



Treasurer's Report

The Financial Report for the period ending August 31, 2013, and comparatives for the period ended August 31, 2012, and full years 2012 and 2011.

Conference Giving:

(in millions \$)

	August 2013	August 2012	December 2012	December 2011
Mission Giving	4.72	5.21	14.10	14.19
Supplementary Giving	0.04	0.04	0.06	0.20
Designated Giving	0.54	0.56	0.86	0.91
Total Conference Giving	5.30	5.81	15.02	15.30

Conference Giving is down \$511,000 or 8.80% compared to August, 2012. As of August 2013, six conferences have not sent in any pledge monies; we are in constant communications with these conferences.

- ❖ Mission giving in this category decreased by \$492,000; in 2013 we introduced the new online platform for conferences to submit their remittance; as of today, 53 conferences are actively using and six are not;
- ❖ Supplementary giving remained relatively flat compared to prior year; and
- ❖ Designated giving decreased slightly by \$22,000.

Interest Income:

(in millions \$)

	August 2013	August 2012	December 2012	December 2011
Interest Income from Cash Equivalents	0.01	0.01	0.01	0.03
Investment Income (Net of Fees)	1.05	1.02	1.63	0.72
Bequests, Trusts and other Long term Gifts	0.52	0.19	1.34	0.68
Interest on Restricted Gifts	0.00	0.00	0.00	0.00
Distribution from Unrestricted Endowments	0.00	0.00	0.30	0.00
Total Interest Income	1.58	1.22	3.28	1.43

Total Interest Income increased by \$348,000 or 28.5% over prior year. Highlights are as follows:

- ❖ Bequests, trusts and other Long-term Gifts increased by \$328,000 or 174%;
 - 2013 gifts include \$110,449.13 from Vivian Nolte gift annuity residual value, \$85,174.77 from Jewel M. Brown Estate Distribution, \$35,927.00 from Grace Innis Estate to name a few;
- ❖ While all other categories listed remain relatively flat, our investments earned \$1,047,000 net of fees in 2013.

Publications:

(in millions \$)

	August 2013	August 2012	December 2012	December 2011
response magazine	0.27	0.32	0.73	0.50
PBD/MRC	0.69	0.69	1.66	1.83
Total Publication	0.96	1.01	2.39	2.33

The publications category was down slightly by \$51,000, compared to August, 2012, due to a decrease in response subscriptions.

Rental and Service Fee Income:

(in millions \$)

	August 2013	August 2012	December 2012	December 2011
Brooks Howell Home	1.92	1.92	3.07	3.09
Church Center for the United Nations (CCUN)	1.48	1.48	2.46	2.41
Alma Mathews	0.21	0.22	0.33	0.33
Total Rental and Service Fee Income	3.61	3.62	5.86	5.83

Rental and Service Fee Income from BHH, CCUN and Alma Mathews remained consistent year to year.

Other Income:

(in millions \$)

	August 2013	August 2012	December 2012	December 2011
Events, Seminars, Meetings	0.02	0.03	0.02	0.00
AGI	0.00	0.00	0.18	0.18
Benefits Trust	0.29	0.25	0.43	0.19
Miscellaneous Other Income	0.72	0.92	0.90	1.17
Total Other Income	1.03	1.20	1.53	1.54
Total Operating Income	12.48	12.86	28.08	26.43

Other Income decreased by \$175,000 or 14.49% from 2012.

- ❖ Miscellaneous Other Income decreased by \$203,000 due to an overstatement in August 2012 numbers by \$175,000, this amount was subsequently corrected;
- ❖ In Summary, Total Operating Income decreased by \$402,000 or 3.12% from the 2012 levels. A decrease in conference giving, an increase in interest income and a decrease in other income were the key factors impacting this decrease in operating revenue from the 2012 levels.

Operating Expenditures:

(in millions \$)

	August 2013	August 2012	December 2012	December 2011
Program Services:				
Program Administered by UMW:				
National Mission Institutions Network	0.40	0.45	0.66	0.53
National Mission Institution Property Management	0.00	0.00	0.00	0.00
Insurance	1.13	1.38	1.83	1.38
Repairs and Maintenance	0.39	0.77	1.07	1.20
Property Management	0.18	0.22	0.32	0.37
International Mission Work Administration	0.34	0.28	0.43	0.54
UMW Membership and Leadership Development	1.03	0.92	1.72	1.73
Mission Education	1.57	1.89	2.60	1.95
Response Magazine	0.35	0.33	0.48	0.53
Mission Resources	1.21	0.95	2.40	1.93
Christian Social Action	1.10	0.94	1.67	1.72
Deaconess, Home Missioners Office and Network	0.31	0.21	0.39	0.40
Total Programs Administered by UMW	8.01	8.34	13.57	12.28

Total Program administered by UMW decreased from the 2012 levels by \$337,000 or 4.04%. This consists of:

- ❖ Decrease in National Mission Institution Property Insurance of \$253,000 or 18.31% compared to this time last year due to timing difference in payment between years;
- ❖ Decrease in grants made to National Mission Institution for property repairs and maintenance of \$382,000 or 49.7% compared to this time last year, due to a large grant made to Brooks Howell in 2012;
- ❖ Increase in UMW Membership and Leadership Development programs of \$112,000 compared to the same period last year due to changes in the Leadership Development programs;
- ❖ Decrease in Mission Education due to staff changes;
- ❖ Increase in Mission Resources of \$258,000 or 26.99% due to lack of financial data from MRC this time last year;
- ❖ Increase in program expenses in Christian Social Action of \$158,000 or 16.79% due to the annual timing of projects, and;
- ❖ Increase in Deaconess, Home Missioners Office and Network of \$100,000 or 48.18% due to addition of new staff and the annual timing of projects.

Program Administered by Other Organizations:

(in millions \$)

	August 2013	August 2012	December 2012	December 2011
United Methodist Organizations National and International				
National Missions	1.32	1.37	2.72	2.72
International Missions	1.31	0.88	1.28	0.89
Ecumenical Organizations	0.15	0.05	0.23	0.31
Social Action Organizations	0.01	0.01	0.01	0.01
Grants from Designated Funds	0.85	0.71	1.62	1.48
United Methodist Committee On Relief	0.00	0.00	0.00	0.17
Grants from Funds held for others	0.00	0.00	0.10	0.00
Total Programs Administered by Other Organizations	3.64	3.02	5.96	5.58

Total Program administered by Other Organizations increased from the 2012 levels by \$622,000 or 20.62%. This consists of:

- ❖ International Mission Grants increased by \$428,000 or 48.68% over the prior year numbers. Most of our international partners in this category were the same from prior year yielding efficiencies in the releases in 2013;
- ❖ Ecumenical Organizations, like the International Mission Grants, saw an increase over the prior year due to efficiencies, and;
- ❖ Grants from Designated Funds increased by \$140,000 or 19.86% due to increased scholarship and technology grant awards.

Program Support:

(in millions \$)

	August 2013	August 2012	December 2012	December 2011
Church Center for the United Nations (CCUN)	1.40	1.42	2.43	2.88
Alma Matthews Hospitality House	0.33	0.36	0.57	0.50
Brooks Howell Retirement Center				
Retired Deaconess, Missionary Home Operations	3.20	3.25	5.16	4.95
Retired Deaconess, Missionary pension and Health Benefits	1.32	1.50	1.82	3.83
Scarritt Bennett Education Center	0.07	0.07	0.10	0.05
Annuity Fund	0.00	0.00	0.14	0.02
Organization-wide Program Support	0.57	0.79	1.11	1.16
Total Program Support	6.89	7.39	11.33	13.39
Total Program Services	18.54	18.75	30.86	31.25

Total Program Services decreased from the 2012 levels by \$216,000 or 1.15%. This consists of:

- ❖ Retired Deaconess, Missionary Pension and Health Benefits decreased by \$177,000 or 11.85%, on average this population decreases approximately 13% annually;
- ❖ Organization-wide Program Support decreased by \$221,000 or 27.92% from the 2012 level due to work shifted from Global Ministries, achieved during separation from that agency.

Supporting Services:

(in millions \$)

	August 2013	August 2012	December 2012	December 2011
Management and General				
Leadership and Management	2.17	2.07	3.46	2.64
Total Management and General	2.17	2.07	3.46	2.64
Fundraising				
Development Office	0.04	0.01	0.02	0.02
Fundraising Programs – SMR's	0.11	0.11	0.15	0.37
Total Fundraising	0.15	0.12	0.17	0.39
Total Supporting Services	2.32	2.19	3.63	3.03
Total Operating Expenses	20.86	20.94	34.49	34.28

Operating expenditures for the period ended August 31, 2013, decreased by \$86,000 compared to August 31, 2012. This is primarily the result of shifting and timing in the categories below:

- ❖ Programs Administered by UMW decreased by \$337,000.
- ❖ Programs Administered by Other Organizations Increased by \$622,000.
- ❖ Program Support decreased by \$501,000.
- ❖ Support Services increased by \$130,000.

Effects on Net Assets:

	<i>(in millions \$)</i>			
	August 2013	August 2012	December 2012	December 2011
Operating Deficit	(8.38)	(8.08)	(6.41)	(7.85)
Appreciation/(Depreciation) in Investments	3.64	4.48	6.89	(0.43)
Endowment/Sale of Properties	0.06	0.11	(0.02)	1.52
Increase/(Decrease) in Net Assets	(4.68)	(3.49)	0.46	(6.76)

Operating expenditures of \$20.84 million for the period ended August 31, 2013, exceeded the Operating income of \$12.46 million for the period ended August of 2013, creating an operating deficit of \$8.38 million due to the giving pattern; 40% of giving is received in the fourth quarter.

- ❖ Appreciation/(Depreciation) in Investments: For the period ended August 31, 2013, UMW's investments provided a return of \$3,637,000; this is a 4.8% return on our investment portfolios due to positive change in the stock market.
- ❖ Endowment, Sale of Properties, etc., remains relatively flat compared to last year.

Net Assets:

	<i>(in millions \$)</i>			
	August 2013	August 2012	December 2012	December 2011
General Fund Undesignated	4.45	7.17	11.88	13.24
Designated	7.29	6.51	7.28	6.99
Total Unrestricted	11.74	13.68	19.15	20.23
Total Temporarily Restricted	28.75	27.53	26.09	24.46
Total Permanently Restricted	15.04	15.06	14.98	15.04
Total Net Assets	55.53	56.27	60.22	59.73

Total Net Assets for August 31, 2013, decreased over August 31, 2012, by \$0.7 million. The following summary explains the increase:

- ❖ Total Unrestricted decreased by \$1.94 million, due to satisfying our debts while waiting on conference income.
- ❖ Total Temporarily Restricted increased by \$1.23 million over August 2012 due to positive return on our investments.
- ❖ Total Permanently Restricted remained relatively constant compared to August 2012.

We are grateful to the United Methodist Women members who give so much of themselves every day. We give thanks for the staff dedicated to balancing giving with the needs of women, children and youth. We are appreciative of the board of directors, which provides counsel and oversight for this work.

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

August 31, 2013
Treasurer
Martha S. Knight