



Fourth Quarter Management Report
Baptist Foundation of Illinois
December 31, 2016

Executive Summary

The fourth quarter saw continued growth in several areas of management, despite numerous areas of change to include the retirement of BFI Account Specialist Sheila Odle and hiring of Office Coordinator Sheila Jessen. BFI's TFUM (Total Funds Under Management), includes \$29,240,333 in custodial, endowment, and over gift accounts. In addition, BFI manages real property not appearing in the previous total of \$2,563,805. BFI serves as the owner of or primary mortgage holder on five church properties (total of \$575,000) as noted in the table below:

Sublette Union, Sublette, IL	\$175,000
Galena Road, Peoria Heights	\$100,000
Eagle Summit, Colona (mortgage)	\$100,000
Lamon Avenue, Chicago (mortgage)	\$200,000

Finally, BFI owns mortgage loans from reserves and endowment totaling \$607,290. This brings the TFUM at the end of the year to **\$32,986,428**.



Administration:

Chris Flynn has joined our team as BFI's legal counsel and Emily Monahan has come on board as our Director of Accounting Services. Chris can be reached at legal@baptistfoundationil.org and Emily at accounting@baptistfoundationil.org.



Custodial Interest Production:

As we conclude the year, BFI has set another record with total custodial interest production at \$675,507 (our estimate was \$620,000) and bond interest payable grew to \$252,759 (\$210,000 estimate).



Church Legacy Program:

During the fourth quarter, BFI sold the Lamon Avenue Baptist Church property to the Starting Point Community Church in Northwest Chicago. This marks the "completion" of a church property within the Church Legacy Program. All loan proceeds from the Starting Point Church will be added to the Lamon Avenue Legacy Fund, supporting the causes they have identified.

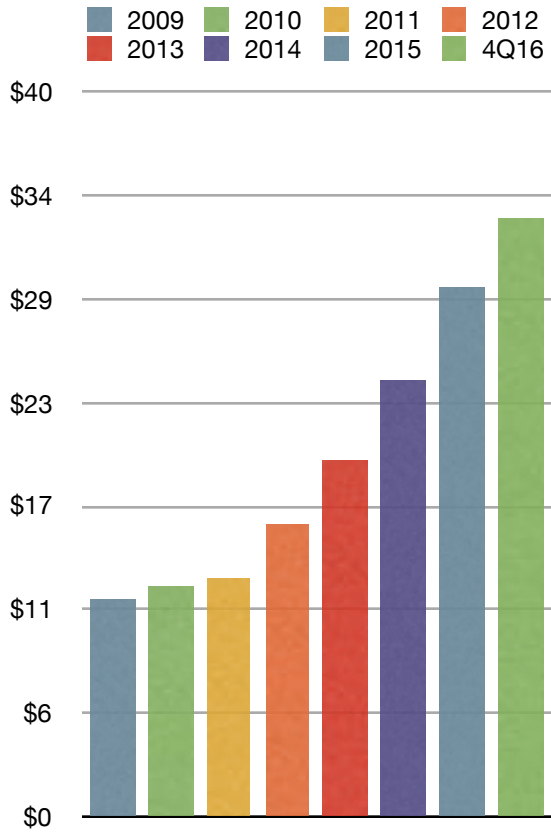
A precursor to the Church Legacy Program was the creation of the Glenfield Heritage Fund. This fund, now in excess of \$1,000,000 was created after the closing of the Glenfield Church in Glen Ellyn, Illinois. This spring, advisors for the fund will recommend grants to Chicago area church work (focused in Church Planting) totaling \$50,000.

For the year, expenses exceeded revenue by \$85,954 on a total revenue of \$1,304,040. Through three quarters of the year, support for IBSA and IBSA CP totaled \$76,275, meaning that true (net) subsidy ended the year at approximately \$9,679.

Once again, thank you for the opportunity of service.

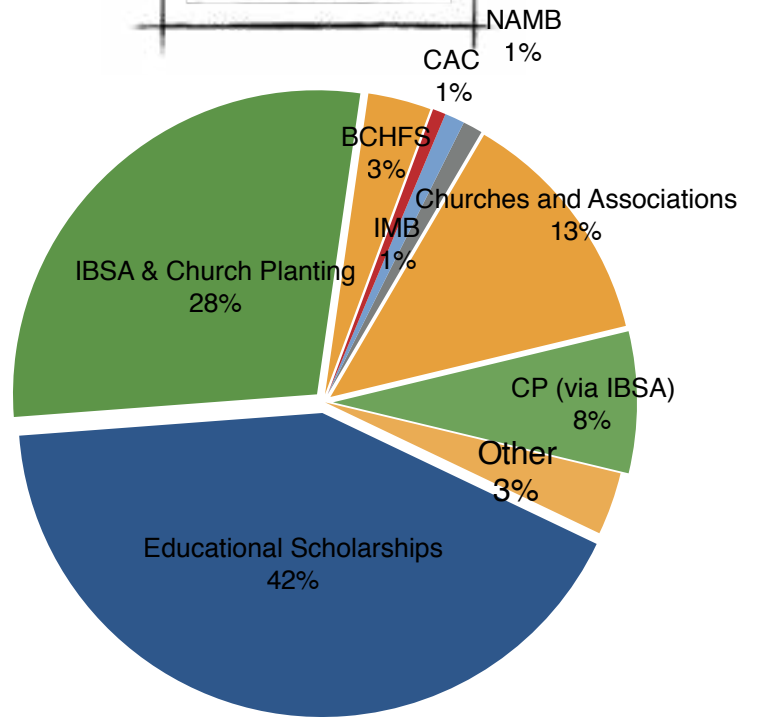
Respectfully submitted,

Larry Douglas (Doug) Morrow, Jr.



Total Funds Under Management 4Q16
\$32.98 M

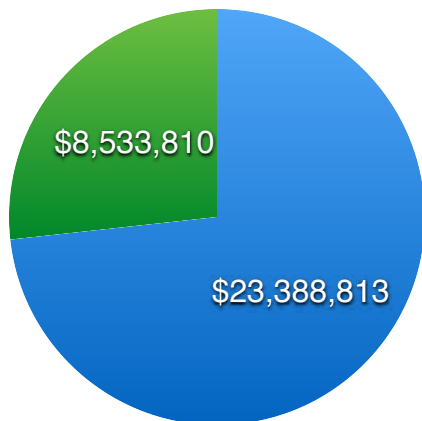
2016 BFI Endowment Support, \$305,426



BFI Accounts by Type

1056 tracked accounts

● Custodial ● Gift



**BFI Earnings by
Custodial Partner &
Account Type**

	2016	2015	2014	2013	2012	2011	2010
BFO 1 MONTH (EFFECTIVE OCT)	1.07%	0.75%	0.73%	0.96%	1.02%	1.73%	1.9%
BFO 6 MONTH (EFFECTIVE OCT)	1.59%	1.29%	1.11%	1.32%	1.38%	2.13%	2.44%
BFO 9 MONTH (EFFECTIVE OCT)	1.84%	1.61%					
BFO 1 YEAR (EFFECTIVE OCT)	2.14%	1.93%	1.71%	1.87%	1.92%	2.89%	3%
BFO 2 YEAR (EFFECTIVE OCT)	2.55%	2.38%	2.33%	2.45%	2.31%	3.67%	3.73%
BOS CASH MANAGEMENT	0.75%	0.75%	0.75%	0.75%	0.6%	1.2%	NA
BOS/LPL TRUST ACCOUNT (TR - GROSS)	18.63%	2.89%	18.63%	-4.58%	10.5%	NA	NA
BOS/LPL NET INCOME TRUST ACCOUNT (YIELD - GROSS)	5.82%	5.60%	5.59%				
BOS/LPL CUSTODIAL IND LONG TERM FIXED INCOME (YIELD -GROSS)	6.05%	6.3%					
BOS/LPL CUSTODIAL ORG LONG TERM FIXED INCOME (YIELD -GROSS)	6.09%	6.2%	6.15%	6.21%	8.1%	NA	NA
BOS/LPL ENDOWMENT (YIELD - GROSS)	6.05%	6.0%	6.01%	5.94%	4.96%	NA	NA
BFI BOND YIELD		—	3.25%	3.00%			
ONE YEAR BFI BOND	1.25%	1.25%					
TWO YEAR BFI BOND	2.25%	2.25%					
THREE YEAR BFI BOND	3.0%	3.0%					
FOUR YEAR BFI BOND	3.6%	3.6%					
FIVE YEAR BFI BOND	4.25%	4.25%					