

*Published in the March, 2009 edition of the NW Witness:*

## **Foundation strong amid economic trauma**

*Officials plan to discuss change to bylaws, articles of incorporation to broaden service base*

**VANCOUVER, WASH.** - Despite troubling economic declines in just about every sector across the United States, the financial footing of the Northwest Baptist Foundation remained strong, according to NWBF president Tom Hixson. Foundation assets totaled more than \$38,598,200 at the end of 2008, representing only a 1.23 percent decrease over year-end 2007.

Hixson shared his assessment with NWBF board of directors Mar. 5-6 at the semiannual meeting in Vancouver, Wash.

“The past 6 months the financial markets have been in tremendous turmoil,” Hixson noted. “Although the federal government is trying to provide leadership in this arena nothing has stopped the crisis from affecting all sectors of the market.”

Most analysts expect economic recession in the United States to last at least through 2009 and some suggest its effect could last well into next year.

“There is nothing in our current economic condition that allows us to look at past trends as a means to forecast the future,” Hixson said. “We are in a new paradigm for the financial markets,” adding that foundations having greater exposure to the stock markets have seen their holdings decrease by as much as 40 percent.

In loan activity, the board approved a \$280,000 loan for Japanese International Baptist Church in Tigard, Ore., for an expansion of its facilities. The board’s church loans committee is also in the process of approving several other loans.

Hixson reported that at the end of 2008 the Foundation held \$7,121,325 in church loans to Northwest Baptist churches. The Foundation has approved over \$26,900,000 in church loans during its 53-year-history.

The board also awarded scholarships upon recommendation by its promotion, development, and education committee. The awards included 14 scholarships to students the GGBTS Pacific Northwest Campus totaling \$38,740. Another 23 scholarships to students attending various undergraduate institutions totaled \$18,860.

Directors approved \$1,220 in income generated by the Miller Memorial Fund be distributed to Safe Family Ministries, a home for women and children, a ministry supported by Dayspring Baptist Church in Chehalis, Wash., and Southwest Washington Baptist Association.

Foundation officials reported a large addition was made to its Pastor’s Assistance Fund. The fund was created in December 2007 to assist ministry families with short-term needs. The Foundation will distribute funds later this year.

The work of the Foundation has been expanding well beyond its Northwest Baptist base in recent years, Hixson noted.

The Foundation currently assists the New Mexico Baptist Foundation with their accounting and plans are underway to provide similar assistance soon to the Southern Baptists of Texas Convention Foundation.

“For years we have discussed how the smaller foundations in the West can effectively work together so that we don’t all have to hire duplicate administrative staff,” Hixson said. “Now we are doing that.”

Similar discussions are underway with foundations in Colorado and Hawaii, Hixson added. “We will see if there is a way that the Northwest Baptist Foundation can help them succeed in their ministries,” he said.

Foundation directors are planning to meet with the Northwest Baptist Convention executive board to discuss a change in the Foundation’s articles of incorporation and bylaws. A proposed amendment would state the purpose of the Foundation to serve any benevolent, charitable, educational, or missionary undertaking, institution, or agency deemed to be beneficial to the purposes or activities of the Southern Baptist Convention, the Northwest Baptist Convention, affiliated local churches, district associations or other affiliated organizations.

The change would allow the Foundation to work with non-Southern Baptist entities, without allowing them to step outside of the overall mission and purpose of Southern Baptists, according to Hixson.

Assets of the Foundation, by fund classifications, are: endowment funds, \$7,142,144 (19.55 percent); church loan funds, \$1,002,053 (2.74 percent); charitable/life income, \$5,181,935 (14.18 percent); revocable trusts, \$23,044,624 (63.07 percent); operating fund, \$166,757 (0.46 percent).

Hixson also reported distributions from trusts and estates to Baptist causes and other charitable beneficiaries were \$296,888 for 2008. They included: associations, \$72,005; Annie Armstrong Easter Offering/North American Mission Board, \$5,630; churches, \$45,832; Cooperative Program, \$11,726; hospitals, \$13,015; Lottie Moon Christmas Offering/International Mission Board, \$17,795; Northwest Baptist Convention, \$37,650; Northwest Baptist Foundation, \$30,319; pastoral assistance, \$26,870; Pacific Northwest Campus of Golden gate Baptist Theological Seminary, \$15,568; other, \$20,471.

The board’s investment committee conducted its routine review of assets in the Church Loan Pool, Charitable Gift Annuity Reserve Fund, and the Endowment Pool as of December 31, 2008 and determined that the mix of assets was in compliance with board guidelines.

Steve Brock, NWBC chief financial officer, reported the 2008 audit was progressing. The Foundation uses MacDonald Jacobs of Portland, Ore., as its audit firm.

Next year, the Foundation will use a different audit firm, in accordance with its policy to change auditing firms every 3 to 5 years to reduce the potential risk of complacency in an audit and have a fresh look at the Foundation's assets and policies.

The board's next meeting is Aug. 6-7 in Vancouver, Wash.