

# CONNECTIONS

2016 ANNUAL REPORT

## Growing Faith & Generosity



California-Nevada  
United Methodist  
FOUNDATION

®

*Resources, Relationships, Results*

What legacy will we leave?

For most of us, if we have children or grandchildren, or children in our church or neighborhood, we want them to know that God is real and God loves them. We don't know what form of ministry will be needed in the far future, but we are certain that they will need to hear about God's Word and be surrounded by a Christian community.

So how do we help them, when we won't be there in person? Well one answer is leaving a legacy through planned giving – that is, planning to give for the sake of others, most often for those in future generations.

Our living legacy is the unspoken witness of our actions, how we “walk the walk” –

our vision and values from how we live right now – as well as what kind of ongoing effect is left on this earth after we've passed on. Our living legacy leaves a deep and lasting footprint for others to follow.

There's a wonderful anonymous Greek proverb that says “Society grows great when old men plant trees whose shade they know they will never sit in”. The California-Nevada United Methodist Foundation – through our investment management services, endowment development and legacy giving assistance to congregations and individuals – is helping plant trees for those future generations to enjoy! We are grateful for the opportunity to be a part of your ministries.

Peace,



Susan Peters, CFRE  
Executive Director



Staff



Cheri Kraus  
Finance Director



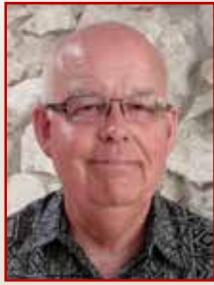
Angela Slaton  
Administrative  
Services Manager



# OUR BOARD OF DIRECTORS



**Angela Berry**  
Jones Memorial UMC  
San Francisco, CA



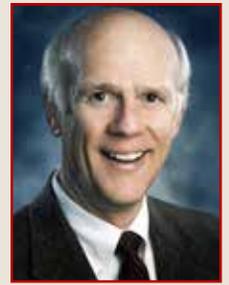
**Norman L. Bryan**  
President  
First UMC  
Santa Rosa, CA



**John Conover**  
Investment  
Committee Chair  
Los Altos UMC  
Los Altos, CA



**Rev. Nadine DeWitt**  
Sparks UMC  
Sparks, NV



**Dr. Dave Diedrichsen**  
**Finance & Audit  
Committee, Chair**  
Sparks UMC  
Sparks, NV



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Nominating & Governance  
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Kimball**  
River Valley Christian  
Fellowship  
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Vice President  
Strategic Planning Team,  
Chair  
Galt UMC  
Galt, CA



**Rev. Sungho Lee**  
Concord UMC  
Concord, CA



**Joyce Milks**  
First UMC  
Santa Rosa, CA



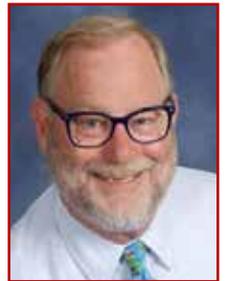
**Rev. Lori Sawdon**  
**Secretary/Treasurer**  
Personnel Committee,  
Chair  
First UMC  
Lodi, CA



**C. Fred Toney**  
San Ramon Valley  
UMC  
Alamo, CA



**Rosa  
Washington-Olson**  
Davis UMC  
Davis, CA



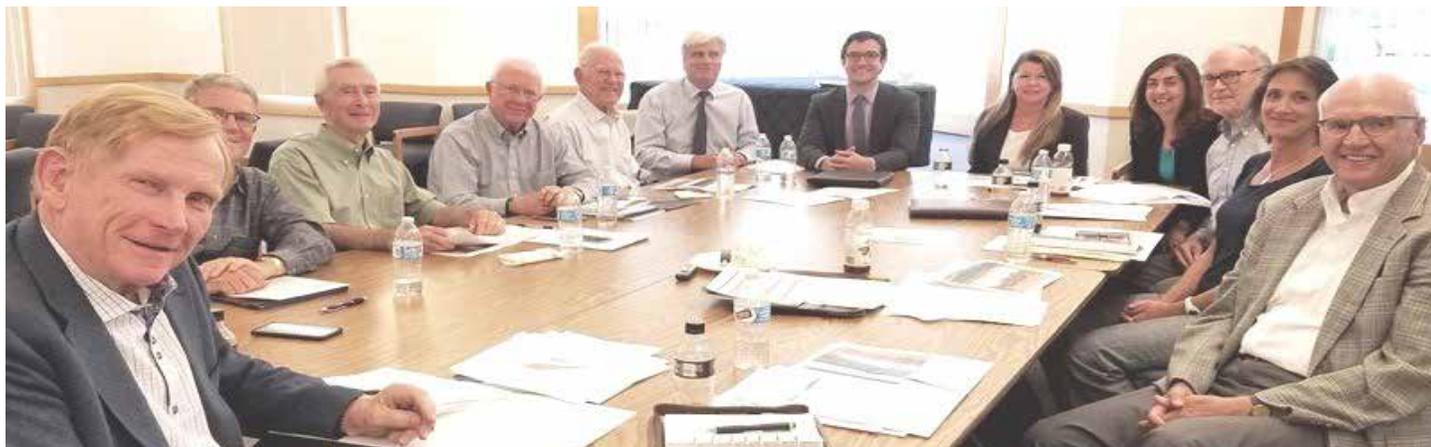
**Rev. Mark Wharff**  
St. Paul's UMC  
Manteca, CA



**Rev. Tom Widlund**  
Ione UMC  
Ione, CA  
Creekside UMC  
Sutter Creek, CA

Bishop Minerva G. Carcaño  
Honorary Chair

Thanks to new account partnerships with churches and agencies in the CA-NV Annual Conference as well as a very favorable year for our investments, the Foundation's Assets Under Management grew to \$64,383,235 by the end of 2016. This represents a new milestone for our Foundation and increased funds for ministry for our churches! We are grateful for the people serving on our Investment Team – those on the Investment Committee and our portfolio managers – who are excellent stewards of the funds you have entrusted to the Foundation!



**OUR INVESTMENT TEAM:** The Investment Committee meets quarterly with our portfolio managers. Led by Chairperson John Conover, the members of the Investment Committee have specific experience and background in the investing arena. All are members of local churches in the California-Nevada Annual Conference. In addition to John Conover, current members include Harry Knapp, Ken Clifford, J. Fred Toney, Harvey Dixon, Art Hammar, Jill Kispert, and Jim Van Horne. Also participating at each meeting are Finance Director Cheri Kraus and Executive Director Susan Peters. (Shown in back: Peter Hill, David Smith, Linda Beck, and Sonya Thadhani of Bailard)

The Investment Committee reports to the Board of Directors at all board meetings regarding performance of the portfolio managers and our investments.

**THE GOLUB GROUP:** With offices in San Mateo and Pasadena, Golub Group's investment philosophy is a long-term growth and income discipline built around minimizing risk. They are patient investors who believe that wealth is created through the ownership of a well-diversified portfolio of high-quality securities purchased at attractive valuations, closely monitored, and held for the long term. The Golub Group joined our investment management team in 2008. Golub currently has over \$1.4 billion in assets under management. (Shown right: Colin Higgins & Kurt Hoefer)



**BAILARD, INC.:** 2016 brought a change in investment management partners. Our 20 year relationship with Nelson Capital Management came to a close. We have had a great relationship with the people at Nelson for over 20 years, and they have faithfully utilized our socially responsible screens to produce growth for our church accounts. Nelson Capital was owned by Wells Fargo and Wells has decided on a different direction which included the dissolution of Nelson. We parted on good terms and the transfer has been seamless.

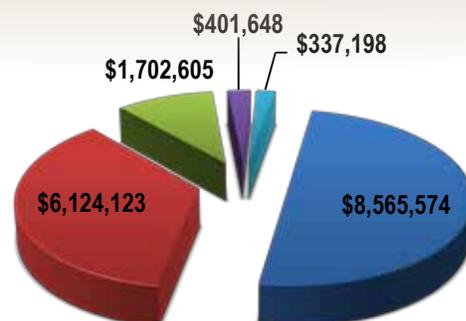
Starting June 16, 2016 the funds held at Nelson were transferred to Bailard Inc. Founded in 1969, Bailard is located in Foster City and has approximately \$2.6 billion in assets under management. Along with the Golub Group, Bailard reports to our Investment Committee quarterly and their monthly reports are posted on our website [www.canvumf.org](http://www.canvumf.org). We believe they are a good match for the Foundation and look forward to a long and productive relationship! Learn more about Bailard and Golub by clicking the links on our website.

We encourage interested church representatives to visit one of the quarterly Investment Committee meetings. Contact Angela Slaton at 888-789-7374 to arrange your visit.

# 2016 FINANCIAL INFORMATION

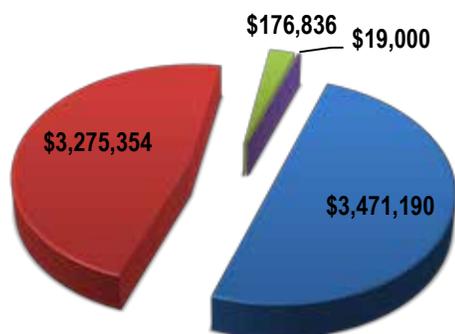
## Income Received 2016:

- Deposits to new & existing accounts
- Income Earned on Investments
- Realized Gains/(Losses)
- Fund Management Fees



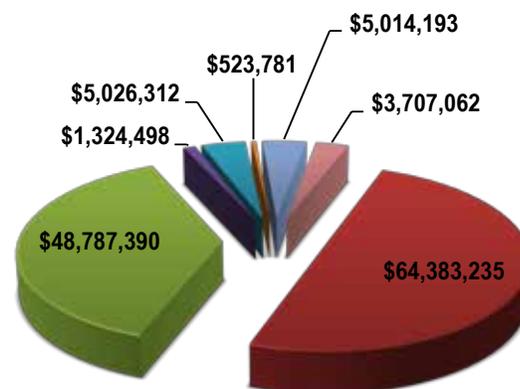
## Funds Distributed 2016:

- Church Conference & Other Ministries
- Life Income Payments to Donors
- Grants & Scholarships



## Funds Held by the Foundation 2016

- Market Value:
- Revocable Trusts
- Operations
- Charitable Remainder Trusts
- Pooled Income Funds & Gift Annuities
- Irrevocable Trusts & Donor Advised Funds
- Restricted Gifts



Assets Under Management as of Dec. 31, 2016: \$64,383,235 (increase of \$7,176,254)

New Money Received in 2016: \$6,124,123

Investment Performance in 2016:

Equity Portfolio 12.95 %

S&P 500 Benchmark 11.96 %

Asset Allocation Portfolio 8.40 %

Blended Benchmark 8.06%

Intermediate Fixed Income Portfolio 2.72 %

Benchmark 2.08%

Operating expense ratio: .64% of AUM

## Informing, Educating, Encouraging

What is legacy giving? It is the act of preparing to leave a legacy gift for your church or United Methodist institution that has meant so much to so many. The California-Nevada United Methodist Foundation is equipped to work with individuals who are thinking ahead to make a gift beyond their lifetime and to help them understand the many ways gifts can be made.



## Legacy Giving Resources

The California-Nevada United Methodist Foundation works with local churches in a variety of ways to inform, educate and encourage congregations.

- **Marketing:** Guiding church leaders in ongoing education through development of a marketing plan.
- **Special Seminars:** Offering workshops and seminars custom designed for each church's needs.
- **Planning:** Counseling individual donors in charitable gift planning.
- **Materials:** Providing newsletter articles and other marketing materials such as brochures.

## Developing Resources for Future Ministries - Endowments

Endowments and legacy giving are tangible expressions of faith in the future of the Church. Webster defines endowment as "the act or process of furnishing with an income." If the church is to continue ministry to future generations, it must plan for future as well as present mission and ministry; but unless these plans include ways of funding this mission and ministry, they may be only empty dreams. The concept of endowment funding says to the church and to the community that the church is here to stay and that it is both planning for and funding the future.

The California-Nevada United Methodist Foundation helps churches create funding for future ministries with our Endowment Ministry services. Our work with church Endowments includes:

- Revitalizing existing endowments.
- Guiding churches through the process of developing a new endowment.
- Providing sample policies and forms for establishment of new endowments.
- Offering educational materials and seminars to promote endowments.
- Recognizing endowment donors through the John Wesley Society.

## 2016 Ministry Highlights – Informing, Educating, Encouraging

The Foundation has been honored to partner with many of our churches in legacy giving and endowment ministry in 2016:

Auburn Pioneer UMC; Campbell UMC; Fairfield Community UMC; Fair Oaks UMC;  
Georgetown UMC; Palo Alto First UMC; Paradise UMC; Pleasanton Lynnewood UMC  
Reno St. Paul UMC; Richmond First UMC; San Francisco Jones Memorial UMC  
San Ramon Valley UMC; Santa Rosa First UMC; Sutter Creek UMC; Tracy UMC  
and Upper Lake UMC.