



Treasurer's Report

The Financial Report for the period ending August 31, 2015, is presented with comparatives for the period ended August 31, 2014, and full years 2014 and 2013.

Operating Revenue

Conference Giving:

(in millions \$)

		August 2015	August 2014	December 2014	December 2013
1	Mission Giving	4.55	4.33	13.05	13.08
2	Supplementary Giving	0.03	0.02	0.09	0.10
3	Designated Giving	0.48	0.50	0.79	0.80
4	Total Conference Giving	5.07	4.85	13.92	13.98

Total Conference Giving is up \$218,000 or 4.49 percent compared to August 2014.

- ❖ Mission Giving in this category increased by \$224,000 or 5.18 percent, year-to-date in 2015 over the August year-to-date figure in 2014.
- ❖ Supplementary Giving increased by approximately \$19,000 compared to prior year.
- ❖ Designated Giving decreased by \$12,000 or 61.20 percent.

Interest Income:

(in millions \$)

		August 2015	August 2014	December 2014	December 2013
5	Interest Income from Cash Equivalents	0.00	0.00	0.00	0.01
6	Investment Income (Net of Fees)	0.80	0.99	1.36	1.40
7	Bequest, Trusts and Other Long Term Gifts	0.19	0.33	0.58	0.94
8	Distribution from Endowments	0.00	0.00	0.00	0.00
9	Total Interest Income	0.98	1.31	1.95	2.34

Total Interest Income decreased by \$333,000 or 25.31 percent from prior year. Highlights are as follows:

- ❖ Investment Income (Net of Fees) income of \$796,000 earned in 2015 was based on assets of \$73,000,000 compared to income of \$987,000, based on assets of \$80,000,000.
- ❖ Bequests, Trusts and Other Long Term Gifts decreased by \$140,000 or 42.94 percent.

Publications:

(in millions \$)

		August 2015	August 2014	December 2014	December 2013
10	Response Magazine	0.24	0.32	0.50	0.39
11	PBD/MRC	0.55	0.64	1.26	1.33
12	Total Publications	0.79	0.96	1.76	1.72

The publications category was down by \$168,000 or 17.52 percent compared to August 2014. What we are seeing in trends with publications is that sales are higher in Assembly years and higher in the first year of the quadrennium. Most publications today are available in an e-reader format. As of fall 2015 Response Magazine is also available in digital/e-reader format.

Rental and Service Fee Income:

(in millions \$)

		August 2015	August 2014	December 2014	December 2013
13	Brooks Howell Home (BHH)	2.46	2.17	3.56	3.36
14	Church Center for the United Nations (CCUN)	1.68	1.56	2.44	2.55
15	Alma Mathews House	0.22	0.21	0.35	0.32
16	Total Rental and Service Fee Income	4.35	3.94	6.35	6.23

Total Rental and Service Fee Income from Brooks Howell Home, Church Center for the United Nations and Alma Mathews House increased by \$415,000 or 10.53 percent over the 2014 level.

- ❖ Brooks Howell Home rental income increased by \$294,000; the category of Skilled Nursing was the primary contributor for this increase.
- ❖ Church Center for the United Nations income increased by \$113,000 due to increase in rental from common facilities and rental from tenants.

Other Income:

(in millions \$)

		August 2015	August 2014	December 2014	December 2013
17	Events, Seminars, Meetings	0.01	0.01	0.02	0.02
18	Benefit Trust	0.44	0.51	0.70	0.44
19	Miscellaneous Income	0.35	1.74	1.89	0.71
20	Total Other Income	0.79	2.26	2.60	1.17
21					
22	Total Operating Income	11.99	13.32	26.58	25.45

Total Other Income decreased by \$1,400,000 or 64.95 percent from 2014 due to registration fees collected in 2014 for the Assembly, which was not repeated in 2015.

Operating Expenditures:

(in millions \$)

		August 2015	August 2014	December 2014	December 2013
23	Program Services:				
24					
25	Programs Administered by United Methodist Women (UMW):				
26	National Mission Institutions Network	0.32	0.39	0.59	0.67
28	National Mission Institution Property Management				
28	Insurance	1.00	1.00	1.68	1.74
29	Repairs and Maintenance	1.30	0.19	0.68	0.45
30	Property Management	0.14	0.15	0.22	0.29
31	International Mission Work Administration	0.37	0.37	0.57	0.50
32	UMW Membership and Leadership Development	0.73	0.86	1.64	1.79
33	Mission Education	1.73	1.89	2.42	2.54
34	Response Magazine	0.34	0.35	0.48	0.54
35	Mission Resources (MR)	0.82	0.98	1.37	1.56
36	Christian Social Action	1.24	1.17	1.89	1.71

37	Deaconess, Home Missioners Office and Network	0.30	0.31	0.52	0.52
38	Other Programs Administered by UMW	0.16	1.41	1.46	0.00
39	Total Programs Administered by UMW	8.45	9.07	13.51	12.30

Total Programs Administered by United Methodist Women decreased from the 2014 levels by \$614,000 or 6.78 percent. This consists of:

- ❖ Property Repairs and Maintenance increased by \$1,100,000. This reflects an increase in the Property Fund capacity to fund much needed upkeep of the National Mission Institution properties owned by United Methodist Women.
- ❖ Membership and Leadership Development and Mission Education program areas decreased by \$296,000 or 10.77 percent compared to the same period last year due to changes in Mission u and in the timing of other programs.
- ❖ Mission Resources expenses decreased by \$158,000 or 16.23 percent in 2014. Intentional changes were made to reduce costs at United Methodist Women Mission Resources. Some of those changes include the new SMR portal that allows Treasures to place SMR orders directly, online. This eliminates the data entry function at the fulfillment center and increases the speed of delivery. In addition, changes to the shipping methods and consignment process allowed for greater savings.
- ❖ The decrease in Other Programs for 2015 reflects the comparison of a non-Assembly year to the expenses in 2014 for the Assembly.

Program Administered by Other Organizations:

(in millions \$)

		August 2015	August 2014	December 2014	December 2013
40					
41	United Methodist Organizations National and International				
42	National Missions	1.06	1.06	2.14	2.12
43	International Missions	1.11	1.10	1.47	1.63
44	Ecumenical Organization	0.26	0.19	0.23	0.22
45	Social Action Organizations	0.01	0.01	0.01	0.01
46	Grants from Designated Funds	1.32	2.38	3.40	1.91
47	Grants from Funds held for others	0.00	0.00	0.00	0.05
48	Total Programs Administered by Other Organizations	3.75	4.74	7.25	5.94

Total Programs Administered by Other Organizations decreased by \$990,000 or 20.88 percent from the 2014 levels.

- ❖ Grants from Designated Funds shows a decrease of \$1,055,000 or 44.33 percent in 2015 due three factors:
 - The return of two funds previously administered by United Methodist Women, national, but owned by other United Methodist Women organizations. In 2015, by agreement, 55 percent of the Rice Allen Fund was returned to United Methodist Women of Metropolitan District in Detroit Conference for administration.
 - In 2014 United Methodist Women returned the Elizabeth Bradley Endowment Fund, previously held in a custodial capacity, to the Western Pennsylvania Conference for administration. The amount of fund was \$1,752,000.

Program Support:

(in millions \$)

		August 2015	August 2014	December 2014	December 2013

49					
50	Church Center for the United Nations	1.51	1.51	2.29	2.58
51	Alma Mathews Hospitality House	0.45	0.35	0.52	0.50
52	Brooks Howell Retirement Home				
53	Retired Deaconess, Missionary Home Operations	2.20	2.21	3.37	3.68
54	Retired Deaconess, Missionary Pension and Health Benefits	2.26	2.28	4.54	2.29
55	Scarritt Bennett Education Center	0.07	0.07	0.10	0.10
56	Annuity Fund	0.00	0.00	0.11	0.01
57	Organization-wide Program Support	0.33	0.27	0.42	0.58
58	Total Program Support	6.82	6.68	11.35	9.75
59					
60	Total Program Services	19.02	20.49	32.11	27.99

Total Program Support increased from the 2014 level by \$136,000 or 2.03 percent. This is due to costs associated with preparing Alma Mathews House for sale.

Supporting Services:

(in millions \$)

		August 2015	August 2014	December 2014	December 2013
61					
62	Management and General				
63	Leadership and Management	2.61	2.02	3.32	3.42
64	Total Management and General	2.61	2.02	3.32	3.42
65					
66	Fundraising				
67	Development Office	0.12	0.11	0.17	0.05
68	Fundraising Programs – SMRs	0.04	0.08	0.17	0.21
69	Total Fundraising	0.16	0.19	0.34	0.26
70					
71	Total Supporting Services	2.77	2.21	3.66	3.68
72					
73	Total Operating Expenses	21.79	22.70	35.77	31.67

The Total Operating Expenses for the period ended August 31, 2015, decreased by \$912,000 compared to August 31, 2014. This is primarily the result of shifting and timing in the categories below:

- ❖ Programs Administered by United Methodist Women decreased by \$614,000.
- ❖ Programs Administered by Other Organizations decreased by \$990,000.
- ❖ Program Support increased by \$136,000.
- ❖ Support Services increased by \$558,000.

Effects on Net Assets:

(in million \$)

		August 2015	August 2014	December 2014	December 2013
74	Operating Deficit	(9.80)	(9.38)	(9.19)	(6.22)
75	Apprn./(Depn.) in investments	(2.74)	3.83	2.28	9.36
76	Endowment/sale of properties	4.48	3.19	3.21	0.20
77	Increase/(Decrease) in Net Assets	(8.07)	(2.36)	(3.70)	3.34

Total Operating Expenses of \$21.79 million for the period ended August 31, 2015, exceeded the Operating Income of \$11.99 million for the period ended August 31, 2015, creating an operating deficit of \$9.80 million due to the annual giving pattern. Forty percent of United Methodist Women Conference giving is received in the fourth quarter.

- ❖ Due to recent decline in the stock market, United Methodist Women’s investments fell \$2,700,000 in 2015.
- ❖ Sale of properties and endowment contributions totaled \$4,477,000 in 2015. Properties sold to date are the Nebraska farms and several parcels of the Illinois farms.

Net Assets:

(in million \$)

		August 2015	August 2014	December 2014	December 2013
78	Undesignated-General Fund	7.90	8.73	11.41	10.41
79	Designated	3.63	8.86	6.67	9.79
80	Total Unrestricted	11.53	17.60	18.08	20.21
81	Temporarily Restricted	24.71	28.43	26.47	28.17
82	Permanently Restricted	15.55	15.18	15.31	15.17
83	Total Net Assets	51.79	61.20	59.86	63.56

Total Net Assets for August 31, 2015, decreased from August 31, 2014, by \$9,413,000 or 15.38 percent. The following summary explains the increase:

- ❖ Total Unrestricted decreased by \$6,067,000 due to budgeted operating expenses and depreciation of board Designated and Unrestricted investments due to market fluctuation.
- ❖ Total Temporarily Restricted decreased by \$3,720,000 from August 2014 due to the distribution of the Rice Allen Fund and depreciation of our endowment investments.
- ❖ Total Permanently Restricted increased by \$374,000 or 2.46 percent over 2014 due to additions donations to the endowment funds.

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, 2015

Treasurer

Martha S. Knight