



MISSION STATEMENT

The mission of the
Nebraska United
Methodist Foundation is to
support the ministries of
the Nebraska Annual
Conference of the United
Methodist Church through
the development of gifts
and the stewardship of
resources entrusted to the
Foundation in support of
God's work.

In looking back at the previous decade, it was very easy to equate success to a booming economy and the tremendous growth in the stock market. When both the economy and the market virtually "hit the wall" in early 2000, it gave us cause to more closely examine all that we do at the Foundation to assure that we have remained true to our mission and are, indeed, being successful in our work on behalf of our Nebraska Annual Conference.

Certainly, the investment results in 2001 were not what we would have liked. Considering the severity of those factors that influenced the market throughout the year, however, we believe that our fund managers were most successful in guiding our investments through troubled waters with minimum damage.

During 2001, the Foundation attained record levels of success in terms of income payments made to donors of life income gifts and in the amount of deposits held and invested on behalf of churches and other ministries. We also achieved near-record levels in the amount of funds distributed to churches and other ministries and in the amount of Foundation assets held in endowments, restricted and unrestricted funds, and deposits invested for others. To have reached these new levels of growth during such a trying and tumultuous investing year speaks volumes for the stewardship and the long-term vision of our depositors and our donors . . . our "Partners in Ministry."

Changes in staff personnel have allowed for the implementation of new accounting and database programs and, therefore, an increased level of administrative oversight in Foundation operations.

Our Board and our staff consider it a privilege to do our work on behalf of each of our churches, related ministries and individual members of our Conference.

It is our goal to be successful in helping you achieve your goals. We are doing everything possible to thrive in this endeavor.

Thank you for your support of our mission and ministry.



A handwritten signature in cursive script.

Jim Heller
Executive Director



A handwritten signature in cursive script.

Jan Einspahr
Board Chairperson

FUND MANAGEMENT SERVICES FOR THE CONFERENCE

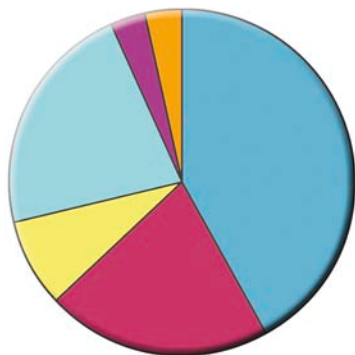
The Foundation's Investment Services program continues to provide an excellent opportunity for churches and other United Methodist ministries.

The three investment funds – Conservative, Balanced and Long-Term Growth – provide depositors with the opportunity to select the investment type which matches their investment philosophy and to have a fully-diversified portfolio even though the investment amount may be relatively small.

Change and inconsistency have always been the norm in long-term investing . . . year 2001 reminding us of such. Historically, however, investment results have depended upon diversification and asset allocation. The Foundation's investment services continue to provide such opportunities, whether the accounts are large or small.

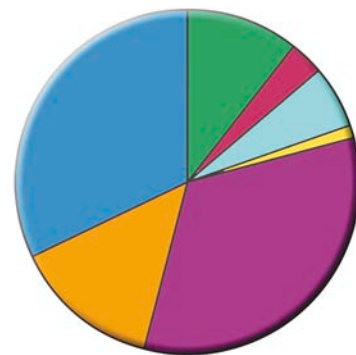
The Foundation's goals are to provide long-term investment results that meet or exceed our depositors' needs; to have a minimal amount of value fluctuation in times of market declines; to assure strict adherence to the Church's Social Principles with our investments; to provide account creation, reporting services and liquidity not otherwise available to depositors; and to give the highest level of service that is possible.

To these ends, we pledge our continued dedication to serving the needs of our Conference members, our "Partners in Ministry."



FUNDS DISTRIBUTED DURING YEAR 2001 - \$484,186

- \$120,130Life Income Payments
- \$98,892Grants
- \$5,864Scholarships
- \$259,300Churches, Conference & Other Ministries

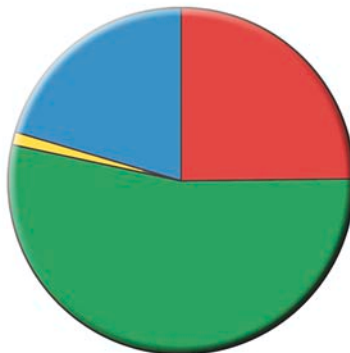


ASSETS HELD BY THE FOUNDATION ON 12/31/01 - \$12,295,960

- \$1,299,185Trusts & Gift Annuities
- \$396,493Real Estate
- \$721,023Loans & Receivables
- \$146,974Unrestricted Funds
- \$4,083,321Designated Funds
- \$1,698,325Endowment Funds
- \$3,950,639Church, Conference & Other Ministry Investments

INCOME RECEIVED DURING YEAR 2001 - \$1,536,144

- \$643,900Deposits to New & Existing Investment Accounts
- \$323,786Gifts from Donors for Designated Purposes
- \$126,949Income from Endowment Funds
- \$338,075Income Earned on Investments
- \$50,202.....Unrestricted Gifts from Donors for Greatest Needs
- \$53,232.....Fund Management Fees



FUND DESCRIPTIONS

“GIFTS FROM THE HEART” ENDOWMENT FUND

The “Gifts From the Heart” endowment, created by the Foundation in 2001, accepts gifts of all sizes and types for the purpose of supporting “Congregational Development,” “Missions,” “Youth & Camping,” “Pastoral Education & Support” and “Greatest Needs” within the Nebraska Annual Conference.

In its first year, gifts and gift commitments totaling \$111,060 were received as “Gifts From the Heart.”

BALDWIN F. & AMY L. KRUSE TRUST

Established in 1980 by Amy L. Kruse, Loren V. Kruse and Lois L. Whitefoot, the “Baldwin F. & Amy L. Kruse Trust” provides endowment income annually for mission work and seminary scholarships within the Nebraska Annual Conference.

Since its inception, the Fund has distributed more than \$80,000 in support of missions and pastoral education with the Conference. The continued growth of the principal balance of the Fund has allowed for increasing amounts of support throughout the Fund’s existence.

JOHN H. KRUSE ENDOWMENT FUND

The “John H. Kruse Endowment Fund” was created in 1996 through the generosity of Alice M. Kruse. In keeping with her history of supporting new congregations and churches, Alice designated this Fund, given in her father’s memory, be used for the purpose of supporting congregational development in the Conference.

This Fund, invested to grow steadily over a long period of time, currently distributes \$11,684 annually to assist new churches with start-up expenses.

J. PAUL & ELEANOR MCINTOSH DONOR-ADVISED FUND

This Fund was established through a very generous real estate gift in 1999 from J. Paul and Eleanor McIntosh.

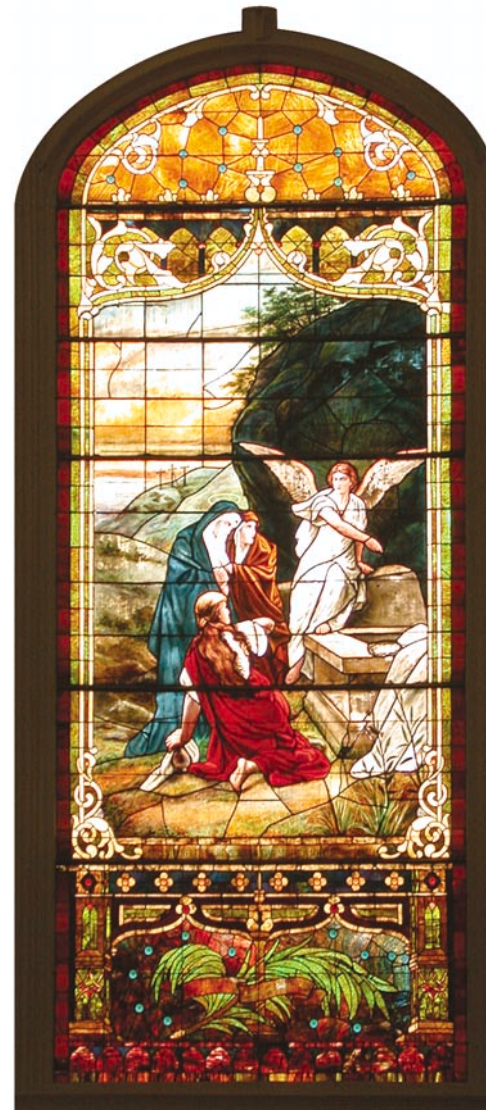
This endowment fund provides significant funding each year for a wide array of charitable interests that the McIntosh family recommends to the Foundation’s Grants Committee for approval. Available grant funds exceed \$30,000 annually.

The “J. Paul & Eleanor McIntosh Donor-Advised Fund” continues the McIntosh’s tradition of Christian stewardship and will provide charitable support for decades and generations to come.

Many people recognize the Foundation's purpose to establish investment and endowment funds, but that's not our sole function. An equally important responsibility of the Foundation is to distribute earnings from these funds. Individuals, families, church congregations, communities – the needs and the opportunities occurring on a regular, every-day basis within the Nebraska Annual Conference are countless. The easiest means for the Foundation to provide help where it's needed most is through disbursements from our "Greatest Needs" funds. As the name implies, disbursements from these funds can be used for whatever need is the most pressing within the Nebraska Annual Conference.

Support of the Foundation's "Greatest Needs" funds can be made in the form of gifts and gift commitments of all sizes. Such gifts can be either permanently-endowed (where only the fund "earnings" are distributed) or unrestricted (where the total gift amount is available for whatever need is the greatest).

*Stained Glass Windows
St. Paul United Methodist Church,
Lincoln, Nebraska*



2001 marked the beginning of a new Foundation endowment fund called “Gifts From the Heart.” This fund will support the following five ministries:

Missions – provides food, medicine and vaccines for infants and elderly. It also funds such programs as mission trips to dig clean-water wells and build medical clinics, churches and hospitals.

Youth & Camping – assists in developing new, unique programs to attract youth to the church.

Pastoral Education & Support – provides financial support to students, continuing education for pastors and salary support in local churches when necessary.

Extension – helps new churches purchase real estate, pay pastors’ salaries and cultivate success for young congregations.

Greatest Needs – provides help wherever it’s needed most.

Individuals and churches can make gifts or gift commitments of any size, can become members of the “Five Hearts Society” by making a \$1,000 per year gift commitment for a five-year period, or can make a Named Gift at the \$25,000 level or above. Gifts can be distributed evenly among the five missions or can be specifically applied to any one or more of them in particular.

Donors at the “Five Hearts Society” level for 2001 are:

Tom & Kim Dinsdale • Randy Fleming
Jim & Elda Heller • Dr. Marv Koelling
Dwight & Bette Trumble

Donors at the “Named Gift” level through 2001 are:

Alice Kruse

“Every man according
as he purposeth
in his heart, so
let him give; not
grudgingly, or of
necessity: for
God loveth a
cheerful giver.”

- II Corinthians 9:7 -

COMMITTEE MEMBERS

(pictured left to right)



EXECUTIVE COMMITTEE:

Dave Pankonin, Vice-Chairperson; Mary George, Secretary; Jan Einspahr, Chairperson; Jim Heller, Executive Director
Not pictured: Jeri Winkelmann, Treasurer



EXTENSION/GRANTS COMMITTEE:

Rodney Conser, Sharon Martin, Bob Dickinson & Rev. Rich Savage
Not pictured: Gene Crump & Rev. Casey Karges



DEVELOPMENT/PLANNED GIVING COMMITTEE:

Rev. William Deahl, Jr., Merv Schliefert, Kim Dinsdale,
Ed Loutzenheiser & Mel Andrews
Not pictured: Joan Byerhof & Rev. Joy Savage



PERSONNEL/FINANCE COMMITTEE:

Mary George, Dwight Trumble, James Cook, Dave Pankonin & Dr. Alva Clark
Not pictured: Doug Friedli, Rev. Ray Norris & Jeri Winkelmann

NOMINATING COMMITTEE:

Doug Friedli, Mary George, Rev. Ray Norris, Rev. Rich Savage,
Merv Schliefert & Dwight Trumble

BOARD OF DIRECTORS

CLASS OF 2002:

William Deahl, Jr.	Eustis	Clergy
Bob Dickinson	Gretna	Lay
Sharon Martin	Pleasanton	Lay
Dave Pankonin	Louisville	Lay

CLASS OF 2003:

Kim Dinsdale	Grand Island	Lay
Ray Norris	Ogallala	Clergy
Rich Savage	Central City	Clergy
Merv Schliefert	Kearney	Lay

CLASS OF 2004:

Alva Clark	Omaha	Clergy
Mary George	Kearney	Lay
Ed Loutzenheiser	Hastings	Lay
Dwight Trumble	Springfield	Lay

CLASS OF 2005:

Mel Andrews	Albion	Lay
James Cook	Lincoln	Lay
Jan Einspahr	Norfolk	Lay
Doug Friedli	Neb. City	Lay

REPRESENTATIVES:

Board of Trustees
Joan Byerhof

Board of Laity & Discipleship
Gene Crump

Board of Mission Outreach
Joy Savage

Congregational Development Committee
Rodney Conser

Conference Treasurer/Director of Administrative Services
Jeri Winkelmann

Conference Director of Connectional Ministries
Casey Karges

BISHOP:

Rhymes H. Moncure, Jr.

INVESTMENT MANAGERS & BANKING RELATIONSHIP:

Union Bank & Trust Co.

CERTIFIED PUBLIC ACCOUNTANTS:

Strain, Slattery, Barkley & Co., P.C.

LEGAL COUNSEL:

M. Douglas Deitchler
Baylor, Evnen, Curtiss, Gritit & Witt

FOUNDATION STAFF:

Executive Director
Jim Heller

Foundation Assistant
Sarah DeLong

Financial Administrator
Rosanne McClarnon



NEBRASKA UNITED METHODIST FOUNDATION

2641 North 49th Street · P.O. Box 4553
Lincoln, NE 68504-0553
402-464-5994 · 800-435-6107 (NE Only)
Fax: 402-464-6203