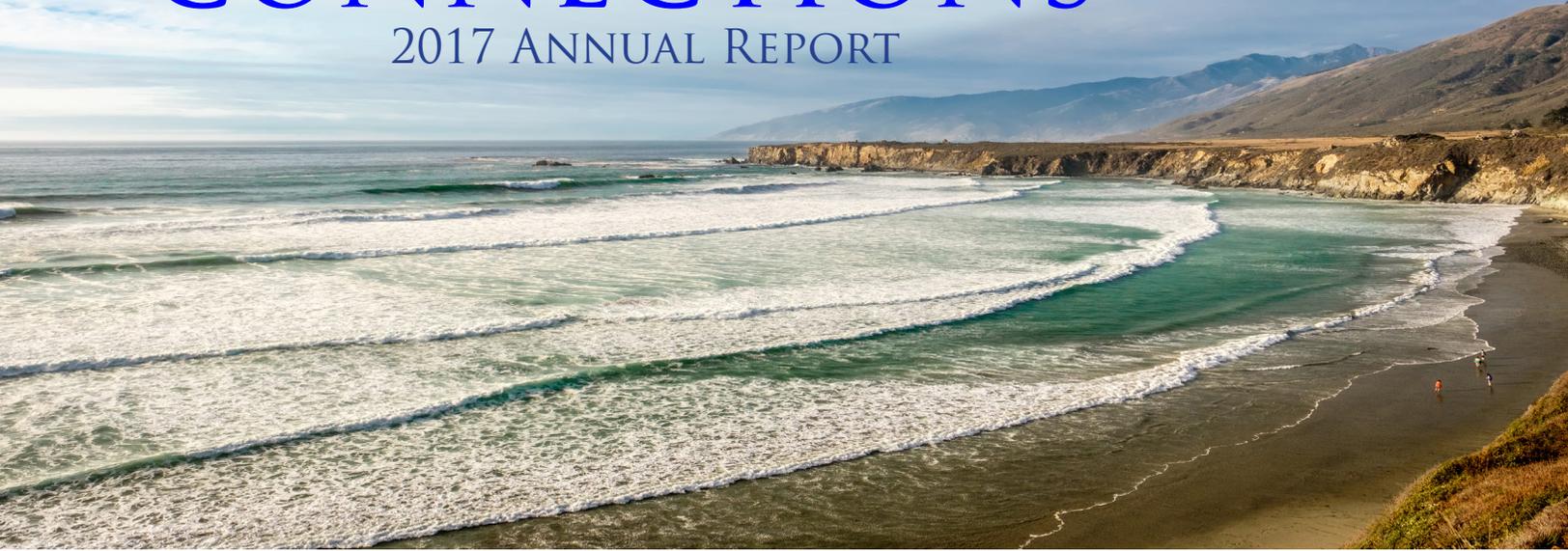


CONNECTIONS

2017 ANNUAL REPORT



A season of change is a time to reflect on the abundance in our lives. As Autumn approaches, we draw inward and look for some quiet in the busyness around us. We often think of home, family, church as constants in our lives.

Yet change is ever-present. Change can open doors and offer new vistas, new ideas. Change can create anxiety and fear. The choice on how to deal with change is ours. As we enter a time of waiting for what changes may come in our denomination and our world, God is our constant, abiding guide, and we need not worry.

For the California-Nevada United Methodist Foundation Board of Directors and staff, growing and thriving through change is our goal. While we don't know exactly the shape of change to come, we do know that our commitment to providing our church and agency partners with the excellent, personal service we know you value won't change. We will stand alongside you moving into the future.

Peace,

Susan Peters, CFRE
Executive Director



Cheri Kraus
Finance Director



Angela Slaton
Administrative Services Manager



Resources, Relationships, Results



Lower Your Taxes with the New Tax Law

**For smart taxpayers,
the new law provides
easy opportunities to
lower taxes even more.**

The most significant opportunity for you is probably the standard deduction.

It can be used instead of itemizing your deductions, where in the past you might have claimed a deduction for mortgage interest, state and local taxes and charitable giving.

Congress doubled the standard deduction to: \$12,000 for single filers and \$24,000 for married filers.

Whether you typically itemize or take the standard deduction, there are some strategies you can use to receive new tax savings as well as other non-tax benefits.

Call or email us to learn how you can use the new law to its fullest advantage.



Fund a charitable gift annuity or charitable remainder unitrust

Either strategy provides you with annual income, a charitable income tax deduction and potentially favorable capital gains treatment while allowing you to support the ministries that matter most to you. Your specific benefits will be affected based on whether you itemize or take the standard deduction.



Make an outright gift of an appreciated asset to charity

This strategy allows you to support the ministries that matter most to you while generating a charitable tax deduction and potentially capital gains tax savings. This strategy provides tax benefits to itemizers and non-itemizers.



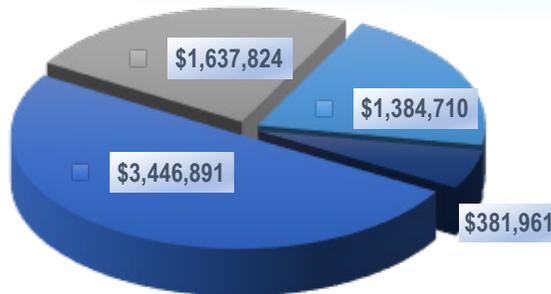
Give from your pre-tax assets by making an IRA rollover gift

If you are 70½ or older, this strategy allows you to give up to \$100,000 directly from your IRA rather than take the required distribution from your IRA. This strategy does not result in a charitable deduction but will help you avoid tax on the distribution. This strategy works for both itemizers and non-itemizers.

2017 FINANCIAL INFORMATION

Income Received 2017: \$6,851,385

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



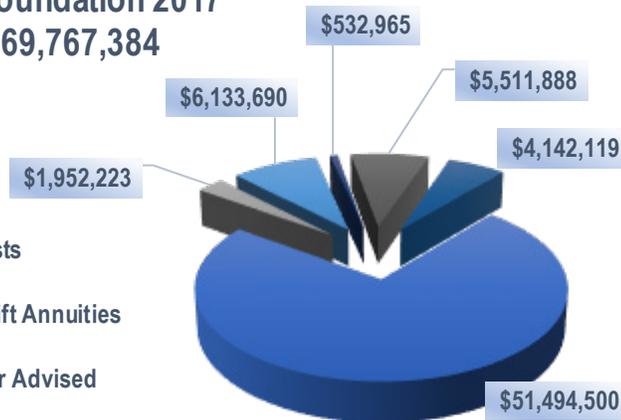
Funds Distributed 2017: \$5,529,523

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



Funds Held by the Foundation 2017 Market Value: \$69,767,384

- 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, 2017: \$69,301,146

New Money Received in 2017: \$2,528,529

Investment Performance in 2017:

Equity Portfolio 19.61%

S&P 500 Benchmark 21.83%

Asset Allocation Portfolio 11.03%

Blended Benchmark 13.59%

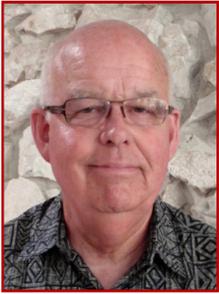
Intermediate Fixed Income Portfolio 2.2%

Benchmark 2.14%

Operating expense ratio: .62% of AUM



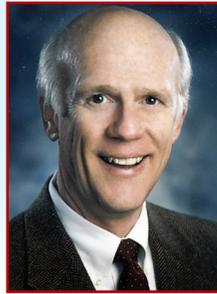
OUR BOARD OF DIRECTORS



Norman L. Bryan
First UMC
Santa Rosa, CA



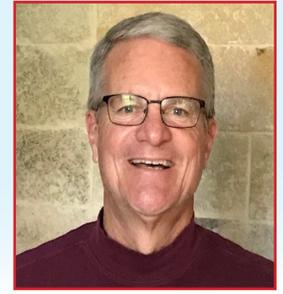
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Investment
Committee Chair
Los Altos UMC
Los Altos, CA



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Secretary/Treasurer
Finance & Audit
Committee, Chair
Sparks UMC
Sparks, NV



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San Jose, CA



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Representative
California Nevada Annual
Conference of the UMC

