

**2015 ANNUAL REPORT**  
**GEORGIA BAPTIST CONVENTION**

awaken  
2015

**AUDITS**  
**GEORGIA BAPTIST FOUNDATION**





**GEORGIA BAPTIST FOUNDATION, INC.**

**DULUTH, GEORGIA**

**REPORT ON AUDITS OF  
FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED  
JUNE 30, 2015 AND 2014**

## INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees  
Georgia Baptist Foundation, Inc.  
Duluth, Georgia

We have audited the accompanying financial statements of Georgia Baptist Foundation, Inc. (the "Foundation"), which comprise the statements of financial position as of June 30, 2015 and 2014, and the related statements of activities and cash flows for the years then ended and the related notes to the financial statements.

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

The Foundation's management is responsible for the preparation and fair presentation of these 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 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 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 audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Foundation's preparation and fair presentation of the 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 Foundation'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 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 financial statements referred to above present fairly, in all material respects, the financial position of Georgia Baptist Foundation, Inc. as of June 30, 2015 and 2014, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Report on Comparative Information**

We have previously audited Georgia Baptist Foundation, Inc.'s 2013 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 12, 2013. In our opinion, the comparative information presented herein as of June 30, 2013, is consistent, in all material respects, with the audited financial statements from which it has been derived.

### **Report on Supplementary Information**

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information on pages 19-23 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*Jones and Kelly*

September 10, 2015

**GEORGIA BAPTIST FOUNDATION, INC.**

Statement of Financial Position

June 30, 2015

(with comparative totals for 2014)

Assets	2015			2014
	Operations	Endowment and assets held for others	Total	Total
Cash and cash equivalents	\$ 2,250,990	14,298,030	16,549,020	12,963,073
Accrued income receivable	340,332	1,379,649	1,719,981	1,974,676
Trust funds receivable	-	637,868	637,868	926,504
Investment securities (Note 3)	-	339,806,163	339,806,163	365,591,725
Notes receivable	-	1,832,700	1,832,700	1,832,700
Other assets	120,767	199,823	320,590	717,767
Furniture and equipment, net	83,383	-	83,383	75,513
	<hr/>	<hr/>	<hr/>	<hr/>
Total assets	\$ 2,795,472	358,154,233	360,949,705	384,081,958
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<b>Liabilities and Net Assets</b>				
Liabilities:				
Accounts payable and accruals	\$ 58,685	914,943	973,628	918,325
Accrued postretirement benefit obligation (Note 6)	2,120,830	-	2,120,830	1,961,689
Annuities payable (Note 7)	-	7,076,757	7,076,757	7,228,864
Assets held for others (Note 8)	-	329,858,348	329,858,348	353,412,266
	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities	2,179,515	337,850,048	340,029,563	363,521,144
	<hr/>	<hr/>	<hr/>	<hr/>
Net assets:				
Unrestricted	615,957	2,335,299	2,951,256	3,069,304
Temporarily restricted (Note 9)	-	4,611,256	4,611,256	4,576,648
Permanently restricted (Note 9)	-	13,357,630	13,357,630	12,914,862
	<hr/>	<hr/>	<hr/>	<hr/>
Total net assets	615,957	20,304,185	20,920,142	20,560,814
	<hr/>	<hr/>	<hr/>	<hr/>
Commitments	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities and net assets	\$ 2,795,472	358,154,233	360,949,705	384,081,958
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**GEORGIA BAPTIST FOUNDATION, INC.**

Statement of Financial Position

June 30, 2014

(with comparative totals for 2013)

	<b>2014</b>			<b>2013</b>
<b>Assets</b>	<b>Operations</b>	<b>Endowment and assets held for others</b>	<b>Total</b>	<b>Total</b>
Cash and cash equivalents	\$ 2,093,407	10,869,666	12,963,073	13,836,084
Accrued income receivable	357,577	1,617,099	1,974,676	1,733,260
Trust funds receivable	-	926,504	926,504	1,763,190
Investment securities (Note 3)	-	365,591,725	365,591,725	327,165,151
Notes receivable	-	1,832,700	1,832,700	1,832,700
Other assets	108,751	609,016	717,767	692,338
Furniture and equipment, net	75,513	-	75,513	40,747
Total assets	\$ 2,635,248	381,446,710	384,081,958	347,063,470
<b>Liabilities and Net Assets</b>				
Liabilities:				
Accounts payable and accruals	\$ 56,458	861,867	918,325	849,801
Accrued postretirement benefit obligation (Note 6)	1,961,689	-	1,961,689	1,917,706
Annuities payable (Note 7)	-	7,228,864	7,228,864	6,713,319
Assets held for others (Note 8)	-	353,412,266	353,412,266	319,134,742
Total liabilities	2,018,147	361,502,997	363,521,144	328,615,568
Net assets:				
Unrestricted	617,101	2,452,203	3,069,304	2,365,623
Temporarily restricted (Note 9)	-	4,576,648	4,576,648	3,218,697
Permanently restricted (Note 9)	-	12,914,862	12,914,862	12,863,582
Total net assets	617,101	19,943,713	20,560,814	18,447,902
Commitments	-	-	-	-
Total liabilities and net assets	\$ 2,635,248	381,446,710	384,081,958	347,063,470

**GEORGIA BAPTIST FOUNDATION, INC.**  
**Statement of Activities**  
**Year Ended June 30, 2015**

	<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>Permanently restricted</u>	<u>Net asset total</u>	<u>Assets held for others</u>	<u>Memorandum total</u>
Endowment and assets held for others activity:						
Investment earnings and net assets released from restrictions:						
Interest	\$ 51,616	206,254	1,368	259,238	3,988,681	4,247,919
Dividends	10,890	175,460	1,140	187,490	3,483,159	3,670,649
Net realized and unrealized gains	154,836	147,643	8,303	310,782	6,939,266	7,250,048
Change in value of split-interest agreements	(38,071)	-	-	(38,071)	238,704	200,633
Net assets released from temporary restrictions	<u>507,294</u>	<u>(507,294)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total investment earnings and net assets released from restrictions	<u>686,565</u>	<u>22,063</u>	<u>10,811</u>	<u>719,439</u>	<u>14,649,810</u>	<u>15,369,249</u>
Expenses allocated to investment income:						
Expenses of trust administration	124,590	-	-	124,590	1,947,674	2,072,264
Georgia Baptist Foundation, Inc. trust administration fee	84,137	-	-	84,137	1,694,584	1,778,721
Total expenses allocated to investment income	<u>208,727</u>	<u>-</u>	<u>-</u>	<u>208,727</u>	<u>3,642,258</u>	<u>3,850,985</u>
Net increase in endowment and assets held for others from investment activity	<u>477,838</u>	<u>22,063</u>	<u>10,811</u>	<u>510,712</u>	<u>11,007,552</u>	<u>11,518,264</u>
Endowment and assets held for others distributions and reductions:						
Distributions to trust beneficiaries and affiliates	375,858	-	-	375,858	9,490,001	9,865,859
Distributions of income to operations	407,747	-	-	407,747	-	407,747
Withdrawal of funds under administration	-	-	-	-	33,213,423	33,213,423
Total distributions and reductions	<u>783,605</u>	<u>-</u>	<u>-</u>	<u>783,605</u>	<u>42,703,424</u>	<u>43,487,029</u>
Endowment and assets held for others additions:						
Endowment gifts	188,863	12,545	431,957	633,365	-	633,365
Funds received for investment administration	-	-	-	-	8,141,954	8,141,954
Total additions	<u>188,863</u>	<u>12,545</u>	<u>431,957</u>	<u>633,365</u>	<u>8,141,954</u>	<u>8,775,319</u>
Total change in endowment and assets held for others	<u>(116,904)</u>	<u>34,608</u>	<u>442,768</u>	<u>360,472</u>	<u>(23,553,918)</u>	<u>(23,193,446)</u>
Georgia Baptist Foundation, Inc. operating activity:						
Income:						
Gifts and other income	26,773	-	-	26,773	-	26,773
Income transferred to operations from endowment trusts	407,747	-	-	407,747	-	407,747
Trust administration fees (Note 4)	1,836,223	-	-	1,836,223	-	1,836,223
Support (Note 5)	100,592	-	-	100,592	-	100,592
Total operating income	<u>2,371,335</u>	<u>-</u>	<u>-</u>	<u>2,371,335</u>	<u>-</u>	<u>2,371,335</u>
Expenses:						
Administration	2,372,479	-	-	2,372,479	-	2,372,479
Change in net assets from Foundation operations	<u>(1,144)</u>	<u>-</u>	<u>-</u>	<u>(1,144)</u>	<u>-</u>	<u>(1,144)</u>
Change in net assets and assets held for others	<u>(118,048)</u>	<u>34,608</u>	<u>442,768</u>	<u>359,328</u>	<u>(23,553,918)</u>	<u>(23,194,590)</u>
Net assets at beginning of year	<u>3,069,304</u>	<u>4,576,648</u>	<u>12,914,862</u>	<u>20,560,814</u>		
Net assets at end of year	<u>\$ 2,951,256</u>	<u>4,611,256</u>	<u>13,357,630</u>	<u>20,920,142</u>		

**GEORGIA BAPTIST FOUNDATION, INC.**

Statement of Activities

Year ended June 30, 2014

	<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>Permanently restricted</u>	<u>Net asset total</u>	<u>Assets held for others</u>	<u>Memorandum total</u>
Endowment and assets held for others activity:						
Investment earnings and net assets released from restrictions:						
Interest	\$ 52,357	178,007	1,972	232,336	4,160,650	4,392,986
Dividends	9,365	153,011	1,642	164,018	3,476,542	3,640,560
Net realized and unrealized gains	635,441	1,484,823	4,702	2,124,966	38,399,303	40,524,269
Change in value of split-interest agreements	19,738	-	-	19,738	800,312	820,050
Net assets released from temporary restrictions	<u>465,339</u>	<u>(465,339)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total investment earnings and net assets released from restrictions	<u>1,182,240</u>	<u>1,350,502</u>	<u>8,316</u>	<u>2,541,058</u>	<u>46,836,807</u>	<u>49,377,865</u>
Expenses allocated to investment income:						
Expenses of trust administration	94,680	-	-	94,680	1,635,163	1,729,843
Georgia Baptist Foundation, Inc. trust administration fee	<u>78,506</u>	<u>-</u>	<u>-</u>	<u>78,506</u>	<u>1,670,454</u>	<u>1,748,960</u>
Total expenses allocated to investment income	<u>173,186</u>	<u>-</u>	<u>-</u>	<u>173,186</u>	<u>3,305,617</u>	<u>3,478,803</u>
Net increase in endowment and assets held for others from investment activity	<u>1,009,054</u>	<u>1,350,502</u>	<u>8,316</u>	<u>2,367,872</u>	<u>43,531,190</u>	<u>45,899,062</u>
Endowment and assets held for others distributions and reductions:						
Distributions to trust beneficiaries and affiliates	358,461	-	-	358,461	8,854,700	9,213,161
Distributions of income to operations	371,864	-	-	371,864	-	371,864
Withdrawal of funds under administration	-	-	-	-	7,897,756	7,897,756
Total distributions and reductions	<u>730,325</u>	<u>-</u>	<u>-</u>	<u>730,325</u>	<u>16,752,456</u>	<u>17,482,781</u>
Endowment and assets held for others additions:						
Endowment gifts	5,637	7,449	42,964	56,050	-	56,050
Funds received for investment administration	-	-	-	-	7,498,790	7,498,790
Total additions	<u>5,637</u>	<u>7,449</u>	<u>42,964</u>	<u>56,050</u>	<u>7,498,790</u>	<u>7,554,840</u>
Total change in endowment and assets held for others	<u>284,366</u>	<u>1,357,951</u>	<u>51,280</u>	<u>1,693,597</u>	<u>34,277,524</u>	<u>35,971,121</u>
Georgia Baptist Foundation, Inc. operating activity:						
Income:						
Gifts and other income	28,066	-	-	28,066	-	28,066
Income transferred to operations from endowment trusts	371,864	-	-	371,864	-	371,864
Trust administration fees (Note 4)	1,804,355	-	-	1,804,355	-	1,804,355
Support (Note 5)	100,168	-	-	100,168	-	100,168
Total operating income	<u>2,304,453</u>	<u>-</u>	<u>-</u>	<u>2,304,453</u>	<u>-</u>	<u>2,304,453</u>
Expenses:						
Administration	1,885,138	-	-	1,885,138	-	1,885,138
Change in net assets from Foundation operations	<u>419,315</u>	<u>-</u>	<u>-</u>	<u>419,315</u>	<u>-</u>	<u>419,315</u>
Change in net assets and assets held for others	<u>703,681</u>	<u>1,357,951</u>	<u>51,280</u>	<u>2,112,912</u>	<u>34,277,524</u>	<u>36,390,436</u>
Net assets at beginning of year	<u>2,365,623</u>	<u>3,218,697</u>	<u>12,863,582</u>	<u>18,447,902</u>		
Net assets at end of year	\$ <u>3,069,304</u>	<u>4,576,648</u>	<u>12,914,862</u>	<u>20,560,814</u>		

**GEORGIA BAPTIST FOUNDATION, INC.**

Statements of Cash Flows

Years ended June 30, 2015 and 2014

	<b>2015</b>	<b>2014</b>
Cash flows from operating activities:		
Change in net assets	\$ 359,328	2,112,912
Adjustments to reconcile change in net assets to net cash and cash equivalents used in operating activities:		
Depreciation	37,588	27,728
Loss/(gain) on disposal of fixed assets	12,605	(1,103)
Net realized and unrealized gains on investment securities	(7,250,048)	(40,524,269)
Gifts restricted for long-term investment	(431,957)	(42,964)
Investment earnings restricted for long-term investment	(10,811)	(8,316)
Decrease (increase) in accrued income receivable	254,695	(241,416)
Decrease in trust funds receivable	288,636	836,686
Decrease (increase) in other assets	397,177	(25,429)
Increase in accounts payable and accruals	55,303	68,524
Increase in accrued postretirement benefits	159,141	43,983
(Decrease) increase in annuities payable	(152,107)	515,545
(Decrease) increase in assets held for others	(23,553,918)	34,277,524
Net cash and cash equivalents used in operating activities	(29,834,368)	(2,960,595)
Cash flows from investing activities:		
Purchase of investments	(174,641,466)	(96,420,068)
Proceeds from sale of investments	207,677,076	98,517,763
Purchase of furniture and equipment	(58,063)	(61,391)
Net cash and cash equivalents provided by investing activities	32,977,547	2,036,304
Cash flows from financing activities:		
Proceeds from gifts restricted for long-term investment	431,957	42,964
Investment earnings restricted for long-term investment	10,811	8,316
Net cash and cash equivalents provided by financing activities	442,768	51,280
Net change in cash and cash equivalents	3,585,947	(873,011)
Cash and cash equivalents at beginning of year	12,963,073	13,836,084
Cash and cash equivalents at end of year	\$ 16,549,020	12,963,073

## **GEORGIA BAPTIST FOUNDATION, INC.**

Notes to Financial Statements  
For the Years Ended June 30, 2015 and 2014

### **(1) Organization**

Georgia Baptist Foundation, Inc. (the "Foundation") is a religious, not-for-profit corporation, which was chartered in 1941 to serve as the independent trust agency of the Georgia Baptist Convention. Its purpose is to manage and distribute earnings of endowment and other funds for the benefit of Georgia Baptist Convention and Southern Baptist Convention agencies, institutions, and causes, as directed by the related trust documents.

### **(2) Summary of Significant Accounting Policies**

#### **(a) Basis of Presentation**

The accompanying financial statements were prepared on the accrual basis of accounting.

Net assets and revenue, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Foundation and changes therein are classified as unrestricted, temporarily restricted, and permanently restricted.

Unrestricted net assets include amounts that are not subject to donor-imposed stipulations that are used to account for resources available to carry out the purposes of the Foundation. The principal sources of unrestricted funds are contributions, trust administration fees and investment income.

Temporarily restricted net assets are those resources currently available for use, but expendable only for purposes specified by the donor or grantor. Such resources originate from gifts and investment income restricted for specific purposes. When a donor or grantor restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statements of Activities as net assets released from temporary restrictions.

Permanently restricted net assets are assets donated with stipulations that the assets be invested to provide a permanent source of income. Such resources include gifts wherein donors stipulate that the corpus be held in perpetuity and only the income be made available for purposes designated by the donor.

Net assets of the Foundation do not reflect additions, income, distributions, or expenses related to assets held for others (refundable advances, trusts administered for others, and liability to resource providers). This activity for the years ended June 30, 2015 and 2014 is presented as memorandum information in the accompanying Statements of Activities.

#### **(b) Cash and Cash Equivalents**

Cash and cash equivalents include amounts held in common investment pools, individual trust accounts and demand deposit accounts. The Foundation considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

#### **(c) Accrued Income Receivable**

Accrued income receivable is primarily accrued investment income and is stated at the amount owed to the Foundation.

**GEORGIA BAPTIST FOUNDATION, INC.**

Notes to Financial Statements

For the Years Ended June 30, 2015 and 2014

**(d) Trust Funds Receivable**

Trust funds receivable are primarily due from estates which have not been settled prior to the end of the fiscal year and are based upon estimates of amounts owed to the Foundation from these estates.

**(e) Investment Securities**

Investment securities are principally comprised of publicly traded equity and debt securities. Fair market value is based on the last sale price on the last business day of the year. Generally accepted accounting principles ("GAAP") require that investments in equity securities with readily determinable fair values and all investments in debt securities be reported at fair value with gains and losses included in the Statements of Activities.

Cash, investment securities and accrued income of approximately \$191,530,000 and \$190,979,000 were held in the common investment pools at June 30, 2015 and 2014, respectively. Participation in the common investment pools is restricted to institutional investments. The pools are managed by external investment managers following an investment policy established by the Board of Trustees. The investment policy limits asset selection to a balanced portfolio of high quality, marketable equity and debt securities. Income earned on the pooled assets includes interest, dividends, and realized and unrealized gains and losses on investments.

Other investment portfolios holding cash and investment securities of approximately \$145,922,000 and \$168,664,000 at June 30, 2015 and 2014, respectively, are managed by the Foundation under agreements solely for charitable institutions and charitable remainder agreements with individuals. These portfolios follow the same investment policy as the common investment pools in terms of asset quality. The investment allocation and the funds distributed are determined by the agreement terms. All assets managed by the Foundation for charitable institutions and charitable remainder trusts and gift annuities are held in custody by external banks.

**(f) Notes Receivable**

Notes receivable are reported at the unpaid principal amount.

**(g) Income Taxes**

The Foundation is recognized as an organization exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code (the "Code") and classified as a public charity under Sections 509(a)(1) and 170(b)(1)(A)(vi) of the Code whereby only unrelated business income, as defined by Section 512(a)(1) of the Code, is subject to Federal income tax. While the Foundation is subject to income taxes on any revenues unrelated to its exempt purpose, management believes that it does not have any unrelated business income. As a church-affiliated organization that is exclusively engaged in managing funds, described in Rev. Proc. 96-10, 1996-1 C.B. 577, the Foundation does not file income tax returns. Management believes that it does not have any uncertain tax positions that are material to the financial statements. The IRS has the right to examine the Foundation from its inception, but has never done so.

**(h) Concentrations of Credit Risk**

Financial instruments, which potentially subject the Foundation to concentrations of credit risk, consist principally of cash and cash equivalents, investment securities and notes receivable. Cash

**GEORGIA BAPTIST FOUNDATION, INC.**

Notes to Financial Statements  
For the Years Ended June 30, 2015 and 2014

and cash equivalents include demand deposits totaling \$6,538,316 and \$6,108,007 at June 30, 2015 and 2014, respectively, at several high credit quality financial institutions. These deposits possess credit risk to the extent they exceed federally insured limits. The remainder of cash and cash equivalents consists primarily of money market funds, which have diversified portfolios and are not insured by the Federal Deposit Insurance Corporation.

The exposure to concentrations of credit risk relative to investment securities is limited due to the Foundation's investment objectives and policies, as adopted by its Board of Trustees. The investment policies prohibit the acquisition of certain securities and require, among other things, that securities be diversified and meet certain quality criteria.

**(i) Fair Value of Financial Instruments**

The carrying value of cash and cash equivalents, accrued income receivable, trust funds receivable, notes receivable, accounts payable and accruals, and annuities payable approximates fair value because of the terms and/or relative short maturity of those instruments.

**(j) Use of Estimates**

Management has made certain estimates and assumptions relating to the reporting of assets and liabilities and the disclosure of contingent assets and liabilities to prepare the financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP"). Actual results could differ from those estimates.

**(k) Reclassification**

Certain prior year balances have been reclassified to conform to the current year presentation.

**(l) Subsequent Events**

Subsequent events have been evaluated by management through September 10, 2015, the date these financial statements were available to be issued.

**(3) Fair Value Measurements**

GAAP established a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted observable quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1: Inputs to the valuation methodology are quoted prices in active markets for identical assets or liabilities.

Level 2: Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in inactive markets, or inputs other than quoted prices that are observable for the asset or liability.

Level 3: Inputs to valuation methodology are unobservable for the asset or liability and are significant to the fair market value.

**GEORGIA BAPTIST FOUNDATION, INC.**

Notes to Financial Statements

For the Years Ended June 30, 2015 and 2014

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. As of June 30, 2015 and 2014, the only assets or liabilities that are measured at fair value on a recurring basis in periods subsequent to initial recognition are investment securities. Common stocks and U.S. treasuries are valued at the closing price reported on the active market on which the individual securities are traded. Fixed income and equity funds are valued at the daily closing price reported by the fund. These funds are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Foundation are deemed to be actively traded. Corporate obligations, asset backed securities, U.S. agency obligations and sovereign government obligations are valued based on quoted prices for similar assets. The equity long/short fund is valued based on the Foundation's ownership percentage of the fund's partner's capital balance. All securities within the equity long/short fund are categorized as Level 1 investments. Investment withdrawals from the equity long/short fund can be made on the first business day of the month with a 30-day notice. There were no unfunded commitments to the equity long/short fund at June 30, 2015 and 2014. The following table presents by level, within the fair value hierarchy, the Foundation's investment securities at fair value, as of June 30, 2015 and 2014.

<b>Fair Value Measurements at June 30, 2015 Using:</b>			
	<b>Quoted Prices in Active Markets for Identical Assets (Level 1)</b>	<b>Significant Other Observable Inputs (Level 2)</b>	<b>Total</b>
Common stock	\$ 193,377,305	-	193,377,305
Corporate obligations	-	63,303,594	63,303,594
Asset backed securities	-	4,089,939	4,089,939
US agency obligations	-	1,168,805	1,168,805
US Treasuries	24,070,974	-	24,070,974
Sovereign government obligations	-	2,271,206	2,271,206
Fixed income funds	5,773,671	-	5,773,671
Equity funds	7,064,457	-	7,064,457
Equity long/short fund	-	38,686,212	38,686,212
<b>Total investments</b>	<b>\$ 230,286,407</b>	<b>109,519,756</b>	<b>339,806,163</b>

**GEORGIA BAPTIST FOUNDATION, INC.**

Notes to Financial Statements  
For the Years Ended June 30, 2015 and 2014

<b>Fair Value Measurements at June 30, 2014 Using:</b>			
	<b>Quoted Prices in Active Markets for Identical Assets (Level 1)</b>	<b>Significant Other Observable Inputs (Level 2)</b>	<b>Total</b>
Common stock	\$ 212,002,253	-	212,002,253
Corporate obligations	-	68,934,192	68,934,192
Asset backed securities	-	4,610,744	4,610,744
US agency obligations	-	1,165,846	1,165,846
US Treasuries	24,866,477	-	24,866,477
Sovereign government obligations	-	2,482,241	2,482,241
Fixed income funds	5,847,931	-	5,847,931
Equity funds	7,629,211	-	7,629,211
Equity long/short fund	-	38,052,830	38,052,830
<b>Total investments</b>	<b>\$ 250,345,872</b>	<b>115,245,853</b>	<b>365,591,725</b>

As of June 30, 2015, the Foundation's common investment pools held common stocks representing 317 individual companies representing 28 countries. No individual stock represented more than 1.44% of the total portfolio. The Foundation's common investment pools held fixed income investments representing 122 individual companies, municipalities, agencies of the U.S. government, and the Treasury of the U.S. The total number of issues held was 205. No individual issuer represented more than 23.31% (U.S. Treasuries) of the total portfolio. 100% of the portfolio was Bank Investment Grade (BBB- or better).

As of June 30, 2014, the Foundation's common investment pools held common stocks representing 157 individual companies representing 26 countries. No individual stock represented more than 1.41% of the total portfolio. The Foundation's common investment pools held fixed income investments representing 112 individual companies, municipalities, agencies of the U.S. government, and the Treasury of the U.S. The total number of issues held was 183. No individual issuer represented more than 22.97% (U.S. Treasuries) of the total portfolio. 100% of the portfolio was Bank Investment Grade (BBB- or better).

**(4) Trust Administration Fees**

The Foundation charges a fee for administering the trusts. The fees are based on a percentage of the fair value of the trust assets and totaled \$1,836,223 and \$1,804,355 for the years ended June 30, 2015 and 2014, respectively.

**(5) Related Parties**

As described in Note 1, the Foundation is affiliated with the Georgia Baptist Convention (the "Convention"). The majority of the funds administered by the Foundation are for the benefit of the Convention, its agencies, and various other Baptist organizations. Throughout the year, the Foundation

**GEORGIA BAPTIST FOUNDATION, INC.**

Notes to Financial Statements

For the Years Ended June 30, 2015 and 2014

makes distributions either directly to these organizations or on their behalf. The Foundation also receives funds from these organizations, both to administer for their benefit and to support the Foundation's operations.

The Foundation receives support from the Cooperative Program of the Convention. This support totaled \$100,592 and \$100,168 for the years ended June 30, 2015 and 2014, respectively.

The Foundation leases office space under an informal agreement with the Executive Committee of the Convention. Rental expense under this agreement was approximately \$81,700 for the years ended June 30, 2015 and 2014.

**(6) Postretirement Benefits**

The Foundation provides postretirement benefits including life, medical, and dental insurance for all vested employees who retire depending on their date of employment. The benefits are provided to active participants who remain employed at the Foundation until retirement (age 55 or above) and have at least 10 active years of service. The percentage of the postretirement health care premiums paid by the Foundation is based on a formula combining service years and age. Employees are 50% vested upon a sum of service years and age totaling 65 and vesting increases on a scale until 100% for service years and age totaling 85. The Foundation pays 100% of the premiums times the vesting factor of employees retired before 2006 and 85% of single coverage and 80% of couple coverage for employees retired after 2005 and employed on a full-time basis before August 5, 2010. The Foundation does not pay any portion of premiums for employees hired since August 5, 2010.

The following table presents the plan's funded status reconciled to the amount recognized in the Foundation's Statements of Financial Position at June 30, 2015 and 2014.

	<u>2015</u>	<u>2014</u>
Accrued postretirement benefit obligation	\$ 2,120,830	1,961,689
Plan assets at fair value	-	-
	<u>2,120,830</u>	<u>1,961,689</u>
Unrecognized prior service cost	17,980	35,962
Unrecognized net loss	<u>(756,689)</u>	<u>(691,596)</u>
Accrued postretirement benefit cost	1,382,121	1,306,055
Other cost recognized	<u>738,709</u>	<u>655,634</u>
Net recognized cost	<u>\$ 2,120,830</u>	<u>1,961,689</u>

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Notes to Financial Statements

For the Years Ended June 30, 2015 and 2014

**Change in accrued postretirement benefit obligation:**

Accrued Postretirement Benefit Obligation: This represents the present value of future benefits attributed to employees' service rendered prior to the valuation date.

	<u>2015</u>	<u>2014</u>
Accrued postretirement benefit obligation, beginning of year	\$ 1,961,689	1,917,706
Service cost	29,912	26,195
Interest cost	79,271	85,784
Benefits paid	(56,421)	(49,728)
Change in discount rate and other assumptions	21,688	160,114
Actuarial (gain) loss	<u>84,691</u>	<u>(178,382)</u>
 Accrued postretirement benefit obligation, end of year	 \$ <u>2,120,830</u>	 <u>1,961,689</u>

**Assumptions:**

	<u>2015</u>	<u>2014</u>
Discount rate	4.20%	4.10%
Expected long-term health cost increase:		
Initial rate	8.00%	8.00%
Ultimate rate	5.00%	5.00%
Time to ultimate rate	6 years	6 years
Expected long-term dental care cost increase:		
Initial and ultimate rate	5.00%	5.00%
Salary scale assumption	3.00%	3.00%
Amortization of prior service cost (2005)	1 year	2 years
Weighted average remaining service - active participants	11 years	12 years

The benefits expected to be paid in each of the years ending June 30, 2016 through 2020 are \$89,151, \$83,515, \$89,414, \$98,169, and \$102,749, respectively. The aggregate benefits expected to be paid during the five years beginning July 1, 2020 total \$600,931. These expected benefits are based on the same assumptions used to measure the Foundation's benefit obligation at June 30, 2015. Benefits of \$56,421 and

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Notes to Financial Statements  
For the Years Ended June 30, 2015 and 2014

\$49,728 were paid in 2015 and 2014, respectively. The obligation is unfunded and all benefits paid are from employer contributions.

**(7) Annuities Payable**

The Foundation acts as trustee under irrevocable agreements in which donors have retained interest in income, principal, or both. These agreements include gift annuity contracts, charitable remainder annuity trusts, and charitable remainder unitrusts. This liability is equal to the present value of estimated future payments to beneficiaries at the statement of financial position date. The assets related to these agreements include the Charitable Remainder Trusts – Fixed Income and Equity Pools and a note receivable that totaled approximately \$13,068,000 and \$13,285,000 at June 30, 2015 and 2014, respectively.

This annuity liability is revalued annually based on computed values. Change in annuities payable consists of the following for the years ended June 30, 2015 and 2014:

	<u>2015</u>	<u>2014</u>
Account terminations	\$ (309,602)	(100,281)
New accounts written	504,606	511,354
Interest and dividend income	418,362	374,702
Net realized and unrealized gains	23,732	1,302,729
Distributions to beneficiaries	(783,465)	(794,836)
Investment management expenses	(99,425)	(100,650)
Actuarial change including net investment income allocated to remainder interests	93,685	(677,473)
	<u>\$ (152,107)</u>	<u>515,545</u>

The Foundation uses published mortality-rate tables adopted by the United States Internal Revenue Service and discount rates ranging from 2.40% to 6.40% to determine the present value of the annuity liability.

**(8) Assets Held for Others**

Assets held for others consist of the following at June 30, 2015 and 2014:

Refundable advances consist of assets administered by the Foundation for individuals and institutions under revocable trust agreements. Because these assets are subject to withdrawal at the discretion of the individual or institution, they are considered revocable assets. These amounts are presented as agency transactions in the accompanying financial statements.

Trusts administered for others consist of assets held and invested by the Foundation for the Convention and others in an agency capacity. These funds are generally invested in the Foundation's common investment pools. The use of income from the assets is governed by irrevocable trust agreements. The Foundation has no discretion in the selection of the trust beneficiary or the use of the income. These amounts are presented as agency transactions in the accompanying financial statements.

**GEORGIA BAPTIST FOUNDATION, INC.**

Notes to Financial Statements

For the Years Ended June 30, 2015 and 2014

Liability to resource providers consists of assets held under irrevocable trust agreements between the Foundation and the Convention and its affiliates to administer endowment funds. In these cases, the agency creating the agreement and the endowment beneficiary are the same party, and the Foundation has no discretion over the selection of beneficiary or use of the income. These funds are generally invested in the Foundation's common investment pools. These amounts are presented as agency transactions in the accompanying financial statements.

	<u>2015</u>	<u>2014</u>
Refundable advances	\$ 228,365,725	250,528,412
Trusts administered for others	91,097,186	91,950,480
Liability to resource providers	<u>10,395,437</u>	<u>10,933,374</u>
	<u>\$ 329,858,348</u>	<u>353,412,266</u>

**(9) Net Assets**

Temporarily restricted net assets consist of the following at June 30, 2015 and 2014:

	<u>2015</u>	<u>2014</u>
Endowment gains and unexpended income restricted by donors for the benefit of the Foundation	\$ 133,196	135,008
Endowment gains and unexpended income restricted by donors for Christian education and other beneficiaries	<u>4,478,060</u>	<u>4,441,640</u>
	<u>\$ 4,611,256</u>	<u>4,576,648</u>

Permanently restricted net assets consist of the following at June 30, 2015 and 2014:

	<u>2015</u>	<u>2014</u>
Irrevocable restricted endowment funds for the benefit of the Foundation	\$ 5,749,620	5,319,171
Irrevocable restricted endowment funds for the benefit of Christian education and other beneficiaries	<u>7,608,010</u>	<u>7,595,691</u>
	<u>\$ 13,357,630</u>	<u>12,914,862</u>

**GEORGIA BAPTIST FOUNDATION, INC.**

Notes to Financial Statements  
For the Years Ended June 30, 2015 and 2014

**(10) Functional Allocation of Expenses**

The cost of providing program services and other activities for the years ended June 30, 2015 and 2014 are summarized on a functional basis as follows:

	<u>2015</u>	<u>2014</u>
Programs		
Expenses allocated to investment income	\$ 3,850,985	3,478,803
Endowment and assets held for others beneficiary distributions	9,865,860	9,213,161
Investment administration	369,508	266,281
Trusteeship	<u>690,273</u>	<u>584,490</u>
Total program expenses	14,776,626	13,542,735
Supporting services		
Fundraising	769,852	575,873
Management and general	<u>542,846</u>	<u>458,495</u>
	<u>\$ 16,089,324</u>	<u>14,577,103</u>

**(11) Endowment**

The Foundation administers approximately 750 endowment trust funds established for a variety of purposes. Endowment assets include those assets of donor-restricted funds that the Foundation must hold in perpetuity. As required by GAAP, net assets associated with endowment funds, including funds designated by the Board of Trustees ("the Trustees") to function as endowments, are classified and reported based on the existence of donor-imposed restrictions.

The Trustees of the Foundation has interpreted the Georgia Uniform Prudent Management of Institutional Funds Act of 2006 ("UPMIFA") as allowing the Foundation to appropriate for expenditure or accumulate so much of an endowment fund as the Foundation determines is prudent for the uses, benefits, purposes and duration for which the endowment fund is established, subject to the intent of the donor as expressed in the gift instrument. Unless stated otherwise in the gift instrument, the assets in an endowment fund shall be donor-restricted assets until appropriated for expenditures by the Trustees. As a result of this interpretation, the Foundation classifies the original value of gifts donated to the permanent endowment, the original value of subsequent gifts to the permanent endowment, and accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund as permanently restricted net assets. The remaining portion of the donor-restricted endowment fund that is not classified as permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by UPMIFA. The Trustees appropriate funds from the endowment funds based on the Foundation's Income Spending Policy.

**GEORGIA BAPTIST FOUNDATION, INC.**

Notes to Financial Statements  
For the Years Ended June 30, 2015 and 2014

**(a) *Investment Policy***

The investment objectives of the Foundation are to provide sufficient cash flow from interest, dividends, and realized capital gains to meet the income payout level as specified from time to time by the Trustees, and to generate enough additional growth of principal to maintain the purchasing power of the income dollar. The specific performance goal is a portfolio that has a high probability of providing a five-year average return that will allow an average dividend rate of 4% and reinvestment of at least 3.5% to account for inflation over a full market cycle. The primary measurement of risk will be the standard deviation of average returns. The desired ratio of return units to risk units shall be such that when average return over the life of the portfolio is divided by standard deviation, the result is greater than one (1).

**(b) *Income Spending Policy***

Subject to the intent of a donor, expressed in the gift instrument, or to any express written agreement between a donor and the Foundation, the Foundation may appropriate for expenditure or accumulate assets of an endowment fund as it determines shall be prudent for the uses, benefits, purposes, and duration for which the endowment fund is established. Unless stated otherwise in the gift instrument, the assets in an endowment fund shall be donor restricted assets until appropriated for expenditure by the Foundation.

In making a determination to appropriate or accumulate assets, the Foundation shall act in good faith, with the care that an ordinarily prudent person in a like position would exercise under similar circumstances, and shall consider, if relevant, the following factors:

- (1) The duration and preservation of the endowment fund;
- (2) The purposes of the beneficiary institution and the endowment fund;
- (3) General economic conditions;
- (4) The possible effect of inflation or deflation;
- (5) The expected total return from income and the appreciation of investments;
- (6) Other resources of the beneficiary institution; and
- (7) The Foundation's Investment Policy.

The goal of the Income Spending Policy is to provide a disciplined and reasoned approach to moving money from the common investment pools on a predictable and consistent basis. The Income Spending Policy aims to preserve intergenerational equity by preserving the real (inflation adjusted) purchasing power of the endowment.

It is the policy of the Trustees of the Foundation that endowment spending shall be paid at a rate of approximately 5% of the market value of the common investment pools as of January 1 of any given year. Further, it is the policy of the Foundation to increase the dollar amount of the spending rate paid per unit of pool participation by 3.5% each year unless the resulting dollar amount is more than 6% or less than 4% of the applicable market value. In either of these cases, the higher or lower percentage will apply.

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Foundation to retain as a fund of perpetual duration. In accordance with GAAP, losses on the investments of a donor-restricted

**GEORGIA BAPTIST FOUNDATION, INC.**  
Notes to Financial Statements  
For the Years Ended June 30, 2015 and 2014

endowment fund shall reduce temporarily restricted net assets to the extent that donor-imposed temporary restrictions on net appreciation of the fund have not been met before the loss occurs. Any remaining loss shall reduce unrestricted net assets. Gains that restore the fair value of the assets of the endowment fund to the required level shall be classified as increases in unrestricted net assets.

**(12) Risks and Uncertainties**

The capital markets continue to experience a high degree of volatility that is causing significant fluctuations in the market value of investments. These conditions could impact the classification, liquidity and valuation of cash, cash equivalents and investments. Investments and cash equivalents are subject to interest rate risk, business risk, credit risk, call risk, inflationary risk, liquidity risk, market risk, reinvestment risk, political risk and exchange rate risk. Due to the level of risk associated with certain investments and cash equivalents, it is likely that the market volatility in the near term will affect the amounts reported in the accompanying financial statements. It is possible such trends will continue.

**ACCOMPANYING SUPPLEMENTARY INFORMATION**

**GEORGIA BAPTIST FOUNDATION, INC.**  
Schedule of Financial Information on Pooled Investment Funds  
General Endowment Pool – Balance Sheets  
June 30, 2015 and 2014

	<b>Assets</b>	<b>2015</b>	<b>2014</b>
Cash		\$ 6,272,521	4,056,770
Accrued income		779,692	819,864
Investment securities		182,787,107	184,371,004
Total assets		<u>\$ 189,839,320</u>	<u>189,247,638</u>
<b>Liabilities and Fund Balance</b>			
Liabilities:			
Payable for asset management expenses		\$ 317,804	276,262
Fund balance		189,521,516	188,971,376
Total liabilities and fund balance		<u>\$ 189,839,320</u>	<u>189,247,638</u>

General Endowment Pool – Statements of Operations and Changes in Fund Balance  
Years ended June 30, 2015 and 2014

	<b>Operations</b>	<b>2015</b>	<b>2014</b>
Investment earnings:			
Interest		\$ 2,349,959	2,344,983
Dividends		1,998,779	1,991,276
Net realized and unrealized gains on investments		4,156,064	23,804,159
Total investment earnings		<u>8,504,802</u>	<u>28,140,418</u>
Expenses:			
Investment and asset management fees		1,182,117	1,000,048
Georgia Baptist Foundation, Inc. trust administration fee		521,293	539,943
Total expenses allocated to investment income		<u>1,703,410</u>	<u>1,539,991</u>
Net increase in fund balance resulting from operations		<u>\$ 6,801,392</u>	<u>26,600,427</u>
<b>Changes in Fund Balance Data</b>			
Fund balance at beginning of year		\$ 188,971,376	241,095,673
Net increase in fund balance resulting from operations		6,801,392	26,600,427
Distributions of spending policy income to trusts		(8,642,174)	(8,727,878)
Unit transactions:			
Proceeds from sale of unit investments in pool		10,455,155	10,313,134
Redemptions of unit investments in pool		(8,064,233)	(7,886,935)
Transfer of GBHCMF investment to segregated portfolio		-	(72,423,045)
Net proceeds (disbursements) from unit transactions		<u>2,390,922</u>	<u>(69,996,846)</u>
Fund balance at end of year		<u>\$ 189,521,516</u>	<u>188,971,376</u>

**GEORGIA BAPTIST FOUNDATION, INC.**  
Schedule of Financial Information on Pooled Investment Funds  
Georgia Baptist Health Care Ministry Foundation Investment Portfolio – Balance Sheets  
June 30, 2015 and 2014

<b>Assets</b>	<b>2015</b>	<b>2014</b>
Cash	\$ 3,569,270	2,718,090
Accrued income	492,371	698,998
Investment securities	131,042,452	154,210,035
Total assets	<u>\$ 135,104,093</u>	<u>157,627,123</u>
<b>Liabilities and Fund Balance</b>		
Liabilities:		
Payable for asset management expenses	\$ 326,464	334,911
Fund balance	134,777,629	157,292,212
Total liabilities and fund balance	<u>\$ 135,104,093</u>	<u>157,627,123</u>

Georgia Baptist Health Care Ministry Foundation Investment Portfolio – Statements of Operations and  
Changes in Fund Balances  
Years ended June 30, 2015 and 2014

<b>Operations</b>	<b>2015</b>	<b>2014</b>
Investment earnings:		
Interest	\$ 1,778,779	1,925,250
Dividends	1,272,453	1,206,922
Net realized and unrealized gains on investments	3,791,826	15,959,716
Total investment earnings	<u>6,843,058</u>	<u>19,091,888</u>
Expenses:		
Investment and asset management fees	860,599	698,014
Georgia Baptist Foundation, Inc. trust administration fee	615,712	588,838
Total expenses allocated to investment income	<u>1,476,311</u>	<u>1,286,852</u>
Net increase in fund balance resulting from operations	<u>\$ 5,366,747</u>	<u>17,805,036</u>
<b>Changes in Fund Balance Data</b>		
Fund balance at beginning of year	\$ 157,292,212	69,761,973
Net increase in fund balance resulting from operations	5,366,747	17,805,036
Withdrawal of income	(3,250,000)	(2,979,225)
Investment activity:		
Additions	-	281,383
Transfer of investment from General Endowment Pool	-	72,423,045
Withdrawal of principal	<u>(24,631,330)</u>	<u>-</u>
Net (disbursements) proceeds from investment activity	<u>(24,631,330)</u>	<u>72,704,428</u>
Fund balance at end of year	<u>\$ 134,777,629</u>	<u>157,292,212</u>

**GEORGIA BAPTIST FOUNDATION, INC.**  
Schedule of Financial Information on Pooled Investment Funds  
Fixed Income Pool - Balance Sheets  
June 30, 2015 and 2014

<b>Assets</b>	<b>2015</b>	<b>2014</b>
Cash	\$ 53,975	13,722
Accrued income	17,596	19,548
Investment securities	1,619,282	1,697,538
Total assets	\$ 1,690,853	1,730,808
<b>Liabilities and Fund Balance</b>		
Liabilities:		
Payable for asset management expenses and distributions to trusts	\$ 8,027	5,047
Fund balance	1,682,826	1,725,761
Total liabilities and fund balance	\$ 1,690,853	1,730,808

Fixed Income Pool – Statements of Operations and Changes in Fund Balance  
Years ended June 30, 2015 and 2014

<b>Operations</b>	<b>2015</b>	<b>2014</b>
Investment earnings:		
Interest	\$ 71,122	81,517
Net realized and unrealized (loss) gains on investments	(44,932)	15,743
Total investment earnings	26,190	97,260
Expenses:		
Investment and asset management fees	12,083	11,506
Georgia Baptist Foundation, Inc. trust administration fee	5,164	5,598
Total expenses allocated to investment income	17,247	17,104
Net increase in fund balance resulting from operations	\$ 8,943	80,156

**Changes in Fund Balance Data**

Fund balance at beginning of year	\$ 1,725,761	2,084,595
Net increase in fund balance resulting from operations	8,943	80,156
Distributions of income to trusts	(71,122)	(81,517)
Unit transactions:		
Proceeds from sale of unit investments in pool	19,244	54,032
Redemptions of unit investments in pool	-	(411,505)
Net proceeds (disbursements) from unit transactions	19,244	(357,473)
Fund balance at end of year	\$ 1,682,826	1,725,761

**GEORGIA BAPTIST FOUNDATION, INC.**  
Schedule of Financial Information on Pooled Investment Funds  
Charitable Remainder Trusts – Fixed Income Pool  
Balance Sheets  
June 30, 2015 and 2014

<b>Assets</b>	<b>2015</b>	<b>2014</b>
Cash	\$ 29,406	23,383
Accrued income	661	4,678
Investment securities	4,193,064	4,285,812
Total assets	\$ 4,223,131	4,313,873
<b>Liabilities and Fund Balance</b>		
Liabilities:		
Payable for asset management expenses	\$ 1,759	1,796
Fund balance	4,221,372	4,312,077
Total liabilities and fund balance	\$ 4,223,131	4,313,873

Charitable Remainder Trusts – Fixed Income Pool  
Statements of Operations and Changes in Fund Balance  
Years ended June 30, 2015 and 2014

<b>Operations</b>	<b>2015</b>	<b>2014</b>
Investment earnings:		
Interest	\$ 137,944	126,498
Net realized and unrealized (loss) gains on investments	(112,572)	58,699
Total investment earnings	25,372	185,197
Expenses:		
Investment and asset management fees	12,857	12,558
Georgia Baptist Foundation, Inc. trust administration fee	21,578	21,179
Total expenses allocated to investment earnings	34,435	33,737
Net (decrease) increase in fund balance resulting from operations	\$ (9,063)	151,460
<b>Changes in Fund Balance Data</b>		
Fund balance at beginning of year	\$ 4,312,077	3,938,218
Net (decrease) increase in fund balance resulting from operations	(9,063)	151,460
Distributions of income	(124,264)	(103,486)
Unit transactions:		
Proceeds from sale of unit investments in pool	391,760	545,973
Redemptions of unit investments in pool	(349,138)	(220,088)
Net proceeds from unit transactions	42,622	325,885
Fund balance at end of year	\$ 4,221,372	4,312,077

**GEORGIA BAPTIST FOUNDATION, INC.**  
Schedule of Financial Information on Pooled Investment Funds  
Charitable Remainder Trusts – Equity Pool  
Balance Sheets  
June 30, 2015 and 2014

<b>Assets</b>	<b>2015</b>	<b>2014</b>
Cash	\$ 87,612	43,516
Accrued income	9,103	-
Investment securities	6,497,782	6,679,025
Total assets	\$ 6,594,497	6,722,541
<b>Liabilities and Fund Balance</b>		
Liabilities:		
Payable for asset management expenses	\$ 2,744	2,801
Fund balance	6,591,753	6,719,740
Total liabilities and fund balance	\$ 6,594,497	6,722,541

Charitable Remainder Trusts – Equity Pool  
Statements of Operations and Changes in Fund Balance  
Years ended June 30, 2015 and 2014

<b>Operations</b>	<b>2015</b>	<b>2014</b>
Investment earnings:		
Interest	\$ 11	15
Dividends	101,459	70,123
Net realized and unrealized gains on investments	139,266	1,256,782
Total investment earnings	240,736	1,326,920
Expenses:		
Investment and asset management fees	20,331	19,017
Georgia Baptist Foundation, Inc. trust administration fee	34,124	32,334
Total expenses allocated to investment earnings	54,455	51,351
Net increase in fund balance resulting from operations	\$ 186,281	1,275,569
<b>Changes in Fund Balance Data</b>		
Fund balance at beginning of year	\$ 6,719,740	5,541,972
Net increase in fund balance resulting from operations	186,281	1,275,569
Distributions of income	(63,608)	(78,385)
Unit transactions:		
Proceeds from sale of unit investments in pool	827,679	772,993
Redemptions of unit investments in pool	(1,078,339)	(792,409)
Net disbursements from unit transactions	(250,660)	(19,416)
Fund balance at end of year	\$ 6,591,753	6,719,740