

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. Our primary asset allocation model (the Common Fund) now has a 33-year performance record with an annual average net return of 8.80%. The Common Fund net return for 2010 was 7.80%. At the end of 2010 funds under management at the Wisconsin United Methodist Foundation totaled \$83,730,769.

During 2010 we provided investment services to the Minnesota United Methodist Foundation. We are grateful that we have an opportunity to provide this collegial service to our neighboring Foundation 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 the Minnesota United Methodist Foundation 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:

In August of 2010 members of the Wisconsin United Methodist Foundation staff, Foundation board members, along with Dan Dick and Ric Olson from the Ministry and Outreach Staff of the annual conference led the third annual Stewardship Retreat at Pine Lake Camp. This event was again co-sponsored by the Board of Camp and Retreat Ministries. We served a total of 41 participants -- a significant increase from the total of 22 participants in 2009. Our focus in 2010 continued to focus on inviting participants to develop a 3-year stewardship ministry plan for their congregation. The evaluations included an overwhelming request for an expanded version of the Stewardship Retreat in 2011, which we have agreed to provide.

In September, we co-sponsored seven identical stewardship seminars entitled, "Extravagant Generosity." The Rev. Dan R. Dick, Director of Connectional Ministries for the Wisconsin Annual Conference, served as our guest leader. Over 200 persons from over 80 churches attended these seminars held throughout the state. In addition, Foundation staff conducted seven stewardship consultations in individual local congregations facing financial difficulties.

These statistics indicate that the Foundation staff had over 120 face-to-face contacts with individual churches or charges in 2010. While 15 of these 120 churches or charges have participated in more than one Foundation ministry or program, there are at least 10% (12/120) that expressed interest in the programs and ministry of the Wisconsin United Methodist Foundation for the first time.

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 2011 the Foundation will again be working with the Board of Camp and Retreat Ministries to sponsor a Stewardship Retreat for clergy and lay leaders at Pine Lake Camp August 17 through August 19, with a variety of registration options available to participants. The focus of this retreat will be developing a 3-5 year stewardship ministry plan for their congregations.

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 five clergy Study/Renewal Leaves totaling \$9,000.

GRANTS, SCHOLARSHIPS AND GIFTS: The Wisconsin United Methodist Foundation continues to invite applications and award grants throughout Wisconsin. In 2010 these grants and other gifts totaled \$136,775. 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.

In 2010 the Foundation was able to award 30 scholarships worth \$16,000 to promising young United Methodist college students and adults returning for additional education, or persons working towards vocations in church-related fields of ministry. The Foundation was also able to award scholarship grants to Wisconsin UM students attending seminary in preparation for service in the Wisconsin Conference.

Through our Year-End Gifts program, \$438,841 was given to the Bishop’s Relief Fund, Minister’s Insurance Memorial Fund, Central Conference Pension Initiative, 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, Northcott Neighborhood House, Samaritan Fund, UMCOR (United Methodist Committee on Relief), United Methodist Archives, and other ministries.

For the year 2010, we processed 73 stock gifts for a total of \$529,811. Of this total, \$466,095 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, continually increasing 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, 2010, our Church Mortgage Loan Program had 35 active loans for churches, including one for the Wisconsin Annual Conference. Loans total \$9.5 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, 231 church accounts, and 20 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.

The Foundation assisted Appleton: Emmanuel with their capital campaign for debt reduction from their elevator project and to raise funds for new doors, drapes, and windows. A PreCampaign Evaluation Study was held in October of 2010 as they look to make their building more accessible.

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. Total Investment Funds Under Management

The December 31, 2010 market value was \$83,730,769 compared to \$73,991,342 on December 31, 2009. Total earnings in 2010 amounted to \$1,154,502.

b. Charitable Gift Annuities – 117 accounts. Market Value as of 12/31/2010 was \$1,636,566.

c. Charitable Remainder Unitrusts – 18 accounts. Market Value as of 12/31/2010 was \$3,660,804.

d. Grant Awards

Thirty-six Grants awarded by the Foundation

Appleton: Zion Korean UMC Language School	\$1,500
Baraboo Ecumenical – Mission Gathering	\$2,500
Beaver Dam: Trinity UMC Women’s Outreach Ministry	\$3,500
Bloomington: Faith Alive Charge Family Church	\$1,500
Brillion: Faith UMC Counselor Outreach Project	\$2,600
Chetek UMC – Junior Youth Fellowship	\$4,350
Dodgeville UMC Stephen Ministries	\$2,700
Eagle UMC Youth Ministry Program	\$650
Fall River UMC New Worship Service	\$3,500
Green Bay: First UMC Reusable Tote bags	\$750
Jackson: Still Waters Making Disciples in the 21 st Century	\$2,250
Kenosha: First UMC Youth and Young Adult Ministries	\$436
Lake Geneva: La Resurreccion Tutoring/Citizenship	\$2,500
Lake Geneva: Neighborhood Radio Program	\$950
Manitowoc: St. Paul’s UMC Rocking Chairs	\$1,200
Marion: First UMC Stepping Stones Middle School	\$1,500
Marion: First UMC Field of Praise	\$1,500
Menomonie: The Place Campus Ministry	\$2,200
Milwaukee Urban Joint Confirmation Program	\$3,000
Milwaukee: Luz a las Naciones Arts/Liturgical Dance	\$2,400
Mineral Point: Parish of the Hills UMC Bright Spots Radio	\$2,405
Neenah: First UMC Broadcasting Ministry	\$4,900
New Berlin: Our Lord’s Rotation Sunday School	\$2,605
Oak Creek: Stephen Ministries	\$2,700
Onalaska UMC Community Dinner	\$1,000
Racine: Trinity UMC Grief Support Ministry	\$2,000
Reedsburg UMC Hispanic Outreach	\$7,400
Rhineland UMC Personal Essentials Pantry	\$1,000
Spooner/Lakeview UMCs Parish Nurse Ministry	\$1,520
St. Croix Falls UMC Chime Choir	\$2,125
Sun Prairie UMC Stephen Ministries	\$2,700
Superior: Faith UMC Parent’s Group	\$1,300
Superior: Faith UMC Produce/Prayer Garden	\$3,500
Sussex UMC Family Wellness Conference	\$1,200
UMW Hmong House of Good News	\$3,500
Whitefish Bay UMC Urban Family Bible Camp	\$600
Wisconsin Rapids UMC Shot of Grace	\$1,542

TOTAL

\$83,483

e. Report of Gifts to the Ministerial Pension Memorial Fund

The Market Value of the Ministerial Pension Memorial Fund as of 12/31/10 was \$991,247. In 2010, the Ministerial Pension Memorial Fund provided \$14,268 in earnings that are available to the Wisconsin Conference Board of Pensions. The total contributions in 2010 were \$4,756.

f. Report of Gifts to the Ministerial Insurance Memorial Fund

The Market Value of the Ministerial Insurance Memorial Fund as of 12/31/10 was \$146,328. In 2010, the Ministerial Insurance Memorial Fund provided \$1,981 in earnings. The total contributions in 2010 were \$16,548.

GIFTS IN MEMORY OF:

REV. DEAN JORDAN
Family and Friends

GIFTS IN HONOR OF:
REV. STAN STROSAHL

YEAR END GIFTS:

Charles Bauer-King
Darrell and Michelle Behnke
Wilmer Bloy
Hazel Brett-Sumwalt
Paul Foulke
Patrick and Kathryn Green
Rosemary Groves
David and Ann Harsh
Richard Hinkelman
Dave Johnson
Carolyn Jordan
Elaine Paulson
Chomingwen Pond
Philip and Elaine Pudleiner
David and Hope Warren
Estate of Ruth Tubbs Schultz
Family of Rev. I. Dean Jordan
Norstrant Endowment Fund
Retired Clergy Luncheon Offering
WUMF Sperbeck Memorial Fund

g. 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 2010 was 27. The dollar amount of additions to the Investment Funds was \$13,934,828!**
2. The Foundation operating budget and program ministries were entirely self-supported in 2010.
3. The Foundation Church Mortgage Loan Program continues to serve the Conference. As of February 28, 2011, 231 church accounts and 35 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,
Roanne Barnes, 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)**

Board of Directors for 2010

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Vice-Chairperson: BRUCE BARTEL
Secretary: DENNIS LANGE
Treasurer: MARK PERSCHBACHER

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Mary Anne Conklin, DENNIS LANGE, CODY MARES, DON SEMLER

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HIGGINS, Jason Mahnke, Wesley White

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FREIBERG, Don Gribble, Cathy Hamblin, John Hobbins, CECILIA WILSON HOLDER

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Dan Fahs, MARTHA WALTON, JACK WERNER

Bishop: Linda Lee

President: William Helwig