## Consolidated Statement of Activities (Income)

<table>
<thead>
<tr>
<th>Description</th>
<th>12/31/18</th>
<th>12/31/17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Member Church Contributions</td>
<td>42,789</td>
<td>42,523</td>
</tr>
<tr>
<td>Member Church Contributions for Loan Pmts</td>
<td>23,657</td>
<td>30,916</td>
</tr>
<tr>
<td>Member Church Contributions of Properties</td>
<td>21,183</td>
<td>18,205</td>
</tr>
<tr>
<td>Contributions and Bequests</td>
<td>1,383</td>
<td>1,948</td>
</tr>
<tr>
<td>Investment Income (Loss)</td>
<td>(2,227)</td>
<td>30,471</td>
</tr>
<tr>
<td>Rental Income</td>
<td>4,096</td>
<td>3,659</td>
</tr>
<tr>
<td>Fees for Services</td>
<td>1,115</td>
<td>973</td>
</tr>
<tr>
<td>Loan Interest</td>
<td>6,238</td>
<td>5,961</td>
</tr>
<tr>
<td>Insurance Premiums</td>
<td>5,581</td>
<td>6,476</td>
</tr>
<tr>
<td>Gain on Sale of Property and Equipment</td>
<td>8,227</td>
<td>19,402</td>
</tr>
<tr>
<td>Other</td>
<td>385</td>
<td>1,106</td>
</tr>
<tr>
<td><strong>Total Revenues and Support</strong></td>
<td><strong>112,427</strong></td>
<td><strong>161,640</strong></td>
</tr>
</tbody>
</table>
## Consolidated Statement of Activities (Expense)

**For the year ended (000s)**

<table>
<thead>
<tr>
<th></th>
<th>12/31/18</th>
<th>12/31/17</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Program Services</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>District and Church Services</td>
<td>20,829</td>
<td>18,486</td>
</tr>
<tr>
<td>Grants and Allocations</td>
<td>14,239</td>
<td>14,164</td>
</tr>
<tr>
<td>Insurance Services</td>
<td>5,293</td>
<td>4,779</td>
</tr>
<tr>
<td>Financial Services</td>
<td>2,017</td>
<td>1,954</td>
</tr>
<tr>
<td>Media Ministries</td>
<td>1,138</td>
<td>1,224</td>
</tr>
<tr>
<td>Missions</td>
<td>6,923</td>
<td>7,219</td>
</tr>
<tr>
<td>Senior Living</td>
<td>906</td>
<td>988</td>
</tr>
<tr>
<td>Loan and Deposit Interest Expense</td>
<td>7,222</td>
<td>8,095</td>
</tr>
<tr>
<td>Property Services</td>
<td>40,228</td>
<td>49,105</td>
</tr>
<tr>
<td><strong>Total Program Services</strong></td>
<td>98,795</td>
<td>106,014</td>
</tr>
<tr>
<td><strong>General and Administrative</strong></td>
<td>12,291</td>
<td>12,852</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td>111,086</td>
<td>118,866</td>
</tr>
<tr>
<td><strong>Equity Transfer</strong></td>
<td></td>
<td>(291)</td>
</tr>
<tr>
<td><strong>Change in Net Assets</strong></td>
<td>1,341</td>
<td>42,483</td>
</tr>
</tbody>
</table>
## Consolidated Statement of Financial Condition (Assets)

For the year ended (000s)

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>12/31/18</th>
<th>12/31/17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and Cash Equivalents</td>
<td>5,888</td>
<td>2,685</td>
</tr>
<tr>
<td>Accounts Receivable</td>
<td>1,410</td>
<td>1,538</td>
</tr>
<tr>
<td>Notes Receivable</td>
<td>132,149</td>
<td>131,189</td>
</tr>
<tr>
<td>Inventories</td>
<td>66</td>
<td>74</td>
</tr>
<tr>
<td>Investments</td>
<td>241,813</td>
<td>249,925</td>
</tr>
<tr>
<td>Investment Assets Restricted - Split Interest</td>
<td>4,615</td>
<td>9,566</td>
</tr>
<tr>
<td>Managed Investments</td>
<td>5,395</td>
<td>5,001</td>
</tr>
<tr>
<td>Equity Investment in Stewardship</td>
<td>9,015</td>
<td>6,025</td>
</tr>
<tr>
<td>Land, Bldg and Equipment, Net</td>
<td>832,907</td>
<td>849,329</td>
</tr>
<tr>
<td>Assets Held for Sale</td>
<td>9,425</td>
<td>7,692</td>
</tr>
<tr>
<td>Other Assets Restricted - Split Interest</td>
<td>2,235</td>
<td>1,241</td>
</tr>
<tr>
<td>Other Assets</td>
<td>1,285</td>
<td>1,783</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td><strong>1,246,203</strong></td>
<td><strong>1,266,048</strong></td>
</tr>
</tbody>
</table>
# Consolidated Statement of Financial Condition

(Liabilities and Net Assets)

<table>
<thead>
<tr>
<th></th>
<th>12/31/18</th>
<th>12/31/17</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>LIABILITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A/P and Accrued Expenses</td>
<td>5,845</td>
<td>6,775</td>
</tr>
<tr>
<td>Deferred Revenue</td>
<td>1,903</td>
<td>771</td>
</tr>
<tr>
<td>Notes Payable</td>
<td>146,998</td>
<td>172,183</td>
</tr>
<tr>
<td>Deposits Payable</td>
<td>47,436</td>
<td>47,648</td>
</tr>
<tr>
<td>Loan Fund Certificates Payable</td>
<td>44,009</td>
<td>39,891</td>
</tr>
<tr>
<td>Liability for Managed Assets</td>
<td>4,615</td>
<td>5,001</td>
</tr>
<tr>
<td>Liability - Split Interest Agreements</td>
<td>8,546</td>
<td>8,268</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td><strong>259,352</strong></td>
<td><strong>280,537</strong></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>NET ASSETS</strong></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Unrestricted</td>
<td>979,587</td>
<td>979,155</td>
</tr>
<tr>
<td>Temporarily Restricted</td>
<td>7,117</td>
<td>6,209</td>
</tr>
<tr>
<td>Permanently Restricted</td>
<td>147</td>
<td>147</td>
</tr>
<tr>
<td><strong>Total Net Assets</strong></td>
<td><strong>986,851</strong></td>
<td><strong>985,511</strong></td>
</tr>
</tbody>
</table>

**Total Liabilities and Net Assets**

|                          | 1,246,203 | 1,266,048 |
Statement of Activities by Department (ICFG only)

<table>
<thead>
<tr>
<th></th>
<th>12/31/18</th>
<th>12/31/17</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tithe</td>
<td>32,943</td>
<td>32,071</td>
</tr>
<tr>
<td>National Church</td>
<td>435</td>
<td>352</td>
</tr>
<tr>
<td>Foursquare Missions</td>
<td>6,441</td>
<td>5,394</td>
</tr>
<tr>
<td>Administration</td>
<td>9,683</td>
<td>10,120</td>
</tr>
<tr>
<td><strong>Total Core Revenue</strong></td>
<td>49,502</td>
<td>47,937</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Expenses</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Districts</td>
<td>12,678</td>
<td>12,358</td>
</tr>
<tr>
<td>Retirement Contribution</td>
<td>2,592</td>
<td>2,600</td>
</tr>
<tr>
<td>20% Extension Tithe Returned</td>
<td>6,703</td>
<td>5,839</td>
</tr>
<tr>
<td>70% Church Plant Tithe Returned</td>
<td>590</td>
<td>587</td>
</tr>
<tr>
<td>National Church</td>
<td>1,970</td>
<td>2,462</td>
</tr>
<tr>
<td>Foursquare Missions</td>
<td>5,388</td>
<td>6,004</td>
</tr>
<tr>
<td>Administration</td>
<td>19,410</td>
<td>19,222</td>
</tr>
<tr>
<td><strong>Total Core Expenses</strong></td>
<td>49,331</td>
<td>49,072</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Aligned Business Net Income</td>
<td>925</td>
<td>13,735</td>
</tr>
<tr>
<td>Total Core/Aligned Net Income</td>
<td>1,096</td>
<td>12,600</td>
</tr>
</tbody>
</table>
## 2019 ICFG Annual Operating Plan vs 2018 Actual

For the year ended (000s)

<table>
<thead>
<tr>
<th></th>
<th>12/31/19</th>
<th>12/31/18</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tithe</td>
<td>32,550</td>
<td>32,943</td>
<td>(393)</td>
</tr>
<tr>
<td>National Church</td>
<td>439</td>
<td>435</td>
<td>4</td>
</tr>
<tr>
<td>Foursquare Missions</td>
<td>5,700</td>
<td>6,441</td>
<td>(741)</td>
</tr>
<tr>
<td>Administration</td>
<td>9,773</td>
<td>9,683</td>
<td>90</td>
</tr>
<tr>
<td><strong>Total Core Revenue</strong></td>
<td>48,462</td>
<td>49,502</td>
<td>(1,040)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Expenses</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Districts</td>
<td>12,356</td>
<td>12,678</td>
<td>(322)</td>
</tr>
<tr>
<td>Retirement Contribution</td>
<td>2,712</td>
<td>2,592</td>
<td>120</td>
</tr>
<tr>
<td>20% Extension Tithe Returned</td>
<td>5,902</td>
<td>6,703</td>
<td>(801)</td>
</tr>
<tr>
<td>70% Church Plant Tithe Returned</td>
<td>600</td>
<td>590</td>
<td>10</td>
</tr>
<tr>
<td>National Church</td>
<td>2,564</td>
<td>1,970</td>
<td>594</td>
</tr>
<tr>
<td>Foursquare Missions</td>
<td>5,850</td>
<td>5,388</td>
<td>462</td>
</tr>
<tr>
<td>Administration</td>
<td>20,820</td>
<td>19,410</td>
<td>1,410</td>
</tr>
<tr>
<td><strong>Total Core Expenses</strong></td>
<td>50,804</td>
<td>49,331</td>
<td>1,473</td>
</tr>
<tr>
<td><strong>Aligned Business Net Income</strong></td>
<td>2,565</td>
<td>925</td>
<td>1,640</td>
</tr>
<tr>
<td><strong>Total Core/Aligned Net Income</strong></td>
<td>223</td>
<td>1,096</td>
<td>(873)</td>
</tr>
</tbody>
</table>
Tithe Allocation – 2019 Annual Operating Plan

- US Districts: 38%
- Administration, net of Aligned: 24%
- National Church/Field Support: 9%
- Pastors' Retirement: 8%
- Tithe returned to local church/districts: 20%
Tithe Allocation – 2018 Actual

- US Districts: 39%
- Administration, net of Aligned: 25%
- National Church/Field Support: 8%
- Pastors' Retirement: 8%
- Tithe returned to local church/districts: 20%
# Tithe Allocation – 2019 AOP vs 2018 Actual

<table>
<thead>
<tr>
<th>2019 AOP Tithe Allocation</th>
<th>Amt ($M)</th>
<th>% of tithe</th>
<th>Change from 2018</th>
<th>2018 Actual Tithe Allocation</th>
<th>Amt ($M)</th>
<th>% of tithe</th>
</tr>
</thead>
<tbody>
<tr>
<td>US Districts</td>
<td>$12.35</td>
<td>38%</td>
<td>(0.32)</td>
<td>US Districts</td>
<td>$12.67</td>
<td>38%</td>
</tr>
<tr>
<td>Administration, net of Aligned</td>
<td>$7.86</td>
<td>24%</td>
<td>(0.46)</td>
<td>Administration, net of Aligned</td>
<td>$8.32</td>
<td>25%</td>
</tr>
<tr>
<td>National Church/Field Support</td>
<td>$3.04</td>
<td>9%</td>
<td>0.33</td>
<td>National Church/Field Support</td>
<td>$2.71</td>
<td>8%</td>
</tr>
<tr>
<td>FMI Support</td>
<td>$0.15</td>
<td>0%</td>
<td>0.15</td>
<td>FMI Support</td>
<td>-</td>
<td>0%</td>
</tr>
<tr>
<td>Pastors' Retirement</td>
<td>$2.71</td>
<td>8%</td>
<td>0.12</td>
<td>Pastors' Retirement</td>
<td>$2.59</td>
<td>8%</td>
</tr>
<tr>
<td>Tithe returned to local church/districts</td>
<td>$6.44</td>
<td>20%</td>
<td>(0.21)</td>
<td>Tithe returned to local church/districts</td>
<td>$6.65</td>
<td>20%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$32.55</td>
<td>100%</td>
<td>(0.39)</td>
<td>TOTAL</td>
<td>$32.94</td>
<td>100%</td>
</tr>
</tbody>
</table>
Core/Aligned Net Income (Deficit) ($M)

- 2007: ($9.8)
- 2008: ($21.6)
- 2009: ($10.0)
- 2010: $1.1
- 2011: $2.8
- 2012: $2.5
- 2013: $2.4
- 2014: $2.9
- 2015: $11.2
- 2016: $6.5
- 2017: $12.6
- 2018: $1.1
- 2019: $0.2

Plan

The Foursquare Church
CORE MINISTRY EXPENSE ($M)

<table>
<thead>
<tr>
<th>Year</th>
<th>Expense</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>$51.5</td>
</tr>
<tr>
<td>2008</td>
<td>$55.8</td>
</tr>
<tr>
<td>2009</td>
<td>$47.2</td>
</tr>
<tr>
<td>2010</td>
<td>$45.1</td>
</tr>
<tr>
<td>2011</td>
<td>$39.5</td>
</tr>
<tr>
<td>2012</td>
<td>$40.2</td>
</tr>
<tr>
<td>2013</td>
<td>$41.7</td>
</tr>
<tr>
<td>2014</td>
<td>$43.5</td>
</tr>
<tr>
<td>2015</td>
<td>$6.5</td>
</tr>
<tr>
<td>2016</td>
<td>$6.5</td>
</tr>
<tr>
<td>2017</td>
<td>$6.4</td>
</tr>
<tr>
<td>2018</td>
<td>$6.4</td>
</tr>
<tr>
<td>2019</td>
<td>$6.6</td>
</tr>
</tbody>
</table>

2019 PLAN: $6.6
Corporate Reserves ($M)

Plan

Corporate Reserves ($M)

$55.2
$25.9
$20.3
$28.1
$24.6
$22.9
$21.3
$23.2
$41.7
$47.8
$52.9
$52.0
$54.0
$0.0
$10.0
$20.0
$30.0
$40.0
$50.0
$60.0

Executive Summary

- Investment Revenue and Interest Income of $3.7M for the year ended December 31, 2018 is $781K above Plan and $593K below the comparable period in 2017.

- Full Year Realized Investment Gains of $702K through December were offset by $1.5M of Investment Management Fees, resulting in a net $3.9M negative variance compared to Plan. This negative variance consists of $2.7M Realized Investment Gains below Plan and Investment Management Fees $1.1M above Plan. The Investment Management Fees above Plan reflects the fact that the Plan only includes fees paid to our investment consultants and does not include transactional fees. Full Year Investment Management Fees includes retroactive fees to buy into some alternative investments that will be offset by future yield. Investment Management Fees are $464K below the prior year, reflecting savings from the strategic switch from active to passive managers.

- Net Unrealized Investment Losses as of the end of December were $5.0M, compared to net unrealized gains of $1.7M as of the end of November, a decrease of $6.7M in the value of the investments, reflecting significant market weakness at the end of the year.

  - Per Graystone: Year over year return for the Foundation was -0.95%. This is very good relative to other funds with similar goals. (Our Risk Benchmark 60% ACWI/40% WGBI was -5.84%) The outperformance vs the broad benchmark is primary due to our asset allocation and is a testament to diversification.

  - December’s return of -2.94% was primarily driven by a decline in equities (-7.49%) as tensions mounted on trade negotiations with China, Interest Rates and Corporate Earnings. The rate environment seems to have stabilized for the moment and corporate earnings are continuing to meet expectations, so the real concern is will the trade negotiations with China, which could cause the global economy to slow. As a point of reference the S&P 500 was down more than 20% vs its peak in the middle of December from its September peak. We were slightly positive in fixed income +.60% and hedge funds were off slightly (-1.22%).

  - All in all, 2018 was a very good year for relative performance. January was a complete reversal from December. With modest returns from hedge funds we have recovered all of December’s losses.

- Full Year Rental income from FSL Echo Park was 7.4% above Plan. FSL Echo Park generated net cash operating income of $151K after adding back non-cash depreciation and deducting principal payments on the note payable and $38K of cash for maintenance reserves.

- The Unplanned Legal Settlements above Plan represents a $70K settlement paid to a former tenant to settle a lawsuit. The total settlement was $180K, of which $75K, plus all defense costs was paid by Philadelphia Insurance Company and $35K was paid by AIG under our D&O/EPLI policy.
Consolidating Statement of Activities for the year ended December 31, 2018

<table>
<thead>
<tr>
<th></th>
<th>FOUNDATION</th>
<th>FSL ECHO PARK</th>
<th>FOUNDATION CONSOLIDATED</th>
<th>CONSOLIDATED AOP</th>
<th>VARIANCE</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REVENUES AND SUPPORT</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment Management Fees</td>
<td>(1,457,054)</td>
<td>-</td>
<td>(1,457,054)</td>
<td>(323,624)</td>
<td>(1,133,430)</td>
</tr>
<tr>
<td>Investment Revenue and Interest Income</td>
<td>3,672,223</td>
<td>-</td>
<td>3,672,223</td>
<td>2,891,378</td>
<td>780,845</td>
</tr>
<tr>
<td>Realized Investment Gains and Losses</td>
<td>702,443</td>
<td>-</td>
<td>702,443</td>
<td>3,444,648</td>
<td>(2,742,205)</td>
</tr>
<tr>
<td>Unrealized Investment Gains and Losses</td>
<td>(5,035,872)</td>
<td>-</td>
<td>(5,035,872)</td>
<td>-</td>
<td>(5,035,872)</td>
</tr>
<tr>
<td>Rental Income</td>
<td>-</td>
<td>1,294,466</td>
<td>1,294,466</td>
<td>1,204,800</td>
<td>89,666</td>
</tr>
<tr>
<td>Loan Interest</td>
<td>525,158</td>
<td>5,933</td>
<td>531,091</td>
<td>466,174</td>
<td>64,917</td>
</tr>
<tr>
<td>Contributions and Support</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>-</td>
<td>745</td>
<td>745</td>
<td>745</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL REVENUES AND SUPPORT</strong></td>
<td>(1,593,102)</td>
<td>1,301,144</td>
<td>(291,958)</td>
<td>7,683,376</td>
<td>(7,975,334)</td>
</tr>
<tr>
<td><strong>EXPENSES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Compensation</td>
<td>465,128</td>
<td>37,471</td>
<td>502,600</td>
<td>485,920</td>
<td>16,680</td>
</tr>
<tr>
<td>Interest Expense</td>
<td>-</td>
<td>459,509</td>
<td>459,509</td>
<td>460,274</td>
<td>(765)</td>
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<tr>
<td>Management Fee</td>
<td>-</td>
<td>25,000</td>
<td>25,000</td>
<td>24,996</td>
<td>4</td>
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<tr>
<td>Depreciation</td>
<td>-</td>
<td>461,722</td>
<td>461,722</td>
<td>453,948</td>
<td>7,774</td>
</tr>
<tr>
<td>Grants and Allocations</td>
<td>4,869,059</td>
<td>-</td>
<td>4,869,059</td>
<td>5,052,000</td>
<td>(182,941)</td>
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<tr>
<td>Property Management Fee</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Utilities</td>
<td>-</td>
<td>65,641</td>
<td>65,641</td>
<td>62,400</td>
<td>3,241</td>
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<tr>
<td>Maintenance</td>
<td>-</td>
<td>125,253</td>
<td>125,253</td>
<td>120,000</td>
<td>5,253</td>
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<tr>
<td>Legal Fees</td>
<td>-</td>
<td>2,035</td>
<td>2,035</td>
<td>4,000</td>
<td>(1,965)</td>
</tr>
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<td>Legal Settlement</td>
<td>-</td>
<td>70,000</td>
<td>70,000</td>
<td>70,000</td>
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<tr>
<td>Professional/Contract Services</td>
<td>13,200</td>
<td>35,004</td>
<td>48,204</td>
<td>47,004</td>
<td>1,200</td>
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<td>Property Taxes</td>
<td>-</td>
<td>31,791</td>
<td>31,791</td>
<td>42,470</td>
<td>(10,679)</td>
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<tr>
<td>Insurance</td>
<td>-</td>
<td>33,922</td>
<td>33,922</td>
<td>34,668</td>
<td>(746)</td>
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<td>Travel</td>
<td>61,598</td>
<td>724</td>
<td>62,322</td>
<td>86,000</td>
<td>(23,678)</td>
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<td>Fees, Licenses and Permits</td>
<td>3,345</td>
<td>5,087</td>
<td>8,432</td>
<td>3,075</td>
<td>5,357</td>
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<td>Advertising, Publicity and Promotion</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>30,000</td>
<td>(30,000)</td>
</tr>
<tr>
<td>Other</td>
<td>120,946</td>
<td>37,233</td>
<td>158,179</td>
<td>188,430</td>
<td>(30,251)</td>
</tr>
<tr>
<td><strong>TOTAL EXPENSES</strong></td>
<td>5,533,275</td>
<td>1,390,394</td>
<td>6,923,669</td>
<td>7,095,185</td>
<td>(171,515)</td>
</tr>
<tr>
<td><strong>CHANGE IN NET ASSETS</strong></td>
<td>-7,126,377</td>
<td>(89,250)</td>
<td>(7,215,627)</td>
<td>588,191</td>
<td>(7,803,819)</td>
</tr>
</tbody>
</table>

Add back non-cash depreciation
Deduct Principal payments on note payable
Deduct Maintenance Reserve

Net cash income: 151,061
## Consolidating Balance Sheet as of December 31, 2018

### ASSETS

<table>
<thead>
<tr>
<th></th>
<th>FOUNDATION</th>
<th>FSL ECHO PARK</th>
<th>ELIMINATIONS</th>
<th>FOUNDATION CONSOLIDATED</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and Cash Equivalents</td>
<td>$1,085,607</td>
<td>$724,401</td>
<td>$1,810,008</td>
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<td>Investments</td>
<td>193,785,573</td>
<td>193,785,573</td>
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<tr>
<td>Accounts Receivable</td>
<td>(53,908)</td>
<td>(12,253)</td>
<td>(66,161)</td>
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</tr>
<tr>
<td>Notes Receivable</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Echo Park</td>
<td>9,105,127</td>
<td>(9,105,127)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Portland</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Portland Roof Remediation</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Solar Projects</td>
<td>1,235,722</td>
<td></td>
<td>1,235,722</td>
<td></td>
</tr>
<tr>
<td>MedShift</td>
<td>1,796,924</td>
<td></td>
<td>1,796,924</td>
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<tr>
<td>Accrued Interest Receivable - Echo Park</td>
<td>37,938</td>
<td>(37,938)</td>
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<td></td>
</tr>
<tr>
<td>Accrued Interest Receivable - Solar Loans</td>
<td>22,156</td>
<td></td>
<td>22,156</td>
<td></td>
</tr>
<tr>
<td>Land, Buildings and Equipment (net of Depreciation)</td>
<td>13,506,566</td>
<td></td>
<td>13,506,566</td>
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<tr>
<td>Other Assets</td>
<td>39,764</td>
<td>17,359</td>
<td></td>
<td>57,122</td>
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<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td>$207,054,902</td>
<td>$14,236,072</td>
<td>$(9,143,065)</td>
<td>$212,147,909</td>
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</tbody>
</table>

### LIABILITIES AND NET ASSETS

#### LIABILITIES

<table>
<thead>
<tr>
<th></th>
<th>FOUNDATION</th>
<th>FSL ECHO PARK</th>
<th>ELIMINATIONS</th>
<th>FOUNDATION CONSOLIDATED</th>
</tr>
</thead>
<tbody>
<tr>
<td>Due to (from) FFS</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Due to Foundation/FSL</td>
<td>6,521</td>
<td>(6,521)</td>
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<tr>
<td>Due to ICFG</td>
<td>8,706</td>
<td>3,226</td>
<td>11,932</td>
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</tr>
<tr>
<td>Accounts payable and Accrued Expenses</td>
<td>83,120</td>
<td>7,060</td>
<td>90,180</td>
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<tr>
<td>Tenant Deposits Payable</td>
<td>-</td>
<td>100,200</td>
<td>100,200</td>
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</tr>
<tr>
<td>Notes Payable</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Echo Park</td>
<td>9,105,127</td>
<td>(9,105,127)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Portland</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Portland Roof Remediation</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FFSLF participation</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grants Payable</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accrued Interest Payable</td>
<td></td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest Payable</td>
<td>-</td>
<td>37,938</td>
<td>(37,938)</td>
<td></td>
</tr>
<tr>
<td>Other Liabilities</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL LIABILITIES</strong></td>
<td>$98,348</td>
<td>$9,247,030</td>
<td>$(9,143,065)</td>
<td>$202,312</td>
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</table>

#### NET ASSETS - UNRESTRICTED

<table>
<thead>
<tr>
<th></th>
<th>FOUNDATION</th>
<th>FSL ECHO PARK</th>
<th>ELIMINATIONS</th>
<th>FOUNDATION CONSOLIDATED</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unrestricted</td>
<td>228,891,242</td>
<td>(2,066,708)</td>
<td>220,876,008</td>
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</tr>
<tr>
<td>Current Year Net Income/(Loss)</td>
<td>(7,126,377)</td>
<td>(89,250)</td>
<td>(7,215,627)</td>
<td></td>
</tr>
<tr>
<td>Equity Transferred to FSL Echo Park</td>
<td>(7,145,000)</td>
<td>7,145,000</td>
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<td></td>
</tr>
<tr>
<td>Equity Transferred to FSL Portland</td>
<td>(5,948,526)</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Equity Transferred to FFS Loan Fund</td>
<td>(1,591,384)</td>
<td></td>
<td>(1,591,384)</td>
<td></td>
</tr>
<tr>
<td>Equity Transferred to FFS (fixed assets)</td>
<td>(123,400)</td>
<td></td>
<td>(123,400)</td>
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<tr>
<td><strong>TOTAL NET ASSETS - UNRESTRICTED</strong></td>
<td>$206,956,555</td>
<td>$4,989,042</td>
<td></td>
<td>$211,945,597</td>
</tr>
<tr>
<td><strong>TOTAL LIABILITIES AND NET ASSETS</strong></td>
<td>$207,054,902</td>
<td>$14,236,072</td>
<td>$(9,143,065)</td>
<td>$212,147,909</td>
</tr>
</tbody>
</table>
Executive Summary

• FFS reported net operating income of $170K for the year ended December 31, 2018, which is $53K above Plan and $31K more than 2017. (page 19). The primary components of this variance are Asset Management Fees ($37K) above plan and Insurance ($20K expense below Plan).

• Total assets under management as of December 31, 2018 are approximately $22M. (page 21). There are currently approximately $2.3M of irrevocable planned gifts for which FFS or ICFG are the beneficiary.

• FFSLF’s net income for the year ended December 31, 2018 was $162K, which was $62K below Plan and $71K more than 2017. (page 22). The negative variance to Plan consists of the following:
  
  • ($40K) Loan Interest Income below Plan due to weighted average rate on the portfolio .10% below Plan for the year
  • ($34K) Interest Expense (net of Investment Revenue) above Plan due to excess cash balances
  • ($27K) Loan Origination Fees below Plan (NOTE: We waived approximately $123K of origination fees that would have normally been collected as incentives to encourage churches to refinance their loans from other lenders. The net margin earned on these loans represents approximately $194K on an annual basis.)
  • $16K Management Fees below Plan due to net loan portfolio increase and origination fees below Plan
  • $15K Provision for Loan Losses (non-cash) below Plan due to net loan portfolio balance $1.4M below Plan
Executive Summary

- The net interest margin (interest income less interest expense) for the year was approximately $898K.

- The weighted average loan rate as of December 31 was 4.95% and the weighted average rate on investment certificates was 2.74%. Current loan rates for Tier 1 credits are 4.70% (3 years) and 5.20% (5 years). Investment certificate rates range from 2.25% for a 1 year certificate to 3.25% for a 5 year certificate (3.75% for IRAs) with premium rates available for investments over $250K.

- We ended 2018 with 22 loan funded for a total of $11M compared to the Plan of $8M. We received just over $3.6M in unscheduled principal reductions during the year.

- One loan for $96K was funded in December.

- One loan for $380K was approved in December and funded in January.

- The number of prequalification requests has slowed as we have worked our way through the first tranche of loans identified in our loan refinance initiative. We are in the process of reviewing the portfolio of outside loans as of 12/31/18 to identify a new set of churches to target for refinance with FFSLF in 2019.

- As of December 31, 2018 we had approximately $5.6M in cash available to fund loans and $47.6M of loans outstanding. Total investment certificates outstanding are $49.7M. We also have a commitment of $2M from ICFG available if needed for liquidity purposes.

- There were no loans 31 or more days past due as of December 31, 2018. We have never had a delinquent loan in the history of the FFS Loan Fund.
Statement of Activities
for the year ended December 31, 2018

<table>
<thead>
<tr>
<th></th>
<th>Actual</th>
<th>Annual Operating Plan</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REVENUES AND SUPPORT</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Asset Management Fees</td>
<td>$121,037</td>
<td>$84,000</td>
<td>$37,037</td>
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<td>Management Fees</td>
<td></td>
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<tr>
<td>Loan Services - FFSLF</td>
<td>714,890</td>
<td>730,453</td>
<td>(15,563)</td>
</tr>
<tr>
<td>Total Management Fees</td>
<td>714,890</td>
<td>730,453</td>
<td>(15,563)</td>
</tr>
<tr>
<td>Interest Income</td>
<td>5,391</td>
<td>3,140</td>
<td>2,251</td>
</tr>
<tr>
<td>Other Income</td>
<td>44</td>
<td>-</td>
<td>44</td>
</tr>
<tr>
<td>Gain (Loss) on Sale of Assets</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>TOTAL REVENUES AND SUPPORT</strong></td>
<td>$841,362</td>
<td>$817,593</td>
<td>$23,769</td>
</tr>
<tr>
<td><strong>EXPENSES</strong></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Compensation</td>
<td>217,485</td>
<td>222,019</td>
<td>(4,534)</td>
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<tr>
<td>Professional/Contract Services</td>
<td>210,966</td>
<td>202,487</td>
<td>8,479</td>
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<tr>
<td>Computer Processing Services</td>
<td>19,300</td>
<td>19,200</td>
<td>100</td>
</tr>
<tr>
<td>Convention Expense</td>
<td>31,712</td>
<td>40,000</td>
<td>(8,288)</td>
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<tr>
<td>Travel</td>
<td>35,412</td>
<td>35,000</td>
<td>412</td>
</tr>
<tr>
<td>Meetings</td>
<td>25</td>
<td>2,500</td>
<td>(2,475)</td>
</tr>
<tr>
<td>Rent/Lease Facilities</td>
<td>10,000</td>
<td>10,000</td>
<td>-</td>
</tr>
<tr>
<td>Insurance</td>
<td>58,863</td>
<td>78,595</td>
<td>(19,732)</td>
</tr>
<tr>
<td>Audit and Accounting Fees</td>
<td>24,000</td>
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<tr>
<td>Supplies</td>
<td>3,955</td>
<td>3,000</td>
<td>955</td>
</tr>
<tr>
<td>Postage and Shipping</td>
<td>1,464</td>
<td>2,500</td>
<td>(1,036)</td>
</tr>
<tr>
<td>Cable and Internet</td>
<td>5,320</td>
<td>3,823</td>
<td>1,497</td>
</tr>
<tr>
<td>Fees, Licenses and Permits</td>
<td>29,083</td>
<td>25,000</td>
<td>4,083</td>
</tr>
<tr>
<td>Advertising, Publicity and Promotion</td>
<td>17,549</td>
<td>24,000</td>
<td>(6,451)</td>
</tr>
<tr>
<td>Telephone</td>
<td>2,152</td>
<td>2,340</td>
<td>(188)</td>
</tr>
<tr>
<td>Other</td>
<td>3,585</td>
<td>5,770</td>
<td>(2,185)</td>
</tr>
<tr>
<td><strong>TOTAL EXPENSES</strong></td>
<td>670,872</td>
<td>700,234</td>
<td>(29,362)</td>
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<tr>
<td><strong>NET OPERATING INCOME</strong></td>
<td>$170,490</td>
<td>$117,359</td>
<td>$53,131</td>
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Statement of Activities  
for the year ended December 31, 2018 (con’t)

<table>
<thead>
<tr>
<th>PLANNED GIVING ACTIVITY</th>
<th>Actual</th>
<th>Annual Operating Plan</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue and Support</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contributions and Bequests</td>
<td>247,284</td>
<td>$</td>
<td>-</td>
</tr>
<tr>
<td>Management Fees and other income</td>
<td>294</td>
<td>-</td>
<td>294</td>
</tr>
<tr>
<td>Gain (Loss) on Sale of Assets</td>
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<td></td>
</tr>
<tr>
<td><strong>Total Revenue and Support</strong></td>
<td>247,578</td>
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<tr>
<td><strong>Expenses</strong></td>
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<td></td>
</tr>
<tr>
<td>Gifts</td>
<td>10,325</td>
<td></td>
<td>10,325</td>
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<tr>
<td>Depreciation</td>
<td>31,301</td>
<td>31,296</td>
<td>5</td>
</tr>
<tr>
<td>Other</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<tr>
<td><strong>Total Expenses</strong></td>
<td>41,626</td>
<td>31,296</td>
<td>10,330</td>
</tr>
<tr>
<td><strong>NET PLANNED GIVING ACTIVITY</strong></td>
<td>205,952</td>
<td>(31,296)</td>
<td>237,248</td>
</tr>
<tr>
<td><strong>CHANGE IN NET ASSETS</strong></td>
<td>376,442</td>
<td>86,063</td>
<td>290,379</td>
</tr>
</tbody>
</table>
# Statement of Financial Position

As of December 31, 2018

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>December 31, 2018 Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and Cash Equivalents</td>
<td>$1,793,253</td>
</tr>
<tr>
<td>Investments</td>
<td></td>
</tr>
<tr>
<td>Accounts Receivable</td>
<td>32,736</td>
</tr>
<tr>
<td>Due from Foundation</td>
<td></td>
</tr>
<tr>
<td>Due from FFSLF</td>
<td>58,366</td>
</tr>
<tr>
<td>Due from FSL Portland</td>
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</tr>
<tr>
<td>Total Accounts Receivable</td>
<td>91,103</td>
</tr>
<tr>
<td>Prepaid Expenses</td>
<td>-</td>
</tr>
<tr>
<td>Land, Buildings and Equipment (Net of Depreciation)</td>
<td>3,623,004</td>
</tr>
<tr>
<td>Managed Investments</td>
<td>10,383,092</td>
</tr>
<tr>
<td>Charitable Remainder Trust Assets</td>
<td>6,451,859</td>
</tr>
<tr>
<td>Other Assets</td>
<td>13,236</td>
</tr>
<tr>
<td>TOTAL ASSETS</td>
<td>$22,355,547</td>
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</table>

<table>
<thead>
<tr>
<th>LIABILITIES AND NET ASSETS</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>LIABILITIES</td>
<td></td>
</tr>
<tr>
<td>Accounts Payable and Accrued Expenses</td>
<td>$1,036,613</td>
</tr>
<tr>
<td>Due to ICFG</td>
<td>22,566</td>
</tr>
<tr>
<td>Liability for Managed Assets</td>
<td>10,383,092</td>
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<tr>
<td>Liability for Charitable Remainder Trusts</td>
<td>3,931,907</td>
</tr>
<tr>
<td>TOTAL LIABILITIES</td>
<td>15,374,177</td>
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</table>

<table>
<thead>
<tr>
<th>NET ASSETS</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Unrestricted</td>
<td>4,084,975</td>
</tr>
<tr>
<td>Current Year Income (Loss)</td>
<td>376,442</td>
</tr>
<tr>
<td>Temporarily Restricted</td>
<td>2,519,953</td>
</tr>
<tr>
<td>Permanently Restricted</td>
<td></td>
</tr>
<tr>
<td>TOTAL NET ASSETS</td>
<td>6,981,370</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>TOTAL LIABILITIES AND NET ASSETS</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>TOTAL LIABILITIES AND NET ASSETS</td>
<td>$22,355,547</td>
</tr>
</tbody>
</table>
### FFS Loan Fund Statement of Activities
for the year ended December 31, 2018

<table>
<thead>
<tr>
<th></th>
<th>Actual</th>
<th>Plan</th>
<th>$ Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REVENUES AND SUPPORT</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loan Interest</td>
<td>2,238,605</td>
<td>2,279,067</td>
<td>(40,462)</td>
</tr>
<tr>
<td>Fees for Services</td>
<td>52,963</td>
<td>80,000</td>
<td>(27,037)</td>
</tr>
<tr>
<td>Investment Revenue and Interest</td>
<td>71,864</td>
<td>59,868</td>
<td>11,996</td>
</tr>
<tr>
<td>Rental Income</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL REVENUES AND SUPPORT</strong></td>
<td>2,363,432</td>
<td>2,418,935</td>
<td>(55,503)</td>
</tr>
<tr>
<td><strong>EXPENSES</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest Expense</td>
<td>1,340,500</td>
<td>1,294,765</td>
<td>45,735</td>
</tr>
<tr>
<td>Management Fee</td>
<td>739,890</td>
<td>755,449</td>
<td>(15,559)</td>
</tr>
<tr>
<td>Provision for Loan Losses</td>
<td>55,000</td>
<td>70,000</td>
<td>(15,000)</td>
</tr>
<tr>
<td>Professional/Contract Services</td>
<td></td>
<td>6,000</td>
<td></td>
</tr>
<tr>
<td>Legal Fees</td>
<td>34,123</td>
<td>37,000</td>
<td>(2,877)</td>
</tr>
<tr>
<td>Audit and Accounting Fees</td>
<td>26,000</td>
<td>26,000</td>
<td>-</td>
</tr>
<tr>
<td>Other</td>
<td>5,551</td>
<td>5,400</td>
<td>151</td>
</tr>
<tr>
<td><strong>TOTAL EXPENSES</strong></td>
<td>2,201,064</td>
<td>2,194,614</td>
<td>6,450</td>
</tr>
<tr>
<td><strong>CHANGE IN NET ASSETS</strong></td>
<td>162,367</td>
<td>224,321</td>
<td>(61,954)</td>
</tr>
<tr>
<td><strong>NET ASSETS - Beginning of Year</strong></td>
<td>3,003,503</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>NET ASSETS - End of Period</strong></td>
<td></td>
<td>3,165,870</td>
<td></td>
</tr>
</tbody>
</table>
FFS Loan Fund Statement of Financial Position
as of December 31, 2018

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>December 31, 2018 Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and Cash Equivalents</td>
<td>$ 5,671,644</td>
</tr>
<tr>
<td>Notes Receivable</td>
<td>47,098,175</td>
</tr>
<tr>
<td>Assets Held for Sale</td>
<td>-</td>
</tr>
<tr>
<td>Interest Receivable</td>
<td>176,162</td>
</tr>
<tr>
<td>Other Assets</td>
<td>-</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td><strong>$ 52,945,981</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>LIABILITIES AND NET ASSETS</th>
<th>December 31, 2018 Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>LIABILITIES</strong></td>
<td></td>
</tr>
<tr>
<td>Accrued Interest Payable</td>
<td>$ 574</td>
</tr>
<tr>
<td>Due to FFS</td>
<td>58,366</td>
</tr>
<tr>
<td>Due to ICFG</td>
<td>2,543</td>
</tr>
<tr>
<td>Loan Fund Certificates Payable</td>
<td>49,718,628</td>
</tr>
<tr>
<td><strong>TOTAL LIABILITIES</strong></td>
<td><strong>49,780,111</strong></td>
</tr>
</tbody>
</table>

| **NET ASSETS**             |                         |
| Unrestricted              | 3,165,870               |
| Temporarily Restricted    |                         |
| Permanently Restricted    |                         |
| **TOTAL NET ASSETS**      | **3,165,870**           |

**TOTAL LIABILITIES AND NET ASSETS**

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>TOTAL LIABILITIES AND NET ASSETS</strong></td>
<td><strong>$ 52,945,981</strong></td>
</tr>
</tbody>
</table>