

2006 Report to Our Community

THE UNITED CHURCH OF CANADA FOUNDATION / FONDATION DE L'ÉGLISE UNIE DU CANADA

BOARD CHAIR AND CEO'S REPORT

*"Raising money,
investing money,
giving money away."*

These seven words are the purpose of The United Church of Canada Foundation. We raise money from people with a passion for the future of the United Church. We prudently invest those gifts to build endowments that yield income to support God's mission through the United Church and its partners for generations to come.

Yet, the primary focus of our work is not money, or even the people who so generously share what God has given them. First and foremost, our work is the work of all God's faithful people – the transformation of our fragmented society into God's community of love, justice and abundance for all. In these pages, you will read about people throughout Canada making their gifts for present and future ministries through the Foundation. Each donor is unique. Yet they are one in their desire to empower God's people for ministry. Here are just a few of their achievements:

- Supporting a ministry to address violence and poverty amongst marginalized minority youth with \$52,000 in designated grants.



- Enabling grants to earthquake relief in Java, the Mission and Service Fund and an educational website with positive images and stories about Africa.
- Using the Foundation as an easy, efficient way to transfer over \$500,000 in gifts of appreciated securities to congregations rebuilding after fires, upgrading their facilities and expanding their capabilities for ministry.

Our endowment funds are now large enough that we will announce our readiness to receive grant applications in the spring of 2007. Every year afterwards, we anticipate being able to contribute more and more generously to God's mission through the United Church.

We are extremely grateful to those whose confidence in our work moves them to give to the Foundation, to invest with the Foundation, and to use its services for the work of the Church. As our endowment holdings

continue to grow, we will be able to do even more to fulfill our mandate.

Day by day, we hear our donors' enthusiasm for the potential of The United Church of Canada – not only for the present but also for generations into the future.

Thank you for your gifts.

Thank you for sharing the word about the Foundation and its work. Personal endorsements are vital in ensuring that our mission not only continues but grows with a vitality that befits our great denomination.

It is a great privilege to serve the church in this way and to witness the extraordinary generosity of God's people to The United Church of Canada Foundation.

Douglas L. Flanders
Chair, Board of Directors

Janet C. Gadeski
President & CEO



PROMOTING ALTERNATIVE IMAGES OF AFRICA IN CANADA'S SCHOOLS

"Promoting Alternative Images of Africa in Canada's Schools" is a project of the Justice, Global and Ecumenical Relations Unit of The United Church of Canada, working in partnership with Canadian and African organizations. It is designed for teachers in elementary, secondary, church and other schools. Financial support from the General Endowment Fund and the Brian and Belva Piercy Fund of The United Church of Canada Foundation will help distribute resources to teachers so they can present images and information about African people and cultures that are not usually conveyed through mainstream media sources. Lesson modules will be distributed free of charge through the website of AfricaFiles, one of the partners in the project (www.africafiles.org).

EARTHQUAKE RELIEF IN JAVA

A grant from the Davey Family Endowed Fund supplemented the response of Action by Churches Together (ACT) to the May 27, 2006 earthquake in Java. ACT funding allowed local partners to respond immediately with food, clean water, emergency medical care and short-term housing, as well as to develop a longer-term response plan.

REBUILDING IN HOPE

Arsonists destroyed Minnedosa United Church on February 12, 2006. Flames even consumed the one thousand kilograms of food collected and stored for the local food bank. As worshippers began raising funds and interviewing architects, someone living 2,500 km. away asked The United Church of Canada Foundation to convey his generous gift to the church of his childhood.

BUILDING RELATIONSHIPS, ENDING VIOLENCE

Poverty and conflict are breeding a culture of violence among disadvantaged youth across our country. Last year, Kofi Hope, leader of the Black Youth Coalition Against Violence, signed on as the animator of a United Church program to build relationships and leadership among young people throughout Canada. Two anonymous donors poured over \$50,000 into this work of justice and healing through The United Church of Canada Foundation.





ABOUT OUR INVESTMENTS

The United Church of Canada Foundation has adopted the policy of socially responsible investing developed by The United Church of Canada. Under that policy, we have chosen to invest in a balanced pooled fund managed by Fiera YMG Capital. That company's predecessor, YMG, has served the United Church well for several years. The fund the Foundation has chosen adheres closely to the socially responsible investment requirements of the Church and the Foundation. In 2006, the Foundation's endowment funds earned 11.95%, with a management fee of just 0.2%

Such institutional funds are normally available only to institutions with significant assets to invest. However, because of its relationship with the United Church and the Foundation, Fiera YMG offers other United Church organizations – congregations, camps, colleges, Presbyteries and Conferences – the opportunity to participate in the balanced fund the Foundation has chosen.

By the end of 2006, 22 congregations and other United Church organizations working through the Foundation invested over \$9,500,000 in the Foundation's investment program. They too earned 11.95% on their investment in the year ending December 31. (The five-year average return on the fund was 9.59%) The administrative charge for congregations and organizations is just 1%. Of that modest fee, the Foundation retains 4/5 as a contribution to its own operational costs, while the manager receives the remaining 1/5 of 1%. The Foundation is delighted to offer this opportunity to enhance the stewardship of congregational and organizational endowments.

BOARD OF DIRECTORS

Marion Best, Naramata, BC, *Chair, Grants Committee* (4)
Fred Braman, Montreal, QC, *Chair, Membership Committee* (9)
Bruce Cook, Blenheim, ON (4)
Kay de la Ronde, Calgary, AB,
Secretary-Treasurer of the Board and Chair, Investment Committee (4, 7)
Doug Einarson, Winnipeg, MB, *Chair, Audit Committee* (1)
Doug Flanders, Toronto, ON,
Chair, Board of Directors and Human Resources Committee (3, 5, 6, 8)
Jon Jessiman, Ladner, BC, *Chair, Governance Committee* (3, 5, 6)
Tim O'Neill, Toronto, ON, *Chair, Advisory Council* (2)
Barbara Rafuse, Pleasantville, NS (4, 9)
Nora Sanders, Toronto, ON (3, 5, 6)

The Board also acknowledges the service of Lloyd Axworthy, Rich Bailey, Fannie Hudson, Roger Snelling, Inez Penney and Jim Sinclair, whose terms ended during 2006.

Numbers after Directors' names link them with the Foundation Committees on which they serve. Additional Committee members not on the Board are noted below.

1) Audit Committee

Catherine Rushton, Winnipeg, MB * Michael Scott, King City, ON

2) Advisory Council

Matthew Airhart, Toronto, ON * Lloyd Axworthy, Winnipeg, ON *
Jean Crawford, Toronto, ON * Rob Richards, Toronto, ON

3) Governance Committee

John Durfey, Burlington, ON

4) Grants Committee

5) Governance Committee

6) Human Resources Committee

7) Investment Committee

David Hannaford, Barrie, ON * Dave Horne, Winnipeg, MB *
Bill MacLachlan, Calgary, AB * Greg Morton, Fredericton NB *
and the late Bruce Dunlop of Calgary, whose sparkle and experience are deeply missed

8) Leadership Gifts Committee

9) Membership Committee

The Board of Directors also acknowledges the wisdom and work of

- Christel Schindler, who ended her service as Assistant to the President at the close of 2006;
- The Financial Stewardship Unit of The United Church of Canada, in particular the Regional Gift Planning Consultants; and
- The Financial Services Unit of The United Church of Canada.

Foundation Financial Summary

at December 31, 2006

BALANCE SHEET

	2006	2005
Assets		
Marketable securities	\$ 1,085,050	\$ 338,330
Cash	145,897	156,380
Accounts & contributions receivable	68,465	9,265
Prepaid expenses	614	2,099
Capital assets	988	–
Total assets	\$1,301,014	\$ 506,074
Liabilities		
Accounts payable & accrued charges	\$89,256	\$ 34,775
Deferred Revenue	65,000	–
Fund Balances		
Operating fund	\$ 25,525	\$ 17,636
Endowment funds	1,120,245	453,663
Capital fund	988	–
Total, liabilities and fund balances	\$ 1,301,014	\$ 506,074

GRANTING ACTIVITIES

	2006	2005
Grants from endowment funds	\$ 5,085	–
Grants from flow through funds ¹	642,711	\$ 17,607
Total grants since inception	\$ 665,403	

ENDOWMENT ACTIVITIES

	2006	2005
Donations to endowment funds	\$ 602,812	\$ 272,398
Investment income, net	75,312	28,138
Total	\$ 678,124	\$ 300,536

OPERATING ACTIVITIES

	2006	2005
Designated donations ¹	\$ 647,586	\$ 17,607
Operating donations	6,697	8,470
Sustaining grant from UCC	237,000	–
Investment income & fees	25,681	4,390
Total	\$ 916,964	\$ 30,467

Salaries and benefits	146,942	135,964
Fund development & investment programs	81,157	94,576
Administrative expenses ²	43,734	36,206
Total expenses	\$ 271,833	\$ 266,746

PARTICIPATION IN CONGREGATIONAL INVESTMENT PLAN ³

	2006	2005
Number of accounts	22	3
Value of investments	\$ 9.5 million	\$ 338,000
One year rate of return	11.95%	12.6%
Five year rate of return	9.59%	7.86%
Administration fee	1%	1%



THE UNITED
CHURCH OF CANADA
FOUNDATION /
FONDATION DE
L'ÉGLISE UNIE DU
CANADA

is a registered charitable
organization,
863109021 RR0001

Janet Gadeski,
President & CEO

Sarah Magee, *Donor &
Investor Relations Manager*

3250 Bloor Street West,
Suite 300, Toronto, ON
M8X 2Y4

416 231-5931 x3411
1 866 340-8223 (toll-free)
416 231-3103 (fax)

Website

unitedchurchfoundation.ca

Email

fdn@united-church.ca



Notes:

¹ Developmental expenses include marketing, staff time and travel for promoting and overseeing fund development and investment programs.

² Operating expenses include administration, insurance, audit, and reimbursement to the General Council Office for office space and services.

³ These assets continue to be owned and controlled by the congregation or partner organization. As such, they are not Foundation assets and do not appear on our audited statements.

Detailed audited financial
statements are available
upon request.

DESIGN: WISHART.NET

2006 Report to Our Community

THE UNITED CHURCH OF CANADA FOUNDATION / FONDATION DE L'ÉGLISE UNIE DU CANADA

"TO ME THE FOUNDATION IS A VOTE OF
CONFIDENCE IN THE FUTURE OF THE
UNITED CHURCH OF CANADA."

(an anonymous donor)

The people of The United Church of Canada are united in their hope for its future. Yet there is a rich diversity of lifetime experience, blessings received, and commitment to particular works. To honour the experiences, blessings and works that mean the most to you, the Foundation has three types of endowment funds. One of them will surely allow you to express your lasting gratitude for your United Church experience. All of them will help ensure that your United Church continues building Christian faith and changing individual lives.

A PROMISE FOR THE AGES



Contributing to an endowment fund turns the gift you make today into blessings that outlast your lifetime. Endowment gifts to The United Church of Canada Foundation are invested – in enterprises that support United Church values – so that they generate income to support ministries year after year, decade after decade.

Whether your gift is pooled with many others in our General Endowment Fund or a Mission Focus Fund, or stands on its own in a Personal Endowment Fund, it has enormous power. The Foundation is committed to reinvesting a portion of each year's income in the funds to help them keep pace with inflation. The funds thus strengthened in years of plenty provide reliable ministry support

even in lean years.

With an average investment return of 8%, \$100,000 of endowment funding will generate over \$1 million in grants over the next 80 years, while the endowment capital grows past \$500,000. Imagine the power of your generosity far into the future!

INSPIRATION



The General Endowment is an "Inspiration Fund" to respond to changing conditions and new ministry needs in any area. When the United Church was founded, television and the internet, for example, did not exist. Now, electronic communication, the United Church web site and the Vision TV program, "Spirit Connection," bring our own members together and proclaim faith and justice to the world around us. Through the General Endowment, you can join many other faithful people to nourish initiatives just as powerful as those.

CONTINUITY



You may want to be assured that your gifts will always support a specific kind of ministry. To sustain a continuing program area, you can choose among our Mission Focus Funds:

- **The Leadership Fund** training and supporting leaders, paid and volunteer;

- **The Theological Education Fund** supporting United Church theological schools and educational centres;
- **The Peace and Justice Fund** addressing peace, justice and environmental concerns;
- **The Faith and Mission Fund** strengthening faith in United Church communities and helping them meet the challenges of membership, mission and change.

CONNECTION



Throughout and even beyond your lifetime, a Personal Endowment maintains your connection to the organizations and causes you value. For example, some of the Foundation's Personal Endowment donors have created decades of annual support to their own congregations, to a non-profit housing complex, to peace and justice work, and to the Mission and Service Fund.

Join the donors listed in this report. They are just like you: people of ordinary means making extraordinary gifts, responding to a God who is beyond extraordinary.

For more information on giving opportunities tailored to your interests and abilities, see our web site, www.unitedchurchfoundation.ca, e-mail us at fdn@united-church.ca, or call toll free to 1-866-340-8223.

ENDOWED BY THE GENEROUS, ENDURING FOR GENERATIONS: OUR DONORS

"The United Church of Canada Foundation is another reminder for me of the affirmation in our Creed:
'We are not alone.' It also is a tangible example that we are the result of the love of thousands.

The Foundation says to others, now and in generations to come,
"There were and are people who care about you.'" (a Foundation Board Member)

2006 DONORS TO THE FOUNDATION

*Every effort has been made to ensure the accuracy of this list.
If there are errors, please accept our apologies and notify us so that we can correct them.*



Norman Abbott*
Charles Allen
Robert Anderson
Anonymous (3)*
Florence Arlitt
Rev. Jean Barkley
Russel G. Beairsto
Jack and Marion Best
Vera G. Black in memory of her
late brother, Frederick James
Blanchard
Myrtle C. Blair
In memory of Sharon Blank and
her devotion to justice, and the
opportunity for women in the
church and the world*
Ruth Bolt
George Boorman
Fred & Eleanor Braman
John Brown
Robert and Florence Brownridge
Isabelle Butters
Rev. Jim Cairney
Sylvia Carscadden
Shirley Cleave
Audrey Cobban
James J. Cook
Ruth Corner
Ronnie and Kay de la Ronde
Kay de la Ronde in memory
of Bruce Dunlop
Doug Einarson
Mark Fleming

Janet Gadeski
Frank and Marion Graves*
Edwin Hanson
Joan Hart in memory
of Bruce Dunlop
Jim Hilborn
E. Jean Janick
Dr. Jon and Jenny Jessiman
D. Kaumeyer
Audrey Kenny
Nancy Knox
Andrew Kozar
Shirley Lansdowne
G. Leard
Doreen Macdonald
and Peter Zaharuk
Douglas and Minnie MacKay
Elizabeth MacLeod in memory
of Alastair Macleod*
Mary Martin*
Marian McKnight
Ruth J. McWhinnie
Jean L. (Chambers) Mellor
Helen and Hugh Mogensen*
Helen M. G. Murray
Tim O'Neill
Ottewell United Church
In Memory of Douglas John Parsons
Linda Parsons
Flora Patterson
Aileen Pelzer
Belva Piercy*
Susan Pietrocattelli

Rev. Betty Pretty
Barbara and Edwin Rafuse
Ken and Helen Reycraft
Dr. Margot R. Roach
Joy Ruttan
Dorothy Saunderson
Muriel Shephard
Rev. Peter Short
Margaret Craig Shupe
MacGregor and Carolyn Sinclair
Rev. Jim and Donna Sinclair
Roger Snelling
Carolyn Stafford
Madge Stevens
Kenneth Street
Beverley Struthers
Dawne Taylor
Lillian Taylor
M. Tickner
Liz Vermeulen
Alethea Wagstaffe
Art and Ruby Waters
Michael White
Rev. Nancy Wilson
Gwendolyn Mills Wood
Rev. Albion Wright
Rev. Douglas Wright

* Covenant Donors, indicated with an
asterisk, have given \$10,000 or more to the
Foundation's General Endowment and/or
Mission Focus Funds.

We rejoice as well in the generosity of those who have established Personal Endowment Funds within the Foundation. Such funds represent an everlasting commitment to the organizations the donors choose as recipients of the income. Active Funds are funds that have already achieved a capacity to make grants. Emerging Funds are created in stages and are growing towards grantmaking capacity.

ACTIVE PERSONAL ENDOWMENT FUNDS



The Davey Family (Edmonton, AB) Fund
 The Doris McDonald Fund
 The Randy Pepper and MaryAnn Jansen Endowment Fund
 The Brian and Belva Piercy Fund
 The Joseph R. and Alma M. Thompson Fund
 The Waddington Family Fund

EMERGING FUNDS



The Shirley and Doug Chandler Endowment Fund
 The Doug Flanders Fund
 The William Allison Haynes Fund #1
 The William Allison Haynes Fund #2
 The C. Jean Moore Fund

PEOPLE TRANSFORMING THE PRESENT



Donors with a Flow Through Fund are able to make one gift, generally a gift of appreciated securities, to The United Church of Canada Foundation, and ask for it to be given right away to their congregations and other organizations they value. With that one convenient gift, they have the joy of supporting God's work in many forms, and the satisfaction of seeing their generosity make a difference immediately. We salute the donors who used Flow Through Funds to manage their generosity in a context of faithful stewardship.

Lawrence Adie Memorial Fund
 Anonymous (8)
 M & B Balshaw Family Fund
 Marilyn Barker Fund
 Charles and Katherine Black Fund
 Roger Bolt Fund
 Barb and Rod Bolton Fund
 John H. Brown Fund
 Katherine Card Fund
 Thomas N. Caster Sr. Fund
 The Shirley and Doug Chandler Charitable Fund
 Marguerite Cole Fund
 Steve and Sue Coulter Fund
 Walter and Jeanne Craig Fund
 Lillian Daniels Fund
 Dodson Family Fund
 Derek Emery Fund
 Jim and Joan Fargey Fund
 W. Craig Ferguson Fund

Galilee Fund
 Goodwin Family Fund
 Hamilton Family Fund
 June Hare Memorial Fund
 George P. Henderson Fund
 Boyd and Holly Hunter Fund
 Carol Kennedy Fund
 JL Fund
 Anne and Douglas MacPherson Fund
 Martha A. Milne Fund
 Myers Family Fund
 Linda and Bill Paddon Fund
 John and Rose Patterson Fund
 John and Karen Pearce Fund
 R & W Perratt Fund
 Heidi Riggins Fund
 Ted Simmonds Fund
 Marcelle St-Amant Fund
 C. Harris and Jean M. Tod Fund
 Wayne Tosh Fund
 Arbutus Cove Fund
 Lois Weatherby Fund
 Weeks Family Fund

The Foundation's own work would not go forward without the generosity of donors who support our day to day operational costs. We express deep appreciation for the confidence in the Foundation's potential represented by gifts from the following organizations:

Catholic Family Services Peel-Dufferin, in memory of Sharon Blank
 Kevin Burke Foundation at the
 Toronto Community Foundation
 The United Church of Canada

ENABLING GOD'S MISSION: OUR GRANTS

2006 was the inaugural year of the Foundation's endowment granting program. The Board of Directors chose an innovative web-based educational project about Africa to receive support from the Foundation's General Endowment Fund. Other grants from Personal Endowment Funds honoured the terms of the Foundation's agreements with the funds' donors. The Foundation is proud to support the ministries of –

Bloor Street United Church, Toronto, ON
 The United Church of Canada, AfricaFiles Project
 The United Church of Canada, Java Earthquake Response
 The United Church of Canada, Mission and Service Fund

As well in 2006 the Foundation disbursed grants from forty-nine Flow Through Funds to organizations and projects of the donors' choice, including:

Angola Memorial Scholarship Fund,
 Scarborough, ON
 Bissell Centre, Edmonton, AB
 Bloor Street United Church, Toronto, ON
 Bracebridge United Church, Bracebridge, ON
 Burford United Church, Burford, ON
 Burlington Civic Chorale, Burlington, ON
 Burlington United Church, Walton, NS
 Camlachie United Church, Camlachie, ON
 Canadian Red Cross
 Central United Church, Welland, ON
 Christ Church, Mississauga, ON
 Cloverdale United Church, Surrey, BC
 Crestview United Church, Winnipeg, MB
 Downsview United Church, Downsview, ON
 Easter Seal Society
 Équiterre
 Forest Hill United Church, Toronto, ON
 Fort Garry United Church, Winnipeg, ON
 Garden Hill United Church, Garden Hill, ON
 Gordon Head United Church, Victoria, BC
 Grace United Church, Wainwright, AB
 Grand River Hospital, Kitchener, ON
 Hammond United Church, Maple Ridge, BC
 Heart & Stroke Foundation
 Highlands United Church, North Vancouver, BC
 Inter-Church Health Ministries, Toronto, ON
 Iondale Heights United Church,
 Scarborough, ON
 Jane Finch Community Ministry, Toronto, ON
 Knox United Church, Caledon, ON
 Knox United Church, Sackville, NS
 Knox United Church, Vancouver, BC
 La Leche League Canada
 Maple Grove United Church, Oakville, ON
 McDougall United Church, Edmonton, AB
 Meadowood United Church, Winnipeg, MB
 Metropolitan United Church, Toronto, ON
 Mill Woods United Church, Edmonton, AB

Minnedosa United Church, Minnedosa, MB
 Mississauga Chinese United Church,
 Mississauga, ON
 Newtonbrook United Church, Willowdale, ON
 Northminster United Church, North York, ON
 Parkinson Society Canada
 Pro Coro Canada, Edmonton, ON
 Richmond Hill United Church,
 Richmond Hill, ON
 Riverbend United Church, Edmonton, AB
 Roxboro United Church, Roxboro, QC
 Salvation Army
 Samaritan's Purse – Canada
 Senior Link
 Sick Kids Foundation, Toronto, ON
 St Christopher's Anglican Church,
 Burlington, ON
 St John's United Church, Chesley, ON
 St John's United Church, Oakville, ON
 St John's United Church, Moncton, NB
 St Luke's United Church, Etobicoke, ON
 St Mark's United Church, Whitby, ON
 St Stephen's College, Edmonton, AB
 St. Matthew's United Church, Toronto, ON
 Ste. Croix Pastoral Charge, Ste Croix, NS
 The Congregational Life Centre,
 Winchester, ON
 The United Church of Canada Mission &
 Service Fund
 The United Way of Peel Region, Mississauga, ON
 The University of Western Ontario, London, ON
 Transport 2000 Atlantic
 Transport 2000 Canada
 Trinity United Church, Gravenhurst, ON
 University of Toronto
 Victoria College, University of Toronto
 West Hawk Lake United Church,
 West Hawk Lake, MB
 West Side United Church, Pentz, NS



THE UNITED CHURCH OF CANADA FOUNDATION / FONDATION DE L'ÉGLISE UNIE DU CANADA

is a registered charitable
 organization,
 863109021 RR0001

Janet Gadeski,
President & CEO
 * * * * *
 Sarah Magee, *Donor &
 Investor Relations Manager*

3250 Bloor Street West,
 Suite 300, Toronto, ON
 M8X 2Y4

* * * * *
 416 231-5931 x3411
 1 866 340-8223 (toll-free)
 416 231-3103 (fax)

* * * * *
Website
 unitedchurchfoundation.ca
Email
 fdn@united-church.ca

DESIGN: WISHART.NET