

TRUSTEES OF THE
TROY ANNUAL CONFERENCE

Independent Auditors' Report

Financial Statements and
Supplementary Information

Years Ended December 31, 2008 and 2007



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TRUSTEES OF THE TROY ANNUAL CONFERENCE

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INDEPENDENT AUDITORS' REPORT

To The Board of Trustees
Troy Annual Conference

We have audited the accompanying statements of financial position of the Trustees of the Troy Annual Conference (a not-for-profit corporation) as of December 31, 2008 and 2007, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Trustees. 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 audits 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 financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the Trustees of the Troy Annual Conference as of December 31, 2008 and 2007 and the changes in its net assets and its 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 financial statements taken as a whole. The supplementary information presented in Schedules 1-6 accompanying the financial statements is presented for purposes of additional information and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements, and in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Whittemore, Downen & Ricciardelli, LLP

Whittemore, Downen & Ricciardelli, LLP

July 7, 2009

TRUSTEES OF THE TROY ANNUAL CONFERENCE

Statements of Financial Position

December 31, 2008 and 2007

ASSETS	2008	2007
	<u> </u>	<u> </u>
Cash and cash equivalents	\$ 1,016,247	\$ 1,150,557
Dividends and interest receivable	21,977	21,596
Accounts receivable	2,205	5,489
Prepaid expenses	1,864	2,430
Mortgage receivable	34,405	41,213
Other receivable	319,875	84,625
Investments	3,274,603	4,275,300
Property, equipment and improvements, net	1,524,514	1,096,032
	<u> </u>	<u> </u>
Total Assets	<u>\$ 6,195,690</u>	<u>\$ 6,677,242</u>
LIABILITIES		
Accounts payable and accrued expenses	\$ 3,849	\$ 5,314
Payable to the Troy Annual Conference	210,428	101,302
Undistributed income	123,697	120,282
Mortgage and term loan payable	-	22,481
Funds held for local churches	35,003	35,003
Funds held for Troy Annual Conference	1,581,063	1,402,858
	<u> </u>	<u> </u>
Total Liabilities	<u>1,954,040</u>	<u>1,687,240</u>
NET ASSETS		
Unrestricted:		
Undesignated	2,404,675	2,770,379
Designated for special purposes	1,160,481	1,805,238
	<u> </u>	<u> </u>
Total Unrestricted	3,565,156	4,575,617
Temporarily restricted	366,471	104,438
Permanently restricted	310,023	309,947
	<u> </u>	<u> </u>
Total Net Assets	<u>4,241,650</u>	<u>4,990,002</u>
Total Liabilities and Net Assets	<u>\$ 6,195,690</u>	<u>\$ 6,677,242</u>

See Auditors' Report and Notes

TRUSTEES OF THE TROY ANNUAL CONFERENCE

Statements of Activities

Years Ended December 31, 2008 and 2007

UNRESTRICTED	2008	2007
	<u> </u>	<u> </u>
Revenues and Support:		
Contributions and bequests	\$ -	\$ 10,000
Dividends and interest	182,972	194,682
Use of property	29,371	36,320
Proceeds from closed church	-	123,387
Realized and unrealized gains (losses) on investments	(872,236)	95,211
Total Revenues and Support	<u>(659,893)</u>	<u>459,600</u>
Expenses:		
Property expenses	79,422	77,862
Grants, subsidies and allowances	53,071	52,423
Investment counseling fees	15,572	15,761
Legal and professional fees	13,889	5,305
Insurance	5,326	3,153
Administration	14,971	17,283
Total Expenses	<u>182,251</u>	<u>171,787</u>
Excess (Deficit) of Revenues and Support Over Expenses	<u>(842,144)</u>	<u>287,813</u>
Participant Allocations and Distributions:		
Conference pension funds	98,949	110,027
Permanent church funds	2,776	3,712
Local church funds	1,019	2,304
Miscellaneous funds	10,640	14,445
Distributions to Troy Annual Conference	54,933	22,251
Total Participant Allocations and Distributions	<u>168,317</u>	<u>152,739</u>
Change in Unrestricted Net Assets	<u>(1,010,461)</u>	<u>135,074</u>
PERMANENTLY RESTRICTED		
Contributions and bequests	76	50
Change in Permanently Restricted Net Assets	<u>76</u>	<u>50</u>
TEMPORARILY RESTRICTED		
Contributions and bequests	262,033	-
Change in Temporarily Restrcted Net Assets	<u>262,033</u>	<u>-</u>
Changes in Net Assets	(748,352)	135,124
Net Assets at Beginning of Year	4,990,002	4,854,878
Net Assets at End of Year	<u>\$ 4,241,650</u>	<u>\$ 4,990,002</u>

See Auditors' Report and Notes

TRUSTEES OF THE TROY ANNUAL CONFERENCE

Statements of Cash Flows

Years Ended December 31, 2008 and 2007

	<u>2008</u>	<u>2007</u>
Cash Flows From Operating Activities:		
Changes in Net Assets	\$ (748,352)	\$ 135,124
Adjustments to Reconcile Changes in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Realized and unrealized (gain) loss on investments	872,236	(95,211)
Amortization of bond discount, net	(483)	(778)
Depreciation	42,925	43,182
Value of mutual fund shares received for closed church	-	(3,756)
(Increase) Decrease in:		
Dividends and interest receivable	(381)	(8,330)
Prepaid expenses	566	1,072
Accounts and other receivables	(231,966)	(29,077)
Increase (Decrease) in:		
Accounts payable and accrued expenses	(1,465)	(4,588)
Payable to Troy Annual Conference	109,126	(40,076)
Undistributed income	3,415	8,585
Funds held for Troy Annual Conference	178,205	207,663
Funds held for local churches	-	(20,000)
Net Cash Provided (Used) by Operating Activities	<u>223,826</u>	<u>193,810</u>
Cash Flows From Investing Activities:		
Purchases of property and equipment	(471,407)	(55,490)
Purchase of investments	(79)	(448,269)
Proceeds from sale of property and investments	129,023	132,035
Collections on mortgages, notes and loans receivable	6,808	6,894
Net Cash Provided (Used) by Investing Activities	<u>(335,655)</u>	<u>(364,830)</u>
Cash Flows From Financing Activities:		
Principal repaid on term loan	(22,481)	(32,499)
Net Cash Provided (Used) by Financing Activities	<u>(22,481)</u>	<u>(32,499)</u>
Net (Decrease) in Cash	(134,310)	(203,519)
Cash and Cash Equivalents at Beginning of Year	<u>1,150,557</u>	<u>1,354,076</u>
Cash and Cash Equivalents at End of Year	<u>\$ 1,016,247</u>	<u>\$ 1,150,557</u>
Supplemental Disclosures of Cash Flow Information:		
Cash Paid During the Year for:		
Interest	<u>\$ 319</u>	<u>\$ 2,723</u>

See Auditors' Report and Notes

TRUSTEES OF THE TROY ANNUAL CONFERENCE

Notes to Financial Statements

December 31, 2008 and 2007

Nature of Organization and Summary of Significant Accounting Policies

Nature of Organization

The Board of Trustees of the Troy Annual Conference is an elected body which acts in the capacity of custodians and administrators of the real property of the Troy Annual Conference as well as for funds held on behalf of Conference churches and organizations. The Trustees are also the custodians of certain endowment funds bequeathed to the Conference in perpetuity. The funds held by the Trustees are invested in various securities for the purpose of providing a return of income to the participants and to help fund the clergy pension fund.

Summary of Significant Accounting Policies

Method of Accounting

The financial statements of the Trustees have been prepared utilizing the accrual basis of accounting.

Financial Statement Presentation

The Trustees prepare their financial statements in accordance with Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-for-Profit Organizations." Under SFAS No. 117, the Trustees are required to report information regarding their financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted. In addition, the Trustees are required to present a statement of cash flows.

Contributions and Bequests

The Trustees account for contributions in accordance with the provisions of SFAS No. 116, "Accounting for Contributions Received and Contributions Made," whereby contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. Restricted net assets are reclassified to unrestricted net assets upon satisfaction of the time or purpose restrictions.

Investments

The Trustees invest in debt and equity securities which are carried at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets.

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 and disclosures. Accordingly, actual results could differ from those estimates.

Property, Equipment and Improvements

As custodians for the real property of the Troy Annual Conference, the Trustees are responsible for the purchase, sale and maintenance of all Conference properties. As such, the cost of properties owned by the Conference are reported in the Trustees financial statements. Major additions to property are capitalized. Upon the sale or disposition of property, the related cost is removed from the books and gain or loss is recognized. Property, equipment and improvements are depreciated using the straight line method over the estimated useful lives. The estimated useful lives adopted for the various classes of property are as follows:

Building	20 – 30 years
Improvements	10 – 25 years
Furniture and equipment	7 – 10 years

Income From Investments

Interest income is recognized as earned on the accrual basis. Dividend income is recognized based on the ex-dividend date.

TRUSTEES OF THE TROY ANNUAL CONFERENCE

Notes to Financial Statements

December 31, 2008 and 2007

Nature of Organization and Summary of Significant Accounting Policies

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Trustees consider all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Income Tax Status

The Trustees are exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

Concentration of Credit Risk

The Trustees maintain cash in bank deposit accounts which at times may exceed federally insured limits. The Trustees have not experienced any losses in such accounts and believe that such cash balances are not exposed to any significant credit risk. At December 31, 2008 there were no uninsured amounts on deposit in financial institutions.

Accounts Receivable

Accounts receivable at December 31, 2008 and 2007 consisted of the following:

	2008	2007
Operating Fund:		
Accounts receivable, Wyoming Conference	\$ 2,205	\$ 5,307
Other receivables	-	182
Total	<u>\$ 2,205</u>	<u>\$ 5,489</u>

Other Receivable

Other receivables represents amounts due to the Troy Annual Conference pension and an advance during 2008 to the Troy Annual Conference.

Mortgage Receivable

During 1994, the Trustees, on behalf of the Conference, sold property located in Clifton Park, N.Y. at a sale price of \$129,474. As part of the sale, the Trustees took back a 7%, 30 year mortgage in the amount of \$104,000 which was payable in monthly payments of \$692 through October, 2024. On July 9, 1998, a modification agreement was signed reducing the interest rate to 6.5% and the term to fifteen years. Under the modified terms, the mortgage is due in monthly payments of \$774 through March, 2013.

Investments

Investments, with the exception of those designated for benevolences, are maintained in a single investment portfolio. Securities for the Clark Will Fund are specifically identified in the portfolio. As indicated in the notes, the Trustees allocate interest earnings to various funds held on behalf of others. Interest earnings are also allocated to various miscellaneous and endowment funds held by the Trustees which are considered to be fully invested at all times.

TRUSTEES OF THE TROY ANNUAL CONFERENCE

Notes to Financial Statements

December 31, 2008 and 2007

Investments – Continued

Earnings are credited to these funds based on the average of the 52 week high and low for Corporate, Government Agency and U.S. Treasury obligations as quoted in The Wall Street Journal. For funds held permanently by the Trustees the average rate is based on securities with maturities greater than ten years. For funds held temporarily by the Trustees the average rate is based on securities with maturities between one and ten years. Interest rates used for permanent and temporarily restricted funds during 2008 were 3.68% and 3.18%, respectively. Interest rates used for these funds in 2007 were 4.92% and 4.42%, respectively.

Bonds in the investment portfolio have been adjusted to reflect amortization of discount or premium since date of purchase.

The total portfolio, including market values, as of December 31, 2008, is presented in Schedule 1. Market values have been furnished by Banc of America Investment Services, Inc. and Smith Barney Citigroup which hold the investments in broker accounts in the name of the Trustees.

Investments as of December 31, 2008 and 2007, are summarized as follows:

	2008		2007	
	Cost	Market Value	Cost	Market Value
Stocks	\$ 1,821,587	\$ 2,181,130	\$ 1,863,408	\$ 3,123,405
Corporate obligations	1,197,309	1,093,473	1,196,826	1,151,895
Total	<u>\$ 3,018,896</u>	<u>\$ 3,274,603</u>	<u>\$ 3,060,234</u>	<u>\$ 4,275,300</u>

The following summarizes the investment return and its classification in the statements of activities for the years ended December 31, 2008 and 2007.

	Unrestricted	Temporarily Restricted	Total
December 31, 2008:			
Dividends and interest	\$ 176,817	\$ -	\$ 176,817
Realized and unrealized gains	(872,236)	-	(872,236)
Total investment return	<u>\$ (695,419)</u>	<u>\$ -</u>	<u>\$ (695,419)</u>
December 31, 2007:			
Dividends and interest	\$ 185,294	\$ -	\$ 185,294
Realized and unrealized gains	95,211	-	95,211
Total investment return	<u>\$ 280,505</u>	<u>\$ -</u>	<u>\$ 280,505</u>

TRUSTEES OF THE TROY ANNUAL CONFERENCE

Notes to Financial Statements

December 31, 2008 and 2007

Property, Equipment and Improvements, Net

The following is a summary of property, equipment and improvements as of December 31, 2008 and 2007:

	<u>2008</u>	<u>2007</u>
Land, buildings and improvements (Schedule 2)	\$ 1,642,573	\$ 1,642,573
Furniture, fixtures and equipment	<u>115,259</u>	<u>115,259</u>
	1,757,832	1,757,832
Less: accumulated depreciation	<u>(765,947)</u>	<u>(723,022)</u>
	991,885	1,034,810
Construction in progress	<u>532,629</u>	<u>61,222</u>
	1,524,514	1,096,032
Total property, equipment and improvements, net	<u>\$ 1,524,514</u>	<u>\$ 1,096,032</u>

Construction in progress at December 31, 2008 and 2007 consisted of costs incurred for architect and advertising fees for the design of an adult retreat lodge to be constructed at Skye Farm Camp.

Payable to the Troy Annual Conference

The payable to the Conference at December 31, 2008 and 2007 represents amounts due for equipment and insurance costs and cash housing allowances for clergy staff of the Conference.

Mortgage and Term Loan Payable

During 1992, the Trustees acquired property in Guilderland, New York, for a purchase price of \$249,900 of which \$200,000 was financed through a mortgage with a bank. The original mortgage was a variable rate loan at prime rate plus 2.5% and matured on September 1, 2007. On August 11, 1998 the mortgage was refinanced as a term loan in the amount of \$150,000, payable in monthly payments of \$1,677 including interest at 6.16% through August, 2008. The loan balance at December 31, 2008 was \$-0-.

The property was acquired as a residence for the Bishop and is shared jointly with the Troy Annual Conference and the Wyoming Annual Conference located in Endicott, New York. By agreement, the two conferences will share equally in maintaining the residence, including the down payment and the repayment of the term loan. For maintaining the residence, the Troy Annual Conference receives monies from the General Council on Finance and Administration (GCFA) to help defray expenses. The costs shared by the two conferences are net of any funds received from GCFA.

On January 17, 2003, the Trustees purchased a section of land adjacent to the Conference's Vermont camp operations. The purchase price was \$75,000 of which, \$60,000 was financed through a mortgage note with the seller. The mortgage note is payable in four annual payments of \$15,000 including principal and interest at 5% commencing on January 10, 2004, with a final payment of \$8,692 due on January 10, 2008. The loan balance at December 31, 2008 was \$-0-.

Interest expenses in 2008 and 2007 was \$319 and \$1,872, respectively.

TRUSTEES OF THE TROY ANNUAL CONFERENCE

Notes to Financial Statements

December 31, 2008 and 2007

Funds Held for Local Churches

Local church funds represent funds forwarded to the Trustees by various churches to be invested and on which the Trustees pay a flat rate of return. Since these funds do not participate in any portfolio gains or losses and are payable to the respective churches on demand, they represent a liability similar to deposits held by a banking institution. Accordingly, these amounts are presented as a liability in these financial statements.

Funds Held for Troy Annual Conference

Funds held for The Troy Annual Conference represents funds which have been designated by the Conference to be used for specific purposes and which have been transferred to the Trustees to invest until such time as the Conference directs the funds to be expended for the designated purposes. The funds are invested as part of the Trustees general investment portfolio and no specific investments are associated with the funds.

At December 31, 2008 and 2007, the funds consisted of the following:

	<u>2008</u>	<u>2007</u>
Conference Board of Pensions and Health Benefit Reserve Fund	<u>\$ 1,581,063</u>	<u>\$ 1,402,858</u>

In addition to funds received from the Conference or otherwise allocated to the Fund by the Trustees, the Fund is increased annually by an interest factor based on the average balance. The interest rates used for this calculation for 2008 and 2007 were 3.68% and 4.92%, respectively.

Net Assets Designated for Special Purposes

Net assets designated for special purposes at December 31, 2008 and 2007 consisted of the following:

	<u>2008</u>	<u>2007</u>
Benevolences	\$ 705,894	\$ 883,938
Episcopal residence repair reserve	10,621	8,621
Adult retreat ministries	59,643	524,906
New church development	<u>384,323</u>	<u>387,773</u>
Total	<u>\$ 1,160,481</u>	<u>\$ 1,805,238</u>

Temporarily Restricted Net Assets

Temporarily restricted net assets are available for the following purposes:

	<u>2008</u>	<u>2007</u>
Education scholarships	<u>\$ 366,471</u>	<u>\$ 104,438</u>

TRUSTEES OF THE TROY ANNUAL CONFERENCE

Notes to Financial Statements

December 31, 2008 and 2007

Permanently Restricted Net Assets

Permanently restricted net assets consist of various funds held by the Trustees in perpetuity. The income from these funds is to be distributed or used for the benefit of various churches within the conference or for various specific purposes as designated by the donors. Net assets were permanently restricted for the following purposes at December 31, 2008 and 2007:

	<u>2008</u>	<u>2007</u>
Endowment funds for the benefit of specific churches	\$ 75,439	\$ 75,439
Miscellaneous funds:		
Scholarships	59,908	59,832
Camp scholarships	11,754	11,754
Missionary support	10,000	10,000
Board of missions	16,186	16,186
Sustentation	11,432	11,432
Lay activities	1,421	1,421
Other conference activities	97,471	97,471
Clark Will Fund-Pensions	26,315	26,315
Bethel-Gilead Boswell Fund	<u>97</u>	<u>97</u>
Total	<u>\$ 310,023</u>	<u>\$ 309,947</u>

Use of Property

The Trustees receive funds from the Conference for the use of parsonages and facilities maintained by the Trustees. The Trustees also receive funds from GCFA and the Wyoming Conference towards the maintenance of the Bishop's residence. During 2008 and 2007 funds received from the Conference, GCFA and Wyoming Conference aggregated \$18,338 and \$32,880, respectively.

Realized and Unrealized Gains (Losses) on Investments

Realized and unrealized gains (losses) on investments by component for 2008 and 2007 are summarized as follows:

	<u>2008</u>	<u>2007</u>
Stocks	\$ (811,959)	\$ 118,247
Mutual funds	(1,371)	(265)
Corporate obligations	<u>(58,906)</u>	<u>(22,771)</u>
Total	<u>\$ (872,236)</u>	<u>\$ 95,211</u>

TRUSTEES OF THE TROY ANNUAL CONFERENCE

Investments
(Schedule 1)

Year Ended December 31, 2008

Shares	Stocks and Equities Operating Fund	Cost or Book Value	Market Value
1000	Aegon, NV 6.375%	\$ 25,000	\$ 9,830
1000	American Express, Inc.	32,347	18,550
500	American International Group, Inc.	36,348	785
200	Ameriprise Financial Inc.	4,608	4,672
1660	AT&T, Inc.	11,434	47,310
800	Automatic Data Processing, Inc.	37,451	31,472
1000	BAC Capital Trust IV 5.875%	25,000	16,830
849	Bank New York Mellon Corp.	41,396	24,052
500	Becton Dickinson & Co.	25,300	34,195
700	Bed, Bath & Beyond, Inc.	23,492	17,794
800	BP PLC Sponsored ADR	25,061	37,392
400	Bristol-Myers Squibb Co.	5,511	9,300
200	Broadridge Financial Solutions, LLC	4,009	2,508
500	Cardinal Health, Inc.	36,079	17,235
1000	Chevron Corp.	35,657	73,970
1500	Church & Dwight Co., Inc.	42,882	84,180
800	Cisco System, Inc.	23,197	13,040
1000	Citigroup Capital XI 6%	25,000	13,860
1000	Citigroup Capital IX 6%	25,000	14,540
500	Clorox Co.	23,358	27,780
600	Coca-Cola Co.	13,638	27,162
600	Colgate Palmolive Co.	33,178	41,124
300	Corning, Inc.	21,458	2,859
1000	Dell, Inc.	33,538	10,240
1200	Dominion Resources, Inc.	24,228	43,008
1600	Duke Energy Corp.	28,018	24,016
1400	Equitable Resources, Inc.	30,970	46,970
1400	Exxon Mobil Corp.	7,304	111,762
1200	FPL Group, Inc.	20,247	60,396
13	Fairpoint Communications	58	43
300	Gannet Co., Inc.	25,552	2,400
1000	General Electric Capital Corp.	25,000	22,370
1500	General Electric Co.	3,310	24,300
800	General Mills, Inc.	11,068	48,600
1000	Georgia Power Co. 6%	25,000	24,480
900	Heinz (H.J.) Co.	24,974	33,840
1000	Hershey Foods Corp.	14,586	34,740
35	Idearc, Inc.	485	3

See Auditors' Report and Notes

TRUSTEES OF THE TROY ANNUAL CONFERENCE

Investments
(Schedule 1, Continued)

Year Ended December 31, 2008

Shares	Stocks and Equities Operating Fund	Cost or Book Value	Market Value
500	IBM Corp.	7,956	42,080
600	Intel Corp.	38,156	8,796
113	Investment Co. of America	4,067	2,430
600	Johnson & Johnson	27,275	35,898
600	J.M. Smucker & Co.	21,728	26,016
1000	J.P. Morgan Chase & Co.	27,070	31,530
600	Kimberly Clark Corp.	14,773	31,644
1000	Lincoln National Corp.	25,000	17,480
1600	Lowes Companies, Inc.	20,891	34,432
700	Medtronic, Inc.	36,375	21,994
1000	Microsoft Corp.	25,971	19,440
1000	Morgan Stanley Capital Tr. V	25,000	13,850
600	Pepsico, Inc.	27,426	32,862
1400	Pfizer, Inc.	36,214	24,794
600	PNC Financial Services Grp., Inc.	13,162	29,400
600	PPG Industries, Inc.	18,745	25,458
800	Procter & Gamble Co.	3,444	49,456
1000	Royal Bank of Scotland Grp., 5.75%	25,000	7,980
500	St. Jude Medical, Inc.	21,528	16,480
800	Schlumberger, Ltd.	22,844	33,864
1000	Southern Company	30,569	37,000
800	Spectra Energy Corp.	20,198	12,592
1000	Sysco Corp.	28,465	22,940
800	Target Corp.	27,019	27,624
2000	Teco Energy, Inc.	28,884	24,700
1000	USB Capital X Pfds. 6.5%	25,000	23,000
700	Verizon Communications, Inc.	12,686	23,730
500	Wachovia Corp.	23,278	2,770
800	Walgreen Co.	28,133	19,736
500	Western Union Co.	9,767	7,170
300	Zimmer Holdings, Inc.	23,122	12,126
	Total Investments - Stocks and Equities, Operating Fund	1,550,488	1,776,880

See Auditors' Report and Notes

TRUSTEES OF THE TROY ANNUAL CONFERENCE

Investments
(Schedule 1, Continued)

Year Ended December 31, 2008

Shares	Stocks Benevolence Fund	Cost or Book Value	Market Value
1295	AT&T, Inc.	11,500	36,908
620	Bank of America Corp.	5,186	8,730
471	Bank New York Mellon Corp.	19,918	13,343
492	BP PLC Sponsored ADR	14,030	22,996
600	Dominion Resources, Inc.	8,462	21,504
200	Duke Energy Corp.	4,928	3,002
600	Emerson Electric Co.	9,580	21,966
600	Exxon Mobil Corp.	8,178	47,898
600	General Electric Co.	19,732	9,720
400	General Mills, Inc.	11,364	24,300
200	IBM Corp.	20,258	16,832
500	J.M. Smukers, Co.	19,155	21,680
400	Johnson & Johnson	4,464	23,932
400	National Fuel Gas Co.	10,814	12,532
300	Pepsico, Inc.	16,440	16,431
600	Pfizer, Inc.	18,657	10,626
600	Procter & Gamble Co.	8,837	37,092
100	Spectra Energy Corp.	3,553	1,574
500	Target Corp.	19,103	17,265
500	Walgreen Co.	17,608	12,335
800	Wells Fargo & Co.	19,307	23,584
	Total Investments - Stocks, Benevolence Fund	271,074	404,250
	Bethel-Gilead Boswell Fund		
4	Transway International Corp.	25	-
	Total Investments - Stocks, All Funds	1,821,587	2,181,130

See Auditors' Report and Notes

TRUSTEES OF THE TROY ANNUAL CONFERENCE

Investments
(Schedule 1, Continued)

Year Ended December 31, 2008

Face Value	Bonds		Market Value
	Operating and Restricted Funds	Cost or Book Value	
100M	Bank America Corp., 6%, 09/01/17	103,979	101,562
(2) 50M	Bank One Corp., 5.25%, 01/30/13	49,734	48,764
(1) 6M	Better Neighborhoods, Inc.	6,000	-
(2) 50M	Citigroup, Inc., 5.125%, 05/05/14	49,607	46,984
(2) 50M	Countrywide Funding Corp., 5%, 05/16/13	49,029	43,471
50M	Credit Suisse First Boston, 6.125%, 11/15/11	50,026	50,502
50M	Dow Chemical Co., 5.6%, 11/15/09	50,000	50,009
(2) 75M	Ford Motor Credit Co., 5.8%, 01/12/99	74,999	74,788
50M	GMAC 7%, 11/15/12	50,000	20,961
(2) 30M	General Electric Capital Corp., 5%, 01/08/16	29,824	29,052
50M	General Electric Capital Corp., 4.75%, 04/15/14	50,000	45,512
50M	General Electric Co., 5%, 02/01/13	50,000	50,565
50M	Goldman Sachs Group, Inc., 5.25%, 04/01/13	50,000	46,047
(2) 50M	Goldman Sachs Group, Inc., 5.15%, 01/15/14	50,051	45,032
50M	Household Finance Corp., 6.375%, 10/15/11	49,869	49,193
(2) 30M	J P Morgan Chase & Co., 5.15%, 10/01/15	29,809	28,328
100M	Merrill Lynch & Co., 5.7%, 05/02/17	98,988	88,596
100M	Morgan Stanley, 5.45%, 01/09/17	98,249	82,428
100M	PNC Bank N.A., 5.25%, 01/15/17	97,145	94,788
(1) 10M	Troy Rehabilitation and Development Corp.	10,000	-
Total Operating and Restricted Fund Bonds		1,097,309	996,582
<u>Benevolence Fund</u>			
35M	John Hancock Life Ins. Co., 5.5%, 11/15/05	35,000	34,514
50M	GE Capital Internotes, 5.7%, 11/15/15	50,000	47,585
Total Benevolence Fund Bonds		85,000	82,099
<u>Clark Will Fund</u>			
15M	John Hancock Life Ins. Co., 5.5%, 11/15/15	15,000	14,792
Total Clark Will Fund Bonds		15,000	14,792
Total Investments - Bonds, All Funds		1,197,309	1,093,473
Total Investments		\$ 3,018,896	\$ 3,274,603

- 1) Market value unavailable.
- 2) Securities pledged as collateral on term loan.

See Auditors' Report and Notes

TRUSTEES OF THE TROY ANNUAL CONFERENCE

Land, Building and Improvements
(Schedule 2)

December 31, 2008 and 2007

	<u>2008</u>	<u>2007</u>
Skye Farm Campsite	\$ 22,924	\$ 22,924
Episcopal Residence, Guilderland, New York	276,063	276,063
Sherman Lake, New York	1	1
Skye Farm Steward's House	110,004	110,004
Vermont Campsite	95,465	95,465
Conference Center, Wilton, New York	651,995	651,995
Donated Land, Wilton, New York	250,000	250,000
Metcalf Drive, Williston, Vermont	<u>236,121</u>	<u>236,121</u>
 Total Land, Building and Improvements	 <u>\$ 1,642,573</u>	 <u>\$ 1,642,573</u>

See Auditors' Report and Notes

TRUSTEES OF THE TROY ANNUAL CONFERENCE

Undistributed Income
(Schedule 3)

Years Ended December 31, 2008 and 2007

	<u>2008</u>	<u>2007</u>
Operating Fund:		
Aspinwall Fund Income	\$ 769	\$ 746
Bethel-Gilead Church	441	441
Board of Missions	25,604	25,090
District Parsonage Furniture Fund	38	38
Domestic Missions - Unidentified	3,386	3,263
Emma May Makey	6,029	5,667
Evelyn Lowry Fund	130	124
Fletch Fund - Sunday School Work	726	680
Georgia UMC	55	56
Glens Falls District Funds	858	830
Grace-Jacobsen Scholarship Endowment Fund	22,172	20,718
Graydon E. Taylor Memorial Fund	193	1,017
Hobson Fund	3,922	3,865
Homer F. Titus Christian Education Scholarship Fund	6,115	5,695
Howard Stimmel Fund	1,606	1,403
John H. Chase Memorial Scholarship Fund	763	1,009
John Klecka and Florence Klecka Fund	4,257	3,818
Joseph Bean - Domestic Missions	1,247	1,202
Kendall Fund	1,166	1,108
Laura Ward Fund	1,932	1,850
Leonard Fund	939	888
Lottie Brown Scholarship Fund	4,018	5,599
Mickel/Koivisto Scholarship in Town and Country Ministry	1,435	1,287
Miss Anna R. Blood Fund	302	302
Rhodes Camping Scholarships	1	88
Sarah J. Rice Fund	318	304
Vermont Superannuates	1,020	1,020
Vermont Junior College	23	23
W.A. Perry Fund	28,264	26,471
Woodstock	5,923	5,635
Yates Estate	21	21
	<u>123,673</u>	<u>120,258</u>
Total of Undistributed Income, Operating Fund		
Undistributed Income Bethel-Gilead Boswell Fund	<u>24</u>	<u>24</u>
Total Undistributed Income	<u>\$ 123,697</u>	<u>\$ 120,282</u>

See Auditors' Report and Notes

TRUSTEES OF THE TROY ANNUAL CONFERENCE

Funds Held for Local Churches
(Schedule 4)

Year Ended December 31, 2008

	January 1, 2008	Additions	Deductions	December 31, 2008
New York State:				
Willsboro	\$ 1,512	\$ -	\$ -	\$ 1,512
Vermont:				
Athens - Parsonage Fund	200	-	-	200
Bethel-Gilead Boswell Fund	343	-	-	343
Bloomfield - Cook & Dafee Fund	4,500	-	-	4,500
Bloomfield - Minister Lots Fund	1	-	-	1
Chelsea - Trust Fund in Memory of J.J. Heath	1,000	-	-	1,000
Chelsea	800	-	-	800
East Lyndon	750	-	-	750
Ferrisburgh	1,000	-	-	1,000
Georgia UMC	4,606	-	-	4,606
Granville	100	-	-	100
Landgrove Church Fund	820	-	-	820
Lunenburg - Alden Balch Fund and Rollo Bell Fund	100	-	-	100
Lunenburg - H. Smith Fund	250	-	-	250
Lyndonville - Joseph and Carrie McHarg Memorial Fund	1,500	-	-	1,500
Mendon	1,000	-	-	1,000
North Hero	2,000	-	-	2,000
Plainfield	1,750	-	-	1,750
Poultney - W.S.C.S.	200	-	-	200
Randolph Methodist Society	4,276	-	-	4,276
Richford	500	-	-	500
South Londonderry	800	-	-	800
Vergennes	1,000	-	-	1,000
Westford	400	-	-	400
Williamstown	3,090	-	-	3,090
Wolcott Church Fund	2,405	-	-	2,405
	<u>2,405</u>	<u>-</u>	<u>-</u>	<u>2,405</u>
Total Funds Held for Local Churches	<u>\$ 35,003</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 35,003</u>

See Auditors' Report and Notes

TRUSTEES OF THE TROY ANNUAL CONFERENCE

Permanently Restricted - Endowments
(Schedule 5)

Year Ended December 31, 2008

	January 1, 2008	Additions	Deductions	December 31, 2008
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
New York State:				
Averill Park	\$ 1,278	\$ -	\$ -	\$ 1,278
Center Glenville	13,586	-	-	13,586
Center Glenville Women's Missionary Work	717	-	-	717
Edinburgh	5,195	-	-	5,195
Northampton	4,478	-	-	4,478
W. Fort Ann	534	-	-	534
Vermont:				
Bethel	717	-	-	717
Burlington - Mr. and Mrs. James Lockwood Memorial Fund	26,776	-	-	26,776
Burlington - W.S.C. - Lucille Lockwood Memorial Fund	2,019	-	-	2,019
Chelsea - George Flint Legacy	1,434	-	-	1,434
East Arlington	3,586	-	-	3,586
Enosburgh Falls Methodist Church	10,093	-	-	10,093
Jericho	3,730	-	-	3,730
North Thetford	287	-	-	287
Williamsville Will of Porter C. Thayer	1,009	-	-	1,009
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Permanently Restricted - Endowments	\$ 75,439	\$ -	\$ -	\$ 75,439

See Auditors' Report and Notes

TRUSTEES OF THE TROY ANNUAL CONFERENCE

Restricted - Miscellaneous Funds
(Schedule 6)

Year Ended December 31, 2008

Permanently Restricted	January 1, 2008	Additions	Deductions	December 31, 2008
Board of Missions Fund - Troy Conference	\$ 16,186	\$ -	\$ -	\$ 16,186
Rev. N.W. Aspinwall	710	-	-	710
Anna R. Blood	5,596	-	-	5,596
Lay Activities - Troy Conference Board	1,421	-	-	1,421
Claremont Junction Camp Grounds Sale	2,568	-	-	2,568
Burlington District	5,742	-	-	5,742
J. Bean Domestic Mission - Vermont Conference	1,421	-	-	1,421
Glens Falls District Funds	59	-	-	59
Domestic Missions	568	-	-	568
Lovina S. Hargin	142	-	-	142
Hobson Fund	1,810	-	-	1,810
Edna I. Kendall	711	-	-	711
Seth Kingsbury Fund	391	-	-	391
Julia Day Leonard	711	-	-	711
Methodist Church of Cambridge	1,886	-	-	1,886
Lowry Fund	70	-	-	70
Flora B. McNeill Fund	711	-	-	711
Nora I. Mitchell Estate - Conference				
Women's Society Usage	1,119	-	-	1,119
Sarah Rice Fund	142	-	-	142
Sunday School Fund	753	-	-	753
Sustentation Funds	11,432	-	-	11,432
Vermont Junior College	284	-	-	284
Laura Ward Fund	711	-	-	711
Woodstock - Fletcher Fund	3,421	-	-	3,421
Lyndon UMC - Vermont	195	-	-	195
Nellie Geiger Fund	500	-	-	500
Howard Stimmel Fund	6,375	-	-	6,375
Irene Brown Fund	4,000	-	-	4,000
M. Mills Fund	500	-	-	500
Graydon E. Taylor Memorial Fund	6,054	-	-	6,054
Emma May Makey	5,700	-	-	5,700
Homer F. Titus Christian Education				
Scholarship Fund	7,500	-	-	7,500
Grace-Jacobsen Scholarship Endowment Fund	25,000	-	-	25,000
W.A. Perry Fund	56,375	-	-	56,375
John H. Chase Memorial Scholarship Fund	24,000	-	-	24,000
John Klecka and Florence Klecka Fund	10,000	-	-	10,000
Mickel/Koivisto Scholarship In Town and Country Ministry	3,332	76	-	3,408
	<u>208,096</u>	<u>76</u>	<u>-</u>	<u>208,172</u>
Sub-Total Permanently Restricted - Miscellaneous Funds	<u>208,096</u>	<u>76</u>	<u>-</u>	<u>208,172</u>

See Auditors' Report and Notes

TRUSTEES OF THE TROY ANNUAL CONFERENCE

Restricted - Miscellaneous Funds
(Schedule 6, Continued)

Year Ended December 31, 2008

Permanently Restricted, Continued	January 1, 2008	Additions	Deductions	December 31, 2008
Clark Will Fund	26,315	-	-	26,315
Bethel-Gilead Boswell Fund	97	-	-	97
 Total Permanently Restricted - Miscellaneous Funds	<u>234,508</u>	<u>76</u>	<u>-</u>	<u>234,584</u>
 Total Permanently Restricted Funds	<u>\$ 309,947</u>	<u>\$ 76</u>	<u>\$ -</u>	<u>\$ 310,023</u>
 <u>Temporarily Restricted</u>				
 Lottie R. Brown Fund	<u>\$ 104,438</u>	<u>\$ 262,033</u>	<u>\$ -</u>	<u>\$ 366,471</u>

See Auditors' Report and Notes