

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As of December 31, 2017 & 2018:

ASSETS	2018	2017
Cash and Cash Equivalents	\$6,420,924	\$2,864,645
Investments:		
Investor	\$59,612,338	\$65,708,300
Foundation	\$1,307,070	\$1,631,495
Certificates of Deposit	\$2,700,000	\$234,413
Total Investments	\$63,619,408	\$67,574,208
Loans receivable, net	\$36,734,641	\$27,344,310
Other assets	\$298,503	\$578,719
Total Assets	\$107,073,476	\$98,361,882

LIABILITIES & NET ASSETS

LIABILITIES		
Accounts payable and accrued expenses	\$1,003,883	\$408,738
Cash equivalents payable to investors	\$1,729,754	\$6,886
Investment funds payable to investors	\$59,612,338	\$65,708,300
Savings and Investment Certificates	\$42,118,745	\$29,552,170
Charitable gift annuities obligation	\$82,838	\$117,251
Third party annuities obligation	\$161,782	\$149,974
Total Liabilities	\$ 104,709,340	\$ 95,943,319

NET ASSETS		
Without Restrictions	\$1,949,226	\$2,052,081
With Restrictions	\$414,910	\$366,482
Total Net Assets	\$ 2,364,136	\$ 2,418,563
Total Liabilities & Net Assets	\$ 107,073,476	\$ 98,361,882

Independent Auditor: Dixon Hughes Goodman
(A full audit report of the financial statements is available upon request.)

GRANT STORY: BASIC UMC STAUNTON DISTRICT

In Fall 2018, the Virginia United Methodist Foundation was met with a unique need. Basic UMC is a multi-cultural church that has been a mission to the Poor Center since 2001. They literally open their doors to everyone and are servants to the community. District Superintendent, Dave Rochford, said this about Basic UMC and its ministry:

“The United Methodist Foundation made an extraordinarily generous gift to a Staunton District church with the most ordinary of names: “Basic UMC.” Located in old Basic City (now a part of Waynesboro), this historic church has been fundamentally transformed into a community that lives out its mission to the poor and marginalized. Comprised of all the ethnicities present in its mission field, Basic hums with Sunday morning worship in English and evening worship in Spanish, and weekly worship services come with a meal on Wednesday nights as well as Saturday mornings. Its Hispanic congregation is one of the largest in our Conference, and includes a weekly ministry with the children of the community that assists with homework and life skills. Basic is without question one of the most expressly missional, community churches I have ever experienced, and I invite anyone to stop to see and study up on what God is doing here.” – the Rev. Dave Rochford, Staunton DS

Upon arriving at Basic UMC to learn more about the church, I was greeted by Rev. Chad Beck, who is in his second year as pastor of the church. Chad is fluent in Spanish and preaches at both the traditional service and the Hispanic service.



Chad’s wife is from Mexico City, and the Hispanic culture is very familiar to both of them. Also, I was met by Mr. Jerry Campbell who is a Lay Speaker, working on being a Certified Lay Pastor, and is the cook for the Wednesday night suppers. Jerry knows everyone and is involved in every aspect of the ministry. These two gentlemen gave me a tour of the church and outlined the many ministries that happen at Basic UMC.

Rev. Don Gibson started God’s Table and the Hispanic service in 2005. As the pastor of Basic UMC for thirteen years, Don dedicated countless hours to making the church a multi-cultural home for everyone.

Rev. Chad Beck and Jerry Campbell work tirelessly to make Basic UMC a home for the homeless and a haven for those who are searching for a place to be loved. It is exciting to see a truly missional church in action. The Virginia United Methodist Foundation is happy to help in their ministry and we invite other churches, organizations and individuals to join us by supporting and praying for Basic United Methodist Church.

Author: Tommy Herndon
VP, Planned Giving and Stewardship

2018

ANNUAL REPORT

A YEAR IN REVIEW
BUILDING PARTNERSHIPS THROUGH
MISSION AND MINISTRY



WORDS FROM THE EXECUTIVE BOARDS OF THE FOUNDATION AND DEVELOPMENT COMPANY

The executive board of the Foundation and Development Company is proud to present our 2018 Annual Report to you the investor, friend, church, organization, and supporter. Our theme for this year’s annual report is pride, joy and reflection.

We are ever proud of what we provide to the churches and the Methodist community of the Virginia Conference. Our pride continues to grow as we see the impact we are making for churches and individuals in and around our state. Being proud is woven within our culture, as we have a proud group of staff members, including the VA Conference Treasurer’s office, all working tirelessly to do the right thing and do it well. The board cannot say enough about the pride it holds to serve you and see the results as noted within the pages of our annual report.

Joy is a product of how God makes us feel about our lives and how we help others. The Foundation and the Development Company is all about how we serve others. Our joyous impressions and reflections of our deeds comes in many ways. Whether it is seeing a church payoff a high interest rate loan, adding on an addition to existing structures to build ministries, providing impactful grants or helping laity invest in proper investments based on their beliefs, we feel the joy of happiness at every level big and small. Please read on as we will highlight joy that we’ve seen in the past year.



We reflect on 2018 as a year of change for the organizations while keeping our mission steadfast, which is “Stewarding Potential to Build his Kingdom.” Reflecting is positive and helps us learn and refocus on our relationships. Our reflection of the past year is very important as we make sure we have done everything in our control to make the experiences you have had with our organization the best it can be. Please continue to visit our websites, read our weekly devotional and stay in touch with our monthly newsletters.

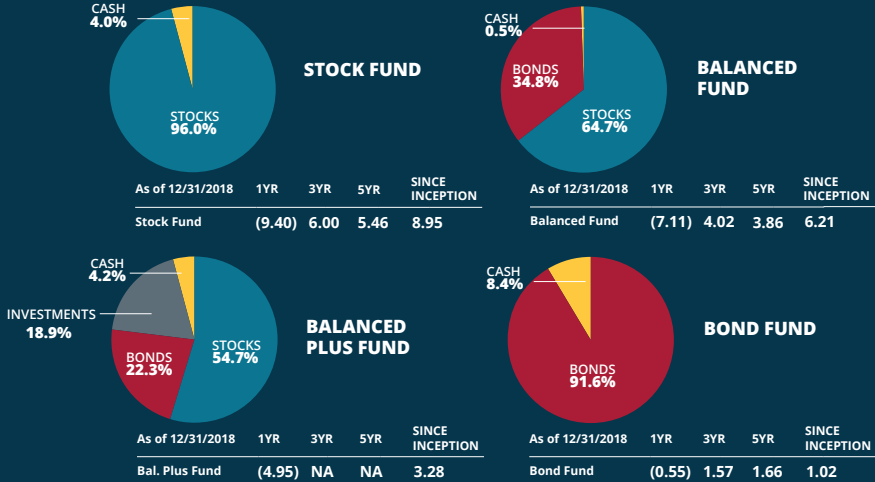
We want to keep improving our abilities for you in 2019! We want to serve God and see the results of one church, one member, one friend, one supporter and one organization at a time. It’s our duty as board members to serve you and do it with pride, joy and reflection.



INVESTMENT FUNDS AT 12/31/18

In keeping with the investment guidelines of the United Methodist Church, the Investment Committee of the Foundation seeks to be socially responsible in the way in which it invests the funds it oversees, reflecting the ethical standards of the Church. The United Methodist Church's Book of Discipline provides a guideline that seeks avoidance of

investments that appear likely "to support racial discrimination, violation of human rights, sweatshop or forced labor, gambling, or the production of nuclear armament, alcoholic beverages or tobacco, or companies dealing in pornography." It is the policy of the Foundation to seek to avoid direct investments in such companies.



"We expect the U.S. economy to avoid a hard landing and the Federal Reserve to continue 'listening to the markets' and adjust balance sheet tightening if necessary. Despite a relatively positive fundamental backdrop for global equities, we believe risks such as trade talks, Brexit and growth in China argue for greater volatility in 2019" ~ Merrill Lynch Partners

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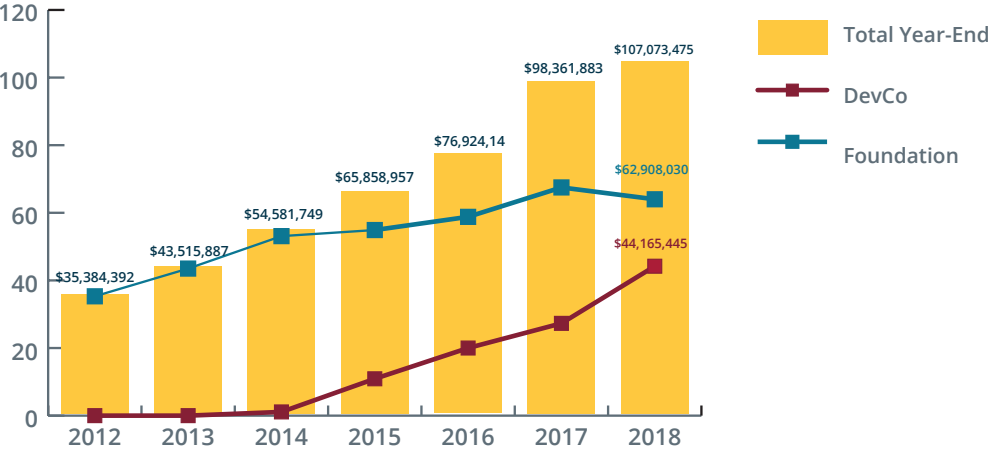
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FOUNDATION & DEVELOPMENT COMPANY
2012-2018 GROWTH IN ASSETS



GRANT RECIPIENTS FOR 2018

The Foundation Board of Directors awarded 26 grants totaling \$81,200. The awards represent twelve of the sixteen districts across the Virginia Conference of the United Methodist Church. The awardees are as follows:

The Gathering Scott Memorial UMC NimmoGarden Ministry Nimmo UMC Laity Scholarship Fund VA Five Day Academy for Spiritual Development RISE Kids & Youth Duncan Memorial UMC Community Outreach Pro- gram for Roanoke Literacy Trinity UMC Monumental UMC The Wesley Foundation University of Virginia Mission Central Belmont Food and Clothing Miinstry Belmont UMC	Just Neighbors Ministry of four districts Wings Ministry South Hill UMC Multicultural Certified Nurse Aid Training Program Grace Ministries of UMC Feed Kempsville Beach Bag Initiative St. Andrew UMC Wesley Community Service Center UMW Mission Redefining Mission: Moving from Outreach to Ministry Networx SML Redwood UMC New Song Serves New Song UMC	Change the World RVA Bon Air UMC Henry Fork Service Center Scottsville UMC Mission Beach Bags Baylake UMC Live the Dream Wesley Grace UMC HELP Health Equipment Loan Program Grossbrenner UMC St. James UMC Special Emergency Grant Basic UMC Helping Richmonders Enroll in Medicaid VA Interfaith Center for Public Policy
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AWARD ALLOCATION BY DISTRICT

Arlington:	1	Farmville:	2	Roanoke:	1
Charlottesville:	2	Harrisonburg	1	Staunton:	2
Danville:	2	James River:	1	Winchester:	1
Elizabeth River:	7	Richmond:	4		

* Two multi-district grants were awarded in 2018



STRATEGIC PARTNERSHIPS: EXPANDING OUR CAPACITY

In recent years, the Virginia United Methodist Development Company (DevCo) has partnered with the United Methodist Development Fund in Texas (UMDF) to serve the needs of churches throughout Virginia. Their support has allowed us to fund loans that we could not have done alone. In 2018, we worked with the UMDF to participate in 50% of the principal loan to fund a \$1.2 million parsonage. This partnership enabled the pastor at Chesterbrook United Methodist Church to cut his commute time by over an hour and allow the pastor to be more accessible to the congregation and local community.

As of December 31, 2018,

we have partnered with UMDf in generating a total \$8.1M in participations sold. The United Methodist organization has given the phrase, "Methodists Helping Methodists," a new meaning, whereby, this meaning has expanded beyond the Virginia borders and now, other Foundations have become our partners, as part of their strategy model to serve the needs of churches across the country. The Virginia United Methodist Development Company has become an organization without borders!

As churches continue to grow their ministries, we are thankful to have UMDf working closely with us



in pursuit of our journey of spreading the "gospel through service." The future of our Methodist churches depends on our success of reaching more people and helping those in need.

MONUMENTAL UMC: A MISSION CHURCH STORY



On January 3, 2018, a steeple fire did major damage to Monumental UMC in Portsmouth, Virginia. The church was having weatherproofing done on the steeple from hurricane damage. The workers were using propane torches to seal the steeple. Apparently, there were some hot sparks that caused the fire.

Yet, a century old Bible survived the damage. Connie McCook, a Monumental UMC member asked a fire-fighter if they could retrieve the Bible and told the man where it was in the sanctu-

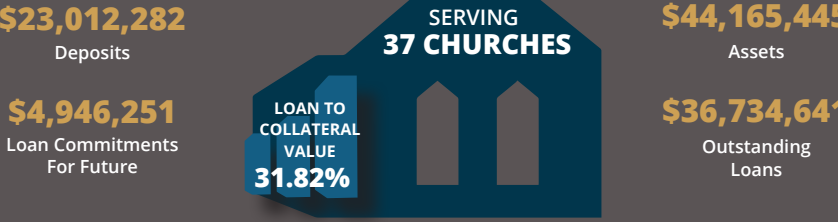
ary. He did retrieve it and brought out the cross and the candlesticks. The Bible is the same one that survived the 1864 fire in the sanctuary. Today, it is on display in the Fellowship Hall, where the congregation is worshipping now.

Monumental UMC has not stopped its ministry. They have continued their Wednesday night suppers for the homeless. They have housed the homeless during the Portsmouth Winter shelter and they continue to have the monthly Noon Day concerts. Ms. Thacker said, as she looked back over all the events, "I can't help but feel, Monumental UMC has been spared because God still has work for us. We have been given the opportunity to literally rise from the ashes with a restored sanctuary and steeple and a

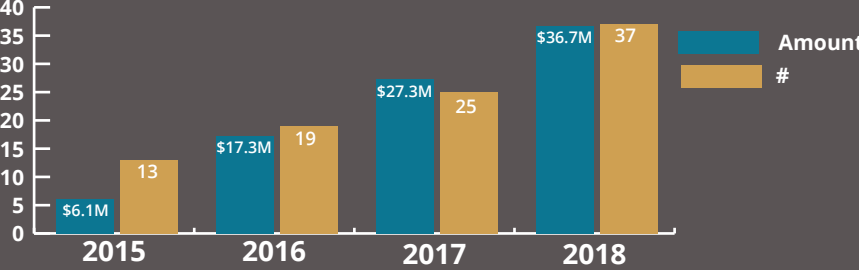
renewed spirit. Our building is more than bricks and mortar. It is the symbol of hope and resurrection for Portsmouth and all those who have worshipped here or had family worship here in the past."

Today, Monumental UMC is still under construction. It has a long way to go. Original estimates were that they would be fully rehabbed in 2019. Costs for this project are in excess of seven million dollars. The church's insurance, the contractor's insurance and the Virginia United Methodist Development Company are working together to make sure Monumental UMC will once again be the beautiful place to worship Christ in downtown Portsmouth.

IN 2018, THE DEVELOPMENT COMPANY REALIZED
SIGNIFICANT GROWTH IN INVESTMENTS AND LOANS.



2015-2018 GROWTH IN LOANS



2018 GROWTH IN INVESTORS

149
New Accounts with New Investors

23
New Accounts with Previous Investors



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The Development Company, LLC is a registered Offering with the Commonwealth of Virginia. Although investments are not FDIC insured, they are safeguarded through strict investment and lending policies, strong board leadership and competent staff.