

# **Christian Church Foundation, Inc.**

Independent Auditor's Report and Consolidated Financial Statements

December 31, 2018 and 2017

**Christian Church Foundation, Inc.**  
**December 31, 2018 and 2017**

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## Independent Auditor's Report

Board of Directors  
Christian Church Foundation, Inc.  
Indianapolis, Indiana

We have audited the accompanying consolidated financial statements of Christian Church Foundation, Inc. and its subsidiary, which comprise the consolidated statements of financial position as of December 31, 2018 and 2017, and the related consolidated statements of activities and cash flows for the years then ended, and the related notes to the consolidated financial statements.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Opinion***

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Christian Church Foundation, Inc. and its subsidiary as of December 31, 2018 and 2017, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

***Emphasis of Matter***

As described in Note 2 to the consolidated financial statements, in 2018, the Foundation adopted ASU 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. Our opinion is not modified with respect to this matter.

***BKD, LLP***

Indianapolis, Indiana  
March 5, 2019

**Christian Church Foundation, Inc.**  
**Consolidated Statements of Financial Position**  
**December 31, 2018 and 2017**

|   | <u>2018</u>           | <u>2017</u>           |
|---|-----------------------|-----------------------|
| <b>Assets</b>   |                       |                       |
| Cash  | \$ 932,373            | \$ 590,482            |
| Marketable securities and other investments                   | 667,677,479           | 727,353,046           |
| Property and equipment – net                                  | 187,826               | 263,589               |
| Contributions receivable                                      | 1,719,750             | 597,669               |
| Other assets  | <u>243,749</u>        | <u>224,236</u>        |
| Total assets  | <u>\$ 670,761,177</u> | <u>\$ 729,029,022</u> |
| <b>Liabilities</b>  |                       |                       |
| Non-endowment funds   |                       |                       |
| Partner investment accounts                                   | \$ 443,573,852        | \$ 484,858,064        |
| Liability to income beneficiaries under life-income gifts     | 14,906,331            | 16,981,483            |
| Liability to charitable beneficiaries under life-income gifts | 5,865,868             | 7,054,081             |
| Other liabilities   | <u>774,209</u>        | <u>773,054</u>        |
| Total non-endowment funds                                     | <u>465,120,260</u>    | <u>509,666,682</u>    |
| Endowment funds held for the benefit of others                |                       |                       |
| Managed for the benefit of the charitable entity donor        | 12,448,612            | 13,880,512            |
| Restricted purposes for other charitable beneficiaries        | <u>10,813,690</u>     | <u>9,987,372</u>      |
| Total endowment funds held for the benefit of others          | <u>23,262,302</u>     | <u>23,867,884</u>     |
| Total liabilities   | <u>488,382,562</u>    | <u>533,534,566</u>    |
| <b>Net Assets</b>   |                       |                       |
| Without donor restrictions                                    | 32,759,726            | 34,254,034            |
| With donor restrictions                                       | <u>149,618,889</u>    | <u>161,240,422</u>    |
| Total net assets  | <u>182,378,615</u>    | <u>195,494,456</u>    |
| Total liabilities and net assets                              | <u>\$ 670,761,177</u> | <u>\$ 729,029,022</u> |

**Christian Church Foundation, Inc.**  
**Consolidated Statement of Activities**  
**For the Year Ended December 31, 2018**

|   | <b>Without Donor<br/>Restrictions</b> | <b>With Donor<br/>Restrictions</b> | <b>Total</b>          |
|---|---------------------------------------|------------------------------------|-----------------------|
| <b>Revenue, investment losses and other support:</b>                          |                                       |                                    |                       |
| Contributions   | \$ 589,972                            | \$ 6,846,182                       | \$ 7,436,154          |
| Net investment return   | (1,851,833)                           | (11,264,820)                       | (13,116,653)          |
| Income from services provided   | <u>3,128,105</u>                      | <u>—</u>                           | <u>3,128,105</u>      |
| Total revenue, investment losses, and other support                           | <u>1,866,244</u>                      | <u>(4,418,638)</u>                 | <u>(2,552,394)</u>    |
| <b>Net assets released from restrictions:</b>                                 |                                       |                                    |                       |
| For distribution to other ministries  | 5,928,118                             | (5,928,118)                        | —                     |
| For Foundation services   | <u>1,122,595</u>                      | <u>(1,122,595)</u>                 | <u>—</u>              |
| Total net assets released from restrictions                                   | <u>7,050,713</u>                      | <u>(7,050,713)</u>                 | <u>—</u>              |
| Total revenues, net investment activity, and changes in restrictions          | 8,916,957                             | (11,469,351)                       | (2,552,394)           |
| <b>Distributions, grants, other expenses, and changes in actuarial value:</b> |                                       |                                    |                       |
| Program expenses  |                                       |                                    |                       |
| Distributions for ministry  | 6,340,507                             | —                                  | 6,340,507             |
| Scott Foundation grants   | 282,600                               | —                                  | 282,600               |
| Operating expenses  | <u>3,041,251</u>                      | <u>—</u>                           | <u>3,041,251</u>      |
| Total program activities  | 9,664,358                             | —                                  | 9,664,358             |
| Management and general expense  | <u>746,907</u>                        | <u>—</u>                           | <u>746,907</u>        |
| Total expenses  | <u>10,411,265</u>                     | <u>—</u>                           | <u>10,411,265</u>     |
| Change in actuarial value of life-income agreements                           | <u>—</u>                              | <u>152,182</u>                     | <u>152,182</u>        |
| Total expense and change in actuarial values                                  | <u>10,411,265</u>                     | <u>152,182</u>                     | <u>10,563,447</u>     |
| Change in net assets  | (1,494,308)                           | (11,621,533)                       | (13,115,841)          |
| Beginning of year net assets  | <u>34,254,034</u>                     | <u>161,240,422</u>                 | <u>195,494,456</u>    |
| End of year net assets  | <u>\$ 32,759,726</u>                  | <u>\$ 149,618,889</u>              | <u>\$ 182,378,615</u> |

**Christian Church Foundation, Inc.**  
**Consolidated Statement of Activities**  
**For the Year Ended December 31, 2017**

|   | <b>Without Donor<br/>Restrictions</b> | <b>With Donor<br/>Restrictions</b> | <b>Total</b>          |
|---|---------------------------------------|------------------------------------|-----------------------|
| <b>Revenue, investment gains and other support:</b>                           |                                       |                                    |                       |
| Contributions   | \$ 1,089,332                          | \$ 9,440,911                       | \$ 10,530,243         |
| Net investment return   | 3,485,411                             | 19,816,062                         | 23,301,473            |
| Income from services provided   | <u>2,906,764</u>                      | <u>—</u>                           | <u>2,906,764</u>      |
| Total revenue, investment gains, and other support                            | <u>7,481,507</u>                      | <u>29,256,973</u>                  | <u>36,738,480</u>     |
| <b>Net assets released from restrictions:</b>                                 |                                       |                                    |                       |
| For distribution to other ministries  | 5,541,055                             | (5,541,055)                        | —                     |
| For Foundation services   | <u>1,031,646</u>                      | <u>(1,031,646)</u>                 | <u>—</u>              |
| Total net assets released from restrictions                                   | <u>6,572,701</u>                      | <u>(6,572,701)</u>                 | <u>—</u>              |
| Total revenues, net investment activity, and changes in restrictions          | 14,054,208                            | 22,684,272                         | 36,738,480            |
| <b>Distributions, grants, other expenses, and changes in actuarial value:</b> |                                       |                                    |                       |
| Program expenses  |                                       |                                    |                       |
| Distributions for ministry  | 5,967,885                             | —                                  | 5,967,885             |
| Scott Foundation grants   | 288,000                               | —                                  | 288,000               |
| Operating expenses  | <u>3,725,853</u>                      | <u>—</u>                           | <u>3,725,853</u>      |
| Total program activities  | 9,981,738                             | —                                  | 9,981,738             |
| Management and general expense  | <u>276,893</u>                        | <u>—</u>                           | <u>276,893</u>        |
| Total expenses  | <u>10,258,631</u>                     | <u>—</u>                           | <u>10,258,631</u>     |
| Change in actuarial value of life-income agreements                           | <u>—</u>                              | <u>58,168</u>                      | <u>58,168</u>         |
| Total expense and change in actuarial values                                  | <u>10,258,631</u>                     | <u>58,168</u>                      | <u>10,316,799</u>     |
| Change in net assets  | 3,795,577                             | 22,626,104                         | 26,421,681            |
| Beginning of year net assets  | <u>30,458,457</u>                     | <u>138,614,318</u>                 | <u>169,072,775</u>    |
| End of year net assets  | <u>\$ 34,254,034</u>                  | <u>\$ 161,240,422</u>              | <u>\$ 195,494,456</u> |

**Christian Church Foundation, Inc.**  
**Consolidated Statements of Cash Flows**  
**For the Years Ended December 31, 2018 and 2017**

|   | <u>2018</u>        | <u>2017</u>        |
|---|--------------------|--------------------|
| <b>Cash flows from operating activities:</b>  |                    |                    |
| Change in net assets  | \$ (13,115,841)    | \$ 26,421,681      |
| Items not requiring (providing) operating activities cash flow:                             |                    |                    |
| Depreciation  | 73,353             | 67,194             |
| Net realized and unrealized (gain)/loss on investments                                      | 17,856,629         | (20,098,609)       |
| Actuarial loss on life income gift obligations  | 152,182            | 58,168             |
| Contributions and investment income received restricted for long-term investments           | (10,688,077)       | (12,006,117)       |
| Change in other long-term assets and liabilities  | 3,203              | (5,448)            |
| Changes in:   |                    |                    |
| Receivables   | 8,735              | 383,783            |
| Prepaid expenses  | (23,419)           | (19,421)           |
| Contributions receivable  | (1,122,081)        | 1,425,041          |
| Accounts payable and accrued expenses   | (7,060)            | (14,797)           |
| Other assets and liabilities  | <u>(31,263)</u>    | <u>(1,051)</u>     |
| Net cash used in operating activities   | <u>(6,893,639)</u> | <u>(3,789,576)</u> |
| <b>Cash flows from investing activities:</b>  |                    |                    |
| Purchase of property and equipment  | —                  | (68,513)           |
| Proceeds from sale of automobile  | 31,201             | 12,000             |
| Purchase of investments   | (33,197,763)       | (61,285,688)       |
| Proceeds from sale of investments   | 30,342,845         | 53,884,366         |
| Principal payments received on notes receivable   | <u>11,777</u>      | <u>10,837</u>      |
| Net cash used in investing activities   | <u>(2,811,940)</u> | <u>(7,446,998)</u> |
| <b>Cash flows from financing activities:</b>  |                    |                    |
| Payments on annuities and trusts payable  | (640,607)          | (681,485)          |
| Proceeds from issuance of annuities and trusts payable restricted for long-term investments | 62,519             | 85,181             |
| Proceeds from contributions received restricted for long-term investments                   | 6,783,664          | 9,355,730          |
| Investment income received restricted for long-term investment                              | <u>3,841,894</u>   | <u>2,565,206</u>   |
| Net cash provided by financing activities   | <u>10,047,470</u>  | <u>11,324,632</u>  |
| Net increase in cash  | 341,891            | 88,058             |
| Cash at beginning of year   | <u>590,482</u>     | <u>502,424</u>     |
| Cash at end of year   | <u>\$ 932,373</u>  | <u>\$ 590,482</u>  |



# **Christian Church Foundation, Inc.**

## **Notes to Consolidated Financial Statements**

### **December 31, 2018 and 2017**

#### **Note 1: Nature of Operations and Summary of Significant Accounting Policies**

##### ***General and Principles of Consolidation***

The Christian Church Foundation, Inc. (Foundation) was incorporated as a not-for-profit organization in November 1961, under the laws of the state of Indiana. The financial statements include the accounts of the Foundation and also the Joint Investment Trust of the Foundation (Trust), and the Oreon E. Scott Foundation. All significant intercompany accounts and transactions have been eliminated in consolidation.

The Trust, of which the Foundation is Trustee, exists exclusively to receive and to administer cash and property transferred by any ministry affiliated with the Christian Church (Disciples of Christ) (Church) or any other ministry determined to be sufficiently affiliated with the Stone Campbell Movement. Management of the Trust is the responsibility of the Foundation.

The Oreon E. Scott Foundation (Scott Foundation) was established in 1950 to promote religious, charitable, benevolent, scientific, literacy or educational purposes within the United States. In 1974, the Scott Foundation was reformed to bring it under the control of the Christian Church Foundation. Three individual trustees, elected by the Foundation, are selected from among the presidents of General Units of the Church as named by the Scott Foundation. No Foundation employees are eligible to serve as individual trustees of the Scott Foundation. The Scott Foundation is a grant-making foundation, with annual grants determined based on a majority vote of the individual trustees.

The Foundation seeks to support all of the ministries of the Church by providing opportunities for the stewardship of accumulated resources through planned giving on the part of individuals and through prudent investing and endowment policy development on the part of Church institutions. The Foundation is engaged primarily in educating individuals about planned giving and Church partners about prudent investing, receiving gifts and investments, and distributing funds for support of the many ministries of the Church. Support for the Foundation's operations is primarily received from its investment and fund management services. The Foundation is a donor-directed ministry, which means that most donors either direct or advise the Foundation as to the ministries which will benefit from their gift.

Upon mutual agreement, congregations, regions, general units and other institutions affiliated with the Christian Church (Disciples of Christ) may utilize services offered by the Foundation including bookkeeping, record keeping, electronic data processing and other administrative support.

##### ***Use of Estimates***

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of the revenues, expenses, gains, losses and other changes in net assets during the reporting period. Actual results could differ from those estimates.

**Christian Church Foundation, Inc.**  
**Notes to Consolidated Financial Statements**  
**December 31, 2018 and 2017**

**Cash**

The Foundation reports only its petty cash and bank deposits in federally insured accounts as cash. Due to the investing nature of the Foundation's operations, short-term, highly liquid investments are treated as investments rather than cash equivalents. All deposits held in noninterest-bearing accounts are aggregated with any interest-bearing deposits and the combined total is insured up to \$250,000. At December 31, 2018, the Foundation's cash, including accounts reported as part of Marketable Securities, exceeded the federally insured limits by approximately \$878,000.

**Marketable Securities and Other Investments**

Investments are carried at fair value. For those investments with no quoted market prices, fair values used were those provided by the managers of the investment funds. These estimated values are subject to uncertainty and, therefore, may differ significantly from the value that would have been used had an open market for such investments existed. Such difference could be material. Realized and unrealized gains and losses are reflected in the Consolidated Statement of Activities for those investments that are a part of the Foundation's net assets.

Investment return is reflected in the statements of activities as with or without donor restrictions based upon the existence and nature of any donor or legally imposed restrictions.

**Property and Equipment**

Property and equipment and items which substantially increase the useful lives of existing assets are capitalized at cost and depreciated on the straight-line method over their estimated useful lives, which range from three to ten years.

**Income Taxes**

By virtue of its inclusion in the group exemption ruling of the General Assembly of the Christian Church (Disciples of Christ), the Foundation is exempt from federal income taxes under Section 501(c)(3) of the U.S. Internal Revenue Code. As a religious organization, the Foundation is not required to file U.S. Federal tax returns. The Foundation could, however, be subject to examinations by tax authorities for all years since incorporation.

**Net Assets**

Net assets without donor restrictions represent assets that may be legally expended by the Foundation for charitable purposes chosen by the Foundation. Net assets without donor restrictions include bequests and other testamentary gifts left to the Foundation without restrictions as well as donor-advised funds where the donor has the ability to advise the Foundation on how these charitable gifts should ultimately be expended. The Foundation's Board of Directors has designated that net assets without donor restrictions held in permanent funds or as donor-advised funds may only be expended in accordance with policies established by the Board of Directors or its donor-advised fund committee. At December 31, 2018 the value of board-designated endowments without donor restrictions was \$13.3 million and the value of donor-advised funds was \$7.2 million. At December 31, 2017, the value of board-designated endowments without donor restrictions and donor-advised funds, was \$22.8 million.

# **Christian Church Foundation, Inc.**

## **Notes to Consolidated Financial Statements**

### **December 31, 2018 and 2017**

Net assets with donor restrictions generally represent endowment gifts that the Foundation has agreed to maintain in perpetuity for the benefit of the Church. Endowment net assets are classified as with donor restrictions if the Foundation has or will have the right to make regular distributions as defined in the Trust because, by definition, these distributions may temporarily erode a portion of the corpus. The Foundation may spend only the income, as defined in the Trust, and not the entire endowment gift. Net assets with donor restrictions also include the estimated charitable residual for charitable gift annuities that will add to endowment funds at the Foundation, gift assets that may be fully expended after an established period of time, or gift assets which are held for an agreed upon charitable purpose. Net assets with donor restrictions are predominately restricted for distributions to ministries.

Net assets with donor restrictions includes certain non-endowment funds with donor restrictions. These non-endowment funds will be fully expended after the passage of time or the occurrence of events, as specified by the donor.

#### ***Contributions***

Contributions received without donor stipulations are reported as revenue and net assets without donor restrictions. Monies received for an immediate specified, directed purpose are disbursed when received and are not recorded as contributions. Contributions received for permanent funds or life-income gifts, the residual of which will create a permanent fund, are reported as revenue and net assets with donor restrictions. Distributions from permanent funds are transferred to funds without donor restrictions as “net assets released from restrictions” in the period of disbursement.

#### ***Subsequent Events***

Subsequent events have been evaluated through March 5, 2019, which is the date the financial statements were available to be issued.

The Bostick Select Fund was launched January 1, 2019 as a new investment option which will continue to uphold the Foundation’s commitment to being an active, faith-based investor. The fund offers an option for donors and partner investors who wish to exclude investments in fossil fuels, weapons manufacturers, and companies targeted for divestment because of their involvement in perpetuating the Israeli-Palestinian conflict. The Bostick Select Fund also actively invests in environmentally sustainable companies as well as those responding to an increasing global population. The Bostick Select Fund honors the ministry of Rev. Sarah Lue Bostick, one of the first African-American women ordained in the Christian Church (Disciples of Christ). Rev. Bostick served the church for over 40 years until her retirement. She was a devoted worker for Christian Woman’s Board of Missions and the National Christian Missionary Society.

**Christian Church Foundation, Inc.**  
**Notes to Consolidated Financial Statements**  
**December 31, 2018 and 2017**

**Note 2: Change in Accounting Principle**

In 2018, the Foundation, adopted ASU 2016-14, *Not-For-Profit Entities (Topic 958): Presentation of Financial Statements of Not-For-Profit Entities*. A summary of the changes is as follows:

***Consolidated Statements of Financial Position***

- The consolidated statements of financial position distinguish between two renamed classes of net assets – those without donor-imposed restrictions and those with. This is a change from the previously presented two classes of net assets – unrestricted and temporarily restricted.

***Notes to the Consolidated Financial Statements***

- Enhanced quantitative and qualitative disclosures provide additional information useful in assessing liquidity and cash flows available to meet operating expenses for one-year from the date of the Statement of Financial Position.
- Includes a disclosure of expenses by natural and functional classification.
- Includes additional disclosure on endowment funds, including disclosure of the original gift amounts and related fair value for endowment funds for which the fair value at the end of the reporting period is less than the original gift amount.

This change had no impact on previously reported total change in net assets.

**Note 3: Financially Interrelated and Affiliated Organizations**

The Church includes all those organizations that are listed in the Annual Yearbook and Directory of the Christian Church (Disciples of Christ) (Yearbook). Most of these organizations are individually incorporated with their own Board of Directors. Individual Church entities are generally independent and responsible for their own personnel policies, financial matters, program activities and other corporate matters which are affiliated by the common cause of the Church. All organizations included in the Yearbook are considered ministry partners affiliated with the Foundation.

The General Board, on behalf of the General Assembly of the Christian Church (Disciples of Christ), elects the Board of Directors of the Foundation. The Foundation and the General Assembly of the Christian Church are considered to be financially interrelated organizations.

**Christian Church Foundation, Inc.**  
**Notes to Consolidated Financial Statements**  
**December 31, 2018 and 2017**

**Note 4: Endowment**

The Foundation's primary ministry is to support the Church in perpetuity by providing opportunities for the stewardship of accumulated resources through planned giving. In conjunction with this ministry, the Foundation maintains approximately 1,230 named endowment funds that are recorded as a part of the Foundation's net assets. Named permanent endowment funds include both donor-restricted endowment funds and funds designated by the Foundation's board of directors to function as endowments (board-designated endowment funds). As required by accounting principles generally accepted in the United States of America (GAAP), net assets associated with endowment funds, including board-designated endowment funds, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Foundation's board of directors (Board) has concluded, absent explicit donor stipulations to the contrary, that the Foundation's donor-restricted endowment funds should be governed under Indiana law. Most of the Foundation's donor-restricted endowment funds are also governed in accordance with the terms of individual gift agreements which specify or clarify the donor's wishes regarding how the endowment fund will be administered. The Foundation is required to act in good faith to determine the prudent expenditure from its endowment funds, giving full consideration to (1) the duration and preservation of the endowment fund, (2) the purposes of the Foundation and the endowment fund, (3) general economic conditions, (4) the possible effects of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Foundation and (7) the investment policy of the Foundation. The Foundation's gift agreements seek to balance the dual goals of providing maximum funds for ministry while also preserving, over the long-term, the value of each donor's endowment gift.

Under these agreements endowments continue to distribute income to the ministries chosen by their donors, even when an endowment fund's value falls below the value of donations to the fund. The Foundation reviews endowment funds that fall below their original gift values and may temporarily reduce the distribution from these funds to allow these endowments to recover their investment losses over time, while continuing to make meaningful distributions for ministry. By policy, the full distribution amount is restored when the fund balance has grown to exceed the value of the original gift(s) plus one full year of that fund's distributions for ministry. At December 31, 2018 and 2017, endowment funds with original gift values of \$68,128,323 and \$19,896,900, fair values of \$61,816,942 and \$18,177,392, and deficiencies of \$6,311,381 and \$1,719,508, respectively, were reported in net assets with donor restrictions.

**Christian Church Foundation, Inc.**  
**Notes to Consolidated Financial Statements**  
**December 31, 2018 and 2017**

Foundation donors may recommend one of five investment mixes for the investment of their gift. To satisfy its long-term rate of return objectives, the Foundation relies on a total-return strategy in which investment returns are achieved through both current yield (investment income such as dividends and interest) and capital appreciation (both realized and unrealized). The Foundation targets diversified asset allocations to achieve its long-term return objectives within prudent risk constraints. Based on 10-year asset class assumptions for each asset mix offered by the Foundation, the predicted long-term return, net of maximum costs and expenses, for the Beasley Growth Fund is 5.25%, for the Common Balanced Fund is 5.05%, for the Campbell Multi-Strategy Fund is 5.85%, for the Bostick Select Fund is 5.45%, and for the Brown Fund is 3.95%. (The Bostick Select Fund began receiving investments in December 2018 for investment at the beginning of 2019.) For 2017, 2018 and 2019, the Foundation's spending policy, which retains a portion of each year's predicted earnings to offset inflation, was 4.0% of the monthly average balances for the Beasley Fund, 3.75% of the monthly average balances for the Common Fund, 4.25% of the monthly average balances for the Campbell Fund and 2.5% of the monthly average balances for the Brown Fund, respectively. Beginning in 2019, the Bostick Select Fund will distribute at 4.0% of the monthly average balance of endowments invested in that investment mix.

Changes in endowment net assets for the years ended December 31, 2018 and 2017 were:

|   | <b>2018</b>                           |                                    |                       |
|---|---------------------------------------|------------------------------------|-----------------------|
|   | <b>Without Donor<br/>Restrictions</b> | <b>With Donor<br/>Restrictions</b> | <b>Total</b>          |
| Endowment net assets, beginning of year           | \$ 22,841,394                         | \$ 142,213,146                     | \$ 165,054,540        |
| Investment return:                                |                                       |                                    |                       |
| Investment income                                 | 536,851                               | 3,237,480                          | 3,774,331             |
| Net depreciation                                  | <u>(2,088,595)</u>                    | <u>(13,034,155)</u>                | <u>(15,122,750)</u>   |
| Total investment return                           | <u>(1,551,744)</u>                    | <u>(9,796,675)</u>                 | <u>(11,348,419)</u>   |
| Contributions from outside sources                | 562,974                               | 6,783,664                          | 7,346,638             |
| Transfers from matured life income gifts          | —                                     | 86,314                             | 86,314                |
| Appropriation of endowment assets for expenditure | <u>(1,318,595)</u>                    | <u>(6,678,244)</u>                 | <u>(7,996,839)</u>    |
| Endowment net assets, subtotal                    | <u>20,534,029</u>                     | <u>132,608,205</u>                 | <u>153,142,234</u>    |
| Donor-Advised and Non-Endowment Funds (a)         | <u>(7,171,858)</u>                    | <u>(2,927,615)</u>                 | <u>(10,099,473)</u>   |
| Endowment net assets, end of year                 | <u>\$ 13,362,171</u>                  | <u>\$ 129,680,590</u>              | <u>\$ 143,042,761</u> |

(a) In 2018, the Foundation removed Donor-Advised and Non-Endowment funds from this footnote because those funds are not classified as endowment.

**Christian Church Foundation, Inc.**  
**Notes to Consolidated Financial Statements**  
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|  | 2017                          |                            |                       |
|--|-------------------------------|----------------------------|-----------------------|
|  | Without Donor<br>Restrictions | With Donor<br>Restrictions | Total                 |
| Endowment net assets, beginning<br>of year           | \$ <u>20,595,685</u>          | \$ <u>122,001,268</u>      | \$ <u>142,596,953</u> |
| Investment return:                                   |                               |                            |                       |
| Investment income                                    | 340,486                       | 2,109,671                  | 2,450,157             |
| Net appreciation                                     | <u>2,446,227</u>              | <u>14,839,447</u>          | <u>17,285,674</u>     |
| Total investment return                              | <u>2,786,713</u>              | <u>16,949,118</u>          | <u>19,735,831</u>     |
| Contributions from outside<br>sources                | 1,065,117                     | 9,355,730                  | 10,420,847            |
| Transfers from matured life<br>income gifts          | —                             | 99,510                     | 99,510                |
| Appropriation of endowment<br>assets for expenditure | <u>(1,606,121)</u>            | <u>(6,192,480)</u>         | <u>(7,798,601)</u>    |
| Endowment net assets, end of<br>year                 | \$ <u>22,841,394</u>          | \$ <u>142,213,146</u>      | \$ <u>165,054,540</u> |

**Christian Church Foundation, Inc.**  
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**Note 5: Functional Allocation of Expenses**

Total expenses by functional classification for December 31, 2018 are as follows:

| Account                              | Program<br>Services | Management<br>& General | Total<br>Expenses    |
|--------------------------------------|---------------------|-------------------------|----------------------|
| Distributions for Ministry           | \$ 6,340,507        | \$ —                    | \$ 6,340,507         |
| Personnel costs                      | 2,309,632           | 543,240                 | 2,852,872            |
| Occupancy and Supplies               | 291,596             | 54,470                  | 346,066              |
| Scott Foundation Grants              | 282,600             | —                       | 282,600              |
| Service and Professional Fees        | 144,481             | 59,207                  | 203,688              |
| Relational events and communications | 122,636             | 70,515                  | 193,151              |
| Travel                               | 136,574             | 8,840                   | 145,414              |
| Miscellaneous                        | 36,332              | 10,635                  | 46,967               |
| Total Expenditures                   | \$ <u>9,664,358</u> | \$ <u>746,907</u>       | \$ <u>10,411,265</u> |

The Foundation's ministry is to provide members, congregations, and other ministries of the Church with planned giving and endowment fund education and services. In conjunction with its planned giving education and services, the Foundation offers free seminars to congregations and personal assistance to potential donors who may wish to consider making a planned gift that benefits one or more ministries of the Church. An important part of the Foundation's ministry is to provide donors a place where their gifts will be maintained in perpetuity for the benefit of their chosen ministries. In its endowment fund education and services ministry, the Foundation assists these varied ministries with the development of endowment fund policies designed to both encourage gifts and prudently invest endowment funds. In this regard, the Foundation offers any Church ministry both counsel on the development of endowment policies and several investing opportunities. The Foundation's investments are offered only to ministries affiliated with the Stone-Campbell Movement and are designed to maintain the endowment funds of these ministries in a way that honors the dual goals of providing funds for ministry while also growing endowment gifts to mitigate inflation.

All employees of the Foundation are actively involved in these Program Services of the Foundation, and most are responsible for both Gift Education and Services and Investment Education and Services. As a result of the integrated services provided, the Foundation does not separately account for the costs of its Gift and Investment programs.

In addition to its Program Services, the Foundation maintains payroll, personnel, and financial reporting functions that are primarily administrative in nature. Expenses for these functions, the cost of the Foundation's annual audit, and expenses related to the Foundation's board of directors are reported as management and general expense.



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From time to time, the Foundation will receive donations that support the Foundation's own ministry from staff, board members, and from other friends of the Foundation. The Foundation does not solicit gifts for the benefit of the Foundation's own ministry, however.

Certain expenses are attributable to both the program services and the management and general categories. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. Expenses that are allocated include occupancy (based on square footage), personnel and travel costs (based on time and effort), and professional and miscellaneous fees (based on review of each specific charge).

**Note 6: Marketable Securities and Other Investments**

The Foundation's investments and their fair values at December 31 are as follows:

|                                   | <u>2018</u>                  | <u>2017</u>                  |
|-----------------------------------|------------------------------|------------------------------|
| Investments in unrelated parties: |                              |                              |
| Short-term investments            | \$ 4,134,270                 | \$ 4,981,402                 |
| Stock and stock funds             |                              |                              |
| Large Cap                         | 218,392,747                  | 235,943,419                  |
| Mid Cap                           | 65,083,815                   | 81,470,122                   |
| Small Cap                         | 27,100,732                   | 41,297,885                   |
| Public REITS                      | 11,982,758                   | 12,251,982                   |
| International                     | 130,185,395                  | 121,959,364                  |
| Bonds and bond funds              |                              |                              |
| Domestic                          | 78,361,075                   | 69,411,239                   |
| Global                            | 69,357,151                   | 69,408,944                   |
| Alternative investments           |                              |                              |
| Hedge                             | 40,049,165                   | 60,583,215                   |
| Real Assets                       | 5,484,121                    | 12,740,188                   |
| Notes receivable                  | 361,977                      | 373,753                      |
| Investments in related party:     |                              |                              |
| Church Extension                  | <u>17,184,273</u>            | <u>16,931,533</u>            |
| <b>Total</b>                      | <b>\$ <u>667,677,479</u></b> | <b>\$ <u>727,353,046</u></b> |

At December 31, 2018 and 2017, the fair value of approximately 32% and 35%, respectively, of the investments were provided by the managers of the funds.

In addition to managing the Foundation's own endowment funds, the Foundation also provides investment services to Disciples congregations, regions, general units, and recognized ministries. Investments in the Trust which are owned by other church partners or are held for their benefit are shown on the Consolidated Statements of Financial Position as partner investment accounts or as endowment funds held for the benefit of others. These funds are invested in the same pooled funds that contain the Foundation's own permanent funds. The net investment return reported on the Consolidated Statements of Activities includes only the investment return from investments which are recorded as a part of the Foundation's net assets.

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Net investment return is shown net of the related investment fees, which includes transaction costs and other service fees that may not be separately identifiable from the reported results. Net investment return is reflected in the Consolidated Statements of Activities as without donor restrictions or with donor restrictions based on the nature of donor agreements or legally imposed restrictions. The components of net investment return, which excludes income on investments for partner investment accounts and other funds held for the benefit of others, are as follows:

|  | <u>2018</u>            | <u>2017</u>          |
|--|------------------------|----------------------|
| Interest and dividend income             | \$ 4,922,578           | \$ 3,388,013         |
| Realized and unrealized gains and losses | (17,856,629)           | 20,098,609           |
| Separately reported fees                 | <u>(182,602)</u>       | <u>(185,149)</u>     |
|  | <u>\$ (13,116,653)</u> | <u>\$ 23,301,473</u> |

**Note 7: Disclosures About Fair Value of Assets and Liabilities**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value hierarchy measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

- Level 1** Quoted prices in active markets for identical assets or liabilities
- Level 2** Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities
- Level 3** Unobservable inputs supported by little or no market activity and are significant to the fair value of the assets or liabilities

Following is a description of the valuation methodologies and inputs used for assets measured at fair value on a recurring basis and recognized in the accompanying statements of financial position, as well as the general classification of such assets pursuant to the valuation hierarchy.

***Marketable Securities and Other Investments***

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using quoted prices of securities with similar characteristics or discounted cash flows. Such securities are classified as Level 2. There have been no significant changes in valuation techniques during the year ended December 31, 2018.

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The following table presents the fair value measurements of assets recognized in the accompanying consolidated statements of financial position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at December 31, 2018 and 2017:

|                               | <b>2018</b>                          |                              |                              |                     |                              |
|-------------------------------|--------------------------------------|------------------------------|------------------------------|---------------------|------------------------------|
|                               | <b>Fair Value Measurements Using</b> |                              |                              |                     |                              |
|                               | <b>2018</b>                          | <b>Quoted</b>                | <b>Significant</b>           | <b>Significant</b>  | <b>Investments</b>           |
|                               | <b>Fair Value</b>                    | <b>Prices in</b>             | <b>Other</b>                 | <b>Unobservable</b> | <b>Measured at</b>           |
|                               |                                      | <b>Active</b>                | <b>Observable</b>            | <b>Inputs</b>       | <b>NAV<sup>(A)</sup></b>     |
|                               |                                      | <b>Markets for</b>           | <b>Inputs</b>                | <b>(Level 3)</b>    |                              |
|                               |                                      | <b>Identical</b>             | <b>(Level 2)</b>             |                     |                              |
|                               |                                      | <b>Assets</b>                |                              |                     |                              |
|                               |                                      | <b>(Level 1)</b>             |                              |                     |                              |
| <b>Assets</b>                 |                                      |                              |                              |                     |                              |
| <b>Investments</b>            |                                      |                              |                              |                     |                              |
| Short-term investments        | \$ 4,134,270                         | \$ 4,134,270                 | \$ -                         | \$ -                | \$ -                         |
| Stock & stock funds           |                                      |                              |                              |                     |                              |
| Large Cap                     | 218,392,747                          | 118,090,238                  | 100,302,509                  | -                   | -                            |
| Mid Cap                       | 65,083,815                           | 65,083,815                   | -                            | -                   | -                            |
| Small Cap                     | 27,100,732                           | 27,100,732                   | -                            | -                   | -                            |
| Public REITS                  | 11,982,758                           | 11,982,758                   | -                            | -                   | -                            |
| International                 | 130,185,395                          | 130,185,395                  | -                            | -                   | -                            |
| Bonds & bond funds            |                                      |                              |                              |                     |                              |
| Domestic                      | 78,361,075                           | 78,361,075                   | -                            | -                   | -                            |
| Global                        | 69,357,151                           | 6,318,571                    | -                            | -                   | 63,038,580                   |
| Alternative investments       |                                      |                              |                              |                     |                              |
| Hedge                         | 40,049,165                           | -                            | -                            | -                   | 40,049,165                   |
| Real Assets                   | 5,484,121                            | -                            | 5,484,121                    | -                   | -                            |
| Notes receivable              | 361,977                              | -                            | 361,977                      | -                   | -                            |
| Investments in related party: |                                      |                              |                              |                     |                              |
| Church Extension              | <u>17,184,273</u>                    | <u>-</u>                     | <u>17,184,273</u>            | <u>-</u>            | <u>-</u>                     |
| <b>Total Investments</b>      | <b><u>\$ 667,677,479</u></b>         | <b><u>\$ 441,256,854</u></b> | <b><u>\$ 123,332,880</u></b> | <b><u>\$ -</u></b>  | <b><u>\$ 103,087,745</u></b> |

(A) Certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts included above are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statement of financial position.

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|                               | 2017<br>Fair Value Measurements Using |  |   |  |  |
|-------------------------------|---------------------------------------|--|---|--|--|
|                               | 2017<br>Fair Value                    | Quoted<br>Prices in<br>Active<br>Markets for<br>Identical<br>Assets<br>(Level 1) | Significant<br>Other<br>Observable<br>Inputs<br>(Level 2) | Significant<br>Unobservable<br>Inputs<br>(Level 3) | Investments<br>Measured at<br>NAV <sup>(A)</sup> |
| Assets                        |                                       |  |   |  |  |
| Investments                   |                                       |  |   |  |  |
| Short-term investments        | \$ 4,981,402                          | \$ 4,981,402   | \$ -  | \$ -   | \$ -   |
| Stock & stock funds           |                                       |  |   |  |  |
| Large Cap                     | 235,943,419                           | 122,496,702  | 113,446,717   | -  | -  |
| Mid Cap                       | 81,470,122                            | 81,470,122   | -   | -  | -  |
| Small Cap                     | 41,297,885                            | 41,297,885   | -   | -  | -  |
| Public REITS                  | 12,251,982                            | 12,251,982   | -   | -  | -  |
| International                 | 121,959,364                           | 121,959,364  | -   | -  | -  |
| Bonds & bond funds            |                                       |  |   |  |  |
| Domestic                      | 69,411,239                            | 69,411,239   | -   | -  | -  |
| Global                        | 69,408,944                            | 5,064,368  | -   | -  | 64,344,576                                       |
| Alternative investments       |                                       |  |   |  |  |
| Hedge                         | 60,583,215                            | -  | -   | -  | 60,583,215                                       |
| Real Assets                   | 12,740,188                            | -  | 12,740,188  | -  | -  |
| Notes receivable              | 373,753                               | -  | 373,753   | -  | -  |
| Investments in related party: |                                       |  |   |  |  |
| Church Extension              | 16,931,533                            | -  | 16,931,533  | -  | -  |
| Total Investments             | \$ 727,353,046                        | \$ 458,933,064   | \$ 143,492,191  | \$ -   | \$ 124,927,791                                   |

(A) Certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts included above are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statement of financial position.

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The following table presents information regarding funds with fair value that is determined using the net asset value (or its equivalent) provided by the fund. There were no unfunded commitments for 2018 and 2017.

|                         | <b>2018<br/>Fair Value</b> | <b>2017<br/>Fair Value</b> | <b>Redemption<br/>Frequency (if<br/>Currently<br/>Eligible)</b> | <b>Redemption<br/>Notice Period</b> |
|-------------------------|----------------------------|----------------------------|---|-------------------------------------|
| Assets                  |                            |                            |   |                                     |
| Investments             |                            |                            |   |                                     |
| Bonds and bond funds    |                            |                            |   |                                     |
| Global (a)              | 63,038,580                 | 64,344,576                 | SemiMonthly   | 5 business days                     |
| Alternative investments |                            |                            |   |                                     |
| Hedge (b)               | <u>40,049,165</u>          | <u>60,583,215</u>          | Quarterly   | 30 to 90 days                       |
| Total                   | <u>\$ 103,087,745</u>      | <u>\$ 124,927,791</u>      |   |                                     |

- (a) This category includes investments in a common trust fund that invests in global bonds. There is no restriction (lock-up) period for these investments.
- (b) This category invests in two forms of hedge funds: direct and fund of funds. The direct hedge funds blend investment strategies and geographic region while limiting costs. There are currently 7 direct hedge fund managers. Oversight and due diligence is performed by Prime Buchholz as well as Foundation Board of Directors and staff. The fund of funds uses a single manager to group 15-30 hedge funds that seeks to generate equity-like returns with bond-like volatility. Both categories of hedge funds use various strategies that include long/short equity and credit, event-driven, distressed and others. The fair values of the investments in this category have been estimated using the net asset value per share of the underlying investments.

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**Note 8: Life Income Gift Agreements**

The Foundation administers a charitable gift annuity program on behalf of many of the ministries of the Church. All assets or proceeds from assets received in exchange for a charitable gift annuity are segregated in a separate fund and are not commingled with other Foundation assets. At December 31, 2018 and 2017 the fair value of the investments in this fund were \$7.5 and \$9.3 million, respectively. The obligation to pay the annuity amount to annuitants is a general obligation of the Foundation and is estimated using the applicable federal rate (AFR) at the gift date. Those rates range from 1.0% to 10.2%. At December 31, 2018 and 2017 the obligation for future annuity payments was \$4.3 and \$4.8 million, respectively. The present value of the liability to income beneficiaries of charitable gift annuities is included as a part of the "Liability to income beneficiaries under life-income gifts." After the obligation to the income beneficiary of a gift annuity has been satisfied, the residual value of the charitable gift annuity will establish a permanent fund at the Foundation or be distributed to other charitable organizations selected by the donor. The present value of the estimated charitable residual of gift annuities which will be distributed to other charitable organizations is shown as "Liability to charitable beneficiaries under life-income gifts." At December 31, 2018 and 2017, the estimated charitable residual values for charitable gift annuities which were intended to be distributed outside the Foundation were \$1.6 and \$2.3 million, respectively. The estimated charitable residual of gifts whose remainder will become a permanent fund of the Foundation is included in net assets of the Foundation.

Many states require a charity to register and meet state-specific requirements before offering charitable gift annuities in that state. Annually, the Foundation is required to meet certain state-specific requirements surrounding reserves held to meet its obligations to charitable gift annuity income beneficiaries. At December 31, 2018 and 2017, the Foundation's gift annuity reserves are in excess of the most stringent of these state-specific mandates of \$6.6 million and \$7.2 million, respectively.

The Foundation also administers charitable remainder trusts which require periodic payments to income beneficiaries named by the donor. At December 31, 2018 and 2017 the fair value of the investments in this fund were \$20.0 and \$22.5 million, respectively. The present value of the liability to the income beneficiaries is included as a part of the "Liability to income beneficiaries under life-income gifts." This obligation is also discounted using the AFR on the gift date, which range from 1.2% to 11.0%. At December 31, 2018 and 2017 the obligation to trust income beneficiaries was \$10.6 and \$12.2 million, respectively. The actuarial value of the charitable residual for charitable trusts whose remainder will become a Foundation-administered permanent fund is included in the net assets of the Foundation. The present value of the estimated charitable residual of trusts which will be distributed to other charitable organizations is shown as "Liability to charitable beneficiaries under life-income gifts." The Foundation revalues these liabilities annually based on historical discount rates, actuarial assumptions and the fair value of the underlying investments. At December 31, 2018 and 2017, the estimated charitable residual value for charitable remainder trusts which will be distributed outside the Foundation was \$4.4 and \$4.8 million, respectively.

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**Note 9: Liquidity and Availability**

The ministry of the Foundation is focused on assisting the Church to both encourage legacy giving and to be good stewards of gifts received. Accordingly, the majority of assets held by the Foundation are either owned by other ministries (“Partner investment accounts”) or represent assets held for the benefit of other ministries (“Endowment funds held for the benefit of others”) as well as the majority of “Net assets with donor restrictions”). Donor-restricted endowment funds are not available for general expenditure.

Financial assets available for the support of the Foundation’s own ministry, without donor or other restrictions limiting their use, were determined as follows for December 31, 2018

|  |                             |
|--|-----------------------------|
|  | 2018                        |
| Cash   | \$ 932,373                  |
| Marketable securities and other investments  | 667,315,502                 |
| Total liquid financial assets  | <u>668,247,875</u>          |
| Less:  |                             |
| Amounts owned by others or with donor restrictions unavailable for general expenditures: |                             |
| Owned by partner investors   | (443,573,852)               |
| Held as net assets with donor restrictions   | (137,574,439)               |
| Held as liability for the benefit of others  | (23,262,302)                |
| Held for life-income gift liabilities  | (24,392,127)                |
| Estimated life-income gift residuals   | (6,886,085)                 |
| Total amounts unavailable for general expenditures within one year                       | <u>\$ (635,688,805)</u>     |
| Amounts unavailable without Board approval:  |                             |
| Board-designated endowment   | (13,362,171)                |
| Board-designated for donor-advised funds   | (7,171,858)                 |
| Total amounts unavailable to management without Board approval                           | <u>\$ (20,534,029)</u>      |
| Financial assets available to management for general expenditure within one year         | <u><u>\$ 12,025,041</u></u> |

# **Christian Church Foundation, Inc.**

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Many of the Foundation's services are provided to donors and ministries of the Church at no cost. These services include helping donors to consider their legacy as well as helping partner ministries both raise and steward their endowment funds. Endowment gifts given for the support of the Foundation's ministry help pay a growing portion of the Foundation's no-cost services. The annual distribution from these funds, whether held as with-donor-restrictions or board-designated, is based on the asset mix of each fund's investment. For both 2017 and 2018 the annual distributions were 3.75-4.25%. When an endowment that is held for the sole benefit of the Foundation falls below the value of the original endowment gift, the Foundation stops receiving distributions from that endowment until the endowment fund recovers its original gift value. As the Foundation receives additional endowment gifts for the support of Foundation operations, those gifts help to reduce the cost of Foundation-provided services to the Church.

From time to time, the Foundation receives legacy gifts that are given without donor restriction. These gifts are added to (or established as) board-designated-for-endowment assets and provide annual income to the ministry or ministries, if any, expressed as a donor preference. The Foundation also administers the Steward's Donor-Advised Fund. The gifts received in this fund are held as board-designated funds until a distribution is advised by their donor.

The primary source of operating revenue for the Foundation is provided by cost-recovery charges assessed on investments and gifts stewarded by the Foundation. The amount of this revenue fluctuates with changes in the investment value of the underlying assets. Operating reserves protect the Foundation's ability to operate in declining financial markets without increasing the cost to those served. The Foundation's policy is to generally hold 18-30 months of total operating revenue as an operating reserve for this purpose. During 2017 and 2018, the Foundation operated within these targeted reserve levels.

#### **Note 10: Contributions Receivable**

Contributions receivable represent gifts pending from donors' estates as well as gifts that were mailed to the Foundation prior to December 31 but received by the Foundation in January of the following year. The Foundation has received or anticipates receipt of all of the recorded contributions receivable within the calendar year following their recording as a receivable.

#### **Note 11: Employee Benefits**

##### *Pension Plan*

Employees of the Foundation participate in a defined-benefit plan of the Pension Fund of the Christian Church (Disciples of Christ). Contributions are paid monthly to the plan and are 14% (11% for the defined-benefit pensions and 3% for other benefits) of the base salaries of participating employees. Pension expense for 2018 and 2017 was \$276,424 and \$278,931, respectively.



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**Note 12: Joint Investment Trust**

The Joint Investment Trust of the Christian Church Foundation offers investment services, designed for endowment investments, to all ministries recognized as being sufficiently affiliated with the Stone Campbell Movement. For 2017 and 2018, investing ministries could choose to invest in any of four fund options. In December 2018, the Foundation began receiving deposits for a new fund option, the Bostick Select Fund, which were invested as of the beginning of calendar year 2019. The unit values for the existing funds at December 31 were:

|                              | <u>2018</u> | <u>2017</u> |
|------------------------------|-------------|-------------|
| Beasley Growth Fund          | \$ 358.67   | \$ 405.78   |
| Common Balanced Fund         | 239.72      | 266.77      |
| Campbell Multi-Strategy Fund | 77.06       | 87.94       |
| Brown Fund                   | 154.22      | 162.95      |