



122nd
Keystone Annual Conference
June 8-12, 2020

*Be the
Light*

MATTHEW
5:16

LET IT SHINE. LET IT SHINE. LET IT SHINE

Be the Light



122nd

Keystone Annual Conference

June 8-12, 2020



Part One

Agenda

Frequently Asked Questions

Standing Rules

Minister's Having a Seat

Delegates Having a Seat

Keystone Annual Conference 2020

122nd Session

Electronic Session due to the COVID-19 Pandemic

Monday, June 8 – Friday, June 12, 2020

AGENDA

Monday, June 8

- Parts 1 and 2 of the Conference packet arrives via email for review by pastors and delegates
 - Standing Rules – vote
 - Frequently Asked Questions
 - Roster of Pastors and Delegates
 - Report of the Keystone BOA Actions for 2019-20 – vote
 - Financial Reports
 - Operating Funds
 - Keystone Conference Loan Fund
 - Auditor Report – BKD Inc. – vote
 - Video links
 - Message from Bishop Linda Adams
 - Message from Superintendent T. Chris Hill

Tuesday, June 9

- 8:00 AM – Roll call and voting opens for motions relating to Parts 1 and 2 of the Conference packet (links for this are included in the Monday email)
- 7:00 PM – One hour Zoom video/phone Q&A with Superintendent T. Chris Hill and other Conference leaders. Submit questions in advance to webmaster@keystonefinc.org or use the chat function in Zoom.
- 11:59 PM – Roll call and voting ends for motions related to Parts 1 and 2 of the Conference packet

Wednesday, June 10

- Part 3 of the Conference packet arrives for review by pastors and delegates
 - MEG Board Report – vote
 - Nominating Committee Report – vote
 - Biographies of Nominees
 - Video links
 - Testimony of Elder candidate
 - Testimonies of Conference Ministerial Candidates

continued

Thursday, June 11

- 8:00 AM – Roll call and voting opens for motions relating to Part 3 of the Conference packet (links for this are included in the Wednesday email)
- 7:00 PM – One hour Zoom video/phone Q&A with Superintendent T. Chris Hill and other Conference leaders. Submit questions in advance to webmaster@keystonefmc.org or use the chat function in Zoom.
- 11:59 PM – Roll call and voting ends for motions related to Part 3 of the Conference packet

Friday, June 12

- Part 4 of the Conference packet arrives for review by pastors and delegates
 - Report of other Conference bodies
 - Report of Free Methodist World Missions
 - Report of missionaries
 - Report of FM Auxiliary Organizations
 - Video links
 - Other Conference bodies
 - Free Methodist including missions
 - FM Auxiliary Organizations
- 7:00 PM – One hour Zoom video/phone session
 - Worship
 - Receiving Conference Ministerial Candidates
 - Receiving Elder Candidate as a member of the Keystone Conference (ordination service to take place later at an adjourned sitting of the Annual Conference)

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Frequently Asked Questions

- What happens at the virtual Annual Conference?
Vision casting, opportunity to read through reports regarding Conference operations, hearing testimonies of new candidates for ordination tract, approving candidates for ordination, election of committee members.
- Who can attend?
All appointed pastors, lay delegates, those being received as Conference Ministerial Candidates (CMC), conference officers, and retired pastors.
- What should I do to get ready for Annual Conference?
 - Pray
 - Read through the packets that will arrive on Monday, Wednesday and Friday and watch the video links.
 - Set aside time to be a part of the three Zoom sessions on Tuesday, Thursday and Friday evenings from 7:00 to 8:00 PM.
- How will attendance be taken?
You will receive a link in the Monday email for our business on Tuesday and in the Wednesday email for our business on Thursday. This link will take you to a form on our website. There you will give your name, contact information and your designation (ordained elder, ordained deacon, CMC (serving as lead pastor), CMC (not serving as a lead pastor), licensed pastor, lay delegate, reserve lay delegate, Conference committee member or a guest).
- How do I ask a question during the Q&A Zoom session on Tuesday and Thursday evening?
You can submit a question to the moderator, Matt Johnson, in advance by emailing him at webmaster@keystonefmc.org or by placing a question in the chat box during the Q&A session.
- Who has a vote?
Those having a vote are ordained ministers (Elders and Deacons), Conference Ministerial Candidates who are senior pastors, and lay delegates.

- **Does a Reserve Delegate have a vote?**
A Reserve Delegate does not have a vote unless the elected Delegate is unable to serve. In that case the Reserve Delegate will serve in their stead.
- **How do I vote?**
When you submit the roll call form mentioned above, an acknowledgment screen will appear on your device. If you have a vote, that screen will include a link to the page for voting on items for that day. Click on that link and vote. This page, where you vote, **will not** link back to your name.
- **When will CMCs and ordinands be received?**
CMCs which were approved in the voting on Thursday will answer their questions for reception during the Friday 7:00 PM Zoom session. Ordinands, which were approved during voting on Thursday, will answer the questions for membership in the Keystone Annual Conference on Friday evening. They will not be ordained until later when the Bishop (or their designee) and other elders can lay hands on them.
- **Will the 2020 Ministerial Appointments list be available?**
The 2020 Ministerial Appointments will be read by Bishop Linda Adams at the end of the Friday evening Zoom session and will be distributed the next week via email by the Conference Office.

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Standing Rules

1. Members of the Annual Conference whose duties require them to be absent shall be marked present.
2. Those having a vote are ordained ministers (Elders & Deacons), Conference Ministerial Candidates who are Lead Pastors, and Lay Delegates.
3. Honorary Seats (having a voice but no vote) is granted to Licensed Pastors, Conference Ministerial Candidates, Missionaries, Church Officials, Conference Officers and Conference Committee members.
4. All major motions must be received at the Conference Office by Wednesday, June 10 at 10:00 a.m. in order to be considered during the 2020 Annual Conference.
5. All ballots will be tabulated electronically and reported by the Conference Webmaster to the Conference Office for confirmation.
6. Any unfinished business at the end of Annual Conference shall be referred to the Keystone Conference Board of Administration with power to act.
7. Persons being received as Conference Ministerial Candidates and persons being approved for Conference membership and ordination be granted a seat and vote during the entire Conference process for 2020.

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Ministers Having a Seat

| <u>Elders</u> | <u>Elders</u> | <u>Deacons</u> |
|----------------------|---------------------|-------------------------------|
| Adams, Daryl J. | Macaluso, Stephen | Allen, Bruce |
| Aldrich, Larry | Maybray, Timothy | Godfrey, Alice Gates |
| | Meyers, Noel | Houck, Joan |
| Beers, Jeanne | Michel, David | Vroman, Dillen |
| Billings, Brian | Miller, David | |
| Brest, Robert | | Ministerial Candidates |
| Burkett, Bruce W. | Onink, Todd | CMC's |
| Burkett, Ned E. | | Brown, Tyler |
| | Pifer, Rock | Burt, Matthew |
| Cathcart, Preston | Pifer, Sherri | Bush, John * |
| Cooper, Brian | | Erizer, Joshua |
| | Reitz, Debra | Hockey, David * |
| Feil, Robert | Reitz, Thomas | Knapp, Eric |
| Fraser, John | Riel, Charles | Morley, Luke *** |
| | Roble, John | Vennard, Thomas |
| Grieco, Bryce | Rosler, Beth | |
| | | CMC's to be Received |
| Hamrick, Richard | Seen, Vincent | Argot, Matthew |
| Hill, Cynthia O. | Sheriff, Richard | Brezinski, Sherri |
| Hill, T. Christopher | Shimko, Joseph J. | Brown, Eric |
| Houben, William Jr. | Shreffler, Edward | Hatcher, H. Zoey |
| Hughes, William | Shreffler, Sharon | Hollamby, Jodi |
| Hutchison, Susan | Start, Raymond | Lenaway, James J. |
| | Stutzman, Charles | McConnell, Joshua |
| Irwin, Edwin | | Pifer, Carey |
| | Thompson, Kathy | |
| Jewell, Charles | Tremblay, Peter | Licensed Pastors LP's |
| Johnson, Matthew | | Lenaway, Jim ** |
| | Washington, Michael | Libreatori, Brenda ** |
| Knight, Paul F. | Weston, Melody | Lockwood, Bradley ** |
| | Williams, Mark | Shaffer, Raymond ** |
| Laktash, Roger | Wilson, Conrad | |
| Lutcher, Mark | | |
| | Zdrojewski, Marty | |
| | | |

* Only CMC's in charge of a society have a seat with vote (§5010 C)

** Granted an honorary seat but without vote

*** To be received as Conference member and ordained elder

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Delegates Having a Seat

| | |
|--------------------------------------|----------------------------------|
| Austin | Emporium, CCCC |
| Tom Werstler | Pam Kulick |
| | |
| Bradford, First | Erie, New Vision |
| Rudolph Luce | Daniel Shambaugh |
| | |
| Bradford, Open Arms Community | Fleming |
| Eric Eliason | Gail Miller |
| | |
| Brookville | Franklin, The Crossing |
| <i>Under the District Leader</i> | Ruth Roble |
| | |
| Centerville | Gearhartville |
| Kim Wright | Sue Baumgardner |
| | |
| Cherry Grove | Kane |
| Judith Crossley | Sharen Rhodes |
| | |
| Clearfield, The Vine | Mayburg, Townline |
| Jerome Mick | <i>Under the District Leader</i> |
| | |
| Coudersport | Mill Hall, Living Faith |
| Nola Gross | Gail Hoffman |
| | |
| DuBois, Light & Life | New Castle, Maitland Lane |
| Jerry Gamble | Ralph Emery |
| | |
| Egypt | New Castle, New Creation |
| Ken Alexander | Jeff DeSalvo |
| | |
| Ellwood City | North East, Lake Shore |
| Michelle Boggs | Glenn Lindemuth |

continued

| | |
|---|---|
| Oil City, The Crossing | Sugar Grove |
| Jean Cochran | Denny Maze |
| Jill Faraone | Candy Rieder |
| Greg Knox | |
| | Titusville |
| Penfield | Tom McGill |
| Arlene Taylor | Ralph Osborn |
| | William Dale |
| Pine City | |
| Ruby Etzel | Ulysses |
| | Craig Watson |
| Pleasantville | |
| Walt Miller | Van, New Life |
| | Maxine Russell |
| Port Allegany | |
| <i>Under Bradford, Open Arms</i> | Warren, The Harbor |
| | <i>Under Youngsville</i> |
| Reynoldsville | |
| Carol Mulhollan | Williamsport, Northway Community |
| | Paul Schwarzer |
| Riverview | Gary Eggerton |
| Julie Young | |
| | Youngsville |
| State College, Stepping Stones Community | Eric Brown |
| Rob Miller | Sherry Brzezinski |

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Part Two

BOA Report
Conference Treasurer's Report
Conference Loan Fund Report
Auditor's Report

Board of Administration

June 10, 2019

- **Motion:** For Chris Hill to be the chair of the BOA the new conference year.
Motion. Second. Passed.
- **Motion:** For Tina Phillips to be the vice-chair of the BOA for the new conference year.
Motion. Second. Passed.

August 10, 2019

- **Motion:** To give permission to sell the gFree parsonage and their old church building at 344 Blue Spruce Rd, Philipsburg, Pa.
Motion. Second. Passed.

August 27, 2019

- **Motion:** That we approve the lease to purchase agreement from 2016 and authorize the selling of the two Mercer properties.
Seconded. Passed.

September 24, 2019

- **Motion:** That we amend the checklist for closing churches policy by adding the following: Church BOA or their successor, the Conference BOA, will adopt the Resolution for Assignment of Assets on Dissolution document.
Motion. Second. Passed.
- **Motion:** To approve the minutes as presented from our May 21, 2019 meeting
Motion. Second. Passed.
- **Motion:** To approve the minutes as amended from Annual Conference June 9-10, 2019 meeting
Motion. Second. Passed.
- **Motion:** To approve the minutes as presented from our June 10, 2019 meeting
Motion. Second. Passed.
- **Motion:** To approve minutes as presented from our August 10, 2019 meeting
Motion. Second. Passed.
- **Motion:** To approve the minutes as amended from our August 27, 2019 meeting
Motion. Second. Passed.
- **Motion:** to receive the Treasurer's report and Loan Fund report and place them on file for auditing.
Motion. Seconded. Passed.

- **Motion:** to appoint Chuck Stutzman, Gail Miller & Tina Philips to the Finance Team
Motion. Seconded. Passed.
- **Motion:** to elect Dave Michel as the chair of the Finance Team
Motion. Seconded. Passed.
- **Motion:** To approve to sell the Brookville parsonage at 302 N. Barnett Street
Motion. Seconded. Passed.
- **Motion:** To work to transfer our interest in the Brookville church/campground property to another party.
Motion. Seconded. Passed.
- **Motion:** That the proceeds of the sale of the Mercer properties, after all expenses, will go to the Loan Fund.
Motion. Seconded. Passed.
- **Motion:** That Chris Hill, Cindy Hill, Sherri Osborne and Chuck Riel serve on the Policy Committee, contingent on their willingness to serve.
Motion. Seconded. Passed.

October 29, 2019

- **Motion:** To approve the minutes as amended from our September 24, 2019 meeting
Motion. Second. Passed.
- **Motion:** to receive the Treasurer's report and Loan Fund report and place them on file for auditing.
Motion. Seconded. Passed.
- **Motion:** To accept the proposal from Tim and Sherry Campbell of the Church of God in Brookville PA to take over the building and responsibilities at the Brookville Church / Campground and to authorize Supt. Chris to sign, on behalf of the Conference, any documents required to complete the transfer.
Motion. Seconded. Passed.

November 14, 2019

- **Motion:** That David K. Michel, treasurer of the Keystone Conference, be instructed to complete the sale of the Mercer Free Methodist Church and Parsonage to the Bible Baptist Church. Further, that David K. Michel be authorized to sign all necessary documents on behalf of the Keystone Conference Board of Administration in regards to the sale of the Mercer Free Methodist Church and parsonage.
Motion. Seconded. Passed.

November 26, 2019

- **Motion:** To approve the minutes as presented from our October 29, 2019 meeting.
Motion. Seconded. Passed.

- **Motion:** To approve the minutes as presented from our November 14, 2019 meeting.
Motion. Seconded. Passed.
- **Motion:** to receive the Treasurer's report and Loan Fund report and place them on file for auditing.
Motion. Seconded. Passed.
- **Motion:** To write off any unpaid Fair Share invoices from current year 2019.
Motion. Seconded. Passed.
- **Motion:** To approve the grant to the Keystone Conference Loan Fund of the \$50,000 that was loaned to the Keystone Conference Loan Fund last spring.
Motion. Seconded. Passed.
- **Motion:** To approve the 2020 Keystone Conference Budget as presented.
Motion. Seconded. Passed.
- **Motion:** To approve the 2020 Keystone Loan Fund Budget as presented.
Motion. Seconded. Passed.
- **Motion:** that the proceeds from the sale of the Mercer properties be donated to the Loan Fund.
Motion. Seconded. Passed.
- **Motion:** that we donate an additional \$30,000 to the Loan Fund.
Motion. Seconded. Passed.

February 25, 2020

- **Motion:** To approve the minutes as amended from our November 26, 2019 meeting.
Seconded. Passed.
- **Motion:** to receive the Operating Fund and Loan Fund financial reports and file them for auditing.
Seconded. Passed.
- **Motion from Finance Committee:** Recommend that the 2020 Conference Budget be adjusted, increasing the amount for District Leaders to \$200 per month. This amount will be used either for compensation or expenses based upon the preference of the District Leader. The additional \$800 to do this be taken from the contingency fund.
Passed.
- **Motion:** To approve resolution Form U-2A
Seconded. Passed.
- **Motion:** To approve the Board Resolution
Seconded. Passed.
- **Motion:** To authorize Treasurer Dave Michel and Supt Chris Hill to secure insurance for the parsonage at Brookville if needed.
Seconded. Passed.

March 24, 2020

- **Motion:** To approve the minutes as corrected from our February 25, 2020 meeting.
Seconded. Passed.
- **Motion:** to receive the Operating Fund and Loan Fund financial reports and file them for auditing.
Seconded. Passed.
- **Recommendation Motion to BOA:** That we offer to any loan holders, who are in financial need, to make only interest payments on their loans beginning in April until further evaluation.
Passed.
- **Motion:** that all persons whose terms are up in 2020 be extended for another term. The only exceptions will be those who cannot continue or are moving out of the area.
Seconded. Passed
- **Motion:** That the term of all local church delegates be extended for another year unless they have already been replaced by election. If some reason the delegates cannot continue the BOA is empowered to replace them.
Seconded. Passed

April 2, 2020

- **Motion:** That we change the interest rate of the KCLF Loan to the Emporium, Cameron County Christian Center from 6% to 3.5% effective April 1, 2020.
Seconded. Pass.
- **Motion:** That the Keystone Conference apply for a loan under the CARES Act of 2020.
Seconded. Pass.

April 12, 2020

- **Motion:** That we authorize opening a checking account for the proceeds of the SBA – PPP loan at Northwest Bank.
- **Motion:** That we authorize David K. Michel and Gail Miller as signers though only one signer is needed.
Seconded. Passed.

April 28, 2020

- **Motion:** To approve the minutes as amended from our March 24th, 2020 meeting.
Seconded. Passed.
- **Motion:** To approve the minutes as presented from our April 2nd, 2020 meeting.
Seconded. Passed.

- **Motion:** To approve the minutes as presented from our April 12th, 2020 meeting.
Seconded. Passed.
- **Motion:** to receive the Operating Fund and Loan Fund financial reports and file them for auditing.
Seconded. Passed.
- **Motion from the Finance Committee:** That the Keystone Conference offer churches up to a 50% discount on their fair share payment for any three months between May and December, 2020.
Seconded. Passed.

Saturday, June 6

Motion: To approve up to \$500 for startup expenses for video equipment for Ellwood City FMC. The funds will come from Church Planting/Revitalization (#6268).

Motion. Second. Passed.

Motion: To approve the "Corporate Resolution" to close the Brookville FMC Society and assign all assets to the Keystone Conference

Motion. Second. Passed.

Motion: To approve the "Resolution" to relinquish all rights and claims to the Brookville FMC property and buildings for \$1.

Motion. Second. Passed.

Keystone Conf. Budget

| | 2019 Keystone Budget | 2020 Keystone Budget |
|--|----------------------------|----------------------------|
| INCOME | | |
| 4000 - Budgeted income | | |
| 4850 - Administrative Fee (Insurance) | 3,000.00 | 2,700.00 |
| 4200 - Annual Conference | | |
| 4800 - FAIR SHARE receipts | 219,700.26 | 217,369.82 |
| Total 4000 Budgeted Income | 222,700.26 | 220,069.82 |
| EXPENSE | | |
| 6000 Conference Operational Expenses | | |
| 6100 · Administrative Expense | | |
| 6115 · Annual Conference | 3,000.00 | 3,000.00 |
| 6116 · Connections Day Expense | 900.00 | 800.00 |
| 6117 - FMF Contribution | 2,600.00 | 2,600.00 |
| 6125 · Board Travel Expense | 500.00 | 0.00 |
| 6130 · Conference Insurance | 3,900.00 | 3,500.00 |
| 6145 · Office Expense | 800.00 | 1,000.00 |
| 6175 - Payroll Processing | 900.00 | 900.00 |
| 6114 - Yearbooks | 1,200.00 | 1,200.00 |
| 6330 - General Conference | 2,500.00 | 2,500.00 |
| 6190 - Web Tech Expense | 1,000.00 | 750.00 |
| 6135 - Depreciation Expense | 13,000.00 | 6,000.00 |
| 6195 - Miscellaneous Expense | 1,500.00 | 1,500.00 |
| Total 6100 - Administrative Expense | 31,800.00 | 23,750.00 |
| 6200 · Ministry and Program Expense | | |
| 6240 - MEG Board | 1,500.00 | 1,500.00 |
| 6270 - Moving Expense | 1,500.00 | 1,500.00 |
| 6265 - Conference Training Events | 5,000.00 | 5,000.00 |
| 6268 - Church Planting/Revitalization | 500.00 | 500.00 |
| 6285 - Pastoral Enrichment | 2,500.00 | 2,000.00 |
| 6275 - Youth Ministries | 1,000.00 | 1,000.00 |
| Total 6200 · Ministry and Program Exp | 12,000.00 | 11,500.00 |
| 6300 · Scholarships | | |
| 6310 - MEG Scholarships | 2,000.00 | 2,000.00 |
| 6320 - MINE | 0.00 | 0.00 |
| Total 6300 · Scholarships | 2,000.00 | 2,000.00 |

Keystone Conf. Budget

| | 2019 Keystone Budget | 2020 Keystone Budget |
|--|----------------------------|----------------------------|
| 6600 Staffing | | |
| 6610 - Superintendent Compensation | 38,973.65 | 32,172.00 |
| 66xx - Supterintendent Insurance | 5,027.20 | 9,525.04 |
| 66xx - Superintendent Payroll Taxes | 1,206.47 | 2,171.61 |
| 6641 - Superintendent Pension | 5,180.49 | 4,667.22 |
| 6635 - Assistant to the Supt. | 2,876.51 | 0.00 |
| 6636 - Asst to Supt Pension | 1,070.29 | 0.00 |
| 6617 - Superintendent Travel | 10,000.00 | 12,000.00 |
| 6613 - Office Manager | 7,669.03 | 7,669.03 |
| 6630 - Workers Comp | 350.00 | 350.00 |
| 6614 - Bookkeeper | 6,000.00 | 6,000.00 |
| 6645 - DL Honoraria | 9,600.00 | 1,500.00 |
| 6646 - Credentialing Coordinator Honoraria | 1,800.00 | 0.00 |
| 6647 - Credentialing Expenses | 600.00 | 600.00 |
| 6648 - Conference Trainer Honoraria | 1,200.00 | 0.00 |
| 6619 - Treasurer Honoraria | 2,835.00 | 2,835.00 |
| 6616 - Web Tech Honoraria | 1,260.00 | 1,260.00 |
| 6615 - Secretary Honoraria | 200.00 | 200.00 |
| 6655 - DL Expenses - Maybray | 600.00 | 300.00 |
| 6656 - DL Expenses - Hamrick | 600.00 | 0.00 |
| 6657 - DL Expenses - Meyers | 600.00 | 600.00 |
| 6658 - DL Expenses - Tremblay | 600.00 | 0.00 |
| 6660 - Assistant to the Supt Expenses | 1,250.00 | 0.00 |
| 6665 - Conference Trainer Expenses | 500.00 | 0.00 |
| 6625 - Staff Enrichment | 2,000.00 | 2,000.00 |
| Total Staffing | 101,998.64 | 83,849.90 |
| | | |
| 8000 - Denominational Expense (EPP) | 68,216.00 | 88,862.04 |
| 8100 - Contingency Fund | 4,585.62 | 807.88 |
| 6500 - Closed Church Expenses | 2,100.00 | 2,100.00 |
| | | |
| Total Expense | 222,700.26 | 212,869.82 |
| | | |
| Net Operating Income | 0.00 | 7,200.00 |

2020 Keystone Conference Budget, approved by the Keystone BOA on March 24, 2020

Keystone Conference of the FMC
Balance Sheet
As of December 31, 2019

| | Dec 31, 19 |
|---|-------------------|
| ASSETS | |
| Current Assets | |
| Checking/Savings | |
| 1000 · Cash and Cash Equivalents | |
| 1010 · NW Operating Fund | 23,984.73 |
| 1015 · NW Insurance Fund | 17,644.62 |
| Total 1000 · Cash and Cash Equivalents | 41,629.35 |
| Total Checking/Savings | 41,629.35 |
| Accounts Receivable | |
| 1100 · Accounts Receivable | |
| 1141 · 2014 FS Repymt (a) \$pd to FMNE | |
| 1141.5 · 2014 FS Repymt (b) \$ due to KEY | 0.33 |
| 1141 · 2014 FS Repymt (a) \$pd to FMNE - Other | -0.42 |
| Total 1141 · 2014 FS Repymt (a) \$pd to FMNE | -0.09 |
| 1160 · Property Held for Sale-Expenses | -0.31 |
| 1170 · Insurance | 9,564.75 |
| Total 1100 · Accounts Receivable | 9,564.35 |
| Total Accounts Receivable | 9,564.35 |
| Other Current Assets | |
| 1300 · KCLF Investments - Conf. Funds | |
| 1310 · KC Investment | 80,000.00 |
| 1323 · KC Meg Scholarships | 2,000.00 |
| 1322 · KC General Conf. | 5,000.00 |
| 1314 · KC Evangelism | 8,444.19 |
| 1317 · KC Ministers' Benefit Fund | 36,780.76 |
| 1318 · KC Pastors' Benevolent /Health | 951.47 |
| 1321 · Mercer Fund | 650.05 |
| Total 1300 · KCLF Investments - Conf. Funds | 133,826.47 |
| Total Other Current Assets | 133,826.47 |
| Total Current Assets | 185,020.17 |
| Fixed Assets | |
| 1600 · Property Plant & Equipment | |
| 1620 · Land and Buildings | 514,400.00 |
| 1630 · Computers | 0.29 |
| 1699 · A/D-Property Plant Equipment | -60,906.01 |
| Total 1600 · Property Plant & Equipment | 453,494.28 |
| Total Fixed Assets | 453,494.28 |
| Other Assets | |
| 1700 · Property Held for Sale | -0.18 |
| Total Other Assets | -0.18 |
| TOTAL ASSETS | 638,514.27 |
| LIABILITIES & EQUITY | |
| Liabilities | |
| Current Liabilities | |
| Accounts Payable | |
| 2000 · Accounts Payable | 548.46 |
| Total Accounts Payable | 548.46 |
| Total Current Liabilities | 548.46 |
| Total Liabilities | 548.46 |

Keystone Conference of the FMC
Balance Sheet
As of December 31, 2019

| | <u>Dec 31, 19</u> |
|---------------------------------------|--------------------------|
| Equity | |
| 3000 · Opening Balance Equity | 401,601.14 |
| 3200 · Unrestricted Net Assets | 204,073.62 |
| 3900 · Retained Earnings | 0.46 |
| Net Income | <u>32,290.59</u> |
| Total Equity | <u>637,965.81</u> |
| TOTAL LIABILITIES & EQUITY | <u><u>638,514.27</u></u> |

**Keystone Conference of the FMC
Profit & Loss Budget vs. Actual
January through December 2019**

| | Jan - Dec 19 | Budget | \$ Over Budget | % of Budget |
|---|-------------------|-------------------|-------------------|---------------|
| Income | | | | |
| 4000 · Budgeted Income | | | | |
| 4850 · Administrative Fee Ins. Program | 2,719.95 | 3,000.00 | -280.05 | 90.7% |
| 4300 · Interest Income | 8.78 | | | |
| 4800 · FAIR SHARE receipts | 217,415.13 | 219,700.26 | -2,285.13 | 99.0% |
| 4900 · Retired Ministers Receipts | 2,559.00 | | | |
| 4950 · Miscellaneous | | | | |
| Mercer Tax Escrow | -240.08 | | | |
| Mercer Income | 6,750.00 | | | |
| 4950 · Miscellaneous - Other | -228.96 | | | |
| Total 4950 · Miscellaneous | 6,280.96 | | | |
| Total 4000 · Budgeted Income | 228,983.82 | 222,700.26 | 6,283.56 | 102.8% |
| 5000 · Pass Through Income | | | | |
| 5100 · Conference CE | | | | |
| 5120 · Youth | | | | |
| 5122 · YAC Camp | 24,377.00 | | | |
| Total 5120 · Youth | 24,377.00 | | | |
| Total 5100 · Conference CE | 24,377.00 | | | |
| 5200 · Conference Insurance Premiums | | | | |
| 5210 · Health | 107,170.13 | | | |
| 5220 · Dental | 19,198.47 | | | |
| 5230 · Vision | 677.60 | | | |
| 5240 · Life STD LTD | 6,539.72 | | | |
| Total 5200 · Conference Insurance Premiums | 133,585.92 | | | |
| 5400 · MEG Board Training | 3,933.91 | | | |
| Total 5000 · Pass Through Income | 161,896.83 | | | |
| 5530 · Church Planting | 3,570.61 | | | |
| Total Income | 394,451.26 | 222,700.26 | 171,751.00 | 177.1% |
| Expense | | | | |
| 6000 · Conference Operational Expenses | | | | |
| 6100 · Administrative Expense | | | | |
| 6115 · Annual Conference | 3,530.23 | 3,000.00 | 530.23 | 117.7% |
| 6116 · Connections Day Expense | 0.00 | 900.00 | -900.00 | 0.0% |
| 6117 · FMF Contribution | 2,600.00 | 2,600.00 | 0.00 | 100.0% |
| 6125 · Board Travel Expense | 0.00 | 500.00 | -500.00 | 0.0% |
| 6130 · Conference Insurance | 2,265.00 | 3,900.00 | -1,635.00 | 58.1% |
| 6145 · Office Expense | 1,039.93 | 800.00 | 239.93 | 130.0% |
| 6175 · Payroll Processing | 937.42 | 900.00 | 37.42 | 104.2% |
| 6114 · Yearbooks | 1,200.00 | 1,200.00 | 0.00 | 100.0% |
| 6135 · Depreciation Expense | 0.00 | 13,000.00 | -13,000.00 | 0.0% |
| 6330 · General Conference | 4,026.61 | 2,500.00 | 1,526.61 | 161.1% |
| 6190 · Web Tech Expense | 615.00 | 1,000.00 | -385.00 | 61.5% |
| 6195 · Miscellaneous Expense | 163.39 | 1,500.00 | -1,336.61 | 10.9% |
| Total 6100 · Administrative Expense | 16,377.58 | 31,800.00 | -15,422.42 | 51.5% |
| 6200 · Ministry and Program Expense | | | | |
| 6268 · Church Planting/Revitalization | 397.11 | 500.00 | -102.89 | 79.4% |
| 6269 · Local Church Incorporation Fees | 125.00 | | | |
| 6240 · MEG Board | 148.53 | 1,500.00 | -1,351.47 | 9.9% |
| 6270 · Moving Expense | 0.00 | 1,500.00 | -1,500.00 | 0.0% |
| 6265 · Conference Training Events | 1,570.98 | 5,000.00 | -3,429.02 | 31.4% |
| 6285 · Pastoral Enrichment | 989.02 | 2,500.00 | -1,510.98 | 39.6% |
| 6275 · Youth Ministries | 0.00 | 1,000.00 | -1,000.00 | 0.0% |
| 6260 · Retired Ministers Support | 3,125.00 | | | |
| Total 6200 · Ministry and Program Expense | 6,355.64 | 12,000.00 | -5,644.36 | 53.0% |

Keystone Conference of the FMC
Profit & Loss Budget vs. Actual
 January through December 2019

| | Jan - Dec 19 | Budget | \$ Over Budget | % of Budget |
|---|--------------|------------|----------------|-------------|
| 6300 · Scholarships | | | | |
| 6310 · MEG Scholarships | 0.00 | 2,000.00 | -2,000.00 | 0.0% |
| Total 6300 · Scholarships | 0.00 | 2,000.00 | -2,000.00 | 0.0% |
| 6600 · Staffing | | | | |
| 6622 · KCLF Payroll | 0.00 | | | |
| 6610 · Superintendent Comp | 38,973.65 | 38,973.65 | 0.00 | 100.0% |
| 6633 · Superintendent Insurance | 5,746.06 | 5,027.20 | 718.86 | 114.3% |
| 6634 · Superintendent Payroll Taxes | 0.00 | 1,206.47 | -1,206.47 | 0.0% |
| 6641 · Superintendent Pension | 5,431.53 | 5,180.49 | 251.04 | 104.8% |
| 6635 · Asst. to the Supt. | 2,764.20 | 2,876.51 | -112.31 | 96.1% |
| 6636 · Asst. to Supt. Pension | 445.99 | 1,070.29 | -624.30 | 41.7% |
| 6617 · Superintendent Travel | 10,142.76 | 10,000.00 | 142.76 | 101.4% |
| 6613 · Office Manager | 7,667.55 | 7,669.03 | -1.48 | 100.0% |
| 6630 · Workers Comp. | 362.33 | 350.00 | 12.33 | 103.5% |
| 6614 · Bookkeeper | 5,226.00 | 6,000.00 | -774.00 | 87.1% |
| 6645 · DL Honoraria | 9,600.00 | 9,600.00 | 0.00 | 100.0% |
| 6646 · CMC Coordinator Honoraria | 0.00 | 1,800.00 | -1,800.00 | 0.0% |
| 6647 · Credentialing Expenses | 0.00 | 600.00 | -600.00 | 0.0% |
| 6648 · Conference Trainer Honoraria | 0.00 | 1,200.00 | -1,200.00 | 0.0% |
| 6619 · Treasurer Honoraria | 2,835.00 | 2,835.00 | 0.00 | 100.0% |
| 6616 · Web Tech Honoraria | 1,260.00 | 1,260.00 | 0.00 | 100.0% |
| 6615 · Secretary Honoraria | 200.00 | 200.00 | 0.00 | 100.0% |
| 6655 · DL Expenses - Maybray | 0.00 | 600.00 | -600.00 | 0.0% |
| 6656 · DL Expenses - Hamrick | 0.00 | 600.00 | -600.00 | 0.0% |
| 6657 · DL Expenses - Myers | 163.26 | 600.00 | -436.74 | 27.2% |
| 6658 · DL Expenses - Tremblay | 0.00 | 600.00 | -600.00 | 0.0% |
| 6660 · Asst. to the Supt. Expenses | 0.00 | 1,250.00 | -1,250.00 | 0.0% |
| 6665 · Conference Trainer Expenses | 0.00 | 500.00 | -500.00 | 0.0% |
| 6625 · Staff Enrichment | 793.46 | 2,000.00 | -1,206.54 | 39.7% |
| Total 6600 · Staffing | 91,611.79 | 101,998.64 | -10,386.85 | 89.8% |
| 8000 · Denominational Exp (EPP) | 81,668.00 | 68,216.00 | 13,452.00 | 119.7% |
| 8100 · Contingency Fund | 0.00 | 4,585.62 | -4,585.62 | 0.0% |
| Total 6000 · Conference Operational Expenses | 196,013.01 | 220,600.26 | -24,587.25 | 88.9% |
| 6500 · Closed Church Expenses | | | | |
| 6556 · Brookville | 498.34 | | | |
| 6551 · Mercer Expenses | 1,142.00 | | | |
| 6500 · Closed Church Expenses - Other | 0.00 | 2,100.00 | -2,100.00 | 0.0% |
| Total 6500 · Closed Church Expenses | 1,640.34 | 2,100.00 | -459.66 | 78.1% |
| 6700 · Conf Fund Expense Accounts | | | | |
| 6712 · Church Planting/Revitalization | 2,139.50 | | | |
| Total 6700 · Conf Fund Expense Accounts | 2,139.50 | | | |
| 7000 · Pass Through Expense | | | | |
| 7600 · Training | 263.89 | | | |
| 7100 · Conference CE Expense | | | | |
| 7120 · Youth | | | | |
| 7122 · YAC | 25,103.41 | | | |
| Total 7120 · Youth | 25,103.41 | | | |
| Total 7100 · Conference CE Expense | 25,103.41 | | | |
| 7200 · Conference Insurance Program | | | | |
| 7210 · Health | 107,847.73 | | | |
| 7220 · Dental | 19,198.47 | | | |
| 7240 · Life STD LTD | 7,029.32 | | | |
| Total 7200 · Conference Insurance Program | 134,075.52 | | | |

Keystone Conference of the FMC
Profit & Loss Budget vs. Actual
 January through December 2019

| | <u>Jan - Dec 19</u> | <u>Budget</u> | <u>\$ Over Budget</u> | <u>% of Budget</u> |
|--|-------------------------|--------------------|-------------------------|----------------------|
| 7400 · MEG Board Training | <u>2,925.00</u> | | | |
| Total 7000 · Pass Through Expense | <u>162,367.82</u> | | | |
| Total Expense | <u>362,160.67</u> | <u>222,700.26</u> | <u>139,460.41</u> | <u>162.6%</u> |
| Net Income | <u><u>32,290.59</u></u> | <u><u>0.00</u></u> | <u><u>32,290.59</u></u> | <u><u>100.0%</u></u> |

Keystone Conference of the FMC
Balance Sheet
As of April 30, 2020

| | Apr 30, 20 |
|--|------------|
| ASSETS | |
| Current Assets | |
| Checking/Savings | |
| 1000 · Cash and Cash Equivalents | |
| 1010 · NW Operating Fund | 37,974.93 |
| 1015 · NW Insurance Fund | 9,354.75 |
| Total 1000 · Cash and Cash Equivalents | 47,329.68 |
| Total Checking/Savings | 47,329.68 |
| Accounts Receivable | |
| 1100 · Accounts Receivable | |
| 1170 · Insurance | 14,212.86 |
| Total 1100 · Accounts Receivable | 14,212.86 |
| Total Accounts Receivable | 14,212.86 |
| Other Current Assets | |
| 1300 · KCLF Investments - Conf. Funds | |
| 1323 · KC Meg Scholarships | 2,000.00 |
| 1322 · KC General Conf. | 5,000.00 |
| 1314 · KC Evangelism | 8,444.19 |
| 1317 · KC Ministers' Benefit Fund | 36,780.76 |
| 1318 · KC Pastors' Benevolent /Health | 951.47 |
| 1321 · Mercer Fund | 650.05 |
| Total 1300 · KCLF Investments - Conf. Funds | 53,826.47 |
| Total Other Current Assets | 53,826.47 |
| Total Current Assets | 115,369.01 |
| Fixed Assets | |
| 1600 · Property Plant & Equipment | |
| 1620 · Land and Buildings | 446,954.00 |
| 1699 · A/D-Property Plant Equipment | -66,944.01 |
| Total 1600 · Property Plant & Equipment | 380,009.99 |
| Total Fixed Assets | 380,009.99 |
| TOTAL ASSETS | 495,379.00 |
| LIABILITIES & EQUITY | |
| Liabilities | |
| Current Liabilities | |
| Accounts Payable | |
| 2000 · Accounts Payable | 494.00 |
| Total Accounts Payable | 494.00 |
| Total Current Liabilities | 494.00 |
| Total Liabilities | 494.00 |
| Equity | |
| 3000 · Opening Balance Equity | 401,601.14 |
| 3200 · Unrestricted Net Assets | 82,920.80 |
| Net Income | 10,363.06 |
| Total Equity | 494,885.00 |
| TOTAL LIABILITIES & EQUITY | 495,379.00 |

**Keystone Conference of the FMC
Profit & Loss Budget vs. Actual
January through April 2020**

| | Jan - Apr 20 | Budget | \$ Over Budget | % of Budget |
|---|-------------------|------------------|------------------|---------------|
| Income | | | | |
| 4000 · Budgeted Income | | | | |
| 4850 · Administrative Fee Ins. Program | 895.68 | 900.00 | -4.32 | 99.5% |
| 4300 · Interest Income | 1.60 | | | |
| 4800 · FAIR SHARE receipts | 70,800.35 | 72,456.64 | -1,656.29 | 97.7% |
| 4900 · Retired Ministers Receipts | 600.00 | | | |
| 4950 · Miscellaneous | | | | |
| Mercer Income | 497.04 | | | |
| Total 4950 · Miscellaneous | <u>497.04</u> | | | |
| Total 4000 · Budgeted Income | <u>72,794.67</u> | <u>73,356.64</u> | <u>-561.97</u> | <u>99.2%</u> |
| 5000 · Pass Through Income | | | | |
| 5100 · Conference CE | | | | |
| 5120 · Youth | | | | |
| 5122 · YAC Camp | 4,570.00 | | | |
| Total 5120 · Youth | <u>4,570.00</u> | | | |
| Total 5100 · Conference CE | <u>4,570.00</u> | | | |
| 5200 · Conference Insurance Premiums | | | | |
| 5210 · Health | 36,900.64 | | | |
| 5220 · Dental | 5,570.13 | | | |
| 5230 · Vision | 219.20 | | | |
| 5240 · Life STD LTD | 2,078.48 | | | |
| Total 5200 · Conference Insurance Premiums | <u>44,768.45</u> | | | |
| 5400 · MEG Board Training | 185.00 | | | |
| Total 5000 · Pass Through Income | <u>49,523.45</u> | | | |
| 5530 · Church Planting | 66.75 | | | |
| Total Income | <u>122,384.87</u> | <u>73,356.64</u> | <u>49,028.23</u> | <u>166.8%</u> |
| Expense | | | | |
| 6000 · Conference Operational Expenses | | | | |
| 6100 · Administrative Expense | | | | |
| 6115 · Annual Conference | 0.00 | 1,000.00 | -1,000.00 | 0.0% |
| 6116 · Connections Day Expense | 9.72 | 266.68 | -256.96 | 3.6% |
| 6117 · FMF Contribution | 650.00 | 866.68 | -216.68 | 75.0% |
| 6130 · Conference Insurance | 2,120.00 | 1,166.68 | 953.32 | 181.7% |
| 6145 · Office Expense | 20.34 | 333.36 | -313.02 | 6.1% |
| 6175 · Payroll Processing | 343.10 | 300.00 | 43.10 | 114.4% |
| 6114 · Yearbooks | 1,100.00 | 400.00 | 700.00 | 275.0% |
| 6135 · Depreciation Expense | 0.00 | 2,000.00 | -2,000.00 | 0.0% |
| 6330 · General Conference | 0.00 | 833.36 | -833.36 | 0.0% |
| 6190 · Web Tech Expense | 158.89 | 250.00 | -91.11 | 63.6% |
| 6195 · Miscellaneous Expense | -4.50 | 500.00 | -504.50 | -0.9% |
| Total 6100 · Administrative Expense | <u>4,397.55</u> | <u>7,916.76</u> | <u>-3,519.21</u> | <u>55.5%</u> |
| 6200 · Ministry and Program Expense | | | | |
| 6268 · Church Planting/Revitalization | 0.00 | 166.68 | -166.68 | 0.0% |
| 6240 · MEG Board | 0.00 | 500.00 | -500.00 | 0.0% |
| 6270 · Moving Expense | 0.00 | 500.00 | -500.00 | 0.0% |
| 6265 · Conference Training Events | 258.50 | 1,666.68 | -1,408.18 | 15.5% |
| 6285 · Pastoral Enrichment | 113.20 | 666.68 | -553.48 | 17.0% |
| 6275 · Youth Ministries | 0.00 | 333.36 | -333.36 | 0.0% |
| Total 6200 · Ministry and Program Expense | <u>371.70</u> | <u>3,833.40</u> | <u>-3,461.70</u> | <u>9.7%</u> |
| 6300 · Scholarships | | | | |
| 6310 · MEG Scholarships | 0.00 | 666.68 | -666.68 | 0.0% |
| Total 6300 · Scholarships | <u>0.00</u> | <u>666.68</u> | <u>-666.68</u> | <u>0.0%</u> |

**Keystone Conference of the FMC
Profit & Loss Budget vs. Actual
January through April 2020**

| | Jan - Apr 20 | Budget | \$ Over Budget | % of Budget |
|---|-------------------|------------------|-------------------|----------------------|
| 6600 - Staffing | | | | |
| 6622 - KCLF Payroll | 0.00 | | | |
| 6610 - Superintendent Comp | 10,724.00 | 10,724.00 | 0.00 | 100.0% |
| 6633 - Superintendent Insurance | 3,116.28 | 3,175.04 | -58.76 | 98.1% |
| 6634 - Superintendent Payroll Taxes | 0.00 | 723.88 | -723.88 | 0.0% |
| 6641 - Superintendent Pension | 1,555.76 | 1,555.76 | 0.00 | 100.0% |
| 6617 - Superintendent Travel | 1,957.64 | 4,000.00 | -2,042.36 | 48.9% |
| 6613 - Office Manager | 2,555.85 | 2,556.36 | -0.51 | 100.0% |
| 6630 - Workers Comp. | 346.25 | 116.68 | 229.57 | 296.8% |
| 6614 - Bookkeeper | 1,940.50 | 2,000.00 | -59.50 | 97.0% |
| 6645 - DL Honoraria | 1,500.00 | 2,000.00 | -500.00 | 75.0% |
| 6647 - Credentialing Expenses | 0.00 | 200.00 | -200.00 | 0.0% |
| 6619 - Treasurer Honoraria | 945.00 | 945.00 | 0.00 | 100.0% |
| 6616 - Web Tech Honoraria | 420.00 | 420.00 | 0.00 | 100.0% |
| 6615 - Secretary Honoraria | 0.00 | 66.68 | -66.68 | 0.0% |
| 6655 - DL Expenses - Maybray | 0.00 | 400.00 | -400.00 | 0.0% |
| 6657 - DL Expenses - Myers | 0.00 | 800.00 | -800.00 | 0.0% |
| 6625 - Staff Enrichment | 187.61 | 666.68 | -479.07 | 28.1% |
| Total 6600 - Staffing | 25,248.89 | 30,350.08 | -5,101.19 | 83.2% |
| 8000 - Denominational Exp (EPP) | 29,620.68 | 29,620.68 | 0.00 | 100.0% |
| 8100 - Contingency Fund | 0.00 | 269.32 | -269.32 | 0.0% |
| Total 6000 - Conference Operational Expenses | 59,638.82 | 72,656.92 | -13,018.10 | 82.1% |
| 6500 - Closed Church Expenses | | | | |
| 6556 - Brookville | 966.00 | | | |
| 6500 - Closed Church Expenses - Other | 0.00 | 700.00 | -700.00 | 0.0% |
| Total 6500 - Closed Church Expenses | 966.00 | 700.00 | 266.00 | 138.0% |
| 7000 - Pass Through Expense | | | | |
| 7100 - Conference CE Expense | | | | |
| 7120 - Youth | | | | |
| 7121 - Winterfest | 3,448.50 | | | |
| 7122 - YAC | 1,800.00 | | | |
| Total 7120 - Youth | 5,248.50 | | | |
| Total 7100 - Conference CE Expense | 5,248.50 | | | |
| 7200 - Conference Insurance Program | | | | |
| 7210 - Health | 37,119.84 | | | |
| 7220 - Dental | 5,570.13 | | | |
| 7240 - Life STD LTD | 2,078.52 | | | |
| Total 7200 - Conference Insurance Program | 44,768.49 | | | |
| 7400 - MEG Board Training | 1,400.00 | | | |
| Total 7000 - Pass Through Expense | 51,416.99 | | | |
| Total Expense | 112,021.81 | 73,356.92 | 38,664.89 | 152.7% |
| Net Income | 10,363.06 | -0.28 | 10,363.34 | -3,701,092.9% |

APRIL 2020 FAIR SHARE

| Church | Monthly FS | | Jan | Feb | March | April |
|---------------------------|-------------|--|----------|----------|----------|----------|
| Austin | \$ 89.70 | | | 179.40 | 89.70 | 89.70 |
| Bradford, First | \$ 563.05 | | 563.05 | 563.50 | 563.05 | 563.05 |
| Bradford, Open Arms | \$ 2,415.03 | | | 4,830.06 | 2,415.03 | 2,415.03 |
| Brookville | | | | | | |
| Centerville | \$ 267.25 | | | 267.25 | 267.25 | 267.25 |
| Cherry Grove | \$ 231.80 | | | | | |
| Clearfield | \$ 134.55 | | 134.55 | 1,747.55 | 134.55 | 134.55 |
| Coudersport | \$ 898.24 | | 898.24 | 898.24 | 898.24 | 898.24 |
| DuBois L&L | \$ 650.78 | | 650.78 | 650.78 | 650.78 | 650.78 |
| Egypt | \$ 423.72 | | 423.72 | 423.72 | 423.72 | 423.72 |
| Ellwood City | \$ 365.89 | | | | | |
| Emporium | \$ 254.53 | | | 326.92 | | |
| Erie, New Vision | \$ 299.20 | | | | | |
| Fleming | \$ 454.90 | | 454.90 | 454.90 | 454.90 | 454.90 |
| Franklin | \$ 188.60 | | 202.95 | 181.60 | 188.60 | 188.60 |
| Gearhartville | \$ 1,366.89 | | 1,366.89 | 1,366.89 | 1,366.89 | 1,366.89 |
| Kane | \$ 210.51 | | 75.94 | 210.51 | | 421.02 |
| Mayburg Circuit | \$ 5.00 | | | | | |
| Mill Hall | \$ 266.60 | | 266.60 | 533.20 | | 266.60 |
| New Castle, Maitland Lane | \$ 465.96 | | 465.96 | | 931.92 | 465.96 |
| New Castle, New Creation | \$ 652.15 | | 652.15 | 652.15 | 652.15 | 652.15 |
| North East, Lake Shore | \$ 216.78 | | 433.52 | 216.76 | | 216.76 |
| Oil City | \$ 1,022.96 | | 1,022.96 | 1,022.96 | 1,022.96 | 1,022.96 |
| Penfield | \$ 42.72 | | | 186.21 | 42.72 | 42.72 |
| Pine City | \$ 173.07 | | 173.07 | 173.07 | 173.07 | 173.07 |
| Pleasantville | \$ 329.15 | | | 658.30 | 329.15 | 329.15 |
| Reynoldsville | \$ 30.56 | | | 87.69 | 30.56 | 30.56 |
| Riverview | \$ 89.53 | | 119.71 | 119.71 | 119.71 | |
| Stepping Stones | \$ 514.85 | | 514.85 | 514.85 | 514.85 | 514.85 |
| Sugar Grove | \$ 1,272.32 | | 1,272.32 | 1,272.32 | 1,272.32 | 1,272.32 |
| Titusville | \$ 2,393.85 | | 2,706.01 | 2,081.69 | 2,393.85 | |
| Ulysses | \$ 362.93 | | 362.93 | 362.93 | 362.93 | 362.93 |
| Van, New Life | \$ 266.47 | | 266.47 | 266.47 | 266.47 | 266.47 |
| Warren, The Harbor | | | | | | |
| Williamsport, Northway | \$ 832.27 | | 332.27 | 332.27 | 332.27 | 332.27 |
| Youngsville | \$ 1,665.29 | | 1,665.29 | 1,665.29 | 1,665.29 | 1,665.29 |

\$ 19,417.10

\$ 15,025.13

\$ 22,247.19

\$ 17,562.93

\$ 15,487.79

Keystone Conference Loan Fund
Balance Sheet
04/30/2020

| ASSETS | Current Balance | |
|--------------------------------------|-------------------|---------------------|
| 1630 Computer | 13,623.00 | |
| 1030 Northwest Checking | 2,549.28 | |
| 1040 Northwest Savings | 10,905.87 | |
| 1190 Loan Interest Receivable | 4,399.62 | |
| 1200 Church Loans | 1,848,870.45 | |
| 1299 Allowance for DA – Church Loans | (172,019.65) | |
| 1300 Pastor Loans | 181,142.80 | |
| 1420 Raymond James | 130,792.02 | |
| 1705 Accumulated Depreciation | <u>(4,865.00)</u> | |
| TOTAL ASSETS | | 2,015,398.39 |
| | | |
| LIABILITIES AND FUND BALANCES | | |
| 2010 Escrow Payables | 485.83 | |
| 2020 Individual Investors | 985,515.82 | |
| 2030 Institutional Investors | 1,157,072.25 | |
| 2040 Keystone Conference Investors | 52,183.88 | |
| 2800 Accrued Interest Payable | 11,014.32 | |
| 3000 Opening Balance Equity | 436,517.15 | |
| 3200 Net Assets – Unrestricted | (879,187.27) | |
| 3300 Net Income | 2451,796.41 | |
| TOTAL LIABILITIES | | 2,015,398.39 |

Keystone Conference Loan Fund
Profit and Loss
January 1 - April 30, 2020

| REVENUE | Year to Date | |
|-----------------------------------|-----------------|------------------|
| 4400 Interest Income | 29,994.98 | |
| 4610 Portfolio Interest/Dividends | 1,027.02 | |
| 4630 Unrealized Gain/Loss | (16,856.32) | |
| 4950 Miscellaneous Income | <u>33.96</u> | |
| TOTAL REVENUE | | 14,199.64 |
| | | |
| EXPENSE | | |
| 6050 Interest Expense | 11,692.91 | |
| 6140 Director Stipend | 800.00 | |
| 6142 Treasurer Stipend | 300.00 | |
| 6170 Dues & Subscriptions | 1,265.00 | |
| 6175 Postage | 84.95 | |
| 6410 Accountancy Fees | 23,920.00 | |
| 6420 Legal Fees | 2,708.50 | |
| 6430 Loan Registration Expense | 1,335.00 | |
| 6440 Brokerage Fees | 655.33 | |
| 6610 Salary | <u>4,521.32</u> | |
| TOTAL EXPENSE | | <u>47,283.01</u> |
| | | |
| NET INCOME | | (33,083.37) |

Keystone Conference Loan Fund
Balance Sheet
12/31/2019

| ASSETS | | Current Balance | |
|-------------------------------|---------------------------------|-------------------|--------------|
| 1630 | Computer | 13,623.00 | |
| 1030 | Northwest Checking | 36,599.22 | |
| 1040 | Northwest Savings | 11,100.43 | |
| 1190 | Loan Interest Receivable | 6,229.33 | |
| 1200 | Church Loans | 1,890,882.09 | |
| 1299 | Allowance for DA – Church Loans | (172,019.65) | |
| 1300 | Pastor Loans | 182,476.09 | |
| 1420 | Raymond James | 147,276.65 | |
| 1705 | Accumulated Depreciation | <u>(4,865.00)</u> | |
| TOTAL ASSETS | | | 2,111,302.16 |
| | | | |
| LIABILITIES AND FUND BALANCES | | | |
| 2010 | Escrow Payables | (24.87) | |
| 2020 | Individual Investors | 984,388.22 | |
| 2030 | Institutional Investors | 1,232,445.08 | |
| 2040 | Keystone Conference Investors | 52,183.88 | |
| 2050 | Accounts Payable Other | 55.00 | |
| 2800 | Accrued Interest Payable | 45.19 | |
| 3000 | Opening Balance Equity | 436,517.15 | |
| 3200 | Net Assets – Unrestricted | (879,187.27) | |
| 3300 | Net Income | 284,879.78 | |
| TOTAL LIABILITIES | | | 2,111,302.16 |

Keystone Conference Loan Fund
Profit and Loss
January 1 - December 31, 2019

| REVENUE | Year to Date | |
|-----------------------------------|------------------|-------------------|
| 4400 Interest Income | 120,771.59 | |
| 4610 Portfolio Interest/Dividends | 3,528.68 | |
| 4630 Unrealized Gain/Loss | 17,430.19 | |
| 4700 Donation Income | 133,549.65 | |
| 4950 Miscellaneous Income | <u>244.15</u> | |
| TOTAL REVENUE | | 275,524.26 |
| | | |
| EXPENSE | | |
| 6040 Bank Service Charges | 225.00 | |
| 6050 Interest Expense | 49,887.96 | |
| 6140 Director Stipend | 2,400.00 | |
| 6142 Treasurer Stipend | 900.00 | |
| 6145 Office Expense | 256.46 | |
| 6150 Depreciation Expense | 1,946.00 | |
| 6170 Dues & Subscriptions | 3,600.00 | |
| 6175 Postage | 481.65 | |
| 6410 Accountancy Fees | 30,756.00 | |
| 6420 Legal Fees | 17,479.50 | |
| 6430 Loan Registration Expense | 1,335.00 | |
| 6440 Brokerage Fees | 1,312.61 | |
| 6610 Salary | <u>13,563.96</u> | |
| TOTAL EXPENSE | | <u>124,224.57</u> |
| | | |
| NET INCOME | | 151,299.69 |

**Keystone Conference of the Free Methodist Church
of North America, Inc.**

Independent Auditor's Report and Financial Statements

December 31, 2019 and 2018

Independent Auditor's Report

Conference Board of Administration
Keystone Conference of the Free Methodist Church
of North America, Inc.
Oil City, Pennsylvania

We have audited the accompanying financial statements of Keystone Conference of the Free Methodist Church of North America, Inc. (the "Conference"), which comprise the statements of financial position as of December 31, 2019 and 2018, 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.

Auditor's 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 audits 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 Keystone Conference of the Free Methodist Church of North America, Inc. as of December 31, 2019 and 2018, 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.

BKD, LLP

Springfield, Missouri
March 10, 2020

Keystone Conference of the Free Methodist Church of North America, Inc.

Statements of Financial Position December 31, 2019 and 2018

Assets

| | 2019 | 2018 |
|---|--------------|--------------|
| Current Assets | | |
| Cash and cash equivalents | \$ 90,099 | \$ 146,735 |
| Investments | 146,507 | 127,630 |
| Loans receivable, current portion | 83,304 | 100,782 |
| Accrued interest receivable | 6,229 | 7,736 |
| Other assets | 9,565 | 10,181 |
| Total current assets | 335,704 | 393,064 |
| Loans, net of allowance for loan losses of \$172,020 at December 31, 2019 and 2018 | 1,818,034 | 2,027,785 |
| Property and equipment, net | 388,768 | 464,198 |
| Total assets | \$ 2,542,506 | \$ 2,885,047 |

Liabilities and Net Assets

| | | |
|---------------------------------------|--------------|--------------|
| Current Liabilities | | |
| Accounts payable and accrued expenses | \$ 623 | \$ 1,801 |
| Debt certificates, current portion | 1,333,726 | 1,676,179 |
| Total current liabilities | 1,334,349 | 1,677,980 |
| Debt certificates | 881,465 | 910,011 |
| Total liabilities | 2,215,814 | 2,587,991 |
| Net Assets | | |
| Without donor restrictions | | |
| Undesignated | 326,692 | 297,056 |
| Total liabilities and net assets | \$ 2,542,506 | \$ 2,885,047 |

Keystone Conference of the Free Methodist Church of North America, Inc.

Statements of Activities Years Ended December 31, 2019 and 2018

| | Without Donor Restrictions | |
|--|-----------------------------------|-------------------|
| | 2019 | 2018 |
| Revenues, Gains and Other Support | | |
| Net investment return | \$ 19,646 | \$ (8,812) |
| Fair share contributions | 217,415 | 226,883 |
| Interest income | 120,781 | 130,133 |
| Event income | 24,377 | 24,838 |
| Other income | 19,309 | 30,387 |
| | 401,528 | 403,429 |
| Expenses and Losses | | |
| Denominational expense | 81,668 | 83,507 |
| Employee payroll and benefits | 91,242 | 93,112 |
| Interest expense | 49,888 | 52,604 |
| Professional fees | 49,571 | 54,350 |
| Office | 31,380 | 30,856 |
| Other | 55,100 | 55,919 |
| Depreciation | 13,043 | 6,438 |
| | 371,892 | 376,786 |
| Change in Net Assets | 29,636 | 26,643 |
| Net Assets, Beginning of Year | 297,056 | 270,413 |
| Net Assets, End of Year | \$ 326,692 | \$ 297,056 |

Keystone Conference of the Free Methodist Church of North America, Inc.

Statements of Cash Flows Years Ended December 31, 2019 and 2018

| | 2019 | 2018 |
|---|------------------|-------------------|
| Operating Activities | | |
| Change in net assets | \$ 29,636 | \$ 26,643 |
| Items not requiring (providing) cash | | |
| Depreciation | 13,043 | 6,438 |
| Net (gain) loss on investments | (19,646) | 8,812 |
| Loss on sale of assets | 8,837 | - |
| Changes in | | |
| Accrued interest receivable | 1,507 | (3,614) |
| Other assets | 616 | 3,589 |
| Accounts payable and accrued expenses | (1,178) | (7,498) |
| | 32,815 | 34,370 |
| Net cash provided by operating activities | 32,815 | 34,370 |
| Investing Activities | | |
| Proceeds from sale of property and equipment | 53,550 | - |
| Purchases of investments | - | (6,325) |
| Proceeds from the sale of investments | 769 | 262,597 |
| Originations of loans receivable | (513) | (187,202) |
| Principal payments received on loans receivable | 227,742 | 117,555 |
| | 281,548 | 186,625 |
| Net cash provided by investing activities | 281,548 | 186,625 |
| Financing Activities | | |
| Proceeds from issuance of debt certificates | 135,183 | 336,540 |
| Repayments of debt certificates | (506,182) | (512,130) |
| | (370,999) | (175,590) |
| Net cash used in financing activities | (370,999) | (175,590) |
| Increase (Decrease) in Cash and Cash Equivalents | (56,636) | 45,405 |
| Cash and Cash Equivalents, Beginning of Year | 146,735 | 101,330 |
| Cash and Cash Equivalents, End of Year | \$ 90,099 | \$ 146,735 |
| Supplemental Cash Flows Information | | |
| Interest paid to certificate holders | \$ 688 | \$ 1,643 |
| Interest reinvested by certificate holders | \$ 49,233 | \$ 50,994 |

Keystone Conference of the Free Methodist Church of North America, Inc.

Notes to Financial Statements December 31, 2019 and 2018

Note 1: Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations

The Keystone Conference of the Free Methodist Church of North America, Inc. (the "Conference") is a nonprofit corporation associated with the Free Methodist Church of North America, Inc. (Free Methodist Church). As an association of churches, the Conference is exempt from federal and state income tax under Section 501(c)(3) of the Internal Revenue Code, and contributions made by the public are deductible for income tax purposes.

The purpose of the Conference is to carry out the work of the Free Methodist Church within and through its member churches and thereby to spread the Gospel of Jesus Christ. This is accomplished by the operations of the Conference and operation of the Keystone Conference Loan Fund (Loan Fund). The Loan Fund is not a separate legal entity from the Conference but is a division within the Conference. The Loan Fund's primary purpose is to provide loans to Free Methodist churches for the construction and renovation of church buildings and to provide loans to Free Methodist ministers within the Conference to assist them in purchasing their homes.

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, expenses gains, losses and other changes in net assets during the reporting period. Actual results could differ from those estimates.

Material estimates that are particularly susceptible to significant change relate to the determination of the allowance for loan losses, the valuation of real estate acquired in connection with foreclosures or in satisfaction of loans and the valuation of real estate acquired in connection with church closings that are part of the Conference. Management typically obtains independent appraisals or valuations for significant properties.

Cash and Cash Equivalents

The Conference considers liquid investments with original maturities of three months or less to be cash equivalents. At December 31, 2019 and 2018, cash equivalents consisted of money market deposit accounts.

Keystone Conference of the Free Methodist Church of North America, Inc.

Notes to Financial Statements December 31, 2019 and 2018

Investments and Net Investment Return

Investments in equity securities having a readily determinable fair value and in all debt securities are carried at fair value. Investment return includes dividend, interest and other investment income; realized and unrealized gains and losses on investments carried at fair value; and realized gains and losses on other investments, less external and direct internal investment expenses.

Loans

Loans that management has the intent and ability to hold for the foreseeable future or until maturity or payoffs are reported at their outstanding principal balances adjusted for any charge-offs and the allowance for loan losses. Generally, these loans are collateralized by first mortgages on the primary buildings and facilities owned by the borrowers.

Interest income is accrued based on the unpaid principal balance.

The accrual of interest on loans is generally discontinued at the time the loan is 90 days past due unless the credit is well-secured and in process of collection. Past due status is based on contractual terms of the loan. In all cases, loans are placed on nonaccrual or charged off at an earlier date if collection of principal or interest is considered doubtful. The interest on these loans is accounted for on the cash-basis or cost-recovery method, until qualifying for return to accrual. Loans are returned to accrual status when all the principal and interest amounts contractually due are brought current and future payments are reasonably assured.

Allowance for Loan Losses

The allowance for loan losses is established as losses are estimated to have occurred through a provision for loan losses charged to earnings. Loan losses are charged against the allowance when management believes the uncollectibility of a loan balance is confirmed. Subsequent recoveries, if any, are credited to the allowance.

The allowance for loan losses is evaluated on a regular basis by management and is based upon management's periodic review of the collectibility of the loans in light of historical experience, the nature and volume of the loan portfolio, adverse situations that may affect the borrower's ability to repay, estimated value of any underlying collateral and prevailing economic conditions. This evaluation is inherently subjective as it requires estimates that are susceptible to significant revision as more information becomes available.

Keystone Conference of the Free Methodist Church of North America, Inc.

Notes to Financial Statements

December 31, 2019 and 2018

The allowance consists of allocated and general components. The allocated component relates to loans that are classified as impaired. For those loans that are classified as impaired, an allowance is established when the discounted cash flows or collateral value of the impaired loan is lower than the carrying value of that loan. The general component covers nonclassified loans and is based on historical charge-off experience and expected loss given default derived from the Conference's internal risk rating process. Other adjustments may be made to the allowance for pools of loans after an assessment of internal or external influences on credit quality that are not fully reflected in the historical loss or risk rating data.

A loan is considered impaired when, based on current information and events, it is probable that the Conference will be unable to collect the scheduled payments of principal or interest when due according to the contractual terms of the loan agreement. Factors considered by management in determining impairment include payment status, collateral value and the probability of collecting scheduled principal and interest payments when due. Loans that experience insignificant payment delays and payment shortfalls generally are not classified as impaired. Management determines the significance of payment delays and payment shortfalls on a case-by-case basis, taking into consideration all of the circumstances surrounding the loan and the borrower, including the length of the delay, the reasons for the delay, the borrower's prior payment record and the amount of the shortfall in relation to the principal and interest owed. Impairment is measured on a loan-by-loan basis by either the present value of expected future cash flows discounted at the loan's effective interest rate or the fair value of the collateral if the loan is collateral dependent.

Property Reversions and Re-Launches

Property reversions are made when the Conference Board of Administration deems a church no longer self-sustainable and decides to close the church. The properties of the churches within the Conference are then titled to the Conference in trust and are recorded on the Conference's books as reversion income when the Conference closes a church. The Conference then assumes responsibility of the property. During the years ended December 31, 2019 and 2018, there were no properties reverted to the Conference.

When a church closes, the Conference Board of Administration may subsequently decide to re-launch the church as a church plant. A church re-launch consists of a phased process at the end of which the new church will obtain fellowship and then ultimately full society status within the Conference, if successful. During the church plant period, the Conference is responsible to provide assistance and support in the form of consultations, personnel, materials and/or finances. Once a church moves to fellowship and society status, the Conference no longer has control. The Conference holds the physical property during the entire re-launch period until full society status is obtained. At the achievement of society status, the Conference may grant the property to church. There were no properties granted to a church during the years ended December 31, 2019 and 2018.

Keystone Conference of the Free Methodist Church of North America, Inc.

Notes to Financial Statements December 31, 2019 and 2018

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation, with the exception of certain properties, which have been reported at fair value as determined by an independent market analysis upon reversion. Subsequently, the church buildings are depreciated over their estimated useful life. Donated depreciable assets are recorded at their estimated fair value at the date of the donation and are being depreciated over the estimated useful lives.

The estimated useful lives for each major depreciable classification of premises and equipment are as follows:

| | |
|-----------|----------|
| Buildings | 40 years |
| Computers | 7 years |

Long-Lived Asset Impairment

The Conference evaluates the recoverability of the carrying value of long-lived assets whenever events or circumstances indicate the carrying amount may not be recoverable. If a long-lived asset is tested for recoverability and the undiscounted estimated future cash flows expected to result from the use and eventual disposition of the asset is less than the carrying amount of the assets, the assets cost is adjusted to fair value and an impairment loss is recognized as the amount by which the carrying amount of a long-lived asset exceeds its fair value. No asset impairment was recognized during the years ended December 31, 2019 and 2018.

Debt Certificates

The certificates pay interest based on an established rate from the date of purchase through maturity. The payment of principal and interest on the certificates is a general obligation of the Conference. The Conference offers two types of debt securities to investors. The debt securities offered are 30-day demand notes and 2-, 3- and 5-year term notes. Interest on demand notes accrues monthly and is paid semiannually. Interest on term notes is accrued monthly and is paid at end of term. Interest is calculated based on a 365-day year. The Conference does not possess any deposit insurance from a third-party insurer or state or federal deposit insurance agency. The payment of principal and interest on the certificates depends solely upon the financial condition and strength of the Conference.

Keystone Conference of the Free Methodist Church of North America, Inc.

Notes to Financial Statements

December 31, 2019 and 2018

Contributions

Gifts of cash and other assets received without donor stipulations are reported as revenue and net assets without donor restrictions. Gifts received with a donor stipulation that limits their use are reported as revenue and net assets with donor restrictions. When a donor stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Gifts having donor stipulations which are satisfied in the period the gift is received are reported as revenue and net assets without donor restrictions. There were no net assets with donor restrictions as of December 31, 2019 and 2018.

Unconditional gifts expected to be collected within one year are reported at their net realizable value.

Conditional gifts depend on the occurrence of a specified future and uncertain event to bind the potential donor and are recognized as assets and revenue when the conditions are substantially met and the gift becomes unconditional.

Fair Share Contributions

Cash received from Free Methodist churches are included in fair share contributions on the statements of activities. Churches contributed approximately 8.5 percent of their annual income to the Keystone Conference for Conference, Regional and Denominational operational support. The revenue from this source is recorded as gifts without donor restrictions.

Functional Allocation of Expenses

Functional expenses (*Note 8*) presents the natural classification detail of expenses by function. Certain costs have been allocated among the programs and supporting services based on usage and other methods.

Exemption from Income Taxes

The Conference is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code as provided by Free Methodist Church's group exemption ruling from the Internal Revenue Service and under similar provisions of state law. However, the Conference is subject to federal income tax on any unrelated business taxable income.

Keystone Conference of the Free Methodist Church of North America, Inc.

Notes to Financial Statements December 31, 2019 and 2018

Change in Accounting Principle

On January 1, 2019, the Conference adopted the Financial Accounting Standards Board Accounting Standards Update 2014-09, *Revenue from Contracts with Customers (Topic 606)*. Topic 606 creates a single framework for recognizing revenue from contracts with customers that fall within its scope. The majority of the Conference's revenues come from interest income and other sources, including loans and investments, that are outside the scope of Topic 606. The Conference's services that fall within the scope of Topic 606 are presented within event and other income in the accompanying statements of activities and are recognized as revenue as the Conference satisfies its obligation to the customer. Services within the scope of Topic 606 include event revenue and the sale of other real estate owned. Revenues for these services are recognized at a point in time.

The Organization adopted Topic 606 using the modified retrospective approach applied to all contracts not completed at the date of adoption with the cumulative effect, if any, of initially applying the new standard recognized in net assets at the beginning of the year of adoption. Comparative prior period information has not been adjusted and continues to be reported in accordance with previous revenue recognition guidance in ASC Topic 605, *Revenue Recognition*. The Conference's adoption of Topic 606 did not result in a change in the timing of revenue recognition or an adjustment to beginning net assets.

On January 1, 2019, the Conference adopted the Financial Accounting Standards Board Accounting Standards Update 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* using a modified prospective basis to all agreements not completed as of adoption. Adoption of ASU 2018-08 had no impact on the financial statements.

Reclassifications

Certain reclassifications have been made to the 2018 financial statements to conform to the 2019 financial statement presentation. These reclassifications had no effect on change in net assets.

Note 2: Investments

Investments at December 31 consisted of the following:

| | 2019 | 2018 |
|---------------------------|------------|------------|
| Money market mutual funds | \$ - | \$ 4,557 |
| Mutual funds | 115,181 | 99,354 |
| Exchange traded funds | 31,326 | 23,719 |
| | \$ 146,507 | \$ 127,630 |

Keystone Conference of the Free Methodist Church of North America, Inc.

Notes to Financial Statements

December 31, 2019 and 2018

Note 3: Loans Receivable and Allowance for Loan Losses

The Conference extends loans primarily to churches for the purposes of construction or purchase of church facilities.

Classes of loans at December 31 include:

| | 2019 | 2018 |
|---------------------------|--------------|--------------|
| Church loans | \$ 1,890,882 | \$ 2,103,129 |
| Ministers' loans | 182,476 | 197,470 |
| | 2,073,358 | 2,300,599 |
| Allowance for loan losses | (172,020) | (172,020) |
| | \$ 1,901,338 | \$ 2,128,579 |

Loans receivable at December 31, 2019, have scheduled principal amounts due as follows, which will vary from actual repayment dates:

| | | |
|------------|----|--------------|
| 2020 | \$ | 83,304 |
| 2021 | | 81,685 |
| 2022 | | 86,445 |
| 2023 | | 91,485 |
| 2024 | | 96,820 |
| Thereafter | | 1,633,619 |
| | | \$ 2,073,358 |

The following tables present the loan portfolio aging analysis of the investment in loans as of December 31:

| | 2019 | | | | | Total Loans Receivable | Total Loans > 90 Days & Accruing |
|------------------|------------------------|------------------------|-------------------------|-------------------|--------------|---------------------------|--|
| | 30-59 Days Past Due | 60-89 Days Past Due | Greater Than 90 Days | Total Past Due | Current | | |
| Church loans | \$ 180,090 | \$ - | \$ - | \$ 180,090 | \$ 1,710,792 | \$ 1,890,882 | \$ - |
| Ministers' loans | - | - | - | - | 182,476 | 182,476 | - |
| Total | \$ 180,090 | \$ - | \$ - | \$ 180,090 | \$ 1,893,268 | \$ 2,073,358 | \$ - |

Keystone Conference of the Free Methodist Church of North America, Inc.

Notes to Financial Statements December 31, 2019 and 2018

| | 2018 | | | | | | |
|------------------|------------------------|------------------------|-------------------------|-------------------|---------------------|---------------------------|--|
| | 30-59 Days Past Due | 60-89 Days Past Due | Greater Than 90 Days | Total Past Due | Current | Total Loans Receivable | Total Loans > 90 Days & Accruing |
| Church loans | \$ 184,053 | \$ 27,820 | \$ - | \$ 211,873 | \$ 1,891,256 | \$ 2,103,129 | \$ - |
| Ministers' loans | - | - | - | - | 197,470 | 197,470 | - |
| Total | \$ 184,053 | \$ 27,820 | \$ - | \$ 211,873 | \$ 2,088,726 | \$ 2,300,599 | \$ - |

At December 31, 2019 and 2018, the Conference had no loans on nonaccrual status.

The following tables present the balance in the allowance for loan losses and the recorded investment in loans based on portfolio segment and impairment method as of and for the years ended December 31:

| | Church Loans | 2019 Ministers' Loans | Total |
|---------------------------------------|-------------------|-----------------------------|-------------------|
| Allowance for Loan Losses | | | |
| Balance, beginning of year | \$ 170,818 | \$ 1,202 | \$ 172,020 |
| Provision for loan losses | (623) | 623 | - |
| Charge-offs | - | - | - |
| Recoveries | - | - | - |
| Balance, end of year | \$ 170,195 | \$ 1,825 | \$ 172,020 |
| Ending balance | | | |
| Individually evaluated for impairment | \$ 128,000 | \$ - | \$ 128,000 |
| Collectively evaluated for impairment | \$ 42,195 | \$ 1,825 | \$ 44,020 |
| Loans | | | |
| Ending balance | \$ 1,890,882 | \$ 182,476 | \$ 2,073,358 |
| Ending balance: | | | |
| Individually evaluated for impairment | \$ 161,296 | \$ - | \$ 161,296 |
| Collectively evaluated for impairment | \$ 1,729,586 | \$ 182,476 | \$ 1,912,062 |

Keystone Conference of the Free Methodist Church of North America, Inc.

Notes to Financial Statements

December 31, 2019 and 2018

| | Church Loans | 2018 Ministers' Loans | Total |
|---------------------------------------|---------------------|-----------------------------|---------------------|
| Allowance for Loan Losses | | | |
| Balance, beginning of year | \$ 170,653 | \$ 1,367 | \$ 172,020 |
| Provision for loan losses | 165 | (165) | - |
| Charge-offs | - | - | - |
| Recoveries | - | - | - |
| | <u>\$ 170,818</u> | <u>\$ 1,202</u> | <u>\$ 172,020</u> |
| Ending balance | | | |
| Individually evaluated for impairment | <u>\$ 158,020</u> | <u>\$ -</u> | <u>\$ 158,020</u> |
| Ending balance | | | |
| Collectively evaluated for impairment | <u>\$ 12,798</u> | <u>\$ 1,202</u> | <u>\$ 14,000</u> |
| Loans | | | |
| Ending balance | <u>\$ 2,103,129</u> | <u>\$ 197,470</u> | <u>\$ 2,300,599</u> |
| Ending balance | | | |
| Individually evaluated for impairment | <u>\$ 161,468</u> | <u>\$ -</u> | <u>\$ 161,468</u> |
| Ending balance | | | |
| Collectively evaluated for impairment | <u>\$ 1,941,661</u> | <u>\$ 197,470</u> | <u>\$ 2,139,131</u> |

As part of the ongoing monitoring of the credit quality of the Conference's loan portfolio, management tracks loans by determining if the loan is impaired or deemed unimpaired.

Impaired loans include nonperforming loans but also include loans modified in troubled debt restructurings where concessions have been granted to borrowers experiencing financial difficulties. These concessions could include a reduction in the interest rate on the loan, payment extensions, forgiveness of principal, forbearance or other actions intended to maximize collection. No loans were identified as impaired or modified as troubled debt restructurings at December 31, 2019 and 2018. One loan has a specific allowance due to being uncollateralized at December 31, 2019 and 2018.

Keystone Conference of the Free Methodist Church of North America, Inc.

Notes to Financial Statements December 31, 2019 and 2018

The Conference evaluates the loan risk grading system definitions and allowance for loan loss methodology on an ongoing basis. No significant changes were made to either during the past year.

Note 4: Property and Equipment

Property and equipment at December 31 consists of:

| | 2019 | 2018 |
|-------------------------------|------------|------------|
| Land | \$ 70,533 | \$ 70,533 |
| Buildings | 376,421 | 443,867 |
| Computers | 13,623 | 13,623 |
| | 460,577 | 528,023 |
| Less accumulated depreciation | 71,809 | 63,825 |
| | \$ 388,768 | \$ 464,198 |

Buildings and land consist of church properties that have reverted to the Conference, and which the Conference intends to re-launch and place back into service.

Note 5: Debt Certificates

At December 31, 2019, the outstanding unsecured debt certificates were as follows:

| | 2019 | 2018 |
|-------------------------------|--------------|--------------|
| Demand certificates (30 days) | \$ 1,333,726 | \$ 1,676,179 |
| 2 year certificates | 403,349 | 446,493 |
| 3 year certificates | 20,482 | 18,956 |
| 5 year certificates | 457,634 | 444,562 |
| | \$ 2,215,191 | \$ 2,586,190 |

Keystone Conference of the Free Methodist Church of North America, Inc.

Notes to Financial Statements

December 31, 2019 and 2018

At December 31, 2019, the scheduled maturities of debt certificates are as follows:

| | |
|--------|---------------------|
| Demand | \$ 1,333,726 |
| 2020 | 340,983 |
| 2021 | 468,899 |
| 2022 | 7,523 |
| 2023 | 29,795 |
| 2024 | <u>34,265</u> |
| | <u>\$ 2,215,191</u> |

At December 31, 2019, investors were concentrated in one state as follows:

| | <u>Number of Certificates</u> | <u>Aggregate Principal Balances</u> | <u>Percent of Certificate Balances Outstanding</u> |
|--------------|-----------------------------------|---|--|
| Pennsylvania | <u>117</u> | <u>\$ 2,018,511</u> | <u>91%</u> |

Note 6: Retirement Plans

The Free Methodist Church has a defined benefit plan for its employees and employees of the Conference. The plan is administered by the Free Methodist Church of North America and covers substantially all ordained, appointed pastors and employees who work 25 hours a week, or have worked full-time at least five months out of each year. For the years ended December 31, 2019 and 2018, the Conference was required to contribute 13.5 percent of participating employees' salary annually or \$500, whichever is greater. The Conference has no liability beyond the annual percentage contribution that is set by the Free Methodist Church. Contributions to the plan amounted to \$5,878 and \$6,570 for the years ended December 31, 2019 and 2018, respectively.

Note 7: Line of Credit

The Conference has a \$50,000 line of credit available with Northwest Bank, which bears interest at a variable rate of 5.75 percent and 6.50 percent at December 31, 2019 and 2018, respectively. There were no outstanding borrowings under this agreement at December 31, 2019 and 2018. The line is collateralized by substantially all assets of the Conference. The line does not have a stated maturity date and is subject to annual renewal at the Bank's option. Additionally, there are no restrictive covenants related to the line of credit.

Keystone Conference of the Free Methodist Church of North America, Inc.

Notes to Financial Statements December 31, 2019 and 2018

Note 8: Functional Expenses

As described in *Note 1*, the financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include interest, depreciation, salaries and benefits, professional fees and other, which are allocated on the basis of estimates of time and effort. The tables below present expenses by both their nature and their function.

| December 31, 2019 | | | | |
|-------------------------------|-----------------------------------|-------------------|---------------------------|-------------------|
| PROGRAM | | | | |
| Natural Classification | Lending and Debt Securities | Ministry | Management and General | Total |
| Denominational expense | \$ - | \$ 81,668 | \$ - | \$ 81,668 |
| Employee payroll and benefits | 6,782 | 72,452 | 12,008 | 91,242 |
| Interest expense | 49,888 | - | - | 49,888 |
| Professional fees | 18,815 | - | 30,756 | 49,571 |
| Office | 7,638 | 23,742 | - | 31,380 |
| Other | 305 | 54,795 | - | 55,100 |
| Depreciation | 1,946 | 11,097 | - | 13,043 |
| Total expenses | \$ 85,374 | \$ 243,754 | \$ 42,764 | \$ 371,892 |

| December 31, 2018 | | | | |
|-------------------------------|-----------------------------------|-------------------|---------------------------|-------------------|
| PROGRAM | | | | |
| Natural Classification | Lending and Debt Securities | Ministry | Management and General | Total |
| Denominational expense | \$ - | \$ 83,507 | \$ - | \$ 83,507 |
| Employee payroll and benefits | 6,782 | 74,697 | 11,633 | 93,112 |
| Interest expense | 52,604 | - | - | 52,604 |
| Professional fees | 29,850 | - | 24,500 | 54,350 |
| Office | 7,368 | 23,488 | - | 30,856 |
| Other | 174 | 55,745 | - | 55,919 |
| Depreciation | 1,946 | 4,492 | - | 6,438 |
| Total expenses | \$ 98,724 | \$ 241,929 | \$ 36,133 | \$ 376,786 |

Keystone Conference of the Free Methodist Church of North America, Inc.

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Note 9: Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of December 31, comprise the following:

| | 2019 | 2018 |
|---|------------|------------|
| Cash and cash equivalents | \$ 90,099 | \$ 146,735 |
| Investments | 146,507 | 127,630 |
| Scheduled principal amounts on loans receivable due in the next year | 83,304 | 100,782 |
| Accrued interest receivable | 6,229 | 7,736 |
| Total financial assets | 326,139 | 382,883 |
| Internal designations | - | - |
| Financial assets available to meet cash needs for general expenditures within one year | \$ 326,139 | \$ 382,883 |

The Conference follows the financial standards included in the Statement of Policy Regarding Church Extension Fund Securities issued by the North American Securities Administrators Association, Inc. for liquidity status. The standards state that the Conference's cash, cash equivalents, readily marketable securities and available lines of credit shall have a value of at least 8 percent of the principal balance of its total outstanding certificates, except that the value of available lines of credit for meeting this standard shall not exceed 2 percent of the principal balance of its total outstanding notes payable. To help manage unanticipated liquidity needs, the Conference has a committed line of credit (*Note 7*) in the amount of \$50,000, which it could draw upon.

The Conference owes \$1,333,726 in principal to holders of Demand Certificates and \$340,983 in Term Certificates that are scheduled to mature during 2020. See *Note 5* for the scheduled maturities of all certificates. Demand Certificates may be redeemed in whole or in part at the option of the registered holder upon at least 30 days' prior written notice to the Conference. Generally, Term Certificates may not be redeemed prior to maturity.

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Notes to Financial Statements

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Note 10: Commitments and Credit Risk

Commitments to Originate Loans

Commitments to originate loans are agreements to lend to a borrower as long as there is no violation of any condition established in the contract. Commitments generally have fixed expiration dates or other termination clauses and may require payment of a fee. Since a portion of the commitments may expire without being drawn upon, the total commitment amounts do not necessarily represent future cash requirements. Each borrower's creditworthiness is evaluated on a case-by-case basis. The amount of collateral obtained, if deemed necessary, is based on management's credit evaluation of the counterparty. Collateral held varies, but typically includes real estate owned by churches and nonprofit organizations.

At December 31, 2019 and 2018, the Conference had no outstanding commitments to originate loans or to fund construction loans.

Credit Risk

The Conference's loans are made primarily to churches, conferences and other affiliates of the Church. The vast majority of loans are made to churches. The repayment of loans by churches may affect the Conference's ability to meet its obligations. In most instances, the ability of churches to repay their loans will depend upon the contributions they receive from their members. Both the number of members of a church and the amount of contributions may fluctuate. In addition, a church facility may be a single-purpose building and the marketability of such a specific facility may be limited, thereby diminishing the value of such collateral in the event of foreclosure. Finally, because of the relationship of the Conference with its borrowers, the Conference has in the past been willing under certain circumstances to accommodate late payments or to extend or otherwise modify the terms of a loan. Should borrowers not be able to repay their principal and interest as scheduled, the Conference's ability to make principal and interest payments on its certificates may be impaired.

Note 11: Disclosures About Fair Value of Assets and Liabilities

Fair value is 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. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

Level 1 Quoted prices in active markets for identical assets or liabilities.

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Level 2 Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

Recurring Measurements

The following tables present the fair value measurements of assets recognized in the accompanying statement of financial position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at December 31:

| | 2019 | | | |
|-----------------------|-------------------|--------------------------------------|----------------|----------------|
| | Fair Value | Fair Value Measurements Using | | |
| | | Level 1 | Level 2 | Level 3 |
| Mutual funds | \$ 115,181 | \$ 115,181 | \$ - | \$ - |
| Exchange traded funds | 31,326 | 31,326 | - | - |
| | <u>\$ 146,507</u> | <u>\$ 146,507</u> | <u>\$ -</u> | <u>\$ -</u> |

| | 2018 | | | |
|---------------------------|-------------------|--------------------------------------|----------------|----------------|
| | Fair Value | Fair Value Measurements Using | | |
| | | Level 1 | Level 2 | Level 3 |
| Money market mutual funds | \$ 4,557 | \$ 4,557 | \$ - | \$ - |
| Mutual funds | 99,354 | 99,354 | - | - |
| Exchange traded funds | 23,719 | 23,719 | - | - |
| | <u>\$ 127,630</u> | <u>\$ 127,630</u> | <u>\$ -</u> | <u>\$ -</u> |

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Following is a description of the inputs and valuation methodologies used for assets measured at fair value on a recurring basis and recognized in the accompanying statements of financial position, as well as the general classification of such assets pursuant to the valuation hierarchy. There have been no significant changes in the valuation techniques during the year ended December 31, 2019.

Investments

Where quoted market prices are available in an active market or investments could be redeemed at cost, securities are classified within Level 1 of the valuation hierarchy. Level 1 investments include money market funds, mutual funds and exchange traded funds. If quoted market prices are not available, then fair values are estimated by using pricing models, quoted prices of securities with similar characteristics or discounted cash flows. The Conference does not have any investments classified as Level 2 or 3.

Nonrecurring Measurements

There were no assets or liabilities measured at fair value on a nonrecurring basis at December 31, 2019 and 2018.

Note 12: Significant Estimates and Concentrations

Accounting principles generally accepted in the United States of America require disclosure of certain significant estimates and current vulnerabilities due to certain concentrations. Estimates related to the allowance for loan losses are reflected in *Notes 3*. Current vulnerabilities due to certain concentrations of credit risk are discussed in *Note 10*.

Borrower Concentrations

At December 31, 2019, eight borrowers had an outstanding loan balance greater than 5 percent of total assets. At December 31, 2018, seven borrowers had an outstanding loan balance greater than 5 percent of total assets.

Investments in Marketable Securities

The Conference invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such change could materially affect the amounts reported in the accompanying statements of financial position.

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Note 13: Related Party Transactions

The Conference offers its debt securities to member churches as well as parishioners. In addition, members of the Board of Administration and the Conference itself also hold these debt securities.

The Conference had no outstanding loans receivable from officers and directors at December 31, 2019 and 2018.

Note 14: Subsequent Events

Subsequent events have been evaluated through March 10, 2020, which is the date the financial statements were available to be issued.