIONAL EXPENSES	6
STATEMENT OF CASH FLOWS	8
NOTES TO FINANCIAL STATEMENTS	9
SUPPLEMENTARY INFORMATION	32
SCHEDULE OF ACTIVITIES BY FUNDS	32
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS – EPISCOPAL OFFICE FUND	36



Dermody, Burke & Brown, CPAs, LLC

## INDEPENDENT AUDITORS' REPORT

---

### **BOARD OF TRUSTEES UPPER NEW YORK ANNUAL CONFERENCE OF THE UNITED METHODIST CHURCH**

#### **Opinion**

We have audited the accompanying financial statements of the **UPPER NEW YORK ANNUAL CONFERENCE OF THE UNITED METHODIST CHURCH**, which comprises the statement of financial position as of December 31, 2023, and the related statements of activities, functional expenses, cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Upper New York Annual Conference of the United Methodist Church as of December 31, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Upper New York Annual Conference of the United Methodist Church and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### **Responsibilities of Management for the Financial Statements**

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Upper New York Annual Conference of the United Methodist Church's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

443 North Franklin Street • Syracuse, NY 13204-1441 • (315) 471-9171 • Fax (315) 471-8555

1120 Corporate Drive • Auburn, NY 13021-1634 • (315) 253-6273 • Fax (315) 253-0890

4350 Middle Settlement Road • New Hartford, NY 13413-5328 • (315) 732-2991 • Fax (315) 732-0282

<http://www.dbbllc.com>

---

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Upper New York Annual Conference of the United Methodist Church's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Upper New York Annual Conference of the United Methodist Church's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

---

## Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The information on pages 32 to 36 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*Dermody, Burke & Brown*

**DERMODY, BURKE & BROWN, CPAs, LLC**

Syracuse, NY

February 20, 2025

**UPPER NEW YORK ANNUAL CONFERENCE  
OF THE UNITED METHODIST CHURCH**

**AUDITED FINANCIAL STATEMENTS**

**STATEMENT OF FINANCIAL POSITION**

December 31, 2023

**ASSETS**

**ASSETS**

Cash	\$ 13,972,716
Investments	49,027,102
Church Apportionments Receivable	394,576
Accounts Receivable, Net of Allowance for Credit Losses of \$1,054,000	259,755
Other Assets	25,148
Property and Equipment, Net	9,915,627

<b>TOTAL ASSETS</b>	<b>\$ 73,594,924</b>
---------------------	----------------------

**LIABILITIES AND NET ASSETS**

**LIABILITIES**

Accounts Payable and Accrued Expenses	\$ 721,488
Litigation and Claims Settlements Liability	3,660,000
Deferred Income	2,035,147
Post-Retirement Healthcare Obligation	17,944,310

Total Liabilities	24,360,945
-------------------	------------

**NET ASSETS**

Without Donor Restrictions:

Undesignated	17,115,286
Board Designated	22,353,102

Total Net Assets Without Donor Restrictions	39,468,388
---	------------

With Donor Restrictions:

Purpose Restrictions	4,952,485
Endowments	4,813,106

Total Net Assets With Donor Restrictions	9,765,591
--	-----------

Total Net Assets	49,233,979
------------------	------------

<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 73,594,924</b>
---	----------------------

See notes to financial statements.

**UPPER NEW YORK ANNUAL CONFERENCE  
OF THE UNITED METHODIST CHURCH**

**STATEMENT OF ACTIVITIES**

Year Ended December 31, 2023

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>REVENUES AND SUPPORT</b>			
Church Apportionments	\$ 7,793,128	\$ 0	\$ 7,793,128
Direct Billed Benefits to Member Churches	6,687,972	0	6,687,972
Church Disaffiliations	3,295,134	0	3,295,134
Camping, Registrations and Event Revenues	1,916,262	0	1,916,262
Proceeds from Sale of Churches and Real Estate	1,510,428	0	1,510,428
Donations and Grants	467,167	156,321	623,488
Miscellaneous Revenue	1,847,329	0	1,847,329
Investment Income	5,584,018	1,073,311	6,657,329
Net Assets Released from Restrictions	333,767	(333,767)	0
	<hr/>	<hr/>	<hr/>
Total Revenues and Support	29,435,205	895,865	30,331,070
<b>EXPENSES</b>			
Program Services	8,644,214	0	8,644,214
General and Administrative	9,364,782	0	9,364,782
	<hr/>	<hr/>	<hr/>
Total Expenses	18,008,996	0	18,008,996
<b>Change in Net Assets Before Non-Operating Activity</b>			
	11,426,209	895,865	12,322,074
<b>NON-OPERATING ACTIVITY</b>			
Litigation and Claims Settlements	(5,899,661)	0	(5,899,661)
	<hr/>	<hr/>	<hr/>
Total Non-Operating Activity	(5,899,661)	0	(5,899,661)
<b>CHANGE IN NET ASSETS</b>			
	5,526,548	895,865	6,422,413
Net Assets, Beginning of Year	33,941,840	8,869,726	42,811,566
	<hr/>	<hr/>	<hr/>
Net Assets, End of Year	<u>\$ 39,468,388</u>	<u>\$ 9,765,591</u>	<u>\$ 49,233,979</u>

See notes to financial statements.

---

---

**STATEMENT OF FUNCTIONAL EXPENSES**

Year Ended December 31, 2023

	<b>Connectional Ministries</b>	<b>Ministerial Support</b>
General Church Ministry Support	\$ 1,763,978	\$ 0
Salaries and Wages	383,289	1,337,845
Employee Benefits and Payroll Taxes	105,722	372,600
Health Insurance and Retirement Benefits		
Billed to Member Churches	4,226	0
Post-Retirement Health Benefit Plan Benefit	0	0
Support Grants	206,850	1,000
Professional Development	26,912	16,897
Program Expense	90,046	84,278
Ministry Expenses	7,000	150,416
Travel	250,813	209,230
Office Expenses	31,920	12,128
Professional	151,974	24,630
Utilities	3,875	22,100
Repairs and Maintenance	4,846	10,419
Insurance	1,633	6,494
Rent	0	87,201
Depreciation Expense	7,129	4
Capital Expenditures	0	0
Other Expenses	15,359	52,857
	<hr/>	<hr/>
<b>TOTAL FUNCTIONAL EXPENSES</b>	<b>\$ 3,055,572</b>	<b>\$ 2,388,099</b>
	<hr/> <hr/>	<hr/> <hr/>

**UPPER NEW YORK ANNUAL CONFERENCE  
OF THE UNITED METHODIST CHURCH**

---

<b>Camps and Retreat Ministries</b>	<b>Total Program Services</b>	<b>General and Administrative</b>	<b>Total Expenses</b>
\$ 0	\$ 1,763,978	\$ 0	\$ 1,763,978
1,203,229	2,924,363	801,944	3,726,307
304,619	782,941	245,148	1,028,089
0	4,226	6,842,004	6,846,230
0	0	(409,179)	(409,179)
494	208,344	5,371	213,715
14,554	58,363	745	59,108
102,855	277,179	1,516	278,695
(39)	157,377	0	157,377
273,497	733,540	12,533	746,073
121,020	165,068	75,861	240,929
100,540	277,144	1,027,325	1,304,469
300,139	326,114	159,957	486,071
287,085	302,350	111,282	413,632
79,929	88,056	92,134	180,190
0	87,201	17,829	105,030
283,214	290,347	201,249	491,596
123,577	123,577	0	123,577
5,830	74,046	179,063	253,109
<u>\$ 3,200,543</u>	<u>\$ 8,644,214</u>	<u>\$ 9,364,782</u>	<u>\$ 18,008,996</u>

---

See notes to financial statements.

**UPPER NEW YORK ANNUAL CONFERENCE  
OF THE UNITED METHODIST CHURCH**

---

**STATEMENT OF CASH FLOWS**

Year Ended December 31, 2023

**CASH FLOWS FROM OPERATING ACTIVITIES**

Change in Net Assets	\$ 6,422,413
Adjustments to Reconcile Change in Net Assets to Net Cash Provided By Operating Activities:	
Depreciation Expense	491,596
Loss on Disposal of Property and Equipment	185,071
Post-Retirement Healthcare Obligation	(409,179)
Gain on Investments	(6,657,329)
(Increase) Decrease in Operating Assets:	
Church Apportionments Receivable	(70,289)
Accounts Receivable	(154,210)
Other Assets	426
Increase (Decrease) in Operating Liabilities:	
Accounts Payable and Accrued Expenses	189,087
Child Victims' Act Settlement Liability	3,660,000
Deferred Income	1,931,588
	<hr/>
Net Cash Provided By Operating Activities	5,589,174

**CASH FLOWS FROM INVESTING ACTIVITIES**

Notes Receivable - Payments Received	9,177
Increase in Investments - Net	974,395
Purchase of Property and Equipment - Net	(198,479)
	<hr/>
Net Cash Provided By Investing Activities	785,093

Net Change in Cash	6,374,267
Cash, Beginning of Year	<hr/> 7,598,449
Cash, End of Year	<hr/> <hr/> \$ 13,972,716

---

See notes to financial statements.

**UPPER NEW YORK ANNUAL CONFERENCE  
OF THE UNITED METHODIST CHURCH**

---

**NOTES TO FINANCIAL STATEMENTS**

December 31, 2023

**NOTE 1 – NATURE OF OPERATIONS**

---

The Upper New York Annual Conference was created as of July 1, 2010 as the result of the merger of four pre-existing conferences: Troy, Wyoming, North Central and Western Annual Conferences. The plan of Union was presented by the Joint New Area/Conference Team (“New ACT”) and developed through the efforts of New ACT, the Joint Distribution Committee, the Assets Allocation Task Force and numerous other teams and committees.

The purpose of the Upper New York Annual Conference of the United Methodist Church (“the Conference”) (“UNYAC”) is to make disciples of Jesus Christ for the transformation of the world by equipping its local churches for ministry and by providing a connection for ministry beyond the local church; all to the glory of God. The Conference fulfills that mission by facilitating and resourcing the local churches in the Conference to invite, i.e. opening our doors to welcome new faces and doing new things to share the Good News, to nurture and care for our people so they may care for others, to equip the clergy and laity to learn so they can be enabled to lead; and to deploy, taking the love of Christ into our communities and the world. The Conference also serves as the administrative agency for the United Methodist Churches in the Upstate New York region, facilitating the establishment of local churches which become part of the Conference, providing leadership to the local churches, and by enabling of ministry through the extended connection of the United Methodist Church.

**NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES**

---

**Basis of Accounting**

The Conference’s financial statements have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

**UPPER NEW YORK ANNUAL CONFERENCE  
OF THE UNITED METHODIST CHURCH**

---

**NOTES TO FINANCIAL STATEMENTS**

December 31, 2023

**NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES – Continued**

**Financial Statement Presentation**

The financial statements of the Conference have been prepared in accordance with U.S. generally accepted accounting principles, which require the Conference to report information regarding its financial position and activities according to the following net asset classifications:

**Net assets without donor restrictions:** Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Conference. These net assets may be used at the discretion of the Conference's management and the board of directors. See Note 7.

**Net assets with donor restrictions:** Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of Conference or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated that the funds be maintained in perpetuity. See Notes 8 and 9.

**Cash and Cash Equivalents**

The Conference considers all bank demand deposit accounts, money market accounts and all highly liquid investments purchased with maturities of three months or less to be cash equivalents. There were no cash equivalents as of December 31, 2023.

The Conference maintains its cash in bank accounts, which at times, may exceed federally insured limits. The organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk with respect to cash.

**Investments**

Investments are stated at fair value. Fair value is determined principally on the basis of quoted market prices. Investment income or loss (including realized and unrealized gains and losses on investments, interest, and dividends) is included in the net change in net assets.

**UPPER NEW YORK ANNUAL CONFERENCE  
OF THE UNITED METHODIST CHURCH**

---

**NOTES TO FINANCIAL STATEMENTS**

December 31, 2023

**NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES – Continued**

**Recently Adopted Accounting Guidance – Allowance for Credit Losses**

In June 2016, FASB issued Accounting Standards Update (“ASU”) 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, which changed how entities will measure credit losses for most financial assets and certain other instruments that aren’t measured at fair value through net income. The most significant change in this standard is a shift from the incurred loss model to the expected loss model. Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity’s exposure to credit risk and the measurement of credit losses. Financial assets held by the Conference that are subject to the guidance in ASU 2016-13 are accounts receivable. The Conference adopted the standard effective January 1, 2023. The impact of the adoption was not considered material to the financial statements and primarily resulted in new/enhanced disclosures only.

**Accounts Receivable and Allowance for Credit Losses**

The Conference operates in the ministry industry and its accounts receivables are primarily derived from churches for member benefits. At the statement of financial position date, the Conference determines the expected allowance for credit losses.

The allowance for credit losses estimate is derived from a review of the Conference’s historical losses based on the aging of accounts receivables. This estimate is adjusted for management’s assessment of current conditions, reasonable and supportable forecasts regarding future events, and any other factors deemed relevant by the Conference. The Conference noted no material adjustments relating to these assessments. There was an allowance for credit losses for the year ending December 31, 2023 of \$1,054,000.

The Conference writes-off accounts receivables when there is information that indicates the debtor is facing significant financial difficulty and there is no possibility of recovery. If any recoveries are made from any accounts previously written-off, they will be recognized as an offset to credit loss expense in the year of recovery, in accordance with the Conference’s accounting policy election. The total amount of write-offs were immaterial to the financial statements as a whole for the year ending December 31, 2023.

**UPPER NEW YORK ANNUAL CONFERENCE  
OF THE UNITED METHODIST CHURCH**

---

**NOTES TO FINANCIAL STATEMENTS**

December 31, 2023

**NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES – Continued**

---

**Property and Equipment**

Property and equipment are recorded at cost at the date of acquisition if purchased or their fair value at the date of donation in the case of gifts. The Conference's policy is to capitalize expenditures for those items in excess of \$20,000. Lesser amounts are expensed. Depreciation is recorded on the straight-line method over the estimated useful lives of the assets.

When properties are retired or otherwise disposed of, the related costs and accumulated depreciation is removed from the accounts and any gain or loss is recorded in the statement of activities.

Expenditures for repairs and maintenance not considered to substantially lengthen property life are charged to expense as incurred.

**Impairment of Long-Lived Assets**

The Conference reviews long-lived assets, including property and equipment, for impairment whenever events or changes in business circumstances indicate that the carrying amount of an asset may not be fully recovered. An impairment loss would be recognized when the estimated future cash flows from the use of the asset are less than the carrying amount of that asset. The Conference has determined that no impairment existed as of December 31, 2023.

**Leases**

The Conference determines if an arrangement is or contains a lease at inception. Leases are included as right-of-use ("ROU") lease assets and lease liabilities in the statement of financial position. ROU lease assets and lease liabilities reflect the present value of the future minimum lease payments over the lease term. In determining the present value of lease payments, the Conference uses an incremental borrowing rate for a period comparable with that of the lease term. The Conference does not report ROU assets and lease liabilities for its short-term leases (leases with a term of 12 months or less) or those leases with a present value of the lease payments less than \$20,000. Operating lease expense is recognized on a straight-line basis over the expected lease term. Short-term lease expense for the year ended December 31, 2023 was \$99,668 and included in rent expense.

**UPPER NEW YORK ANNUAL CONFERENCE  
OF THE UNITED METHODIST CHURCH**

---

**NOTES TO FINANCIAL STATEMENTS**

December 31, 2023

**NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES – Continued**

**Program Service Fees**

The Conference charges a fee based on the nature of the service provided. These amounts are due from churches, clients and other third-party payors and include variable consideration. The Conference charges the third party payors shortly after the services are performed. The Conference utilizes the portfolio approach practical expedient for contracts related to program service fees as the revenue utilizing the given portfolio would not be materially different than if accounting for revenue on a contract by contract basis. Revenue is recognized at a single point in time as performance obligations are satisfied. Revenue is reported at the estimated realizable amounts from clients and third party payors in accordance with ASU No. 2014-09, *“Revenue from Contracts with Customers.”*

**Direct Billed Benefits to Member Churches**

The Conference bills member churches for health insurance (active, retired), flex spending accounts, the Clergy Protection Plan, the United Methodist Personal Investment Plan and the Clergy Retirement Security Program and other miscellaneous member benefits.

**Contributions**

Unconditional promises to give cash and other assets are reported at fair value at the date the promise is received, which is then treated as cost. The gifts are reported as with donor restriction support if they are received with donor stipulations that limit the use of the donated assets.

Contributions are considered available for general use unless specifically restricted by the donor and are recorded when received. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Donor restricted contributions whose restrictions are met within the same year as received are reflected as contributions without donor restriction in the accompanying financial statements.

**Church Apportionments**

Church apportionments are the amounts assessed to each local church to fund the Conference’s budget. Church apportionments expire at the end of the calendar year. Local churches do not have any commitment on any underpayment of their apportionments.

**UPPER NEW YORK ANNUAL CONFERENCE  
OF THE UNITED METHODIST CHURCH**

---

**NOTES TO FINANCIAL STATEMENTS**

December 31, 2023

**NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES – Continued**

---

**Church Disaffiliations**

Disaffiliation fee income is composed of fees charged to member churches who decided to disaffiliate from the United Methodist Church. At the 2019 Special Called General Conference of the United Methodist Church, conditions were passed to allow churches to disaffiliate from the United Methodist Church for reasons of conscience related to The United Methodist Church's stance on issues related to the practice of homosexuality or the ordination or marriage of self-avowed practicing homosexuals. These conditions expire on December 31, 2023. The Conference had about 15% of its member churches disaffiliate prior to the expiration of paragraph 2553 on December 31, 2023.

Disaffiliation revenue is recognized when the disaffiliating church pays their disaffiliation fees to the Conference. There were no accounts receivable recorded in the financials for disaffiliation as all fees were paid prior to December 31, 2023.

**Nonfinancial Contributions**

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

**Functional Allocation of Expenses**

The costs of providing the various programs and other activities are summarized on a functional basis in the statement of activities and the statement of functional expenses. Management and general expenses are allocated to the various programs in the form of internal charges based on space occupied, time expended, budgeted allowable share of overhead, etc.

**Use of Estimates**

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

**UPPER NEW YORK ANNUAL CONFERENCE  
OF THE UNITED METHODIST CHURCH**

---

**NOTES TO FINANCIAL STATEMENTS**

December 31, 2023

**NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES – Continued**

---

**Income Tax Status**

The Conference has been determined to be exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and has been classified as an organization that is not a private foundation under Section 509(a). Management is unaware of any unrelated business activities that may be subject to unrelated business income tax or any activities that would jeopardize the Conference's exempt status.

**Subsequent Events**

The Conference has evaluated events and transactions through February 20, 2025, which is the date the financial statements were available to be issued.

**NOTE 3 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS**

---

The Conference's financial assets, reduced by amounts that are not available to meet general expenditures within one year of the statement of financial position date because of donor restrictions, consist of the following as of December 31, 2023:

**Financial Assets:**

Cash	\$ 13,972,716
Investments	49,027,102
Church Apportionments Receivable	394,576
Accounts Receivable	<u>259,755</u>
Total Financial Assets	63,654,149

**Financial Assets Not Available Within One Year:**

Net Assets with Donor Restriction - Purpose	4,952,485
Net Assets with Donor Restriction - Endowment	<u>4,813,106</u>

**Financial Assets Available to Meet Cash Needs  
for General Expenditures Within One Year**

\$ 53,888,558

**UPPER NEW YORK ANNUAL CONFERENCE  
OF THE UNITED METHODIST CHURCH**

---

**NOTES TO FINANCIAL STATEMENTS**

December 31, 2023

**NOTE 4 – INVESTMENTS**

---

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. When measuring fair value, a 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:

- **Level 1** – Quoted prices in active markets for identical assets or liabilities.
- **Level 2** – Observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.
- **Level 3** – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. This includes certain pricing models, discounted cash flow methodologies and similar techniques that use significant unobservable inputs.

**UPPER NEW YORK ANNUAL CONFERENCE  
OF THE UNITED METHODIST CHURCH**

---

**NOTES TO FINANCIAL STATEMENTS**

December 31, 2023

**NOTE 4 – INVESTMENTS – Continued**

---

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used as of December 31, 2023.

*Money Market Funds* – Valued at carrying cost, which approximates fair value (Level 1 inputs).

*Equities and Exchange Traded Funds* – Valued at the closing price reported in the active market in which the individual investment is traded (Level 1 inputs).

*Mutual Funds* – Valued at quoted net asset values of the shares held on the last business day of the fiscal year (Level 1 inputs).

*Pooled Investment Funds* – The Conference operates a cooperative investment and deposit program for the mutual benefit of United Methodist Church organizations, parishes, and related organizations. The holdings of the Pooled Investment Fund (PIF) include cash equivalents, governmental and corporate bonds, mutual funds, equity securities, and other investments. While there are fluctuations in the PIF's market value in total, the Conference has followed the practice of valuing the funds due to the participant organizations at the principal amount deposited plus an allocated amount of investment earnings and losses less an allocated share of investment fees. Fair value of the funds is based upon values determined by the Conference with respect to changes in the market values of the investment pool. The funds are Level 2 based upon the underlying investments within the PIF. The PIF investments are calculated using an ownership percentage of the PIF in total (Level 2 inputs).

**UPPER NEW YORK ANNUAL CONFERENCE  
OF THE UNITED METHODIST CHURCH**

---

**NOTES TO FINANCIAL STATEMENTS**

December 31, 2023

**NOTE 4 – INVESTMENTS – Continued**

---

Assets measured at fair value on a recurring basis as of December 31, 2023 for the investments, are summarized below, by input level:

**Investments at Fair Value as of December 31, 2023**

	Level 1	Level 2	Level 3	Total
Money Market Funds	\$ 11,614	\$ 0	\$ 0	\$ 11,614
Equities and Exchange Traded Funds	20,522,585	0	0	20,522,585
Mutual Funds	7,614,128	0	0	7,614,128
Pooled Investment Funds	0	20,878,775	0	20,878,775
	\$ 28,148,327	\$ 20,878,775	\$ 0	\$ 49,027,102
Total Investments at Fair Value	\$ 28,148,327	\$ 20,878,775	\$ 0	\$ 49,027,102

The Conference's investments include money market funds, equities and exchange traded funds, mutual funds, and pooled investment funds, which are subject to market value changes associated with publicly held investments.

**NOTE 5 – PROPERTY AND EQUIPMENT**

---

The summary of property and equipment as of December 31, 2023 is as follows:

Camps - Building and Equipment	\$ 10,971,091
Conference Center	3,768,890
Parsonages and Episcopal Residence	1,867,452
Office Equipment	359,237
Vehicles	146,650
	17,113,320
Less: Accumulated Depreciation	7,197,693
Property and Equipment, Net	\$ 9,915,627

Depreciation charged to expense was \$491,596 in 2023.

**UPPER NEW YORK ANNUAL CONFERENCE  
OF THE UNITED METHODIST CHURCH**

---

**NOTES TO FINANCIAL STATEMENTS**

December 31, 2023

**NOTE 6 – LINE OF CREDIT**

---

The Conference has a \$1,000,000 revolving line of credit with no maturity date that bears interest at the prime rate plus 2.75% (8.50% at December 31, 2023). The line is secured by all non-real estate assets. There was no balance outstanding on the line of credit at December 31, 2023 and the line of credit was not utilized in 2023.

**NOTE 7 – NET ASSETS BOARD DESIGNATED**

---

The governing boards have designated, from net assets without donor restrictions, net assets for Connectional Ministries, Ministerial Support, Camp and Retreat Ministries, mission support, property and equipment reserve and other board designated funds. Board designated net assets were \$22,353,102 at December 31, 2023.

**NOTE 8 – NET ASSETS WITH DONOR RESTRICTIONS**

---

The activity for funds with donor restrictions for the year ended December 31, 2023 is as follows:

	<b>With Donor Restrictions Purpose</b>	<b>With Donor Restrictions Endowment</b>	<b>Total</b>
Balance, Beginning of Year	\$ 4,611,795	\$ 4,257,931	\$ 8,869,726
Revenues	106,321	50,000	156,321
Income from Investments	547,446	525,865	1,073,311
Assets Released from Restrictions	<u>(313,077)</u>	<u>(20,690)</u>	<u>(333,767)</u>
Balance, End of Year	<u>\$ 4,952,485</u>	<u>\$ 4,813,106</u>	<u>\$ 9,765,591</u>

**UPPER NEW YORK ANNUAL CONFERENCE  
OF THE UNITED METHODIST CHURCH**

---

**NOTES TO FINANCIAL STATEMENTS**

December 31, 2023

**NOTE 8 – NET ASSETS WITH DONOR RESTRICTIONS –**

Continued

---

A summary of the components of net assets with donor restrictions as of December 31, 2023 is as follows:

	<b>Total</b>
Board of Ordained Ministers	\$ 1,584,110
CRM and Camping	974,245
College Ministries	343,167
Pension for Retired Ministers	339,365
Syracuse City UMC	277,190
Scholarships	122,946
Native American and African American Ministry Work	170,193
Pension Hardship	136,513
Other Programing and Ministry Work	<u>1,004,756</u>
Total	<u>\$ 4,952,485</u>

Net investment interest, dividends, realized and unrealized gains and losses from the investment funds are allocated to the Conference designated and donor designated net asset funds via a pro rata method. The value of each net asset at the beginning of the fiscal year is allocated a portion of the net gains (losses) of each investment account based on the percentage of the overall net assets. These funds are separated into separate investment accounts and the net gains (losses) from each of these investments are allocated directly to the respective net endowed asset account to which it is associated.

All donor restricted contributions have indicated a specific purpose for which these investments can be utilized, but with no time restrictions. At this time, it is expected that only \$400,000 of these funds will be used in the coming year.

**UPPER NEW YORK ANNUAL CONFERENCE  
OF THE UNITED METHODIST CHURCH**

---

**NOTES TO FINANCIAL STATEMENTS**

December 31, 2023

**NOTE 9 – ENDOWMENT FUNDS**

---

The Conference’s endowments consist of 20 donor restricted endowment funds as of December 31, 2023. As required by GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions. There were no administrative fees charged in 2023.

**Interpretation of Relevant Law**

The State of New York enacted the New York Prudent Management of Institutional Funds Act (“NYPMIFA”) as of September 2010. NYPMIFA establishes law for the management and investment of endowment funds held by the Conference. The board of directors of the Conference has interpreted NYPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds unless there are explicit donor stipulations to the contrary. As a result of this interpretation, the Conference retains in perpetuity the original value of the initial and subsequent gift amounts (including promises to give). The remaining portion of the donor restricted endowment fund that is not classified in net assets with donor restriction held in perpetuity is classified as net assets with donor restrictions with purpose restrictions until those amounts are appropriated for expenditure by the Conference, in a manner consistent with the standard of prudence prescribed by NYPMIFA.

The Conference’s board of directors has interpreted the applicable provisions of New York Not-for-Profit Corporation Law to mean that the classification of appreciation (depreciation) on gifts held in perpetuity, beyond the original gift amount, follows the donor’s restrictions on the use of the related income (interest and dividends). Income is classified as with donor restrictions until appropriated by the governing boards for expenditure.

**UPPER NEW YORK ANNUAL CONFERENCE  
OF THE UNITED METHODIST CHURCH**

---

**NOTES TO FINANCIAL STATEMENTS**

December 31, 2023

**NOTE 9 – ENDOWMENT FUNDS – Continued**

---

**Return Objectives and Risk Parameters**

The Conference has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowments while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Conference must hold in perpetuity or for a donor-specified period(s). Under this policy, as approved by the board of directors, the endowment assets are invested in a manner that is intended to preserve capital, considering the impact of inflation, strive for consistent annual total returns, achieve long-term total returns which meet or exceed inflation, plus spending for operations and grants and earn the highest possible return given the risk tolerance established by the Conference.

**Funds with Deficiencies**

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level required by New York Not-for-Profit Corporation Law. In accordance with generally accepted accounting principles, deficiencies of this nature are reported in net assets with donor restrictions.

Due to fluctuations in the stock market, some values of endowment funds with donor imposed restrictions may fall below historical gift value (the value as of the date of the gift). It is the Conference's policy to monitor these fluctuations to ensure historical value is maintained. Should a fluctuation cause funds to fall below historical value, it is the Conference's practice to suspend spending from these funds until such time historical value is reached. There were no underwater endowments as of December 31, 2023.

**UPPER NEW YORK ANNUAL CONFERENCE  
OF THE UNITED METHODIST CHURCH**

---

**NOTES TO FINANCIAL STATEMENTS**

December 31, 2023

**NOTE 9 – ENDOWMENT FUNDS – Continued**

---

**Investment Return Objectives, Risk Parameters and Strategies**

The Conference has adopted investment and spending policies, approved by the governing boards, for endowment assets that attempt to earn returns that keep pace with or exceed inflation over the long-term while providing a substantial and moderately stable source of income to the Conference for its programs. The Conference's spending and investment policies work together to achieve this objective. Endowment assets include those assets of donor-restricted funds that the Conference must hold in perpetuity. The investment policy establishes an achievable return objective through diversification of asset classes. The portfolio is expected to exceed the policy index and the real return target each measured on a compound annual return basis after the deduction of investment management fees and annualized over three to five year rolling time periods and a full market cycle. Actual returns in any given year may vary from this amount. To satisfy its long-term rate-of-return objectives, the Conference relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Conference targets a diversified asset allocation that places an emphasis on cash equivalents, common stock, mutual funds, corporate bonds, and closed end funds to achieve its long-term return objectives within prudent risk parameters.

**Spending Policy**

The Conference doesn't have a formal spending policy however all spending is approved by the Board prior to being spent. The Conference is working to have a spending policy in place for 2025.

**UPPER NEW YORK ANNUAL CONFERENCE  
OF THE UNITED METHODIST CHURCH**

---

**NOTES TO FINANCIAL STATEMENTS**

December 31, 2023

**NOTE 9 – ENDOWMENT FUNDS – Continued**

---

The following schedule represents the endowment net asset composition by fund as of December 31, 2023:

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total Net Endowment Assets</b>
Donor-Restricted Endowment Funds:			
Original Donor Restricted Gift and Amounts Required to be Maintained	\$ 0	\$ 3,101,580	\$ 3,101,580
Accumulated Unspent Earnings	<u>0</u>	<u>1,711,526</u>	<u>1,711,526</u>
Total Endowment Net Assets	<u>\$ 0</u>	<u>\$ 4,813,106</u>	<u>\$ 4,813,106</u>

Changes in endowment net assets were as follows for the year ended December 31, 2023:

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total Net Endowment Assets</b>
Endowment Net Assets, Beginning of Year	\$ 0	\$ 4,257,931	\$ 4,257,931
Contributions	0	50,000	50,000
Investment Return, Net	0	525,865	525,865
Amounts Appropriated for Expenditure	<u>0</u>	<u>(20,690)</u>	<u>(20,690)</u>
Endowment Net Assets, End of Year	<u>\$ 0</u>	<u>\$ 4,813,106</u>	<u>\$ 4,813,106</u>

**UPPER NEW YORK ANNUAL CONFERENCE  
OF THE UNITED METHODIST CHURCH**

---

**NOTES TO FINANCIAL STATEMENTS**

December 31, 2023

**NOTE 10 – RETIREMENT PLANS**

---

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

The Plan covers three service periods and is therefore managed as three sub-plans since the benefit structure differs for each of the service periods, although the funding for any of the sub-plans can, under certain circumstances, cover any of the sub-plans.

The risks of participating in these multiemployer sub-plans are different from single-employer plans in the following respects:

- Assets contributed to the multiemployer plan by one conference may be used to provide benefits to clergy of other U.S. Methodist Annual Conferences.
- If the Annual Conference stops contributing to the plan, the unfunded obligations of the plan may be borne by the remaining participating annual conferences.

**UPPER NEW YORK ANNUAL CONFERENCE  
OF THE UNITED METHODIST CHURCH**

---

**NOTES TO FINANCIAL STATEMENTS**

December 31, 2023

**NOTE 10 – RETIREMENT PLANS – Continued**

---

**Pre-1982 Plan**

Prior to January 1, 1982, eligible clergy were provided pension benefits under the Ministers Reserve Pension Fund, which was operated as a multiemployer defined benefit plan. Clergy were entitled to a monthly pension benefit calculated as years of service times the annuity rate divided by twelve. Each year, the Conference sets the past service rate. The 2023 past service rate was \$658, which represents 1% of Conference Annual Compensation (CAC). Each year, the Board of Pensions consults with plan actuaries to determine the funding status of this plan. No contribution was required in 2023. Future contributions will depend on the funded status of the plan and is determined on a year-to-year basis.

The Plan is a non-electing church plan under Internal Revenue Code §414(e) and §410(d). As such, it is exempt from the minimum funding requirements of the Employee Retirement Income Security Act of 1974 (ERISA), the Pension Protection Act of 2006 (PPA), and Internal Revenue Code §412 and 430 through 436 [see §412(e)(2)(D)]. Accordingly, no PPA funding improvement plan or “zoning” funding requirements apply. Further, the Plan is exempt from filing a Form 5500.

As of January 1, 2023 for 2025, the date for which the most current information is available, the Pre-1982 Plan for all conferences had assets of \$1,657,842,622 and liabilities of \$1,552,628,208 for the net funded status of \$105,214,414 (107%).

**Ministerial Pension Plan (MPP)**

The Ministerial Pension Plan (MPP) provided benefits for United States of America clergy from January 1, 1982 through December 31, 2006. It is primarily a defined contribution retirement plan with the requirement that clergy must convert 65% of his or her total account balance to an annuity. This plan was frozen effective December 31, 2006. The Conference made no contributions to the plan in 2023. Future contributions will depend on the funded status of the plan and is determined on a year-to-year basis.

**UPPER NEW YORK ANNUAL CONFERENCE  
OF THE UNITED METHODIST CHURCH**

---

**NOTES TO FINANCIAL STATEMENTS**

December 31, 2023

**NOTE 10 – RETIREMENT PLANS – Continued**

---

**Clergy Retirement Security Program (CRSP)**

The CRSP plan covers service on or after January 1, 2007. The plan has both defined benefit and defined contribution components. The Conference contributed an amount per month per Full Time Equivalent towards the defined benefit portion of the plan for clergy. Contributions for each participant are fully vested. Expense for the year ended December 31, 2023 amounted to \$1,380,339.

In addition, there is a non-matching contribution to the CRSP-Defined Contribution portion of the plan. The Conference contributes 3% of the compensation for eligible clergy. Expense for the year ended December 31, 2023 for CRSP-DC amounted to \$413,016.

As of January 1, 2023 for 2025, the date for which the most current information is available, the CRSP-DB and MPP Plans for all conferences had assets of \$7,754,497,262 and liabilities of \$6,113,768,171 for a net funded status of \$1,640,729,091 (127%).

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

Lay-staff retirement benefits are covered under UMPIP, a 403(b) defined contribution plan. Participation in UMPIP requires each eligible employee to contribute 3% or more of wages to receive a 9% of salary contribution by the UNYAC. Expense for the year ended December 31, 2023 amounted to \$139,440.

Beginning in 2017, some clergy are covered under the UMPIP plan as well. Electing churches were given the option to cover clergy who are not full time, as some churches could not afford to fully participate in the CRSP plan that is offered to clergy. Clergy who are covered under this plan receive a 9% contribution (based on salary plus housing allowance). Expense for the year ended December 31, 2023 for this plan was \$87,625.

**UPPER NEW YORK ANNUAL CONFERENCE  
OF THE UNITED METHODIST CHURCH**

---

**NOTES TO FINANCIAL STATEMENTS**

December 31, 2023

**NOTE 10 – RETIREMENT PLANS – Continued**

---

**Clergy Protection Plan (CPP)**

The Upper New York Annual Conference of the United Methodist Church participates in a defined benefit multiemployer welfare plan administered by the General Board of Pensions of the United Methodist Church (Clergy Protection Plan) (CPP). The plan provides life insurance benefits to qualifying and retiring members in addition to providing long-term disability income benefits to qualified active clergy and guaranteed minimum benefits for widows and dependent children of deceased members. Expense for the year ended December 31, 2023 for clergy CPP programs amounted to \$418,466.

**NOTE 11 – POST-RETIREMENT HEALTH BENEFIT**

---

The Conference sponsors a post-retirement health care plan for all Conference employees and participating clergy that meet eligibility requirements. The plan is contributory, with retiree contributions that are adjustable based on various factors, some of which are discretionary.

The summary of the plan provisions and contribution requirements for the plan include:

The Conference obligation is based on years of service: 3.33% of the maximum funded amount per full-time equivalent year of service up to maximum of 30 years (90%) with 5 year vesting. Surviving spouses receive the same percentage as the retiree and lay retirees receive benefits on the same basis as clergy. The period of coverage for both retirees and spouses is lifetime.

On December 31, 2014, the UNYAC terminated the retiree group medical insurance.

Effective January 1, 2015, the UNYAC partnered with Towers Watson One Exchange to provide a choice of Medicare Supplement and Medicare Advantage health insurance plans for the UNYAC's current and future eligible retirees, who are already enrolled in Medicare. These plans are combined with an individual Health Reimbursement Account ("HRA") for each retiree and spouse, as applicable. The UNYAC will fund the HRA within the plan chosen by the retiree with a fixed amount with which the retiree may choose to pay health care premiums and other health-related expenses. The fixed maximum contribution per participant for 2023 was \$2,678, based on years of service.

**UPPER NEW YORK ANNUAL CONFERENCE  
OF THE UNITED METHODIST CHURCH**

---

**NOTES TO FINANCIAL STATEMENTS**

December 31, 2023

**NOTE 11 – POST-RETIREMENT HEALTH BENEFIT – Continued**

Accounting standards require an employer to recognize the funded status of a defined benefit pension and other post-retirement plan as either a net asset or liability in its statement of financial position. The standards also require an employer to measure the funded status of its post-retirement plans as of the Fund’s fiscal year end.

The Conference’s post-retirement healthcare obligation is determined annually by an actuary based on census data at January 1<sup>st</sup> that’s projected forward to the December 31<sup>st</sup> measurement date, considering adjustments for benefit payments, the expected growth in benefit obligations, changes in key assumptions and plan provisions, and any significant changes in plan demographics that occurred during the year. The actuarial assumptions are based on the presumption that the plan will continue.

Significant actuarial assumptions used to determine the post-retirement health benefit obligation are as follows:

Valuation Date:	December 31, 2023 (measurement date).
Discount Rate:	4.75% for 2023 (4.90% for 2022). The discount rate was chosen by the plan sponsor based on market information on the measurement date.
Current Health Care Cost Trend Rate:	6.75% for 2023 (7.00% for 2022).
Ultimate Health Care Cost Trend Rate:	5.00% for 2023 (5.00% for 2022).
Year of Ultimate Trend Rate:	2031 (for 2023 and 2022).
Mortality - Actives:	Actives: Pri-2012 Top Quartile Employee Mortality Table, with generational projection using Scale MP-2020.
Mortality - Retirees:	Retirees and Continent Annuitants: Pri-2012 Top Quartile Retiree Mortality Table, adjusted 93% for males and 85% for females, with generational projection using Scale MP-2020.
No. of Participants:	194 active participants and 362 retired participants

**UPPER NEW YORK ANNUAL CONFERENCE  
OF THE UNITED METHODIST CHURCH**

---

**NOTES TO FINANCIAL STATEMENTS**

December 31, 2023

**NOTE 11 – POST-RETIREMENT HEALTH BENEFIT – Continued**

The Conference's total post-retirement healthcare obligation at December 31, 2023 is \$17,944,310. The Conference recorded the change in obligation from December 31, 2022 to December 31, 2023 in the amount of \$(409,179) in the 2023 statement of activities.

Changes in total post-retirement health care obligation:

Balance at January 1, 2023	\$ 18,353,489
Changes for the Year:	
Service Cost	323,667
Interest	862,347
Actuarial Loss	(86,049)
Benefit Payments	<u>(1,509,144)</u>
Balance at December 31, 2023	<u>\$ 17,944,310</u>

Benefit obligations will be funded from the assessments, contributions and investment activities of the Conference.

The net periodic post-retirement benefit cost was \$620,099 for the year ending December 31, 2023.

The fair value of plan assets as of December 31, 2023 was \$-0-.

The following approximate annual benefit payments are expected to be paid:

Year Ended December 31:	
2024	\$ 1,479,673
2025	1,476,028
2026	1,470,477
2027	1,419,468
2028	1,430,525
2029-2033	6,747,313

**UPPER NEW YORK ANNUAL CONFERENCE  
OF THE UNITED METHODIST CHURCH**

---

**NOTES TO FINANCIAL STATEMENTS**

December 31, 2023

**NOTE 12 – COMMITMENTS**

---

The Conference guarantee loans for a few member churches. At December 31, 2023, the guarantees are approximately \$475,000 and are secured by the Conference's assets.

**NOTE 13 – LITIGATION AND CLAIMS**

---

On February 14, 2019, the New York Child Victims' Act ("CVA") was signed into law. The Conference has been named as a defendant in certain lawsuits and has otherwise been notified of abuse related claims arising from misconduct that allegedly occurred a number of years ago.

Through the date of this report, the Conference has been named as a defendant in 20 cases with regards to the CVA that relate to the Boy Scouts of America (BSA) and an additional 16 CVA cases that are not related to the BSA. These numbers do not include 16 other BSA CVA cases and 1 non-BSA CVA case in which a local church of the conference has been named as a defendant but the Conference itself has not been named.

The United Methodist Church is a party to the Boy Scouts of America Bankruptcy. A part of the Boy Scouts Amended Plan of Reorganization is for the United Methodist Church to contribute \$30,000,000 into a fund for the benefit of survivors of sexual abuse that occurred while participating in Scouting activities. The United Methodist Church has agreed to make this \$30,000,000 contribution and the Bankruptcy judge has approved this part of the Boy Scouts Amended Plan of Reorganization.

The share of the \$30,000,000 contribution that the Conference contributed to the fund was \$1,254,588. This was included in the Conference's non-operating expense for 2023.

The Conference will fund the aforementioned payment with unrestricted cash. As of December 31, 2023, the Conference recorded a liability of \$3,660,000 and non-operating expense of \$4,645,073 for this settlement obligation.

There are still 3 cases that have not been settled as of February 20, 2025.

SUPPLEMENTARY INFORMATION

---

**SCHEDULE OF ACTIVITIES BY FUNDS**

Year Ended December 31, 2023

	<b>Without Donor Restrictions</b>
<b>REVENUES AND SUPPORT</b>	
Church Apportionments	\$ 7,793,128
Direct Billed Benefits to Member Churches	69,287
Church Disaffiliations	0
Camping, Registration and Event Revenues	1,916,062
Proceeds from Sale of Churches and Real Estate	970,587
Donations and Grants	441,912
Miscellaneous Revenue	196,730
Investment Income	1,055,698
Net Assets Released from Restrictions	292,767
	<hr/>
Total Revenues and Support	12,736,171
<b>EXPENSES</b>	
Program Services	8,601,937
General and Administrative	1,816,835
	<hr/>
Total Expenses	10,418,772
	<hr/>
Change in Net Assets Before Non-Operating Activity	2,317,399
<b>NON-OPERATING ACTIVITY</b>	
Litigation and Claims Settlements	(492,283)
	<hr/>
Total Non-Operating Activity	(492,283)
	<hr/>
CHANGE IN NET ASSETS	1,825,116
Net Assets, Beginning of Year	15,249,477
Transfer of Net Assets	2,458,262
	<hr/>
Net Assets, End of Year	\$ 19,532,855
	<hr/> <hr/>

**UPPER NEW YORK ANNUAL CONFERENCE  
OF THE UNITED METHODIST CHURCH**

<b>Ministries</b>		<b>Trustees</b>		
<b>With Donor Restrictions</b>	<b>Total</b>	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
\$ 0	\$ 7,793,128	\$ 0	\$ 0	\$ 0
0	69,287	0	0	0
0	0	3,295,134	0	3,295,134
0	1,916,062	0	0	0
0	970,587	539,841	0	539,841
142,493	584,405	10,000	0	10,000
13,828	210,558	249,501	0	249,501
501,623	1,557,321	470,365	302,180	772,545
(292,767)	0	41,000	(41,000)	0
365,177	13,101,348	4,605,841	261,180	4,867,021
0	8,601,937	0	0	0
0	1,816,835	3,762,982	0	3,762,982
0	1,816,835	3,762,982	0	3,762,982
365,177	2,682,576	842,859	261,180	1,104,039
0	(492,283)	0	0	0
0	(492,283)	0	0	0
365,177	10,792,230	842,859	261,180	1,104,039
4,230,543	19,480,020	8,653,352	2,433,666	11,087,018
0	2,458,262	0	0	0
<u>\$ 4,595,720</u>	<u>\$ 24,128,575</u>	<u>\$ 9,496,211</u>	<u>\$ 2,694,846</u>	<u>\$ 12,191,057</u>

See notes to financial statements.

---

---

**SCHEDULE OF ACTIVITIES BY FUNDS**

Year Ended December 31, 2023

	<b>Without Donor Restrictions</b>
<b>REVENUES AND SUPPORT</b>	
Church Apportionments	\$ 0
Direct Billed Benefits to Member Churches	6,618,685
Church Disaffiliations	0
Camping, Registration and Event Revenues	0
Proceeds From Sale of Churches and Real Estate	0
Donations and Grants	832
Miscellaneous Revenue	1,380,339
Investment Income	4,057,955
Net Assets Released from Restrictions	0
	<hr/>
Total Revenues and Support	12,057,811
<b>EXPENSES</b>	
Program Services	0
General and Administrative	3,784,965
	<hr/>
Total Expenses	3,784,965
<b>Change in Net Assets Before Non-Operating Activity</b>	
	8,272,846
<b>NON-OPERATING ACTIVITY</b>	
Litigation and Claims Settlements	(5,407,378)
	<hr/>
Total Non-Operating Activity	(5,407,378)
<b>CHANGE IN NET ASSETS</b>	
	2,865,468
Net Assets, Beginning of Year	9,921,500
Transfer of Net Assets	(2,458,262)
	<hr/>
Net Assets, End of Year	\$ 10,328,706
	<hr/> <hr/>

**UPPER NEW YORK ANNUAL CONFERENCE  
OF THE UNITED METHODIST CHURCH**

<u>Board of Pension and Health</u>		<u>3rd Party</u>	<u>Grand Totals</u>		
<u>With Donor Restrictions</u>	<u>Total</u>	<u>Without Donor Restrictions</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
\$ 0	\$ 0	\$ 0	\$ 7,793,128	\$ 0	\$ 7,793,128
0	6,618,685	0	6,687,972	0	6,687,972
0	0	0	3,295,134	0	3,295,134
0	0	200	1,916,262	0	1,916,262
0	0	0	1,510,428	0	1,510,428
0	832	14,423	467,167	142,493	609,660
0	1,380,339	20,759	1,847,329	13,828	1,861,157
269,508	4,327,463	0	5,584,018	1,073,311	6,657,329
0	0	0	333,767	(333,767)	0
269,508	12,327,319	35,382	29,435,205	895,865	30,331,070
0	0	42,277	8,644,214	0	8,644,214
0	3,784,965	0	9,364,782	0	9,364,782
0	3,784,965	42,277	18,008,996	0	18,008,996
269,508	8,542,354	(6,895)	11,426,209	895,865	12,322,074
0	(5,407,378)	0	(5,899,661)	0	(5,899,661)
0	(5,407,378)	0	(5,899,661)	0	(5,899,661)
269,508	3,134,976	(6,895)	5,526,548	895,865	6,422,413
2,205,517	12,127,017	117,511	33,941,840	8,869,726	42,811,566
0	(2,458,262)	0	0	0	0
<u>\$ 2,475,025</u>	<u>\$ 12,803,731</u>	<u>\$ 110,616</u>	<u>\$ 39,468,388</u>	<u>\$ 9,765,591</u>	<u>\$ 49,233,979</u>

See notes to financial statements.

**UPPER NEW YORK ANNUAL CONFERENCE  
OF THE UNITED METHODIST CHURCH**

---

**SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS – EPISCOPAL OFFICE FUND**  
Year Ended December 31, 2023

CASH RECEIPTS

Episcopal Fund	\$ 78,490
Episcopal Reimbursement	8,730
Conference Support	46,667
Investment Income	10,964
	144,851
Total Receipts	144,851

CASH DISBURSEMENTS

Staff Salaries	156,689
Payroll Taxes	4,015
Health, Disability and Life Insurance	21,115
Pension Expense	13,302
Staff Expenses	4,665
Professional Fees	2,250
Rent	10,800
Office Expense	1,074
Hospitality	1,644
Program Costs	22
Bishop's Reimbursable Expenses	12,101
Communications	2,217
Bishop's Discretionary Fund	12,455
Conferences/Education	1,636
Equipment Purchases	312
	244,297
Total Disbursements	244,297

DISBURSEMENTS OVER RECEIPTS	(99,446)
Fund Balance, Beginning of Year	58,969
Fund Balance (Deficiency), End of Year	\$ (40,477)

---

See notes to financial statements.