

**WISCONSIN ANNUAL CONFERENCE
THE UNITED METHODIST CHURCH**

Sun Prairie, Wisconsin

**FINANCIAL STATEMENTS
and
REPORT OF INDEPENDENT
CERTIFIED PUBLIC ACCOUNTANTS**

For the Years Ended December 31, 2005 and 2004

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[Editor's Note: The Audit Report was provided to the Conference Secretary as a Microsoft Word document and a Microsoft Excel spreadsheet. The report has been formatted to fit the size of the Journal page. In all other respects it is identical to the printed report provided by the Independent Auditors.]

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Wisconsin Annual Conference
The United Methodist Church
Sun Prairie, Wisconsin

We have audited the accompanying statements of financial position of the Wisconsin Annual Conference of The United Methodist Church as of December 31, 2005 and 2004, and the related statements of activities and changes in net assets, 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.

For 2004, the Conference had not fully implemented the financial reporting requirements of the Statement of Financial Accounting Standards No. 117, "Financial Statements of Not--for--Profit Organizations." Accordingly, the Conference had not classified the difference between its assets and liabilities as unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets based on the existence or absence of donor-imposed restrictions on amounts in the designated fund. In addition, the Conference had not reported the changes in each of those classes of net assets in the statement of activities. Presentation of such information is required by generally accepted accounting principles. The effects on the financial statements of that departure from generally accepted accounting principles were not reasonably determinable for 2004.

In our opinion, except for the effect on the 2004 financial statements of the omission of the information discussed in the preceding paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of the Wisconsin Annual Conference of The United Methodist Church as of December 31, 2005 and 2004, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Madison, Wisconsin
April 28, 2006

SMITH & GESTELAND, LLP

**WISCONSIN ANNUAL CONFERENCE
THE UNITED METHODIST CHURCH**
Sun Prairie, Wisconsin
STATEMENTS OF FINANCIAL POSITION
December 31

	Undesignated Fund	Group Health Benefit Fund	Pension & Benefits Fund	Designated Fund	Eliminations	Total All Funds
						2005
						2004
ASSETS						
Current assets						
Cash and cash equivalents held by Conference	\$ 958,323	\$ 114,884	\$ 183,004	\$ (33,394)	\$	\$ 1,222,817
Due from local churches	949,976		20,143			970,119
Current portion of loans, notes, and mortgages receivable	450,244	1,092,619	5,436	85,813	(1,639,247)	85,813
Interfund receivables	90,466	34,397	8,117	2,428		135,408
Other current assets	2,449,009	1,241,900	216,700	145,795	(1,639,247)	2,414,157
Total current assets						2,101,181
Investments, long-term receivables, and other assets						
Investments with Foundation				10,446,477		10,446,477
Deposit held by General Board of Pension and Health Benefits	12,863		2,770,175	691,580		2,770,175
Loans, notes, and mortgages receivable	900					704,443
Other assets						900
Total investments, long-term receivables, and other assets	13,763		2,770,175	11,138,057		13,921,995
Property and equipment						
Fixed assets held for church development	822,650			218,000		1,040,650
Property and equipment	3,693,607			2,763,816		6,457,423
Less accumulated depreciation	(1,392,199)			(241,390)		(1,633,589)
Total property and equipment	3,124,058			2,740,426		5,864,484
Total assets	\$ 5,586,830	\$ 1,241,900	\$ 2,986,875	\$14,024,278	\$ (1,639,247)	\$22,200,636

	Undesignated	Group Health	Pension &	Designated	Total All Funds	
	Fund	Benefit Fund	Benefits Fund	Fund	2005	2004
LIABILITIES						
Current liabilities						
Trade payables	\$ 430,422	\$	\$	\$ 6,654	\$ 437,076	\$ 398,707
Unearned premiums		385,130			385,130	387,960
Interfund payables	1,189,004	12,758		437,485		
Other current liabilities	61,289				61,289	63,656
Current portion of long-term debt	31,674				31,674	30,095
Total current liabilities	1,712,389	397,888		444,139	915,169	880,418
Long-term liabilities						
Note payable, net of current portion	261,856				261,856	290,254
Group health benefit plan obligations		24,869,268			24,869,268	23,762,566
Total long-term liabilities	261,856	24,869,268			25,131,124	24,052,820
Total liabilities	1,974,245	25,267,156		444,139	26,046,293	24,933,238
NET ASSETS (DEFICIT)						
Permanently restricted				2,105,588	2,105,588	2,100,891
Temporarily restricted	145,225			4,155,565	4,300,790	4,520,162
Unrestricted - designated	3,124,058	(24,025,256)	2,986,875	7,288,369	(10,625,954)	(9,808,685)
Unrestricted - undesignated	343,302			30,617	373,919	458,972
Total net assets (deficit)	3,612,585	(24,025,256)	2,986,875	13,580,139	(3,845,657)	(2,728,660)
Total liabilities and net assets	\$ 5,586,830	\$ 1,241,900	\$ 2,986,875	\$ 14,024,278	\$ 22,200,636	\$ 22,204,578

The accompanying notes are an integral part of the financial statements.

**WISCONSIN ANNUAL CONFERENCE, THE UNITED METHODIST CHURCH
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS**

For the Years Ended December 31

	Undesignated Fund	Group Health Benefit Fund	Pension & Benefits Fund	Designated Fund	Eliminations	Total All Funds
	2005	2005	2005	2005	2005	2004
Unrestricted net assets						
Support and revenue	\$ 6,925,472	\$ 1,236,270	\$	\$ 102,550	\$ (1,236,270)	\$ 7,036,632
Apportionments	18,400					278,694
Other support	849,512					973,174
Camping fees	213,577					213,577
Youth event fees	270,266	5,702,486	604,066			5,593,567
Service fees	26,409	12,492	1,364	118,999		251,676
Interest and dividends			226,570	(54,854)		986,912
Net gains (losses) on investments	(150,000)				(150,000)	
Net loss on sale of fixed assets	27,059	92	11,667			38,818
Sundry	2,323,780					2,323,780
Advance and gifts designated by donors for specific organizations	(2,323,780)			128,704		(1,219,462)
Less: Advances and gifts remitted to those organizations	684,125					812,829
Net assets released from restriction	8,864,820	6,951,340	843,667	295,399	(1,236,270)	15,718,956
Total support and revenue						15,627,116
Expenses						
Missionial	1,862,734					1,862,734
General church apportionments	1,214,307			102,296		1,316,603
Board of Camps and Retreat Ministries	11,369					31,142
Board of Church and Society	996,092			30,647		1,026,739
Board of Congregation and Parish Development	4,905			6,062		10,967
Board of Discipleship	231,172			6,905		238,077
Council on Youth Ministries	337,575			25,101		362,676
Board of Global Ministries	110,286					114,286
Board of Higher Education and Student Ministry	37,310					42,891
Board of Lay Ministry	73,371					73,371
Commission on Christian Unity & Interreligious Concerns	22,216					22,216
Commission on Religion & Race	23,257					23,257
Ethnic Local Church Concerns	59,596					59,596
Other missionial	4,984,190			171,011		5,155,201
Total missionial						5,470,334
Ministerial	1,372,147				(1,236,270)	135,877
Joint Board of Pensions, Insurance & Equitable Compensation		7,551,732	615,704	50,518		8,217,954
Benefit plans	88,986			96,811		185,797
Other ministerial	1,461,133	7,551,732	615,704	147,329	(1,236,270)	8,539,628
Total ministerial						3,099,167

	Undesignated	Group Health	Pension &	Designated	Total All Funds	
	Fund	Benefit Fund	Benefits Fund	Fund	2005	2004
Administration						
District superintendents	806,448				806,448	994,013
Board of trustees	231,106				231,106	197,141
Conference office	218,786				218,786	223,226
Council on finance and administration	54,939			455	55,394	78,904
Communications and technology	196,209				196,209	164,730
Program and arrangements	97,894				97,894	105,248
Episcopal office	106,660				106,660	58,386
Personnel committee	1,003,913				1,003,913	945,852
Other Conference committees	13,467			16,855	30,322	30,222
Conference Moving Director	145,381				145,381	210,048
Other Conference officers	32,759			1,578	32,759	32,937
Other agencies					1,578	1,506
Total administrative	2,907,562			18,888	2,926,450	3,042,213
Restricted						
Restricted expenses						216,260
Total expenses	9,352,885	7,551,732	615,704	337,228	16,621,279	11,827,974
Transfers of unrestricted-designated funds	238,542			(238,542)		
Change in unrestricted net assets	(249,523)	(600,392)	227,963	(280,371)	(902,323)	3,799,142
Temporarily restricted net assets						
Contributions and investment earnings	325,996			246,374	572,370	322,463
Net assets released from restriction - to designated fund	(234,627)			(128,704)	(128,704)	(216,260)
Net assets released from restriction - to undesignated fund				(449,498)	(684,125)	
Change in temporarily restricted net assets	91,369			(331,828)	(240,459)	106,203
Permanently restricted net assets						
Contributions				4,697	4,697	
Change in permanently restricted net assets				4,697	4,697	
Change in net assets	(158,154)	(600,392)	227,963	(607,502)	(1,138,085)	3,905,345
Net assets (deficit) - beginning of year (as previously reported)	3,770,739	(27,103,298)	2,758,912	14,166,553	(6,407,094)	(8,830,908)
Prior period adjustments		3,678,434		21,088	3,699,522	2,196,903
Net assets (deficit) - beginning of year (as restated)	3,770,739	(23,424,864)	2,758,912	14,187,641	(2,707,572)	(6,634,005)
Net assets (deficit) - end of year	\$ 3,612,585	\$ (24,025,256)	\$ 2,986,875	\$ 13,580,139	\$ (3,845,657)	\$ (2,728,660)

The accompanying notes are an integral part of the financial statements.

STATEMENTS OF CASH FLOWS

For the Years Ended December 31

	Undesignated Fund		Group Health Benefit Fund		Pension & Benefits Fund		Designated Fund		Total All Funds	
	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004
CASH FLOWS FROM OPERATING ACTIVITIES:										
Change in net assets	\$ (158,154)	\$ (600,392)	\$ (600,392)	\$ (607,502)	\$ 227,963	\$ (607,502)	\$ (607,502)	\$ (607,502)	\$ (1,138,085)	\$ 3,905,345
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:										
Depreciation	111,498						69,700		181,198	156,661
Forgiveness of debt							7,500		7,500	7,500
Net losses (gains) on investments							54,854		54,854	(424,095)
Investment earnings reinvested					(11,263)		(205,440)		(216,703)	(774,026)
Loss on disposal of building	150,000								150,000	163,000
Net loss on gift of land and buildings										
Changes in assets and liabilities:										
Due from local churches	(150,803)				(20,143)				(170,946)	213,495
Interfund receivables	(325,409)		(517,113)		(5,436)		(83,729)		(931,687)	(122,855)
Other assets	82,855		8,232		(8,117)		(2,428)		80,542	104,353
Trade payable	45,078						(6,709)		38,369	(29,785)
Group Health Plan Benefit Obligations			1,106,702						1,106,702	(3,678,434)
Unearned premiums			(2,830)						(2,830)	(39,900)
Interfund payable	606,278		(9,938)				335,347		931,687	122,855
Other liabilities	(2,367)								(2,367)	11,749
Net cash provided by (used in) operating activities	358,976		(15,339)		183,004		(438,407)		88,234	(384,137)

	Undesignated Fund	Group Health Benefit Fund	Pension & Benefits Fund	Designated Fund	Total All Funds
					2005
					2004
CASH FLOWS FROM INVESTING ACTIVITIES:					
Proceeds from sales and maturities of investment securities				1,002,029	1,789,916
Purchase of investment securities				(545,984)	(647,852)
Payments received on notes and mortgage receivables				126,459	88,682
Notes and mortgage issued				(117,685)	(326,711)
Purchase of property and equipment	(84,399)			(218,233)	(366,183)
Net cash provided by (used in) investing activities	(84,399)			246,586	537,852
CASH FLOWS FROM FINANCING ACTIVITIES:					
Net proceeds (payments) from long-term debt	(26,819)				320,349
Net cash provided by (used in) financing activities	(26,819)				320,349
Net change in cash and cash equivalents	247,758	(15,339)	183,004	(191,821)	474,064
Cash and cash equivalents - beginning of year	710,565	130,223		158,427	525,151
Cash and cash equivalents - end of year	\$ 958,323	\$ 114,884	\$ 183,004	\$ (33,394)	\$ 1,222,817
					\$ 999,215
SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES:					
Disposal of property through gift	\$	\$	\$	\$	\$ 163,000

The accompanying notes are an integral part of the financial statements.

NOTES TO FINANCIAL STATEMENTS

NOTE 1: INFORMATION ABOUT THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. NATURE OF ACTIVITIES

The Wisconsin Annual Conference of The United Methodist Church accepts apportionments from United Methodist churches in Wisconsin and distributes monies to General Conference agencies for national and international programs, Wisconsin Annual Conference agencies for local programs, and to other charitable organizations.

To ensure observance of limitations and restrictions placed on the use of resources available to the Conference, its accounts are maintained in accordance with the principles of fund accounting. Resources of various purposes are classified for accounting and reporting purposes into funds established according to their nature and purposes. Separate accounts are maintained for each fund.

The Undesignated Fund represents amounts received primarily from apportionments and pass-through donations and is expended for purposes set forth in the annual budget adopted by the Conference or by the donor.

The Designated Fund includes amounts to be used for specified purposes as determined by donors or conference agencies.

The Group Health Benefit Plan makes available health benefits (pharmaceuticals, hospital, surgical and major medical) to all eligible active employees of the Wisconsin Annual Conference, participating local churches, agencies or institutions of the United Methodist Church, and to eligible retired individuals and surviving spouses of the participating groups.

Prior to 2005, the United Methodist Church General Board of Pension and Health Benefits (General Board) directly billed and collected from local United Methodist Churches in Wisconsin their contributions to the Ministerial Pension Plan (MPP) and the Comprehensive Protection Plan (CPP), a death and disability plan for clergy. Therefore, these amounts were not reflected on the financial statements of the Conference. Beginning October 1, 2005, the Conference became responsible for billing and collecting these contributions and premiums and then paying the amounts due to the General Board. Therefore, in 2005, the Pension and Benefits Fund has been separated from the designated fund where it was previously reported to disclose the increased transactions relating to these two plans.

B. INTERFUND ACTIVITY

For financial reporting purposes, interfund receivables and payables, as well as interfund revenues and expenses, have been eliminated.

C. CASH AND CASH EQUIVALENTS

For the statement of cash flows, the Conference considers cash accounts which are not subject to withdrawal restrictions or penalties and highly liquid debt instruments purchased with an initial maturity of three months or less to be cash equivalents.

D. DUE FROM LOCAL CHURCHES

Apportionments received between year-end and a specified cut-off date in mid-January of the following year that are specifically designated by churches for the previous year are treated as prior year apportionments and as receivables at year-end.

E. INVESTMENTS

Securities are carried at fair market value. Gains or losses on the sale of debt and equity securities are computed using the specific identification method.

F. PROPERTY AND EQUIPMENT

Equipment is stated at cost. Real estate, except camps, is carried at cost if purchased, and at market value at date of receipt if donated. Conference camps are carried at appraised value as of February 26, 1976, the earliest date for which information is available, plus additions since that date at cost. Buildings and improvements are being depreciated over seven to fifty-year periods using the straight-line depreciation method. Equipment is being depreciated over its estimated useful life using the straight-line depreciation method.

G. UNEARNED PREMIUMS

Unearned premiums represent premiums collected prior to year end that relate to coverage periods subsequent to year end. Health insurance premiums are billed to participants one month in advance of the coverage month. Ministerial Pension Plan contributions and Comprehensive Protection Plan premiums are billed to participants during the month earned/covered.

H. CLASSIFICATIONS OF NET ASSETS

Statement of Financial Accounting Standard No. 117 requires the Conference to report its net assets and changes therein in the following categories:

Unrestricted Net Assets – Unrestricted net assets represent resources that are generally available for support of the Conference’s activities. Amounts that have been earmarked for a specific purpose by one of the Conference’s boards are reported as unrestricted-designated.

Temporarily Restricted Net Assets – The Conference reports gifts of cash and other assets as temporarily restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restriction.

Permanently Restricted Net Assets – The Conference reports gifts of cash and other assets as permanently restricted support if they are received with donor stipulations that limit usage to earnings only.

I. INCOME TAXES

Wisconsin Annual Conference is exempt from federal and state income taxation under Internal Revenue Code Section 501(c)(3).

J. USE OF ESTIMATES

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

K. RECLASSIFICATIONS

For comparability purposes, certain 2004 amounts have been reclassified to be consistent with 2005.

NOTE 2: INVESTMENTS

The Wisconsin United Methodist Foundation, Inc. and the Conference are affiliated with The United Methodist Church. The Foundation maintains the investments it manages for various United Methodist groups on a pooled basis similar to a mutual fund. Details of the investments underlying the units owned are not available.

NOTE 3: PROPERTY AND EQUIPMENT

The following is a summary of property and equipment at carrying value at December 31:

	<u>2005</u>	<u>2004</u>
United Methodist Center, Sun Prairie	\$ 1,231,420	\$ 1,231,420
Camps (four)	4,409,630	4,198,736
Bishop's residence	212,191	204,851
Property held for sale	281,500	425,000
Sites held for church developments	759,150	759,150
Land improvements	31,285	31,285
Building improvements	253,789	222,030
Vehicles	104,724	98,507
Furniture and equipment	196,918	156,996
Computer software	<u>17,466</u>	<u>17,466</u>
	7,498,073	7,345,441
Less accumulated depreciation	<u>(1,633,589)</u>	<u>(1,452,391)</u>
Net	<u>\$ 5,864,484</u>	<u>\$ 5,893,050</u>

Depreciation expense for the years ended December 31, 2005 and 2004, was \$181,198 and \$156,661, respectively.

NOTE 4: CONTINGENCIES AND CREDIT RISK

Most loans receivable are due from local churches within the Conference, whose ability to repay the loans is contingent upon member contributions.

The Conference maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits of \$100,000. The Conference has not experienced any losses in such accounts, and believes it is not exposed to any significant credit risk on cash and cash equivalents.

NOTE 5: LINE OF CREDIT

The Conference has a \$500,000 line of credit available at the prime rate of interest (7.25% at December 31, 2005) with First Business Bank. There were no amounts drawn on the line of credit as of December 31, 2005.

NOTE 6: NOTE PAYABLE

Note payable consisted of the following at December 31, 2005:

Note payable to the Wisconsin United Methodist Foundation with 5.125% interest rate. Monthly principal and interest payments of \$3,832 are payable through September 2013, with a final payment due on October 10, 2013. Beginning on October 1, 2008, the interest rate is adjusted annually based on the note agreement. The note is secured by all property and equipment of the Wisconsin Annual Conference.	\$ 293,530
Less current portion	<u>31,674</u>
Long-term portion of notes payable	<u>\$ 261,856</u>

Future maturities of long-term debt as of December 31, 2005, are as follows:

Year ending December 31	
2006	\$ 31,674
2007	33,336
2008	35,053
2009	36,924
2010	38,862
Thereafter	<u>117,681</u>
	<u>\$ 293,530</u>

NOTE 7: BENEFITS

The Conference provides health insurance coverage for eligible clergy and lay employees who have retired from the Conference or its local churches and their surviving spouses. The cost to the Conference for its share of the current coverage was \$1,236,270 and \$1,135,454 for the years ended December 31, 2005 and 2004, respectively. Generally accepted accounting principles require that expense related to the retirement benefit be recorded over the period of employment of the employee and that a liability be recorded for future coverage related to past service by current and retired employees. The Conference has recorded the liability for future coverage related to past service at \$24,869,268 and \$23,762,566 as of December 31, 2005 and 2004, respectively, based on the actuarial opinion received.

NOTE 8: MINISTERIAL PENSION PLAN

The Conference participates in the Ministerial Pension Plan, a multi-employer defined contribution pension plan which is administered by the General Board of Pension and Health Benefits. It provides benefits for years of service after December 31, 1981. Contributions to the Ministerial Pension Plan are made directly by local churches and are based upon a percentage of participants' compensation.

Retirement benefits provided by the Ministerial Pension Plan will be in the form of annuity contracts that will be based upon past contributions plus accumulated earnings. There are no unfunded prior service costs under this plan.

NOTE 9: SUPPLEMENT ONE TO THE MINISTERIAL PENSION PLAN

The Conference participates in Supplement One to the Ministerial Pension Plan, which is administered by the General Board of Pension and Health Benefits. This plan covers substantially all United Methodist clergy for service with the Conference or its predecessors before January 1, 1982. The legal status of the plan is such that all assets of the plan are available to pay all benefits of the plan, regardless of the annual conference from which benefits came or under which benefits were accrued. The Wisconsin Annual Conference controls certain benefit provisions of the plan, including the applicable past service rate and the contingent annuitant percentage. The past service rate was \$571 and \$556 as of January 1, 2006 and 2005, respectively. The contingent annuitant percentage has been 100% since January 1, 1999, and cannot be changed.

The Conference assets, Conference liability, Conference funded status, and required contribution are disclosed below. In order to determine the required contribution for each Conference, the total available assets are allocated amongst all the Conferences. The difference between the Conference liability and Conference assets provides the funded status for the Conference. If a negative funded status exists, a contribution is required.

Below is a summary of the applicable plan information as of January 1:

	<u>2006</u>	<u>2005</u>
Conference assets	\$ 57,900,340	\$ 59,878,066
Conference liability	(52,407,979)	(53,088,801)
Funded status	5,492,361	6,789,265

The Conference liability was determined based on a 7.0% and 7.5% interest rate for 2006 and 2005, respectively, a 3% past service rate increase, and the RP-2000 Mortality Table.

NOTE 10: RESTRICTED/DESIGNATED NET ASSETS

Permanently restricted net assets at December 31, 2005, were restricted by donors for the following purposes:

	Designated <u>Fund</u>
Camp & Retreat Ministries	\$ 484,798
Congregation & Parish Development	1,239,728
Global Ministries	124,676
Higher Education & Student Ministries	<u>256,386</u>
	<u>\$ 2,105,588</u>

Temporarily restricted net assets at December 31, 2005, were restricted by donors for the following purposes:

	Undesignated <u>Fund</u>	Designated <u>Fund</u>
Camp & Retreat Ministries	\$ 3,401	\$ 68,402
Congregation & Parish Development		88,575
Disaster Recovery	133,105	
Other Global Ministries		35,157
Higher Education & Student Ministries		2,090
Pensions & Health Insurance		3,622,059
Other Ministries	<u>8,719</u>	<u>339,282</u>
	<u>\$ 145,225</u>	<u>\$ 4,155,565</u>

Designated net assets at December 31, 2005, were designated by the Conference for the following purposes:

	Undesignated <u>Fund</u>	Group Health <u>Benefit Fund</u>	Pension & <u>Benefits Fund</u>	Designated <u>Fund</u>
Fixed Assets	\$ 3,124,058		\$	\$ 2,740,426
Camp & Retreat Ministries				414,037
Congregation & Parish Development				2,234,335
Other Global Ministries				138,849
Pensions & Health Insurance		(24,025,256)	2,986,875	504,536
Ordained Ministry				244,979
Trustees				837,113
Other Ministries				<u>174,094</u>
	<u>\$ 3,124,058</u>	<u>\$(24,025,256)</u>	<u>\$ 2,986,875</u>	<u>\$ 7,288,369</u>

Temporarily restricted net assets were released from donor restrictions for the following purposes during 2005:

	Undesignated <u>Fund</u>	Designated <u>Fund</u>
Camp & Retreat Ministries	\$ 10,757	\$ 87,005
Congregation & Parish Development	32,823	240,040
Disaster Recovery	33,189	
Other Global Ministries	23,696	20,674
Higher Education & Student Ministries	12,379	
Pensions & Health Insurance	100,000	183,235
Other Ministries	<u>21,783</u>	<u>47,248</u>
	<u>\$ 234,627</u>	<u>\$ 578,202</u>

NOTE 11: PRIOR PERIOD ADJUSTMENT

During 2005, the Wisconsin United Methodist Foundation informed the Conference of two additional funds it was holding on behalf of the Conference. The funds were recorded at the balance being held as of the beginning of the year.

During 2005, an actuarial determination was received for the group health benefit plan obligation as of December 31, 2004. The obligation was adjusted to the amount determined by the actuary as December 31, 2004. This adjustment reduced plan expenses in 2004, by \$3,678,434.