




Texas Methodist Foundation

2008 ANNUAL REPORT

*"Do This in
Remembrance of Me"*



A Doorway to Christ



Letter from the President & Board Chair

The quest for unity is well chronicled by theologians, philosophers, poets, and artists who have been wrestling with the duality of human existence – matter and spirit, body and soul, time and eternity – since the beginning of recorded history. Perhaps that’s why religion and art have always been so closely tied, at least until the modern industrialized and secular age.

We are, indeed, a bundle of opposites: work and home, public and private, intellect and emotion, theory and practice, scarcity and abundance, faith and money, to name a few.

The evolution of the work of the Texas Methodist Foundation, too, reveals a search for wholeness. During the past two years we have undergone an intensive examination of the effectiveness of our services in fulfilling our purpose “to empower the Church in the achievement of her God-appointed missions.” **That exploration has led to a number of learnings, the most important of which is that our services – providing financial and capital resources and energizing clergy and lay leadership – are, when separated from the purpose of the Church, only temporarily useful – but when connected to God’s revelatory purposes, can be truly transformative.**

What vibrant congregations throughout Texas have taught us about how to best assist them in facing 21st century challenges is this: they need far more than money, more even than strong leadership – they need financial resources and leadership that animate their purpose, their practice of a

Christian way of life together, a way of life most fully demonstrated by Christ in whom all opposites are reconciled.

They need faith translated into action through their prayerful, ongoing discernment of how to live out God’s unique call for them to be in ministry amongst not only those in their gathered community, but those outside of it. Then their relevance will be a measure of their ability to deliver the Good News to their communities and the connection between their leadership, their resources, and the needs of the world will become an integral part of their faith journey together.

Our Strategic Direction, recently adopted by our board, is a fuller description of our new focus on purpose and will be available to view on our web site soon. In the interim, this annual report broadly traces our thoughts about these three elements – resources, leadership, and purpose – and how we might best integrate our own resources in order to assist our congregations in creating cultures in which God’s purpose permeates all that they do – cultures that are **a doorway to Christ.**

We extend our heartfelt gratitude to our investors, loan recipients, donors, grant recipients, clergy and lay leaders who continue to show us how their love of God makes their lives of generosity inevitable.

For the Foundation,

Bob Dupuy
BOARD CHAIR

Tom Locke
PRESIDENT

We need to embrace a “new bottom line” in which corporations, social practices, government policies and individual behaviors are judged rational, efficient or productive not only if they maximize money or power, but also to the extent that they maximize love and caring, kindness and generosity, ethical and ecological sensitivity, enhance our capacity to treat others as embodiments of the sacred and to respond with awe, wonder, and radical amazement at the grandeur of the universe.

- Rabbi Michael Lerner

Resources

LOANS ■ INVESTMENTS ■ GIFT PLANNING ■ ENDOWMENT FUNDS ■ GRANTS ■ STEWARDSHIP

How can we make the most faithful use of the resources in our trust to fulfill the true purpose, not just the institution, of the Church?

The history of Methodism has given us insight into that question. We are, after all, descendants of our founder John Wesley who made clear that every area of our lives, including our money, must be used as a doorway to Christ. Wesley was not so much creating a Church as he was creating a society. He was not imploring those early Methodists to merely give to the Church, he was teaching them to live lives of generosity in which giving to the Church, *for the sake of its mission*, is a natural consequence. Being a good steward meant not simply taking care of our world, it meant improving our world.

So Methodists built universities. Why? Not to convert more followers or to establish institutions of money and power, but to answer a need for an enlightened citizenry who could promote inquiry, foster dialogue, respond to beauty, and, in turn, contribute to creating a better world, a world in which the worth and dignity of all of God’s creation is nurtured and respected.

They built hospitals. Why? Not for personal gain, but to render compassionate care to the sick.

And they built churches. Why? Not to house creeds and doctrines, but as Peter said to the first churches, “to show unfailing love to one another.” The kind of love described by Reinhold Niebuhr: “When we talk about love we have to become mature or we will become sentimental. Basically love means... being responsible, responsibility to our family, toward our civilization... toward the universe of humankind.”

Our Methodist ancestors used their resources to accomplish God’s dreams. Why? Because of a deep sense of interconnectedness, of being loved by a God of grace and that love overflowing from them onto those around them.

We will continue to ask these qualitative, systemic – ultimate – questions of purpose in assessing our use of resources: “Why?” “To what purpose?” “Is Christ’s revolutionary message of hope being lived out?” Further, in all of our interactions with our United Methodist constituent community, we will encourage those same questions. **How will these resources – this new building, this renovation, this program, this gift – be used as a doorway to Christ?**



Leadership

TMF INSTITUTE FOR CLERGY AND CONGREGATIONAL EXCELLENCE

HOW CAN WE MOST EFFECTIVELY ASSIST PASTORS IN CREATING COMMUNITIES THAT ACT AS A DOORWAY TO CHRIST?

The Institute's work in the area of leadership illustrates the stunningly life-giving results that can happen when we connect interrelated parts to the whole purpose of the Church.

Pastors' lives are especially susceptible to fragmentation. While the spiritual/physical dichotomy is often used to muffle the call to unite faith and actions, when applied to pastors, it's resoundingly used to elevate them to superhuman status. Emphasizing their "holiness" (as opposed to their "humanness"), for example, leads to excessive demands and an escalating sense of failure as unrealistic expectations are unmet.

The ironies multiply as pastors' superior spiritual role is used to exalt them but statistical measures, such as increased membership and payment of apportionments, are used to assess their effectiveness and determine their opportunities for advancement. Somewhere along the way we become tethered to statistics instead of using them as tools for molding strong communities of faith who embody the Gospel.

Today's troubled economy has shown us the disastrous results of making short-term "growth" a laudable end in itself, separated from a common purpose. Likewise, in lending so much importance to numbers, we run the risk of reducing "church" to what happens on Sunday as opposed to what happens throughout the week because of life-changing ministry.

These are some of the attitudes and practices that intensify the cascade of challenges pastors face in fulfilling their purpose of shaping a disparate group of people into a grace-filled, outwardly-focused community – a responsibility they must fulfill in the midst of a relentlessly anti-communal culture and, all too often, their own profound isolation.

TMF Institute initiatives are designed to bring a sense of coherence and wholeness to the lives of pastors and our Church by refocusing on purpose. Peer groups are helping create new, healthier, and more sustainable models for ministry through a disciplined, deeply communal experience for pastors that is also a paradigm for congregational life. As pastors experience God-centered relationships of mutual trust, vulnerability, safety, and love in their groups, they become better equipped to guide their congregations in using those same practices, habits, and attitudes to build "a life together in Christ."

In addition to being strengthened and renewed through their group experience, pastors are shown a more dialectical and sustainable way to lead that is empowering for clergy and laity alike. Consummate givers, pastors are given abundant opportunities to receive. They are freed from being the source of divine power and can, instead, guide their congregations in discovering that source – the life-giving grace of God – and reflecting it in their love of each other.

The peer group experiences of bishops and district superintendents have also provided a forum for rethinking purpose. These gatherings have given church leaders the rare opportunity to discuss the organizational and systemic challenges of episcopal leadership, as well as the freedom to think outside the constraints of that system to create innovative, entrepreneurial solutions, many of which are already positively impacting local church ministry.

The pastoral leaders who participate in Institute programs have shown us the redemptive power of loving relationships in creating the longed-for wholeness and unity seen in the life of Christ, in whose ministry all barriers and differences dissolved. **They show us what can happen when all the parts are centered on one purpose – on being a doorway to Christ for others.**

Labour is blossoming or dancing where

The body is not bruised to pleasure soul,

Nor beauty born out of its own despair,

Nor blear-eyed wisdom out of midnight oil.

O chestnut-tree, great-rooted blossomer,

Are you the leaf, the blossom or the bole?

O body swayed to music, O brightening glance,

How can we know the dancer from the dance?

— W. B. Yeats

"Among School Children"



“When Jesus speaks of having life more abundantly, this, I think, is the life He means: a life that is not reducible by division, category, or degree, but is one thing, heavenly and earthly, spiritual and material, divided only insofar as it is embodied in distinct creatures. He is talking about a finite world that is infinitely holy, a world of time that is filled with life that is eternal. It’s not an invitation to declare ourselves as “Christians,” but rather to become conscious, consenting, and responsible participants in the one great life, a fulfillment hardly institutional at all.”

— Wendell Berry
“The Burden of the Gospels”

Purpose

How can we encourage, support, and assist the local church in establishing a culture of purpose, an ongoing process of discernment of God’s call for them?

In our own discovery process about purpose, we’ve learned that some things must never change and others must continually change.

The Foundation’s mission or overarching purpose “to empower the Church in the achievement of her God-appointed missions” and our core values – servanthood, integrity, and competence – remain constant. They are our true north, keeping us focused on those we serve. But what God is currently asking of us, in this place and time, given who we are, what we have and what we have been given, does change. That spirit of discernment and entrepreneurship is what led us to create the TMF Institute.

Likewise, the mission of The United Methodist Church – “making disciples of Jesus Christ for the transformation of the world” – is unchanging. But how God wants us to make Christ’s love visible in our communities is ever-changing in response to an ever-changing world.

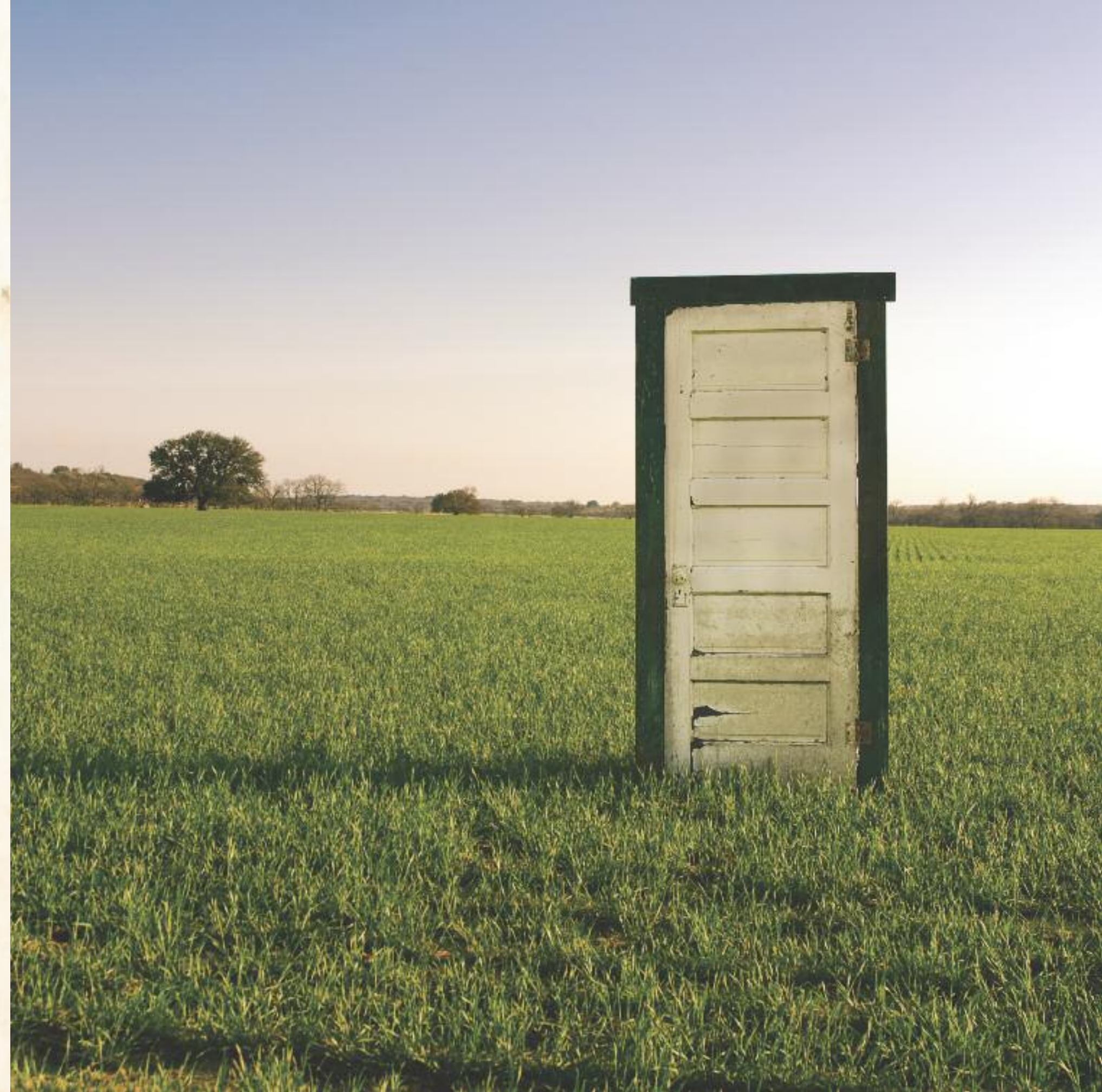
When we stop asking questions of purpose – what is God’s unique call for us and how can we use our gifts to fulfill it – we become disconnected from the “whole” and further and further estranged from participating in the irreducible

abundant life Berry describes above. Instead of being used as tools for accomplishing purpose, the parts – money, buildings, committees, for example – begin to obscure the mission.

The Church, like all institutions, seeks to preserve and maintain. Thanks to our founder John Wesley, however, The United Methodist Church has within it some countervailing forces that encourage new, innovative and creative methods for ministering to the needs of God’s people. Wesley made clear that the Church is the institutional embodiment of the love of God and neighbor and its structures and methods must adapt to serve that purpose. If we nurture an environment in which the question of how to increase our love for God and neighbor is constantly present, our witness to God’s grace and transformative power will be inescapable.

A bishop recently commented that while he appreciates immensely the opportunity to impact so many congregations throughout the annual conference he serves, he feels a deep sense of loss for those times when as a local church pastor he was closest to the true mission of the Church: being a doorway to Christ for those who are not in the Church.

What if, in all that we say and do, we define church as something whole, indivisible, inexhaustible – God’s divine love incarnate, practiced, embodied by us – for the sake of the world? **What would change if we – individually and corporately – lived our lives as doorways to Christ?**





To live in this world

*you must be able
to do three things:
to love what is mortal;
to hold it*

*against your bones knowing
your own life depends on it;
and, when the time comes to let it go,
to let it go.*

*- Mary Oliver
from American Primitive*

Year 2008 in Review

Following is a summary of events, services, and initiatives through which the Texas Methodist Foundation sought to accomplish our purpose during 2008. They represent what we can count. The significance, however, is not the numbers – but what spills over into transformative grace and growth in individuals and congregations.

- As of December 31, 2008, total assets under management by the Foundation were approximately \$316.5 million.
- New Methodist Loan Fund/Individual Fund investments accounted for \$5.9 million in growth. Methodist Loan Fund investments support the Foundation's loan program which currently funds 429 loans to United Methodist churches and agencies. Our loan balance ended 2008 at \$267.7 million.
- The TMF Institute for Clergy and Congregational Excellence ministry (formerly the Clergy Leadership Initiative) supported 87 pastors from the Texas annual conferences participating in 10 Clergy Development Groups. The Institute also welcomed 25 district superintendents from around the state and across the South Central Jurisdiction, and the 11 active bishops serving in the South Central Jurisdiction who were involved in group processes. The Institute conducted three special educational events, attended by 33 pastors from the Texas annual conferences, focusing on ways to create congregational cultures of generosity.
- During 2008, the Foundation funded grants in excess of \$1.4 million including several from donor-advised funds. These grants benefited a variety of programs managed by local churches, community outreach centers, and conference ministries. The Foundation's Grants Ministry gives priority to programs that address the root causes of poverty as it affects children.
- The Foundation distributed \$495,000 from permanent endowments, predominantly to United Methodist causes in Texas.
- Our Stewardship staff consulted on 19 capital campaigns, resulting in pledges totaling more than \$11.4 million. They made more than 252 consultation visits to churches offering counsel and guidance in areas of specific need related to funding ministry. Stewardship staff also conducted 14 annual stewardship workshops in local churches and several district and conference level workshops.
- Our Development staff worked with more than 75 churches to help them initiate or revive Permanent Endowment Fund programs. Additionally, they worked with individual donors on planned gifts totaling more than \$1.1 million to benefit United Methodist churches and agencies.

Texas Methodist Foundation

CONSOLIDATED SUPPLEMENTAL SCHEDULES OF FINANCIAL POSITION BY FUND DECEMBER 31, 2008

	TOTAL 2008	OPERATING & MEMORIAL*	LIFE INCOME FUND	ENDOWMENT FUND	FUNDS MANAGED FOR INVESTORS
ASSETS					
Cash	\$ 787,868	4,817	143,109	295,162	342,009
Accrued interest receivable	1,174,196	59,700	13,541	79,101	1,010,412
Stewardship consulting fees receivable	31,100	31,100	-	-	-
Pledges receivable	194,073	-	-	-	-
Loans	273,237,703	9,782,962	3,355,547	17,393,994	239,811,337
Corporate bonds & government securities	6,055,447	546	30,906	63,364	5,960,631
Stocks	27,400,681	4,276	6,132,971	12,647,378	8,616,056
Certificates of deposit	4,163,620	12,916	22,646	78,231	4,049,827
Land and buildings	340	-	-	340	-
Oil and gas interests	108,383	100	-	105,283	3,000
Other investments	127,261	-	-	127,061	-
Fixed assets, net	3,079,849	3,079,849	-	-	-
Prepaid expenses	195,374	151,428	4,846	19,924	7,158
TOTAL	\$ 316,555,895	13,127,694	9,703,566	30,809,838	259,800,430
LIABILITIES AND NET ASSETS					
LIABILITIES:					
Distributions, grants and accounts payable	\$ 2,424,150	183,605	33,333	1,704,720	490,694
Deferred revenue	92,487	17,512	-	-	-
Deferred grant revenue	1,000,000	-	-	-	-
Funds managed for investors	259,309,736	-	-	-	259,309,736
Funds held as agent	28,042,043	-	9,615,967	18,426,076	-
TOTAL LIABILITIES	290,868,416	201,117	9,649,300	20,130,796	259,800,430
NET ASSETS	25,687,479	12,926,577	54,266	10,679,042	-
TOTAL	\$ 316,555,895	13,127,694	9,703,566	30,809,838	259,800,430

*Includes both Texas Methodist Foundation and TMF Institute

THE TEXAS METHODIST FOUNDATION SCHEDULE OF SELECTED FINANCIAL DATA FOR EACH OF THE SEVEN YEARS IN THE PERIOD ENDED DECEMBER 31, 2008

	2002	2003	2004	2005	2006	2007	2008
AT YEAR END:							
Funds managed for investors	\$ 215,047,393	221,080,888	232,527,049	240,796,948	256,463,595	264,080,606	259,309,736
Loans and church bonds	220,698,876	219,582,162	222,510,383	239,448,532	251,541,945	267,910,529	273,237,703
Other securities	33,850,456	40,158,663	50,028,561	47,236,572	53,546,034	51,052,106	37,619,748
Operating and memorial net assets	7,280,488	8,645,678	9,518,041	11,312,376	12,791,079	12,349,487	12,926,577
TMF Institute	-	-	-	-	1,625,693	-	2,027,594
Permanent Gifts (Foundation, trustee)	25,373,834	28,896,522	31,281,898	37,838,194	45,239,861	49,097,027	44,059,289
Total assets	\$ 261,341,466	265,646,023	277,861,048	292,478,260	318,218,826	329,420,813	316,555,895

"Oh, let there be nothing on earth but laundry,

Nothing buy rosy hands in the rising steam

And clear dances done in the sight of heaven."

Richard Wilbur

"Love Calls Us to the Things of this World"

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The Talmud reads, "**Never pray in a room without windows.**"

Never pray without the world in mind, in other words.

The purpose of the spiritual life is not to save us from reality.

It is to enable us to go on co-creating it.

-Jean Chittister



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Amanda Black
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Bobbie Juranek
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SUPPLEMENTAL SCHEDULE OF FINANCIAL POSITION DECEMBER 31, 2008

ASSETS

Cash	\$ 2,771
Accrued interest receivable	11,442
Pledges receivable	194,073
Loans	2,893,863
Other investments	200
Prepaid expenses	12,018

TOTAL \$ **3,114,367**

LIABILITIES AND NET ASSETS

LIABILITIES:

Distributions, grants and accounts payable	\$ 11,798
Deferred revenue	74,975
Deferred grant revenue	1,000,000
TOTAL LIABILITIES	1,086,773

NET ASSETS \$ **2,027,594**

TOTAL \$ **3,114,367**

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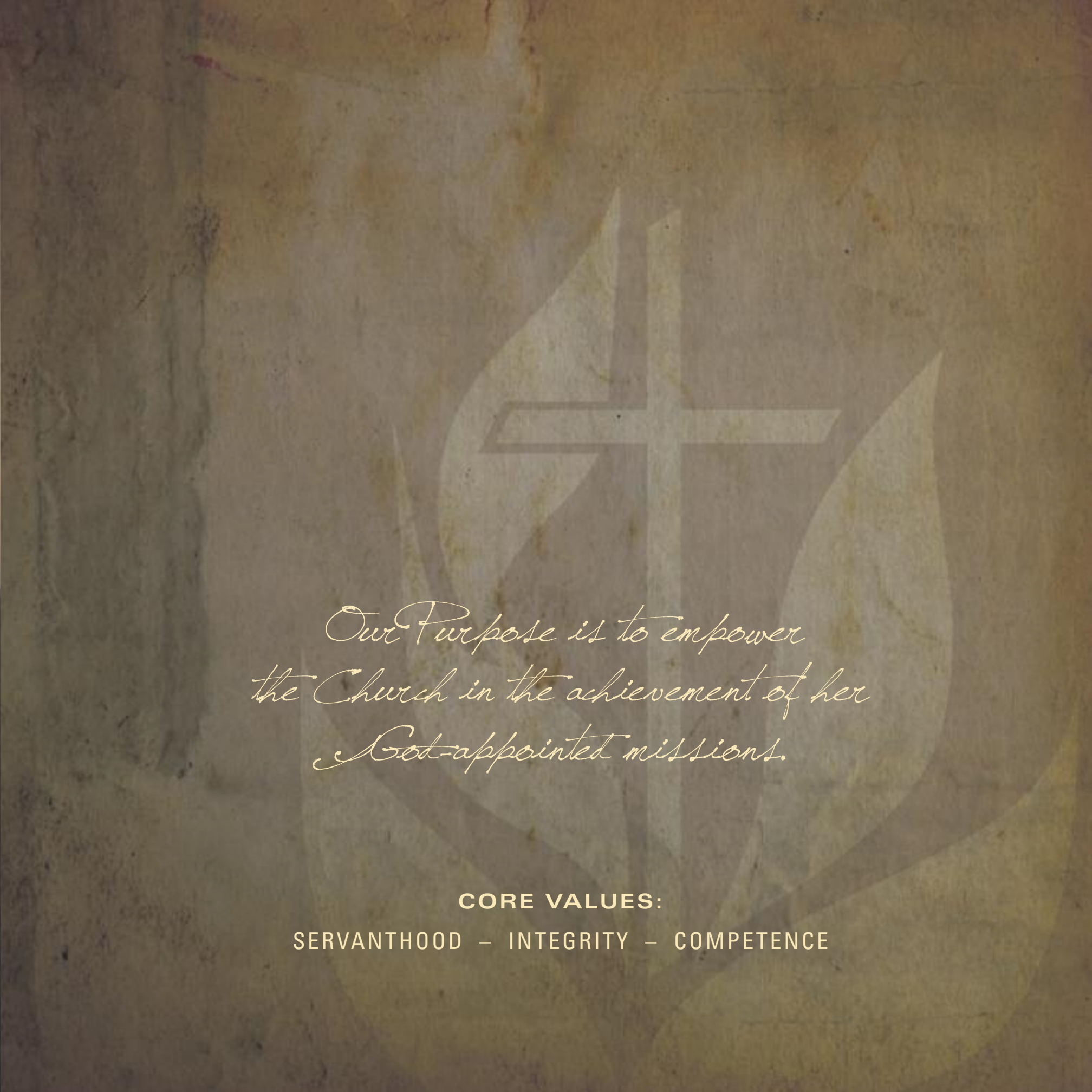




The peace of wild things

*When despair grows in me
and I wake in the middle of the night at the least sound
in fear of what my life and my children's lives may be,
I go and lie down where the wood drake
rests in his beauty on the water, and the great heron feeds.
I come into the peace of wild things
who do not tax their lives with forethought
of grief. I come into the presence of still water.
And I feel above me the day-blind stars
waiting for their light. For a time
I rest in the grace of the world, and am free.*

- Wendell Berry



*Our Purpose is to empower
the Church in the achievement of her
God-appointed missions.*

CORE VALUES:
SERVANTHOOD – INTEGRITY – COMPETENCE



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