

Foundation Financial Highlights for 2019

It was an exciting year for the St. Luke's Foundation as the year began with a \$176,000 bequest as the second piece of a \$376,000 total bequest from the Frederick Brumm estate. By year-end, thanks in part to the strong performance of the stock market, Foundation assets totaled an all-time high value of \$995,000.

In recognition of the Church's 125th anniversary and the Foundation's 25th anniversary, the Foundation Committee established the 125th Anniversary Scholarship Fund as the number of available funds providing scholarships to St. Luke's students has dropped to five. During 2019, over \$15,000 was raised for this new fund and over \$5,000 was raised for the previously established Foundation Scholarship Fund.

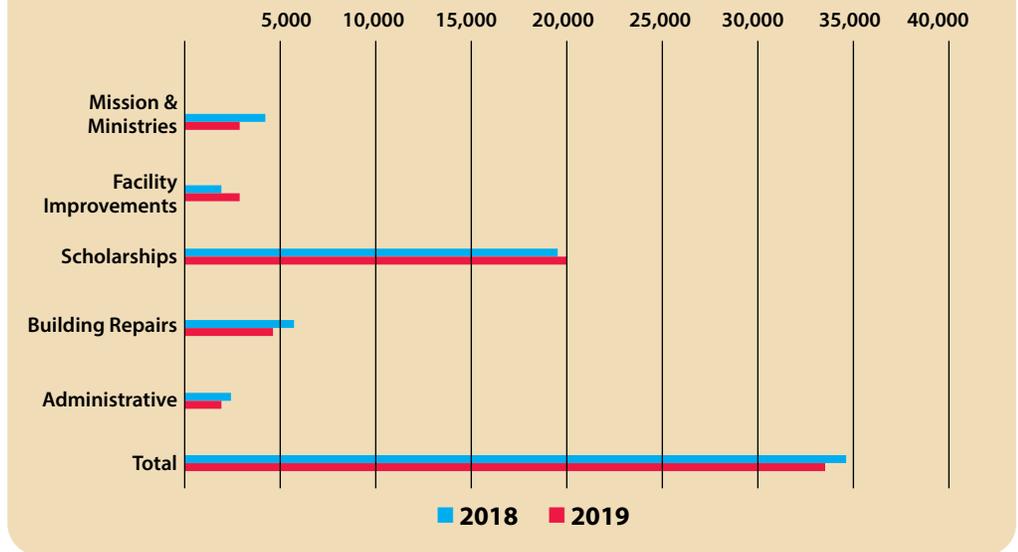
During 2019, over \$34,000 was paid out in support of a number of St. Luke's activities and projects not covered in the 2019 annual operating budget. This included nearly \$5,000 for refurbishing the nursery and several classrooms used for a variety of educational opportunities for youth and adults. The new Brumm Fund provided over \$4,500 this year for the 2019 re-siding project and another \$1,000 for a new security system for the Church.

Ten scholarships were awarded in 2019 to St. Luke's students. This included nine \$1,000 scholarships plus a scholarship from the Willard C. Hefty Memorial Scholarship fund worth nearly \$11,000 to a UW system student.

Finally, during 2019, two wills and bequests were submitted to the church office for future support to the Foundation totaling \$110,000.

We thank you for your support and look forward to another great year in 2020!

St. Luke's Foundation Expenditures 2018-2019



St. Luke's 1st Annual Foundation Reception A Success

by Andy Roquet

The Church Council and Foundation Committee hosted a Reception on the evening of September 22, 2019 with over 35 St. Luke's members in attendance.

The event began with a walking tour which included the art display by Kevin Roth near the sanctuary and a number of youth and adult rooms on first and second floor. Many of these rooms have gone through renovations in recent years with funds provided by the Foundation. Volunteers were on hand in the Luke's Closet and Feed My Lambs rooms to share stories about the success of these programs. The walking tour ended in the recently upgraded Youth Room.

A brief program was hosted by Andy Roquet who spearheaded this event. Virginia Bartelt, Council President, expressed her thanks to all who have supported the Foundation and provided an update on recent Council activities. Foundation

Committee Chair, Bob Wortinger, also thanked past supporters of the Foundation, described the purpose of the Foundation, and the Committee's hopes and plan for building up the Foundation to perpetuate St. Luke's Christian vision and faith into the future. Refreshments were provided and guitar music was provided by Jeff Rohlwing.

It was an enjoyable evening and a great way to connect with many of our members who are passionate about the current and future success of St. Luke's. The Foundation is an important way for anyone to help support current programs as they expand and need financial help as well as to support future programs that we are not even thinking about today. We are planning to make this an annual event. If you have any questions or suggestions for next year's event, please feel free to pass them on to a Committee member.

Donor Tax Strategies

Qualified Charitable Distributions (QCDs)

A valuable charitable contribution option is to make a QCD from an IRA. Taxpayers in the year in which they turn 70 ½* must take a required minimum distribution (RMD) from their IRA accounts. Any amount of funds up to the level of the RMD can go directly as a charitable contribution or qualified Foundation contribution and is called a QCD.

The funds must come directly from the IRA to the charity or Foundation by the RMD deadline, which is generally December 31 of that year. Funds distributed to the taxpayer and then donated do not qualify as QCDs. By excluding RMDs from income, in effect, the taxpayer gets an "above the line" tax deduction. This allows the taxpayers to keep their AGI lower, which may keep them in a lower tax bracket and/or allow more of their social security income to be non-taxable.

QCD Example: Suppose you are required to take \$1,000 as a RMD next year. If your fund manager sends you a check it will be recorded as taxable income. If instead you instruct your fund manager to produce a QCD the amount you place into that QCD is not considered income and thus is non-taxable. Further, the QCD may have the added benefit of holding your taxable income below the next marginal tax bracket and may result in

lowering the amount of tax on Social Security benefits and Medicare (IRMAA) withholding.

Donating Appreciated Capital Gain Property

Generally, contributions of appreciated capital gain property such as marketable securities can provide additional tax benefits over selling the property and donating the proceeds. By donating appreciated capital gain property directly to a charitable organization or Foundation, the donor does not recognize any capital gain, but a deduction of fair market value is allowed. To qualify, the property would have to generate long-term capital gain if it were sold at fair market value.

*The Federal Government just changed the age to 72 starting in 2020. Those individuals turning 72 in 2020 will need to take a required minimum distribution from their IRA accounts. Anyone at any time can make a qualified charitable distribution from their IRA.

The Foundation Committee urges you to discuss investment activities, including QCDs, with your financial advisor, tax preparer, or other person familiar with your circumstances. This is especially true this year as the IRS has altered the rules on mandatory RMDs.

Reflections by Lee Peterson

I've been a member of the Foundation Committee for almost six years and my term is coming to an end. It has been a privilege to be a part of this Committee. When I was first asked to be on the Committee, honestly, I didn't even know we had a Foundation. I had heard about college scholarships, but that was about all. Now after six years, I realize it is much more than that. The Foundation helps fill in the gaps outside of the church's financial budget to meet unexpected needs of many church groups and activities. It provides funds for building repairs, youth trip scholarships and seed money for committed church members who see a need in the community to start new programs such as Luke's Closet.

The Foundation works behind the scenes, but its success depends on the members of the congregation. We have been blessed with generous donations by members through their Wills as well as direct donations. Foundation assets have nearly doubled over the past six years. This allows the Foundation a greater impact in supporting the mission of St. Luke's, its members and the community we live in.

I hope that each member of our congregation will prayerfully consider remembering the Foundation when you plan your giving. To those members who have supported the Foundation, I give out a heartfelt Thank You!

Thank you again for allowing me to be a part of Foundation Committee. It has been a gift for me to see first hand the things that God has been able to do through this Committee.

2020 Scholarships

The Foundation Committee is looking forward to the 2020 scholarship season. Plans are in place to add new scholarships this year for college students and also to add a \$1,000 scholarship specifically for a technical school/trade school student. We look forward to supporting another great class of St. Luke's students.

Foundation Gifts

All gifts to the Foundation are welcome and greatly appreciated as we prepare for our future. While gifts over a certain level may be designated for any purpose you feel is important to our church, other gifts may be given to:

- Scholarships
- Music
- Ministry Areas and Missions
- Building and Property Needs
- General Foundation

2019 Foundation Activity

Your gracious support helped establish the 125th Anniversary Scholarship Fund and surpassed our Foundation goal of \$100,000 in wills/future bequests by \$10,000. *Thank you so much!*

St. Luke's Foundation Committee Members:

Bob Wortinger, Chair

Lee Petersen, Vice-Chair

Mary Schwoch, Secretary

LaVonne McCrill, Scholarship Liaison

Tom Scott, Member

Scott Heise - Council Liaison

