



The Evangelical Covenant Church

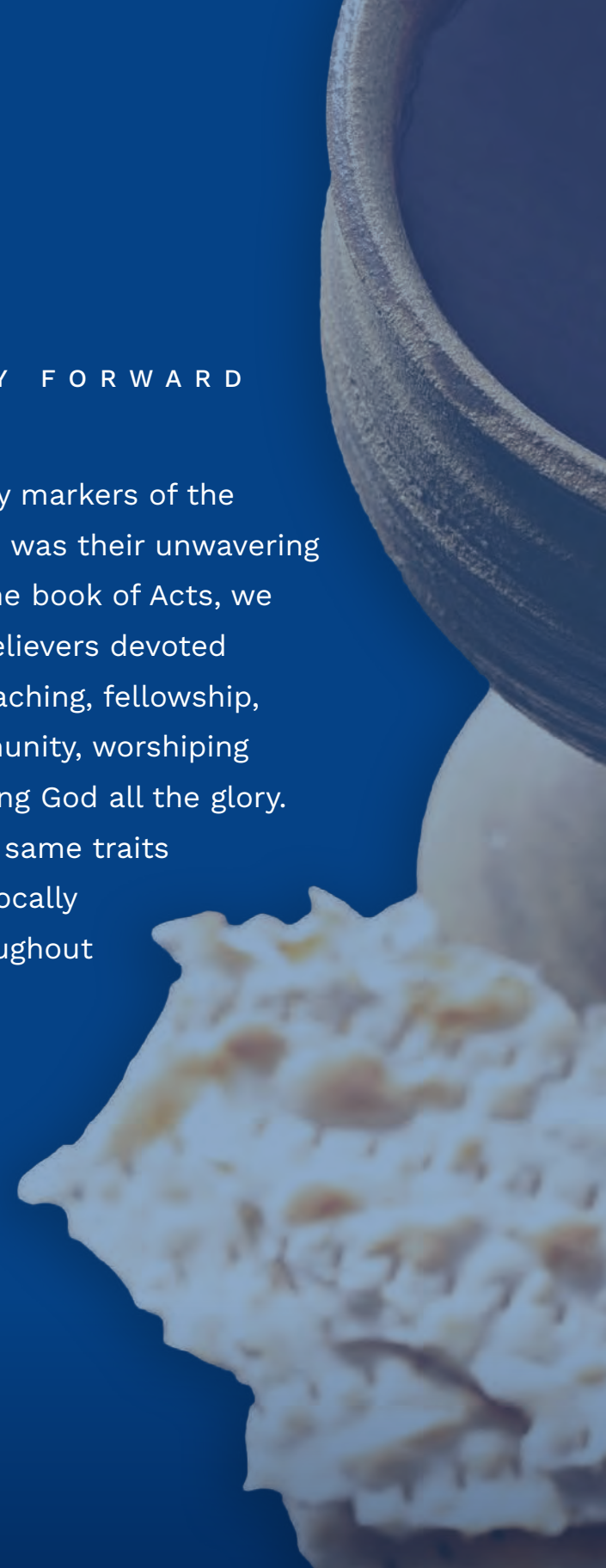
MISSION AND MINISTRY ANNUAL REPORT | 2023-2024



FAITHFULLY FORWARD

FAITHFULLY FORWARD

One of the key markers of the early church was their unwavering faithfulness. In the book of Acts, we read that early believers devoted themselves to teaching, fellowship, generosity, community, worshipping together, and giving God all the glory. We celebrate the same traits in our churches locally and globally throughout the Covenant.





FROM THE PRESIDENT

Greetings, Covenant Family!

As you read through this 2023-2024 Annual Report, I hope you will see your faithful contributions of time, talents, and treasure reflected in each of the pages of our mission

priorities. Thank you for the many ways

you contribute to the Covenant Church's mission. We exist to engage more people in a personal relationship with Jesus Christ, across more populations, in a more caring and just world. We do this through a growing, multiethnic, intergenerational mosaic of churches with ministry partnerships in nearly 40 countries.

Here are a few highlights of how I have been living out this mission over the past year.

Engagements in 18 local churches in six of our regional conferences. These visits often include preaching, greeting, and connecting with the pastoral and other church leadership teams. I have been part of **four in-person milestone anniversary celebrations** and provided a video greeting to 10 others. **I have engaged in some form in all 11 regional conferences this year**, speaking at eight. I have been part of **two international visits** and participated in **14 active boards** across our denomination. All of these are special events that are above and beyond the daily responsibilities of connection, communications, and time spent with the denominational teams.

I cannot begin to express in words the privilege of presence. It is a joy to be present in the local church and hear from members. It is a gift to be in larger regional gatherings with both pastors and laity. When I can't be physically present, it is wonderful to have the technology to be present in a virtual way. Being present matters to me. It matters because I genuinely want to hear from people and listen together for God's voice. Being present gives me the joy of seeing God at work in numerous contexts as we strive together to reach people for Christ.

I am excited about how we are moving

together, **faithfully forward**, which also happens to be our missional theme this year. Acts 2:42-47 provides a glimpse of how the early church laid the foundation for missional work, together.

They devoted themselves to the apostles' teaching and to fellowship, to the breaking of bread and to prayer. Everyone was filled with awe at the many wonders and signs performed by the apostles. All the believers were together and had everything in common. They sold property and possessions to give to anyone who had need. Every day they continued to meet together in the temple courts. They broke bread in their homes and ate together with glad and sincere hearts, praising God and enjoying the favor of all the people. And the Lord added to their number daily those who were being saved.

As we continue to express our devotion through worship, teaching, fellowship, living generously, radical hospitality, and prayer, may we experience the Lord's increase!

For God's glory and neighbor's good,

TAMMY SWANSON-DRAHEIM, PRESIDENT

"And surely I am with you always, to the very end of the age. But you will receive power when the Holy Spirit comes on you; and you will be my witnesses in Jerusalem, and in all Judea and Samaria, and to the ends of the earth."—ACTS 1:8



We celebrate the works of God in the past year and the missional calling he has extended to our denomination.

We also take time to look with hope to the future as we serve on mission together.

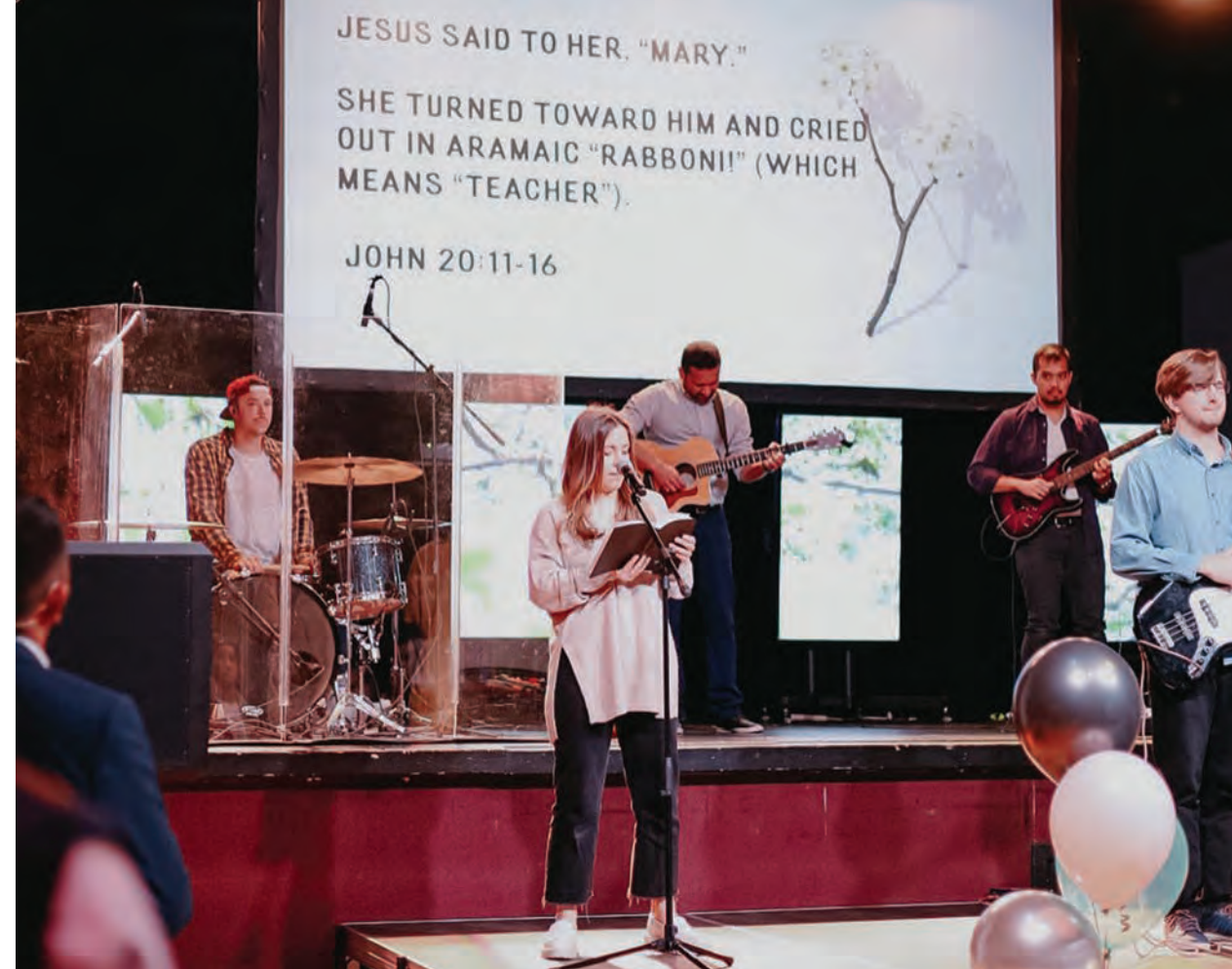
Serve Locally

START AND STRENGTHEN CHURCHES

During Covid, church planting came to a standstill in many conferences as leaders put their energy into supporting their existing congregations. In the past year several conferences have begun rebuilding this important work, which resulted in **five new churches being planted, with 26 churches receiving appropriations.** Our hope is to see eight to 10 churches planted next year and 12-14 in 2026.

We have completely redesigned our church planter pathway in the past three years to create a more thorough, “mission friends” approach. The new process enhances community, stronger collaboration, deeper contextualization, increased accountability, lower cost, and greater accessibility. Conferences, churches, and potential candidates can access our training material any time and anywhere.

In 2019, the Covenant Church of Schaumburg, Illinois, wanted to assess their congregational health. So they **reached out to Missional Vitality to take the Periodic Health Checkup (PHCheck),**



City Collective Church, a church plant in Vancouver, British Columbia (above), baptized 17 new believers last year. The Covenant Church of Schaumburg (left) participated in Mission Vitality workshops, seeking to do the hard work to move faithfully forward.

the assessment tool to help congregations evaluate their missional identity, vision, and leadership.

The results were sobering. They scored “Struggling” overall, with “Challenged” in some areas. The question they faced was, Would they move forward faithfully and take on the challenge to become stronger? Or would they simply go on struggling?

In the next months, the church attended two Vitality workshops. After attending one, the church chair wrote, “It is an understatement to say that it made a BIG difference because the afterglow of the event extended well into the worship service the next day.”

Working with the denomination and their conference, Schaumburg Covenant Church continues to work to improve their church health. The 3StrandStrong cord is strong, and the church is now thriving, moving **faithfully forward.**



MAKE AND DEEPEN DISCIPLES

In 2023, the **interim youth ministry leadership team**, comprising Erik Cave, Matt Aalseth, Jim Eaton, Ginny Olson, and Ruby Varghese, showcased remarkable leadership amid an accelerated pace, fostering fruitful collaborations and innovative projects.

Highlights include the exponential growth of **CovYouth.com**, a vibrant platform fostering connectivity and resource-sharing among 700 members. Engaging webinars, such as CovYouth 101 and Relational Discipleship Kickstart Cohorts, equipped leaders with essential skills, while the NextGen Conference facilitated crucial dialogues, notably on LGBTQ+ ministry.

The **interim children and family ministry leadership team**, led by Sara Sosa, prioritized collaboration and innovation, connecting more than 350 children and family ministry leaders at Lunchbox.group.

Despite challenges, our teams remain resilient, propelled by a shared vision of serving and deepening discipleship in our communities.

LOVE MERCY DO JUSTICE

More than 200 Covenanters participated in an **immersive discipleship experience** in 2023.

We celebrated **25 years of Sankofa** being a transformational immersive discipleship experience of the Evangelical Covenant Church. We successfully resuscitated the **immigration immersive discipleship experience**, rebranding it as “A Migrant Journey: Scripture’s Call to Welcome the Stranger.” Together with the Pacific Northwest Conference, we rebooted **Journey 2 Mosaic** for the first time since the pandemic.

Two-thirds of participants in the **Antiracism Discipleship Pathways (ADP)** increased their cultural competency scores, with the average score increasing 10.3 points on the Intercultural Development Inventory after one year of participating in the ADP. Eleven Covenant congregations participated in the newest iteration of the ADP, which is a 3.0 congregation pathway. In the 3.0 pathway, Love Mercy Do Justice works with an ADP alumni who has participated in two years of the ADP to co-curate a new, contextualized, pathway for their congregation alongside of this leader.



Serve Clergy

Serve Clergy moved faithfully forward in our mission to support the **1,721 active and credentialed members** of the Covenant Ministerium.

We celebrate the increasing number of women in leadership within the Covenant. Serve Clergy has witnessed the **organic growth of active and credentialed women** in the Ministerium from less than 10 percent in 2003 to 28 percent in 2023. This year more than 50 percent of the ordination class will be women.

We celebrate that 27 pastoral households participated in cohorts (taught in Spanish and English) to learn about **cultivating a culture of financial excellence** in their own lives and in their congregations. Many of these households also received grants for consumer debt relief. By adding coaching to these financial leadership cohorts, we look forward to greater impact for a sustainable financial future.

In 2023, **Thriving in Ministry** cohorts were developed out of three categories: felt need, skill development, and spiritual health and development. These gatherings of Covenant clergy and ministry leaders are designed to resource and enrich our pastoral community. The Women of Color, Coaches Training, and the Integrated Life cohorts were the most well attended cohorts this year.



Executive minister Grace Shim and global personnel Marta Klein visit with Covenanters in Congo at the CEUM Centennial Celebration.

Serve Globally

Joining the mission of God is central to the Covenant's beginning, present, and future. Through the decades, Serve Globally has sought to be a companion and partner "to all who fear thee" (Psalm 119:63), our sisters and brothers around the world. With every generation, we build on what God has already done and look forward with openness to new ways of sending, mobilizing, and mutually partnering with the global church.

Serve Globally is **committed to God's mission of extending the whole gospel to the whole world**. We send personnel to serve alongside global partners to form and equip communities of Christ-followers. We respond to invitations to collaborate and learn from leaders and communities who desire to see the love of Jesus expressed and shared. Through culturally relevant evangelism and transformational ministries, we seek to demonstrate the whole gospel. In this last year as a denomination, we sent five global personnel to serve alongside partners in Middle East North Africa, Europe, and Latin America.

Our global partners through Covenant World Relief and Development (CWRD) have much to teach us about incorporating the work of shalom into the mission and ministry of the church. In war-torn South Sudan and Ethiopia the Evangelical Covenant Church of South Sudan and Ethiopia



Prajakta David-Kelley and Ramelia Williams traveled to Capitol Hill to engage in advocacy against sex trafficking (top). Merge participants serve alongside the global church in a pop-up dental clinic in Panyebar, Guatemala (bottom).



manifested through faithful churches, global personnel, and partners. May this witness encourage and remind us of God’s invitation to move **faithfully forward** toward greater wholeness and reconciliation in our world today.

SERVE GLOBALLY BY THE NUMBERS

- **860 direct beneficiaries** have been served by our partners through FREE, the anti-sex trafficking initiative of the Covenant.
- **2,456 individuals and 448 congregations** gave generously to sustain the work of Serve Globally, resulting in the support of global personnel and ministry partners in 51 countries.
- **100 students** engaged in missiological trainings and educational opportunities facilitated by the Center for World Christian Studies.
- **497 Covenanters** participated in 33 different Merge trips to nine different countries to build deeper relationships.
- In November 2023, the CEUM had **more than 700 baptisms** at the Centennial Celebration attended by more than 9,000 people.

has been committed to teaching and training on peace, healing, and reconciliation among tribal groups who have committed atrocities against each other. In South America, the youth and young adults of the Covenant Church of Colombia implement multiple projects that seek to bring peace and justice in towns that have been devastated by cartel violence. In Middle East North Africa, a region marked by historical conflicts and deep-rooted animosities, Musalaha, which means “reconciliation,” brings together Christians, Jews, and Muslims to build friendships that transcend religious, ethnic, and cultural differences.

We bear witness to incredible stories of God’s work of the gospel

Community members now have access to clean water through CWRD partner Shanti Nepal (right). CWRD partners through disaster relief in Syria (top left).



COVENANT WORLD RELIEF AND DEVELOPMENT

- \$517,000 was distributed for **19 disaster response grants** in nine countries, including \$250,000 for Ukraine and \$80,000 for the Turkey/Syria earthquake.
- **\$1.1 million was sent to 28 partners in 18 countries for 39 community development projects** like clean water initiative, community health, anti-trafficking, refugee care, food security and nutrition, agriculture, women empowerment, and peacemaking.

COVENANT KIDS CONGO

- Since 2017, the number of households using **basic sanitation facilities increased from 11% to 36%**, and the number of households using basic drinking water facilities increased from 16% to 59%. A direct result was a 26% decrease in the number of community members reporting diarrheal illnesses.
- Since the Covenant Kids Congo partnership began in 2012, **children completing basic education has increased from 52% to 80%**.



Clean water initiatives through CKC (left). Dr. Dan Connors (PCP Medical Ambassadors) trains dental students in extraction techniques (above).

PAUL CARLSON PARTNERSHIP

The Paul Carlson Partnership Medical Ambassadors are volunteer health professionals based in the US who come alongside their medical colleagues in the Covenant Church of Congo (CEUM) and practice the train-the-trainer model with the goal to multiply medical training for long-term impact. In 2023, a small team trained Congolese providers in techniques that will **improve the medical and dental health of the 1.4 million people** in the Covenant Church of Congo health system:

- Eight people were trained to do dental extractions (previously there had only been one dentist in the entire health system).
- Six physicians were trained in ultrasound, using new state-of-the-art Butterfly handheld portable devices.
- Twelve students were taught the new Gestational Diabetes course.

Mission Advancement



	2021	2022	2023
INDIVIDUAL GIVING	\$ 6,726,686	7,417,418	6,224,887
CHURCH GIVING	\$ 9,423,498	9,218,509	8,777,793
BEQUEST GIVING	\$ 2,714,270	2,037,400	2,159,017
TOTAL GIVING	\$ 18,864,454	\$18,673,327	\$17,161,697

Actuals based on FY 10.1–9.30

Have you ever wondered how your tithes and offerings are being used in the Evangelical Covenant Church?

Use the QR code to see a video to learn how your gifts are supporting Covenant mission and ministry around the world.

“A triple-braided cord is not easily broken” (Ecclesiastes 4:12). As local churches, conferences, and the Covenant, we are woven tightly together so that we can accomplish greater work in the mission of God’s kingdom than we could accomplish alone—3StrandStrong.

Rev. Craig Swanson, pastor of First Evangelical Covenant Church in Grand Rapids, Michigan, describes their 3StrandStrong partnership this way: “First Evangelical Covenant Church (Svenska Missions Kyrkan in the early days) and the Evangelical Covenant Church were both born in the 1880s, with First being first. We have been intimately connected for all of these years. That fresh wind of the Spirit moving in Scandinavia and among immigrants in the

US was moving here too.”

He continues, “We have always supported the Covenant in significant ways, even as we have benefited in turn. What has especially moved us to devote a significant percentage of our local income to the work of the Covenant has been overwhelmingly the work of serving globally to see the spread of Jesus’s name and his grace among peoples different and distant from our congregation. As we seek to make and deepen disciples locally, we are grateful to be able to join with our sister congregations in seeing that happen elsewhere. We are glad to be evangelical covenant disciples and an Evangelical Covenant Church.”

Your participation in 3StrandStrong is vitally important. Every Covenant church is asked to faithfully present a tithe (6.5% of church income for the Covenant and 3.5% for your conference) to the Lord to be invested in the kingdom work we do together. For God’s glory and neighbor’s good.



3StrandStrong
CONGREGATION • CONFERENCE • COVENANT



“Faithfully Forward” is an invitation to celebrate how God is moving as we celebrate God’s faithfulness this past year and look forward to the future with hope.

2,522

credentialed pastors, chaplains, global personnel, and congregational leaders equipped and supported to live out their ministry call



10,883
BAPTISMS
AND COMMITMENTS
TO CHRIST FROM
OUR 816 COVENANT
CHURCHES

76 GLOBAL PERSONNEL
SERVE IN 22 COUNTRIES
ON FIVE CONTINENTS



Five new global personnel serve in Sweden, France, Israel/Palestine, and Guatemala

759
FAITH
COMMITMENTS
REPORTED BY 79 OF OUR MOST
RECENT CHURCH PLANTS

CHURCH PLANTER
TRAINING
NOW AVAILABLE IN
SPANISH ON VIDEO

200
COVENANTERS PARTICIPATED IN
IMMERSIVE
DISCIPLESHIP
EXPERIENCES

More than **250 volunteers** provide guidance and expertise to approximately 20 governing boards, commissions, and committees

2023 Evangelical Press Association
1ST PLACE
AWARD OF EXCELLENCE
Covenant Companion

COVBENEFITS
NOW OFFERS THREE INSURANCE
PLAN OPTIONS, MAKING THE
PLAN MORE ACCESSIBLE

FINANCE

Fiscal Year 2023 Financial Report

When Gary Walter became head of Church Growth and Evangelism (now Start and Strengthen Churches) in the 1990s, he shared five rules of conduct for those of us on staff to live into. One of those rules was “Remember the widow in Iowa.” It was a simple way for us to remember that every dollar we spend on behalf of the Covenant was donated sacrificially by someone, and we should treat it accordingly. When I started in the interim role as vice president of finance a year ago, I laid out the same five rules for the Finance team, and they have made them their own. We consider the stewardship of Covenant resources to be a sacred trust.

We continue to claw our way back from the impacts of Covid earlier this decade, and we sense a light at the end of the tunnel—not a train coming at us but rather the Covenant emerging into a bright new day. That’s not to say “we’re back” but that almost every day feels better than the last, and we can look to the future with optimism and prayer.

One evidence of that truth is that church giving is up approximately 7% from the year before, as well as 7% over budget through the first half of the fiscal year. Something to celebrate!

FISCAL YEAR 2023 OPERATING RESULTS

Covenant expense spending in FY2023 was 4.15% under budget. That represented significant effort on the part of leadership to keep a rein on expenses. That tight rein was necessary because revenues weren’t up to snuff. We were almost \$800,000 behind budget for Covenant Church Support. However, in July 2023, we received an Employee Retention Credit grant from the federal government for \$1,629,655 (when adding in the interest bonus). That allowed us to forgo some of the deployed reserves (accumulated surplus from prior years) that would have been needed to keep mission moving forward and balance the budget. It is not a great management process to eat into reserves over multiple years, and we are reasonably optimistic that we can get to a fully balanced budget again.

The final operating bottom line was that we ended FY2023 with an operating surplus of \$554,276. Like the uptick in Church Support reported this year in FY2024, it has been a long time since we have been able to report a surplus for the Covenant.

FISCAL YEAR 2023 FINANCIAL PERFORMANCE

	BUDGET FY 2023	ACTUAL FY 2023	% VS BUDGET
MISSION PROVISION:			
Covenant Church Support	\$ 7,848,188	\$ 7,074,230	-9.86%
Individual Donor Support	2,657,361	2,667,054	0.36%
Affiliate Fees	4,200,000	4,200,000	0.00%
Deployed Reserves	1,459,699	363,208	-75.12%
Annual Bequests Draw	1,874,000	1,874,233	0.01%
Other Income and Rent	250,000	275,242	10.10%
Total Mission Provision	\$ 18,289,248	\$ 16,453,967	-10.03%
MISSION INVESTMENT:			
Serve Clergy	\$ 1,167,637	\$ 1,043,511	10.63%
Serve Locally	4,148,111	4,204,665	-1.36%
Serve Globally	5,958,252	5,071,495	14.88%
President's Office	946,341	1,024,989	-8.31%
Finance	1,021,274	1,054,877	-3.29%
Advancement	908,278	1,001,322	-10.24%
Operations	1,575,495	1,844,443	-17.07%
Marketing & Communications	1,388,860	1,284,044	7.55%
North Park University	1,000,000	1,000,000	0.00%
Other	175,000	0	100.00%
Total Mission Investment	\$ 18,289,248	\$ 17,529,346	4.15%
Operating Loss	\$ 0	\$ (1,075,379)	-5.88%
Employee Retention Credit	\$ 0	1,629,655	8.91%
Net Income (Loss) for Year	\$ 0	\$ 554,276	3.03%

Covenant Benefits

Covenant Benefits (an imbedded ministry of the Covenant) supplies financial security through health insurance and retirement benefits to pastors and ministry staff, which enables Covenant leaders and ministries to give of themselves and their abundance. Numerous access points to mental health services are included, which enable Covenant pastors and leaders to care for their own emotional and mental health while attending to the emotional, spiritual, and mental health of their congregants. Covenant Benefits acts as an advocate and liaison when insurance concerns arise, freeing up time and space for Covenant pastors and leaders to focus on their ministries.

The health insurance ecosystem is ever more complicated as new laws are enacted and costs continue to skyrocket as lifesaving medical advances and specialty medications are released. Covenant Benefits prioritizes affordable access to healthcare. With guidance from the Board of Pension and Benefits and experts in the field, Covenant Benefits continues to manage our group health insurance plan with diligence and service to the Covenant.

The health insurance component of Covenant Benefits is struggling to adjust to the steadily rising costs of medical coverage. **The transition from one health insurance plan option to three in 2023 was well-received, making the plan more accessible to a wider variety of churches' and ministries' budgets and preferences.** Year-over-year increases in actual medical costs for all medical plans nationwide have averaged 8%. Beginning in the year 2019, medical premiums paid by participants and their churches started to total less than the medical treatment costs incurred. Covenant Benefits has traditionally increased premiums very modestly while offsetting any shortfalls with reserve investment returns, while similar denominational and ministry group health plans like ours have passed on double-digit increases regularly to keep up with healthcare inflation. We are evaluating adjustments for 2025 to enable the Covenant to continue providing this important service of group employee health insurance coverage long into the future while keeping up with healthcare inflation trends, such as a higher premium increase, right-sized family tier rates, and/or adjustments to copays and deductibles.

COVENANT PENSION PLAN

Of great interest to clergy, the Covenant Pension Plan experienced a strong 2023 (it reports results on a calendar year basis). Just as the disappointing results in 2022 were fueled by the general equity and other markets being solidly down, the Plan experienced good recovery in 2023. At the recent Board of Pensions and Benefits meeting, it was reported that the Plan was at 105.9% funding level as of January 1, 2024. The Plan has assets



Covenant Benefits team at Midwinter 2024:
Aaron Dean, Angela Simmons, Liz Diaz,
Kate Penkethman, and Christina Kempe

of \$283,453,382 as of January 1, 2024.

There are 2,161 pastors, chaplains, global personnel, and other ministry roles (and their spouses) who participate in the Plan. Of those, 1,042 are actively receiving pension benefit payments. Those payments total more than \$1,250,000 every month. With the closure of the Plan to new applicants in 2020, we saw a drop of 16 participants in 2023. We are now in a long season (the next 60 years or so) of declining numbers in the Plan.

Marketing & Communications

SHARING THE COVENANT STORY

We continue to tell the stories of how God is moving in and through the Covenant Church in our publications—the award-winning *Covenant Companion* magazine and the *Covenant Home Altar* devotional guide—with a combined circulation of 9,000. CovChurch Now, our weekly email, has more than 22,000 readers. And more than 283,000 visitors came to CovChurch.org, our denominational website, last year—approximately 22,000 per month.



Affiliate Ministries

God’s care for the world has inspired us to help create and sustain affiliated ministries that meet specific needs.

NORTH PARK UNIVERSITY

More than **640 degrees were conferred on North Park graduates in 2023.**

Students formed in Christian community among a rich and diverse student population are well prepared to enter ministry and professions throughout our city, across our nation, and around the world.

Student **engagement in faith, learning, and service**—both on campus and in the city of Chicago—transforms student lives and the lives of the neighbors they serve. Our University Ministries team organizes and encourages engagement in multiple opportunities for Christian faith development through discipleship, learning, and service.

Enthusiasm and momentum on campus this year were evident. The elevation and continuous improvement in the ability of the Covenant’s university to help our multiethnic student community advance their spiritual, social, and professional mobility is a testament to living out our historic mission in the contemporary context of today.

NORTH PARK THEOLOGICAL SEMINARY

Through our Thriving in Ministry Lilly Endowment Grant, **Covenant clergywomen met in cohorts focused on well-being in ministry.**

Here are a few testimonials:

- “I am forever changed by these women that I have walked with in this cohort and strengthened to continue on.”
- “This cohort has been a bright point of fun and joy in a challenging ministry season.”

Debbie Blue received the **North Park Theological Seminary Distinguished Alumni Award** in honor of her ministry as the first to lead the denomination’s department of Compassion, Mercy, and Justice (now Love Mercy Do Justice), as well as her leadership and loving influence as a nonanxious presence to advocate for righteousness and shalom.



The **second cohort of School of Restorative Arts** students graduated. Twenty-four men received master of arts degrees in either restorative justice ministries or Christian ministries. North Park’s unique program, in which free and incarcerated students study together, includes male students incarcerated at Stateville Correctional Center and female students at Logan Correctional Center.

Covenanters from any location can earn a **master’s in Christian formation in four years** through the Equip cohort (hosted by the Midwest Conference) or the Ignite cohort (hosted by the Pacific Southwest Conference). These collaborative, cohort-based pathways enable staff pastors and lay leaders serving at local Covenant churches to complete an affordable seminary degree with a consistent community of learners and develop friendships to sustain lifelong ministry.

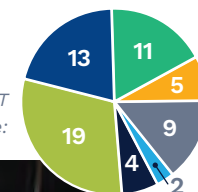
CENTRO HISPANO DE ESTUDIOS TEOLÓGICOS (CHET)

CHET proudly celebrated **the graduation of 115 students** in December, reflecting the diverse academic programs offered as well as our commitment to serving the Covenant.

We were fortunate to receive a grant from the Kroner Foundation, enabling us to **implement a new teaching and learning platform.** Additionally, the acquisition of a donor management software system enhances our ability to provide donors with a more seamless giving experience.

The CHET Board of Directors is deeply grateful for the generous gift from the Evangelical Covenant Church, which is a testament to our shared commitment to advancing the mission of God by raising up Latino(a) leaders to serve in churches and communities across the United States and beyond. As we press forward faithfully, we are poised to address our most pressing needs, including advancement, recruitment and retention, and curriculum development.

December 2023 CHET graduates by conference:



- PACIFIC SOUTHWEST
- PACIFIC NORTHWEST
- CENTRAL
- MIDWEST
- NORTHWEST
- MIDSOUTH
- ECUADOR





- Our investors provide the foundation to build the future together and their consistent support led to **259 loans to Covenant churches, camps, and affiliated organizations** totaling \$250 million in commitments at the end of 2023. Our partnership in faithfully moving forward and aligning intentional ministry visions with community-focused facilities resulted in \$20 million in new loans this past year.

NATIONAL COVENANT PROPERTIES

More than an investment. We're building for the future.

It is an honor for National Covenant Properties (NCP) to partner with and to share in the encouraging, inspiring, and transforming ministry that the Covenant Church is providing to a world searching for meaning and a higher purpose for living. NCP has been serving member churches and affiliated organizations of the Evangelical Covenant Church since our founding in 1970.

You Invest

- With the loyal investment and commitment to building for the future of approximately **4,000 dedicated mission-minded investors**, together we are able to make an impact in growing the kingdom of God and support Covenant ministry. NCP is grateful for the support of our mission and for our faithful investors' role in strengthening local and regional Covenant ministries.
- In 2023, NCP introduced several new options to our array of fixed income investments as part of our commitment to offering relevant products to our ministry partners, and we are appreciative of our new investors in those investments.

We Lend

- As church leaders revisit the use of their church properties as a tool for ministry, our seasoned Real Estate Services team collaborates on customized coaching opportunities to assist churches in making insightful decisions how to best use their resources to meet the needs of their local communities. This past year NCP worked on **34 real estate projects totaling \$33 million**, assisting churches to create innovative spaces to serve and better connect with the neighbors.

Ministry Grows

- Since 1970, NCP has provided **\$1.1 billion in loans** to Covenant churches through the partnership between Covenant mission-minded investors and Covenant church ministry.
- Real estate and facility stewardship matters! The intentionality of church leadership to engage in a higher level of community engagement through the use of resources allows for more new doors to be opened, more connections with neighbors, and making the church facility a more relevant meeting place in the community.
- As part of intentional initiatives to enhance the church property use as a tool for ministry most days of the week, NCP is pleased to serve the Covenant by offering project leaders real estate stewardship assistance in identifying land and facility options, negotiating leases and real estate purchases, constructing and expanding current facilities, as well as in selling and renting out current church properties.
- Financial stewardship matters! In partnership with denominational conference leaders, NCP provides church and lay leaders development in ministry focused financial and budgeting best practices to allow healthy and missional churches to steward their resources well. NCP has resourced about 625 Covenant leaders from 325 churches, including 135 pastors, in this financial stewardship initiative.

Together we are stronger and together we are building for the future. Our dedicated team is praying for and dedicated to serving our mission minded Covenant family. As we journey together on our shared mission, collectively we can move the ministry faithfully forward and reach more people for God.

The offer and sale of the Certificates is limited to persons who, prior to receipt of our Offering Circular, were members of, contributors to, participants in, or affiliates of The Evangelical Covenant Church, including any program, activity, or organization that constitutes a part of The Evangelical Covenant Church, or any of its conferences, or any congregation of The Evangelical Covenant Church, or other persons who are ancestors, descendants, or successors in interest to such persons (Investors). The offer and sale of certificate to investors residing in the state of Washington is limited to persons or entities who are, prior to the solicitation for the purchase of said Certificates, members of, contributors to, or listed as participants in, National Covenant Properties, or their relatives (as defined in RCW 21.20.005(13)). This does not constitute an offer to sell or the solicitation of an offer to buy the Certificates. There shall not be any sale of the Certificates in any state in which such offer, solicitation, or sale is not authorized. The offering is made solely by the Offering Circular. The offering of Certificates involves certain risks, which are more fully disclosed in the Offering Circular under the heading "Risk Factors." In the event NCP exercises its right to redeem a Certificate prior to maturity and upon sixty (60) days' notice to the holder thereof, payment of the outstanding principal and interest will be paid to the holder to the date of redemption. The Variable Rate Certificates, Demand Investment Accounts, Individual Retirement Account (IRA) Certificates, and Health Savings Account (HSA) Certificates are not available for sale to investors residing in South Carolina. The Variable Rate Certificates and Demand Investment Accounts are not available for sale to investors residing in Louisiana. NCP's Certificates are not insured by any governmental agency or private insurance company, including the Federal Deposit Insurance Corporation, or any state bank, insurance fund, or any other governmental agency.

COVENANT MINISTRIES OF BENEVOLENCE

Jessica's House seeks to provide a safe place for children, teens, young adults, and their families who are grieving a death. Our vision is that no child would ever grieve alone. Last year **912 individuals participated in free peer support groups.**

When Samantha's husband, Jeff, died from a sudden heart attack, their family struggled to process their grief. A school nurse encouraged Samantha to reach out to Jessica's House.

Samantha and her two children, Cora and Connor, began grief support groups at Jessica's House in September 2021. "Jessica's House was just what we needed," Samantha says. Finding connections with others going through a similar loss helps them process their grief with others who understand. Cora and Connor are finding ways to express their grief through expressive activities. They are learning coping skills as they find support with others their age who have also lost a parent.

"Jessica's House is such a welcoming space," says Samantha. "I bond in groups with others who have lost their husbands and find I'm not alone. I also notice joy in those who are further along in their grief than I am. I know that's a future possibility for my children and me." Today she and her children are learning to live again. Samantha says that when she thinks of Jeff, she is beginning to do so with more love than grief—even though it's not easy. "When you love hard, you grieve hard," she says.

Autism is the fastest growing developmental disability with one in 36 children diagnosed with an Autism Spectrum Disorder (ASD) today. **Ädelbrook Behavioral and Developmental Services** is the premier resource for children, families, and communities to meet the needs of youth and young adults with ASD and other behavioral and developmental challenges. Ädelbrook has become a pillar of service and support for more than 500 children, young adults, and families.

We have dedicated extensive resources to developing individualized plans and unique programming to benefit individuals with developmental and intellectual disabilities. Through a state-of-the-art residential program, three special education schools, a transitional academy, two educational retail stores, a preschool and daycare center, group homes, a children's respite program, and in-home and community-based care and consultative services, we have continued to grow faithfully forward, serving even more individuals in need.



The **Linda Reilly-Blue Children's Respite Program** is named after Linda Reilly-Blue, who is a beacon of hope and a testament to the power of faith in action. She is a long-time board member who has dedicated her life to advocacy on behalf of children and their families. As an adoptive parent of children with disabilities, she has walked in the shoes of families in need of help.

The respite program provides weekend relief to individuals diagnosed with autism as well as for primary caregivers in a home setting in the community. This initiative addresses the overwhelming needs of caregivers

as they care for their loved ones 24/7. One parent who uses the respite services shared the life-changing impact of the program, saying, "I would put Ädelbrook in the almost-too-good-to-be-true category."

The program celebrated its one-year anniversary in February.

COVENANT LIVING

The past year was a continuation of recovery from the impact of the pandemic and meeting the ever-changing landscape of today's economy. Covenant Living experienced a renewed sense of focus on embracing the future, especially for two of its most important assets: residents and employees. The organization experienced affirmations of its sound fiscal practices, a goal of maintaining and growing occupancy and honing in on the road map for the future with its strategic aspiration, including community growth and an eye on being even more resident- and employee-centered.

Our successes rest on our faith, our focus on the present while maintaining a road map for moving forward and embracing our common purpose of creating joy and peace of mind for residents, employees, and their families by creating a better way of life.

Faithfully Forward, Serving Seniors

- With the restrictions of the pandemic behind us, our sales and marketing teams have seen **a steady increase in the number of residents seeking senior housing options** in all levels of living. In particular, our health centers with skilled nursing care experienced an increase in occupancy, which is a result of our commitment to providing quality care, the dedication of each community's healthcare navigators, and our strong relationships with local medical communities.



• Listening to our residents

was a key initiative this past year with a survey conducted to take the pulse of how they are thinking about their experiences with the organization. The survey in May 2023 had a 77.5 percent response rate. Among the areas of highest value to our residents were safety in the community, being valued as a person, and quality of spiritual life programs.

• **Covenant Living of Northbrook, Illinois**, broke ground in late November of 2023 for an expansion project that includes three new three-story carriage homes. This will add 36 new one- and two-bedroom apartments, each with a large patio or balcony, and private under-building garage. The project also includes a reimagined Town Center, adding another 9,000 square feet with upgraded dining venues—both indoors and outdoors.

• Plans and pre-sales are underway at **Covenant Living of the Great Lakes** for a new Cottage Homes development. Once finalized, the Cottage Homes, to be built on existing property of the community, will consist of 34 two-bedroom cottages with front porches and private garages.

• Covenant Living continues its rich legacy of benevolence through the generosity of those who give from the heart. The organization can discreetly provide financial assistance to residents who have outlived their resources through no fault of their own to help them remain in the community they call home. In 2023, **more than \$4,700,000, was raised for benevolent care** through annual galas, estate gifts, and other cash contributions from Covenant Living communities a cross the country.



COVENANT TRUST

The year 2023 saw Covenant Trust exhibit strength in our mission to help our clients achieve their financial and charitable purposes. Our investment performance was excellent, and our financial performance was solid. **We facilitated \$7.24 million in giving to Covenant causes through current and legacy gifts.**

The year also affirmed the Wall Street adage that the stock market “climbs a wall of worry.” US stocks returned better than 25% despite a continuous onslaught of negative headlines. The reality is that successful investing rarely feels “good” on a day-to-day basis. **The only thing we can say for certain about the future is that it is uncertain.**

Fortunately, effective financial planning doesn’t require clairvoyance. It does involve navigating uncertainty via the important certainties available to us.

Some of those certainties are:

- 1. A dedicated savings plan is the bedrock of all financial planning.** Hope is not a savings strategy. We cannot simply hope that savings will “fall out” after we pay for everything else. We must commit a portion of our budget to savings. In our experience, this is where most financial plans go astray.
- 2. We grow and protect our savings by putting it at risk.** Over time, inflation erodes our purchasing power. For example, a 4% inflation rate makes \$1 today worth \$0.66 in ten years. “Safe” investments, such as money market funds, do not provide a rate of return in excess of inflation (and they are inherently exposed to reinvestment risk). To grow and protect our savings, we must put it at greater risk. Over longer time periods, the higher the expected risk of an investment, the higher the expected return. Since 1928, the return of the US stock market has been three times the return of cash-equivalents and two times that of bonds.
- 3. The risk inherent in a well-diversified stock portfolio declines the longer it is held.** It is a truism that the stock market is volatile. Although the long-term return of US stocks is multiples of what cash equivalents and bonds have returned, that includes many periods when the market declined more than 40%! But volatility diminishes over longer measurement periods. In the past 98 years, the US stock market’s performance has been positive over 87% of five-year measurement periods and 100% of 15-year measurement periods.
- 4. Minimizing taxes and fees is crucial.** The late John C. Bogle, founder of the Vanguard Group, said, “You get what you don’t pay for.” Taxes and fees, if not efficiently managed, will significantly degrade investment returns. Covenant Trust is an enthusiastic fan of index funds due to their low fees and low turnover—and they outperform most active investment managers over time. Moreover, we assist our clients with tax strategies and tax planning, and we encourage all investors to take full advantage of any tax-deferred savings available to them.

Ultimately, your personal spending plan, investment plan, retirement plan, and giving plan must reflect your unique financial goals and charitable purposes. At Covenant Trust, we help our clients to develop a plan aimed at achieving their financial and charitable calling. We work to ensure that their financial strategies reflect and protect those things most dear to them.

*We are deeply grateful for the faithful service
and many contributions of our Covenant leaders.*



COVENANT LEADERSHIP

Evangelical Covenant Church

Steve Dawson, INTERIM EXECUTIVE DIRECTOR, FINANCE
Herb Frost, EXECUTIVE MINISTER, ORDERED MINISTRY AND SERVE CLERGY
Gayle Gilreath, EXECUTIVE DIRECTOR, ADVANCEMENT
Paul Lessard, VICE PRESIDENT, MISSION PRIORITIES
Jennifer McIntyre, EXECUTIVE DIRECTOR, MARKETING AND COMMUNICATIONS
Debra Mitchell, INTERIM EXECUTIVE DIRECTOR, OPERATIONS
Paul Robinson, EXECUTIVE MINISTER, LOVE MERCY AND DO JUSTICE
Grace Shim, EXECUTIVE MINISTER, SERVE GLOBALLY
Tammy Swanson-Draheim, PRESIDENT

Affiliates

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 DEAN OF THE SEMINARY, NORTH PARK THEOLOGICAL SEMINARY
Peter Hedstrom, PRESIDENT, NATIONAL COVENANT PROPERTIES
Steve Klimkowski, PRESIDENT, COVENANT TRUST
Magdalena Sánchez, INTERIM PRESIDENT, CENTRO HISPANO DE ESTUDIOS TEOLÓGICOS
Todd Slechta, PRESIDENT, COVENANT MINISTRIES OF BENEVOLENCE
 AND COVENANT INITIATIVES FOR CARE
Mary Surridge, PRESIDENT, NORTH PARK UNIVERSITY

COUNCIL OF SUPERINTENDENTS

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CENTRAL H. Danny Martinez	MIDWEST Brian Johnson	SOUTHEAST Catherine Gilliard
EAST COAST Howard K. Burgoyne	NORTHWEST Kara Stromberg	CANADA Glenn Peterson
GREAT LAKES Garth McGrath	PACIFIC NORTHWEST Gregory J. Yee	

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*We join God in God's mission
to see more disciples
among more populations
in a more caring and just world.*