



Fourth Quarter Management Report

Baptist Foundation of Illinois

December 31, 2017

Executive Summary

Some highlights from the quarter...

- 🌐 **Total Funds Under Management** grew to \$40.1 Million in various asset classes by the end of the fourth quarter.
- 🌐 At the close of three years of the program, BFI has, or is process with, fifteen (15) churches who have closed yet are having ongoing ministry impact through the **Church Legacy Program**.

| | | | |
|-----------------------------------|-----------------------------------|--------------------------------------|-----------------------------|
| Maranatha <i>Poplar Grove</i> | Living Stones <i>Belvidere</i> | Eagle Summit <i>Colona</i> | Lamon Ave <i>Chicago</i> |
| Sublette Union <i>Sublette</i> | Allen Park <i>Galesburg</i> | Galena Road <i>Peoria Heights</i> | Immanuel <i>Pana</i> |
| First SBC <i>Boody</i> | FBC <i>St. Elmo</i> | Harmony <i>Medora</i> | FBC <i>Valmeyer</i> |
| Willisville MBC | Okawville BC | Harrison BC | |

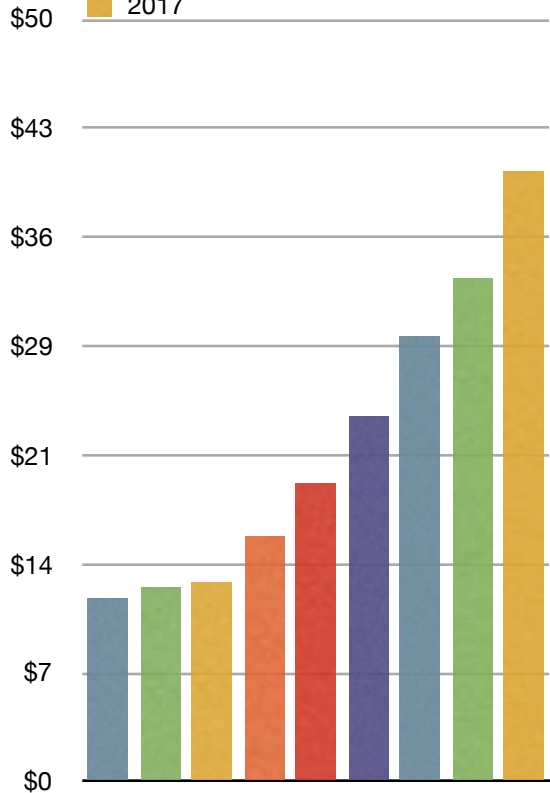
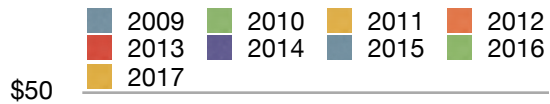
- 🌐 For the quarter, **expenses ran ahead of revenue** by \$28,803 bringing the loss for the year to \$94,974. This was greater than the anticipated loss of \$81,221 largely due to a shortfall in bond program revenue. Greater numbers of Illinois Baptists have elected to purchase longer term bonds while BFI bond loan percentages are currently capped at 4.75%. IBSA continues to be a gracious partner with BFI, subsidizing our annual operations to a maximum of \$93,000 in 2017. From current gifts, BFI provides approximately \$78,430 of annual revenue to IBSA, producing a net subsidy to \$16,544.
- 🌐 For the year, BFI produced a record amount of **custodial interest returned to Illinois Baptist investors** of \$918,612.
- 🌐 **Endowment production** was up for the year, totaling \$301,598, providing support for the organizations detailed on the next page. These included churches, IBSA, BCHFS and other national, state and international ministries.
- 🌐 BFI is currently serving as **executor of the John P. Elliott estate after his passing in October**. John lived in Woodlawn, IL and will create a charitable endowment of approximately \$750,000 supporting the work and ministry of the churches of the Salem South Association. A sell of farm ground has been set for February 22, funding the majority of John's endowment.

Once again, thank you for the opportunity of service.

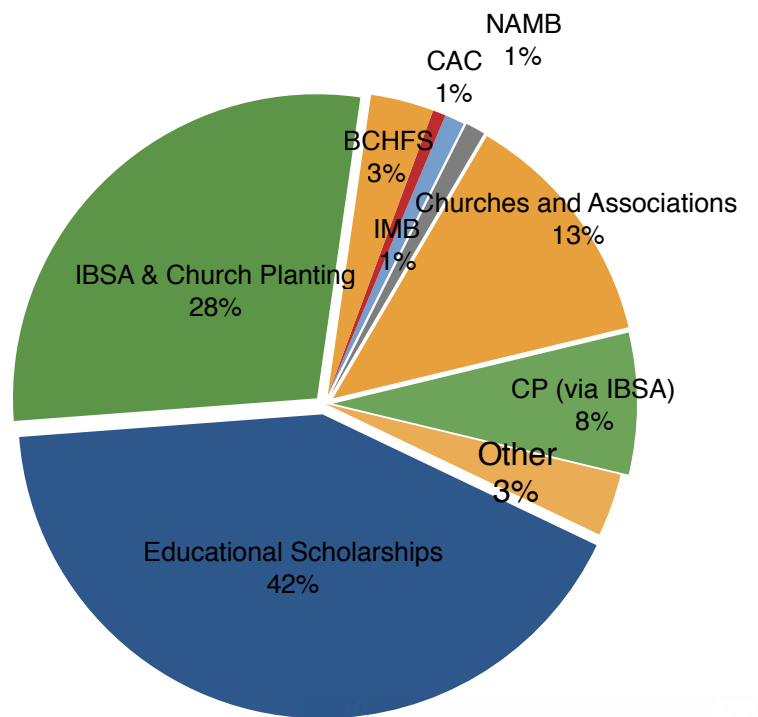
Respectfully submitted,



Larry Douglas (Doug) Morrow, Jr.



Total Funds Under Management 4Q17
\$40.1 M



BFI Endowment Support through 4Q17
\$301,598
(24.23% more than projected)

BFI Earnings by Custodial Partner & Account Type

| | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 |
|---|-------|--------|-------|--------|--------|-------|-------|-------|
| BFO 1 MONTH (EFFECTIVE JAN) | 1.55% | 1.07% | 0.75% | 0.73% | 0.96% | 1.02% | 1.73% | 1.9% |
| BFO 6 MONTH (EFFECTIVE JAN) | 2.01% | 1.59% | 1.29% | 1.11% | 1.32% | 1.38% | 2.13% | 2.44% |
| BFO 9 MONTH (EFFECTIVE JAN) | 2.22% | 1.84% | 1.61% | | | | | |
| BFO 1 YEAR (EFFECTIVE JAN) | 2.40% | 2.14% | 1.93% | 1.71% | 1.87% | 1.92% | 2.89% | 3% |
| BFO 2 YEAR (EFFECTIVE JAN) | 2.72% | 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% | 0.75% | 0.6% | 1.2% | NA |
| BOS/LPL TRUST ACCOUNT (TR - GROSS) | 2.09% | 18.63% | 2.89% | 18.63% | -4.58% | 10.5% | NA | NA |
| BOS/LPL NET INCOME TRUST ACCOUNT (YIELD - GROSS) | 6.22% | 5.82% | 5.60% | 5.59% | | | | |
| BOS/LPL CUSTODIAL IND LONG TERM FIXED INCOME (YIELD -GROSS) | 6.04% | 6.05% | 6.3% | | | | | |
| BOS/LPL CUSTODIAL ORG LONG TERM FIXED INCOME (YIELD -GROSS) | 5.98% | 6.09% | 6.2% | 6.15% | 6.21% | 8.1% | NA | NA |
| BOS/LPL ENDOWMENT (YIELD - GROSS) | 6.07% | 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% | 1.25% | | | | | |
| TWO YEAR BFI BOND | 2.25% | 2.25% | 2.25% | | | | | |
| THREE YEAR BFI BOND | 3.0% | 3.0% | 3.0% | | | | | |
| FOUR YEAR BFI BOND | 3.6% | 3.6% | 3.6% | | | | | |
| FIVE YEAR BFI BOND | 4.25% | 4.25% | 4.25% | | | | | |