



Treasurer's Report March 2015

The Giving Year of 2014 was an impressive one. United Methodist Women members came closer to meeting their total national pledge than in any year since 2008, the start of the Recession. The total Mission Giving received was 99.2% of the amount pledged. Compared to last year, 2014 Mission Giving was 99.71% of the 2013 amount. We celebrate this accomplishment! We are grateful for these gifts to mission!

United Methodist Women is a great source of inspiration. It is a force made strong by its very definition: "A community of women, whose purpose is to know God." A force made strong by tireless work in mission with women, children and youth. United Methodist Women, made strong by the Holy Spirit, serves after the example of Jesus Christ, as it grows in love for all humankind. It stands up for those who cannot stand, walks for those who cannot walk, gives voice to those who do not speak. It writes its stories of mission in the hearts of all who know it, who experience its mission first-, second- or thirdhand. It serves with Faith, Hope and Love. *We* serve with Faith, Hope and Love.

The unaudited Financial Report for the year ended December 31, 2014, is presented with comparatives from the past three completed years.

Conference Giving:

(in millions \$)

	2014	2013	2012	2011
Mission Giving	13.04	13.08	14.10	14.19
Supplementary Giving	0.09	0.10	0.06	0.20
Designated Giving	0.79	0.80	0.86	0.91
Total Conference Giving	13.92	13.98	15.02	15.30

- In 2014, 28 conferences exceeded their pledge, 26 conferences kept their pledge the same as last year and 8 conferences increased their pledge amounts over last year. In addition, 19 conferences gave more to mission in 2014 than in 2013.

Interest Income:

(in millions \$)

	2014	2013	2012	2011
Interest Income from Cash Equivalents	0.00	0.01	0.01	0.03
Investment Income (Net of Fees)	1.34	1.40	1.63	0.72
Bequests, Trusts and Other Long-term Gifts	0.61	0.94	0.86	0.68
Interest on Restricted Gifts	0.00	0.00	1.46	0.57
Total Interest Income	1.95	2.35	3.96	2.00

Total Interest Income decreased by \$452,000 or 9.51% from prior year. Highlights are as follows:

- Investments of \$73,000,000 earned \$1.3 million in income net of fees;
- Bequests, Trusts and other Long-term Gifts received in 2014 were lower than in 2013.

- Some of the major gifts include: \$127,617 from the Dorothy Persohn Fund for UMW; \$58,125 for Brooks Howell Home (BHH) from Patricia Ellen Richardson's Estate; \$40,000 from Lucy Ellen Haywood's Estate for UMW; \$21,186 from the Julius and Elizabeth McLeod Trust for UMW; \$12,145 from Jessamine Orgain's Estate for UMW; \$11,950 from the Hilda Dewitt Frazer Trust for UMW.

Publications:

(in millions \$)

	2014	2013	2012	2011
response magazine	0.50	0.39	0.73	0.50
PBD/MRC	1.26	1.33	1.66	1.83
Total Publications	1.76	1.72	2.39	2.33

The Total Publications category remains relatively flat compared to 2013. **response** subscriptions are up slightly from 2013.

Rental and Service Fee Income:

(in millions \$)

	2014	2013	2012	2011
Brooks Howell Home	3.42	3.36	3.07	3.09
Church Center for the United Nations (CCUN)	2.44	2.55	2.46	2.41
Alma Matthews	0.35	0.32	0.33	0.33
Total Rental and Service Fee Income	6.21	6.23	5.86	5.83

- Rental and Service Fee Income from BHH, CCUN and Alma Matthews decreased slightly from the 2013 levels. These are preliminary numbers from BHH as their audit is currently underway.
- CCUN revenue is down by \$108,000 due to a nonrecurring charge applied to all tenants during 2013.

Other Income:

(in millions \$)

	2014	2013	2012	2011
Events, Seminars, Meetings	0.02	0.02	0.02	(0.00)
AGI	0.00	0.00	0.18	0.18
Benefits Trust	0.73	0.44	0.43	0.19
Miscellaneous Other Income	1.89	0.71	0.81	1.16
Total Other Income	2.64	1.17	1.44	1.53
Total Operating Income	26.48	25.45	28.67	26.99

Other Income increased by \$1,465,000 or 124.89% from 2013.

- Benefits Trust increased by \$295,000 or 67.03%. This distribution is based on the allowed 6% fair market value of trust assets available at year end by GCFA, which administers the Agency Benefit Plan and Trust.
- Miscellaneous Other Income increased by \$1,178,000 or 166.09% due to registration and other fees collected for the 2014 Assembly.

Operating Expenditures:*(in millions \$)*

	2014	2013	2012	2011
Program Services				
Programs Administered by UMW				
National Mission Institutions Network	0.59	0.67	0.66	0.53
National Mission Institution Property Management				
Insurance	1.68	1.74	1.83	1.38
Repairs and Maintenance	0.35	0.45	1.07	1.20
Property Management	0.22	0.29	0.32	0.37
International Mission Work Administration	0.57	0.50	0.43	0.54
UMW Membership and Leadership Development	1.63	1.79	1.72	1.73
Mission Education	2.41	2.54	2.60	1.95
response magazine	0.48	0.54	0.48	0.53
Mission Resources	1.37	1.56	2.40	1.93
Christian Social Action	1.88	1.71	1.67	1.72
Deaconess, Home Missioners Office and Network	0.52	0.52	0.39	0.40
Other Programs Administered by UMW	1.46	0.00	1.46	0.00
Total Programs Administered by UMW	13.16	12.31	15.03	12.28

Total Programs Administered by UMW increased from the 2013 levels by \$868,000 or 7.06%. This consists of:

- National Mission Institution property insurance decreased by \$61,000 or 3.50% compared to the prior year when UMW moved to a new property insurance carrier. Upfront premiums were paid at that time;
- National Mission Institution property repairs and maintenance decreased by \$91,000 or 20.40% compared to 2013. This decrease is due to a lower property grant total in 2014 compared to 2013;
- UMW Membership and Leadership Development and Mission Education decreased by 289,000 or 6.67% due to staffing changes;
- Mission Resources expenses decreased by \$188,000 or 12.06%. In 2014 UMW implemented the SMR remittance process, which reduced the manual input of SMR orders. Other changes were made in shipping methods and processes to decrease expenses;
- The increase in Christian Social Action of \$171,000 or 9.97% was due to staffing changes, and;
- Other Programs Administered by UMW increased by \$1,457,000 due to Assembly expenses in 2014.

Programs Administered by Other Organizations:*(in millions \$)*

	2014	2013	2012	2011
United Methodist Organizations National and International				
National Missions	2.14	2.12	2.25	2.72
International Missions	1.47	1.63	1.74	1.84
Ecumenical Organizations	0.23	0.22	0.23	0.31
Social Action Organizations	0.01	0.01	0.01	0.01
Grants from Designated Funds	2.47	1.91	1.62	1.65
Grants from Funds Held for Others	0.04	0.05	0.10	0.00
Total Programs Administered by Other Organizations	6.36	5.94	5.95	6.53

Total Programs Administered by Other Organizations increased from the 2013 level by \$417,000 or 7.02%. This consists of:

- International Mission grants decreased by \$157,000 or 9.68% from the prior year, reflective of the approved budget;
- Grants from Designated Funds increased by \$558,000 or 29.16% due to the net effect of grants from endowments, together with the return of the Elizabeth Bradley Endowment Fund to Western Pennsylvania UMW. This fund was held in a custodial capacity by the national office. The balance in the fund at its return was \$1,752,000.

Program Support:*(in millions \$)*

	2014	2013	2012	2011
Church Center for the United Nations (CCUN)	2.29	2.58	2.02	2.88
Alma Matthews Hospitality House	0.52	0.50	0.57	0.00
Brooks Howell Retirement Center				
Retired Deaconess, Missionary Home Operations	3.72	3.68	3.17	3.44
Retired Deaconess, Missionary Pension and Health Benefits	3.62	2.29	3.34	5.34
Scarritt Bennett Center	0.10	0.10	0.10	0.05
Annuity Fund	0.00	0.01	0.14	0.02
Organization-wide Program Support	0.45	0.58	1.11	1.16
Total Program Support	10.70	9.74	10.45	13.39
Total Program Services	30.22	27.99	31.43	32.20

Total Program Services increased from the 2013 level by \$946,000 or 9.70%. This consists of:

- Church Center for the United Nations decreased by \$293,000 or 11.35% due to the installation of a new sprinkler system the prior year;
- Retired Deaconess, Missionary Home Operations increased by \$41,000 or 1.12%; again the BHH audit is currently underway;
- Retired Deaconess, Missionary Pension and Health Benefits increased by \$1,327,000 or 57.94%. This is a preliminary number as we await the annual reports from our actuaries. We expect the report will bring our pension expenses in line with the prior year;
- Organization-wide Program Support decreased by \$131,000 or 22.53% from the 2013 level due to work shifted from Global Ministries.

Supporting Services:*(in millions \$)*

	2014	2013	2012	2011
Management and General				
Leadership and Management	3.29	3.42	3.46	2.64
Total Management and General	3.29	3.42	3.46	2.64
Fundraising				
Development Office	0.17	0.05	0.02	0.02
Fundraising Programs – SMRs	0.17	0.21	0.15	0.37
Total Fundraising	0.34	0.26	0.17	0.39
Total Supporting Services	3.63	3.68	3.63	3.03
Total Operating Expenses	33.85	31.67	35.05	35.23

Operating expenditures for the year ended December 31, 2014, increased by \$2,231,000 compared to December 31, 2013. This is primarily the result of timing and nonrecurring expenses in the categories below:

- Programs Administered by UMW increased by \$868,000;
- Programs Administered by Other Organizations increased by \$417,000;
- Program Support increased by \$946,000.

In summary, operating expenditures of \$33.85 million for the year ended December 31, 2014, exceeded the operating income of \$26.48 million for the year ended December 31, 2014, creating an operating deficit of \$7.37 million.

Effects on Net Assets:*(in millions \$)*

	2014	2013	2012	2011
Operating Deficit	(7.37)	(6.22)	(6.37)	(8.22)
Appreciation/(Depreciation) in Investments	2.27	9.36	6.89	(0.43)
Endowment/Sale of Properties	3.20	0.20	(0.03)	1.57
Increase/(Decrease) in Net Assets	(1.90)	3.34	0.49	(7.08)

Decrease in Net Assets due to:

- Appreciation/(Depreciation) in Investments. For the year ended December 31, 2014, UMW's investments appreciated by \$2,272,000, this is a 3% return on our investments portfolios due to positive change in the stock market, compared to 2013;
- Endowment/Sale of Properties increased by \$3,004,000, a result of the sale of the Sue Bennett campus for \$2,006,000, a reversionary interest returned from National College of \$800,000, residual funds from Robincroft Retirement Home of \$379,000 and \$221,000 contributions to the Legacy Fund.

Net Assets:*(in millions \$)*

	2014	2013	2012	2011
General Fund/Undesignated	11.41	10.41	11.88	13.24
Designated	7.05	9.79	7.28	6.99
Total Unrestricted	18.46	20.20	19.16	20.23
Total Temporarily Restricted	27.88	28.17	26.09	24.46
Total Permanently Restricted	15.30	15.17	14.98	15.04
Total Net Assets	61.64	63.54	60.23	59.73

Total Net Assets for the year ended December 31, 2014, decreased over December 31, 2013, by \$1.9 million. The following summary explains the increase:

- Total Unrestricted decreased by \$1,747,000 due largely to Pension and Health Benefit payments for our retired missionaries and deaconesses;
- Total Temporarily Restricted decreased by \$.3 million over the 2013 level due to the net effect of the distribution of the Elizabeth Bradley Fund and the appreciation of Temporarily Restricted assets;
- Total Permanently Restricted increased by \$128,000 due to additional contributions to the endowment funds.

We give thanks to all United Methodist Women members who give so much of themselves every day. We give thanks for the staff dedicated to matching gifts given to the needs of women, children and youth. We give thanks to the board of directors for their counsel and oversight.

Let us continue to grow in our faith, hope and love as we serve in God's mission together.

December 31, 2014

Treasurer

Martha S. Knight