

2023 Annual Review



Leadership

What a year! We celebrated the retirement of two longtime, beloved leaders over the summer: Executive Director Tom Wilson and Board President Robert Ives. I assumed the Executive role and Dr. LaVerne Lewis was elected as our new Board President. The Foundation may be under new leadership, but our mission hasn't changed: we're here to support the long-term financial health of faith communities. We're in a strong position to do so. I hope you'll enjoy reading our first-ever ESG report, checking out our year-end returns, and imagining how we might continue to partner with your church in the future.

With joy,



Julia Frisbie
Executive Director

2023 Board of Directors

Chris Bafus
Pastor Buddy Gharring
Mike Hartwig
Rev. Chuck Hindman
Coyote Marie Hunter-Ripper
Robert Ives, Esq.
Nik Halladay

Darrell Lowe
Cynthia MacLeod
Rev. Ron Myers
Rev. Lynn Rabenstein
Rev. Erika Spaet
Rev. John Watts
Em Rigler, Esq.

EX OFFICIO
Bishop Cedrick Bridgeforth
Brant Henshaw
Candace Clarke
EMERITUS
William Haden

OFFICERS



Dr. LaVerne Lewis
President



Gaye Pierson
Vice President



Larry Nelson
Secretary



Barbara Dadd Shaffer
Treasurer

2023 ESG Report



ENVIRONMENT

175.53 metric tons of Carbon emissions



3% secondary, which includes: power, postage, office supplies, telephone and internet service, furniture, insurance, and bank service charges.

Supporting the Low-Carbon Transition

- \$125K in loan funding approved for **solar projects**
- \$82K in loan funding approved for **energy-efficient HVAC systems**
- coming in 2024: participation in the PNW conference's Heat Pump Fund and Solar for All program



SOCIAL

5 Staff Members

- 80% women
- 20% clergy
- new for 2023: pay transparency
- coming in 2024: regular wellness surveys, increased health benefits

Responding to the Bishop's M.I.L.E.

- \$215K in loan funding approved for **affordable housing predevelopment**
- \$626K invested in **affordable housing nationwide** through Wespath's Positive Social Purpose Lending Program



GOVERNANCE

The Foundation undertakes a full audit every year, and also reports to the Office of the Insurance Commissioner.

21 Board Members

- 42% women
- 28% clergy
- coming in 2024: representation from all four states we serve

6 Standing Committees

- Executive
- Loan
- Investment
- new for 2023:
 - Bylaws/Policy
 - Board Development
 - Grants/Scholarships

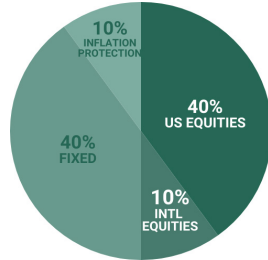
Portfolio Performance

as of December 31 2023

Diversified Conservative

1YR	3YR	5YR	10YR
13.42%	0.53%	6.81%	5.05%

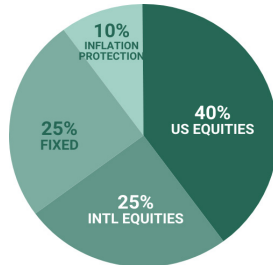
Less volatility and lower expected long-term returns.



Diversified Moderate

1YR	3YR	5YR	10YR
14.09%	0.51%	7.48%	5.24%

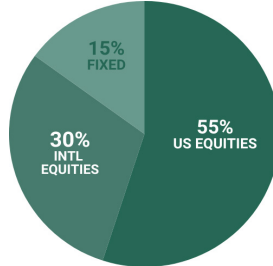
Balanced volatility and greater expected long-term returns.



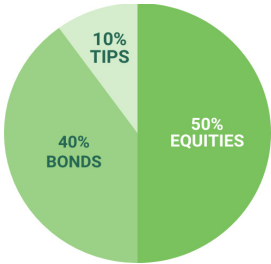
Diversified Aggressive

1YR	3YR	5YR	10YR
16.99%	1.28%	9.34%	6.51%

Higher volatility and greatest expected long-term returns.



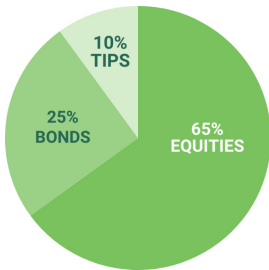
Our flagship **diversified portfolios** are comprised of funds managed by Wespeth, the investment subsidiary of the United Methodist Church. They avoid investments in alcohol, tobacco, pornography, gambling, weapons, and private prisons. They engage companies and policymakers through formal requests, proxy voting, and shareholder resolutions. And they invest in things that make the world a better place: affordable housing, low-carbon energy solutions, and firms owned by women and minorities. At the close of 2023, 59% of our assets under management were held in these diversified portfolios.



Fossil Free Conservative

1YR	3YR	5YR
15.26%	1.86%	7.13%

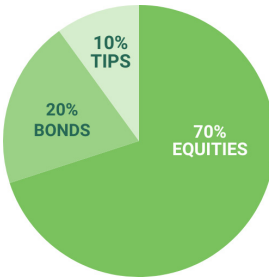
Less volatility and lower expected long-term returns.



Fossil Free Moderate

1YR	3YR	5YR
17.70%	3.47%	8.87%

Balanced volatility and greater expected long-term returns.



Fossil Free Aggressive

1YR	3YR	5YR
19.11%	4.01%	9.45%

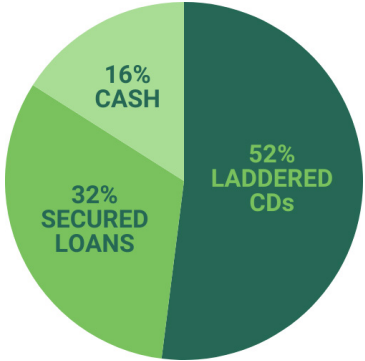
Higher volatility and greatest expected long-term returns.

These **fossil free portfolios** were constructed in 2017. They share the same ethical screens as our diversified portfolios, and go a step further by also excluding Palestinian conflict companies and companies with fossil fuel reserves used for energy purposes. Wespath uses a combination of active and passive management in the funds that comprise these portfolios, which held 26% of our assets under management at the close of 2023.

(Stable Value Portfolio on following page)

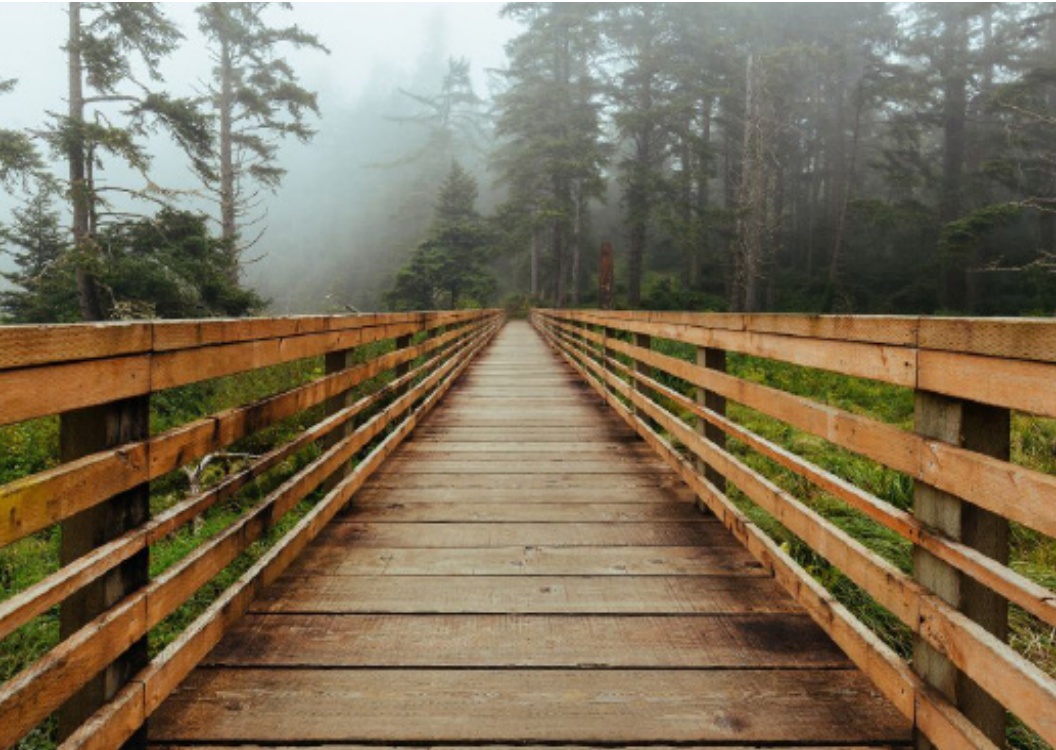
Stable Value Portfolio Performance

Our **Stable Value Portfolio's** goal is to provide high liquidity and minimal market fluctuation for "rainy day" funds. The portfolio consists of short to intermediate term laddered CDs, government notes, and secured loans. The loans are made to churches and agencies within our connection, and the interest paid on these loans contributes to the portfolio's returns. Foundation staff have managed these funds for 30 years. Note: the Stable Value Portfolio produced lower than usual returns in 2021/22 due to historically low interest rates. Returns are improving with the rise of interest rates in 2023/24.



Annual Returns

Year	2023	2022	2021	2020
Annual Return	3.45%	0.47%	0.19%	1.93%



Consolidated Statements of Financial Position

As of December 31, 2023 and 2022:

ASSETS	2023 Un-Audited*	2022 Audited
Cash and Cash Equivalents	2,515,780	1,719,705
Marketable Securities	84,357,018	72,488,895
Loans Receivable	1,904,162	2,589,851
Property Held for Investment	124,000	124,000
Office Furnihings, Net of Depreciation	956	1,404
TOTAL ASSETS	88,901,916	76,923,855
LIABILITIES AND NET ASSETS	2023 Un-Audited*	2022 Audited
LIABILITIES		
Accounts/Distributions Payable	1,358	1,463
Accrued Liabilities	0	14,250
Due to Others	79,413,626	68,212,631
Gift Annuities	476,701	472,645
Managed Trusts	774,334	723,369
Total Liabilities	80,666,019	69,424,358
NET ASSETS		
Unrestricted	2,261,351	2,118,307
Temporarily Restricted	422,850	419,950
Permanently Restricted	5,551,696	4,961,240
Total Net Assets	8,235,897	7,499,497
TOTAL LIABILITIES AND NET ASSETS	88,901,916	76,923,855

*Audited 2022 financials are available upon request. Audited 2023 financials will be available after their publication in mid-2024. Our independent auditor is Moss Adams.

SERVICES WE OFFER

FINANCIAL MANAGEMENT

Our faith guides our decisions and leads us to **socially responsible and ethically sound funds** that reflect the values of our team and the ministries we work with. In partnership with Wespath, we manage endowments, long-term investments, and reserve funds on behalf of churches, camps, conferences, and agencies.

Fee varies by portfolio

As of Dec. 31 2023:



\$88M
UNDER
MANAGEMENT

LOANS

We **help churches fulfill their missions** by offering low-hassle, below-market-rate term loans for capital improvements, plus bridge loans for special projects like affordable housing. Interest paid on church loans **goes back into our faith community**, supporting churches that have invested rainy day funds with us.

Term loan interest: WSJ Prime - 0.5%

Bridge loan interest: WSJ Prime + 1.5%



\$29.4M
LOANED SINCE 1991

ENDOWMENT CONSULTATION

We share and **inspire stories of generosity** and are committed to the **lasting legacy** of our clients and their congregations. We assist with endowment policies, procedures, and promotion.

Free of charge



\$6.5M
DEPOSITED INTO
PERMANENT
ACCOUNTS IN 2023

STOCK GIFT PROGRAM

We accept, liquidate, and pass through gifts of stock on behalf of faith communities, **making tax-wise giving accessible** for all donors.

Free of charge



\$5.4M
TRANSFERRED
SINCE 2014

PLANNED GIVING EDUCATION

We help **guide people of faith** in preparing a plan to **provide for the ministries they love**. We teach workshops, create materials, and work one-on-one with major donors upon request.

Free of charge



21
WORKSHOPS
TAUGHT IN 2023