

Endowed by the generous
Enduring for generations
Enabling God's mission





The inaugural annual report of The
United Church of Canada Foundation /
Fondation de l'Église Unie du
Canada: 2004.

Jeremiah: Investing in Faith

For this is what the LORD Almighty, the God of Israel, says: Houses, fields and vineyards will again be bought in this land. Jeremiah 32: 15

In the face of war, defeat and exile, God instructs Jeremiah to purchase a field so that future generations might share its harvest. That seems to ignore every disaster planning strategy we know. Resources are limited and time is running out. Yet, in one of his last acts before deportation, Jeremiah takes the time to spend money on a field. We can easily imagine what the neighbours thought of Jeremiah's apparent act of folly. But when the children of Israel were finally allowed to return, Jeremiah's field gave them food, a sign of God's provision for them and a symbol of the rewards of faithfulness.

Within The United Church of Canada Foundation, we too are planting fields to sustain future generations of The United Church of Canada. Our General Endowment Fund, supporting initiatives and projects

vital to the future ministries of the church, opened with some generous gifts. Another significant gift began our Operational Endowment Fund. Through that fund, donors will be able to support the costs of seeking and growing endowment funds. Another donor opened a Personal Endowment Fund, with the income directed to the Mission and Service Fund and her own congregation.

INITIAL HARVEST

All these fields, planted in the last few weeks of 2004, will yield a harvest after a year under the Foundation's stewardship. A committee of investment professionals meets quarterly to review the performance of our funds and make recommendations to our Board of Directors. The Foundation's investment policy follows prudent investment standards and practices, requiring investments that achieve a stable income stream for ministry support. As well, the Foundation has adopted the socially responsible investment policy of The United Church of Canada.

One field has already grown a crop to be shared. Our first Flow-Through Fund generated a grant of \$10,000,

distributed to an organization within The United Church of Canada at the donor's request. Such a fund lets donors transfer a significant, immediate gift anonymously, or through appreciated securities, which are easily handled through the Foundation. Flow-through donors may recommend gifts to a number of organizations they wish to support, thus managing all their stewardship through one fund, one relationship and one annual transaction.

CONTACT US

More information is available on our web site, or by contacting us directly. Please refer to the last page of this Report for complete contact information and the Foundation's charitable registration number.

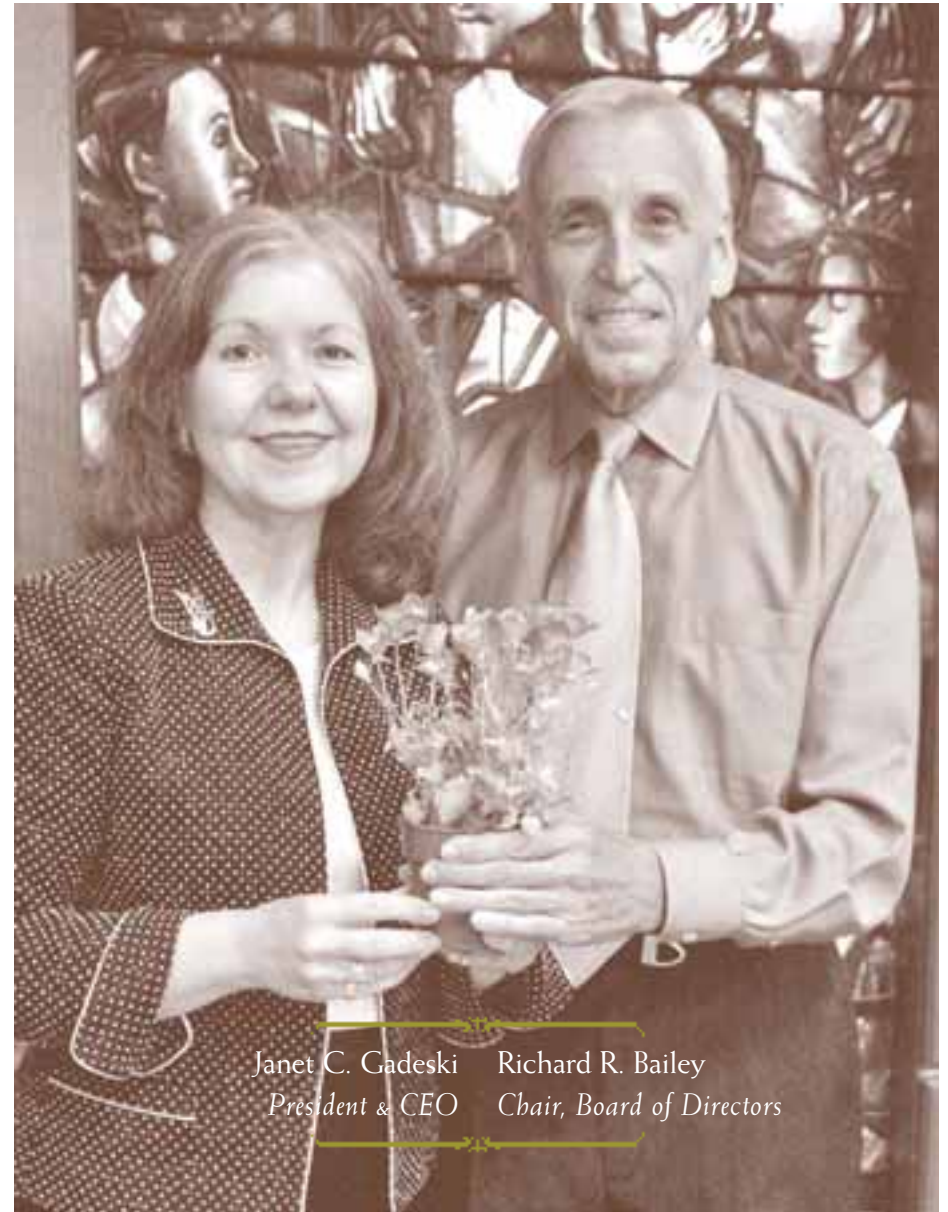


Our Inaugural Message

We are God's servants working together


IN JEREMIAH'S TIME, provision for the future meant a fertile field, with its abundant annual harvest. As The United Church of Canada enters its ninth decade, its provision for the future includes The United Church of Canada Foundation, with endowments providing an annual harvest of income for God's mission through the United Church and its partners. Our supporters' generosity proclaims their intention to sustain the vitality of the United Church far into the future.

The Foundation's first priority during 2004 was to complete a campaign for Founders, with a goal of 250 Founders offering gifts of \$1,000 each. When that two-year campaign closed, 327 Founders had surpassed the goal by 68%, giving over \$420,000 to help the Foundation begin its operations! The United Church of Canada contributed an additional gift of \$250,000 from



Janet C. Gadeski
President & CEO



Richard R. Bailey
Chair, Board of Directors



the Morrison bequest. Those gifts support start-up expenses such as our incorporation in November, 2002; the legal research which ensured that our congregational investment project complies with all federal, provincial and territorial legislation; and all the activities that announce the Foundation's hopes and opportunities to church members across the land.

Our Founders celebrate lives of richness, rather than lives of riches. They are rooted in the earliest days of the United Church and its predecessors. Prairie circuit riders, medical missionaries, CGIT pioneers, camp founders and church planters throughout the country are represented. One has become a symbol of the future: a baby whose parents gave a Founder's gift in her name to help ensure that the United Church remains strong throughout her descendants' lifetimes.

The overwhelming success of the Founders' campaign was not our only achievement in 2004. We negotiated a prudent investment arrangement, under which we receive professional management of socially responsible investments at a modest cost. Determined to share this asset stewardship opportunity with other United



Church institutions, we investigated all national, provincial and territorial legislation governing charities and securities. By year-end, we succeeded in creating a means for congregations and other church-related institutions such as camps, seniors' homes and theological colleges, to participate in our program.

2005 will mark a turning point. Near the end of 2004, even before we had begun a formal campaign, early contributors gave \$155,371 to the everlasting support of the United Church through the Foundation's endowment funds. A study in collaboration with the United Church will invite nearly 500 people into personal interviews, focus groups and an extensive survey by mail. The results will guide the Foundation for the next three to five years as we seek and grow perennial endowment funds to strengthen the future of the church.

As well, we have been blessed with gifts of wisdom and talent from many people. We are deeply grateful to:

- * The Foundation's Board of Directors (*page 28*);
- * The task group authorized by the 2000 General Council to research the potential of

a foundation to support The United Church of Canada, (page 28);

- * The Financial Stewardship Unit of The United Church of Canada, in particular the Regional Gift Planning Consultants;
- * The Financial Services Unit of The United Church of Canada.

Yet we know that *"neither the one who plants nor the one who waters is anything, but only God who gives the growth. The one who plants and the one who waters have a common purpose ... For we are God's servants, working together ..."* (1 Cor. 3:7-9, NRSV) It has been a joy to see so many gifted, generous people begin to create enduring resources for God's mission, for The United Church of Canada, for the future.



Richard R. Bailey
Chair, Board of Directors



Janet C. Gadeski
President & CEO





I'm hoping that the good work of our church will live into the future. My hope is that our church will remain available to the masses who just need someone to love them. So please add me to the list of United Church lovers who are blessed to have a little extra money to share.

Betty Graber Watson

[We] wish to give this gift to the Foundation in memory of our parents and my nephew to commemorate their lives of service and devotion in their church, The United Church of Canada, and in the case of my parents to The Evangelical Association and The Evangelical United Brethren Church before their union in The United Church of Canada.

Gordon and Betty Gross

I send [the gift] in memory of my late husband, whose foundation was in God, and who served the United Church of Canada for more than 59 years in ministry.

Anonymous

Having been recently widowed I have had time to realize how incredibly fortunate my entire life has been.

Mrs. Helene Dillon

I feel a great need to thank the United Church for years of opportunities to serve, and to be nourished by the gospel. The love and friendship and inclusiveness of our beloved church sustain me.

Edith Thomas

My father and grandfather were lay preachers in Saskatchewan. I have been a United Church member since I was a child – and since its inception!

Anonymous

Our
Founders
Write

Being able to do this gives me a sense of satisfaction, that I am able to support the church that has supported me in so many ways for nearly 70 years. It also brings forth deep feelings of gratitude — the 'lines have (indeed) fallen unto me in pleasant places' throughout my life.

Dorothy MacNeill

It is a privilege to be able to be a Founder of what I believe will become a very vital organization in the unfolding and funding of the work of ministry and mission within our church.

Gary Magarrell

My parents, Mr. and Mrs. James Bews, came to Canada from Scotland as missionaries in 1901. They were stationed in Winnipeg for the winters and spent the rest of the year driving horse and rig across the prairies, holding services in prairie homes or any available building. Roads were few and often they travelled on trails. Several times they had to cross a lake or river where the horse would swim and the rig float. On one trip, they were told the ice was strong enough, but the horse broke through and drowned. They were saved.

Doris Spafford

We give in thankfulness for our 60th wedding anniversary celebrated on July 4, 2004.

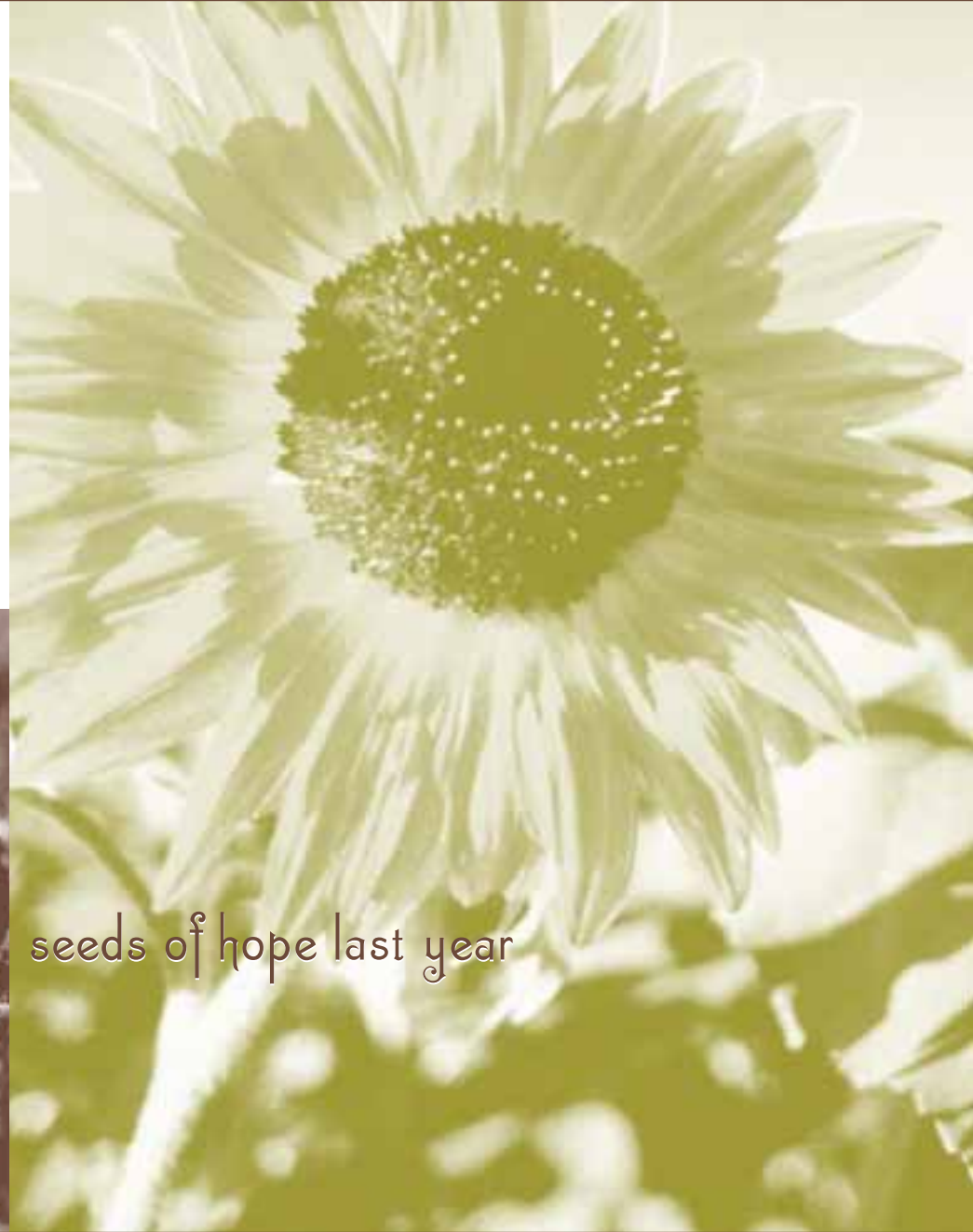
Anonymous

In gratitude for all the experiences the church has given me... What a wonderful, inclusive, and justice-seeking church ours is!

Barbara Bitzer



328 Founders sowed seeds of hope last year





Something about Mary



A life of richness

ONE THING OUR FOUNDERS HAVE in common is their deep gratitude for lives of richness, rather than lives of riches. Here is one of their stories. We share it, not because it is exceptional but because it typifies the lifelong thankfulness and visionary generosity of all our Founders.

Music has always been a cornerstone of Mary Mercer's life. Her love and talent for music showed at an early age when her mother taught her to chord so that she could accompany her father in lively singsongs. Born Mary Folk in 1906 in Leipsig Ohio, young Mary moved to Canada with her family in 1910, settling in the farm town of Carmangay, Alberta.

After training as a teacher, Mary came to her first job in 1927 in Strathmore. There, she joined the choir and led CGIT and Sunday school. She even played piano with



an all-male dance orchestra, where she met her future husband, orchestra drummer Walter Mercer.

They were married on July 29, 1939 in Strathmore United Church. Mary left teaching to raise their family: Charles, Barbara (born with Down's syndrome), and Lynne. When Walter died of multiple sclerosis in 1954, Mary supported her young family by teaching piano lessons and making tapes of children's music for classroom use. Later she became the radio music teacher for CBC's weekly school broadcast "Listen and Sing," used by grades 1-3 throughout Alberta.

LEADERSHIP AND DETERMINATION

Throughout her life, Mary has contributed her musical skills and leadership gifts to her church. She continued to sing in the choir until the age of 95, and led a UCW unit at 96. Now 98, she lives in Wheatland Lodge in Strathmore, playing for lodge services and the occasional church service. She still volunteers with the special education class in the local elementary school, determined to support a service unavailable in her own daughter's childhood.



Mary's steadfast faith has given her a life of richness. It sustained her as a young, widowed mother of a handicapped child in the years before social services and support groups. It strengthened her when her son, like her husband, died from multiple sclerosis.

When she tells her life story, it is clear that gratitude transforms the losses and setbacks in her life. Just as she builds the future of handicapped children by her volunteer work, she builds the future of The United Church of Canada through her gift to the Foundation. She joins all our donors in creating a Foundation endowed by the generous, enduring for generations, enabling God's mission.





Policies & Procedures




Issues concerning governance, accountability and privacy

AS REQUIRED BY FEDERAL LAW, The United Church of Canada Foundation is a legally independent organization with its own incorporation, by-laws and Board of Directors. In 2000, the General Council constituted a task group to research the potential role of a foundation within the national stewardship strategy of The United Church of Canada. In April 2002, the General Council Executive reviewed and approved the proposed application for federal incorporation, the proposed by-laws, and the applicant directors' list for the Foundation. After receiving that approval, the task group proceeded with the incorporation application. Two members of the task group agreed to serve on the Board of Directors after incorporation to ensure continuity.

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The Moderator and the General Secretary of The United Church of Canada are entitled to serve on the



Board or to be represented by nominees of their choice. Directors are recruited by the Foundation and must be approved by the General Council. A majority of the directors must be members of The United Church of Canada. To preserve arm's length governance, a majority of directors may not be members of the General Council Executive. Under the Foundation's governance policy, all directors are expected to serve with diligence, prudence and care, assist the committees which further the work of the Foundation, and review the board's effectiveness annually.

FINANCIAL ACCOUNTABILITY

The Foundation's policy on financial accountability requires us to observe the ethical obligations of Christian stewardship and the legal requirements of provincial and federal law. We have undertaken to produce accurate and transparent annual financial reports, and to use all donations to support The United Church of Canada, its related institutions, and its partners in God's mission, including other charities designated by donors in personal endowments, provided that their




values and mission support those of The United Church of Canada as defined by General Council.

A committee of investment professionals meets quarterly to review performance and make recommendations to the Board. The Foundation's investment policy defines prudent investment standards and practices, and ensures that the investment of funds is carried out in accordance with the best interest of our charitable objects. In addition, the Foundation has adopted the socially responsible investment policy of The United Church of Canada.

PROTECTING PRIVACY

The Foundation has adopted policies which protect the privacy of the personal information of its employees, donors and volunteers. It will not, under any circumstances, sell or trade lists. In keeping with its status as an arm's length organization, it does not have access to any databases maintained by The United Church of Canada.



Foundation Financial Summary

As at December 31, 2004

BALANCE SHEET

Assets

| | | |
|---------------------|------------|------------|
| Investments | \$ 410,660 | |
| Cash | 28,354 | |
| Accounts receivable | 3,667 | |
| Prepaid expenses | 4,663 | |
| Total assets | | \$ 447,344 |

Liabilities

| | | |
|------------------|-----------|--|
| Accounts payable | \$ 22,695 | |
|------------------|-----------|--|

Fund Balances

| | | |
|--------------------------------------|------------|------------|
| Operating fund | \$ 269,278 | |
| Endowment funds | \$ 155,371 | |
| Total, liabilities and fund balances | | \$ 447,344 |

STATEMENT OF OPERATING ACTIVITIES

| | | |
|--|-------------------------|------------|
| Operating donations | \$ 292,840 | |
| Total operating revenues | | \$ 292,840 |
| Developmental expenses | \$ 250,224 ¹ | |
| Operating expenses | 49,752 ² | |
| Total developmental and operating expenses | | \$ 299,976 |
| Grants from designated funds in 2004 | | \$ 10,000 |

Notes:

- ¹ Developmental expenses include legal research related to the Foundation's congregational investment program, marketing, staff time and travel for promotional purposes, and board meetings.
- ² Operating expenses include administration, insurance, audit, and reimbursement to the General Council Office for office space and services.

Detailed audited financial statements are available upon request.

Foundation Task Group, 2000 - 2002

| | | |
|---------------|------------------|------------------|
| Tom Alton | Richard Chambers | Kay de la Ronde |
| John Durfey | Jacque Knowles | Mary McKeen |
| Hubert Norman | Roger Snelling | Martha ter Kuile |

Board of Directors

Lloyd Axworthy *Winnipeg, Manitoba*
Rich Bailey (Chair of the Board, Governance Committee
and Human Resources Committee) *Toronto, Ontario*
Kay de la Ronde (Secretary-Treasurer and Chair,
Investment Committee) *Calgary, Alberta*
Doug Flanders (Chair, Leadership Gifts Committee)
Toronto, Ontario
Fannie Hudson *Pouch Cove, Newfoundland*
Jon Jessiman *Ladner, British Columbia*
Inez Penney *Moreton's Harbour, Newfoundland*
Barbara Rafuse *Pleasantville, Nova Scotia*
Jim Sinclair, General Secretary, The United Church
of Canada (Chair, Audit Committee)
Roger Snelling *Beaconsfield, Quebec*
Bill Steadman (Moderator's nominee) *Sudbury, Ontario*



The United Church of Canada Foundation /
Fondation de l'Église Unie du Canada

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The United Church of Canada Foundation /
Fondation de l'Église Unie du Canada
is a registered charitable organization,
863109021 RR0001

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