

WISCONSIN UNITED METHODIST FOUNDATION, INC.

A. INTRODUCTORY COMMENTS

The Wisconsin United Methodist Foundation is an adjunct ministry of the Wisconsin Annual Conference of the United Methodist Church. The Foundation seeks to provide specialized services to the Wisconsin United Methodist Congregations and Institutions, Laity and Clergy, and the ministries and missions of our Church.

1. **Accountability**

INVESTMENT: The Foundation provides options for church-related entities to pool their funds for the purpose of professionally managed investment. Our investment policies are designed specifically to serve the long-term investment strategies of United Methodist ministries, endowments, trustees' funds and other permanent funds. We seek to provide maximum benefits of investment growth and earnings while maintaining a conservative investment strategy and minimizing risk levels. In addition, our funds investment policy operates under the United Methodist Social Principles. Calendar year 2008 was an extremely challenging economic environment in the investment world with major stock indexes reflecting losses of 37% to 43% of market value. Our primary investment option (50% equity/50% fixed Common Fund) now has a 31-year performance record with an annual average net return of 8.63%. **The 50/50 Common Fund option net return for 2008 was -15.00%. The 2008 net earnings on our Fixed Income Fund was 3.47%. The 2008 net earnings on our Church Loan Pool Fund was 3.84%.** At the end of 2008 funds under management at the Wisconsin United Methodist Foundation were \$70,546,324.

During 2008 we provided investment services to both the Dakotas United Methodist Foundation and the Minnesota United Methodist Foundation. We are grateful that we have an opportunity to provide this collegial service to our neighboring Foundations and believe this provides an ideal program of funds management designed for "church monies" with appropriate risk/return levels for a variety of situations and allows both of these foundations to focus on growth and development of additional services.

PLANNED GIFTS: The Wisconsin United Methodist Foundation provides an on-going educational program available to all church-related groups at no charge. We offer charitable giving seminars and workshops, individual consultation with clergy, laity, and local church groups about charitable giving options and assistance in the technical aspects of completing charitable gifts. Our staff is continuously updated in the specialized areas of charitable giving, related tax matters and current trends. We work with other professionals such as lawyers, accountants, and financial planners

to complete charitable gifts to the church and its related ministries. Upon request, we also provide counsel in the area of planned giving to local churches. To assist the Wisconsin Conference in charitable giving goals, we have established and operate a Charitable Gift Annuity Program that is certified by the State of Wisconsin. We also serve as Trustee for individually created Charitable Remainder Trusts. The Foundation has planned giving software to assist individuals in charitable gift planning. Through continuous promotion, education, and awareness, we now see significant gifts being received by Wisconsin United Methodist Churches and related institutions.

STEWARDSHIP: During 2008 the Wisconsin United Methodist Foundation worked in partnership with the Minnesota Foundation to host Cliff Christopher day long seminars in both states that provided stimulating new understandings of stewardship possibilities to both lay and clergy. Over 140 Wisconsin lay and clergy attended one of the two seminar events.

Working with our Wisconsin Conference Board of Camp and Retreat Ministries the Foundation presented a two day Stewardship Retreat for clergy where several clergy were able to share successful stewardship programs they had implemented in their churches. In addition Foundation staff presented a variety of Stewardship resources available to local churches planning their Stewardship calendars for the coming year.

Our staff is available to help organize, train and provide resources to Wills, Memorials and Estate Committees in the local church. We also provide guidance in the development of local church Endowment Funds, and encouragement to on-going program efforts at the local level. We meet with Church Councils, Trustees and Finance Committees to explain the investment options we provide local churches through our Common Fund and Fixed Income Fund. Increasingly we are working with cluster gatherings in Stewardship and Planned Giving educational programs. In 2009 the Foundation will again be working with the Board of Camp and Retreat Ministries to sponsor a Financial Stewardship retreat for clergy and lay leaders at Pine Lake Camp. The focus of this retreat will be developing a 3-5 year stewardship plan for their congregations. September 18-20 David Bell will be leading three stewardship seminars in Black River Falls, Appleton, and Elm Grove.

CLERGY: We provided our annual "Clergy Tax Seminar" for Wisconsin clergy, at no cost to the Conference. Also, each year at the New Clergy Orientation, we meet with newly appointed clergy serving the Wisconsin Conference to update them on Foundation services. We also provided funding for three 3-month Sabbatical/Study Leaves.

GRANTS, SCHOLARSHIPS AND GIFTS: The Wisconsin United Methodist Foundation continues to invite applications and award grants

throughout Wisconsin. In 2008 these grants and other gifts totaled \$192,265. We hope to encourage innovative and creative ministries, provide scholarship assistance, provide resources for United Methodist missions, and assist a variety of projects in Wisconsin churches. A real highlight in 2008 was being able to award 35 scholarships to promising young United Methodist college students and adults returning for additional education, or persons working towards vocations in church-related fields of ministry.

Through our Year-End Gifts program, \$205,986 was given to the Bishop's Relief Fund, Minister's Insurance Memorial Fund, Board of Camp and Retreat Ministries projects and scholarship funds, UM Hospitals Ministry Fund, Licensed Local Pastor Endowment Fund, Scholars Award Program, WUMF Permanent Administration Fund, United Methodist Children's Services, UMCOR (United Methodist Committee on Relief), and other ministries. For the year 2008, we processed 109 stock gifts for a total of \$679,586. Of this total, \$640,471 was passed through to local churches and church ministries per the donor's instruction. Through our special arrangement with our broker, we are able to process gifts of appreciated stock for local churches at no cost, leaving higher net proceeds for the church.

2. Philosophy and Priorities

The Wisconsin United Methodist Foundation wants to serve the "connectional church" and seeks to fulfill its underlying mission of teaching, resourcing, and serving throughout our Wisconsin Annual Conference. The Foundation is a totally self-funded ministry, which continually increases our level of services and grants to the life and ministry of the Wisconsin United Methodist Church. Through careful administration and planning, we strive to provide programming, resources and consultation to all United Methodist individuals and congregations in the state, regardless of their distance from our offices. We have an expanded conference room/display area at the Foundation office. In addition to displaying planned giving materials and brochures that are available through our offices, we also have a display of over 20 current financial "stewardship" programs and resources. This is intended to provide lay and clergy with a hands-on opportunity to review annual campaign programs, video and study materials, and other ideas for revitalizing stewardship in the congregation. A brochure summarizing each of these campaigns, ordering information and cost is also available through our office. We exist to serve the entire church!

As of December 31, 2008, our Church Mortgage Loan Program has 22 active mortgage loans for churches, including one for the Wisconsin Annual Conference. Mortgage loans total \$5.1 million and are often at better interest rates for the congregations, leaving more funds available for

programs and other local church expenses. The corresponding Church Loan Pooled Fund is providing other congregations with enhanced investment return over our traditional Fixed Income Fund. Last year, 202 church accounts, and 36 Conference accounts took advantage of the enhanced return available with our Church Loan Pooled Fund. This is a wonderful example of churches assisting other churches.

Three capital campaigns were completed in 2008 for Ripon, South Milwaukee, and Minocqua: Church of the Pines UMC raising a total of \$1.75 million for these building projects. Pre-campaign Evaluation Studies were held at three churches. Presentations were made about the capital campaign service to six churches in 2008.

Charitable Gift Annuities, available through the Foundation to all Wisconsin United Methodists, continue to be the most popular way for donors to make a gift to the church. Donors establishing Charitable Gift Annuities receive an income payment for the remainder of their lifetime. For donors making "life income" gifts exceeding \$50,000, a Charitable Remainder Trust is still the most frequently used gift vehicle. We take seriously the need for our staff to be current in the regulations and opportunities impacting the area of planned giving, for the benefit of our donors and the church.

3. Up-Date Information

- a. **Common Fund A** - a balanced investment fund for churches and church-related agencies - 37 new accounts established in 2008. The December 31, 2008 Market Value totaled \$51,999,432 as compared to \$62,914,644 on 12/31/07.
- b. **Pooled Income Fund** - 34 accounts. Total earnings in 2008 amounted to \$14,658. December 31, 2008 Market Value was \$425,213 compared to \$421,461 on December 31, 2007.
- c. **Fixed Income Fund** - an investment fund for churches and church-related agencies that does not include equities. Of the total 41 accounts, five were established in 2008. Market Value as of December 31, 2008 was \$2,252,062 compared to \$1,718,144 as of December 31, 2007.
- d. **Charitable Gift Annuities** – 103 accounts. Market Value as of 12/31/2008 was \$1,496,213.
- e. **Charitable Remainder Unitrusts** – 18 accounts. Market Value as of 12/31/2008 was \$3,351,660.

f. Grant Awards

Nineteen “First Round” Grants Made by the Foundation

Albany UMC After School Program	\$1,200
Circuit 2: Advertising Seminar	1,890
Columbus UMC Second Worship Service	1,165
DePere: New Hope UMC Children/Youth Ministry	4,250
Fall River UMC Music Resources	1,250
Franksville UMC After School Tutoring/Recreation Program	2,500
Green Bay: Vida Nueva Youth/Family Ministry	2,500
Mequon UMC Child Development Center	3,000
Milwaukee: Albright UMC Website Development	3,500
Neenah: The Family Church Children’s Curriculum	522
New Berlin: Bethel Hill UMC Advertising	1,200
Osceola UMC Family Ministries	900
Sun Prairie UMC Java Notes	1,500
West Grant Charge: Hymnals and Song books	500
United Methodist Men	1,500
UMW: Hmong House of Good News	6,000
Board of Ordained Ministry Seminary Scholarships	7,000
Cabinet: Clergy Sabbaticals	8,100
Fellowship of Licensed Local Pastors and Associates	4,200
TOTAL	\$52,677

Eighteen “Second round” grants:

Beaver Dam: Trinity UMC Special Needs Sunday School	\$1,500
Black Hawk: Bethlehem UMC After School Program	750
Circuit 32 of Sheboygan County and Kiel, Float	500
Circuit 4 Northwoods – Puppet Ministry	700
Dodgeville UMC Connections Ministry	2,000
Green Bay: First UMC Friendship Ministries	500
Madison: Asbury UMC Children’s Television Ministry	3,600
Milwaukee: Albright UMC Rotation Sunday School	2,950
Mukwonago: Caldwell UMC Financial Software	500
Oak Creek: Community UMC Contemporary Worship Service	3,685
Sussex: UMC Women’s Ministry	1,200
Board of Ordained Ministry - Clergy Effectiveness Study	5,000
Waushara County WINR Program	2,000
Wisconsin Council of Churches: NCRAT materials	2,000
Whitefish Bay: UMC After School Ministry	4,000
Whitefish Bay UMC Youth Website	4,570
Wisconsin Rapids UMC Rotation Sunday School Computer Room	441
Wisconsin Rapids UMC Special Needs Ministry	1642
Total	\$37,538

g. Report of Gifts to the Ministerial Pension Memorial Fund

The Market Value of the Ministerial Pension Memorial Fund as of 12/31/08 was \$893,509. In 2008, the Ministerial Pension Memorial Fund provided \$23,660 in earnings that are available to the Wisconsin Conference Board of Pensions. The total contributions in 2008 were \$477.

GIFTS IN MEMORY OF:

REV. ROBERT PAULSON

Wilmer Bloy

Mirabel Deming

Virgil and Lorna Holmes

Velva Kelly

Bev Maser

Elizabeth Messerschmidt

Elaine Paulson

Fid and Leah Sailor

Wes and Jean Schirmer

Marv Schilling

Patricia Schulz

John Wreford

WI Retired Minister's Association

h. Report of Gifts to the Ministerial Insurance Memorial Fund

The Market Value of the Ministerial Insurance Memorial Fund as of 12/31/08 was \$95,375. In 2008, the Ministerial Insurance Memorial Fund provided \$2,421 in earnings. The total contributions in 2008 were \$4,145.

GIFTS IN MEMORY OF:

REV. ROBERT PAULSON

Joann Carlson

Sue Setterlund

Stan and Phyllis Strosahl

REV. ZI SA

Charles and Nancy Bauer-King

REV. GERRY MANN

David and Hope Warren

YEAR END GIFTS:

Darrell and Michelle Behnke

Patrick and Kathy Green

David and Ann Harsh

Chomingwen Pond

Philip and Elaine Pudleiner

Stan and Phyllis Strosahl

David and Hope Warren

i. Foundation Staff

Our President: Rev. William F. Helwig

Our Vice-President of Finance: Tom Schaefer

Our Vice-President of Programs and Resources: Rev. Jean E. Nicholas

Our Loan Officer: Ellen LaWall

Our Capital Campaign Coordinator: Lenore Geisthardt

Our Administrative Associate: Karen Woods

Our Treasurer: Mark E. Perschbacher

B. HIGHLIGHTS AND ACCOMPLISHMENTS

1. Continued growth in the number of Investment Fund accounts established by churches, church-related agencies, and individuals setting up charitable gifts for the church. **The number of new accounts established in 2008 was 42. The dollar amount of additions to the Investment Funds was \$7,655,906!**
2. The Foundation operating budget and program ministries were entirely self-supported in 2008.
3. During 2008 the Wisconsin United Methodist Foundation received a bequest which established a permanent endowment account allowing us to double the amount available for distribution in scholarship assistance to Wisconsin United Methodist students attending seminary in preparation for ministry in our Conference.
4. The Foundation Church Mortgage Loan Program continues to serve the Conference. As of February 28, 2009, 202 church accounts and 36 Conference related accounts were designated to be available to provide low-cost first mortgages to qualified Wisconsin United Methodist Congregations. The Conference and these churches are now partners in mission with other congregations and investing in church growth as well as receiving higher investment returns.

C. RECOMMENDATION FOR ANNUAL CONFERENCE

We recommend that the Annual Conference designate the earnings from the undesignated "New Ministries Fund," to provide stewardship programming and resources to local congregations through the Wisconsin United Methodist Foundation.

Respectfully submitted,
Dan Drew, Chairman of the Board
William F. Helwig, President

D. FOUNDATIONS

**(Informational purposes only)
The Wisconsin United Methodist Foundation, Inc.
(&906.8, 2513, Rule 4.185)**

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