

**UNITED METHODIST FOUNDATION  
OF WESTERN PENNSYLVANIA  
(A NOT-FOR-PROFIT ORGANIZATION)**

**FINANCIAL STATEMENTS**

**YEARS ENDED DECEMBER 31, 2018 AND 2017**

**UNITED METHODIST FOUNDATION OF WESTERN PENNSYLVANIA  
(A NOT-FOR-PROFIT ORGANIZATION)  
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YEARS ENDED DECEMBER 31, 2018 AND 2017**

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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
United Methodist Foundation of Western Pennsylvania  
Pittsburgh, Pennsylvania

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the United Methodist Foundation of Western Pennsylvania, which comprise the statements of financial position as of December 31, 2018 and 2017, and the related statements of activities and changes in net assets and cash flows for the years then ended, and the related notes to the financial statements.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditors' Responsibility***

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Board of Directors  
United Methodist Foundation of Western Pennsylvania

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the United Methodist Foundation of Western Pennsylvania as of December 31, 2018 and 2017, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

***Emphasis-of-Matter Regarding a Change in Accounting Principle***

As discussed in Note 2 to the financial statements, the Foundation adopted Accounting Standards Update (ASU) 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*, which changed various presentation and disclosure requirements. Our opinion is not modified with respect to this matter.

*CliftonLarsonAllen LLP*

**CliftonLarsonAllen LLP**

Pittsburgh, Pennsylvania  
May 21, 2019

**UNITED METHODIST FOUNDATION OF WESTERN PENNSYLVANIA**  
**(A NOT-FOR-PROFIT ORGANIZATION)**  
**STATEMENTS OF FINANCIAL POSITION**  
**DECEMBER 31, 2018 AND 2017**

|   | 2018          | 2017          |
|---|---------------|---------------|
| <b>ASSETS</b>   |               |               |
| Cash  | \$ 152,820    | \$ 237,321    |
| Investments, at Fair Value                            | 89,395,909    | 76,857,018    |
| Beneficial Interest in Perpetual Trust, at Fair Value | 549,519       | 616,636       |
| Prepaid Expenses                                      | 13,523        | 12,398        |
| Mortgages Receivable                                  | 191,273       | 389,083       |
| Accounts Receivable                                   | 4,000         | -             |
| Property and Equipment, Net                           | 261,795       | 286,353       |
| Total Assets  | \$ 90,568,839 | \$ 78,398,809 |
| <b>LIABILITIES AND NET ASSETS</b>                     |               |               |
| <b>LIABILITIES</b>                                    |               |               |
| Accounts Payable                                      | \$ 63,861     | \$ 2,689      |
| Distributions Payable                                 | 895,203       | 534,605       |
| Custodial Accounts                                    | 85,855,019    | 73,721,611    |
| Annuities Payable                                     | 485,866       | 736,385       |
| Total Liabilities                                     | 87,299,949    | 74,995,290    |
| <b>NET ASSETS</b>                                     |               |               |
| Without Donor Restrictions                            | 2,598,623     | 2,658,411     |
| With Donor Restrictions                               | 670,267       | 745,108       |
| Total Net Assets                                      | 3,268,890     | 3,403,519     |
| Total Liabilities and Net Assets                      | \$ 90,568,839 | \$ 78,398,809 |

See accompanying Notes to Financial Statements.

**UNITED METHODIST FOUNDATION OF WESTERN PENNSYLVANIA**  
**(A NOT-FOR-PROFIT ORGANIZATION)**  
**STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**YEARS ENDED DECEMBER 31, 2018 AND 2017**

|   | 2018  |  |                     | 2017  |  |                     |
|---|---|--|---------------------|---|--|---------------------|
|   | Net Assets<br>Without<br>Donor Restrictions | Net Assets<br>With<br>Donor Restrictions | Total               | Net Assets<br>Without<br>Donor Restrictions | Net Assets<br>With<br>Donor Restrictions | Total               |
|   |   |  |                     |   |  |                     |
| <b>REVENUES AND OTHER SUPPORT</b>                                   |   |  |                     |   |  |                     |
| Investment Income - Total Return                                    | 3,088,339                                   | \$ 36,056                                | \$ 3,124,395        | 2,842,181                                   | \$ 11,784                                | \$ 2,853,965        |
| Administrative Fees   | 672,302                                     | -  | 672,302             | 630,804                                     | -  | 630,804             |
| Capital Campaign Fees   | 14,500                                      | -  | 14,500              | -   | -  | -                   |
| Contributions   | 125   | 950                                      | 1,075               | -   | 900                                      | 900                 |
| Other Income  | 10,200                                      | -  | 10,200              | 22,847                                      | -  | 22,847              |
| Total Revenues and Other Support                                    | <u>3,785,466</u>                            | <u>37,006</u>                            | <u>3,822,472</u>    | <u>3,495,832</u>                            | <u>12,684</u>                            | <u>3,508,516</u>    |
| <b>EXPENSES</b>   |   |  |                     |   |  |                     |
| Distribution of Investment Income and Principal                     | 3,055,223                                   | -  | 3,055,223           | 2,961,473                                   | -  | 2,961,473           |
| Salaries and Benefits   | 353,671                                     | -  | 353,671             | 285,290                                     | -  | 285,290             |
| General and Administrative  | 238,911                                     | -  | 238,911             | 250,777                                     | -  | 250,777             |
| Grant Program   | 50,250                                      | -  | 50,250              | 43,119                                      | -  | 43,119              |
| Depreciation  | 24,557                                      | -  | 24,557              | 24,971                                      | -  | 24,971              |
| Matching Contributions  | -   | -  | -                   | 8,510                                       | (8,510)                                  | -                   |
| Net Assets Released from Restrictions                               | (26,451)                                    | 26,451                                   | -                   | (26,698)                                    | 26,698                                   | -                   |
| Other Losses  | -   | -  | -                   | 2,196                                       | -  | 2,196               |
| Total Expenses  | <u>3,696,161</u>                            | <u>26,451</u>                            | <u>3,722,612</u>    | <u>3,549,638</u>                            | <u>18,188</u>                            | <u>3,567,826</u>    |
| <b>INCREASE (DECREASE) IN NET ASSETS<br/>BEFORE UNREALIZED GAIN</b> | 89,305                                      | 10,555                                   | 99,860              | (53,806)                                    | (5,504)                                  | (59,310)            |
| Unrealized Gain (Loss) on Owned Investments                         | <u>(149,093)</u>                            | <u>(85,396)</u>                          | <u>(234,489)</u>    | <u>136,623</u>                              | <u>62,680</u>                            | <u>199,303</u>      |
| <b>INCREASE (DECREASE) IN NET ASSETS</b>                            | (59,788)                                    | (74,841)                                 | (134,629)           | 82,817                                      | 57,176                                   | 139,993             |
| Net Assets - Beginning of Year                                      | <u>2,658,411</u>                            | <u>745,108</u>                           | <u>3,403,519</u>    | <u>2,575,594</u>                            | <u>687,932</u>                           | <u>3,263,526</u>    |
| <b>NET ASSETS - END OF YEAR</b>                                     | <u>\$ 2,598,623</u>                         | <u>\$ 670,267</u>                        | <u>\$ 3,268,890</u> | <u>\$ 2,658,411</u>                         | <u>\$ 745,108</u>                        | <u>\$ 3,403,519</u> |

See accompanying Notes to Financial Statements.

**UNITED METHODIST FOUNDATION OF WESTERN PENNSYLVANIA**  
**(A NOT-FOR-PROFIT ORGANIZATION)**  
**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED DECEMBER 31, 2018 AND 2017**

|  | 2018         | 2017        |
|--|--------------|-------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>  |              |             |
| Change in Net Assets   | \$ (134,629) | \$ 139,993  |
| Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities: |              |             |
| Depreciation   | 24,557       | 24,971      |
| Unrealized (Gain) Loss on Owned Investments  | 234,489      | (199,303)   |
| Loss on Disposal of Equipment  | -            | 2,196       |
| (Increase) Decrease in Assets:   |              |             |
| Prepaid Expenses   | (1,125)      | (350)       |
| Accounts Receivable  | (4,000)      | 26,137      |
| Increase (Decrease) in Liabilities:  |              |             |
| Accounts Payable   | 61,172       | (13,044)    |
| Net Cash Provided (Used) by Operating Activities   | 180,464      | (19,400)    |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>  |              |             |
| Purchases of Property and Equipment  | -            | (40,164)    |
| Principal Payments on Mortgages Receivable   | 197,810      | 27,431      |
| Increase in Distribution Payable   | 360,598      | 9,744       |
| Investment Income - Adjustment to Total Return   | (823,373)    | (187,238)   |
| Cash and Investments Held as Custodian   | (11,882,889) | (7,341,374) |
| Custodial Accounts   | 12,133,408   | 7,289,848   |
| Annuities Payable  | (250,519)    | 51,526      |
| Net Cash Used by Investing Activities  | (264,965)    | (190,227)   |
| <b>DECREASE IN CASH AND CASH EQUIVALENTS</b>   | (84,501)     | (209,627)   |
| Cash and Cash Equivalents - Beginning of Year  | 237,321      | 446,948     |
| <b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>   | \$ 152,820   | \$ 237,321  |

See accompanying Notes to Financial Statements.

**UNITED METHODIST FOUNDATION OF WESTERN PENNSYLVANIA  
(A NOT-FOR-PROFIT ORGANIZATION)  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018 AND 2017**

**NOTE 1 ORGANIZATION, ACTIVITIES, AND OPERATIONS**

The United Methodist Foundation of Western Pennsylvania (the "Foundation") provides, to individuals and organizations, appropriate opportunities to fund ministries undertaken in the name of Jesus Christ. This is accomplished by:

- Providing integrated educational programs and services of a financial nature that are based on the principles of Christian Stewardship.
- Providing services consistent with the Social Creed of the United Methodist Church for the development and administration of endowment funds.
- Providing individual consultation to donors as to planned giving opportunities available to accomplish their desired philanthropic goals.

These purposes are carried out by providing for the receipt, management, investment, reinvestment, and distribution of gifts, devices, bequests, and endowments.

The Foundation is a not-for-profit corporation, serving the Western Pennsylvania region, whose sole corporate member is the Western Pennsylvania Annual Conference (the "Conference") of the United Methodist Church.

A brief description of the various fund groups maintained by the Foundation and their nature and purpose follows:

**Funds Owned**

Funds owned (See Notes 7, 12, 13, and 14) represent funds that are available for support of the Foundation's operations. These funds are reported as Net assets Without Donor Restrictions and Net Assets With Donor Restrictions.

**Custodial Accounts and Annuities Payable**

Custodial accounts and annuities payable (Note 4) represent funds invested for a temporary or indefinite period. The owners and/or beneficiaries of these funds must be United Methodist related organizations. These funds are reported as liabilities.

Custodial accounts may be subject to restrictions, pursuant to a Memorandum of Agreement, which require that the principal be invested in perpetuity and which specify the use of the income. Within custodial accounts the Foundation carries life insurance policies at current cash surrender values.

The Foundation accepts gift annuities for its benefit and the benefit of United Methodist related organizations, which stipulate that periodic payments be made from the gift to designated persons for the life of those persons. Upon receipt of the gift, the Foundation calculates the actuarial present value of the periodic payments and records this portion of the gift as Annuities Payable. If the remaining amount of the gift will be paid to an organization other than the Foundation upon the death of the annuitant, the remaining portion also is included in Annuities Payable.



**UNITED METHODIST FOUNDATION OF WESTERN PENNSYLVANIA  
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**NOTE 1 ORGANIZATION, ACTIVITIES, AND OPERATIONS (CONTINUED)**

**Custodial Accounts and Annuities Payable (Continued)**

If the custodial accounts remain with the Foundation upon the death of the annuitant, the Foundation records the excess of the annuity gift over the present value of the estimated liability as income. Any subsequent change in the actuarial value of the Annuity Payable is charged or credited to income in the period of such change.

The Foundation also accepts contributions in the form of charitable remainder annuity trusts and unitrusts. These are treated in a manner similar to the gift annuities, except that the amount of the periodic payment to the beneficiary may be recomputed annually and may be limited to the distribution of actual net income earned. At the end of the trust term, or upon the death of the beneficiary, any remaining balance is paid to the contributor's designated charitable remaindermen.

All funds are invested in one of three ways:

**The Core Balanced Fund** provides for current income as well as long-term growth consistent with the conservation of principal. It invests in domestic and international stocks and bonds with a modest cash position for liquidity, with a target mix of 60% equities and 40% fixed income and may invest in alternative strategies as permitted within the Foundation's Investment Policy.

Distributions of income from the Core Balanced Fund are calculated using a total return approach, which allows for the inclusion of capital appreciation/depreciation along with interest, dividends, and realized gains/losses in calculating the amount to be distributed. Under the total return method, a distribution percentage is determined by the Board, based in part on advice from the Foundation's independent outsourced investment office, as of the end of each calendar year. Such percentages by law must be between 2% and 7%.

The percentage selected (4.30% for 2018, 4.25% for 2017), is then applied to the average unit value over the past 12 quarters to determine the fixed distribution amount for the following year. As a result, trends in investment income distributed do not necessarily follow movements in the market value of the underlying investments. Unit values are net of broker fees and commissions, investment advisor fees and administrative service charges. Investment income is distributed on a pro rata basis to the unit holders as of the last day of each calendar quarter (March 31, June 30, September 30, December 31) and may be immediately reinvested by the unit holders. The valuation of the fund is performed daily.

**The Aggressive Fund** provides for long-term growth with a modest level of current income. It invests in domestic and international stocks and bonds with a target mix of 80% equities and 20% fixed income and may invest in alternative strategies as permitted within the Foundation's Investment Policy. There are no regular distributions from the Aggressive Fund. The valuation of the fund is performed daily.

**UNITED METHODIST FOUNDATION OF WESTERN PENNSYLVANIA  
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NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018 AND 2017**

**NOTE 1 ORGANIZATION, ACTIVITIES, AND OPERATIONS (CONTINUED)**

**The Income and Growth Fund** provides for current income with a moderate level of long-term growth. It invests in domestic and international stocks and bonds, with a target mix of 20% equities and 80% fixed income and may invest in alternative strategies as permitted within the Foundation's Investment Policy. There are no regular distributions from the Income and Growth Fund. The valuation of the fund is performed daily.

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Presentation**

The Foundation's financial statement presentation is in accordance with the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 958 *Not-for-Profit Entities*.

Net assets are classified based on the existence or absence of donor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

*Net Assets Without Donor Restrictions* – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, net assets for operating reserves and board-designated endowments (see Note 12).

*Net Assets With Donor Restrictions* – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue when the assets are placed in service. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both (see Note 13).

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 periods. Actual results could differ from those estimates.

**Cash**

The Foundation maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits.

**UNITED METHODIST FOUNDATION OF WESTERN PENNSYLVANIA  
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NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018 AND 2017**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Investments**

The Foundation carries investments in money market funds and marketable securities. As required by ASC Topic 958, the Foundation records its marketable securities with readily determinable fair values and all investments in debt securities at fair value. Unrealized gains and losses are included in the Statement of Activities and Changes in Net Assets.

Investment income and gains restricted by donors are reported as increases in net assets without donor restriction if the restrictions are met in the reporting period in which the income and gains are recognized.

**Mortgages Receivable**

The Foundation holds mortgage-securing loans made to the Conference and the Executive Director of the Foundation. Loans are made at rates and other terms which the Foundation believes approximate market rates and terms, are not being underwritten for secondary market purposes, and are held to maturity unless prepaid by the borrower. Conference mortgage loans are assets of the Core Balanced Fund, and the Foundation limits its investments in such loans to a small percentage of the fixed income portfolio in that Fund. Mortgages receivable are recorded at net realizable value and are collateralized by the underlying property. Accounts are written off when they are determined to be uncollectible based upon management's assessment of individual accounts. As of December 31, 2018 and 2017, management has assessed that an allowance for credit losses was not necessary as all accounts are current and considered collectible.

**Property and Equipment**

Property and equipment are recorded at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Gains or losses resulting from the retirement or other disposition of assets are included in income. Expenditures for major renewals and improvements that extend the useful lives of the assets are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred.

The Foundation's policy is to capitalize property and equipment with a cost in excess of \$1,000. Property and equipment are carried net of accumulated depreciation.

**Custodial Accounts**

The Foundation holds and manages investments which belong to the Conference and various United Methodist churches, institutions and agencies. These amounts have been reported as a liability for amounts held for others in accordance with ASC Topic 958. ASC Topic 958 established standards for transactions in which an entity – the donor – makes a contribution by transferring assets to a not-for-profit organization or charitable trust – the recipient organization – that accepts the assets from the donor and agrees to use those assets on behalf of or transfer those assets, the return on investment of those assets, or both to another entity – the beneficiary – that is specified by the donor.

**UNITED METHODIST FOUNDATION OF WESTERN PENNSYLVANIA  
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NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018 AND 2017**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Income Taxes**

The Foundation has been recognized by the Internal Revenue Service as exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and therefore has made no provision for federal income tax expense. In addition, contributions to the Foundation qualify for the charitable contribution deduction under Section 170(b)(1)(A). The Foundation has been classified as an organization that is not a private foundation under Section 509(a)(3). The Foundation is also exempt from Pennsylvania income taxes.

The Foundation follows the income tax standard for uncertain tax positions. This standard prescribes a recognition threshold and measurement principle for the financial statement recognition and measurement of tax positions taken or expected to be taken on a tax return that are not certain to be realized. As a result of the application of the income tax standard and in light of its tax-exempt status, the Foundation evaluated its tax positions and determined it had no uncertain tax positions as of December 31, 2018 and 2017.

**Donated Services**

No amounts have been reflected in the financial statements for donated services. The Foundation pays for services requiring specific expertise.

**Functional Expenses**

The costs of program and supporting services activities have been summarized on a natural classification basis in the statements of activities. Note 17 presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

**Change in Accounting Principle**

The Foundation has adopted the accounting guidance in Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities* in 2018. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return for not-for-profit entities generally. The Foundation has implemented ASU 2016-14 in the financial statements by applying the ASU retrospectively for all periods presented. The principal changes were (1) reporting, for assets with donor restrictions, information previously reported as permanently restricted, (2) reporting investment income net of applicable expenses, and (3) as permitted by the standard, disclosing the liquidity (see Note 3) and functional expenses (see Note 17) only for the year ended December 31, 2018. There was no effect on the measurement of previously reported net assets or changes in net assets.

**UNITED METHODIST FOUNDATION OF WESTERN PENNSYLVANIA  
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NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018 AND 2017**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Reclassification**

Certain amounts previously reported in the financial statements for the year ended December 31, 2017 have been reclassified to conform to current year presentation. The reclassifications had no effect on the changes in net assets.

**Subsequent Events**

Management's practice is to evaluate subsequent events through the date for which their approval regarding issuance of the financial statements is granted. Subsequent events were evaluated through May 21, 2019, which is the date the financial statements were available to be issued.

**NOTE 3 LIQUIDITY AND AVAILABILITY**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

|                            |    |                  |
|----------------------------|----|------------------|
| Cash and Cash Equivalents  | \$ | 141,877          |
| Investments, at Fair Value |    | 1,954,275        |
| Mortgages Receivable       |    | 9,662            |
| Accounts Receivable        |    | 4,000            |
| Total                      | \$ | <u>2,109,814</u> |

Additionally, the Foundation is entitled to receive an annual distribution from its Beneficial Interest in Perpetual Trust which is reported as an increase in net assets without donor restriction. This distribution is calculated based off the income earned from the trust and totaled \$26,000 for the year ended December 31, 2018.

**UNITED METHODIST FOUNDATION OF WESTERN PENNSYLVANIA  
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**NOTE 4 SUMMARY OF CUSTODIAL ACCOUNTS AND ANNUITIES PAYABLE**

The relative significance of the Custodial Accounts and Annuities Payable and the related activities for the years ended December 31, 2018 and 2017 is displayed as follows.

|   | 2018          | 2017          |
|---|---------------|---------------|
| <b>ASSETS</b>   |               |               |
| Cash and Cash Equivalents                                       | \$ 10,943     | \$ -          |
| Investments at Fair Value - Custodial Accounts                  | 86,769,554    | 74,111,077    |
| Investments at Fair Value - Annuities                           | 485,866       | 697,381       |
| Mortgages Receivable  | -             | 184,143       |
| Total Assets  | \$ 87,266,363 | \$ 74,992,601 |
| <b>LIABILITIES AND NET ASSETS</b>                               |               |               |
| <b>LIABILITIES</b>  |               |               |
| Accounts Payable  | \$ 30,275     | \$ -          |
| Distributions Payable   | 895,203       | 534,605       |
| Custodial Accounts  | 85,855,019    | 73,721,611    |
| Annuities Payable   | 485,866       | 736,385       |
| Total Liabilities   | 87,266,363    | 74,992,601    |
| <b>NET ASSETS</b>   |               |               |
| Total Net Assets  | -             | -             |
| Total Liabilities and Net Assets                                | \$ 87,266,363 | \$ 74,992,601 |
| <b>REVENUES AND OTHER SUPPORT</b>                               |               |               |
| Investment Income - Total Return                                | \$ 2,985,715  | \$ 2,900,336  |
| Total Revenue and Other Support                                 | 2,985,715     | 2,900,336     |
| <b>EXPENSES</b>   |               |               |
| Distribution of Investment Income and Principal                 | 2,985,715     | 2,900,336     |
| Total Expenses  | 2,985,715     | 2,900,336     |
| <b>INCREASE IN NET ASSETS<br/>BEFORE UNREALIZED GAIN/(LOSS)</b> |               |               |
|   | -             | -             |
| Unrealized Gain/(Loss)  | -             | -             |
| <b>INCREASE (DECREASE) IN NET ASSETS</b>                        |               |               |
|   | -             | -             |
| Net Assets - Beginning of Year                                  | -             | -             |
| <b>NET ASSETS - END OF YEAR</b>                                 | \$ -          | \$ -          |

**UNITED METHODIST FOUNDATION OF WESTERN PENNSYLVANIA  
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**NOTE 5 MORTGAGES RECEIVABLE**

Mortgages receivable consisted of the following:

See Note 15 Related Party Transactions, for additional mortgage information.

| <u>Description</u>   | <u>2018</u>       | <u>2017</u>       |
|--|-------------------|-------------------|
| Washington District Parsonage - 15 Years at 3.50%;<br>Original maturity September 2027 | \$ -              | \$ 121,812        |
| Butler District Parsonage - 15 Years at 3.25%;<br>Original maturity April 2028         | -                 | <u>67,325</u>     |
| Subtotal - Mortgages Included in Core<br>Balanced Fund                                 | -                 | 189,137           |
| Executive Director Mortgage - 15 Years at 4.38%;<br>Matures June 2023                  | <u>191,273</u>    | <u>199,946</u>    |
| Total Mortgages Receivable   | <u>\$ 191,273</u> | <u>\$ 389,083</u> |

Mortgages receivable collections are as follows:

| <u>Years Ending December 31,</u> | <u>Amount</u>     |
|----------------------------------|-------------------|
| 2019                             | \$ 9,662          |
| 2020                             | 10,093            |
| 2021                             | 10,544            |
| 2022                             | 11,015            |
| 2023                             | <u>149,959</u>    |
|                                  | <u>\$ 191,273</u> |

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**NOTE 6 INVESTMENTS**

Investments consisted of the following as of December 31:

|                                      | Fair Value    |               |
|--------------------------------------|---------------|---------------|
|                                      | 2018          | 2017          |
| Core Balanced Fund:                  |               |               |
| Money Market Funds                   | \$ 5,685,621  | \$ 2,346,170  |
| Equity Securities                    | 46,781,024    | 42,984,898    |
| Fixed Income Securities              | 13,436,582    | 19,215,868    |
| Government Securities - Fixed Income | 17,642,111    | 6,598,198     |
| Insurance                            | 40,613        | 38,614        |
|                                      | 83,585,951    | 71,183,748    |
| Aggressive Fund:                     |               |               |
| Money Market Funds                   | 223,023       | 75,262        |
| Equity Securities                    | 3,628,711     | 4,087,960     |
| Fixed Income Securities              | 339,662       | 678,799       |
| Government Securities - Fixed Income | 685,712       | 195,992       |
|                                      | 4,877,108     | 5,038,013     |
| Income and Growth Fund:              |               |               |
| Money Market Funds                   | 77,394        | 14,794        |
| Equity Securities                    | 150,921       | 139,341       |
| Fixed Income Securities              | 457,934       | 424,170       |
| Government Securities - Fixed Income | 246,601       | 56,952        |
|                                      | 932,850       | 635,257       |
| Total Investments                    | \$ 89,395,909 | \$ 76,857,018 |



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**NOTE 6 INVESTMENTS (CONTINUED)**

The unit value of the Core Balanced Fund comprises the investments, together with the parsonage mortgages (Note 5) and cash, less certain fees and distributions payable, divided by the outstanding units. The unit value of the Aggressive Fund comprises investments, net of certain fees, divided by the outstanding units. The unit value of the Income and Growth Fund comprises investments, net of certain fees, divided by the outstanding units. As of December 31, 2018 and 2017, units and unit values of the Core Balanced Fund, Aggressive Fund, and Income and Growth Fund were as follows:

|            | 2018          |             |                   |
|------------|---------------|-------------|-------------------|
|            | Core Balanced | Aggressive  | Income and Growth |
| Units      | 432,163.5573  | 42,696.5579 | 89,553.4095       |
| Unit Value | \$ 190.7797   | \$ 113.9443 | \$ 10.3909        |
|            | 2017          |             |                   |
|            | Core Balanced | Aggressive  | Income and Growth |
| Units      | 331,780.2709  | 40,000.0000 | 59,409.0490       |
| Unit Value | \$ 212.5281   | \$ 125.6827 | \$ 10.6702        |

**NOTE 7 BENEFICIAL INTEREST IN PERPETUAL TRUST**

The Foundation has a beneficial interest in an independent trust whose trustee has exclusive control of the management and investment of the assets. The principal of the trust is restricted and may not be invaded by the Foundation. Distributions of income from the trust are made annually and their use is not subject to donor restriction. Distributions totaled \$26,000 and \$26,249, during the years ended December 31, 2018 and 2017, respectively.

**NOTE 8 FAIR VALUE MEASUREMENTS**

ASC Topic 820, *Fair Value Measurements and Disclosures*, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under ASC Topic 820 are described as follows:

*Level 1* – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Foundation has the ability to access.

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**NOTE 8 FAIR VALUE MEASUREMENTS (CONTINUED)**

*Level 2* – Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from, or corroborated by, observable market data, by correlation, or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

*Level 3* – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodology used for investments measured at fair value:

*Money Market Funds:* Valued at the net asset value of shares held by the Foundation at year-end.

*Marketable Equity Securities:* Valued using quoted stock prices from national exchanges at year-end.

*Fixed Income Securities:* Valued at the quoted market price from independent quotation bureaus at year-end.

*Government Securities:* Valued at the quoted market price from independent quotation bureaus at year-end.

*Custodial Accounts:* Valued using observable inputs that were obtained from the sources listed above.

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**NOTE 8 FAIR VALUE MEASUREMENTS (CONTINUED)**

*Beneficial Interest in Perpetual Trust.* The beneficial interest in perpetual trust primarily includes underlying investments which are readily quoted in active markets. The majority of the underlying investments use Level 1 and Level 2 inputs, but since the trust itself is not readily marketable, significant inputs are considered to be unobservable in active markets. Since the Foundation's ownership in this trust is represented by an undivided interest in these investments, not in the underlying assets themselves, and the undivided interest is not publicly traded itself nor can it be valued based on observable direct or indirect inputs as defined by the Codification, the Foundation has reported the beneficial interest in perpetual trust as a Level 3 asset.

The following table sets forth by level, within the fair value hierarchy, the Foundation's financial assets, and liabilities at fair value as of December 31, 2018:

|   | Total                | Fair Value Measurements at Reporting Date Using:                 |  |  |
|---|----------------------|--|--|--|
|   |                      | Quoted Prices in<br>Active Markets<br>for Identical<br>(Level 1) | Significant Other<br>Observable<br>Inputs<br>(Level 2) | Significant<br>Unobservable<br>Inputs<br>(Level 3) |
| <b>ASSETS</b>                             |                      |  |  |  |
| Money Market Funds                        | \$ 5,986,038         | \$ 5,986,038   | \$ -   | \$ -   |
| Equity Securities                         | 50,560,656           | 50,560,656   | -  | -  |
| Fixed Income Securities                   | 14,234,178           | 4,560,908  | 9,673,270  | -  |
| Government Securities -<br>Fixed Income   | 18,574,424           | -  | 18,574,424   | -  |
| Insurance                                 | 40,613               | -  | -  | -  |
| Total Investments                         | 89,395,909           | 61,107,602   | 28,247,694   | -  |
| Beneficial Interest in<br>Perpetual Trust | 549,519              | -  | -  | 549,519  |
| Total Assets                              | <u>\$ 89,945,428</u> | <u>\$ 61,107,602</u>   | <u>\$ 28,247,694</u>                                   | <u>\$ 549,519</u>                                  |
| <b>LIABILITIES</b>                        |                      |  |  |  |
| Custodial Accounts                        | \$ 85,855,019        | \$ -   | \$ 85,855,019  | \$ -   |
| Total Liabilities                         | <u>\$ 85,855,019</u> | <u>\$ -</u>  | <u>\$ 85,855,019</u>                                   | <u>\$ -</u>  |

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**NOTE 8 FAIR VALUE MEASUREMENTS (CONTINUED)**

The following table sets forth by level, within the fair value hierarchy, the Foundation's financial assets, and liabilities at fair value as of December 31, 2017:

|   | Total                | Fair Value Measurements at Reporting Date Using:                 |  |  |
|---|----------------------|--|--|--|
|   |                      | Quoted Prices in<br>Active Markets<br>for Identical<br>(Level 1) | Significant Other<br>Observable<br>Inputs<br>(Level 2) | Significant<br>Unobservable<br>Inputs<br>(Level 3) |
| <b>ASSETS</b>                             |                      |  |  |  |
| Money Market Funds                        | \$ 2,436,226         | \$ 2,436,226   | \$ -   | \$ -   |
| Equity Securities                         | 47,212,199           | 47,212,199   | -  | -  |
| Fixed Income Securities                   | 20,318,837           | 6,758,877  | 13,559,960   | -  |
| Government Securities -<br>Fixed Income   | 6,851,142            | -  | 6,851,142  | -  |
| Insurance                                 | 38,614               | -  | -  | -  |
| Total Investments                         | 76,857,018           | 56,407,302   | 20,411,102   | -  |
| Beneficial Interest in<br>Perpetual Trust | 616,636              | -  | -  | 616,636  |
| Total Financial Assets                    | <u>\$ 77,473,654</u> | <u>\$ 56,407,302</u>   | <u>\$ 20,411,102</u>                                   | <u>\$ 616,636</u>                                  |
| <b>LIABILITIES</b>                        |                      |  |  |  |
| Custodial Accounts                        | 73,721,611           | -  | 73,721,611   | -  |
| Total Liabilities                         | <u>\$ 73,721,611</u> | <u>\$ -</u>  | <u>\$ 73,721,611</u>                                   | <u>\$ -</u>  |

The following is a roll forward of the Beneficial Interest in Perpetual Trust (Note 7), measured at fair value on a recurring basis using significant unobservable inputs (Level 3 inputs):

|                             | 2018              | 2017              |
|-----------------------------|-------------------|-------------------|
| Balance - Beginning of Year | \$ 616,636        | \$ 584,019        |
| Payments                    |                   |                   |
| Disbursements               | (26,000)          | (26,249)          |
| Administrative Expenses     | (7,608)           | (7,773)           |
| Total Payments              | (33,608)          | (34,022)          |
| Investment Income           |                   |                   |
| Taxable Interest            | 9,088             | 9,681             |
| Dividends                   | 7,642             | 4,862             |
| Total Investment Income     | 16,730            | 14,543            |
| Investment Change           | (50,239)          | 52,096            |
| Balance - End of Year       | <u>\$ 549,519</u> | <u>\$ 616,636</u> |

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**NOTE 9 PROPERTY AND EQUIPMENT**

Property and equipment consisted of the following at December 31,

|                                | 2018       | 2017       |
|--------------------------------|------------|------------|
| Buildings and Improvements     | \$ 369,994 | \$ 369,994 |
| Furniture and Fixtures         | 129,125    | 129,126    |
|                                | 499,119    | 499,120    |
| Less: Accumulated Depreciation | (237,324)  | (212,767)  |
| Total                          | \$ 261,795 | \$ 286,353 |

**NOTE 10 GIFT ANNUITIES**

The Foundation enters into charitable gift annuities with donors who seek irrevocably to transfer assets to the Foundation in exchange for a guaranteed fixed payment for life to specified annuitants, a current income tax deduction, and ultimately the gift of the remainder interest to a United Methodist cause of their choosing. This gift vehicle is established through a contractual agreement between the donor and the Foundation, and the payments to the annuitants become a general obligation of the Foundation.

Gift Annuity liabilities totaled \$485,866 and \$736,385 as of December 31, 2018 and 2017, respectively. The present value of the annuities payable as of December 31, 2018 and 2017, utilizing a discount rate of 4.25% for both years ended December 31, 2018 and 2017, and the remaining life expectancy of each respective annuitant, was \$457,568 and \$557,587, respectively. Upon the death of an annuitant, the remaining principal is distributed to his or her designated charitable beneficiaries.

During both 2018 and 2017, several annuitants outlived the fair value of their gift annuities. Payments in excess of their account fair value for the years ended December 31, 2018 and 2017 totaled \$11,645 and \$9,715, respectively and is included in General and Administrative Expenses on the Statement of Activities and Changes in Net Assets. Future potential liability for these annuitants totaled \$35,497, estimated based on their current revised life expectancies. During 2017, the Board established a reserve to offset the expected payments in excess of the gift annuities' fair value. See Note 12 for additional details.

**NOTE 11 RETIREMENT PLAN**

The Foundation participates in two retirement plans for eligible employees which are maintained and administered by the General Board of Pensions of the United Methodist Church. The plan for clergy is a defined benefit plan with a defined contribution element. The plan for laity is a defined contribution plan. Contributions to the plans by the Foundation were \$15,609 and \$13,472 for the years ended December 31, 2018 and 2017, respectively.

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**NOTE 12 NET ASSETS WITHOUT DONOR RESTRICTIONS**

The Net Assets without Donor Restrictions consist of the following at December 31:

|                                  | <u>2018</u>         | <u>2017</u>         |
|----------------------------------|---------------------|---------------------|
| Operating                        | \$ 1,010,977        | \$ 926,999          |
| Board Designated Bequest Fund    | 271,906             | 279,226             |
| Board Designated Endowment Fund  | 1,043,207           | 1,152,127           |
| Board Designated Capital Reserve | 132,898             | 144,280             |
| Board Designated Annuity Reserve | 139,635             | 155,779             |
| Total                            | <u>\$ 2,598,623</u> | <u>\$ 2,658,411</u> |

The Bequest Fund represents bequests without donor restrictions received by the Foundation. The Board of Directors voted to hold these funds separately until a suitable usage was determined.

The Endowment Fund represents a contribution without donor restrictions received by the Foundation. The Board of Directors voted to use the fund earnings to establish a grant program to support various United Methodist agencies and programs. Refer to Note 14 regarding endowments.

The Capital Reserve represents funds without donor restrictions designated by the Board for future capital projects and other expenditures as designated by the Board.

The Annuity Reserve represents funds without donor restrictions designated by the Board in 2017 to provide additional assets for the annuity program to offset the expected payments in excess of the gift annuities' fair value.

**NOTE 13 NET ASSETS WITH DONOR RESTRICTIONS**

Net Assets with Donor Restriction consists of the following net asset composition by type of fund at December 31:

|  | <u>2018</u>       | <u>2017</u>       |
|--|-------------------|-------------------|
| Beneficial Interest in Perpetual Trust:                          | \$ 549,519        | \$ 616,636        |
| Donor-Restricted Endowment Funds:                                |                   |                   |
| Donor-Restricted Amounts Required to be Maintained in Perpetuity | 102,600           | 102,600           |
| Accumulated Investment Gains                                     | <u>18,148</u>     | <u>25,872</u>     |
| Total  | <u>\$ 670,267</u> | <u>\$ 745,108</u> |

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**NOTE 14 FOUNDATION OWNED ENDOWMENT FUNDS**

As of December 31, 2018 and 2017, the Board of Directors has designated \$1,043,207 and \$1,152,127, respectively, of Net Assets without Donor Restrictions as an endowment fund to finance a grant program that supports various United Methodist agencies and programs. Since these amounts resulted from both a contribution without donor restrictions received by the Foundation and an internal designation, the endowment is classified and reported as a Net Asset without Donor Restrictions.

As of December 31, 2018 and 2017 the Foundation has a donor-designated endowment, the *Kelley Fund*, with funds totaling \$10,056 and \$11,203, respectively. These amounts resulted from a donor restricted contribution received by the Foundation and is therefore classified and reported as a Net Asset with Donor Restrictions. This endowment is invested in the Core Balanced Fund and spending is determined based on the quarterly distribution methodology described in Note 1 and deposited into the operating account to be used in accordance with the restrictions of the donor.

As of December 31, 2018 and 2017, the Foundation has a donor-designated endowment, the *Wesleyan Heritage Fund*, with funds totaling \$110,692 and \$117,269, respectively. These amounts resulted from donor restricted contributions received by the Foundation and matching funds from the Foundation's Bequest Fund, which, when made, become subject to the same restrictions as the donor contributions. These collectively are classified and reported as Net Assets with Donor Restrictions. This endowment provides current and previous Board members the opportunity to demonstrate financial stewardship leadership to individuals, churches, and agencies of the Western Pennsylvania Annual Conference. Distributions from income earned by the fund will be used to support ministry and missions consistent with the teachings of John and Charles Wesley at the discretion of the Foundation board, subject to the limitation that the fund be maintained at a minimum of \$100,000.

Changes in endowment net assets for the year ended December 31, 2018 were as follows:

|                               | <u>Without<br/>Donor Restrictions</u> | <u>With<br/>Donor Restrictions</u> | <u>Total</u>        |
|-------------------------------|---------------------------------------|------------------------------------|---------------------|
| Endowment Net Assets,         |                                       |                                    |                     |
| Beginning of Year             | \$ 1,152,127                          | \$ 128,472                         | \$ 1,280,599        |
| Net Depreciation              | (58,670)                              | (8,223)                            | (66,893)            |
| Contributions                 | -                                     | 950                                | 950                 |
| Distributions for Expenditure | <u>(50,250)</u>                       | <u>(451)</u>                       | <u>(50,701)</u>     |
| Endowment Net Assets,         |                                       |                                    |                     |
| End of Year                   | <u>\$ 1,043,207</u>                   | <u>\$ 120,748</u>                  | <u>\$ 1,163,955</u> |

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**NOTE 14 FOUNDATION OWNED ENDOWMENT FUNDS (CONTINUED)**

Changes in endowment net assets for the year ended December 31, 2017 were as follows:

|                               | Without<br>Donor Restrictions | With<br>Donor Restrictions | Total               |
|-------------------------------|-------------------------------|----------------------------|---------------------|
| Endowment Net Assets,         |                               |                            |                     |
| Beginning of Year             | \$ 1,054,026                  | \$ 103,913                 | \$ 1,157,939        |
| Net Appreciation              | 143,750                       | 15,598                     | 159,348             |
| Contributions                 | -                             | 900                        | 900                 |
| Matching Contributions        | -                             | 8,510                      | 8,510               |
| Distributions for Expenditure | <u>(45,649)</u>               | <u>(449)</u>               | <u>(46,098)</u>     |
| Endowment Net Assets,         |                               |                            |                     |
| End of Year                   | <u>\$ 1,152,127</u>           | <u>\$ 128,472</u>          | <u>\$ 1,280,599</u> |

**NOTE 15 RELATED PARTY TRANSACTIONS**

The Foundation issued a mortgage to the Conference on August 24, 2012 in the amount of \$172,106 for the Conference's Washington District Parsonage which bore interest at a rate of 3.50% and was set to mature in September 2027. The Foundation issued a second mortgage to the Conference on April 2, 2013 in the amount of \$302,432 for the Conference's Butler District Parsonage which bore interest at a rate of 3.25% and was set to mature in April 2028. These mortgages were paid in full during the year ended December 31, 2018.

A mortgage was issued on May 17, 2013 to the Executive Director to finance the Executive Director's housing in the amount of \$240,000 bearing interest at a rate of 3.75% and was set to mature in May 2018. During 2018, the Board refinanced the mortgage at an interest rate of 4.375% with a maturity of June 2023. All unpaid principal and interest will be due as a balloon payment at the maturity date. This mortgage is not an asset of the Core Balanced Fund, as it was issued from the Foundation's unrestricted net assets and is held in the Bequest Fund.

The Foundation performs due diligence to ensure that the mortgage rates are competitive with the market and that all appropriate related documentation is obtained at the time each mortgage is issued or refinanced. In addition, the Foundation limits the amount of related party mortgages in the Core Balanced Fund.

Consistent with the Standards of the *Discipline* of the United Methodist Church, Directors and staff of the Foundation waive any economic benefit in transactions with entities in which they have an interest. Such transactions are not material. Refer to Note 5 regarding the Conference mortgages and Note 16 regarding Conference sublet of office space. The Conference processes paychecks and remits payroll taxes for the Foundation. The Foundation reimburses the Conference for payroll expenses. In addition, the Foundation held investment funds for the Conference and its affiliates totaling \$42,164,658 and \$25,989,633 as of December 31, 2018 and 2017, respectively.



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**NOTE 16 OPERATING LEASE**

The Foundation leases office space to the Conference, a related party, under an operating lease with a term that expires June 30, 2020, at a monthly rental of \$850. Total rental income received was \$10,200 for each of the years ended December 31, 2018 and 2017.

Future minimum sublease receipts are as follows:

|                          |    |                  |
|--------------------------|----|------------------|
| Year ending December 31, |    |                  |
| 2019                     | \$ | 10,200           |
| 2020                     |    | 5,100            |
|                          |    | <u>\$ 15,300</u> |

**NOTE 17 FUNCTIONAL EXPENSE CLASSIFICATION**

The Foundation chooses to report expenses using natural activity classifications in its Statement of Activities and Changes in Net Assets. If all expenses for the Foundation were allocated to the functional classes, the expenses would be reported as follows for the year ended December 31, 2018:

|   | Program Services:            |                           |                     |
|---|------------------------------|---------------------------|---------------------|
|   | Investment<br>Administration | Management<br>and General | Total               |
| Distribution of Investment Income and Principal | \$ 3,055,223                 | \$ -                      | \$ 3,055,223        |
| Salaries and Benefits                           | 208,781                      | 144,890                   | 353,671             |
| General and Administrative                      | 157,387                      | 81,524                    | 238,911             |
| Grant Program                                   | 50,250                       | -                         | 50,250              |
| Depreciation                                    | 14,735                       | 9,822                     | 24,557              |
|   | <u>\$ 3,486,376</u>          | <u>\$ 236,236</u>         | <u>\$ 3,722,612</u> |

The expenses that are allocated include salaries and benefits, education, travel, board and committee, office, professional, national association, and building expenses including depreciation. These expenses are allocated based on personnel costs.

For the year ended December 31, 2017, operating expenses attributable to program services and management and general expenses totaled \$3,732,028 and \$204,981, respectively.

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**NOTE 18 GENERAL AND ADMINISTRATIVE EXPENSES**

General and administrative expenses consisted of the following as of December 31:

|                      | <u>2018</u>       | <u>2017</u>       |
|----------------------|-------------------|-------------------|
| Education and Travel | \$ 18,660         | \$ 26,547         |
| Board and Committee  | 24,738            | 37,937            |
| Office               | 82,357            | 72,545            |
| Program              | 24,351            | 17,204            |
| Professional Fees    | 43,091            | 59,363            |
| National Association | 7,291             | 4,579             |
| Building Expenses    | 38,423            | 32,602            |
| Total                | <u>\$ 238,911</u> | <u>\$ 250,777</u> |