

**Treasurer's Report  
Women's Division of the United Methodist  
General Board of Global Ministries (GBGM)  
Through August 31, 2008**

**Financial Highlights Year-to-Date**

Revenue:

- Giving received through Aug. 31 is \$219,000 higher than same period 2007.
- Total operating revenue ahead of 2007 by \$1.09 million.
- The rate of giving is higher year-to-date than in four previous years with 40.4 percent of conference pledge amounts received by Aug. 31.
- Historically, 50 percent of annual giving is received in the fourth quarter. Consequently, August showed a \$4.2 million operating deficit in spite of under-spending compared to budget.

Expenses:

- Operating expenditures in August 2008 were less than those of Aug. 31, 2007 by approximately \$800,000 or 3.96 percent.
- The staff has been vigilant and conservative in spending all year, but particularly in the past two quarters, resulting in savings greater than anticipated in the budget.

Non-Operating Performance:

- The impact of the current economic climate on Women's Division finances has been felt strongly in the unrealized loss in value on pension and endowment investments of approximately \$11 million through August.
- This reality is being closely watched by staff and Women's Division investment advisors.
- While a similar loss over 2001-2002 was recovered in subsequent years, most experts agree this market crisis will be more far reaching.
- The unrealized losses to date will require staff to look closely, first at the impact to the pension plan for deaconesses and missionaries, second at the future of mission funding from endowments.

*Operating Revenues:*

	August 2008	August 2007	December 2007	December 2006
Mission Giving	6.36	6.16	16.37	16.63
Designated Giving	0.85	0.83	1.31	1.61
Interest and Investment Income	1.24	1.67	2.07	2.14
Bequest, Gifts and Contributions	0.44	0.11	1.39	0.77
Publication, rental income and other revenues	4.07	2.99	4.72	5.53
Brooks Howell Home Receipts from Residents	1.71	1.78	2.73	2.63
Other	0.50	0.53	0.68	0.34
Total Operating Revenue	15.17	14.08	29.28	29.64

The Aug. 31 total operating revenues increased from the Aug. 31, 2007 revenue by \$1.1 million or 7.77 percent. This increase is attributable to the following sources:

- Mission Giving increased by \$202,000 or 3.3 percent.

- Interest and Investment Income decreased by \$436,000 or 26.1 percent because of poor economic conditions.
- Bequest, Gifts and Contributions increased by \$330,000 or 302.28 percent. This increase primarily relates to a large contribution from Evelyn Myrtle Strader for the support of Brooks-Howell Home.
- Other: Publication, rental and other program revenues increased by \$1,080,000 – *Response* subscription increased by \$90,000; MRC sales increased by \$150,000; Church Center for the United Nations (CCUN) income from lease space increased by \$530,000 (tenant initiated improvements were completed by the Grubb & Ellis managing agent); CCUN appropriation to Women’s Division increased by \$120,000; and rental income for Alma Mathews increased by approximately \$100,000. (Starting in 2008, GBGM is charged based on actual usage instead of an appropriated amount.)

*Mission Giving:*

(in million \$)

	August 2008	August 2007	December 2007	December 2006
Pledge to Mission	5.23	5.12	12.82	13.18
Special Mission Recognition	0.40	0.40	0.89	0.85
Gift to Mission	0.28	0.20	0.62	0.59
Gift in Memory	0.16	0.16	0.42	0.39
World Thanks Offering	0.30	0.30	1.62	1.63
Total Mission Giving	6.36	6.16	16.37	16.63

Mission Giving, increased by \$202,000 or 3.3 percent, in part because of the increase in the rate of payments on annual pledges by conference United Methodist Women.

*Designated Giving:*

(in million \$)

	August 2008	August 2007	December 2007	December 2006
Call to Prayer	0.72	0.72	0.99	1.08
Brighter Future for Children and Youth	0.02	0.02	0.05	0.06
Assembly Offering	0.00	0.00	0.01	0.16
Other	0.10	0.09	0.26	0.31
Total Designated Giving	0.85	0.83	1.31	1.61

Designated Giving, increased by \$17,000 or 2.1 percent.

*Operating Expenditure:*

(in million \$)

	August 2008	August 2007	December 2007	December 2006
Mission Programs	4.69	4.73	6.54	9.56
Programs Administered by GBGM	4.39	4.73	7.87	9.40
Pension and post-retirement costs	2.71	2.93	7.90	1.59
Brooks Howell Home Expenses	1.92	1.60	3.17	2.92
Property Maintenance, Insurance	0.21	0.25	1.38	1.36
Service Center, CCUN, Response	2.92	3.39	5.42	6.23
Scarritt-Bennett Center	0.02	0.05	0.07	0.15
Admin and Fundraising	2.43	2.40	3.51	3.81
Total Operating Expenditures	19.29	20.09	35.86	35.02

Operating expenditures in August 2008 were less than those of Aug. 31, 2007 by approximately \$800,000 or 3.96 percent. The overall decrease reflects changes in the following areas:

- Programs Administered by GBGM, \$335,000 or 7.1 percent, this decrease is reflective of the approved 2008 budget;
- Pension and post-retirement costs decreased by \$220,000 or 7.5 percent. This is related to timing differences in the submission of medical claims;
- Brooks Howell Home expenses increased by \$315,000 or 19.62 percent. This increase is attributable to rising cost of food services, administrative, maintenance and nursing costs.
- The \$475,000 or 14 percent decrease in expenditure relating to the former Service Center, CCUN and *Response*. *Response* staff salaries and related expenses were moved to the operating budget of the Women's Division in 2008, and an item booked as an equity amount in 2006 was reclassified as startup inventory in 2007.

*Effects on Net Assets:*

	August 2008	August 2007	December 2007	December 2006
Operating Deficit	-4.12	-6.01	-6.57	-5.38
Apprn./(Depn.) in investments	-11.30	2.94	3.53	6.59
Endowment/sale of properties	0.01	0.07	2.60	2.10
Increase/(Decrease) in Net Assets	-15.41	-3.00	-0.44	3.32

Overall, the \$19.3 million operating expenditures through August 31, 2008 exceeded the \$15.2 million operating income, which created an operating deficit of \$4.1 million. Poor market conditions through Aug. 31, 2007 resulted in an \$11.3 million decrease in fair value of investments.

*Net Assets:*

	August 2008	August 2007	December 2007	December 2006
Undesignated- General Fund	2.71	0.20	6.37	3.19
Designated	15.63	30.58	23.24	28.46
Total Unrestricted	18.34	30.78	29.61	31.66
Temporarily Restricted	25.74	26.62	29.83	28.71
Permanently Restricted	15.26	14.83	15.32	14.82
Total Net Assets	59.34	72.23	74.75	75.19

The net effect of operating and non-operating activities resulted in a decrease in net assets of \$15.41 million dollars or 21 percent. The decrease is comprised of the following:

- Unrestricted funds were a major contributor to the decrease in unrestricted net assets. This was the result of the depreciation of our investments;
- New Financial Accounting Standard 158 requiring the division to allot an additional \$5 million for pension and post-retirement liability for the year 2007;
- Temporary restricted net assets also decreased primarily from the depreciation of our investments;
- The increase in permanently restricted funds consists of new or addition to endowment funds.

*Women's Division Net Assets:*

*(in million \$)*

Year	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
2005	29.49	23.23	11.39	64.11
2006	31.66	28.71	14.82	75.19
2007	29.61	29.83	15.32	74.75
August 2007	30.78	26.62	14.83	72.23
August 2008	18.34	25.74	15.26	59.34