

## XII Reports

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#### COMMISSION ON ARCHIVES & HISTORY

One of the responsibilities of CAH is to receive and archive records of closed churches. Unfortunately, that duty has been increasing each year. We maintain records at our Archives Center located at Allegheny College in Meadville.

But even in the midst of working with the past we are in transition. Our Archive Center is in the process of being moved out of the Pellitier Library into a new facility and we are not sure if this move is temporary or not. Allegheny College is going through renovations and expansion and the space we held at the library is needed. We are working with the college in this transition period.

This move forces us to face some new realities for the future. We have been blessed to be a part of the campus but our facilities have been almost non-available for student use. We need to begin to look at how CAH can be true to the proper control and maintenance of our archival records and how we can make them more accessible to the students. It may mean we have to look at hiring a part-time on-site archivist or train some volunteers.

Edwin J. Herald, Chair

#### COMMISSION ON THE STATUS AND ROLE OF WOMEN

*So in Christ Jesus you are all children of God through faith, for all of you who were baptized into Christ have clothed yourselves with Christ. There is neither Jew nor Gentile, neither slave nor free, nor is there male and female, for you are all one in Christ Jesus. Galatians 3:26-28*

AC'2014 concluded the fourth consecutive year that COSROW has monitored the conference. We began our monitoring ministry by monitoring the election of delegates for General Conference 2012. At AC'15 we will again monitor the election of delegates to General Conference. This year we will elect fewer delegates than in previous years. We are anxious to see how we will respond to the Call for an inclusive delegation.

AC'2014 opened with more inclusive worship. There was continued evidence of efforts to be inclusive, even if we did not always succeed, though there remained those that did not feel the efforts of inclusiveness extended to them.

COSROW sponsored a lay academy, led by Donna Burkhart, titled "Empowered to Lead." This session was attended by about 25 people, women and some men. The session looked at the church structure and opportunities available to use leadership gifts in the local, district, conference, jurisdictional and general church.

May 2014, we had a program, Building Communities of Hope: Human Trafficking and You, with keynote speaker Yvonne Zimmerman of Methodist Theological School in Ohio. It also included many talented and gifted WPA voices-Debra Mason, music and worship; Joy Conti, Health and Wholeness, Cathy Newport, spiritual formation and Elizabeth Echavarria of Living in Liberty, Pittsburgh.

We are structuring a survey to determine what might lie behind some of the trends we see at Annual Conference and determine what, if any, steps can be taken in response to them. We want all members to respond to the survey.

Peggy Ward and Nancy Shute, Co-chairs

### ETHNIC LOCAL CHURCH CONCERNS

Greetings in the name of our Lord and Savior Jesus Christ, who extends to each of us the gifts of grace, mercy, and peace!

The committee continues to fulfill its purpose of strengthening ethnic local churches through providing training, supportive resources and funds for fruitful ministries. Our committee has a diverse membership and all are active participants in the ongoing work of the committee.

We gave grants to ELCC churches to assist in undergirding and strengthening their ministries; recipients were Erie: San Juan, Johnstown: Trinity-Asbury, Greensburg: Calvary, Pittsburgh: Church of our Savior, Laketon Heights, Warren, and Washington: John Wesley.

Cheryl L. Walker of the General Church Commission on Religion and Race led us in a 1.5 day visioning retreat. Fred Allen, the Director of Strengthening the Black Church for the 21st Century, worked with our African American congregations to discern doing ministry in context. Follow up session will come over the next year.

We partnered with the Commission of Religion and Race to schedule a continuing education retreat for racial ethnic pastors. It is designed to further develop a sense of community and support for the ongoing ministry in contexts that are unique and challenging.

ELCC in cooperation with Amy Wagner is working with Pathways to determine a place to locate a new African American and/or Multicultural UM congregation.

The Anti-Racism Team does its work as part of the Ethnic Local Church Concerns Committee. In October 2014 thirty-five persons gathered in Erie for a 2.5 day intensive seminar on “UNDERSTANDING AND ANALYZING SYSTEMIC RACISM” facilitated by trainers from Crossroads Anti-Racism of Chicago. As a result the Anti-Racism Team gained three new members, and those who were present had many moments of learning and growth.

At the invitation of George Porter, the Anti-Racism Team gave a presentation and workshop at each of the Franklin District Cluster Charge Conferences of which there were three. The Team has also provided workshops with local congregations.

The Anti-Racism Team continues to work toward facilitating our transformation to be an anti-racist institution that functions with anti-racist principles and sees with an anti-racist lens. This is a demanding and challenging journey which requires much patience, perseverance, and persistence.

This year the Anti-Racism Team intends to strengthen its own growth through continuing education and experience and also offer a retreat to which all the conference will be invited that focuses on implicit bias--a reality that is being played out in many of the racial motivated incidents that are happening in our nation and occurring more and more often.

In the Pittsburgh District a four session workshop on “Witnessing Whiteness” was well received by those who participated. These workshops were based on the book *WITNESSING WHITENESS: The Need to Talk About Race and How To Do It* by Shelly Tochluk

We are grateful to partner with our annual conference on this journey, and we appreciate your support.

William B. Meekins, Jr & Bob Wilson, Co-chairs

**XII Reports****COMMISSION ON CHRISTIAN UNITY  
& INTERRELIGIOUS RELATIONSHIPS**

The Commission on Christian Unity and Interreligious Relationships (CUIR) continues to act as a point of contact between our WPAUMC and other Christian Traditions, Churches and Associations, as well as non-Christian religions.

A core purpose of CUIR is to support and promote ecumenical relationships. United Methodists are not only connectional within our own system, but we are also connectional with and among the other Christian traditions. Ecumenism is part of our institutional DNA.

This year, as usual, we sent representatives to sit on boards of both The Pennsylvania Council of Churches and Christian Associates of Southwest Pennsylvania. Furthermore, we made and fulfilled financial commitments of support to the Pennsylvania Council of Churches, Christian Associates of Southwest Pennsylvania, Inter-Church Ministries of Erie County and Christians United of Beaver County.

As the General Office of Christian Unity and Interreligious Relationships completes its first year as an agency of the Council of Bishops, we continue to maintain direct contact through Tracy Merrick. Furthermore, our CUIR Chair, Dai Morgan, has participated in UMEIT (United Methodist Ecumenical and Interreligious Training) a GCUIR program.

This past year we spent considerable effort in trying to build a connection with the African Methodist Episcopal denomination in our region. This was done in response to the action of our 2012 General Conference where we formalized a Full Communion Relationship with the AME Church. However, our efforts to build relationship with our Western Pennsylvania AME brothers and sisters were not met with the same level of interest.

For the last three years, we have been collecting data regarding the participation of WPAUMC local churches in ecumenical activities and ministries. This information is interesting and probably quite unique. It shows that our churches are highly involved in ecumenical ministry and that the initiative is being generated at local levels.

At the Lay Academy at the 2014 Annual Conference we presented a workshop on the topic "United Methodists and Ecumenism." The session was well received. It provided an overview of the Ecumenical Movement, its importance and how we relate as United Methodists. It also provided practical information for ministry. This presentation is currently available for groups of any size. Contact CUIR Chair, Dai Morgan, to schedule this workshop at your location.

Members of CUIR attended several special events last year, including two focused on Islamic relationships. As the nation becomes more cognizant of Islam and the other world religions, it is our goal in the coming year to spend more time with interreligious relationships. As with ecumenism, we are also able to offer workshops on world religions.

Lastly, it is worth mentioning that our CUIR had a part in the plan to reestablish UM political advocacy in Pennsylvania. In fact, our CUIR Chair was eventually chosen to coordinate this one-year initiative, currently underway.

Dai Morgan, Chair

### **COUNCIL ON FINANCE AND ADMINISTRATION**

Greetings from the Council on Finance and Administration. It is hard to believe that this is my 7th year reporting to the Annual Conference with regards to our ministry together. These last few years have certainly passed with incredible speed and joy. It is in that joy in serving God our Father that we once again want to update you on a few things that are happening in the world of finance.

When we look at our Connectional Ministry together, we realize that we are not alone. There more than 800 United Methodist Churches in Western Pennsylvania, with the words 'United' and 'Church' being key to our understanding of our connectedness to each other. We are not alone in our ministry, and we do so much together as the Church of Jesus Christ.

When we think about that connected nature of The United Methodist Church, we understand that the budget is a connectional shared ministry covenant. Many people I have talked to refer to it as dues, a tax, or even a bill. But it is not. It is an opportunity to give to the ministry of the church at large, in order that the good news of Jesus Christ may be passed on to those who do not know Jesus. The covenant relationship of the budget allows for the local church to accomplish what it cannot on its own. It is an opportunity for us to do that work at the local church level, and it is essential to who we are as Methodists.

With that in mind, many difficult conversations have gone into the development of the budget. Every year we look at providing opportunities for some tremendously successful and important ministries. But at the same time, we do not want anyone to live in financial distress, and so we look for ways to offer assistance to every church that needs help in making disciples for Jesus Christ.

This year, many of our churches paid their Connectional Apportionment, taking the overall payment to more than 87% of the anticipated budget. To all those churches who responded faithfully by paying their apportionments at or above the 100% mark, we say a heartfelt thank you! As a result of your giving, this annual conference was able to once again celebrate paying our own General and Jurisdictional apportionments at the 100% mark.

At this time last year, we were celebrating naming a new Conference Treasurer, and Larry Bridge has been doing such a wonderful job for us over the last year, that it almost seems like he has been doing this job forever. Congratulations and thanks to Larry and the Finance Department Staff for everything they do to make the ministry of Western Pennsylvania successful. In addition to promoting Larry to the position of Conference Treasurer, we needed to find someone to take his place in the finance department. In September 2014 we were thrilled to hire Roger White as our new Director of Finance.

It seems like every year we change something in the budget process, but those changes are done to help people understand our responsibilities and our financial statements better. This year the budget will once again look a little different. We still have the category listings with the important financial numbers associated with it, but you will also notice that there is now a separate Narrative Budget description, which helps to tell the story of lives being changed by the Connectional Shared Ministry that we support through the Conference Budget. It still follows the required familiar look, and is still based on how the committee structures line up within the Conference Connectional

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Leadership Team, but hopefully it will now be easier to see at a glance how important it is for us to support the vital ministry outlined in our Conference Budget.

Every year I close my report by asking you to pray for the work of the Annual Conference to continue in strong and faithful giving. I ask you to pray for all the churches in our conference, and especially those that are struggling financially, that God may yet work a miracle in their lives and ministry that will allow them to continue to faithfully serve Christ. And I also ask you to please pray for the work of the Council on Finance and Administration, as we continue to work with integrity, transparency and under the full accountability of the Annual Conference. I would ask once again this year for those same and continued prayers as we move forward in ministry together.

Paul Ritchey, Chair

### BOARD OF TRUSTEES

The Conference Board of Trustees manages annual conference property, receives and holds in trust bequests and endowments, and serves as the Board of Directors of the annual conference corporation (*Book of Discipline* ¶2512). The Conference Board of Trustees is amenable to the Annual Conference to which it reports annually.

#### *Conference Properties*

The Trustees oversee the maintenance of the United Methodist Center in Cranberry Township and the maintenance of the two conference owned parsonages for clergy serving on Conference staff who don't receive a housing allowance.

The renovations to the United Methodist Center completed in 2013 have improved the Center's functionality and increased demand for meetings and events. In 2015 the Trustees are anticipating a major upgrade to the building's HVAC system and expanding the Center's parking.

#### *District Parsonages*

The Conference Board of Trustees oversees the maintenance of conference owned parsonages for the District Superintendents and their families. The District Boards of Trustees identify maintenance needs and manage any required work. Each district maintains a Discretionary District Parsonage Maintenance Fund. The purpose of this fund is to care for routine maintenance needs within the discretion of the District Boards of Trustees. Each year the districts provide an accounting of the use of these discretionary funds and the Conference Board of Trustees replenishes the funds. After replenishment, the opening balance for 2015 for each district's discretionary maintenance fund was \$4,000.

Also, from time to time the District Boards of Trustees may identify major maintenance needs and submit requests for funding to the Conference Board of Trustees. The Conference Trustees prioritize these requests and make awards from available funds.

#### *Abandoned Churches and Cemeteries (Book of Discipline ¶2549)*

When a congregation closes, responsibility for the abandoned property rests with the Conference Board of Trustees. When possible, the Trustees redeployed the property for continuing use in United Methodist ministries, and when no such use exists,

the Trustees sell the property. Typically these properties are in declining or rural settings and the aging buildings are in need of major maintenance. This means these properties typically sell at distressed values. Also, sometimes the buildings are unsafe and have been condemned. In 2014, the Trustees sold eight abandoned properties including razing a condemned building on one of those properties. As of the beginning of 2015, there is a backlog of four abandoned properties that the Trustees are either evaluating for potential redeployment or are marketing for sale.

**Trustees Capital Improvement Funds (Conference Rule 3.4.7)**

**Trustees Capital Improvements Fund (Conference Account)**

Opening Balance (December 31, 2013) .....	\$ 268,447
Connectional Apportionment designated for capital improvements .....	17,712
Proceeds or (loss) from the sale of abandoned church properties .....	65,963
Capital expenditures conference owned properties.....	<u>(\$ 101,600)</u>
Closing Balance – Conference Account (December 31, 2014).....	<u>\$ 250,522</u>

**Trustees Capital Improvement Fund - T1591 (UM Foundation Account)**

Opening Balance (December 31, 2013) .....	\$ 281,445
Reinvested Earnings.....	<u>11,275</u>
Closing Balance – UM Foundation Account (December 31, 2014) .....	<u>\$ 292,719</u>

**Total Trustees Accounts (December 31, 2014).....****\$ 543,241**

The Conference Board of Trustees thanks the Annual Conference for the financial support of its work. The Board also appreciates the cooperation and assistance of the Office of the Bishop, the District Superintendents, the Treasures Office, the Conference Chancellor, the Facilities Manager, the Council on Finance & Administration, the Conference Parish and Community Development Committee, the Episcopal Residence Committee, and the District Boards of Trustees. The Church truly is of God and will be preserved until the end of time.

Jim Parkinson, Chair

**BOARD OF PENSIONS & HEALTH BENEFITS**

*Finance Committee, Board of Pensions and Health Benefits*

As we have stated in the past, we, the members of the Finance Committee, recognize that our local congregations have entrusted us with valuable congregational resources to provide for the healthcare and retirement needs of those who serve our congregations. In that regard the Committee has worked hard to ensure that our financial resources are managed and distributed with faithfulness and integrity. We have focused our efforts in the following areas: the utilization of the Pre-82 plan overfunding, the adequacy of our reserves for active and retiree medical, investment and investment manager review, and assisting struggling congregations to meet their healthcare obligations.

As noted in the past, we have been blessed with an overfunded pre-1982 pension plan which has allowed us to use portions of this overfunding to meet post 1/1/2007

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pension obligations in lieu of billing the local churches for this liability. In 2014 we used \$2,235,275 of this overfunding to meet current year needs. Additionally, we accessed over \$10.3 million of the overfunding through exchanges with other conferences to build our reserves in order to meet future years' obligations. It is our plan to use remaining overfunding as well as reserves to meet our 2015 and 2016 pension obligations of \$2,255,974 and \$2,252,942 respectively.

With respect to active and retiree medical reserves our current-year comprehensive funding plan indicates that we have sufficient reserves to cover potential unexpected medical costs. Additionally, in estimating our retiree medical liability, we have developed a new methodology for calculating the liability which should help us better identify our ultimate cost and manage our reserves to meet this need.

We have continued our formal program of reviewing our investment results with Wespath and the United Methodist Foundation.

Recognizing that some congregations struggle in meeting their healthcare obligations, we have undertaken a review of how we allocate the costs of medical coverage to our churches.

Steve White, Committee Chair

### *Health Care Committee, Board of Pensions and Health Benefits*

During 2014 the Health Care Committee continued to wrestle with many of the issues surrounding health care for clergy, their families, and lay employees participating in our plan.

Given the rise in our health care claims over the last few years, we have faced the possibility of a 10-12% increase in our program costs each year. As a result, we are seeking ways to control costs while maintaining a quality plan. To this end, we increased the deductibles and out of pocket maximum amounts in 2014-2015.

The only way to control our costs is to have participants actively working to be healthy in mind, body, and spirit. For this end we need your help. It is important for our plan participants to take an active role in their health care, by taking advantage of preventive health measures, such as the wellness awareness profiles offered by UPMC.

We are doing everything we can to make our plan sustainable and affordable into the future. Sustainability is a major concern of the board and we are concerned about the changes we are required to make because of the Affordable Care Act.

In order to keep it from becoming a Cadillac Plan we are being required to raise co-pays and deductibles in order to avoid paying a large tax under the act and make health insurance unaffordable completely. In other words we are trying to avoid going out on the exchanges and continue to have a say in how the plan is run for your benefit.

The board is working on developing informational seminars for all participants to attend to better understand what is necessary to keep our plan sustainable. Life in the health care industry is rapidly changing, and we must change as well to enjoy a quality health care program for our church family.

Don Inman, Committee Chair

### *Administrative Committee, Board of Pensions and Health Benefits*

The committee evaluated the billing and collection procedure introduced in 2013. This work as gone very well thanks to the capable finance and administration staff.

## 2015 Western Pennsylvania Conference

We want to thank especially our Conference Treasurer Larry Bridge and our Pension/Medical Benefits Officer Kathleen Lasky for all their work in this major transition.

During 2014 our committee oversaw the restructuring of pension and health care information on the conference website. This work continues in 2015.

The Administrative Committee has provided an opportunity for a 2014 retirees to discuss retirement options at a local seminar in cooperation with the General Board of Pensions. We also provided an opportunity for retired widows and their spouses to meet together for a lunch to receive answers on their benefits. These events proved to be very valuable to the participants.

Robert F. Zilhaver, Committee Chair

My thanks to our Pension Board members: Barbara Holcombe, Terry Lyon, John Mckee, Thomas Parkinson, Bob Zilhaver, Jim Reese, Michael Studeny, E. Steven White, Dara Sterling, Lamar Oliver, Erin Hartland, Rich Pearson, Linda Dinger, Don Inman, Kurt Gottschalk. Cabinet Representatives: Joel Garrett & Brad Lauster. Ex-officio without vote: Larry Bridge (Treasurer), Kathleen Lasky (Benefits Officer),

Special thanks to our conference staff: Larry Bridge, Kathleen Lasky, Roger White, Sally Bickerton and Sue Browne for their help, support, patience and hard work. Much good work continues to be accomplished by the Board of Pensions and Health Benefits.

Gary Grau, Board Chair

### ENDOWMENTS (Unaudited)

This report is a complete listing of endowments, investments and special pension accounts of the Western PA Annual Conference. Special thanks to Edward Bailey and the United Methodist Foundation for their management of the large majority of these funds. The endowments are designed to preserve the integrity of the original capital as directed by the trust agreements under which they were endowed.

Special appreciation is extended to the individuals who possessed and shared the vision that funded these endowments which support our connectional ministries.

<b>Title</b>	<b>Market Value as of December 31, 2014</b>
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#### *Discipleship*

#### *Camping*

<b>Martin Prytherch Memorial Campership Fund</b>	\$5,275
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Earnings are available for Camping Ministries within the Creative Arts Camp and any successor program.

<b>Christian Outdoor Education</b>	\$90,930
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Fund was created in 1993 from accumulated funds of United Methodist Outings. Earnings to be used for camperships

**XII Reports****George & Carolyn Bashore Campership Trust Fund** \$32,626

The proceeds of gifts received upon Bishop Bashore's retirement, to provide camperships to economically disadvantaged children and youth.

**\*Gascoine Camping Fund** \$13,418

Income is available beginning 4/2002 for Camping Ministries within the Creative Arts Camp and any successor program.

**Conway Trust** \$47,563

Proceeds of the former Conway United Methodist Church sale 1996.

**Thomas & Sally Bickerton Campership Trust Fund** \$3,759

Proceeds to provide camperships to economically disadvantaged children and youth

**Hawke-Petit Endowment** \$14,969

Created in 2007 as a Gift Opportunity by Richard and Marybelle Hawke in memory of the tragic deaths of daughter Jennifer Hawke-Petit and granddaughters, Hayley and Michaela Petit; committed to preserving the Christian Spirits and fulfilling their lives of promise for the future. All were devoted to the lives of children and youth. Funds are to be used for Camperships.

**Elizabeth McCorkle Campership Trust Fund** \$5,683

Proceeds to provide camperships to children and youth

*Evangelism***Earl J. Patterson Fund** \$11,926

Fund was established by the Will of Earl J. Patterson. Principle and income is to be used for Clinic on Evangelism with no more than \$1,500 to be distributed in any one calendar year.

**Richard M. Burns Endowment** \$9,875

Income from the fund to be used for the purpose of helping further the work of evangelists in the Western PA Annual Conference

**Patterson: Pastors Fund** \$50,898

Unknown source –Income is to be used for Pastors' School on Evangelism.

*Age Level – Youth***Homer N. Clark** \$8,471

Fund was established in 1958 by Conference Youth Fellowship. Income is to be used for scholarships enabling youth to attend events.

**\*Cutshall Youth Trust** \$3,460

Fund was a gift of Keith B. Cutshall in 1990. Income is to be used by Conference Youth ministries but cannot be used for the Youth Service Fund.

**Youth Ministry Scholarship Fund** \$54,885

The income beneficiary of the fund shall be the Youth Ministry Team of the Western Pennsylvania Conference for the purpose of funding Youth Ministry programs. One half of the interest of the fund is to be distributed to the Youth Service Fund for scholarships to any approved youth event, mission of peace, mission trip, or Conference camping program. Scholarships may also underwrite the cost of an event provided that it appropriately lowers cost for all participants. One half of the interest shall be reinvested.

*Age Level—Singles***Mark Baumann Memorial Fund** \$2,408

Fund was created in 1989 by Young Adult Council and Mars United Methodist Church. Income is to be used for such purposes as are determined by the Young Adult Council.

**Christian Singles** \$11,038

Fund was created in 1995 by the Christian Singles Fellowship of the Western PA Conference and Mars United Methodist Church. Income is to be used for such purposes as determined by the Christian Singles Fellowship.

*Age Level – Campus Ministry/Higher Education***Educational Society** \$172,201

Created in 1889, the income from invested funds is to be used for the purpose of awarding college or vocational school scholarships to children of low income clergy. (See 1996 Conference Journal page 605)

**Campus Ministry: Edinboro** \$200,319

Funds are the proceeds of the sale of campus ministry property and pastor's home. Income to be used for the purpose of providing programs of training and leadership development for lay and clergy of the Western Pennsylvania Conference for outreach and local church ministries to higher education.

**\*Schall Memorial Trust** \$34,104

Trust created as a Memorial to Ruth Zitzman Schall by son Richard. The Trust provides financial assistance to women in the Western Pennsylvania Conference who are commencing their freshman year at certain accredited colleges or universities and have demonstrated financial need, academic achievement and vocational promise.

**Allegheny College Endowment** \$1,185,234

The endowment was established to establish and support a Chair of Religion at Allegheny College. Income from the fund is to be distributed to the Treasurer of Allegheny College in an amount requested by the Board of Trustees of the College in

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order to maintain the Chair of Religion, but in an amount not to exceed income of the fund in the current year.

**Dr. Alberta Dorsey Education Scholarships** \$239,745  
The fund was established for the purpose of providing funding for undergraduate students pursuing a degree in elementary education or education that is intended to prepare quality elementary teachers for public or private schools. No distribution from fund is to be made until income reaches \$1,000.

**Wesley Foundation** \$37,535  
Fund was created from the proceeds of the sale of the former Wesley Foundation House in Pittsburgh. Income from the fund shall be for the use of university and city ministries.

**\*Smith Memorial Scholarships** \$255,833  
The fund was created by a gift from Andrew W. and Jane S. Smith in memory of their children, Christopher and Sarah Smith. The Board of Higher Education of the Western Pennsylvania Annual Conference shall receive fifty percent of the income of the fund for its use in providing the Christopher Smith Memorial Scholarship. The scholarship is granted to an entering candidate to a two or four year accredited degree program at an accredited college or university and shall give preference to students enrolled at Point Park College of Pittsburgh and The Art Institute of Pittsburgh. Other specific guidelines developed by the united Methodist Foundation apply.

**IUP Campus Ministry** \$117,888  
The fund was created from the proceeds of campus minister's house sale in 1996. Income to be paid to IUP United Ministries for 3 years, then income will be distributed to the Board of Higher Education of the Western Pennsylvania Conference for purposes they deem appropriate with the approval of Annual Conference.

**General Education Scholarship Fund** \$1,060  
The fund was established in the memory of William L. Chamberlain for the purpose of supporting basic educational expenses of candidates seeking ministry credentials in the United Methodist Church.

***New Church Starts***

**WPAC Custody Account** \$354,276  
Fund was established by donor for New Congregational Development in the Upper Allegheny River Region, for capital expenditure only.

***Global Ministries***

**Consolidated Mission Fund** \$82,047  
Proceeds for the purpose of providing support for mission projects as directed by Global Ministries

(The following funds were consolidated during 2009 to form the Consolidated Mission Scholarship Fund)

**Rupert Trust**

**Gifford Mission Fund**

**Blairsville District Fund**

**Hester Munden Mission Fund** \$269,781

Fund was created as an endowment from the estate of Hester Munden. Income from the endowment is to be used for missions as directed by Global Ministries

**Browning Mission Trust** \$69,926

Trust was established by Scott D. Browning in memory of his wife, Ruth Anna Wright Browning. Income from the trust is to be used to help provide mission tour travel experiences to spouses who accompany persons from the Western Pennsylvania Annual Conference who are being aided by other funds to visit United Methodist mission programs.

**Merritt Edder Memorial Mission Education Scholarship Trust** \$1,765

The trust was created by the Annual Conference. Income from this fund is to be used further Mission Education Events and to help supplement mission education projects (e.g. Mission Ambassador Program, School of Missions, and Work Teams etc.) See 1981 *Journal* page 342, paragraph 2.

**Native American Scholarship Fund** \$30,840

This fund was created by Community UMC. Income and principle from this fund is to be directed by the Committee on Native American Ministry to provide funds scholarships for higher education to Native American people of our region.

*Spiritual Leadership*

*Laity*

**Consolidated Laity Scholarship Fund** \$76,559

Proceeds for the purpose of providing funds for laity scholarships

(The following funds were consolidated during 2009 to form the Consolidated Laity Scholarship Fund)

**Renton Brown Fund**

**Idella Smith Fund**

**Whetsel Fund**

**First United Methodist Church of Duquesne Thomas Fund**

*Board of Ordained Ministry*

**Consolidated Ministerial Scholarship Fund** \$1,459,727

Proceeds for the purpose of providing scholarships for candidates pursuing the educational requirements for ordained ministry

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(The following funds were consolidated during 2009 to form the Consolidated Ministerial Scholarship Fund)

**Grace S. Kreiling Fund; Sugar Grove Trust; North Avenue and Arch Street Fund; Earl J. Patterson Fund; Raymond W. Faus Fund; Ministerial Training Scholarship Fund; Julie Niebaum Fund; Frances Kees Fund; Dashiell Grant; Brookline Scholarships; Leonard Nolf Fox Memorial Fund; Straw Fund; Bunyan Fund; \*Smith Seminary Scholarship Fund**

**Carl F. Koch Grant** \$21,462

This is a grant to provide financial assistance to United Methodist graduate students pursuing fulltime theological education at Pittsburgh Theological Seminary to equip them for fulltime ministerial careers.

**\*Cramer Seminary Scholarship Fund** \$5,438

The fund was created by a gift from Leo C. and Mona L. Cramer. Income from the fund is to be used to provide scholarships to seminary students who intend to pursue pastoral ministry. Funds shall be distributed at the discretion of the Board of Ordained Ministry.

**First United Methodist Church of Duquesne Woody Fund** \$57,222

The fund was created by a gift from the First United Methodist Church of Duquesne, PA. Income will be distributed as requested by the donor and former congregation for the purpose of educating ministers of the United Methodist Church.

**First United Methodist Church of Duquesne Cora & J. Wayland Thomas Scholarship Fund** \$49,797

The fund was created by a gift from the First United Methodist Church of Duquesne, PA. Income will be distributed as requested by the former congregation for the purpose of educating ministers of the United Methodist Church.

**Timothy Project** \$42,599

This fund was established by the Board of Ordained Ministry to receive donations in memory of beloved pastors. Income from the fund is to be used to help seminary students to defray the cost of ministry training and education.

**Brookshar Family Ministry Scholarship Fund** \$315,404

The fund was established by the Brookshar Family. Income from the fund is to be awarded as a scholarship to a prospective student at an accredited United Methodist Seminary to prepare for ministry. Award is to be based on financial need and a true enthusiasm and commitment in bringing people to Christ.

*Pension & Medical*

**Pension Permanent Annuity** \$10,889,202

This fund was established in 1898 for pastors' pensions in the former Pittsburgh Conference. Pittsburgh Conference Funds were merged with Erie Conference Funds at the time of union. Subsequent gifts and bequests have been added to the fund for the

purpose of pension support. Funds are deposited with the United Methodist Foundation of Western PA. The income only from this fund is available for distribution by the Board of Pensions.

**Health Insurance Reserve Fund** \$622,733  
This fund was established by the Board of Pensions to provide reserves to help cover future liabilities and is intended for retiree health insurance. Funds are deposited with the United Methodist Foundation of Western PA.

**Carnahan Fund** \$1,599,430  
This fund was established by the will of William E. Carnahan. The income only shall be applied by the Board of Pensions to supplementing payments to beneficiaries of any annuity or pension plan adopted by the Western PA Annual Conference. Funds are held by The Bank of New York Mellon.

**Health Insurance Reserve Certificate of Deposit** \$307,708  
This fund was established by the Board of Pensions to provide reserves to help cover health insurance liabilities. The fund is invested with the Keystone United Methodist Federal Credit Union.

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**Board of Pension Special Accounts**

(Investments held by General Board of Pension and Health Benefits in Evanston, IL. Unless otherwise noted all balances are as of December 31, 2014)

	<u>Funding</u>	<u>Liability</u>	<u>Funded Status</u>
<b>Supplement 1 (Pre-82 Plan)</b>	\$114,994,825*	\$79,760,893*	\$35,233,932*

Funds are held as a part the Clergy Retirement Security Program (CRSP) and are restricted for payment of Pre-82 pension liabilities, and other defined benefit pension liabilities that now or in the future may be part of CRSP.

\*Funding, liability and funded status is as of January 1, 2015, as presented in the most recent actuarial report from the General Board for this Plan.

<b>Deposit Account</b>	\$21,483,676	\$24,436,749**	\$8,731,555**
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Funds restricted for retiree benefits and intended for retiree health insurance. The unfunded amount is also net of the Health Insurance Reserve Fund of \$622,733 held at the United Methodist Foundation of Western PA and the Retiree Health Insurance Fund of \$20,401,644 held at the General Board of Pensions and Healthcare. See above description of the Health Insurance Reserve Fund.

\*\* Liability and funded status is as of January 1, 2014, based on the most recent actuarial report from AON Hewitt.

<b>Medical Reserve Account</b>	\$5,885,689	N/A
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Funds restricted for health insurance liabilities.

<b>Retiree Health Insurance Fund</b>	\$20,401,644	N/A
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Funds restricted for retiree health and dental insurance liabilities.

<b>Benefit Reserve Account</b>	\$7,128,938	N/A
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Funds restricted for future CRSP defined benefit unfunded liabilities or other retiree benefits needs.

<b>Carnahan Income Account</b>	\$905,306	N/A
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This fund was established by the Board of Pensions to invest accumulated unspent income from the William E. Carnahan Fund. This fund is restricted under the same terms as the above described Carnahan Fund.

*Endowments**District Superintendents***\*Allaman Trust** \$43,473

The trust was a gift of Samuel L. Allaman in 1991. Income from the trust shall be to provide a permanent source of funds for emergency grants in times of crisis to clergy and clergy families of the Western Pennsylvania Conference at the discretion of the Cabinet. Priority shall be given to, though not necessarily restricted to, younger clergy within the first ten years of their ministry.

**Patterson Fund** \$57,329

The fund was created by a Centenary Fund Gift of Oliver B. Patterson. Income from the fund is restricted to use by the discretion of the District Superintendents.

**Washington District** \$1,558

The fund was created by a gift of Centenary Fund. Income from the fund is to be used for district programs.

**Franklin District Horace Thompson Fund** \$7,596

The fund was created by a gift of Horace Thompson to be used by the Franklin District for the purpose of meeting the needs of pastors in that district on Incapacity Leave or in a Retired Relationship with the Western Pennsylvania Annual Conference

**Abandoned Church Fund** \$179,123

This fund was created by an allocation of funds generated from the sale of Conference property. This fund can be used for such purposes as designated by the Cabinet.

*Trustees***Trustees Capital Improvement Fund** \$292,720

This fund was created by an allocation of funds generated from the sale of Conference property. This fund can be used for such purposes as designated by the Conference Board of Trustees.

*Council on Finance and Administration***Memorials** \$1,639

This fund was created in 1992 from a number of small gifts in memory of various conference pastors. Income from this fund is to be made available for the Bishop's Discretionary Fund. Due to the small amount of current interest, this fund is being reinvested.

**Conference Fixed Fund** \$488,920

This fund was established by the Council on Finance and Administration (CF&A). It is planned that this fund will equal 5% of annual Conference budget.

**XII Reports****Ethel K. Braun Fund**

\$384,514

This fund was established by a bequest from the Estate of Ethel K. Brauns. Funds may be designated to any line item in the Annual Conference budget as recommended by CF&A. In 2015, this fund is being used to shore up the Conference Reserve Fund (5400). In 2016, CF&A recommends that it be used shore up one or more of the following budget lines: Episcopacy (2200), Cross Racial Appointments (3270), Evangelism Ministry (4310), Bishop's Leadership Initiative (6100), and Bishop's Academy (6130).

**Maude Murray Fund**

\$276,087

The fund was created by a bequest to the former Erie Conference by the Estate of Maude A. Murray. Funds may be designated to any line item in the Annual Conference budget as recommended by CF&A. In 2015, this fund is being used to shore up the Conference Reserve Fund (5400). In 2016, CF&A recommends that it be used shore up one or more of the following budget lines: Episcopacy (2200), Cross Racial Appointments (3270), Evangelism Ministry (4310), Bishop's Leadership Initiative (6100), and Bishop's Academy (6130).

**Kilpatrick Fund 040**

\$521,923

The income from this trust shall be paid to the Pittsburgh Conference of the Methodist Protestant Church in perpetuity to be used for the interests of the church as it may from time to time direct. In 2015, this fund is being used to shore up the Conference Reserve Fund (5400). In 2016, CF&A recommends that it be used shore up one or more of the following budget lines: Episcopacy (2200), Cross Racial Appointments (3270), Evangelism Ministry (4310), Bishop's Leadership Initiative (6100), and Bishop's Academy (6130).

**Kilpatrick Fund 265**

\$738,575

The income from the residuary estate shall be paid to the Pittsburgh Conference of the Methodist Protestant Church in perpetuity to be used for the interests of the church as it may from time to time direct. In 2015, this fund is being used to shore up the Conference Reserve Fund (5400). In 2016, CF&A recommends that it be used shore up one or more of the following budget lines: Episcopacy (2200), Cross Racial Appointments (3270), Evangelism Ministry (4310), Bishop's Leadership Initiative (6100), and Bishop's Academy (6130).

**Worthington Trust**

\$227,168

Will of Edgar D. Worthington 6/27/67 in memory of Anna M. Worthington (mother), Carrie E. Worthington (sister) and Alice K. Worthington (sister). Income may be designated to any line item in the Annual Conference budget. In 2015, this fund is being used to shore up the Conference Reserve Fund (5400). In 2016, CF&A recommends that it be used shore up one or more of the following budget lines: Episcopacy (2200), Cross Racial Appointments (3270), Evangelism Ministry (4310), Bishop's Leadership Initiative (6100), and Bishop's Academy (6130).

**Pittsburgh District Kaighin Fund**

\$19,526

Bequest of Albert B. Kaighin - In 2015, this fund is being used to shore up the Conference Reserve Fund (5400). In 2016, CF&A recommends that it be used shore up one or more of the following budget lines: Episcopacy (2200), Cross Racial Appointments (3270), Evangelism Ministry (4310), Bishop's Leadership Initiative (6100), and Bishop's Academy (6130).

**Charles O. Rall Trust**

\$1,002,124

As a result of the sale of Albright United Methodist Church the Annual Conference became the beneficiary of this trust in 2014.

**\*Note:** The trustee of the funds marked by an asterisk is not our Annual Conference. However income from these funds has come to Conference entities over recent years. So the listing for this year is for informational purposes only.

Lawrence D. Bridge, Treasurer

**UNITED METHODIST FOUNDATION**

The Board of Directors and staff of the Foundation continue to look to the future and assess how to respond to ever changing needs. They are constantly seeking to be more responsive to the needs of congregations, individuals and agencies. To this end, many exciting changes have occurred this year to enhance our ministry. The following outlines the highlights of our 2014 accomplishments.

2014 began with an upgrade to the Foundation's computer hardware, software, and servers. This timely upgrade was necessary since Microsoft would cease servicing the XP operating system.

In May, the Foundation partnered with Oakland UMC and Autism Initiative to host for the first time a "Special Needs Trust Seminar." Participants traveled from around the Conference and learned from two experts who presented on the necessity of setting up such a trust.

The fourth Pastors Academy for Stewardship Formation has concluded and a fifth class will begin in 2015. Pastors partake in a three year journey that involves intensive study and sharing. The program focuses on Biblical and Theological expressions of Christian stewardship. Personal expressions of financial stewardship are examined in light of Scripture. Finally, expressions of stewardship in the community of faith are examined. Every three years, 10-12 pastors move through the Academy.

At the Annual Meeting in September, the Foundation welcomed four new Board members, recognized three retiring Board members, and extended the terms of seven other members of the Board. The Foundation's financial and investment summaries were reviewed. Additionally, guests shared testimonies that highlighted the impact the Foundation has upon their churches and agencies. This impact was a result of the Foundation's various programs, including Funds Management, Grants, Capital Campaigns and Legacy Giving.

In November, the Foundation celebrated the 25th Annual Founders' Day Event. The 2014 Founders' Day recipient was the Larry Homitsky. Additionally, the Foundation presented retired Executive Director, Frederick Leasure, a Lifetime Achievement Award

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and a named scholarship in his Honor at West Virginia Wesleyan College. The scholarship was presented to Pamela Balch, President of the College.

In December, the Board approved the creation of a Board member funded endowment entitled "The Wesleyan Heritage Fund". In 2015, the Foundation will embark on developing a new strategic plan which will chart the Foundation's course to better promote and practice Christian Stewardship.

N. James Sekel, Chairman of the Board of the Directors  
D. Edward Bailey, Executive Director

### CAMPING AND RETREAT MINISTRIES

Our three camps, Jumonville, Wesley Woods, Camp Allegheny and our Retreat Center, Olmsted Manor continue to engage in making disciples of Jesus Christ for the transformation of the world. Our three camps continue to reach youth for Jesus that often our local churches miss. Our Summer Staff program continues to be the largest and most effective young adult ministry in our Annual Conference. Olmsted Manor offers a unique retreat setting for groups and continues to strengthen our clergy excellence. We are truly blessed to have these four places of "Holy Ground" in our Annual Conference.

#### 2014 SUMMER CAMPER SUMMARY

Total Summer Campers:

2009	2010	2011	2012	2013	2014
2,695	2,513	2,492	2,365	2,364	2,304

Camper Experience Statistics

#### Jumonville:

- 100% of our campers had an awesome time at camp.
- 98% of our campers felt like they learned more about God.
- 95% of our campers tried something new.
- 97% of them made a new friend. (64% came to camp with a friend.)
- 98% of our campers feel good about themselves.
- 95% of our campers enjoyed the worship time.
- 82% of our campers worked at solving a problem.
- 98% of them were comfortable with their cabin group & counselors.
- 90% of our campers learned to talk about Jesus in a new way.
- 98% of our campers plan to come back to camp next summer.

#### Wesley Woods:

- 70 campers made a first time commitment to follow Jesus Christ during their week.
- 350 campers were called to deepen their faith journey through either making a recommitment to Christ or answering a call in to ministry during their week at camp.

#### Camp Allegheny

- 16 campers felt a call into some form of ministry during their week at camp.
- 95% of our jr./sr. high campers experienced God doing something new in their life.

90% of our jr./sr. high campers made a first time commitment or recommitted their lives to Christ.

98% of our jr./sr. high campers would like to come back next summer.

Registration by Camp Site:

	2009	2010	2011	2012	2013	2014
<b>Camp Allegheny</b>	950	880	868	771	793	801
<b>Jumonville</b>	925	845	857	824	799	765
<b>Wesley Woods</b>	814	782	763	762	763	725
Trips	6	6	4	8	9	13

Camper Faith Background in 2014:

From United Methodist Congregations	1,625
From a NON United Methodist Congregation	480
Did not indicate having a home church	199

Churches who sent 10 or more campers

Harrison City	59	Wesley Chapel	14
Dutilh	42	Bethel Park: Christ	13
Baldwin Community	37	Saegertown	13
Titusville: First	26	Lower Burrell: Bethel	13
Indiana: Trinity	26	Clarion: First	12
Patton: Trinity	25	Russell	12
Lakeside	23	Pittsburgh: First	12
Crossroads	21	Grove Ave	12
Hernderson	21	Otterbein	12
Saint Marys: First	20	Good Shepherd	12
Knoxdale	20	Central Highlands	11
Irwin: First	20	Warren: Grace	11
Somerset: Grace	19	Pittsburgh: Mt. Lebanon	11
Mt Olive	19	Johnstown: Oakland	11
Oil City: Grace	18	Corry: First	11
Heritage	17	Knox	11
Summit	16	Union City: First	11
Seneca	16	Evans Memorial	11
Monroeville	16	Murrysville: First	10
Vandergrift: First	15	Anne Ashley	10
Greensburg: First	15	Latrobe	10
Delmont: Faith	14		

Our structure is:

**The Annual Conference**

Camp Allegheny, Jumonville, Wesley Woods and Olmstead Manor remain affiliate corporations of our Annual Conference with the members of the Annual

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Conference functioning as members of the corporation, electing board members, approving funding and approving by-law changes.

### **Camping and Retreat Corporation Committee**

The Camping and Retreat Ministries Corporation Committee will function as an administrative committee not as a program team. This committee will safeguard and protect the rights of the Annual Conference by reviewing mission, vision and values of our camping and retreat ministries, and our four sites, to make sure they reflect the priorities of our Annual Conference.

### **Our Three Camps and One Retreat Center**

Camp Allegheny, Jumonville, Wesley Woods and Olmstead Manor will have full oversight of ministry, programs, finances and operations of their site. Full responsibility for our Summer Camping program will be at each site.

Allan K. Brooks, Chair

### **CAMP ALLEGHENY**

What a fantastic year of ministry! Praise the Lord! Camp Allegheny has been blessed and has had such an opportunity to bless others it is hard to fathom. We can do this because of YOU! You provide us the opportunity to provide a place where others can “Reach up and be touched by God.”

2014 has been a year to implement some of the changes we have been talking about for so long.

We began the process of implementing a new database system. This new system will provide us a comprehensive database, modernize our summer enrollment system, provide a system for staff application and record keeping, record retreat group information and provide for donor record keeping. Implementation in 2015 will have its challenges, but will be exciting and allow us to more effectively serve our guests and campers.

The changes in our summer program has been well received. We have not only increased the quality of our program but we have increased our summer camp attendance in each of the last two years. Our campers continue to rate their experience of Fun and Faith formation as 98% positive. We cannot thank the Western PA Conference, numerous individuals and churches enough for their support. We had over \$68,000 in donations from over 250 different folks. We were able to award over \$27,000 in camperships to help campers attend summer camp in 2014. Additionally, we were blessed with well over 2,500 volunteer hours in 2014. John Vanderhoff continues to come up several days a week to help with projects. Kantner UM Men took on the project of pouring a new sidewalk around our pool. Numerous men came out several days a week for nearly a month to complete this project. We cannot thank them enough for sharing their time and talent to upgrade our pool. Somerset SCI prison continues to be a blessing by coming up during our off times and helping us clean, paint or complete projects.

Our board continues to work on strategic planning, visioning and are discussing ways to fund this ministry for both today and in the future.

Our retreat groups continue to rate us very high on their evaluations. Our average retreat score continues to be above 6.5 on a 1-7 scale. They continue to be thrilled with our hospitality and our food. Our homemade soups, breads, noodles and cream puffs continue to be a big hit.

Why do we do what we do? One could write pages and pages. Or I could just share with you one phone call received: I received a phone call from a Mom who after receiving our brochure in the mail, had a couple of questions. After answering her questions, she proceeded to share the following. (I truly wish I could have recorded the conversation.)

She sent her son for the first time last summer to Camp Allegheny. He was 9 years old. She had the typical parental apprehensions and after being reassured by staff prior to summer she sent her son.

When she picked him up he was beaming. He wanted to come a second week. He offered to try and pay for it himself. He shared all the activities, songs and all about worship almost nonstop all the way home. Mom was ecstatic on the positive impact, in so many areas, that we had on her son.

The story hardly ends there. Their son has a friend, and the friend's family is not active in a church, and his friend does not know Christ. Her son was wondering how he could share about God with his friend. He asked his Mom and she talked about inviting him to church or sharing some Bible stories. Her son jumped up and said, "I know what to do" so he went to his room and got the Camp Allegheny Camper Booklet (that he still had) and said that he will give this to his friend.

In this one boy, we affected him, his family, his church and his community. Through Camp Allegheny the local United Methodist church will soon have another family.

The Camp Allegheny Board of Directors, staff and I personally want to THANK YOU for making this such a special place for so many.

Dennis D. Tawney President

### **JUMONVILLE**

The Good News of the Gospel of Jesus Christ continues to be shared on the mountaintop at Jumonville. It is a blessing to continue to serve as Jumonville's President and to be a part of a ministry that continues to give youth and adults the opportunity to experience God's love and grace in such a special way. Challenges remain on a regular basis, however, I never grow tired of seeing our summer campers and retreat guests meet Christ in a personal way on God's mountain. It definitely provides "joy in the journey."

There were two particular challenges for me personally this year. The first was the shocking death of Charles "Smokey" Martin who helped me to start the very first adventure camp at Jumonville over 40 years ago. Charlie and I were best friends, and while I know that he is now enjoying excitement and adventure in heaven, I have shed many tears over the sudden loss of such a special, life-long, friend.

The second challenge for me was the death of my 95 year old mother Elva Beatty. My mother was in charge of the Jumonville kitchen for the 10 years when my father, William Beatty, served as Jumonville's first Resident Director. Mom served a very productive and energy-filled life and spent her last several years living at Redstone Highlands in Greensburg. She was a wonderful example of living out her Christian faith and selflessly serving others her entire life. While I was extremely blessed to have my mother live a very productive 95 years, it has still been a difficult loss.

We have continued to promote Jumonville programs to churches and to potential summer campers and retreat guests. Jumonville displays have been presented at camp

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fairs, and for the first time ever, included a display in the window of our local Fayette County Chamber of Commerce. We also had our Jumonville summer camp brochures included in the Laurel Highlands Visitor's Bureau brochure racks located throughout the region.

Jumonville's Facebook page continues to grow in popularity, thanks to the insightful and inspiring posts that my wife, Jaye, makes on our page on a regular basis. We have almost 4,500 "likes" of our Facebook page which is quite an accomplishment. We have also reached over 15,000 people and received over 1,700 likes on a single post!

The traffic on our Jumonville website still amazes me. This past year we also had about two million page views on the Jumonville website. The other significant item this past year was the start of a major re-design of the website to make it responsive so that it can be optimally viewed on smart phones, tablets, and computers with various screen sizes.

My personal frustration is that while these virtual encounters with Jumonville continue to grow, we do not see the same level of growth of campers and retreat guests on-site. I would still much rather have a potential retreat leader come for a tour of Jumonville, than a virtual tour via the various social media outlets. We do, however, connect with many past campers and retreat guests from all over the country and around the world. It is amazing to see so many who love connecting Jumonville from their distant locations and reliving their many wonderful past experiences with Jumonville. I pray that real life encounters on the Jumonville mountaintop continue to stay a priority. You have my personal commitment that we will continue to do all that we can to make sure that Jumonville remains a vital part of proclaiming the Gospel to a world that so desperately needs Jesus.

We continue to enjoy the blessings of an abundance of support for our Kidz2Kamp program through the generous gift from the Jon Cline Estate and the continued support of so many friends of Jumonville. This has allowed us to continue reaching out to families and individuals that need assistance to be able to come for their mountaintop experience. There are so many families who struggle to make ends meet, and they are so grateful that we can still say yes to help them come to camps or retreats to be refreshed.

Countless parents and grandparents tell stories of how their time at Jumonville was one of the favorite experiences of their life, and in many cases it was the start of their Christian journey. They desperately want their kids and grandkids to experience the joy of attending a summer camp at Jumonville like they did. What a blessing to be able to assure these families that any camper who wants to come to camp will be able to attend, regardless of limitations on their finances. Praise God for God's abundant blessings!

About every 15 years, Jumonville finds itself in the position of needing to have the Great Cross of Christ repainted. It took over a year for the staff and Board at Jumonville to get a reliable bid for this huge project; and the price tag came in at a staggering \$50,000! The price has about doubled every time we need this work to be done.

It was a huge project and did not just involve painting the outside of the cross. Workmen had to start with sand blasting the framework on the inside of the cross. It then had primer applied and then a full coat of coal tar epoxy. After that, the outside of the cross received a commercial blast and then spot sand blasting any spots to a near white. It

was then power washed, spot primed, given a full primer coat, and two full finish coats of white two-part epoxy. The exterior work was done with a JLG lift. So, no, this is not exactly a project for work group! Professional contractors that do bridge painting provided the equipment and experience necessary to make the Cross of Christ shine for years to come.

While \$50,000 is a lot of money, I had no doubt that the many friends of Jumonville would rise to the challenge and raise the funds that were needed to get the job done. The majority of the money that was needed was raised in a little over two months. I was absolutely thrilled with the response from individuals, local businesses, and churches that contributed to the painting of the cross. I am humbled and blessed at the generosity, love, and support that is shown over and over by our Jumonville family. What a joy and privilege to serve a ministry that has touched so many lives in such a powerful way.

We have been extremely blessed by the vision of those who have come before us, such as Will Hogg who had the vision for a “great cross on top of the mountain.” The cross continues to serve as an inspiration for tens of thousands of Christians, not-yet-Christians, curious passers-by, and visitors from around the world.

This past year started the first phase of multiple staff transitions in the next few years. Sheryl Dennis retired as our bookkeeper after 25 years (although she has continued to help us in training her replacement staff member) and Ree Enlow will be retiring this coming August after also serving over 25 years as our Director of Program Services. Over 75 persons applied for Ree’s position when that vacancy was made known this past fall. We have since hired Jim Thomas, who is currently training with Ree so that we have a smooth transition in leadership. Several other senior staff will be retiring over the next several years, so we are carefully planning for those transitions as well.

Our faithful and excellent maintenance staff has once again continued making outstanding campus improvements that keep our facilities in great shape. Check out the significant list of projects listed latter in this report that were completed this past year.

Our Jumonville family is wonderful. I have the blessing of serving a very supportive and committed Board and a wonderful dedicated staff! Our donors, deans and counselors, group leaders and guests, and friends make Jumonville a special place for so many. Thank you for helping Jumonville to be a vital part of so many lives, and continuing to make disciples for Jesus.

Larry Beatty, President

### **OLMSTED MANOR**

Olmsted Manor beginning our 46th year as a Retreat Center continues to be an active and effective facility for many individuals on personal retreat, as well as to groups across western Pennsylvania and beyond. We provide a quiet and secluded place of rest and renewal for many people. In an effort to increase usage and occupancy, we continue to seek new groups and market these services through our website, [www.olmstedmanor.org](http://www.olmstedmanor.org) and other social media sites. We also rely on the recommendations of those who have used our facility, and we contact potential new users through other marketing strategies.

Officers of the Olmsted Manor Board of Directors are: Eric Leonard, President- Jeff Sterling, Vice President- Jackie Campbell, Secretary- Connie Johnson, Assistant Secretary- Tom Ball, Treasurer- and Sue Wilson, Assistant Treasurer.

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In 2014, the Board of Directors welcomed newly elected members, Jeff Little, Rob Hernan and Carley Rowe. Pat Lenox also joined the board as the new Kane District Superintendent. Retiring members included Tom Strandburg and Mandy Woodford. We thank God for their gifts and talents that helped guide our ministry.

Olmsted Manor offered many educational and high quality programs in 2014. Among those were, the Pastor's Academy- "Wesley as Preacher for Today," with Richard P. Heitzenrater ~ The Spring Women's Spirituality Retreat- "Both-And Spirituality" with Stephanie Gottschalk ~ The Fall Women's Spirituality Retreat- "Taste and See that the Lord is Good" with Diane Kerner Arnett ~The Older Adult Retreat- "Facing the Cross" with Lois & Bill Hiles and Bruce Merritt ~ The Church Music Workshop, "An Adventure in Prayer" with Besig and Nancy Price ~ The Church Secretaries Retreat, "God's Mosaic Community" with Joan Reasinger and Donna Doutt ~ "The Good Shepherd" A Theological Journey of a Thousand Years, with Kenneth Bailey~ "The Photo Playshop" with Dean Zeigler~ and "A Silent Retreat" led by Chris Kindle.

Olmsted Manor was also privileged to host many church groups from the Annual Conference as well as other denominations from Pennsylvania, New York and Ohio. In recent years we have also had an increase in crafting groups from our churches and other denominations. Quilting, Scrap Booking and Knitting are among the activities these groups participate in while they are here with us.

Olmsted Manor is blessed to have many "Friends." Through the years many of the people who have used our facility have provided financial support for our ministry. In 2014 our Friends of Olmsted campaign raised a total of \$80,000 in support of the mission and ministry of Olmsted. Included in this year's total was a special gift from the Estate of Russell and June Perry. We are very grateful for the generosity of all our contributors.

In November our Board engaged the services of Kirby Smith & Associates for a feasibility study which may lead to a capital campaign in 2015 to fund building restoration and other improvements.

On behalf of the Board of Directors and staff, I am pleased to report that Olmsted Manor continues to serve God and the church by "Providing Christian Hospitality in a Hostile World."

Jody Z. Larson, Executive Director

### WESLEY WOODS

Change is inevitable. The only variable is how we react to change. Wesley Woods endured many changes in 2014.

Among the most notable changes is the elimination of Harbin Hall from the program. The building was declared unfit for use after many years of water and ice pressure forcing the front wall of the building into the main assembly space. The board and staff are currently engaged in a feasibility study to determine the financial capacity of a potential campaign. As the process moves forward we expect to determine the trajectory and scope in full by July 2015.

There were many other infrastructure repairs accomplished to sustain our ministry at Wesley Woods. We repaired the electrical line to the Chapel. It was cracked and water entered the building through an electrified and operational panel box. Praise God nothing catastrophic happened.

There were several other infrastructure issues that had to be dealt with as the facility nears sixty-five years old. Missionary 3 had a floor, subfloor, sill and sill plate replaced. The integrity of the floor structure had been compromised as a result it was replaced. A three hundred foot section of sewer line had to be replaced to correct root damaged terracotta pipe.

Wesley Woods has been blessed with the resources to dramatically upgrade our programming areas for summer 2015. The ropes course received a much needed upgrade with a new climbing tower, a 650-foot zip-line and a few additions to the low course. Green Hills is also getting a face lift. The old cabins have been replaced with new Adirondack style cabins in the field near Hasbrouck Dining Hall and the Bath House. The Chapel, one staff house, the maintenance shop, Hasbrouck Dining hall, the new Green Hills Cabins and a pavilion will all be receiving new Kelly Green Steel Roofs as well. Our facilities need improvement and we are dedicated to achieving that improvement.

Summer 2014 was down from 2012 and 2013. Wesley Woods hosted 700 campers in 2014. In general, we need more retreat seasons usage. In this Wesley Woods is at a strategic cross roads; we have to determine how to move forward while honoring our historic heritage.

The Board of Directors has had a challenging year. We have to submit to you revised Articles of incorporation and updated by-laws for your approval. Nominations will follow at the appropriate time in the session meeting. Suffice it to say, we have made many strides as an organization in 2014, by God's grace.

There is still work to be done. We have many dilapidated buildings in need of care for and improve. We have to determine the new trends for programming to offer high quality culturally relevant programming as the method by which we evangelize and teach kids and teens about Jesus Christ. We are targeting partnerships with local schools for leadership development, competency development and team building to diversify our business model.

It has been an amazing and blessed year at Wesley Woods. We look forward to what 2015 will bring.

Nate Greenway, Executive Director

#### **THE UNITED METHODIST HOUSE THE CHAUTAUQUA INSTITUTION**

In 2014, the United Methodist House, located on the grounds of the Chautauqua Institution, celebrated its 126th anniversary. The first of the Denominational Houses at Chautauqua, it is currently governed by an elected Board of Trustees the members of which come from the Western Pennsylvania Annual Conference, the Upper New York Annual Conference, and the community at large. The House serves all who desire its hospitality and warmth. The United Methodist House (initially the Methodist House) was established, as were all denominational houses for their respective denominations at Chautauqua, to provide a place for study, worship and socialization in a manner consistent with the Institution's mission and purpose. The United Methodist House offers space for visitors who attend Chautauqua events during the summer season and provides hospitality to all who linger on the spacious porch. True to an ecumenical spirit, the House welcomes diverse groups who find the Chapel or porch especially appropriate for their religious or programmatic purposes. During the Chautauqua season, the House is

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staffed by Karen and Bob Douds and provides a Chaplain of the week for the activities of the House. The House works in relationship with the Hurlbut Memorial United Methodist Church staff to offer year-round retreat and small group opportunities.

We welcome applications for our Chaplaincy program. Potential summer guests, or those wishing to secure retreat space at other times of the year, will find further information available on our website: [www.umhouse.com](http://www.umhouse.com)

Those currently serving as elected Trustees of the House are: from Western Pennsylvania Annual Conference – Roger Brumagin, Barry Lewis and Beth L. Nelson (Vice President). From Upper New York Annual Conference – Brenda Baird (President), Lee Mount and Carolyn Stow (Secretary). Also serving from the community at large – Willow Brost, Mike Corey (Treasurer), Dave Shuff, Don Weaver, and J. Howard Wright. Ex officio members are Sherri Rood, Joe Patterson, Judie Peterson and Carmen Perry.

Brenda Baird

### WITNESS TEAM

The Witness Team is one of the four work areas that encourage collaboration between a set of conference agencies. Our team consists of the chairpersons of Evangelism, Discipleship, Communication, Higher Education and Campus Ministry, Parish & Community Development, and Christian Unity & Interreligious Concerns along with four members at large. During 2014 we continued our discussions around what is involved in making disciples. We used our connectional funding to help resource a children's ministry workshop in the Indiana District. We enabled our annual conference to be represented at a national ecumenical gathering. And we provided start-up money to reactivate the work of Higher Education & Campus Ministry.

During 2015 we hope to engage in exploring specific ways our agencies can work together to enhance the ministries that tell our story—supremely that communicate the Gospel of Jesus Christ.

Michael E. Long, Chair

### BOARD OF HIGHER EDUCATION AND CAMPUS MINISTRIES

We began in September 2014 as a new group of members who were formed to re-organize this board. At our first meeting hosted by Clarion University, we met Jerry and Clara Belloit past members of the BHECM and ministers in Clarion. At this meeting we:

- Elected officers
- Passed organizational structure
- Passed calendar goals and objectives
- Passed meeting schedule
- Passed the budget which we received from the Witness Team Pool
- Accepted the hiring of an intern

Our second meeting was hosted by Indiana Grace UMC and our third meeting was hosted by Allegheny College. We met outstanding campus ministers, Eric Dewalt, Donovan Daniels and Jane Ellen Nickel. In these two months we worked out our goals and objectives. These are the committees and goals for the 2014-2015 calendar year:

Administration

1. Interpret the funds with one paragraph explanation on each fund

2. Restructure the BHECM budget
3. Generate a Mission Statement for the BHECM
4. Supervise the intern

#### Scholarship Committee

1. Administer the Campus Ministry grant and any other scholarships or grants that are our responsibility
2. Research, promote and interpret Scholarships we disperse
3. Research, promote and interpret the UM Loan Program
4. Research, promote and interpret the GBHEM various scholarship

#### School College and Universities Committee:

1. Create a display with a flyer for promotions at Annual Conference, Spark, Youth4Mission, etc.
2. Plan the next meetings at the different Schools, Colleges and Universities
3. Create a Database of Schools, Colleges and Universities organized by districts with a list of local churches within a 10 mile radius with all contact information

#### Campus Ministry Committee:

1. Create and Promote the Campus Ministry Award Program
2. Meet the campus ministers and discern their needs
3. Hold a banquet to celebrate an outstanding campus ministers

In our November meeting, while working our goals and objectives, we were presented with a request from Conference Youth Team to collaborate on a training event with Duffy Robbins. The event will take place in March 2015. The campus ministers will have a luncheon provided for them and discussion with Robbins.

Though the board did not meet in December some worked on budget information, Ed Saxman and Matt Howe worked on creating a flyer with scholarship information to hand out to students and a display was created for SPARK Youth retreat.

Our vision for the board is to become the conduit that connects the campus ministries, the local churches and the annual conference. We seek to resource, uplift and connect the campus ministers. We want to promote and interpret campus ministry, Africa University and Black College Fund to the local churches.

Timothy C McConville, Chair

### **AFRICA UNIVERSITY**

Africa University community is blessed and privileged to celebrate the Western Pennsylvania Conference's 100% investment in the Africa University Fund (AUF) apportionment in 2014.

Western Pennsylvania was one of 31 annual conferences—the highest number in recent years—to invest 100% of their asking in the AUF. We thank you for your prayers and for affirming the impact of this ministry by being faithful and generous with your investment.

Together with the leadership and local congregations of conference, we give thanks to God for this Ebenezer moment (1 *Samuel* 7:12). But the work is not yet finished. For every individual who has been touched by the ministry that is Africa University, there are others—tens of thousands, in fact—who are awaiting the miracle of an answered prayer.

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**Student Enrollment:** Full-time student enrollment at Africa University held steady in 2014 with 1,478 young men and women from 25 African countries. Female students were a record 53.4% of the total enrollment in a context where women lag behind men in access to higher education.

**Graduation:** In June 2014, 480 young people were awarded degrees from Africa University at the 20th graduation ceremony, bringing to total number of alumni to just under 5,300. Without your support, a college education would have been unattainable for the majority of these students.

**Training and Research:** Africa University remains a sought-after partner in addressing critical skills and capacity gaps in sub-Saharan Africa. A collaboration with the Raoul Wallenberg Institute in Sweden supports a new master's degree program in Human Rights, Peace, and Development. Africa University is also preparing to launch its first PhD program, which links issues of Peace, Leadership, Governance, and Development, and targets policymakers.

**Strategic Priorities:** Professor Munashe Furusa took the helm in July 2014 as the fourth vice chancellor in the university's 23-year history. He was formally installed in March 2015 and has put fiscal accountability, student quality of life, and support for academics, at the top of his agenda. Africa University is currently engaged in a vigorous review of its academic programs and service delivery that is aimed at enhancing the students' potential for life-long success.

**Leadership and Service:** Africa University graduates are answering the call to serve, heal, and uplift communities. Currently, more than a dozen graduates are helping 'the least of these' to experience God's love through service as Global Mission Fellows and missionaries in Africa, Europe, and Latin America.

Thank you, Western Pennsylvania Conference. May God bless and keep you always in abundance.

James H. Salley, Associate Vice Chancellor for Institutional Advancement

### ALLEGHENY COLLEGE

This year marks Allegheny College's 200th anniversary. Founded by Presbyterian clergyman Timothy Alden in 1815, the College has been affiliated with Methodism since 1833. The University Senate of The United Methodist Church reviewed the College in November, as it does every ten years, and recommended that the affiliation be continued.

Noting this longstanding connection to Methodism, Allegheny College has instituted a fifty percent (50%) discount on tuition for children of United Methodist clergy, beginning with the class that enters this fall. The discount applies to legally dependent children under age 24 of United Methodist ordained Deacons and Elders in full connection and under full-time appointment, or of retired or deceased United Methodist ministers with the same credentials. Details about the discount and information on other scholarship opportunities for United Methodist students are available at [sites.allegheny.edu/finaid/united-methodist-scholarships](http://sites.allegheny.edu/finaid/united-methodist-scholarships), or by contacting the Allegheny College Office of Financial Aid at 814-332-2701.

The College has also recommitted to housing the archive collection of the Western Pennsylvania Annual Conference, as it has since 1977. With the renovation of Pelletier Library, College administrators are working with the Conference Commission on

Archives & History to find a new location on campus. The Archives lost its long-time volunteer archivist when Bill Waybright passed away in March.

The College marked the Bicentennial by inviting alumni who are clergy to preach in its weekly Sunday Chapel services. Guest preachers included Erwin Kerr, '59, Sarah Roncolato, '80, Kellie Wild, '85, and Kimberly Greway, '99, of the WPA Conference; Angela Wells Flanagan, '07, of the Baltimore-Washington Conference; and Tanya Linn Bennett, '84, from Greater New Jersey. Our Chapel congregation joined Stone UMC in Meadville, when Bishop Tom Bickerton preached there in April, celebrating our long association with that congregation, as well as our Methodist heritage.

In addition to Sunday Chapel services, three Christian fellowship groups meet each week, as do student-led Bible studies and prayer groups. In seeking to bring together all Christians, the Chaplain now leads a campus-wide Bible study, which is attended by students, staff, and faculty members. In addition, Christians from across campus have gathered for cookouts, a Candlelight Christmas service, a Shrove Tuesday pancake supper, and other fellowship events.

We continue a productive relationship with the Coalition for Christian Outreach (CCO), based in Pittsburgh, and have added a full-time CCO position with athletic ministry to the current part-time staff member. These leaders took 49 students to the CCO's Jubilee conference in Pittsburgh, a spiritual high point for all who attended.

Five students and the Chaplain attended the Chautauqua Institution last summer during the week on Religion in the Global Public Square. The group stayed at the Methodist Deaconess House and were delighted to share the house and rich conversations with three deaconesses. These students then led a discussion on their experiences for Interfaith Fellowship (IFF).

Through IFF, students of different faiths come together to celebrate both their differences and commonalities. The group sponsors an annual Faith Week, whose theme this year was "Down to Earth" and featured programs about care of creation and other ecological ideas. IFF also looked at the religious impact of the Charlie Hebdo attack in Paris, and held a conversation with Christian and Jewish students about the connections between Easter and Passover.

In October, Spiritual and Religious Life presented a lecture by John Kaltner of Rhodes College on "Muslim-Christian Relations: Beyond Us and Them." The office also provided funding for a panel of experts on "Religious Minorities, Voting Rights, and Democratic Participation in South Asia," as the College marked the 50th anniversary of the Voting Rights Act. UMC clergywoman and scholar Pamela Lightsey of Boston University School of Theology visited campus in February to deliver a lecture based on her experiences in Ferguson, Missouri, and to be keynote speaker at a workshop sponsored by the Western PA Reconciling Ministries and other organizations.

With a renewed commitment to partnering with United Methodists in Pennsylvania and beyond, Allegheny College looks forward to its third century of preparing young adults to meet the challenges of the world.

Jane Ellen Nickell, Chaplain

### **CANDLER SCHOOL OF THEOLOGY**

For 100 years, Candler School of Theology at Emory University has prepared real people to make a real difference in the real world. Since our founding in 1914, more

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than 10,000 students have graduated from Candler, where they have been shaped as Christian leaders who put faith and love into action, transforming the world in the name of Jesus Christ. Here, students are challenged academically, encouraged spiritually, and immersed in Christian service from the first day they arrive on campus. This unique approach ensures that our graduates are ready to serve wherever God leads.

One of 13 official seminaries of The United Methodist Church, Candler is grounded in the Christian faith and shaped by the Wesleyan tradition. We are one of seven graduate professional schools of Emory University, a top-tier research institution offering extensive resources and a rich context for study. Our location in the city of Atlanta offers a learning environment that reflects the highly diverse communities of the 21st century world. There is no better place for ministry preparation that addresses our major denominational priorities: developing leaders, starting and growing churches, ministry with the poor, and improving global health.

During the 2014-2015 academic year, Candler celebrated its Centennial, marking our 100th anniversary with a series of commemorative events highlighting memories of the past and visions for the future. The yearlong celebration began in the fall of 2014 with the dedication of the final phase of our new LEED-certified building and the premiere of *Religion and Reason Joined: Candler at 100*, a new book on our history. The commemoration continued through the spring of 2015 with guest lectures, exhibits, and “Prophetic Voices,” a major academic conference addressing the challenges and opportunities facing theology in the 21st century.

Not only has Candler expanded its physical space this year—we have expanded degree offerings as well. In response to the changing needs of the church, Candler introduced five new degrees to equip Christian leaders: the Doctor of Ministry, the Master of Religious Leadership, the Master of Religion and Public Life, and two dual degrees with social work and development practice.

Candler’s student body reflects the diversity and breadth of the Christian faithful. Our enrollment stands at 447, with 320 seeking the Master of Divinity, 43 the Master of Theological Studies, 14 the Master of Religious Life, 20 the Master of Theology, 29 the Doctor of Ministry, 10 the Doctor of Theology, and 11 enrolled as Non-Degree students. The student body is 52 percent women, 35 percent people of color (U.S.), and the median age of the entering class is 27. Students represent 42 denominations, with nearly half identifying as United Methodist.

Candler draws considerable strength and inspiration from its relationship with The United Methodist Church. Our ability to fulfill our mission of educating faithful and creative leaders for the church's ministries in the world depends upon your support, gifts, and prayers. Thank you for the countless ways you advance this vital ministry in the life of our denomination. Visit us in person in Atlanta or online at [candler.emory.edu](http://candler.emory.edu) to see firsthand how Candler prepares real people to make a real difference in the real world.

Jan Love, Dean and Professor of Christianity and World Politics

### **GARRETT-EVANGELICAL THEOLOGICAL SEMINARY**

Early in the calendar year, I met with various constituencies of Garrett-Evangelical Theological Seminary, including alums, faculty, staff, trustees, and students regarding their hopes and concerns for the school. As a result, we began the 2014-2015 academic year with the following priorities:

- To prepare and equip our graduates as public theologians,
- To nurture a more diverse community at Garrett-Evangelical so that the entire community develops cultural competency,
- To value and promote inclusivity at Garrett-Evangelical, and
- To construct a sustainable model for theological education.

#### *Public Theology*

This year we launched a Public Theology Lecture Series to help the Garrett-Evangelical community understand more about the intersection of theological perspectives and shared values held in the public arena as persons in ministry work with others toward the common good and the wellbeing of all persons and creation. The lecture series included:

- October 15, 2014: Janet Wolf, Director of Haley Farm and Nonviolent Organizing for the Children's Defense Fund, lectured on various Children's Defense Fund programs including restorative justice, mass incarceration, cradle to prison pipeline, and freedom schools.
- December 3, 2014: Mark Lewis Taylor, Maxwell M. Upton Professor of Theology and Culture at Princeton Theological Seminary considered structures of the global orders and everyday living which public theologians may claim to engage and where "the powers and principalities" are always in contestation in "public" life.

#### *Cultural Competency & Inclusivity*

As part of the commitment to nurturing a more diverse community, we welcomed a new Vice President for Academic Affairs, Luis R. Rivera, our first Latino Academic Dean. Our current ethnic/racial profile is:

- 20% black; 6% Asian; 3% Hispanic/Latino; and 54% White; 14% International
- More than 33 religious traditions, four continents, 15 countries and 36 states are represented in the student body
- 232 students are United Methodist with 25 additional students from other Pan-Methodist denominations
- 94 new students began their studies at Garrett-Evangelical this fall, raising total fall enrollment to 365 (FTE of 305)
- The average age of the entering Master of Divinity student is 31
- 52% of the study body is women

Consistent attention to issues of inclusivity, justice, and grace within the seminary setting are critical for preparing future leaders to enter an increasingly diverse world. To respond to these concerns, Garrett-Evangelical will offer a number of Circle of Trust conversations this spring for trustees, faculty, staff, and students. Our goals are: 1) to provide safe space to discuss difficult topics, 2) to reduce any gap between stated values and actual behavior, both personally for participants and institutionally; and 3) to update our 1997 statements of inclusivity.

#### *Sustainable Theological Education*

Garrett-Evangelical is beginning work on a Sustainable Theological Education Model for the school. We are guided by a commitment to generational stewardship of our

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resources and to maintaining a thriving seminary for the future. We will attend to the areas of business, academics programs, and external programs.

Our priority continues to be making seminary education affordable. To this end we award more than \$2.5 million in scholarship aid to students each year and we lead all United Methodist seminaries in the Dollars for Scholars program with 45 recipients. In October, the seminary publicly launched The Final Lap of its \$100 million Forging Our Future campaign, and announced that \$88 million has been received to date. Much has already been accomplished, but more remains to be done (expanding the number of new leadership scholarships from 80 to 100, renovating Sherman apartments, endowing several more faculty positions, continuing to grow the unrestricted endowment), gifts for any of these goals are always welcome.

Thank you for your continued interest in our work. We are dedicated to serving The United Methodist Church and the church at large. For more information about Garrett-Evangelical and our work, I encourage you to visit our website, [www.garrett.edu](http://www.garrett.edu), and to visit us on campus.

Lallene J. Rector, President

### METHODIST THEOLOGICAL SCHOOL IN OHIO

Thank you for this opportunity to bring you an update from MTSO.

#### *The care of creation*

MTSO continues to seek opportunities to foster and encourage the care of creation. In January, we were the primary host for a multi-site Climate Conversation, jointly presented by the Theological Commons at MTSO and Ohio Interfaith Power and Light, a group offering a religious response to climate change. We also released a recent video sharing the story of Seminary Hill Farm and the ways it fits within the school's broader commitment to eco-theology. You will find a link to the video at [seminaryhillfarm.org](http://seminaryhillfarm.org). We invite you to download the high-definition video from its Vimeo page and share it in any context you believe will be constructive. We also would be happy to provide a speaker in person or via Skype to discuss this initiative.

#### *Schooler Institute on Preaching*

A very hands-on 2015 Schooler Institute on Preaching was led by Jorge Lockward, director of global praise for the General Board of Global Ministries of The United Methodist Church, and Valerie Bridgeman, recently appointed associate professor of homiletics and Hebrew Bible at MTSO. We were pleased to offer the wisdom of this dynamic duo to our students, alums and other participants.

#### *Conference Candidacy Summits*

We were pleased to be the host site of the West Ohio Conference's Candidacy Summits for those exploring ordination. MTSO provided our campus facilities for these two-day events, held in August and January. Among other activities, candidates participated in worship, mentoring and coffee with district leaders.

MTSO prepares Christian leaders for lives of lasting significance in service to the church and the world. In addition to the Master of Divinity degree, we offer master's degrees in counseling ministries, theological studies and practical theology, along with a

Doctor of Ministry degree. We invite you to stay in touch with us at [mtso.edu](http://mtso.edu), on Facebook and @MTSOedu on Twitter.

Danny Russell, Director of Communications

#### UNITED THEOLOGICAL SEMINARY

Is God calling you to the ministry of Jesus Christ? Come and check out amazing opportunities for study and spiritual growth in person or online at [www.united.edu](http://www.united.edu)!

Why United?

- United offers an excellent, accredited M.Div. degree required for ordination in The United Methodist Church.
- United students participate in a community of deep faith and avid learning.
- Degree programs include traditional and/or online classes.
- United specializes in preparing persons for ordination and pastoral ministry.
- Join our graduates' long track record of successful service!
- United's focus on church renewal will prepare you to become an agent of new life and revitalization, Spirit led, a faithful leader in the mission of Jesus Christ!
- At United you can enroll in a hybrid UM Course of Study program.
- United's D.Min. program leads the nation through the faithful ministries of its pastoral graduates.
- United is committed to teaching the Bible and the historic Christian faith, cultivating spiritual formation for personal and social holiness, and renewing the Church for the mission of Jesus Christ in the world.

What could be more interesting, important or exciting?

In addition to expanding residential offerings in Dayton, Ohio, United continues to extend its service across the U.S. and the world. United's degree programs are accessible anywhere with Internet service in conjunction with periodic intensive weeks of class and community activities in Dayton.

Please let us know if you have questions about how United can best assist you.

If you would like to help make it possible for a future pastor to study at United, please let us hear from you.

We invite you to call or visit soon! For more information, please contact [admissions@united.edu](mailto:admissions@united.edu).

Thank you for your prayers, partnership, service and support in the ministry of Jesus Christ!

Wendy J. Deichmann, President

#### WESLEY THEOLOGICAL SEMINARY

At Wesley, we are a church-based seminary committed to multiplying the number of people who love God and love their neighbor locally, nationally and globally. Our degrees and programs – traditional and new alike – reflect our dedication to the Great Commandment and Great Commission. We ask you to pray for us, hold us accountable, and join us in this Kingdom work.

#### *Equipping Faith Leaders through Degree Programs*

In fall 2015, our new master of divinity curriculum launches. We thoroughly redesigned the M.Div. to prepare leaders for both church and society. This 81-hour

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degree offers flexibility and an excellent core curriculum focused on empowering passionate, mission-focused leaders.

Wesley also offers a 36-hour Master of Arts and a 60-hour Master of Theological Studies to equip those called to ordained deacon ministries or a wide range of ministries.

In our doctor of ministry program, we continue to offer the most practical and spiritually renewing tracks in theological education. These include leadership excellence, pastoral counseling, arts, and new mission-focused tracks. Wesley is accepting applications to two tracks based in Cambridge, England. These tracks, Transformative Leadership in Wesleyan Perspective and Creative Ministry for Church Renewal in a Changing World, are each limited to 20 students.

Wesley provides more than \$2 million dollars annually in scholarships to our students thanks to the consistent support of graduates, congregations and friends of the seminary.

Talk to someone at (202) 885-8659 or [admissions@wesleyseminary.edu](mailto:admissions@wesleyseminary.edu) about how Wesley's degree programs equip people to lead others to loving God and neighbor.

### *Providing Resources to Faith Communities and Leaders*

Wesley's **Lewis Center for Church Leadership** continues to be the go-to resource for actionable best-practices for clergy and laity. The center's free Leading Ideas e-newsletter provides well-researched, discipleship-growing ideas to more than 15,000 people. Visit [www.churchleadership.com](http://www.churchleadership.com) for resources in: Taking Church to the Community, Doing Good Well, Funding Your Congregation's Vision, and Reaching New Disciples. Also, learn about the newest book by the Tom Berlin and the Lovett Weems Jr., *High Yield: Seven Disciplines of the Fruitful Leader*.

In early 2015, we developed the **Institute for Community Engagement** at Wesley Downtown to help the church turn itself inside-out. The institute encompasses the existing Urban Ministry Program and the Missional Church Program, which includes Heal the Sick, an initiative to congregations for public health work in their parishes.

The third component of the **Institute for Community Engagement** is Wesley's emerging Center for Public Theology. Under the leadership of Distinguished Professor of Public Theology, Mike McCurry, we are developing this center to provide churches and their leaders, and seminary students' tools to help navigate the connection between faith and public policy.

The **Luce Center for Arts and Religion** remains the only seminary-based program uniting arts and theology. The center celebrated the 25th anniversary of the Dadian Gallery in late 2014.

Learn more at [www.wesleyseminary.edu](http://www.wesleyseminary.edu) about the exciting ways Wesley's resources are equipping people to spread the love of God and love of neighbor.

David McAllister-Wilson, President

## JUSTICE REFORM

In 1997 Bishop Bashore called on us, as the institution of prophecy, to communicate with our legislators and participate in the legislative process. Since that charge, this Conference has led the campaign for victim compensation, DNA rights, restructuring jury databases, expunging misdemeanors, the care of geriatric and seriously

ill inmates, removing both juveniles and persons with retardation from Death Row. We have also conducted a study of the death penalty, *Death in Pennsylvania: James V. Bennett Revisited* (2005), and joined in the campaign for a moratorium on death warrants.

The Governor appointed us and the Pennsylvania Legislative Black Caucus to the Pennsylvania Committee for the Analysis and Reform of Our Criminal System. This Committee made 23 recommendations at its Beyond Innocence Conference. This Conference's Final Report was adopted by the Western Pennsylvania Conference of the United Methodist Church as RS 102 of 2008. Eleven of these recommendations have been implemented in Pennsylvania. Our annual Justice Reform Report has kept the Conference abreast of the progress. Since the 2014 Annual Conference:

- 1) Governor Wolf has declared a moratorium on death warrants in Pennsylvania because of the cost, inefficiency, ineffectiveness, and inaccuracy of capital punishment. The litigation regarding his decision should be resolved after the SR 6 Advisory Committee on Wrongful Convictions files its Final Report.
- 2) I have been appointed to the SR 304 Juvenile Justice Advisory Committee.
  - a. The Committee's primary charge was to reconcile Pennsylvania's Juvenile Justice Code with our Juvenile Court Rules. This has been essentially accomplished.
  - b. The Committee's next purpose was to reconcile Pennsylvania law to the US Supreme Court decisions in *Roper v. Simmons* 543 U.S. 551(2005) and *Miller v. Alabama*, 132 S. Ct. 2455 (2012). The thrust of these decisions was that since children are inherently different from adults, they cannot be given a mandatory sentence of life without the possibility of parole. In 2013 Pennsylvania modified its sentencing standards to say that children under 16 could be sentenced to 20 years to life, and those 16 and over could be sentenced to 30 to life. *Commonwealth v. Cunningham* ruled that these limits only applied to cases which were decided after June 2013.
  - c. The Committee was also charged with examining such other matters as affected juvenile justice in Pennsylvania. Among these issues are videotaping interrogations, the Reid Interrogation Technique, the felony murder rule, and disproportionate minority contact.
- 3) The SR 304 Committee's Final Report is due in June 2015.

The Holy Spirit has given me several academic decrees, and has used me to nurse several Bills through legislatures. Each of these Bills pertained to inclusion or social justice. I have learned that the system works when given a chance.

Bishop Bashore's challenge is being met, the Governor's assignment is being met, and the 2008 Conference Resolution is being satisfied. We are continuously striving toward the *teshuvah* in *Ezekiel*, the Covenant Code in *Exodus*, and the Great Commission in *Matthew*. One step at a time.

Roger Thomas

#### POVERTY TEAM

The Conference Poverty Team has increased its membership with people committed to solving the issues of Poverty—what seems like an impossible task—but with our faith in God's miracles and love for the world, we know that the people of Western PA can make a difference.

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During the past year we have been able to support at least eight local ministries with funds for outreach, and at the time of this writing have additional requests to be addressed. To date we have disbursed \$12,200 to these programs and \$200 for a person to be trained to start a Circles Initiative in his community. These range from Circles Initiatives, Bridges Out of Poverty, shelters, community dinners, thrift stores, mobile food bank, and backpack ministries. The requests to be addressed currently involve a jail re-entry program, a homeless feeding program, and a non-profit coffee shop to provide outreach in the community. In previous years we have funded other shelter programs, Recovery programs, after-school programs, and youth employment programs.

Each year we hold a Celebration of Ministries dinner where the grantees come and share their stories and celebrate the work that is being done. This is always a wonderful event where we, the team, can see through stories and pictures the lives that are being touched first hand from the vouchers we submit to the conference.

We also did a survey requesting information about what type of poverty ministries are being provided through the local charges. 25 churches or charges responded.

- Clothing ministries
- Community dinners monthly
- Food Bank Summer Lunch Program
- Emergency food cupboard
- Created a community food bank
- Volunteers at community food banks
- Food bags for children in elementary schools; backpack programs
- Build a Mission outreach center
- Meals to homebound
- Mission Store
- Community thanksgiving dinner, provided transportation for people who live in low-income housing far from any services
- Food vouchers
- Prayer and invitations
- Adopt a family; Christmas gifts
- Mission barn kits
- Items for women's shelter
- Regular donations to local food banks
- Drug and Alcohol/ Mental Health street ministry
- Weekly dinners
- Participation in Ecumenical Outreach Ministries
- VIM
- Recycling clothing and shoes bins
- Support 24-7 Crisis Nursery
- Honduras Medical Ministry
- AA, NA, and HIV/AIDS support groups
- Provided building for food pantry
- Mobile Food Bank
- Ramp building
- After school food and tutoring programs
- Groceries for families of children in local school
- Community Kitchen
- Solar panel installation to families in need
- Food and Gas vouchers
- Study groups about poverty.

These are commendable programs that show we have a heart for the poor. However, the emphasis we want to make is that we do this **WITH THE POOR not for the poor**. General church resources are quite helpful in making this distinction.

We are also available to lead Poverty Simulations which are experiential learning opportunities for people to experience in an afternoon or evening what it is really

like to live in poverty. The Poverty Team is available to act as consultants, educators, or cheerleaders as well as providing startup funds to anyone who is looking for help in beginning or expanding a poverty ministry.

Additionally we have funds available to people who want to attend training events that relate to poverty ministries, with the expectation they will return and take a leadership role in making something happen.

We encourage all churches that have poverty ministries to contact us and let us know so we can expand the list of 25 to all the churches that are doing things.

Members of the team have spoken at Conference or local church events about Ministries WITH the poor; communities which are involved in the Circles Initiative or Bridges Out of Poverty are growing and expanding. These are programs which go beyond the handout to making significant changes in people and in communities by addressing the systemic roots of poverty.

We actively seek new members who have a heart for this work. We do not have representation from all districts and would really like to have that. We meet in person bi-monthly and by phone on the opposite months.

Glenna Wilson, Chair

### EVANGELISM

Greetings brothers and sisters in Christ of the Western PA Conference 2015. Blessings from your brothers and sisters on your Conference Evangelism Team. We are excited, alive and full of passion for the spiritual gift of evangelism that God has blessed our church with. Our vision is to see the gift of evangelism fully empowered by God's spirit and enabled in people's lives throughout the conference. Our mission is to enable all Christians in our conference to effectively share the Good News in the way that God has gifted them personally.

Christian Schwarz of Natural Church Development through statistical research found that between 1 and 2% of congregations were spiritually gifted evangelists. In a conference of 860 churches this should translate to over 1000 evangelists. One of our goals is to discover these clergy and lay people, provide motivation, basic training and encouragement to actively share the Gospel with someone else. In 2014 we prayerfully conducted four schools of evangelism throughout the conference using a format of two keynote speakers, one visionary and one practical, and then two series of six breakouts on a Saturday with a goal of helping each attendee to come to the conclusion: "I can do this". We were blessed with Bob Trask, Chris Kindle, Bishop Bickerton, and D.S. Bill Blair as our visionary keynotes at our schools this year. A lay person from Harmony Zelienople, Ken Wilson, was our practical keynote at each school. Ken has successfully implemented evangelism in his life and is constantly reaching new people for Christ. He prays that God will give him "two new friends at a time to share with". May each of us be as bold. We had a total of 252 attendees and the feedback was encouraging. We provide schools with this format every other year and look for churches in each of the four corners of the conference to host this event. If you are interested in 2016, let us know.

Last year at AC, the team held a lay academy on both days teaching people how to use Billy Graham's "My Hope" tools to help them present the Gospel in non-church or church settings. Both classes were standing room only and were successful. Resources were handed out at the classes and at our Evangelism table at AC. In 2015 we are

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planning to have another Lay Academy class and also plan to give out more resources to pastors and lay people who are willing to intentionally implement evangelistic efforts in their home churches. See one of us at the table during breaks for more information. We found statistics that tell us that 80 percent of fast-growing church plants gave 10 percent or more of their monthly budget toward outreach and evangelism. Please get the materials from us, provide funding for your chair of evangelism and then build a team who is visionary and practical and pray God will bless your efforts. Several of our team and evangelists have held seminars on evangelism in various places around the conference last year. Let us know if you would like us to help you with this kind of event also.

The first letter of our acronym of FIRE last year was to \*Foster a Wesleyan based evangelism movement within our Conference. To this end, we are working on our Clinic on Evangelism for 2015 to be held October 24th at Harmony-Zelienople from 9-3 featuring two keynote talks from our own Bishop Bickerton in the morning and two keynote talks from Garry Poole in the afternoon. Bishop Bickerton will bring us visionary and motivational talks on our DNA as Methodists for evangelism and discipleship based on Wesley's bands and classes (small groups). Garry Poole will bring us practical modern application for small group evangelism. Please mark your calendar for this event in the fall. It could revolutionize your evangelism efforts in your churches. We recommend each pastor bringing his lay leader, chair of evangelism, chair of discipleship and any interested lay people as a minimum.

Our team also has the honor of selecting the winners of the coveted Denman awards in the categories of Clergy, Lay and Youth. Last year we awarded in each category. Youth: Thomas Verner, Lay: Michele Polohonki, Clergy: Randall Bain.

We continue to fulfill our responsibilities with our General Evangelists and Conference Evangelist which includes annual evaluations, recommending them to the Annual Conference and promoting them throughout our conference. We have policies and guidelines for both General Evangelist and Conference Evangelist. This information will inform those who desire to explore the calling of evangelist and provide guidelines and expectations for those who are currently approved as evangelists seeking recertification. Last year we certified one full time general evangelist, John Zimmerman, one part time general evangelist, Christine Rogan and one full time conference evangelist, Luella Krieger.

Evangelism is the "front end" of discipleship and not an entity in itself and we have worked and continue to work to collaborate with the rest of the conference boards to provide effective ministry assistance to our local churches.

We covet your prayers as we seek to fulfill our responsibilities in the Western PA Conference to provide leadership, connection and resources to make disciples of Jesus Christ for the transformation of the world through an effective evangelistic outreach.

Paul Morelli, Chair

### EASTERN GERMAN PARTNERSHIP

The partnership between the conferences of Western Pennsylvania and Eastern Germany was initiated at the beginning of Bishop Bashore's tenure in the fall of 1988. A committee was formed at that time to seek an appropriate partnership in then-communist eastern Europe; and it was determined that the greatest facility lay with eastern Germany,

as Bishop Bashore and then Bishop Ruediger Minor, a native of that conference, were well-acquainted and both able to correspond in both languages. The first direct correspondences between members of the two conferences occurred about the beginning of 1989. Since those early days when our conference viewed ourselves in ministry to the German churches then under communism, to multiple cultural and mission exchanges between us in the 1990's, we have cultivated a true peer partnership in the 21st century.

Local church-to-church partnerships continue their work as well, and we count their contributions as priceless. Among the oldest and most fruitful has been the bond between Mt. Lebanon and Zwickau-Planitz, a partnership that involves near-annual exchanges of visiting teams for enrichment and mission.

Our committee manages three annual projects—the inter-conference prayer day in early January, with a list of prayer foci or printed liturgical prayer provided in the conference publication in December; a display table at Annual conference; and the Advent daily devotion booklet, distributed through the monthly mailings to all pastors in November. Anecdotal feedback indicates that these prayer and meditation tools are used by a growing number of churches across our conference each year. The Advent devotional is now made available online, on our conference website.

2014 marked the 25th anniversary of our partnership with eastern Germany. Bishop Bickerton preached the opening sermon at the opening worship service for the Eastern German conference in May, and later addressed the conference session, and partnership representatives Mary Garber and Joe Stains addressed the conference on their final celebration night, where commemorative gifts also were exchanged. Our annual conference at Grove City in June welcomed Werner Phillip of Eastern Germany during our conference session, where he was warmly received.

The partnership has progressed with a very modest budget, and very generous contributions from pastors and laity throughout the conference in the context of special events and tours. Great thanks to the dedicated committee members: Rick Russell (secretary), Dean Byrom, Joy Conti, Mary Garber, Grace Killian, Eric Buzard, and John Mize.

Joseph R. Stains, Chair

#### **NICARAGUA PARTNERSHIP REPORT**

Last April, Pastor Ruben Zeledon from our partner church, "Jesus is Coming Soon" in Jinotega, Nicaragua visited several churches and ministries in our conference. In addition to sharing his personal testimony about his time as a Sandinista guerilla during the civil war and his conversion experience, he asked us to pray for his congregation which was in danger of losing their building to a group of investors who wanted to convert it into a night club. At the time, I thought that there was no way that we could raise the \$50,000 necessary to purchase the building by July 1st. I told him that we would pray about it and ask for God's direction, but I also advised him that he should start looking for another building.

Praise God, several churches in our conference raised more than \$22,000 and several individuals and churches from other conferences raised more than another \$11,000. The balance was raised by several other ministries in the conference either donating or loaning funds from their accounts. Talk about a connectional church! Today, the church in Jinotega has a preschool, a feeding program for the elderly, and is nurturing

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several satellite house churches. We are looking forward to working with them again this summer.

Last year, we visited Pearl Lagoon on the English-Speaking East Coast and this February Rich Mrozcka, our local Individual VIM, went with a medical team from New England to a remote area on the Rio Bocay, a tributary of the Rio Coco. It was a day-and-a-half trip by SUV, boat, and hiking to reach the indigenous Caya community where most of the people do not even speak Spanish. The trip was strenuous but the rewards were great. The trip was organized by the Mission Society and we look forward to partnering with them on future trips. I plan to have lots of photos of the trip for Annual Conference so come to our display area and while you are there, you can sign up as a prayer, payer, or player on the trip VIM trip.

Please feel free to contact me if you would like a speaker or more information about our partnership with the Methodist church in Nicaragua.

Richard Schall, Director

### RUSSIA INITIATIVE

Our partner church is in the capital city, Syktyvkar, of the Komi Republic, Russian Federation. We have been partners for over ten years. The current thrust of United Methodist partner relationships has been focused on the gradual diminishing of a purely fiscal partnership, and building towards an active planning partnership, characterized by prayer, fellowship, and side by side mission.

The Embassy of Love UMC has reached cross-roads in its journey. Like many Western Pennsylvania congregations this congregation has grown older together. Other than the now young adult children of members, few persons have joined this church. Whereas the discipline of members has been strong in the Wesleyan tradition, evangelistic efforts have been weak.

A number of the original members have now reached retirement age and are moving to warmer parts of the Federation. The pastors themselves are preparing to retire and relocate. As of yet there is no new pastoral appointment. Due to the extreme cold of northern Russian winter and the as of yet lack of heat, worship, which has been done with hats and gloves, is now tenuously maintained.

John E. Flower, Jr., Chair

### CONNELLSVILLE AREA COMMUNITY MINISTRIES

After 40 years of providing hope and light to those in need, the Connellsville Area Community Ministries (CACM) continues to be an extension of the church to all hurting people needing support in life's development and the struggle to obtain justice and a healthful life grounded in God's love. While we continue to refine our existing ministries to meet the needs of our community, we are also developing new ministries to fight and eliminate poverty. Here is a brief overview of how God has been working through the CACM volunteers and staff over the past year:

**Circles Connellsville Area** is a new ministry partnership between CACM and the Connellsville chapters of The Salvation Army and Saint Vincent de Paul Society. Our first round of Leader Training began September 11, 2014 with 12 adults (10 families). In December we graduated 9 Adults (7 families) and 3 children. Our second round of Leader training will begin March 12, 2015.

In our first group of Leaders:

- Two couples gained better places of living to raise their children
- One single male has brought himself up from the "homeless" category and is renting an apartment all on his own
- One couple gave birth to a baby in January and has regular visits with three other children in preparation of regaining full custody
- Three are pursuing their GED
- Eight of nine have proven to utilize their finances better, before even being matched with Allies
- All nine have goals for their futures that include education, career goals, purchasing homes and increased finances
- One is testing for his driving permit and will be practicing driving soon

Circles is supported by 55 volunteers, 33 of which are trained Allies. Our Allies and Volunteers represent all facets of the community to include current and retired teachers, retired school district curriculum director, the mayor's wife, many successful business owners, a financial broker, a member of the local economic development council, health industry professionals, engineers, professors, a county commissioner and his wife, and a local bank manager.

We are excited to see how God will use Circles to change lives in the Connellsville area and Fayette County.

**Crisis Ministry** encompasses many crisis situations. We assist with utility shut off notices including electric, water and gas. Auto assistance crisis includes gas and vehicle repairs. Furniture assistance provides gently used or new furniture, appliances, household items and clothing. The crisis ministry also provides a homeless shelter, Trinity House, to provide emergency housing for families and individuals. We are currently remodeling this home through the help of ministry work teams.

**Food Pantry** CACM operates the largest food pantry in Fayette County. We served as many as 600 families per month during the peak season. We are supplied through Fayette County Community Action and supplemented through individuals, churches and local businesses.

**Care & Share Boutique** is our clothing boutique that accepts donations of clothing, household items, furniture and appliances. These items are either sold or used in our Crisis programs and given away to families in need who have experienced a loss beyond their control. In 2014 the boutique generated over \$100,000 in sales to help fund the ministry. This is one third of our annual budget. CACM distributed 624 free winter coats during November and December 2014.

**PUMP** (People Under Mission to People) consists of mission groups that come to the Connellsville area to perform work projects which include wheelchair ramps, handicap-accessible bathrooms, roof repair, painting, etc. Work is performed for qualifying poor or low income families or individuals. Groups can be local or from anywhere in the United States.

Our **Medical Equipment Ministry** was founded by the United Methodist Men and lends medical equipment to those who are unable to afford it or only need it for a short period of time. Lends include: Hoyer lifts, wheel chairs, hospital beds, walkers, canes and other medical supplies. In 2014 there were 304 items loaned to residents.

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The **Layette Ministry** has distributed nearly 4,000 layettes to families with newborn babies since it began in 1985. Each layette includes one quilt or blanket, one receiving blanket, twelve disposable diapers, two undershirts or onesies, one hat, one bib, one pair of socks or booties and two sleepers or gowns. Volunteers have devoted themselves to this ministry knowing that every newborn is a special gift from God.

I continue to be in awe of how God uses CACM to meet the needs and to be an advocate for the poor and needy in the Connellsville area. We could not have the impact that we do without the faithful army of over 100 volunteers who give of themselves to accomplish the tasks and projects that God sends our way. The support of the community has also been a blessing. For the second consecutive year the ministry has surpassed the goal of raising \$100,000 through our Sharing The Harvest campaign. The support of the Western PA Conference and from the churches throughout the Annual Conference is appreciated and important to providing the resources to fulfill our calling. I look forward to being obedient to God's calling for us to serve the Connellsville area into the future.

Chip Rowan, Executive Director

### ERIE UNITED METHODIST ALLIANCE

Created in 1888 to combat poverty and injustice, Methodist clergy and laity in Northwestern Pennsylvania aligned themselves believing that together they could make a greater impact on the lives of those calling Northwestern Pennsylvania home.

The actions of our forefathers and foremothers proved fruitful and with the support of United Methodists across Western Pennsylvania and nearly 130 years later, EUMA (Erie United Methodist Alliance) is ending homelessness for veterans and families and is addressing the root causes of poverty and disease in the Western Pennsylvania - doing so, not so people can survive, but so that they can thrive, give back to their community, and benefit from being in relationship with the Body of Christ.

While well-integrated, through EUMA you operate six distinct programs with 12 full-time and 15 part-time staff. EUMA's ministries include:

#### *Liberty House*

A seven (7) bed transitional shelter ministry for honorably and other than honorably discharged homeless male veterans, the overwhelming majority of whom have diagnosed PTSD, drug and/or alcohol addictions. Serving 22-28 men each year, EUMA is closely partnered with the Erie County VA Medical Center including staff from the following units to coordinate care:

- Homeless Veteran Supported Employment Program (HVSEP)
- The Readjustment Counseling Service's Vet Center Programs
- Veteran Justice Outreach
- Compensated Work Therapy

#### *The Refuge and Hope House*

Ending homelessness for approximately 64% of homeless families and 70% of all homeless children in Erie County, through EUMA you operate an emergency and transitional shelter system – the only one in the region that keeps homeless Dad's with their families;

Ended homelessness for 81 families together with veteran families in FY ending June 30, 2014. The 81 families included 187 children.

*Project Hope Outreach*

- The only 24 hour/7 day a week rapid response team that gets people off the streets as quickly as possible;
- Coordinates the annual Single Point In Time unsheltered homeless count in Erie County;
- Created the only homeless persons Consumer Advisory Board that must include veteran members;
- Provides a community-wide voucher program that distributes, free of charge, the boots, coats, scarves, hats, work clothes and household items needed. Last year, through your gifts in-kind and financial support, EUMA distributed over \$50,000 worth of goods to those in need.

*Rainbow Connection Thrift Store*

EUMA staff manage the voucher program and product sales generate approximately \$70,000 in annual revenue that supports EUMA programming, and

Facilitates work therapy and employment training opportunities for worker's compensation recipients, senior aids and newly arriving refugees.

*Healthcare for the Homeless Partnership*

Ensures that the chronically homeless receive the physical and mental screenings, on-site assessments and care, and referrals to mitigate the risks of being homeless

*Homeless Management Information System (HMIS)*

As the lead agency, Erie County and homeless social service providers rely on EUMA to provide the only accurate and reliable homelessness database and tracking system. The county and social service providers depend on EUMA for research, analysis, tracking and reporting. A powerful case management tool, social service providers rely on EUMA staff for their database needs.

Kurt Crays, Executive Director

**UNITED METHODIST WOMEN**

The entire program and organization of United Methodist Women focuses on mission. Our mission initiatives include:

- Providing opportunities to grow spiritually
- Equipping women & girls to be leaders
- Providing transformative educational experiences
- Organizing for growth & flexibility
- Working for justice through service and advocacy

From its beginning, United Methodist Women has focused on ministries with women, children, and youth.

Women have been empowered by leadership education opportunities, mission education, the Reading Program, tools for advocacy and more. These opportunities allow

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women to act and to empower women in the United States and abroad. United Methodist Women also support programs and projects aimed at improving the special needs of women because of their refugee statuses, their immigration statuses, situations in which they are abused, their high illiteracy rate in some countries, their economic dependence, their educational disparities, and much more.

A special emphasis of United Methodist Women is children, because women care for children. If children are raised with safety, security, food, shelter, education, and basic human rights, these children will grow to be loving and secure adults. United Methodist Women believe deeply in responding to Jesus' mandate to "care for the least of these." Children often do not have a voice in this world, so United Methodist Women cares for them and advocates on their behalf. United Methodist Women commits to children globally through community centers, educational opportunities for refugee children, homes for street children, advocacy against sexual exploitation and child labor, educational institutions and much more.

United Methodist Women work with youth organizations globally and with programs and projects that support and empower youth. United Methodist Women also enables youth to be in mission by support of the US-2 program, the mission fellow program and the Global Justice Volunteers program.

A special emphasis of the organization has been to involve young women in all the ministries and leadership of United Methodist Women. A teen and college/university women consultative group helps direct the program of United Methodist Women to be more inclusive of younger women.

Last July (2014) United Methodist Women sponsored an event for young women in WPA, planned and facilitated by those young women. The event was called "unstoppable – learning the issues, finding your voice, changing the world." In 2015, the "unstoppable" planning committee is working on three projects. The first is a three month internet exchange (email/Skype/blog) between young women in WPA and young women in Bethlehem; the second is "unstoppable Mission U" for young women at California University of PA in July; the third is a fall retreat.

In January 2015 the United Methodist Women disbursed \$40,230 from the Elizabeth A Bradley funds to 21 groups and projects providing mission outreach to women, children and youth. Through the Scholarship for Christian Vocations and the Mary E Jewell Scholarship Fund, scholarships are provided for individuals planning to enter fulltime Christian service.

Plans were developed for Mission U (formerly the Cooperative School of Christian Mission), sponsored by United Methodist Women WPA Global Ministries, men, women, children and youth "Learn Together for Transformation of the World." This year (2015) Mission U will be held at California University of Pennsylvania, in July.

Mission Ambassadors receive funding from United Methodist Women and WPA Global Ministries. They begin their two year itineration in Western PA with Mission U, after traveling in spring 2015 to Latin America. Contact one of the Ambassadors for a mission program:

Jodale Barnhart, 724.753.2821 jodalebarnhart@gmail.com

Geraldine Truog, 724-301-4537, truogeraldine@hotmail.com

*United Methodist Women are organized for mission. Join us!*

Diane Miller, President

### Northeastern Jurisdiction Global Structure Task Force

February 28, 2015

The Northeastern Jurisdiction (“NEJ”) Global Structure Task Force (“Task Force”) is recommending that this proposal (Introduction, Concept Proposal, and Frequently Asked Questions) be submitted in the form of a report to each annual conference in the NEJ in 2015. This change in approach is being recommended after recent consultations with the NEJ College of Bishops and the NEJ Vision Table.

#### *Background*

The 2012 NEJ Conference authorized the creation of the Task Force to develop recommendations regarding the global structure of The United Methodist Church. The NEJ Conference action also indicated that the Task Force’s proposal was to be provided in the Spring of 2015 so that the recommendations could be considered by each annual conference for possible submission to the 2016 General Conference.

The Task Force was appointed by the College of Bishops in mid-2013 and has met multiple times in person and via conference call.

In the early stages of its work, the Task Force discerned a set of core values to guide its efforts:

- Be Christ Focused - The denominational structure should reflect the teachings of and empower the mission of Jesus Christ.
- Embody Structural Fairness - The denominational structure should provide for greater global equality in the church around access to services, participation in structures, and shaping the agenda of The United Methodist Church. Any plan should provide for an equitable global resourcing and distribution of apportioned funds.
- Extend Community - Everyone, everywhere must be welcome and safe in The United Methodist Church. Any new structure must honor non-essential differences and defend the essential dignity and worth of all God’s children.

The Task Force distributed two preliminary proposals (in March 2014 and September 2014) for consideration and feedback and has revised its recommendations based on the input it received.

The Task Force has been working with and will continue to work with other groups across the denomination which are also addressing aspects of the global structure: the Connectional Table, the Standing Committee on Central Conference Matters, and jurisdictional groups in the Western and North Central Jurisdictions. The Task Force is developing a plan to collaborate with various partners across the church with a goal to partner with them in submitting a global structure proposal to General Conference.

In summary, this final proposal recommends that:

- The Global Connectional Conference will be similar to General Conference, except that it will ONLY deal with global issues and will be responsible for a Global *Book of Discipline*.
- The UMC will be organized into four continent-wide “connections”: Africa, Asia, Europe and North America.
- Each of the four connections will have the option of organizing into regions. Each connection will be responsible for its own, connection-wide *Book of Discipline*, relevant to matters that are not global.

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- Annual Conferences will remain the same.  
We offer this proposal in humility and in gratitude for God's guidance.

Task Force Members: Sara Baron, Scott Campbell, Darlene DiDomineck, Jen Ihlo, Sue Jamison, Scott Johnson, Judi Kenaston Cynthia Ann Kent, Marilyn D. Kinelski, Larry Leister, Tracy Merrick, Derrick Porter, Morais Quissico, Denise Smartt Sears, and Eliezer Valentin-Castanon

Legislation assistance: Kevin Nelson

Tracy Merrick, Chairperson of the NEJ Global Structure Task Force

### Northeastern Jurisdiction Global Structure Task Force

#### Concept Proposal

January 2015

The NEJ Global Structure Task Force has developed this proposal for the 2016 General Conference to consider and to designate a representative task force or committee to write the legislation needed to implement its provisions.

#### An Equitable Global Structure:

##### A. United Methodist Global Connection

1. The United Methodist Global Connection shall be responsible for global matters pertaining to The United Methodist Church and will not address non-global matters relating to individual connections in Africa, Asia, Europe, or North America.
2. The Global Connection shall be responsible for:
  - a. Constitution of The United Methodist Church
  - b. Global *Book of Discipline*
  - c. Global Social Principles
  - d. Global Connectional budget
  - e. Global responsibilities of the current General Conference as defined in the 2012 *Book of Discipline* and in the actions of previous general conferences, except for those matters delegated elsewhere
  - f. Hearing reports about ministry successes and challenges from each connection and providing opportunities for the discussion of global issues
  - g. Number and boundaries of United Methodist connections
  - h. Definition of the powers and roles of connectional, regional, annual, missionary, district, and charge conferences
  - i. Number of episcopal areas within each of the United Methodist connections
  - j. Definition of the powers, duties, and privileges of episcopal leaders
  - k. Decisions regarding the funding of connectional and regional conferences
  - l. Global agency statements of purpose, accountability to statements of purpose, and sizes and make-up of global agency boards of directors.
  - m. Definition of the powers and duties of elders, deacons, supply pastors, local pastors, deaconesses, and home missionaries
  - n. Definition of the conditions, privileges, and duties of church membership
  - o. Standards for the election of delegates to the Global Connectional Conference

3. The Global Connectional Conference shall replace the General Conference, which currently “has full legislative power over all matters distinctively connectional ... It has no executive or administrative power.” (§501)
- a. The Global Connectional Conference shall focus on global matters during its quadrennial meeting which shall last less than two weeks.
  - b. The Global Connectional Conference shall be constituted in the same way as the current General Conference, shall be assigned responsibilities that are similar to the current General Conference, shall be subjected to the same Restrictive Rules as the current General Conference, and shall function in ways that are similar to the current General Conference. (§§13-16 and §§501 – 511).
  - c. The Global Connectional Conference shall consist of 600 – 1000 delegates with an equal number of lay and clergy delegates elected by annual conferences and missionary conferences. The formula for determining the number of delegates from each annual conference shall be the same for all annual conferences and missionary conferences, with the provision that each annual conference and missionary conference shall elect at least one lay and one clergy delegate.
  - d. Concordat churches, affiliated autonomous Methodist churches, and affiliated united churches may elect delegates to the Global Connectional Conference:
    - The Methodist Church in Great Britain may elect four delegates with voice and vote. The United Methodist Church may send two delegates each year to the British Methodist Conference.
    - Other concordat churches may elect two delegates with voice and vote.
    - Affiliated autonomous Methodist churches and affiliated united churches may elect two delegates with voice and without vote. If such a church has more than 70,000 full members it is entitled to send three delegates with voice but not vote.
4. The Council of Bishops, the Global Judicial Council, and the global agencies shall serve the entire United Methodist Global Connection.
- a. The Council of Bishops shall continue to have similar responsibilities and shall function in ways that are the similar to the current Council of Bishops (§§47 – 54 and §§ 401 – 442).
  - b. The Global Judicial Council shall continue to have similar responsibilities and shall function in ways that are the similar to the current Judicial Council (§§55 – 58 and §§ 2601-2612). In addition, it shall have the option to review all decisions by connection judicial committees and regional committees on appeal. It shall also handle matters that reference both the Global *Book of Discipline* and one or more connectional *Books of Discipline*.
  - c. The agencies which the Global Connection defines as global shall be structured to fully serve all of the connections and shall establish boards of directors with members equitably distributed across all regions of the Global Connection.

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### B. United Methodist Connections (Africa, Asia, Europe, and North America)

1. A United Methodist Connection shall be established in each of the following: Africa, Asia, Europe, and North America. Each connection shall focus on the church's mission from the perspectives of the regions within the connection by understanding and addressing the contextual implications of nations, cultures, languages, and other important realities.
2. Each connection shall be responsible for:
  - a. A connectional *Book of Discipline*
  - b. Authorizing provisions within its connectional *Book of Discipline* to accommodate the specific needs of the regions within its purview
  - c. Defining needs for the presence and roles of agencies within the connection
  - d. Connectional-specific agencies: agency statements of purpose, accountability to agency statements of purpose, and sizes and make-up of connectional-specific agency boards of directors
  - e. Number and boundaries of regions within the connection
  - f. Episcopal matters: tenure, process of election, methods of assignment, retirement plans, itineracy, and standards of conduct
  - g. Clergy standards: process for ordination, conference relationship, and clergy membership
  - h. Financial matters: connection's budget, pensions, distribution of funds to support regional conferences
  - i. Legislation to the Global Connectional Conference regarding the Global *Book of Discipline*
3. If a connection is organized without regions, the roles and responsibilities of the region shall be added to the roles and responsibilities of that connection.
4. The connectional conferences shall meet quadrennially prior to the Global Connectional Conference.
  - a. Each connectional conference shall consist of the delegates to the Global Connectional Conference from the connection with the provision that no connectional conference shall have less than 100 delegates. Additional delegates where needed shall be elected according to the same process, and may be the delegates that were elected to the regional conferences within the connection.
  - b. Connectional conferences shall be organized in ways similar to the Global Connectional Conference and shall function in similar ways.
5. The connectional college of bishops, connectional judicial committee, connectional-specific agencies, and global agencies with a presence in a connection shall serve that connection.
  - a. The connectional college of bishops shall be responsible for leading the connection and shall function in ways similar to the current colleges of bishops. (§48, §51, and §52).
  - b. The connectional judicial committee will deal with questions of law relating to its connection's *Books of Discipline*
  - c. The connectional-specific agencies shall be accountable to the connectional conference and their boards of directors shall be elected by the regional conferences in the connection.

- d. Any global agencies with a presence within a connection shall be organized to be responsive to the needs of the connection and shall be accountable to the connectional conference and the global agency's board of directors..

### C. Regions

1. Regions shall be established geographically and all regional conferences shall have the same authority and responsibilities.
2. Current jurisdictional conferences and central conferences shall become 12 regions:
  - a. United Methodist Connection in Africa - three regions:  
African Region, Congo Region, and West Africa Region
  - b. United Methodist Connection in Asia - one region:  
Philippines Region
  - c. United Methodist Connection in Europe - three regions:  
Central / Southern Europe Region, German Region, and Northern Europe and Eurasia Region
  - d. United Methodist Connection in the North America - five regions:  
North Central Region, Northeastern Region, South Central Region, Southeastern Region, and Western Region
3. Regions will be responsible for:
  - a. Promotion of the evangelistic, educational, missionary, and benevolent interests of the Church and to provide for interests and institutions within its boundaries
  - b. Number and boundaries of annual conferences
  - c. Boundaries of episcopal areas
  - d. Election and assignment of bishops
  - e. Election of members to global and connectional agency boards and regional committees
  - f. Legislation to the Global Connectional Conference regarding the *Global Book of Discipline*
  - g. Legislation to its connectional conference regarding the connectional *Book of Discipline*
  - h. Regional budget
  - i. Organizing as needed to accomplish its work
4. Regional conference meetings will be conducted quadrennially within one year following the meeting of the Global Connectional Conference.
  - a. The number of delegates and composition guidelines of regional conferences will be determined by the Global Connectional Conference. Regional conference membership will consist of equal numbers of laity and clergy and no regional conference shall have less than 100 members.
  - b. The delegates to the Global Connectional Conference shall be considered the first delegates from an annual conference elected to a regional conference.
5. The regional college of bishops and the regional committees will serve the Church within the region.

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- a. The regional college of bishops will continue to have the same roles as defined in the 2012 *Book of Discipline*. (§48, §51, and §52).
- b. The region will establish at least the following committees to support its work:
  - Regional committee on appeals to hear and decide the appeal of a clergy person or a bishop following the decision of a trial committee, and
  - Regional committee on the episcopacy to fulfill the provisions in ¶¶ 524.3 of the 2012 *Book of Discipline*.

### D. Annual Conferences

1. The current configuration of annual conferences across each connection will be retained, unless altered by the region or connection.
2. Annual conferences will be responsible for electing delegates to the Global Connectional Conference, the connectional conference, and the regional conference.
3. The annual conference purpose, composition, organization, responsibilities, and agencies will remain unchanged, unless adapted by its connectional conference. (§§32 – 36 and §§601 – 657).

### Frequently Asked Questions

*What are the major changes in this proposal?*

- The Global Connectional Conference will replace the General Conference and will only be responsible for those functions and matters of The UMC that are global in nature.
- Non-global or regionally contextual ministry matters would be assigned to four connections: one each in Africa, Asia, Europe, and North America (Note: The North America Connection would include Central America. The Methodist denominations in South America are currently autonomous Methodist churches).
- Each connection will have the option to organize into regions equivalent to the current central conferences in Africa, Asia, and Europe and the jurisdictions in the United States.
- The proposal recommends a Global *Book of Discipline*, as well as connectional *Books of Discipline*. Currently, only the central conferences can adapt the *Book of Discipline*.

*How will the proposed “Global Connectional Conference” differ from the current “General Conference”?*

The proposed quadrennial Global Connectional Conference will be similar to the current quadrennial General Conference, except that its focus will only be on global matters. Currently, a majority of the time at General Conference is spent on U.S.-centric issues. A focus on global matters will shorten the length of the Global Connectional Conference and allow it to concentrate on matters of importance to all connections, not just one. For example, the agenda could include time for each connection to share ministry successes and challenges. This would give all the connections an opportunity to understand similarities and differences in cultural contexts and to discover ways to assist in overcoming challenges, as we all seek to make disciples of Jesus Christ for the transformation of the world.

*Why do we need another level of church organization?*

Because ministry concerns vary between continents where UMC churches are located, this organizational structure encourages each of the four identical connections to focus on matters of importance to that connection. They are designed to provide opportunities to revitalize ministries and discuss new ideas and thoughts that are relevant in the context of a connection's ministries.

*What Book of Discipline paragraphs will be included in the Global Book of Discipline?*

This proposal anticipates that the paragraphs in the current *Book of Discipline* (BoD) that are global in nature will be included in the Global BoD and others will be included in the connectional *Books of Discipline*. We have not specified the allocation between the two in this proposal because other UMC bodies (Connectional Table, Standing Committee on Central Conference Matters, and Committee on Faith and Order) are already developing a Global BoD for action by the 2016 General Conference. The Task Force decided we should not duplicate their work and plans to review the Global BoD when it is available. General Conference will need to find the balance between what is and is not global.

*How will having separate Books of Discipline affect ordination and itinerancy?*

Ordination, orders, and licensing will be under the purview of the connections, with an acknowledgement that the roles, expectations, and needs are different around the globe. The possibility exists that the connections may allow their regions to have different requirements, and that would be a decision made by the connection as a whole.

Itinerancy in The UMC refers to clergy moves within annual conferences, and by extension within a region and a connection. Consistency of ordination provisions would enable itinerancy to continue easily within connections. The Task Force's proposal does not include a recommendation regarding whether itinerancy provisions should be included in the *Global Book of Discipline* or in the connection *Books of Discipline*.

*Would the new structure change the understanding that we are a global church?*

The Task Force expects that this proposal will strengthen the understanding that The UMC is a global church. By assigning global responsibilities to the Global Connection and non-global responsibilities to the connections, this proposal hopefully allows both the global church and the connections to thrive. Currently U.S. concerns dominate General Conference, taking time and energy that could be used to focus on global issues during that gathering. This proposal will empower the Global Connection to thrive at being the global church, and empower the connections and regions to thrive at being United Methodist in ways most appropriate to their context.

*What does regionalizing mean to those who are marginalized outside the U.S.? Separation may limit the ability to seek justice across the globe.*

While people in one connection may disagree with decisions of another connection, this proposal allows each connection to decide about issues of justice within its own context. At the same time, there will be global rules, and the Global Connection will retain the capacity to decide issues of justice on the global scale. Unfortunately, our system currently does not protect all marginalized people in all places. It does trust that United Methodists around the world will seek justice for all marginalized people, wherever they may live.

## XII Reports

*Does this change what it means to be United Methodist?*

For some, it may. We hope for the better. The current system is not one of equity around the world. We hope this revised proposal will change that. For example, renaming the General Conference to the Global Connectional Conference and the central conferences and jurisdictions to regions highlights our connectional heritage. But name changes are not sufficient. The proposed structure is designed to foster stronger connections globally and within the continental connections. We have worked hard to retain the basic identity of The United Methodist Church.

*Will the addition of the four connections increase costs of the United Methodist structure?*

It may. There will probably be some additional costs related to connectional conferences, committees, etc., but these costs may be offset by a possible reduction in costs related to the meeting of the Global Connection. If the business of the North America connection is removed from the agenda of the Global Connectional Conference, the duration of that meeting will be less than the current General Conference, perhaps by three or four days, resulting in a reduction in costs for that meeting.

The most significant increase in costs will probably involve the meetings of the connectional conferences. This proposal would require each connectional conference to meet quadrennially, prior to the Global Connectional Conference. Depending upon when and where the connectional conferences meet, the incremental cost of these meetings is estimated to be between US\$300,000 and US\$1,000,000. GCFA will be asked to develop more accurate cost projections.

Any incremental cost increases will also need to be examined in the context of the overall budget for the 2016 General Conference budget of over US\$10 million.

Tracy Merrick, Chairperson of the NEJ Global Structure Task Force

*A Covenant Partnership Between  
The Western Pennsylvania Annual Conference And  
The Zimbabwe Episcopal Area Of The United Methodist Church*

In the spirit of "Chabadza" (a Shona word meaning partnership in which a passerby stops to help one already at work) we will work together to:

**Develop Principled Leaders by:**

- Conducting, in Zimbabwe, a bi-annual Lay Leadership School with a leadership team composed of resource people from both The United Methodist Church-Western Pennsylvania and The United Methodist Church-Zimbabwe.
- Developing a Zimbabwe Immersion Program for people from The United Methodist Church-Western Pennsylvania to spend significant time in Zimbabwe to learn church growth, discipleship, and leadership dynamics, and to further guide the Western Pennsylvania-Zimbabwe Covenant Partnership.

**Create New Places for New People and Renew Existing Congregations by:**

- Assisting in the strategic funding and/or construction of churches, parsonages, clinics, and other facilities to make the good news of God's love real in Zimbabwe.
- Ensuring support of the office of the Zimbabwe Episcopal Area (West) Communications and Projects Coordinator.

**Engage in Ministry With the Poor by:**

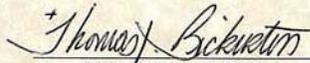
- Increasing the utilization of fallow, arable land according to the Zimbabwe Farm and Agriculture Development Program starting at the Nyadire Mission Centre farm.

**Stamp Out Killer Diseases of Poverty by Improving Health Globally by:**

- Providing better, continuous, safe, and sustainable water and electrical supply starting at the Nyadire Mission Centre Hospital.
- Providing insecticide-treated mosquito bed nets for distribution to fulfill the goals of the Imagine No Malaria – Nothing But Nets programs.
- Working with The United Methodist Church-Zimbabwe Health Board to achieve their goals and objectives for a healthier Zimbabwe.

We will seek to respond to future calls of support as the Bishops of Zimbabwe and Western Pennsylvania might liaise and determine. We will channel communications between our two conferences through the agreed structures of The United Methodist Church. This covenant partnership is open to review, evaluation, and adjustment as seen fit through mutual agreement.

*"Come over...and help us" Acts 16:9*

  
Bishop Thomas J. Bickerton  
Pittsburgh Episcopal Area

  
Bishop Eben Nhwatiwa  
Zimbabwe Episcopal Area

11 June, 2010  
Date

**WESTERN PENNSYLVANIA CONFERENCE  
THE UNITED METHODIST CHURCH**

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**FINANCIAL STATEMENTS  
FOR THE YEARS ENDED  
DECEMBER 31, 2014 AND 2013  
&  
INDEPENDENT AUDITORS' REPORT**



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**MCCALL SCANLON & TICE, LLC**  
*CERTIFIED PUBLIC ACCOUNTANTS*

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**INDEPENDENT AUDITORS' REPORT**

To the Council of Finance and Administration of the  
Western Pennsylvania Conference - The United Methodist Church:

We have audited the accompanying financial statements of the Western Pennsylvania Conference – The United Methodist Church (the "Conference"), which comprise the statements of financial position as of December 31, 2014 and 2013, and the related statements of activities 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 auditor's 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.

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Western Pennsylvania Conference - The United Methodist Church as of December 31, 2014 and 2013, 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.

*McCall Scaron & Tice, LLC*

Pittsburgh, Pennsylvania  
August 12, 2015

## WESTERN PENNSYLVANIA CONFERENCE - THE UNITED METHODIST CHURCH

STATEMENTS OF FINANCIAL POSITION  
DECEMBER 31, 2014 AND 2013

<u>ASSETS</u>		
	2014	2013
CURRENT ASSETS:		
Cash and cash equivalents	\$ 1,871,319	\$ 2,780,398
Certificates of deposit	791,237	786,246
Accounts receivable	157,058	206,599
Total current assets	2,819,614	3,773,243
INVESTMENTS (Notes 2 and 3)	47,329,469	34,462,368
NET POST-RETIREMENT BENEFIT PLAN OBLIGATION ASSET (Note 7)	5,484,494	8,731,555
PROPERTY AND EQUIPMENT, Net (Note 4)	3,487,628	3,072,313
TOTAL	<u>\$ 59,121,205</u>	<u>\$ 50,039,479</u>
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES:		
Current portion of mortgages payable (Note 5)	\$ 30,586	\$ 25,254
Current portion of obligation under capital lease (Note 6)	-	14,264
Accounts payable	1,315,501	996,848
Accrued expenses	1,900	4,541
Total current liabilities	1,347,987	1,040,907
LONG-TERM DEBT,		
Mortgages payable (Note 5)	531,195	427,786
Total long-term debt	531,195	427,786
Total liabilities	1,879,182	1,468,693
NET ASSETS:		
Unrestricted	9,912,554	14,108,418
Temporarily restricted (Notes 8 and 10)	42,204,529	29,846,662
Permanently restricted (Notes 9 and 10)	5,124,940	4,615,706
Total net assets	57,242,023	48,570,786
TOTAL	<u>\$ 59,121,205</u>	<u>\$ 50,039,479</u>

See Notes To Financial Statements

## WESTERN PENNSYLVANIA CONFERENCE - THE UNITED METHODIST CHURCH

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2014

	UNRESTRICTED	TEMPORARILY RESTRICTED	PERMANENTLY RESTRICTED	TOTAL
<b>REVENUES, SUPPORT AND OTHER SOURCES OF FUNDS:</b>				
From primary operations:				
Connectional apportionment from local churches	\$ 8,464,279	\$ -	\$ -	\$ 8,464,279
Advance specials and other designated donations	976,514	621,887	500,000	2,098,401
Direct fees and program revenues	1,429,341	-	-	1,429,341
Other miscellaneous income	237,120	-	-	237,120
Net assets released from restrictions	385,965	(385,965)	-	-
Revenue and support from primary operations	11,493,219	235,922	500,000	12,229,141
From medical and retirement benefits:				
Pension premiums	1,751,587	-	-	1,751,587
Medical premiums	6,144,951	-	-	6,144,951
Redirection of Pre-82 assets (Note 13)	-	10,251,019	-	10,251,019
Gain or (loss) on post retirement benefit plan assets	700,712	-	-	700,712
Investment income on post retirement benefit plan assets	693,457	-	-	693,457
Revenue and support from medical and retirement benefits	9,290,707	10,251,019	-	19,541,726
Total revenues, support and other sources of funds	20,783,926	10,486,941	500,000	31,770,867
<b>EXPENSES AND OTHER USES OF FUNDS:</b>				
For primary operations:				
General church apportionments	2,539,444	-	-	2,539,444
Grants and contributions	2,142,841	-	-	2,142,841
Personnel	2,942,651	-	-	2,942,651
Taxes	181,672	-	-	181,672
Services	266,750	-	-	266,750
Insurance (excluding medical)	698,452	-	-	698,452
Operation and program	409,529	-	-	409,529
Travel, lodging, registration, and meals	640,580	-	-	640,580
Supplies and materials	185,448	-	-	185,448
Equipment repairs and maintenance	190,794	-	-	190,794
Depreciation	165,849	-	-	165,849
Utilities	217,167	-	-	217,167
Maintenance and repairs	171,031	-	-	171,031
Rent	62,400	-	-	62,400
Interest expense	59,697	-	-	59,697
Other miscellaneous expense	236,813	-	-	236,813
Expenses and other uses of funds for primary operations	11,111,118	-	-	11,111,118
For medical and retirement benefits:				
Medical insurance	7,980,474	-	-	7,980,474
Pension payments	1,338,528	-	-	1,338,528
Post retirement benefit plan contributions	2,235,275	-	-	2,235,275
Change in post retirement benefit plan obligation	2,335,791	-	-	2,335,791
Expenses and other uses of funds for medical and retirement benefits	13,890,068	-	-	13,890,068
Total expenses and other uses of funds	25,001,186	-	-	25,001,186
<b>OTHER INCOME AND (EXPENSE):</b>				
Investment income	10,109	1,213,647	9,585	1,233,341
Net investment gains or (losses)	-	342,044	(351)	341,693
Gain or (loss) on sale of property	249,155	-	-	249,155
Other income or (expense)	77,367	-	-	77,367
Total other income and (expense)	336,631	1,555,691	9,234	1,901,556
<b>INCREASE (DECREASE) IN NET ASSETS</b>	<b>(3,880,629)</b>	<b>12,042,632</b>	<b>509,234</b>	<b>8,671,237</b>
<b>NET ASSETS, BEGINNING OF YEAR</b>	<b>14,108,418</b>	<b>29,846,662</b>	<b>4,615,706</b>	<b>48,570,786</b>
<b>TRANSFERS</b>	<b>(315,235)</b>	<b>315,235</b>	<b>-</b>	<b>-</b>
<b>NET ASSETS, END OF YEAR</b>	<b>\$ 9,912,554</b>	<b>\$ 42,204,529</b>	<b>\$ 5,124,940</b>	<b>\$ 57,242,023</b>

See Notes To Financial Statements

WESTERN PENNSYLVANIA CONFERENCE - THE UNITED METHODIST CHURCH

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2013

	UNRESTRICTED	TEMPORARILY RESTRICTED	PERMANENTLY RESTRICTED	TOTAL
<b>REVENUES, SUPPORT AND OTHER SOURCES OF FUNDS:</b>				
From primary operations:				
Connectional apportionment from local churches	\$ 8,462,999	\$ -	\$ -	\$ 8,462,999
Advance specials and other designated donations	86,125	1,280,675	67	1,366,867
Direct fees and program revenues	1,717,588	-	-	1,717,588
Other miscellaneous income	76,139	-	-	76,139
Net assets released from restrictions	870,376	(870,376)	-	-
Revenue and support from primary operations	11,213,227	410,299	67	11,623,593
From medical and retirement benefits:				
Pension premiums	2,090,140	-	-	2,090,140
Medical premiums	6,759,519	-	-	6,759,519
Redirection of Pre-82 assets (Note 7)	6,000,020	-	-	6,000,020
Gain or (loss) on post retirement benefit plan assets	4,048,884	-	-	4,048,884
Investment income on post retirement benefit plan assets	23,446	-	-	23,446
Change in post retirement benefit plan obligation	556,884	-	-	556,884
Revenue and support from medical and retirement benefits	19,478,893	-	-	19,478,893
Total revenues, support and other sources of funds	30,692,120	410,299	67	31,102,486
<b>EXPENSES AND OTHER USES OF FUNDS:</b>				
For primary operations:				
General church apportionments	2,505,400	-	-	2,505,400
Grants and contributions	3,097,961	-	-	3,097,961
Personnel	2,783,182	-	-	2,783,182
Taxes	192,437	-	-	192,437
Services	211,972	-	-	211,972
Insurance (excluding medical)	672,067	-	-	672,067
Operation and program	357,314	-	-	357,314
Travel, lodging, registration, and meals	628,365	-	-	628,365
Supplies and materials	232,435	-	-	232,435
Equipment repairs and maintenance	205,566	-	-	205,566
Depreciation	196,839	-	-	196,839
Utilities	198,361	-	-	198,361
Maintenance and repairs	208,944	-	-	208,944
Rent	62,329	-	-	62,329
Interest expense	34,578	-	-	34,578
Other miscellaneous expense	381,321	-	-	381,321
Expenses and other uses of funds for primary operations	11,969,071	-	-	11,969,071
For medical and retirement benefits:				
Medical insurance	9,393,337	-	-	9,393,337
Pension payments	1,502,769	-	-	1,502,769
Post retirement benefit plan contributions	-	-	-	-
Expenses and other uses of funds for medical and retirement benefits	10,896,106	-	-	10,896,106
Total expenses and other uses of funds	22,865,177	-	-	22,865,177
<b>OTHER INCOME AND (EXPENSE):</b>				
Investment income	-	856,125	-	856,125
Net investment gains or (losses)	-	3,032,477	-	3,032,477
Gain or (loss) on sale of property	-	-	-	-
Other income or (expense)	116,134	-	-	116,134
Total other income and (expense)	116,134	3,888,602	-	4,004,736
INCREASE IN NET ASSETS BEFORE RECOGNITION OF BENEFIT RESERVE FUND	7,943,077	4,298,901	67	12,242,045
RECOGNITION OF BENEFIT RESERVE FUND (Note 15)	-	6,256,266	-	6,256,266
INCREASE IN NET ASSETS	7,943,077	10,555,167	67	18,498,311
NET ASSETS, BEGINNING OF YEAR	6,165,341	19,321,808	4,585,326	30,072,475
TRANSFERS	-	(30,313)	30,313	-
NET ASSETS, END OF YEAR	\$ 14,108,418	\$ 29,846,662	\$ 4,615,706	\$ 48,570,786

See Notes To Financial Statements

## WESTERN PENNSYLVANIA CONFERENCE - THE UNITED METHODIST CHURCH

STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

	2014	2013
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Increase in net assets	\$ 8,671,237	\$ 18,498,311
Adjustments to reconcile increase in net assets to net cash provided by (used in) operating activities:		
Depreciation	165,849	196,839
(Gain) or loss on sale of property	(249,155)	-
Realized and unrealized (gains)/losses on investments	(341,693)	(3,032,477)
Recognition of Benefit Reserve Fund	-	(6,256,266)
Property expenses financed with long-term debt	-	16,682
Redirection of Pre-82 assets	(10,251,019)	(6,000,020)
(Increase) decrease in:		
Accounts receivable	49,541	(190,525)
Prepaid expenses	-	280,638
Note receivable	-	9,187
Net post-retirement healthcare benefits obligation asset	3,247,061	(2,599,214)
Increase (decrease) in:		
Accounts payable	318,653	(924,725)
Accrued expenses	(2,641)	(264,543)
Net cash provided by (used in) operating activities	<u>1,607,833</u>	<u>(266,113)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchases of property and equipment	(505,306)	(74,195)
Proceeds from sale of property	604,297	-
Purchases of investments	(2,345,119)	(2,136,867)
Net change in certificates of deposit	(4,991)	(5,938)
Proceeds from sales of investments	<u>70,730</u>	<u>870,376</u>
Net cash used in investing activities	<u>(2,180,389)</u>	<u>(1,346,624)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Principal payments on mortgages payable	(322,259)	(19,306)
Principal payments on obligation under capital lease	<u>(14,264)</u>	<u>(16,023)</u>
Net cash used in financing activities	<u>(336,523)</u>	<u>(35,329)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(909,079)	(1,648,066)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>2,780,398</u>	<u>4,428,464</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 1,871,319</u>	<u>\$ 2,780,398</u>
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION,</b>		
Interest paid	<u>\$ 59,697</u>	<u>\$ 34,578</u>
<b>SUPPLEMENTAL DISCLOSURE OF NON CASH INVESTING AND FINANCING ACTIVITIES,</b>		
Purchases of fixed assets financed by mortgage payable	<u>\$ 431,000</u>	<u>\$ 302,432</u>

See Notes To Financial Statements

**WESTERN PENNSYLVANIA CONFERENCE  
THE UNITED METHODIST CHURCH**

**NOTES TO FINANCIAL STATEMENTS**

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**1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**OPERATIONS**

The Western Pennsylvania Conference - The United Methodist Church (the "Conference" or "WPAUMC") is a not-for-profit corporation organized under the provisions of the Non-Profit Corporation Law of the Commonwealth of Pennsylvania. The Conference is the primary level judiciary above the local church within the United Methodist denomination. The Conference is the enabling and administrative body to approximately 850 churches located within the geographic boundaries (Western Pennsylvania) of the Conference. It is subdivided into ten geographical districts managed by clergy district superintendents (who, together with the resident Bishop constitute the "Cabinet") who link the Conference to the individual churches in each respective district. The "primary function" of the Conference is equipping spiritual leaders to lead congregations as they seek to serve "for the sake of transforming the work through Jesus Christ." The Conference, through the Cabinet, appoints pastors to lead congregations (churches) within the Conference, meets annually to review and pass legislation to further the mission and ministry of the church, and maintains administrative and financial records relative to its clergy members, member churches, and related organizations. The Conference implements its mission and ministry through its established councils, ministry teams, boards, and agencies.

The Conference organizes its activities in order to achieve its vision, mission, and goals, namely:

- Our vision is to ignite and sustain a passionate, spiritual connection with Christ among all people in Western Pennsylvania.
- Our mission is to provide leadership, connection and resources to make disciples of Jesus Christ for the transformation of the world.
- Our core value is love: We love the Lord our God with all our hearts, souls, minds and strength and our neighbors as ourselves. This value is commanded by Jesus, inspired by our Wesleyan heritage including to spread scriptural holiness over the land, and witnessed through our integrity, accountability and inclusiveness.

The Western Pennsylvania Annual Conference, also known as the Western PA Conference or WPAUMC, includes all or part of 23 counties in the western third of Pennsylvania. The Conference has 10 districts and is entirely within the region known as Northern Appalachia.

**WESTERN PENNSYLVANIA CONFERENCE  
THE UNITED METHODIST CHURCH  
NOTES TO FINANCIAL STATEMENTS**

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The Conference Connectional Network, which embodies all ministry teams of the Annual Conference, and all local churches, are directing their work toward the Four Areas of Focus of the United Methodist Church. Over this quadrennial, the church will seek to focus the work of making disciples for Jesus Christ for the transformation of the world around these areas of ministry:

- Combating the diseases of poverty by improving health globally.
- Engaging in ministry with the poor.
- Creating new places for new people and revitalizing existing congregations.
- Developing principled Christian leaders for the church and the world.

In addition, the Conference has chosen Dismantling Systemic Racism as a fifth area of Focus.

**BASIS OF PRESENTATION**

The Conference is required to report information regarding its financial position according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted.

Net assets of the Conference are reported in the following categories:

- Unrestricted net assets consist of resources available for the various programs and administration of the Conference, which have not been restricted by a donor or grantor.

The designated funds are established by the Conference and represent unrestricted funds which are used for future retiree healthcare benefits, campus ministry, educational assistance, and various other programs.

- Temporarily restricted net assets consist of donor-restricted contributions. Amounts restricted by the donor or grantor for a particular purpose are reported as temporarily restricted net assets in the statement of financial position. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets. The Conference does not imply a time restriction on gifts of long lived assets. The donor restriction expires when the assets are placed in service.
- Permanently restricted net assets represent endowments which require that the principal be invested in perpetuity and only the income be used as designated by the donor.

**WESTERN PENNSYLVANIA CONFERENCE  
THE UNITED METHODIST CHURCH  
NOTES TO FINANCIAL STATEMENTS**

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**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 period. Actual results could differ from those estimates.

**INCOME TAXES**

The Conference is a tax-exempt not-for-profit organization under Section 501(c)(3) of the Internal Revenue Code under a denominational group filing exemption granted to the United Methodist Church. This filing exemption may extend to affiliates who meet applicable Internal Revenue Code requirements as Supporting Organizations. Accordingly, no provision for federal and state income taxes is recorded.

**CASH AND CASH EQUIVALENTS**

The Conference considers all highly liquid investments with an original maturity date of three months or less that are readily convertible to cash to be cash equivalents.

**ACCOUNTS RECEIVABLE**

In the beginning of 2013, the Conference outsourced the medical insurance benefit program processing to a third party administrator. The third party administrator billed the individual churches for the participants' contribution towards their medical insurance. The third party administrator also paid the insurance premium to the insurance carriers.

During the second quarter of 2013, the Conference began to administer the medical insurance benefit program internally, which resulted in sending bills to and collecting from the individual churches with respect to their portion of the medical insurance. The Conference is also paying the medical insurance premium directly to the insurance carriers.

Accounts receivable are reported at net realizable value. Amounts are written off when they are determined to be uncollectible based upon management's assessment of individual accounts. The allowance for doubtful accounts is estimated based upon periodic review of individual accounts. There was no allowance for doubtful accounts considered necessary as of December 31, 2014 and 2013.

**WESTERN PENNSYLVANIA CONFERENCE  
THE UNITED METHODIST CHURCH  
NOTES TO FINANCIAL STATEMENTS**

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**INVESTMENTS**

Investments in marketable securities with readily determinable fair values and all investments in debt securities are recorded at fair value in the statement of financial position.

Although the Conference's investments are invested in a variety of financial instruments managed by investment advisors, the fair values, reported in the statements of financial position, are subject to various market risks including changes in the equity markets, the interest rate environment, and economic conditions. Due to the level of risk associated with investment securities and the level of uncertainty related to changes in the fair value of investment securities, it is reasonably possible that the fair value of investments reported in the accompanying statements of financial position could change materially in the near term.

**FAIR VALUE MEASUREMENTS**

The Conference follows Accounting Standards that define fair value, establish a framework for measuring fair value and enhance disclosures about fair value measurements. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The framework for measuring fair value includes a hierarchy used to classify the inputs used in measuring fair value. The hierarchy prioritizes the inputs used in determining valuations into three levels. The level in the fair value hierarchy within which the fair value measurement falls is determined based on the lowest level input that is significant to the fair value measurement. The levels of the fair value hierarchy are as follows:

Level 1 – Fair value is based on unadjusted quoted prices in active markets that are accessible to WPAUMC for identical assets. These generally provide the most reliable evidence and are used to measure fair value whenever available.

Level 2 – Fair value is based on significant inputs, other than Level 1 inputs, that are observable either directly or indirectly for substantially the full term of the asset through corroboration with observable market data. Level 2 inputs include quoted market prices in active markets for similar assets, quoted market prices in markets that are not active for identical or similar assets, and other observable inputs.

Level 3 – Fair value is based on significant unobservable inputs. Examples of valuation methodologies that would result in Level 3 classification include option pricing models, discounted cash flows, and other similar techniques.

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**PROPERTY AND EQUIPMENT**

Property and equipment are reported at cost, net of accumulated depreciation. When determination of cost between land and building was unknown, ten percent of the cost or appraisal value was allocated to land value. Depreciation is provided over the estimated useful lives of the respective assets on a straight-line basis.

**POST-RETIREMENT HEALTHCARE BENEFITS**

Accounting Standards require WPAUMC to recognize the overfunded or underfunded status of a defined benefit postretirement plan as an asset or liability in the statements of financial position and to recognize changes in that funded status in the year in which the changes occur through changes in unrestricted net assets.

The Standards require postretirement benefit plan obligations other than pension plans (as applies to WPAUMC) to be measured as the accumulated benefit obligation ("ABO").

**ENDOWMENT AND BOARD DESIGNATED FUNDS**

Accounting Standards provide guidance on the net asset classification of donor-restricted endowment funds for a not-for-profit organization that is subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act of 2006 ("UPMIFA") and also improves disclosures about an organization's endowment funds (both donor restricted endowment funds and board designated endowment funds) whether or not the organization is subject to UPMIFA.

The Commonwealth of Pennsylvania has not adopted UPMIFA and instead follows PA Act 141. The Conference is governed by the Book of Discipline of the United Methodist Church. The Conference has determined that the majority of its contributions are subject to the provisions of the Book of Discipline. Certain contributions are subject to other gift instruments, or are subject to specific agreements with the Conference.

Under terms of the Book of Discipline and in conjunction with the United Methodist Foundation ("Foundation"), the Conference has the ability to distribute a percentage of the corpus of any trust, separate gift, bequest, or fund as it shall determine. As a result of the ability to distribute corpus, all contributions not classified as temporarily restricted or permanently restricted are classified as unrestricted net assets for financial statement purposes.

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Temporarily restricted net assets consist of restricted contributions receivable and the remaining portion of donor-restricted endowment funds that are not classified as permanently restricted net assets. When donor restrictions expire, that is, when a time restriction ends or a purpose restriction is fulfilled, temporarily restricted assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions.

Permanently restricted net assets represent the fair value of the original gift as of the gift date and the original value of subsequent gifts to donor-restricted endowment funds.

The Conference in conjunction with the Foundation have adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowments while seeking to maintain purchasing power of the endowment assets. The Conference's spending and investment policies work to achieve this objective. The investment policy establishes an achievable return objective through diversification of asset classes. The current long term objective is a return of 7%, net of investment fees. Actual returns in any given year may vary from this amount.

The current spending policy utilizes a "total return" approach, as contemplated by Pennsylvania Act 141, to determine the amount of its quarterly distributions. This methodology bases income distributions upon the combination of interest, dividends, other earnings and capital appreciation/depreciation. Annual distributions can be between 2%-7% of the average unit value of the trailing twelve quarters. The actual distribution is determined by the Board of Directors of the United Methodist Foundation (which serves as the trustee for the Conference's endowment accounts) at the end of each calendar year. The annual distribution for 2014 and 2013 was 4%. This is consistent with the primary objective of the endowment policy to provide for current income as well as long-term growth consistent with the conservation of principal.

**ADVERTISING**

Advertising costs are expensed as incurred. Advertising expense was \$1,432 and \$1,113 for the years ended December 31, 2014 and 2013, respectively.

**RECLASSIFICATIONS**

Certain reclassifications were made to the 2014 financial statements to conform to the 2013 presentation.

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**SUBSEQUENT EVENTS**

In preparing these financial statements, the Conference has evaluated events and transactions for potential recognition or disclosure through August 12, 2015, the date the financial statements were available to be issued. No events or transactions were required to be recognized or disclosed in these financial statements

**2. INVESTMENTS**

Investments consist of the following:

	<u>2014</u>	<u>2013</u>
Money market funds	\$ 4,732,947	\$ 2,704,792
Domestic equities	19,945,828	14,836,553
International equities	10,334,023	5,521,289
Fixed income	<u>12,316,671</u>	<u>11,399,734</u>
Total	<u>\$ 47,329,469</u>	<u>\$ 34,462,368</u>

Investment return is comprised of the following for the years ended December 31, 2014 and 2013:

	<u>2014</u>	<u>2013</u>
Dividends and interest income	\$ 1,233,341	\$ 856,125
Net unrealized gain (loss) on investments	(68,263)	2,458,358
Net realized gain (loss) on investments	<u>409,956</u>	<u>574,119</u>
Total investment return (loss)	<u>\$ 1,575,034</u>	<u>\$ 3,888,602</u>

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**3. FAIR VALUE MEASUREMENTS**

The Conference measures its investments on a recurring basis with the following inputs at December 31, 2014:

	Quoted Prices In Active Markets (level 1)	Other Observable Inputs (level 2)	Total
Money market funds	\$ 404,516	\$ 4,328,431	\$ 4,732,947
Domestic equities	1,719,194	18,226,634	19,945,828
International equities	817,123	9,516,900	10,334,023
Fixed income	1,104,329	11,212,342	12,316,671
Total	<u>\$ 4,045,162</u>	<u>\$ 43,284,307</u>	<u>\$ 47,329,469</u>

The Conference measures its investments on a recurring basis with the following inputs at December 31, 2013:

	Quoted Prices In Active Markets (level 1)	Other Observable Inputs (level 2)	Total
Money market funds	\$ 287,517	\$ 2,417,275	\$ 2,704,792
Domestic equities	1,745,069	13,091,484	14,836,553
International equities	543,088	4,978,201	5,521,289
Fixed income	1,417,619	9,982,115	11,399,734
Total	<u>\$ 3,993,293</u>	<u>\$ 30,469,075</u>	<u>\$ 34,462,368</u>

The Conference does not have any investments measured using level 3 inputs.

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**4. PROPERTY AND EQUIPMENT, NET**

Property and equipment consist of the following:

	<u>2014</u>	<u>2013</u>
Land	\$ 432,390	\$ 418,849
Building & improvements (useful lives 10-40 years)	4,929,193	4,570,046
Construction in progress	6,787	-
Equipment (useful lives 5-15 years)	54,085	38,728
Equipment under capital lease (useful life 5 years)	<u>74,040</u>	<u>74,040</u>
Total	5,496,495	5,101,663
Less accumulated depreciation	<u>2,008,867</u>	<u>2,029,350</u>
Property and equipment, net	<u>\$ 3,487,628</u>	<u>\$ 3,072,313</u>

Depreciation expense for the years ended December 31, 2014 and 2013 was \$165,849 and \$196,839, respectively.

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**5. MORTGAGES PAYABLE**

Mortgages payable consist of the following at December 31:

	<u>2014</u>	<u>2013</u>
Mortgage payable to United Methodist Foundation of Western Pennsylvania, payable in monthly installments of \$1,230 with the balance due and payable in September 2027, at an annual interest rate of 3.50%. The mortgage is secured by the land and property at Dyer Stone Drive, Eighty-Four, Pennsylvania.	\$ 151,675	\$ 160,954
Mortgage payable to United Methodist Foundation of Western Pennsylvania, payable in monthly installments of \$2,162 with the balance due and payable in April 2028, at an annual interest rate of 3.50%. The mortgage is secured by the land and property at 1034 Route 288, Fombell, Pennsylvania.	83,000	292,086
Mortgage payable to Members Business Solutions, LLC, an affiliate of Keystone United Methodist Federal Credit Union, payable in monthly installments of \$2,533 with the balance due and payable in September 2029, at an annual interest rate of 4.50%. The mortgage is secured by the land and property at 303 Scenic Ridge Court, Mars, Pennsylvania.	<u>327,106</u>	<u>-</u>
	561,781	453,040
Current portion	<u>30,586</u>	<u>25,254</u>
Long-term portion	<u>\$ 531,195</u>	<u>\$ 427,786</u>

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Scheduled principal payments on mortgages payable are as follows:

<u>Years ending December 31,</u>	<u>Amount</u>
2015	\$ 30,586
2016	31,943
2017	33,198
2018	34,548
2019	35,965
Thereafter	<u>395,541</u>
Total	<u>\$ 561,781</u>

**6. OBLIGATION UNDER CAPITAL LEASE**

In 2009, the Conference entered into a capital lease agreement to acquire office equipment. The lease is payable on a monthly basis with a lease term of 60 months with interest at 7.5%. The lease agreement is collateralized by the related equipment. Amortization of leased equipment is included in depreciation expense. Amortization expense for the leased equipment was \$11,106 and \$14,808 for 2014 and 2013, respectively.

During 2014, the equipment under capital lease was fully amortized and the lease was converted to a month to month operating lease payable in quarterly installments of \$5,601.

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**7. POST-RETIREMENT HEALTHCARE BENEFITS**

The Conference maintains a defined benefit post-retirement healthcare plan for clergy and their spouses. The eligibility for receiving benefits depends upon the retiree's length of service (ranging from 10 to 40 years) with the Conference and whether or not the retiree or spouse has reached Medicare eligibility. The plan provides for various percentages of cost sharing by the retiree and spouses. Contributions by the Conference after the retiree becomes Medicare eligible are based upon a Medicare supplemental program.

Annual costs are recognized when billed by the respective insurance companies (pay-as-you-go). Plan amounts as of January 1, 2015 and 2014, (for December 31, 2014 and 2013) respectively, were as follows:

	2014	2013
Projected benefit obligation:		
Active participants	\$ 17,465,302	\$ 15,579,685
Retirees and beneficiaries	13,067,970	12,260,692
Projected benefit obligation	30,533,272	27,840,377
Accumulated benefit obligation:		
Active participants	13,704,570	12,176,057
Retirees and beneficiaries	13,067,970	12,260,692
Accumulated benefit obligation:	26,772,540	24,436,749
Plan assets at fair value	32,257,034	33,168,304
Funded status over (under)	\$ 5,484,494	\$ 8,731,555

During 2013, \$6,000,020 was redirected from the Pre-82 Plan assets as described in Note 13 to the Conference's medical reserve account which is used to offset the Post-Retirement Healthcare Benefits Obligation.

The accumulated benefit obligation ("ABO") and the changes in the ABO do not reflect any amounts associated with the Medicare Prescription Drug, Improvement and Modernization Act of 2003 (the "Act") because the plan is not directly entitled to the Act's subsidy. The Conference is not able to determine whether benefits provided by its plan are actuarially equivalent to Medicare Part D.1.

Net periodic benefit cost was \$546,966 in 2014 and \$517,102 in 2013.

Benefits paid were \$1,510,554 in 2014 and \$1,503,888 in 2013.

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Weighted Average Discount Rate Assumptions:

	<u>2014</u>	<u>2013</u>
Accumulated benefit obligation	4.00%	4.55%
Net periodic benefit cost	4.55%	3.60%
Expected long term rate of return on plan assets	7%	7%

**CONTRIBUTIONS**

The Conference does not expect to make any contributions to the Plan in 2014.

**ESTIMATED FUTURE BENEFIT PAYMENTS**

The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid.

<u>Years Ending December 31:</u>	<u>Amount</u>
2015	\$ 1,510,554
2016	1,595,140
2017	1,672,101
2018	1,795,640
2019	1,892,913
2020-2024	<u>9,705,491</u>
Total	<u>\$ 18,171,839</u>

**ASSUMED HEALTHCARE COST TREND RATES**

	<u>Medical and Drug Combined</u>
Healthcare costs trend rate assumed for 2015	7.25%
Rate to which the cost trend rate is assumed to decline (ultimate trend rate)	5.00%
Year that the rate reaches ultimate trend rate	2022

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**PLAN ASSETS**

The plan assets are primarily invested with the General Board of Pensions and Health Benefits of the United Methodist Church in a Multiple Asset Fund which is comprised of various equities and fixed income securities including alternative investments such as real estate investment trusts. Lesser amounts of plan assets are invested in the Short Term Investment Fund maintained by the General Board and in the Unified Account maintained by the United Methodist Foundation of Western Pennsylvania.

The following table sets forth the asset allocation for plan assets at December 31:

	<u>2014</u>	<u>2013</u>
Equity securities	65.2%	65.5%
Fixed income	24.8%	24.3%
Other	<u>10.0%</u>	<u>10.2%</u>
Total	<u>100%</u>	<u>100%</u>

Investment objectives for the Conference's plan assets are to:

- protect the integrity of the plan and to assist the Conference in meeting its obligations to the plan participants;
- prudent investment of assets in a high quality, diversified manner;
- achieve the optimal return possible within the specified risk parameters;
- at a minimum, preserve the inflation-adjusted value of the Plan;
- attempt to produce investment results which achieve the Plan's actuarial assumed rate of return;
- adhere to the established guidelines.

Investment managers have been selected based on their offering of balanced investment funds which approximate asset allocation targets and operate in accordance with the Social Principles of the United Methodist Church with respect to investment selection.

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The Conference measures the plan assets at fair value on a recurring basis with the following inputs as of December 31, 2014:

	Other Observable Inputs (level 2)	Total
Plan assets	<u>\$ 32,257,034</u>	<u>\$ 32,257,034</u>

The Conference measures the plan assets at fair value on a recurring basis with the following inputs as of December 31, 2013:

	Other Observable Inputs (level 2)	Total
Plan assets	<u>\$ 33,168,304</u>	<u>\$ 33,168,304</u>

**8. TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets have been restricted by donors for the following purposes at December 31:

	2014	2013
Pension support	\$ 27,356,838	\$ 15,776,780
Education assistance	4,517,191	4,331,475
Various Programs	<u>10,330,500</u>	<u>9,738,407</u>
Total	<u>\$ 42,204,529</u>	<u>\$ 29,846,662</u>

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**9. PERMANENTLY RESTRICTED NET ASSETS**

Permanently restricted net assets consist of various trusts on which the income has been designated for the following purposes at December 31:

	2014	2013
Pension support	\$ 3,417,056	\$ 3,417,056
Education assistance	461,706	452,471
Various Programs	1,246,178	746,179
Total	<u>\$ 5,124,940</u>	<u>\$ 4,615,706</u>

**10. ENDOWMENT NET ASSETS**

Changes in endowment net assets for the year ended December 31, 2014 are as follows:

	Temporarily Restricted	Permanently Restricted	Total
Beginning			
Endowment net assets	\$ 29,846,662	\$ 4,615,706	\$ 34,462,368
Investment income	1,213,647	9,585	1,223,232
Net appreciation/(depreciation)	(67,912)	(351)	(68,263)
Realized gains/(losses)	409,956	-	409,956
Redirection of Pre-1982	10,251,019	-	10,251,019
Contributions	621,887	500,000	1,121,887
Amounts expended	(385,965)	-	(385,965)
Transfers	315,235	-	315,235
Change in endowment assets	<u>12,357,867</u>	<u>509,234</u>	<u>12,867,101</u>
Ending			
Endowment net assets	<u>\$ 42,204,529</u>	<u>\$ 5,124,940</u>	<u>\$ 47,329,469</u>

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Endowment net asset composition by type of fund as of December 31, 2014 is as follows:

	Temporarily Restricted	Permanently Restricted	Total
Donor designated funds	\$ 42,204,529	\$ 5,124,940	\$ 47,329,469
Other designated funds	-	-	-
Total endowment funds	<u>\$ 42,204,529</u>	<u>\$ 5,124,940</u>	<u>\$ 47,329,469</u>

Changes in Endowment net assets for the year ended December 31, 2013 are as follows:

	Temporarily Restricted	Permanently Restricted	Total
Beginning			
Endowment net assets	\$ 19,321,808	\$ 4,585,326	\$ 23,907,134
Investment income	856,125	-	856,125
Net appreciation/(depreciation)	2,458,358	-	2,458,358
Realized gains/(losses)	574,119	-	574,119
Contributions	1,280,675	67	1,280,742
Amounts expended	(870,376)	-	(870,376)
Recognition of Benefit			
Reserve Fund	6,256,266		6,256,266
Transfers	(30,313)	30,313	-
Change in Endowment assets	<u>10,524,854</u>	<u>30,380</u>	<u>10,555,234</u>
Ending			
Endowment net assets	<u>\$ 29,846,662</u>	<u>\$ 4,615,706</u>	<u>\$ 34,462,368</u>

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Endowment net asset composition by type of fund as of December 31, 2013 is as follows:

	Temporarily Restricted	Permanently Restricted	Total
Donor designated funds	\$ 29,846,662	\$ 4,615,706	\$ 34,462,368
Other designated funds	-	-	-
Total endowment funds	<u>\$ 29,846,662</u>	<u>\$ 4,615,706</u>	<u>\$ 34,462,368</u>

The Conference has no unrestricted endowment net assets.

**11. SERVICES TO AFFILIATES**

The Conference treasurer's office performs bookkeeping and accounting services as to the collecting, disbursing, and recording of funds for various affiliated corporations. The Conference performs these services at no charge (which are not material) to the affiliates because these programs are considered to support the Conference's mission and ministry.

**12. FUNCTIONAL EXPENSES**

The Conference incurred expenses in the following functional areas during the years ended December 31, 2014 and 2013:

	2014	2013
Program	\$ 11,250,534	\$ 10,289,330
General & administrative (a significant portion which can be attributed to program services)	<u>13,750,652</u>	<u>12,575,847</u>
	<u>\$ 25,001,186</u>	<u>\$ 22,865,177</u>

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**13. PENSION AND OTHER BENEFIT PLANS**

The Conference participates in several multi-employer defined contribution and defined benefit pension plans for ministers and lay employees administered by the General Board of Pension and Health Benefits of the United Methodist Church (the "General Board"). The plans qualify as "church plans" under Sections 414(e) and 403(b) of the Internal Revenue Code.

The following plans are separate multi-employer plans and accordingly the respective plan assets and corresponding benefit obligations are not recorded on WPAUMC's financial statements.

**CLERGY RETIREMENT SECURITY PROGRAM ("CRSP")**

CRSP includes both a defined benefit and defined contribution plan. The defined benefit component is based on either denominational average compensation, as defined, or actual compensation, as defined.

The defined contribution component provides for a contribution of at least 3% of actual compensation. CRSP covers all US United Methodist clergy appointed within annual conferences. Contributions to CRSP from WPAUMC were \$663,376 in 2014 and \$621,358 in 2013.

The defined benefit contributions due were \$2,235,275 for 2014 and \$2,971,576 for 2013. For 2014, the contribution was funded by Conference assets (from the deposit account). For 2013, in accordance with plan provisions and an election made by the Conference, this contribution was funded by allocating to the CRSP an equivalent amount of overfunding from the "Pre-82 Plan".

**SUPPLEMENT ONE TO THE CLERGY RETIREMENT SECURITY PROGRAM ("PRE-82 PLAN")**

The Pre-82 Plan covers substantially all United Methodist clergy for service prior to 1982. The General Board determines contributions to the Plan. As a multi-employer plan, all assets of the Plan are available to pay all benefits of the Plan, regardless of the annual conference from which contributions came or under which benefits were accrued. Each conference controls certain benefit provisions of the Plan and may elect to fund faster than required. Consequently, funding requirements are determined separately for each conference. There were no contributions to the Pre-82 plan required or made by WPAUMC for 2014 and 2013.

During 2014, \$10,251,019 was redirected from the Pre-82 Plan assets to the Conference's benefit reserve account which is used to offset various benefit obligations.

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The following summarizes the funding status of WPAUMC as of January 1, 2015 and 2014 with respect to the Pre-82 Plan:

	<u>January 1, 2015</u>	<u>January 1, 2014</u>
Total Pre-82 plan assets	\$ 114,994,825	\$ 109,492,777
Liabilities	<u>(79,760,893)</u>	<u>(77,049,700)</u>
Funded status	<u>\$ 35,233,932</u>	<u>\$ 32,443,077</u>
Funded ratio	144%	142%

**SUPPLEMENT THREE TO THE CLERGY RETIREMENT SECURITY PROGRAM – MINISTERIAL PENSION PLAN (“MPP”)**

The Ministerial Pension Plan (MPP) provided benefits for US Clergy from 1982 through 2006. It is primarily a defined contribution retirement plan, with the requirement that clergy must convert at least 75% of their total account balance to an annuity at retirement. The annuity is a defined benefit feature. The plan was terminated in 2006 with respect to further contributions for service and was combined with the CRSP-DB. The General Board adopted a Corridor Funding methodology for managing CRSP-DB and MPP Annuities. Under this approach, the benefit programs' assets and liabilities are combined to determine a combined funded ratio, which indicates the corridor that the combined plan is in. The corridor establishes both the general investment allocation for assets supporting MPP Annuities and the method for determining the combined contribution. The general investment allocation for assets supporting CRSP-DB remains constant at 65% equities. The combined funded ratio of 108% was used to determine contributions for the year beginning January 1, 2015.

In determining contributions for the year beginning January 1, 2015, the Conference's portion of this liability is \$74,030,175 for the MPP Annuities and \$19,948,033 for the CRSP-DB. The Conference does not expect to make a contribution during 2015 for MPP.

There were no contributions to the MPP by WPAUMC for 2014 and 2013.

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**UNITED METHODIST PERSONAL INVESTMENT PLAN (“UMPIP”)**

WPAUMC participates in The United Methodist Personal Investment Plan (“UMPIP”) administered by the General Board. UMPIP is a participant directed defined contribution plan. Participants may contribute a percentage of their compensation on either a before-tax or after-tax basis. WPAUMC may also make contributions on behalf of each participant.

WPAUMC contributions to UMPIP were \$106,466 in 2014 and \$97,648 in 2013.

**COMPREHENSIVE PROTECTION PLAN (“CPP”)**

WPAUMC participates in Clergy Protection Plan (“CPP”) administered by the General Board. The CPP provides both a disability and death benefit for active clergy and a death benefit for retired clergy.

The General Board has notified Annual Conferences that the funded status of the CPP allows it to grant a “premium holiday” for three years to each Annual Conference (beginning in 2010 or 2011 at each respective Annual Conference’s option) during which it intends that Annual Conferences apply the monies normally collected for CPP premiums to fund increased pension contributions.

WPAUMC has chosen to implement the “premium holiday” as the General Board intends, beginning on January 1, 2011 and continuing through 2013. As permitted and intended by the “premium holiday”, WPAUMC collected contributions from each salary-paying unit on behalf of each participant with such contributions being deposited in the Conference’s Benefit Reserve Fund.

WPAUMC contributions to CPP were \$640,500 for 2014 and \$579,669 for 2013.

WPAUMC has investments designated as temporarily and permanently restricted net assets to provide pension benefits for its clergy. These investments will be utilized based on the discretion of the General Board. The temporarily restricted portion of net assets as of December 31, 2014 and 2013 are as follows:

	<u>2014</u>	<u>2013</u>
Temporarily restricted for pension support	<u>\$ 27,356,838</u>	<u>\$ 15,776,780</u>

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The permanently restricted portion of net assets, from which investment income can be used to provide pension benefits, as of December 31, 2014 and 2013 are as follows:

	<u>2014</u>	<u>2013</u>
Permanently restricted for pension support	<u>\$ 3,417,056</u>	<u>\$ 3,417,056</u>

**14. CONCENTRATION OF CREDIT RISK**

The Conference maintains cash accounts, which, at times, may exceed federally insured limits. The Conference has not experienced losses from maintaining cash accounts in excess of federally insured limits. Management believes it is not subject to any significant credit risk on its cash accounts.

**15. RECOGNITION OF BENEFIT RESERVE FUND**

In addition to the contributions to the various plans as described in Note 13, the Conference receives contributions to a Benefit Reserve Fund for possible future Clergy Retirement Security Program ("CRSP") defined benefit unfunded liabilities and other retiree needs. Contributions to the Fund are made by the churches and other participating salary paying units and amounted to \$427,150 and \$414,764 in 2014 and 2013, respectively, of which \$23,179 and \$22,507 were a Conference expense in the respective years. The Benefit Reserve Fund, which aggregated \$17,379,957 and \$6,256,266 at December 31, 2014 and 2013, respectively, is maintained under the direct control of the Conference, acting through its Board of Pensions, outside any particular benefit plan. Through 2013, the Fund also received contributions from the Conference's implementation of the so-called Comprehensive Protection Plan ("CPP") "premium holiday" described in Note 13.

Prior to 2013, the Benefit Reserve Fund could only be used to fund "Supplement One to the Clergy Retirement Security Program ("Pre-82 Plan)". Accordingly, the Benefit Reserve Fund was not recorded on the Conference's financial statements since the corresponding liability was not recorded as described in Note 13. During 2013, changes in legislation at the Annual Conference combined with the Corridor Funding methodology adopted by the General Board of Pensions also described in Note 13, released this restriction on the Benefit Reserve Fund permitting its use in funding future CRSP defined benefit unfunded liabilities and other retiree benefit needs. As a result, the entire balance in the Benefit Reserve Fund of \$6,256,266 has been recognized on the financial statements for the year ended December 31, 2013.