

Inspiring Faithful Financial Stewardship



United Methodist Foundation
of NEW ENGLAND

2016 ANNUAL REPORT

CHAIRMAN OF THE BOARD

I am pleased to offer greetings on behalf of the Foundation's Board of Directors. I feel privileged to lead a board of committed, thoughtful and hard-working board members, both lay and clergy, who consistently push the Foundation to strive for excellence in all it does.

The Foundation continues to excel in serving the investment and financial needs of local churches and Annual Conference agencies, with more assets under management than at any time in our history. Our grant program and educational outreach efforts are making a difference in promoting and enhancing countless local ministry and mission projects throughout New England. During the past year we have also made significant progress toward the development of a comprehensive and systematic planned giving and donor cultivation initiative that should bear fruit for generations to come. We have taken concrete steps, in collaboration with the bishop's extended cabinet, to further our commitment to leadership development efforts designed to train and equip pastors in our Conference to engage in visionary and transformational 21st-century ministry. As a board, we are constantly looking for ways in which the Foundation can be a catalyst for innovation within the church.

In 2016, we also had the pleasure of hosting the annual meeting of the National Association of United Methodist Foundations in Portland, Maine. Our Foundation has benefited from our participation in the network of foundations throughout our denomination, and we have learned much at our board meetings from presentations made by leaders of other foundations.

We continue to be blessed with an effective, hardworking staff, led by our President, Jim Mentzer, and augmented this past year by the addition of David Abbott as our new Director of Stewardship. As board members, we would not have the luxury of formulating ambitious plans without the diligent and highly professional work of our staff. They not only see to the efficient day-to-day operations of the Foundation but also provide us with a constant stream of ideas for how to make the Foundation better and more effective. We are truly indebted to them.

John Regier
Board Chair



For Churches & Agencies

- Socially Responsible Investment Management Services
- Planned Giving
- Stewardship Education
- Capital Campaign Services
- Lower Cost Loans
- Grants Ministry
- Leadership Development

For Donors

- Gift plan design & proposals to support local UM churches or agencies
- Trustee services and professional management for charitable trusts and gifts
- Family endowments to benefit churches & charities
- Full range of life income arrangements
- Private & confidential gift planning advice

For Clergy

- Financial & Life Planning Workshops
- Personal Planning Consultations
- Pastoral Resources

2016 HIGHLIGHTS

JULY 1, 2016 / Rev Dr. David Abbott

Foundation Welcomes New Director of Stewardship

David served as District Superintendent for the New Hampshire District since 2010. A native of Maine, David received his B.A. in business administration from the University of Maine in 1984, his Masters of Divinity degree from Duke Divinity School in 1996, and a Doctor of Ministry degree from Wesley Theological Seminary (Washington, DC) in 2008. He is an ordained elder in the New England Annual Conference with twenty-four years of experience serving the local church. Along with a deep faith and expertise in stewardship training and education, David brings to his new position a passion for congregational development and pastoral leadership. In reflecting about this opportunity to join the Foundation's staff, he shared that he was "excited about the opportunity and adventure of working with local churches to explore and celebrate the abundance of gifts and treasures God has given them. I look forward to working with individuals across the conference who share that same vision."



OCTOBER 12-15, 2016 / NAUMF EVENT

Westin Portland Harborview Hotel / Portland ME

Every year the "National Association of United Methodist Foundations" (NAUMF) holds its annual 3-day meeting. These events are hosted by different foundations located across the country. Each year has a different theme with 5-6 exceptional speakers. There are several opportunities for Foundation Presidents, CEO's, CFO's and various staff to meet together and get a feel for what is working, what is maybe not working, and what could be done better. We were honored to host the 2016 NAUMF event.

As in years past, it has been the custom for the hosting Foundation to provide a hospitality gift for participants that usually reflects the culture of the area. This year, with blessings from our Northeast Jurisdictional Foundations (NEJ), we broke from tradition. The NEJ Planning Committee prayerfully considered directing the monies, normally spent on hospitality gifts, to support three local ministries.



1. HopeGateWay, a dynamic faith community located in Portland ME, that is transforming how we think about church.
2. The United Methodist Economic Ministry in Salem ME. This extension ministry of the New England Conference serves the poorest county in western Maine.
3. "Spirit Wind", a Fair Trade agent in the New England Conference. The bright and colorful name tags used by the participants and spouses were made by Arelis. She learned to sew through an adult education course in her village, El Ojoche, in the Chinandega District of Nicaragua. ***While not our intention, perhaps a new tradition has begun.***

Arelis (on left) Learning to Quilt

2016 GRANT AWARDS SUMMARY

In 2016, over \$65,000 was awarded through the Annual and Rapid Response Grants Ministry, enabling ministry dreams to become transforming realities. Funding is provided by: *The G. Neil Harper Endowment for UMF Grant Program, The G. Neil and Anne Yost Harper Endowment, Friends of the Foundation, and the Foundation Board of Directors and staff.* Donations for the Grant ministry are accepted throughout the year on the Foundation website.



"These grants are really making a profound difference in the ministry of local church and church-related non-profits. Thank you!"

Allen & Sara Ewing Merrill / HopeGateWay

Casa Raices Latinas & East Saugus UMC / East Saugus MA

\$2500 - Seminary student housing ministry. "My experience in Casa Raices Latinas has been exceptional. I was welcomed and before long, I became a part of the family...living in Casa Raices Latinas helped me to excel in my classes. It has also impacted me in the sense that when I graduate, I hope to give back towards this project so as to ensure its sustainability and to be a blessing to students who like me cannot afford to live in Boston."

Uchenna Joan Awa, Boston University / M.Div. Second Year

"I support the Foundation Grants Ministry because the funds support great ministries in the conference..."

" Anne Marie Hunter / Foundation Board of Directors

St. Paul's UMC / Newport RI

\$2500 - Purchase drums for the "Community Drumming Circle" used for recovery & healing. "...we were able to purchase sixteen various kinds of drums. About 25 people regularly come to our monthly Community Drum Circle. [As a result], other gifted local people have offered their programs for healing or wellness...St. Paul's deeply appreciates the Foundation's generous grant, which has made a huge difference in the life, vision, and mission of St. Paul's as well as the people of Newport."



Jaegil Lee, Pastor

A LOAN STORY...



It's December 24th, one of the coldest winters in history, and you are the Pastor leading a wonderful Christmas Eve service. The sanctuary is warm and cozy with candles shimmering and then, near the end of the midnight service, there is a loud noise from the basement and suddenly there is no heat! After a few, perhaps not so holy, thoughts you remember that in June the Finance Committee had recommended the church apply for a loan from the Foundation to pay for the installation of a new heating system. Well, you put off the new furnace installation, BUT OMG (said with reverence) did we ever actually apply for the new **Church Deferred Maintenance Line of Credit (CDM)**???

The goal of the CDM is to help promote a planned and consistent approach to church deferred maintenance, and allow convenient access to funds on a timely basis. The UM churches in New England have a mixed experience with the performance of maintenance to church facilities for both the main building and parsonages. Most of the time both fall into deferred maintenance, which eventually costs more money because of unnecessary damage caused through benign neglect. The cause of this neglect is simply "NO MONEY" to get the work done. Church heating systems, roofs, steeples, and major painting and stone/brick repointing are four examples that cause the most difficulties. While generally smaller in dollar amounts, when these fail, they tend to impact everything that takes place in the church. Many churches appear to have difficulty in making timely decisions even though they realize the problem. Once they decide to act, the development of funding further delays the project to the point that the integrity of the real estate is adversely impacted.

The CDM works best when integrated with the church's building fund, and/or stewardship fund raising and capital campaign planning. The best strategy is to borrow for the shortest period possible and use it to bridge the gap between fundraising efforts. The CDM can augment your ability to be a better steward of church real estate and keep the church family from having to eventually "catch up" by taking on a huge loan.

SO, did we actually apply for that loan??

"You bet we did," says Herb Taylor, Pastor of the Harvard Epworth UMC in Cambridge. "We appreciated the United Methodist partnership, and the ease and flexibility the Foundation's Line of Credit provided for the church. We used it specifically to help us to pay for a portion of a new heating system we installed in the church. The line of credit provided a short-term bridge until other gifts and income came in to pay down the line of credit until another need arises. The ability to put in the heating system when we did enables the church to save \$10k to \$15K in annual heating costs."

*We love hearing your stories and are thankful that we are here to be of service to our faithful **"Partners in Ministry"**.*

Ministry in Motion

Following our unique passion for connecting faith and finances your Foundation has:

Processed 45 stock transfers totaling \$807,563

Processed 2 new and/or refinanced loans totaling \$312,350

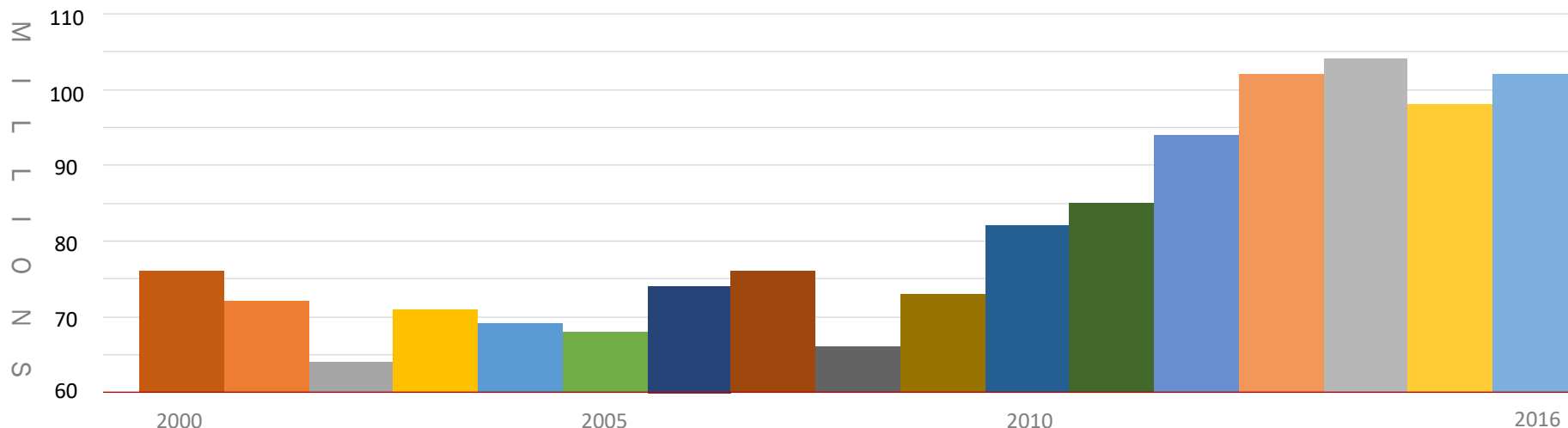
Opened 23 new accounts totaling \$3,325,994

Awarded 28 missional grants in the amount of \$64,950

Distributed \$9,144,877 to local churches

Paid out \$87,892 in guaranteed payments to Gift Annuitants

Assets Under Management



FINANCIALS

STATEMENT OF FINANCIAL POSITION December 31, 2016

ASSETS

Cash and Cash Equivalents	\$ 623,095
Investments	96,943,048
Receivables and other assets	<u>4,474,004</u>

Total Assets \$ 102,040,147

LIABILITIES AND NET ASSETS

Accounts and other payables	\$ 574,699
Obligations for custodial funds payable	<u>96,014,349</u>
Total Liabilities	<u>\$ 96,589,048</u>

NET ASSETS

Unrestricted	\$ 3,303,543
Temporarily Restricted	106,822
Permanently Restricted	<u>2,040,734</u>
Total Net Assets	<u>\$ 5,451,099</u>

Total Liabilities and Net Assets \$ 102,040,147

These abbreviated statements do not include footnotes which contain vital information. For a complete set of audited financial statements, contact the Foundation office.

STATEMENT OF ACTIVITIES

**For the Year Ended
December 31, 2016**

REVENUES

Investment Administration Fees and Contributions	\$ 1,166,100
Interest and Dividends	128,429
Other Income	200,638
Loss on Split Interest Agreements	<u>(59,537)</u>
Total Revenues	<u>\$ 1,435,630</u>

EXPENSES

General, Administration Expenses	\$ 1,194,646
Grants	<u>67,663</u>
Total Expenses	<u>\$ 1,262,309</u>

Increase (Decrease) in Net Assets 173,321

Net Assets, Beginning of Year 5,277,778

Net Assets, End of Year \$ 5,451,099

THE FOUNDATION'S "FOUNDATION"

STAFF

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BOARD OF DIRECTORS

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