
2022 Annual Review

FAITH 
FOUNDATION
NORTHWEST

A LEGACY OF THE
UNITED METHODIST CHURCH

From Tom's Desk

Greetings to you from the board and staff of Faith Foundation.

Although 2022 brought us a bear market, we saw unprecedented growth in our stock gifts program, and received more deposits than withdrawals from our partners in ministry. We also strengthened our internal accounting systems. We remain financially strong even as our assets under management fluctuate with the market. As long term investors, we trust that the market will reward our patience. Over the course of our organization's history, this has always been the case.

Rev. Peter Perry, Rev. Dan Wilson-Fey, and Tom Herrett completed their terms as Board members in 2022. They helped shepherd our organization through a volatile market, a rebrand, and a global pandemic. We will always be grateful. In addition, Bob Ives plans to retire from his role as Board President at the end of June 2023. Bob served as legal counsel for our merger with the Oregon-Idaho UM Foundation in 2009, joined our board in 2010, and was elected as Board President in 2013. I've been blessed to have him as a close advisor and trusted friend for more than a decade. Our board's current Vice President LaVerne Lewis will serve as interim



President from July 2023 until elections are held at the fall board meeting.

Finally, after 32 years of service as Executive Director, I have announced my plans to retire at the end of June 2023. In this role, I have been blessed by the ability to work and learn alongside faithful and generous people. As I write this in early 2023, our Board has already made progress towards finding my successor and facilitating a graceful transition. We anticipate no interruptions to the Foundation's ministry. I cannot thank the Foundation's board, staff, and partners enough for the opportunity to work alongside them in this faith-filled organization.

Respectfully,

A handwritten signature in black ink that reads "Tom Wilson".

Tom Wilson
Executive Director

Consolidated Statement of Financial Position

As of December 31, 2022 and 2021:

ASSETS	2022 Un-Audited*	2021 Audited
Cash and Cash Equivalents	3,234,575	3,735,308
Marketable Securities	70,984,827	83,247,876
Loans Receivable	2,589,851	3,395,791
Property Held for Investment	124,000	124,000
Office Furnishings, Net of Depreciation	1,404	2,273
TOTAL ASSETS	76,934,657	90,505,248
LIABILITIES AND NET ASSETS	2022 Un-Audited*	2021 Audited
LIABILITIES		
Accounts/Distributions Payable	1,462	800
Accrued Liabilities	14,250	14,250
Due to Others	68,144,671	78,980,246
Gift Annuities	472,645	660,110
Managed Trusts	723,369	1,313,468
Total Liabilities	69,356,397	80,968,874
NET ASSETS		
Unrestricted	2,195,110	2,712,687
Temporarily Restricted	421,910	564,180
Permanently Restricted	4,961,240	6,259,507
Total Net Assets	7,578,260	9,536,374
TOTAL LIABILITIES AND NET ASSETS	76,934,657	90,505,248

**Audited 2021 financials are available upon request. Audited 2022 financials will be available after their publication in 2023. 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 2022:



\$77M
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 work with endowment policies, procedures, and promotion.

Free of charge



\$5.6M
DEPOSITED INTO
PERMANENT
ACCOUNTS
IN 2022

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



\$4.8M
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



3345
MEETINGS, EMAILS,
AND PHONE CALLS
IN 2022

2023 Board of Directors

OFFICERS

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

EX OFFICIO

Bishop Cedric Bridgeforth
Brant Henshaw,
PNW Conference Treasurer
Candace Clarke,
UMOI Interim Treasurer

BOARD MEMBERS

Nik Halladay
Darrell Lowe
Rev. Chuck Hindman
Gaye Pierson

BOARD MEMBERS (CONT.)

Rev. John Watts
Chris Bafus
Rev. Ron Myers
Rev. Lynn Rabenstein
Mike Hartwig
Emily Rigler
Rev. Erika Spaet
Pastor Buddy Gharring
Cynthia MacLeod

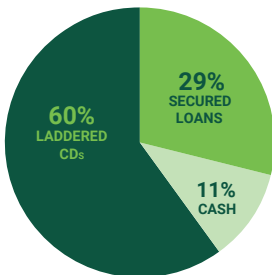
Staff

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

Portfolio Performance

Stable Value

2022	2021	2020	2019
0.47%	0.19%	1.93%	2.75%



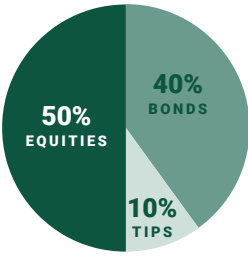
The **Stable Value Portfolio's** goal is to provide high liquidity and minimal market fluctuation for "rainy day" funds.

This 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. Returns are improving with the rise of interest rates in 2022.

Portfolio Performance

as of December 31 2022

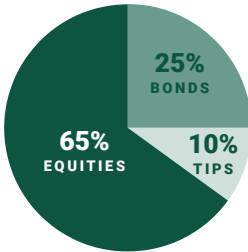
Our flagship **diversified portfolios** are comprised of funds managed by Wespath, the investment subsidiary of the United Methodist Church. They avoid investments in alcohol, tobacco, pornography, gambling, weapons, and private prisons. They engage companies and policymakers through formal requests, 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 2022, 54% of our assets under management were held in these diversified portfolios.



Diversified Conservative

1YR	3YR	5YR	10YR
-16.33%	1.30%	3.15%	5.06%

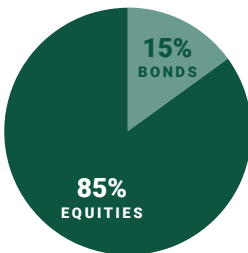
Less volatility and lower expected long-term returns.



Diversified Moderate

1YR	3YR	5YR	10YR
-17.53%	1.58%	3.28%	5.45%

Balanced volatility and greater expected long-term returns.

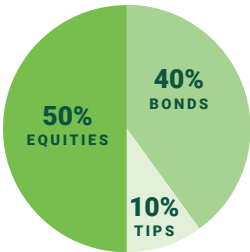


Diversified Aggressive

1YR	3YR	5YR	10YR
-19.78%	2.58%	4.30%	7.09%

Higher volatility and greatest expected long-term returns.

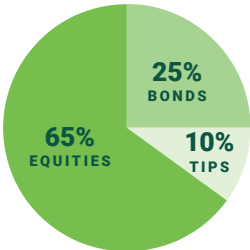
These **social values choice portfolios** were constructed in 2017. They share the same ethical screens as our diversified portfolios, and go a step further by also excluding Palestinian conflict companies and companies with fossil fuel reserves used for energy purposes. Wespath uses a combination of active and passive management in the funds that comprise these portfolios, which held 27% of our assets under management at the close of 2022.



Social Values Choice Conservative

1YR	3YR	5YR
-17.35%	1.07%	3.00%

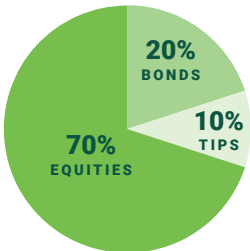
Less volatility and lower expected long-term returns.



Social Values Choice Moderate

1YR	3YR	5YR
-18.13%	2.16%	3.94%

Balanced volatility and greater expected long-term returns.



Social Values Choice Aggressive

1YR	3YR	5YR
-18.70%	2.53%	4.25%

Higher volatility and greatest expected long-term returns.



FAITH FOUNDATION

NORTHWEST

PO BOX 656
CASHMERE, WA 98815

A Gift that Gives Back

Ten years ago, an adventurous couple reached out to Faith Foundation with the desire to fund a capital campaign benefitting the United Methodist camp where they had met and wed. They were ready to retire from landlord duties of a duplex they owned, but they still relied on some of the rental income it produced. We set up a bargain sale.

The couple transferred ownership of the duplex to the Foundation. We sold the property, and gifted part of the proceeds to the camp immediately so that the couple got a nice tax break. Then we invested the other part of the proceeds to pay the couple \$2000 per month for the next ten years to replace their rental income.

Bargain sales allow donors to create meaningful gifts with part, but not all, of an asset's value. Terms vary according to the donors' needs. Call us at 800-488-4179 if you'd like to talk through a gift like this.