
2020 Annual Review

GROWING INTO THE FUTURE
WITH A LEGACY OF CARE



FAITH 
FOUNDATION
NORTHWEST

A LEGACY OF THE UNITED METHODIST CHURCH

From Tom's Desk

Greetings, and many thanks for your gift of faith during this difficult period of COVID-19; for the fearless commitment and support, both physical and financial, you offered to sustain your church and its mission; and for the trust you placed with the Foundation to weather the ups and downs of the economy and its financial markets.

We are relieved and grateful to report that what started as a very alarming year – including the stock market's precipitous drop in March and April – closed with record returns being earned on our Diversified Portfolios. Thanks to these market returns and your continued deposits, our assets under management grew to \$81 million at the close of 2020.

Our board of directors is also growing. Rev. Erica Spaet (Bend, Oregon), Rev. Peter Perry (Olympia, WA), Pastor Buddy Gharring (Twin Falls, ID), and Cynthia MacLeod (Portland, OR) have joined our team with great enthusiasm, experience, interest, and deep faith. With regrets we accepted the resignations from our board this year of Alayne Hudspeth (Federal Way, WA) and Bill Haden (Portland, OR). These two wonderful people represent a combined 34 years of board service with us, and a legacy of



wisdom, skill, and grace. We have been, and continue to be, blessed with wonderful people.

As we're publishing this review in 2021, our organization is changing its name from the Northwest United Methodist Foundation to Faith Foundation Northwest. This allows us to embrace the emerging complexity around what it means to be Methodist... and even what it means to be church. With this updated brand identity, we look forward to continuing to serve all our current partners in ministry, and more!

Respectfully,

A handwritten signature in black ink that reads "Tom Wilson". The signature is fluid and cursive, written over a light-colored background.

Tom Wilson
Executive Director

Consolidated Statements of Financial Position

As of December 31, 2020 and 2019:

ASSETS	2020 Un-Audited*	2019 Audited
Cash and Cash Equivalents	4,045,915	1,761,950
Marketable Securities	73,186,222	65,583,721
Loans Receivable	3,866,205	4,134,774
Property Held for Investment	124,000	124,000
Office Furnishings, Net of Depreciation	3,142	4,011
TOTAL ASSETS	81,225,484	71,608,456
LIABILITIES AND NET ASSETS	2020 Un-Audited*	2019 Audited
LIABILITIES		
Accounts/Distributions Payable	707	8,735
Accrued Liabilities	14,205	14,205
Due to Others	70,274,071	62,022,850
Gift Annuities	633,204	478,974
Managed Trusts	1,270,091	1,130,656
Total Liabilities	72,192,278	63,655,420
NET ASSETS		
Unrestricted	2,460,378	2,158,841
Temporarily Restricted	598,585	564,580
Permanently Restricted	5,974,243	5,229,615
Total Net Assets	9,033,206	7,953,036
TOTAL LIABILITIES AND NET ASSETS	81,225,484	71,608,456

**Audited 2019 financials are available upon request. Audited 2020 financials will be available after their publication in 2021. Our independent auditors are Lindley & Associates (2019) and Moss Adams (2020).*

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 2020:



\$81M
UNDER
MANAGEMENT

LOANS

We help churches fulfill their **missions** by offering low-hassle loans for capital improvements and new construction. Interest paid on church loans **goes back into our faith community**, supporting churches that have invested rainy day funds with us.

Interest rate WSJ Prime + 0.5%



\$28M
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. Our staff brings 50+ years of combined experience to the table when we assist with endowment policies, procedures, and promotion.

Free of charge



\$6M
DEPOSITED INTO
PERMANENT
ACCOUNTS
IN 2020

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



\$536K
TRANSFERRED
SINCE 2000

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



4342
EMAILS,
MEETINGS, AND
PHONE CALLS
IN 2020

“I didn’t know I could do that!”

If you have ever attended one of our Planned Giving workshops, you may have walked away overwhelmed by the variety of planned giving possibilities that exist and the various ways they might be useful in your situation. We list them not to confuse you, but in hopes that upon hearing all of these options, you might have an “aha” moment, which is often followed by the exclamation: “I didn’t know I could do that!” This usually doesn’t happen until a potential donor understands how a specific type of gift could meet a deeply personal need or goal.

Almost twenty years ago the Foundation became friends with a couple whose lives are the epitome of Christian stewardship. They are incredibly faithful people who often go beyond any expectations of generosity, both in the gifts of their time and their money. (They are also very private people, so you will not find their names in this article.) They came to one of our workshops looking for a possible way to use some vacation property for a planned gift that would produce income and tax benefits to them during their lives and a gift to their church upon their deaths.

As the workshop went on they were not convinced that a gift arrangement was the best for their situation until they heard the words “period certain.” This refers to a type of annuity in which the payments are guaranteed for a fixed number of years, as opposed to the annuitant’s lifetime. For them this was the “aha” moment. Our friends were in their 70s at the time and had some concerns about their health. They also had an adult daughter who, while trying her very best, still had problems making ends meet. The “aha” moment came when they realized that it was possible to gift the property, receive income for the remainder of their lives, receive tax benefits and, should they pass on sooner than they hoped, provide a steady income flow to their daughter for a significant “period certain.”

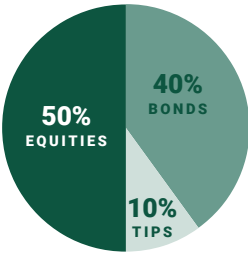
In the end, a simple reference to a payment option available through their gift made all the difference in the world. It provided a solution that not only achieved their benevolent intentions to their church, but also provided a financial safety net for their daughter.

We still offer planned giving workshops, either by teleconference or in person, at no cost. We’d love to help people in your congregation get to, “I didn’t know I could do that!”

Portfolio Performance

as of December 31 2020

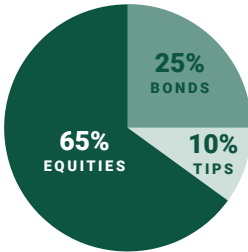
Our flagship **diversified portfolios** are comprised of funds managed by Wespeth, the investment subsidiary of the United Methodist Church. They avoid investments in alcohol, tobacco, pornography, gambling, weapons, and private prisons. They engage companies and policymakers through formal requests, 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 2020, 60% of our assets under management were held in these diversified portfolios.



Diversified Conservative

1YR	3YR	5YR	10YR
16.46%	9.08%	9.57%	7.39%

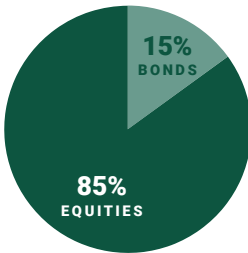
Less volatility and lower expected long-term returns.



Diversified Moderate

1YR	3YR	5YR	10YR
18.37%	9.51%	10.49%	7.61%

Balanced volatility and greater expected long-term returns.

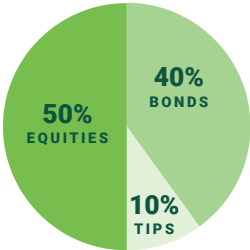


Diversified Aggressive

1YR	3YR	5YR	10YR
22.07%	11.36%	12.42%	9.21%

Higher volatility and greatest expected long-term returns.

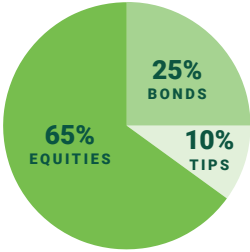
These **social values choice portfolios** were constructed in 2017. They share the same ethical screens as our diversified portfolios, and go a step further by also excluding Palestinian conflict companies and companies with fossil fuel reserves used for energy purposes. Wespath uses a combination of active and passive management in the funds that comprise these portfolios, which held 18% of our assets under management at the close of 2020.



Social Values Choice Conservative

1YR 3YR
12.49% **8.09%**

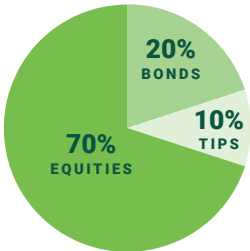
Less volatility and lower expected long-term returns.



Social Values Choice Moderate

1YR 3YR
14.25% **8.93%**

Balanced volatility and greater expected long-term returns.



Social Values Choice Aggressive

1YR 3YR
14.00% **9.21%**

Higher volatility and greatest expected long-term returns.

Stable Value Portfolio on back page

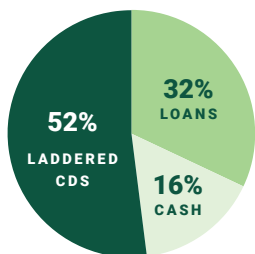
Portfolio Performance

(continued)

The **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. With advisement from Morgan Stanley, Foundation staff have managed these funds for 30 years. Note: we expect the stable value portfolio to produce lower returns in 2021 due to historically low interest rates.

Stable Value

2020	2019	2018	2017
1.93%	2.75%	1.90%	1.11%



Our People

BOARD OFFICERS

Robert Ives, President
LaVerne Lewis, Vice President
Larry Nelson, Secretary
Barbara Dadd Shaffer, Treasurer

EX OFFICIO

Bishop Elaine Stanovsky
Brant Henshaw,
PNW Conference Treasurer
Rev. Dan Wilson-Fey,
OR-ID Conference Treasurer

BOARD MEMBERS

Nik Halladay
Darrell Lowe
Rev. Chuck Hindman
Gaye Pierson
Rev. John Watts
Chris Bafus
Rev. Ron Myers
Rev. Lynn Rabenstein
Mike Hartwig
Tom Herrett
Emily Wright
Rev. Erica Spaet
Rev. Peter Perry
Pastor Buddy Gharring
Cynthia MacLeod

STAFF

Tom Wilson, Executive Director
Denise Wilson
Sara Culp
Julia Frisbie
Rev. David Nieda
Heidi Smith

800-488-4179

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