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# 2021 Annual Review

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**FAITH**   
**FOUNDATION**  
NORTHWEST

A LEGACY OF THE  
UNITED METHODIST CHURCH

## From Tom's Desk

Greetings and congratulations! You survived two of what many consider some of the most difficult years in the life of their church or agency. Thank you for all that you do to encourage and live a life of love, faith, and forgiveness to a broken world.

During this period of disruptions the Foundation's board of directors and staff have also worked hard to continue offering our services in new and different ways. Like you, we are becoming more comfortable with Zoom meetings, Vimeo broadcasts, social media, and more. We've also made it easier for churches to do business with us online, through an updated statement portal, and e-signature capacity. This is not to suggest that we don't miss meeting you in your church or across from your kitchen table! We pray that day returns soon.

We announced last year the decision to update our brand and change our name to Faith Foundation Northwest. We have generally heard very positive responses to this decision. We also hold fast to our United Methodist connection with a board comprised of the Bishop, Conference Treasurers, and 18 multi-generational UM clergy and lay persons.



It is my pleasure to report that our investment services are growing. At the close of 2021 we had \$90+ Million under management. We continue our partnership with Wespath, not only because their smart and disciplined investment strategy gives us confidence, but also because they strive to be a great example of Christian stewardship.

I hope you find this annual review helpful. In particular, I hope you read the story of Jean Reis. Her legacy is a remarkable example of Christian stewardship, both during her life and after.

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, 2021 and 2020:

ASSETS	2021 Un-Audited*	2020 Audited
Cash and Cash Equivalents	4,626,553	4,045,915
Marketable Securities	82,351,542	73,186,222
Loans Receivable	3,395,791	3,866,205
Property Held for Investment	124,000	124,000
Office Furnishings, Net of Depreciation	2,273	3,142
<b>TOTAL ASSETS</b>	<b>90,500,159</b>	<b>81,225,484</b>
LIABILITIES AND NET ASSETS	2021 Un-Audited*	2020 Audited
LIABILITIES		
Accounts/Distributions Payable	801	707
Accrued Liabilities	14,250	14,205
Due to Others	78,982,836	70,274,071
Gift Annuities	660,110	633,204
Managed Trusts	1,313,468	1,270,091
Total Liabilities	80,971,464	72,192,278
NET ASSETS		
Unrestricted	2,705,009	2,460,378
Temporarily Restricted	564,180	598,585
Permanently Restricted	6,259,507	5,974,243
Total Net Assets	9,528,696	9,033,206
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>90,500,159</b>	<b>81,225,484</b>

*\*Audited 2020 financials are available upon request. Audited 2021 financials will be available after their publication in 2022. 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 Wespeth, 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 2021:



**\$90M**  
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%*



**\$29M**  
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*



**\$8.7M**  
DEPOSITED INTO  
PERMANENT  
ACCOUNTS  
IN 2021

## 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*



**\$660K**  
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*



**2054**  
MEETINGS, EMAILS,  
AND PHONE CALLS  
IN 2021

## **“Jean Reis knew the Conference better than anyone.”**

That’s what longtime coworkers told us: “She was an institution.” “She had her finger on the pulse and wise counsel to offer.” Jean worked as administrative secretary to the Bishop in the PNW Conference office from 1965-94, serving alongside Bishops Everett Palmer, Maynard Sparks, Wilbur Y.W. Choy, Melvin Talbert, and Calvin McConnell.

Colleagues describe her as a standard-bearer. “She was so particular about the Bishop’s office that everything was done absolutely correctly,” remembers Doris Hollister. Inge Hart adds that “she went by the strict old rules” and kept pastoral appointments secret so that nothing got “leaked” before the morning of Annual Conference. She could seem aloof and serious at first, but once you got to know her, she was warm and gracious, with a twinkle in her eye.

Tom Wilson, the Foundation’s Executive Director, remembers hearing her typewriter still going at midnight from across the hallway in the staff housing during Annual Conference. “Her dedication to the United Methodist Church and to the Office of the Bishop was remarkable.”

Claire Gebbens summarized Jean’s long career this way: “She was [part] of that generation of women who were kept many rungs down on the ladder despite their obvious, capable brilliance.” Without overstepping, she quietly supported our area’s first two Bishops of color, helped advance inclusion across the region, and mentored younger women. Perhaps she could sense a not-too-distant future in which a woman would hold the episcopal office itself.

Whatever future Jean Reis imagined for the conference, she wanted to help fund it beyond her lifetime. Upon her death in 2006, a generous bequest was left to the Foundation. Grants from the gift’s earnings have supported United Methodist projects in the Northwest ever since, from repairs on a grocery rescue truck in Tukwila, to after-school programming for marginalized kids in Vancouver.

Jean knew the Conference better than anybody, and supported it not only through a nearly 30-year career, but with a legacy gift that continues to fund its work beyond her lifetime. That’s quite the vote of confidence. We’re honored to help share her story and steward her gift.

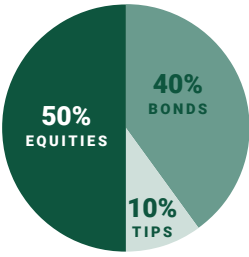




# Portfolio Performance

as of December 31 2021

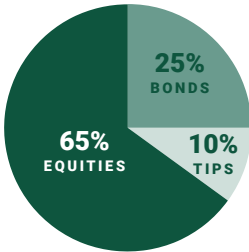
Our flagship **diversified portfolios** are comprised of funds managed by Wespeth, the investment subsidiary of the United Methodist Church. They avoid investments in alcohol, tobacco, pornography, gambling, weapons, and private prisons. They engage companies and policymakers through formal requests, 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 2021, 56% of our assets under management were held in these diversified portfolios.



## Diversified Conservative

1YR	3YR	5YR	10YR
7.43%	13.95%	9.65%	8.18%

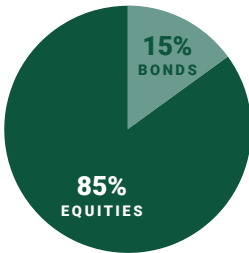
Less volatility and lower expected long-term returns.



## Diversified Moderate

1YR	3YR	5YR	10YR
8.30%	15.45%	10.74%	8.87%

Balanced volatility and greater expected long-term returns.

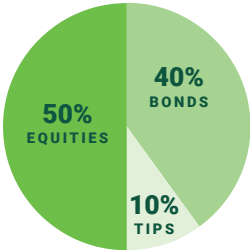


## Diversified Aggressive

1YR	3YR	5YR	10YR
10.92%	18.83%	13.08%	10.99%

Higher volatility and greatest expected long-term returns.

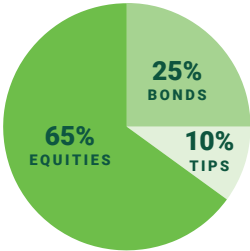
These **social values choice portfolios** were constructed in 2017. They share the same ethical screens as our diversified portfolios, and go a step further by also excluding Palestinian conflict companies and companies with fossil fuel reserves used for energy purposes. Wespath uses a combination of active and passive management in the funds that comprise these portfolios, which held 26% of our assets under management at the close of 2021.



### Social Values Choice Conservative

1YR      3YR  
**11.70%**    **14.22%**

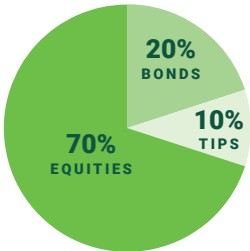
Less volatility and lower expected long-term returns.



### Social Values Choice Moderate

1YR      3YR  
**13.99%**    **16.82%**

Balanced volatility and greater expected long-term returns.



### Social Values Choice Aggressive

1YR      3YR  
**16.83%**    **17.69%**

Higher volatility and greatest expected long-term returns.

**Stable Value Portfolio on back page**

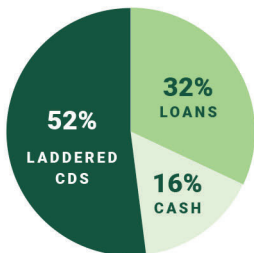
## Portfolio Performance

(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. Foundation staff have managed these funds for 30 years. Note: the stable value portfolio produced lower than usual returns in 2021 due to historically low interest rates.

### Stable Value

2021	2020	2019	2018
0.65%	1.93%	2.75%	1.90%



## 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  
Emily Rigler  
Rev. Peter Perry  
Rev. Erica Spaet  
Pastor Buddy Gharring  
Cynthia MacLeod

### STAFF

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

800-488-4179

[HTTP://FAITH.FOUNDATION](http://faith.foundation)