

# **United Methodist Foundation, Inc. and Affiliate**

Consolidated Financial Report  
December 31, 2010

## Contents

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Independent Auditor's Report	1
<hr/>	
Financial Statements	
Consolidated statements of net assets	2
Consolidated statements of operations	3
Consolidated statements of changes in net assets	4
Notes to consolidated financial statements	5 – 11

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**Independent Auditor's Report**

To the Unitholders and the Board of Directors  
of United Methodist Foundation, Inc.  
Garner, North Carolina

We have audited the accompanying consolidated statements of net assets of United Methodist Foundation, Inc. (the "Foundation") and affiliate as of December 31, 2010 and 2009, and the related consolidated statements of operations and changes in net assets for the years then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of United Methodist Foundation, Inc. and affiliate as of December 31, 2010 and 2009, and the results of their operations and changes in their net assets for the years then ended in conformity with accounting principles generally accepted in the United States of America.

*McGladrey & Pullen, LLP*

Raleigh, North Carolina  
May 3, 2011

**United Methodist Foundation, Inc. and Affiliate**

**Consolidated Statements of Net Assets**

**December 31, 2010 and 2009**

	2010	2009
<b>Assets</b>		
Investments, unitholders (Notes 2, 4, and 5)	\$ 110,223,764	\$ 98,010,948
Cash, unitholders	45,644	5,000
Cash, restricted (Note 3)	202	203
Cash, unrestricted	300,576	318,402
Temporary investments (Note 5)	878,195	1,170,057
Due from unitholders	283,725	53,410
Accrued interest and dividends receivable	376,381	365,386
Investments, restricted (Notes 3 and 5)	435,137	432,192
Cash surrender value, restricted (Note 3)	4,036	3,848
<b>Total assets</b>	<b>112,547,660</b>	<b>100,359,446</b>
<b>Liabilities</b>		
Amounts due to unitholders:		
Dividends payable	127,477	344,265
Funds awaiting unit issue	97,389	1,424,576
Deposits, interest bearing	878,195	1,170,057
Due to North Carolina Conference (Note 6)	345,311	316,478
Other	25,051	22,653
<b>Total liabilities</b>	<b>1,473,423</b>	<b>3,278,029</b>
<b>Net assets</b>	<b>\$ 111,074,237</b>	<b>\$ 97,081,417</b>
<b>Analysis of net assets</b>		
Represented by:		
Balanced Fund, units at cost, 28,057,791 and 27,386,214 units outstanding at December 31, 2010 and 2009, respectively (Notes 4 and 6)	\$ 74,599,262	\$ 71,924,571
Fixed Income Fund, units at cost, 5,102,115 and 3,751,685 units outstanding at December 31, 2010 and 2009, respectively (Notes 4 and 6)	5,117,218	3,727,784
Capital gains (losses) reserved:		
Balanced Fund	17,800,238	13,506,029
Fixed Income Fund	(25,413)	(41,615)
Unrealized appreciation of investments:		
Balanced Fund	12,766,546	7,188,319
Fixed Income Fund	227,681	158,615
Specific Investment Fund (Note 3)	288,129	299,312
<b>Unrestricted</b>	<b>300,576</b>	<b>318,402</b>
<b>Total net assets</b>	<b>\$ 111,074,237</b>	<b>\$ 97,081,417</b>

See Notes to Consolidated Financial Statements.

**United Methodist Foundation, Inc. and Affiliate**

**Consolidated Statements of Operations  
Years Ended December 31, 2010 and 2009**

	2010	2009
Investment income, unitholder funds:		
Income:		
Interest	\$ 1,702,545	\$ 1,611,902
Dividends	973,014	883,746
	<u>2,675,559</u>	<u>2,495,648</u>
Expenses:		
Investment fees	545,610	504,025
Administrative fees	535,105	411,150
	<u>1,080,715</u>	<u>915,175</u>
<b>Net investment income, unitholder funds</b>	<u>1,594,844</u>	<u>1,580,473</u>
Unrestricted loss	<u>(17,826)</u>	<u>(118,409)</u>
Restricted income, specific investment fund:		
Income:		
Interest and dividends	1,632	1,701
Annuity receipts	7,883	7,883
Rental income	-	474
Realized and unrealized gain	1,672	62,735
	<u>11,187</u>	<u>72,793</u>
Expenses:		
Annuity distributions	19,971	21,283
Other	2,399	998
	<u>22,370</u>	<u>22,281</u>
<b>Net restricted income (loss), specific investment fund</b>	<u>(11,183)</u>	<u>50,512</u>
Realized and unrealized gain on investments:		
Realized gain (loss) from securities transactions (excluding short-term):		
Proceeds from sales	66,837,663	73,753,734
Cost of securities sold	62,211,866	79,595,084
<b>Net realized gain (loss)</b>	<u>4,625,797</u>	<u>(5,841,350)</u>
Change in unrealized appreciation (depreciation) of investments:		
Beginning	7,346,934	(12,541,366)
Ending	12,994,227	7,346,934
<b>Change during year</b>	<u>5,647,293</u>	<u>19,888,300</u>
<b>Net realized and unrealized gain on investments</b>	<u>10,273,090</u>	<u>14,046,950</u>
<b>Net increase in net assets resulting from operations</b>	<u>\$ 11,838,925</u>	<u>\$ 15,559,526</u>

See Notes to Consolidated Financial Statements.

**United Methodist Foundation, Inc. and Affiliate**

**Consolidated Statements of Changes in Net Assets  
Years Ended December 31, 2010 and 2009**

	2010	2009
Increase in net assets resulting from operations:		
Net investment income, unitholder funds	\$ 1,594,844	\$ 1,580,473
Net realized gain (loss) on investments	4,625,797	(5,841,350)
Change in unrealized appreciation of investments	5,647,293	19,888,300
Net income (loss) from restricted assets	(11,183)	50,512
Net loss from unrestricted assets	(17,826)	(118,409)
<b>Increase in net assets resulting from operations</b>	<b>11,838,925</b>	<b>15,559,526</b>
Dividends paid to unitholders from net investment income	(1,594,844)	(1,580,473)
Additions to specific investment fund	-	50,000
Unit transactions (exclusive of amounts allocated to investment income):		
Balanced Fund:		
Net asset value of 454,499 and 505,011 units issued to unitholders		
reinvestment of dividends, respectively	1,558,970	1,476,148
Net asset value of 1,171,402 and 767,387 new units issued,	4,058,485	2,272,669
Payment for redemption of 954,324 and 1,176,625 units,	(3,255,662)	(3,442,219)
Fixed Income Fund:		
Net asset value of 232,546 and 115,929 units issued to unitholders		
reinvestment of dividends, respectively	242,133	116,056
Net asset value of 1,342,920 and 76,048 new units issued,	1,379,037	73,982
Payment for redemption of 225,036 and 0 units, respectively	(234,224)	-
<b>Increase in net assets from unit transactions</b>	<b>3,748,739</b>	<b>496,636</b>
<b>Net increase in net assets</b>	<b>13,992,820</b>	<b>14,525,689</b>
Net assets:		
Beginning	97,081,417	82,555,728
Ending	<b>\$ 111,074,237</b>	<b>\$ 97,081,417</b>

See Notes to Consolidated Financial Statements.

## United Methodist Foundation, Inc. and Affiliate

### Notes to Consolidated Financial Statements

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#### Note 1. Nature of Operations and Significant Accounting Policies

**Nature of operations:** United Methodist Foundation, Inc. ("UMF") was established in 1955 by the North Carolina Conference, Southeastern Jurisdiction, of The United Methodist Church, Inc. to provide a management-investment pool for long-term and permanent funds of the North Carolina Conference and of local churches, institutions, and ministries of the Church. UMF was also established to encourage and receive planned gifts in support of local churches, institutions, and special ministries of The United Methodist Church and to assist donors in placing their gifts.

A summary of UMF's significant accounting policies follows:

**Principles of consolidation:** The consolidated financial statements include the accounts of UMF and its affiliated supporting organization, the UMF Real Estate Foundation, Inc. (collectively the "Foundation"). The supporting organization was established in 2009 as a tax-exempt organization. As the result of formal affiliation and economic interdependency between the UMF and the UMF Real Estate Foundation, Inc. the financial statements of these organizations are presented on a consolidated basis because the UMF Real Estate Foundation, Inc. is operated and controlled by UMF and because their charitable purposes are consistent with UMF's mission. Intercompany balances and transactions are eliminated in consolidation.

**Use of estimates:** The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Valuation of investments:** Investments are presented in the financial statements at fair value in accordance with accounting principles generally accepted in the United States of America. Investments in securities traded on a national securities exchange, or reported on the NASDAQ national market, are stated at the last reported sales price on the day of valuation; other securities traded in the over-the-counter market and listed securities for which no sale was reported on that date are stated at the last quoted bid price, except for short sales positions and call options written, for which the last quoted asked price is used. Government-sponsored entities are stated at cost plus accrued interest, which approximates fair value. Fair value of government money market funds are based on quoted market prices.

**Securities transactions, interest and dividends:** Securities transactions are recorded on a trade-date basis and are carried at fair value. Dividend income is recorded on the ex-dividend date and interest income is recognized under the accrual basis. Realized gains and losses on securities transactions are reported on the first-in, first-out basis.

**Funds awaiting unit issue:** Unitholders can only redeem their units in the Balanced Fund or Fixed Income Fund on the first day of January, April, July and October. Unitholders may acquire new units in the Balanced Fund or Fixed Income Fund on the first day of each month. Amounts that have been sent to the Foundation in advance of these dates are reflected as a liability for funds awaiting unit issue in the consolidated statement of net assets.

**Temporary investments:** Unitholders can choose to invest their funds within temporary investments which operate as a money market account. Units within the Balanced Fund or Fixed Income Fund are not assigned to these temporary investments. A corresponding liability is reflected on the statement of net assets as deposits, interest bearing.

## United Methodist Foundation, Inc. and Affiliate

### Notes to Consolidated Financial Statements

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#### Note 1 Nature of Operations and Significant Accounting Policies (Continued)

**Income taxes:** The Foundation is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

Management has evaluated the Foundation's tax positions and concluded that the Foundation had taken no uncertain tax positions that require adjustment to the consolidated financial statements to comply with the provisions of the Income Taxes Topic of the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC"). With few exceptions, the Foundation is no longer subject to income tax examinations by the U.S. federal, state or local tax authorities for years before 2008.

**Credit risk:** The Foundation places its cash with a high quality financial institution. At times, such cash is in excess of the federal depository insurance limit.

**Subsequent events:** The Foundation has evaluated its subsequent events (events occurring after December 31, 2010) through May 3, 2011, which represents the date the financial statements were available to be issued.

#### Note 2. Investments, Unitholders

The aggregate values of unitholder investments, along with net unrealized gains and losses at December 31, 2010 and 2009, are as follows:

	2010		
	Cost	Unrealized Appreciation (Depreciation)	Fair Value
Cash and money funds	\$ 4,278,625	\$ -	\$ 4,278,625
Common stocks	56,114,232	11,879,331	67,993,563
Government and government sponsored entity bonds	10,070,687	114,447	10,185,134
Corporate and international bonds	18,379,374	823,361	19,202,735
Mortgage and asset-backed securities	7,205,979	(3,160)	7,202,819
Mutual funds	591,941	93,430	685,371
Exchanged traded and close ended funds	588,699	86,818	675,517
	<u>\$ 97,229,537</u>	<u>\$ 12,994,227</u>	<u>\$ 110,223,764</u>

## United Methodist Foundation, Inc. and Affiliate

### Notes to Consolidated Financial Statements

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#### Note 2. Investments, Unitholders (Continued)

	2009		
	Cost	Unrealized Appreciation (Depreciation)	Fair Value
Cash and money funds	\$ 5,777,068	\$ -	\$ 5,777,068
Common stocks	50,318,348	6,686,398	57,004,746
Government and government sponsored entity bonds	11,617,611	(45,783)	11,571,828
Corporate and international bonds	15,838,279	489,135	16,327,414
Mortgage and asset-backed securities	5,998,828	3,784	6,002,612
Mutual funds	467,376	61,981	529,357
Exchanged traded and close ended funds	646,504	151,419	797,923
	<u>\$ 90,664,014</u>	<u>\$ 7,346,934</u>	<u>\$ 98,010,948</u>

The Foundation invests in a combination of equity securities, fixed income securities, money market funds and other investment securities. Investments are exposed to various risks, such as interest rate, credit, and market volatility. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in risk in the near term would materially affect the Foundation's investment balances reported in the consolidated statement of net assets.

**Market risk:** Market risk arises primarily from changes in the market value of financial instruments. Theoretically, the Foundation's exposure is equal to the notional value of contracts purchased and unlimited on such contracts sold short. Exposure to market risk is influenced by a number of factors, including the relationships between financial instruments, and the volatility and liquidity in the markets in which the financial instruments are traded. In many cases, the use of financial instruments serves to modify or offset market risk associated with other transactions and accordingly, serves to decrease the Foundation's overall exposure to market risk. The Foundation attempts to control its exposure to market risk through various analytical monitoring techniques.

**Concentrations of credit risk:** The Foundation is engaged in various trading and brokerage activities in which counterparties primarily include broker-dealers, banks, and other financial institutions. In the event counterparties do not fulfill their obligations, the Foundation may be exposed to risk. The risk of default depends on the creditworthiness of the counterparty or issuer of the instrument. It is the Foundation's policy to review, as necessary, the credit standing of each counterparty.

In the normal course of its business, the Foundation enters into contracts and agreements with certain service providers, such as clearing and custody agents, trustees and administrators that contain a variety of representations and warranties and which provide general indemnifications and guarantees against specified potential losses in connection with their activities as an agent of, or providing services to the Foundation. The Foundation's maximum exposure under these agreements is unknown, as this may involve future claims that could be made against the Foundation and have not yet occurred. The Foundation expects the risk of any future obligation under these arrangements to be remote and has not recorded any contingent liability in the consolidated financial statements for these indemnifications.

## United Methodist Foundation, Inc. and Affiliate

### Notes to Consolidated Financial Statements

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#### Note 2. Investments, Unitholders (Continued)

The cost of purchases and the proceeds from sales of investment securities for the years ended December 31, 2010 and 2009 were as follows:

	<u>2010</u>	<u>2009</u>
Cost of purchases:		
Short-term investments	\$ 37,599,606	\$ 59,706,656
Other securities	70,524,381	73,718,626
	<u>\$ 108,123,987</u>	<u>\$ 133,425,282</u>
Proceeds from sales:		
Short-term investments	\$ 39,346,598	\$ 57,651,342
Other securities	66,837,663	73,753,734
	<u>\$ 106,184,261</u>	<u>\$ 131,405,076</u>

#### Note 3. Specific Investment Fund

The Foundation has established separate funds for six charitable remainder trusts and one charitable gift annuity to record the investment of funds upon which certain donor restrictions have been placed. Since the assets and earnings on these investments are not available to all unitholders, they have been accounted for as restricted assets and restricted net assets.

#### Note 4. Unitholder Funds

The Foundation provides two investment alternatives for its unitholders. One alternative is the Balanced Fund, which utilizes an investment allocation strategy of 65% equities and 35% fixed income securities. The second alternative is the Fixed Income Fund, which utilizes an investment allocation strategy of 100% fixed income securities.

The net asset value per outstanding unit for the Balanced Fund was \$3.75 at December 31, 2010 and \$3.38 at December 31, 2009. The net asset value per outstanding unit for the Fixed Income Fund was \$1.04 at December 31, 2010 and \$1.02 at December 31, 2009.

#### Note 5. Fair Value Measurements

Guidance provided by the FASB defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Foundation utilizes valuation techniques to maximize the use of observable inputs and minimize the use of unobservable inputs. Assets and liabilities recorded at fair value are categorized within the fair value hierarchy based upon the level of judgment associated with the inputs used to measure their value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). Inputs are broadly defined as assumptions market participants would use in pricing an asset or liability. The three levels of the fair value hierarchy are described below:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. The type of investments included in Level 1 includes listed equities. As required by the guidance provided by the FASB, the Foundation does not adjust the quoted price for these investments, even in situations where the Foundation holds a large position and a sale could reasonably impact the quoted price.

Notes to Consolidated Financial Statements

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**Note 5. Fair Value Measurements (Continued)**

Level 2 – Inputs other than quoted prices in Level 1 that are observable for the asset or liability, either directly or indirectly, and fair value is determined through the use of models or other valuation methodologies. Investments within this category would generally included corporate bonds and loans, less liquid and restricted equity securities and certain over-the-counter derivatives. A significant adjustment to a Level 2 input could result in the Level 2 measurement becoming a Level 3 measurement.

Level 3 – Inputs are unobservable for the asset or liability and include situations where there is little, if any, market activity for the asset or liability. The inputs into the determination of fair value are based upon the best information in the circumstances and may require significant management judgment or estimation. Investments within this category would generally include equity and debt positions in private companies and general and limited partnership interests in corporate private equity and real estate funds, debt funds, certain funds of hedge funds and distressed debt.

In determining fair value, the Foundation uses various valuation approaches within the FASB ASC 820 fair value measurement framework. The following is a description of the valuation methodologies used for instruments measured at fair value and their classification within the hierarchy:

**Cash and money funds:** Cash and money funds are in active markets and classified within Level 1 of the valuation hierarchy.

**Common stocks:** Equity securities listed on national markets or exchanges are valued at the last sales price, or if there is no sale and the market is considered active, at the mean of the last bid and asked prices on such exchange. Such securities are classified within Level 1 of the valuation hierarchy.

**Government and government sponsored entity bonds:** Investments in debt securities include government and government sponsored entity bonds. These securities may be valued based on a discounted cash flow analysis, the inputs for which are coupon, yield and expected maturity date. These investments are classified within Level 2 of the valuation hierarchy.

**Corporate and international bonds:** Investments in debt securities include corporate and international bonds. These securities may be valued based on a discounted cash flow analysis, the inputs for which are coupon, yield and expected maturity date. Fixed income investments are classified within Level 2 of the valuation hierarchy.

**Mortgage and asset-backed securities:** Investments in mortgage and asset-backed securities represent securities constructed utilizing pools of securitized loans and assets. Factors which may be considered for valuation include issuer, sector, coupon, maturity or average life, ratings, collateral performance and credit enhancement. These investments are classified within Level 2 of the valuation hierarchy.

**Mutual funds:** Investments in mutual funds represent fixed income mutual funds which are listed on national markets or exchanges. These investments are classified within Level 1 of the valuation hierarchy.

**Exchange traded and close ended funds:** Investments in exchange traded and close ended funds represents securities which are traded on national markets or exchanges. These investments are classified within Level 1 of the valuation hierarchy.

**United Methodist Foundation, Inc. and Affiliate**

**Notes to Consolidated Financial Statements**

**Note 5. Fair Value Measurements (Continued)**

**Temporary investments (money market funds):** Unitholder investments within money market funds are classified as temporary investments on the statement of net assets. Temporary investments represent cash and are classified within Level 1 of the valuation hierarchy.

**Investments, restricted:** Unitholder investments with donor restrictions include both charitable remainder trusts and charitable gift annuities. Such investments are shown as restricted assets and restricted net assets on the statements of net assets and are classified within Level 1 of the valuation hierarchy.

The tables below present the balances of financial assets measured at fair value on a recurring basis by level at December 31, 2010 and 2009.

	December 31, 2010			
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Financial assets:				
Investments, including unitholder investments:				
Cash and money funds	\$ 4,278,625	\$ 4,278,625	\$ -	\$ -
Common stocks:				
Financials	12,916,498	12,916,498	-	-
Information technology	10,953,365	10,953,365	-	-
Energy	10,761,844	10,761,844	-	-
Consumer staples	5,730,352	5,730,352	-	-
Consumer discretionary	7,071,891	7,071,891	-	-
Health care	8,060,049	8,060,049	-	-
Industrials	4,630,707	4,630,707	-	-
Materials	4,088,143	4,088,143	-	-
Telecommunication services	2,132,820	2,132,820	-	-
Miscellaneous	1,647,894	1,647,894	-	-
Government and government sponsored entity bonds	10,185,134	-	10,185,134	-
Corporate and international bonds	19,202,735	-	19,202,735	-
Mortgage and asset-backed securities	7,202,819	-	7,202,819	-
Mutual funds	685,371	685,371	-	-
Exchanged traded and close ended funds	675,517	675,517	-	-
Temporary investments (money market funds)	878,195	878,195	-	-
Investments, restricted				
Cash and money funds	424,872	424,872	-	-
Mutual funds	10,265	10,265	-	-
	<b>\$ 111,537,096</b>	<b>\$ 74,946,408</b>	<b>\$ 36,590,688</b>	<b>\$ -</b>

## United Methodist Foundation, Inc. and Affiliate

### Notes to Consolidated Financial Statements

#### Note 5. Fair Value Measurements (Continued)

	December 31, 2009			
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Financial assets:				
Investments, including unitholder investments:				
Cash and money funds	\$ 5,777,068	\$ 5,777,068	\$ -	\$ -
Common stocks:				
Financials	11,254,922	11,254,922	-	-
Information technology	8,428,871	8,428,871	-	-
Energy	7,768,964	7,768,964	-	-
Consumer staples	5,734,930	5,734,930	-	-
Consumer discretionary	5,654,329	5,654,329	-	-
Health care	4,935,103	4,935,103	-	-
Industrials	3,337,593	3,337,593	-	-
Materials	2,998,327	2,998,327	-	-
Telecommunication services	1,903,215	1,903,215	-	-
Miscellaneous	4,988,491	4,988,492	-	-
Government and government sponsored entity bonds	11,571,828	-	11,571,828	-
Corporate and international bonds	16,327,414	-	16,327,414	-
Mortgage and asset-backed securities	6,002,612	-	6,002,612	-
Mutual funds	529,357	529,357	-	-
Exchanged traded and close ended funds	797,923	797,923	-	-
Temporary investments (money market funds)	1,170,057	1,170,057	-	-
Investments, restricted				
Cash and money funds	423,412	423,412	-	-
Mutual funds	8,780	8,780	-	-
	<u>\$ 99,613,197</u>	<u>\$ 65,711,343</u>	<u>\$ 33,901,854</u>	<u>\$ -</u>

#### Note 6. Related Party Transactions

Although The North Carolina Conference, Southeastern Jurisdiction, of the United Methodist Church, Inc. (the "Conference") is not consolidated with the Foundation for financial reporting purposes, they share certain common board representation. The Conference holds investments at the Foundation representing approximately 58 and 57 percent of the unitholder net assets of the Foundation at December 31, 2010 and 2009, respectively. Investment and administrative fees charged to the Conference during 2010 and 2009 based on assets under management were \$585,105 and \$496,678, respectively.

The Foundation began leasing office space from the Conference in 2010 after the relocation from Raleigh to Garner; rent expense related to this lease was \$12,055 for the year ended December 31, 2010. The Foundation reimburses the Conference for telephone and internet access and miscellaneous office supplies in the amounts of \$11,869 and \$10,300 for the years ended December 31, 2010 and 2009, respectively.

Certain accounting functions are performed on behalf of the Foundation by the Conference. The expense associated with these accounting functions was not material, and as a result, is not reflected in the accompanying consolidated financial statements. The Foundation also maintains cash with the Conference related to these functions. Overdrafts related to this arrangement were \$345,311 and \$316,478 at December 31, 2010 and 2009, respectively.