

Community UMC Foundation
Annual Report - 2016
(June 30, 2015 - June 30, 2016)

Michael Wu, Board Chairman and President

The equity markets were quite volatile in 2015/2016 with the overall US market essentially flat year over year. Our endowed funds are invested with the United Methodist Foundation of the Northern Illinois Conference. The UMF NIC has three funds - the Conservative Fund (35% equities and 65% fixed income); Moderate Fund (60% equities and 40% fixed income); and Aggressive Fund (85% equities and 15% fixed income). These funds have been managed by Envestnet Portfolio Management Consultants and have exhibited satisfactory performance to date. Only the net appreciation, realized and unrealized, in the fair value of the assets of the endowed funds over their historic dollar value is available for distribution to CUMC. All principal amounts in the endowed funds are retained in perpetuity.

Based on investment performance in 2015, the Foundation distributed \$13,000 to CUMC, including \$10,000 from the General Fund, \$2,400 from the Music Fund and \$600 from the Building Fund. Since the CUMC Foundation was incorporated in 2001, it has distributed a total of \$120,900 to CUMC from its endowment funds. Historically, these funds have been used by CUMC to support new ministry projects, equipment purchases, and to provide additional funding for various capital improvements, as well as to assist in meeting apportionment goals.

As of June 30, 2016, the balances in the Foundation's Endowment funds were:

Endowment Funds:

General	\$201,704
Music	\$43,224
Building	<u>\$38,126</u>
Total	\$283,054

Non-Endowment Funds:

Current (operating expenses)	\$638
Capital Improvement	\$77,635
Paul Schwab Scholarship Fund	\$8,208
Non-Endowment Fund	\$181
Memorials	<u>\$19,432</u>
Total	\$106,094

The Foundation's Memorial Fund holds memorial gifts and bequests made to CUMC until they are designated to a specific fund or purpose based on the family's wishes. For the 12 months ended June

30, 2016, the Memorial Fund had contributions of about \$110,000 and major distributions of \$100,000 to the CUMC Building Project, \$25,000 to the Capital Improvement Fund, and \$25,000 to the Building Endowment Fund.

The Current Fund is for the Foundation's operating expenses.

A Non-Endowment Fund was established in the Conservative Fund with the United Methodist Foundation of the Northern Illinois Conference in May 2013 to hold monies for certain projects or ministries where spending has been deferred. The fund currently holds minimal funds for deferred projects.

The investments in the non-endowed Capital Improvement fund are managed by the Foundation for the benefit of the Trustees who retain control over the use of these funds. Both principal and earnings in this fund may be spent by the Trustees. In order to reduce the volatility of the Capital Improvement Fund, the Foundation decided to transfer investments to the Vanguard Wellesley Fund. No distributions were made from this fund during the period.

1837 Society - The 1837 Society Permanent Member designation is conferred on members and other benefactors who have provided support to the CUMC Foundation through planned gifts, estate plans or other forms of commitments to make a deferred gift.

Remembering...

During the last year the Community United Methodist Church has received bequests from or contributions in memory of:

Katherine Baker
Eric Barney
Adam Bochman

Jean Henning
Bob Jaynes
Joanne Jaynes

Bonnie McLaughlin
Bill Shirley

The CUMC Foundation thanks George Groves, Jeannine Schmidt, Bonnie Valiant, and Nancy Whittington for their service during the past year.

Community UMC Foundation Directors and Officers: Brenda DeGeer (Treasurer), Mary Kay Doody, Paul Dude (Finance Committee), Rev. Grace Imathiu, Lynda Krazinski (Secretary), Dick Legg (Vice President), Sam Leventry, John Sims, Mike Steffens (Trustees), and Mike Wu (President).

Full year audited financial statements will be prepared following the ending of the Foundation's fiscal year on December 31, 2016 and will be available to any interested CUMC member.

November 28, 2016