

Message from the Board Chairperson

Greetings in the Name of Christ!
One of my favorite Christian songs is "May All Who Come Behind Us Find Us Faithful". Written by Steve Green, its powerful words both encapsulate and uphold the hopes of many of us as God's people. As a father of five and a grandfather of four, the verse and chorus below are especially meaningful to me:

"After all our hopes and dreams have come and gone,
And our children sift through all we've left behind,
May the clues that they discover and the memories they uncover,
Become the light that leads them, to the road we each must find.

Oh, may all who come behind us find us faithful.
May the fire of our devotion light their way.
May the footprints that we leave, Lead them to believe
And the lives we live inspire them to obey.
Oh, may all who come behind us find us faithful."

As I consider my own mortality and the legacy I truly want to leave behind for my kids and grandkids, I wonder if there is a tangible way that I can leave a "Tithe Legacy" that says, "I love Christ and his Church. Follow me"?

The answer is "Yes!" For 50 years now, the Kansas Area United Methodist Foundation has provided a number of ways to leave a legacy of one's faith; from participating in new church development through the Certificate of Participation (C.P.) program, (which is similar to a bank's C.D. program) to establishing a trust fund that could help strengthen the mission of the United Methodist Church for generations to come, while providing tax advantages for you today.

As 2016 is upon us, I encourage you to call the friendly staff at your Kansas Area United Methodist Foundation today to discuss ways you might leave a legacy.... and "may all who come behind us find us faithful!"

Grace and Peace,

REV. MIKE ROSE
KAUMF Board Chairperson



Message from the President and CEO

The commitment to generosity is the basis for "your" Kansas Area United Methodist Foundation. For over 50 years, "your" Kansas Area United Methodist Foundation has provided services to assist others to live generously and share selflessly. Our staff feels privileged to work with so many caring, compassionate United Methodist churches and individuals throughout the state of Kansas. Thank you for your confidence. We are inspired by many of you who are living these words every day . . . "it is more blessed to give than to receive."

A friend of mine shared with me about a recent day when nothing seemed to go right. After purchasing a drink from a vending machine to lift his spirits, he was confronted by a homeless person asking for spare change. My friend never gives to people on the street. He chooses instead to give to charities and service projects. This time he surprised himself by reaching into his pocket and handing the person a \$20 bill. He still does not know why he did it. Although, he recalls smiling the rest of the day. Something happens when we give selflessly, expecting nothing in return, for the benefit of others.

Every year "your" Kansas Area United Methodist Foundation experiences several stories just like this one. The people and names may change. So do the dollar amounts. What remains constant is the character of the people who have taken the words of Acts 20:35 to heart. "In everything I did, I showed you that by this kind of hard work we must help the week, remembering the words the Lord Jesus himself said; 'It is more blessed to give than to receive.'"

The success of "your" Kansas Area United Methodist Foundation is a direct result of Kansas United Methodist individuals and churches that are committed to making a difference through their churches which they care passionately.

Thank You. It is a pleasure to be a partner in ministry with each and every one of you.

ALAN D. HERNDON
President and CEO



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100 East 1st Avenue, PO Box 605
Hutchinson, Kansas 67504



John Griffin, Esq.
Stewardship Counseling, LLC

FREE ESTATE PLANNING SERVICES

The Kansas Area United Methodist Foundation partners with John Griffin, Esq. of Stewardship Counseling, LLC to provide FREE Estate Planning service. The draft plan may then be given to your attorney to formalize. This service offers you a comprehensive guidance in planning your estate so that it may minimize income, gift, estate and inheritance taxes and facilitates smooth business, farm and asset transitions. This is a service that is scheduled ONLY by appointment. **Please call for more information your Kansas Area United Methodist Foundation. 888.453.8405 or www.kaumf.org**

STAFF



Alan D. Herndon
President and CEO



Lee Sankey
Director of Stewardship Services



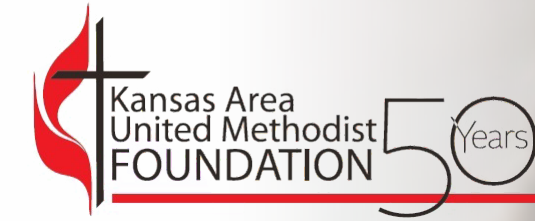
Gloria Markus
Director of Finance



Brenda Koehn
Administrative Assistant



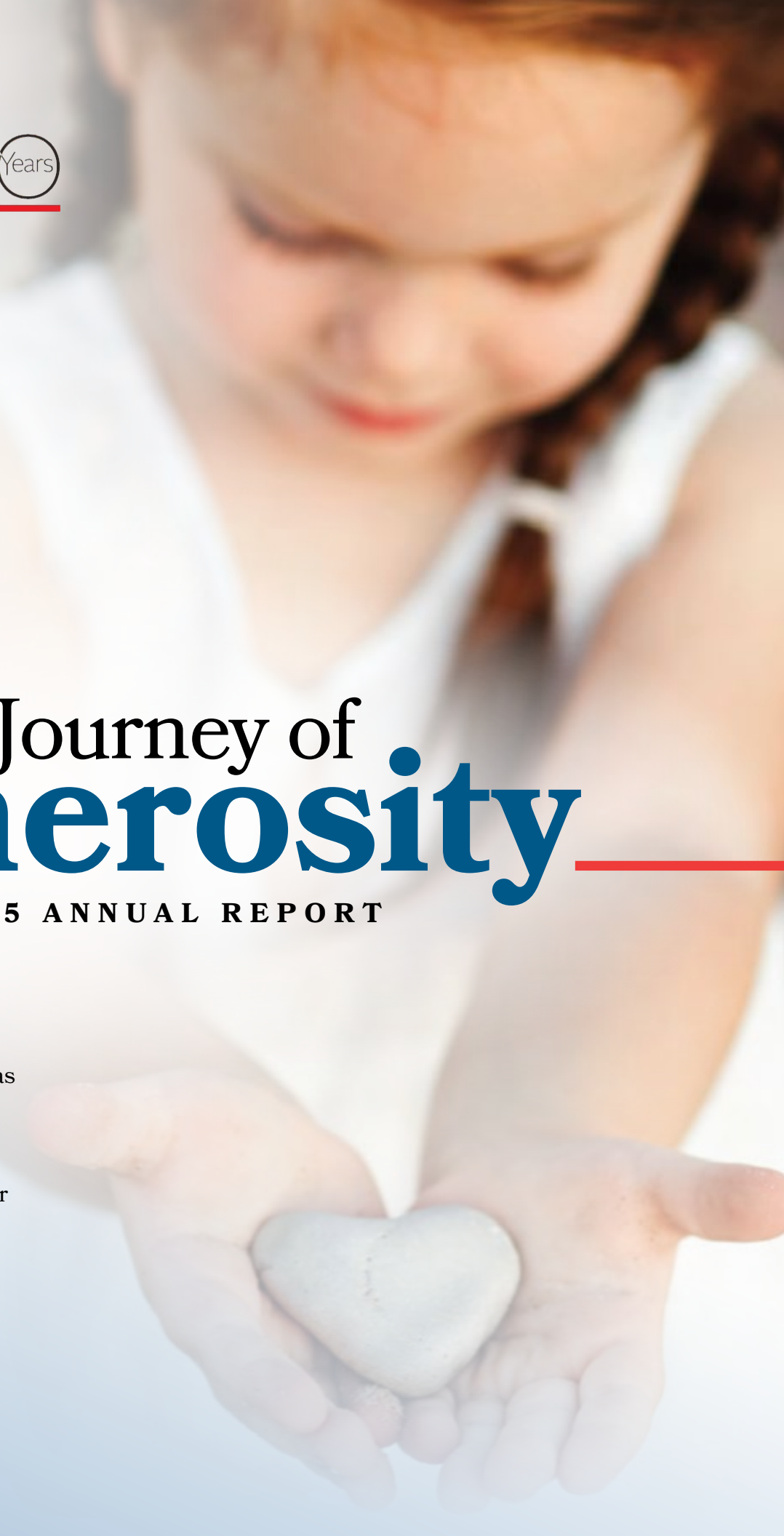
100 East 1st Avenue . PO Box 605 . Hutchinson, Kansas 67504
620-664-9623 . 888-453-8405 . foundation@kaumf.org
www.kaumf.org



The Journey of Generosity

2015 ANNUAL REPORT

The mission of the Kansas Area United Methodist Foundation is to promote joyful financial stewardship for congregations and individuals through education, planning, resourcing, and financial management for the benefit of the ministry of The United Methodist Church in Kansas.



**Kansas Area United Methodist
Foundation Participates in UMHEF
Dollars for Scholars Program**

The Kansas Area United Methodist Foundation is proud to participate in the United Methodist Higher Education Foundation's Dollars for Scholars Program.

The United Methodist Dollars for Scholars Program involves matching support from a student's church, UMHEF, participating United Methodist-related schools and participating UMC Conference Foundations. The UMHEF Dollars for Scholars Program is assisting 19 Kansas United Methodist college bound youth with their 2015 – 2016 academic studies. The Kansas Area United Methodist Foundation made this scholarship a Quadruple Dollars for Scholars by adding \$1,000 to the 19 Kansas college students attending a Kansas United Methodist college or university.

**The Dollars for Scholars Recipients
for 2015-2016 are:**

- Frankie Farrant, Meriden United Methodist Church
- Brookelyn Brown, Arkansas City First United Methodist Church
- Melissa Connell, Wichita Calvary United Methodist Church
- Navya Hopkins, Baldwin City First United Methodist Church
- Morgan Beougher, Stockton United Methodist Church
- Krissa Dearden, Scott City First United Methodist Church
- Bethany Manny, Hutchinson Trinity United Methodist Church
- Madison Mayberry, Pratt First United Methodist Church
- Nathan Nelson, Chapman United Methodist Church
- Alicia Barnett, Healy United Methodist Church
- Bryant Belden, Mulvane United Methodist Church
- Jordan Boden, Mulvane United Methodist Church
- Chase Branstetter, Derby Woodlawn United Methodist Church
- Carlene Dick, Zenda United Methodist Church
- Alyx Ellsaesser, Hugoton United Methodist Church
- Kaitlyn Holler, Protection United Methodist Church
- Brian Peck, Wellington First United Methodist Church
- Quinlan Stein, Hoxie United Methodist Church
- Brian Vancuren, Conway Springs United Methodist Church

If you would like to contribute to this fund, please visit our website at www.kaumf.org and click on Give.

To learn more about the Dollars for Scholars scholarship, visit the United Methodist Higher Education Foundation at www.umhef.org.

Central Kansas farm couple breaks **NEW** ground

FOR UM FOUNDATION



After 55 years of harvesting wheat, corn and soybeans on their central Kansas farm, Clinton and Bonnie Russell have planted the seeds for a bounty that will benefit United Methodist churches throughout the state.

Bishop Scott J. Jones of the Great Plains Annual Conference of the United Methodist Church described the couple as "groundbreakers" during a recent visit to their farm south of Belpre in Edwards County. "You all are breaking new ground for the United Methodist Foundation in Kansas," he said. "They do a lot of good things at the Foundation, but this was a neglected area which needed some visionary donors who could set some things in motion."

The couple was recognized for establishing a charitable remainder unitrust at the Kansas Area United Methodist Foundation (KAUMF). The process involved the auctioning of their farm equipment including two tractors, drills and a corn planter. The sale raised approximately \$1.3 million for a ministry grant for local churches to enhance their outreach ministries.

Clinton, who celebrated his 80th birthday in January, was advised by his accountant and lawyer that a charitable donation was the best way to avoid taking a tax loss on his farm. He and Bonnie began working with Alan D. Herndon, KAUMF President and CEO. When Herndon calculated projected income using specialized software, the results demonstrated a lifetime of income available to the Russells based on the principal raised from the sale of their farm equipment.

By donating the farm machinery to a charity such as KAUMF prior to the auction, Clinton and Bonnie would avoid paying income tax. The charity would then invest the proceeds from the sale to make agreed payments to the Russells for the remainder of their lives. After the lifetimes of both individuals, the income from the principal would be designated for charitable purposes as directed by the couple.

Clinton, who attended the nearby Trousdale United Methodist Church his entire life, was convinced this was the best approach after reviewing similar charitable arrangements among area Mennonite churches. John Griffin, an estate planning consultant, prepared an agreement between the Russells and KAUMF, which resulted in the establishment of a Two-Life Charitable Remainder Unitrust.

The couple's charitable gift will provide ongoing support to a community church that has experienced challenges. In May 2007, both the Trousdale and Greensburg communities were struck by two days of vicious tornadoes. Damage included the virtual demolition of the Russell's home church. The congregation voted to rebuild the church and accomplished their goal with a groundbreaking in October followed by a grand opening on Easter Sunday in 2008.

"I have bragged on this congregation now for eight years," said Bishop Jones who served as bishop of the Kansas West Conference at the time of the tornadoes. "This is a town where the United Methodist Church plays a crucial role."

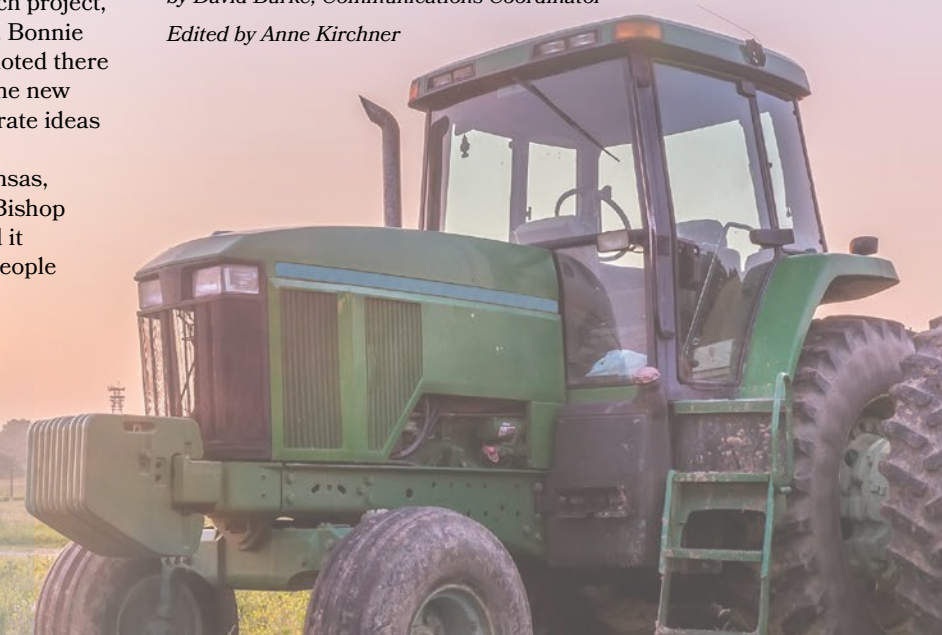
Clinton was the building superintendent for the church project, which was completely paid for before construction began. Bonnie has served as church treasurer for 23 years. The couple noted there were no arguments among those planning the design of the new Trousdale church. In fact, they were surprised when separate ideas for the new kitchen turned out to be nearly identical.

"That church has maybe the best kitchen in all of Kansas, because that's where all of the community gathers," said Bishop Jones. "They did a great job, built a beautiful building, and it fits their congregation. That's a story about resilience of people who have roots in the community."

Bishop Jones specifically credits Clinton and Bonnie for playing a crucial role in church leadership. He noted their spirit of leadership continues with their gift to the Foundation. "It will encourage others who are in a similar situation," said Bishop. "I want there to be Methodist witness to the Gospel to help people know the Lord in as many communities as possible in Kansas." Clinton and Bonnie, who have eight grandchildren, a daughter living in Wichita and two sons farming the family land with leased equipment, noted they were unaware about the benefits of establishing a charitable trust. As a result of their positive experience, they encourage fellow farm families to consider similar possibilities.

"It is a joy to have been able to help the Russells avoid taxes and use their assets as they see fit, not just for themselves but for the work of the church through the Kansas Area United Methodist Foundation," concluded attorney Alan Hanson at Hanson & Jorns, LLC.

*Original story in GPCConnect Newsletter 12/21/15
by David Burke, Communications Coordinator
Edited by Anne Kirchner*



2015 FINANCIAL INFORMATION

Statement of Financial Position as of December 31, 2015

ASSETS	Amount
Cash and cash equivalents	\$324,073
Accounts receivable	\$2,500
Accrued interest receivable	\$4,200
Notes receivable	\$4,567,253
Investments	\$18,694,500
Property and equipment, net	\$22,601
Assets held as custodian	
Cash and cash equivalents	\$185,313
Accounts receivable	\$2,000
Investments	\$23,132,268
Total	\$46,934,708

LIABILITIES AND NET ASSETS

Liabilities	Amount
Payroll taxes payable	\$3,346
Accrued interest payable	\$11,794
Accrued employee benefits	\$14,129
Line of credit	\$255,000
Certificates of participation	\$4,604,647
Split-interest agreement obligations	\$1,383,524
Custodial funds payable	
Split-interest trust funds	\$2,836,078
Managed funds	\$20,483,503
Total	\$29,592,021
Net Assets	Amount
Unrestricted	\$2,472,166
Temporarily restricted	\$3,547,163
Permanently restricted	\$11,323,358
Total	\$17,342,687
Total Liabilities and Net Assets	\$46,934,708

Statement of Activities for year ended December 31, 2015

REVENUES AND SUPPORT	Amount
Contributions - trust additions	\$1,098,137
Interest and dividends	\$685,881
Realized gains	\$847,578
Unrealized losses	(\$1,393,555)
Management fees	\$130,939
Income from other trusts	\$73,325
Rent and royalties	\$8,184
Capital campaign	\$1,000
Miscellaneous	\$3,965
Net assets released from restrictions	\$0
Total	\$1,455,454

EXPENSES

Amount	
Program services	
Stewardship, estate planning, and consulting programs	\$203,721
Church Development Loan Fund	\$169,472
Investment and fiduciary services	\$82,266
Trust distributions	\$874,595
Supporting services	
Management and general	\$200,640
Total	\$1,530,694

OTHER INCREASES (DECREASES)

Amount	
Change in value of split-interest agreements	\$63,042
Total	\$63,042
CHANGE IN NET ASSETS	(\$12,198)
NET ASSETS AT BEGINNING OF YEAR	\$17,354,885
NET ASSETS AT END OF YEAR	\$17,342,687