

Christian Church Foundation, Inc.

Accountants' Report and Consolidated Financial Statements

December 31, 2007 and 2006

Christian Church Foundation, Inc.

December 31, 2007 and 2006

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Independent Accountants' Report

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

We have audited the accompanying statements of financial position of Christian Church Foundation, Inc. (Foundation) as of December 31, 2007 and 2006, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Foundation's management. 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 audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Christian Church Foundation, Inc. as of December 31, 2007 and 2006, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

BKD, LLP

March 6, 2008

Christian Church Foundation, Inc.
Consolidated Statements of Financial Position
December 31, 2007 and 2006

	<u>2007</u>	<u>2006</u>
Assets		
Cash and cash equivalents	\$ 647,157	\$ 804,333
Marketable securities and other investments	434,534,035	405,126,142
Property and equipment - net	91,401	126,148
Contributions receivable	1,332,587	825,240
Other assets	<u>180,870</u>	<u>399,901</u>
Total assets	<u>\$ 436,786,050</u>	<u>\$ 407,281,764</u>
Liabilities		
Non-endowment funds		
Subject-to-withdrawal funds	\$ 277,930,881	\$ 257,933,495
Liability to income beneficiaries under life-income gifts	18,832,378	18,509,866
Liability to charitable beneficiaries under life-income gifts	7,489,462	7,507,402
Retiree healthcare liability	307,474	352,538
Other liabilities	<u>158,403</u>	<u>73,500</u>
Total non-endowment funds	<u>304,718,598</u>	<u>284,376,801</u>
Endowment funds held for the benefit of others		
Managed for the benefit of the charitable entity donor	9,935,043	9,372,264
Restricted purposes for other charitable beneficiaries	<u>9,654,293</u>	<u>7,946,687</u>
Total endowment funds held for the benefit of others	<u>19,589,336</u>	<u>17,318,951</u>
Total liabilities	<u>324,307,934</u>	<u>301,695,752</u>
Net Assets		
Unrestricted		
Board designated	18,079,195	16,606,301
Other	3,983,830	3,214,578
Temporarily restricted	89,258,065	84,608,107
Permanently restricted	<u>1,157,026</u>	<u>1,157,026</u>
Total net assets	<u>112,478,116</u>	<u>105,586,012</u>
Total liabilities and net assets	<u>\$ 436,786,050</u>	<u>\$ 407,281,764</u>

Christian Church Foundation, Inc.
Consolidated Statement of Activities
For the Year Ended December 31, 2007

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Revenue, gains and other support:				
Contributions	\$ 2,542,848	\$ 3,556,807	\$ —	\$ 6,099,655
Net investment return	1,188,959	5,591,640	—	6,780,599
Income from services provided	2,370,931	—	—	2,370,931
Other	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total revenue, gains, and other support	<u>6,102,738</u>	<u>9,148,447</u>	<u>—</u>	<u>15,251,185</u>
Net assets released from restrictions:				
For distribution to other ministries	3,174,998	(3,174,998)	—	0
For Foundation services	873,168	(873,168)	—	0
Other	<u>283,240</u>	<u>(283,240)</u>	<u>—</u>	<u>0</u>
Total net assets released from restrictions	<u>4,331,406</u>	<u>(4,331,406)</u>	<u>—</u>	<u>0</u>
Total revenues, gains, other support and assets released from restrictions	10,434,144	4,817,041	—	15,251,185
Distributions, other expenses, and changes in actuarial value:				
Program expenses				
Distributions for ministry	4,829,762	—	—	4,829,762
Scott Foundation grants	245,975	—	—	245,975
Operating expenses	<u>2,917,194</u>	<u>—</u>	<u>—</u>	<u>2,917,194</u>
Total program activities	7,992,931	—	—	7,992,931
Management and general expense	<u>199,067</u>	<u>—</u>	<u>—</u>	<u>199,067</u>
Total expenses	<u>8,191,998</u>	<u>—</u>	<u>—</u>	<u>8,191,998</u>
Change in actuarial value of life-income agreements	<u>—</u>	<u>167,083</u>	<u>—</u>	<u>167,083</u>
Total expense and change in actuarial values	<u>8,191,998</u>	<u>167,083</u>	<u>—</u>	<u>8,359,081</u>
Change in net assets	2,242,146	4,649,958	—	6,892,104
Beginning of year net assets	<u>19,820,879</u>	<u>84,608,107</u>	<u>1,157,026</u>	<u>105,586,012</u>
End of year net assets	<u>\$ 22,063,025</u>	<u>\$ 89,258,065</u>	<u>\$ 1,157,026</u>	<u>\$ 112,478,116</u>

Christian Church Foundation, Inc.
Consolidated Statement of Activities
For the Year Ended December 31, 2006

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Revenue, gains and other support:				
Contributions	\$ 1,128,715	\$ 2,552,627	\$ —	\$ 3,681,342
Net investment return	1,826,692	8,786,956	—	10,613,648
Income from services provided	2,073,006	—	—	2,073,006
Other	<u>2,291</u>	<u>—</u>	<u>—</u>	<u>2,291</u>
Total revenue, gains, and other support	<u>5,030,704</u>	<u>11,339,583</u>	<u>—</u>	<u>16,370,287</u>
Net assets released from restrictions:				
For distribution to other ministries	2,746,982	(2,746,982)	—	0
For Foundation services	855,181	(855,181)	—	0
Other	<u>103,918</u>	<u>(103,918)</u>	<u>—</u>	<u>0</u>
Total net assets released from restrictions	<u>3,706,081</u>	<u>(3,706,081)</u>	<u>—</u>	<u>0</u>
Total revenues, gains, other support and assets released from restrictions	8,736,785	7,633,502	—	16,370,287
Distributions, other expenses, and changes in actuarial value:				
Program expenses				
Distributions for ministry	2,922,762	—	—	2,922,762
Scott Foundation grants	193,155	—	—	193,155
Operating expenses	<u>2,798,418</u>	<u>—</u>	<u>—</u>	<u>2,798,418</u>
Total program activities	5,914,335	—	—	5,914,335
Management and general expense	<u>164,652</u>	<u>—</u>	<u>—</u>	<u>164,652</u>
Total expenses	<u>6,078,987</u>	<u>—</u>	<u>—</u>	<u>6,078,987</u>
Change in actuarial value of life-income agreements	<u>—</u>	<u>357,808</u>	<u>—</u>	<u>357,808</u>
Total expense and change in actuarial values	<u>6,078,987</u>	<u>357,808</u>	<u>—</u>	<u>6,436,795</u>
Change in net assets	2,657,798	7,275,694	—	9,933,492
Beginning of year net assets	<u>17,163,081</u>	<u>77,332,413</u>	<u>1,157,026</u>	<u>95,652,520</u>
End of year net assets	<u>\$ 19,820,879</u>	<u>\$ 84,608,107</u>	<u>\$ 1,157,026</u>	<u>\$ 105,586,012</u>

Christian Church Foundation, Inc.
Consolidated Statements of Cash Flows
For the Years Ended December 31, 2007 and 2006

	<u>2007</u>	<u>2006</u>
Cash flows from operating activities:		
Change in net assets	\$ 6,892,104	\$ 9,933,492
Items not requiring (providing) operating activities cash flow:		
Depreciation	88,721	115,720
Net realized and unrealized gain on investments	(3,525,903)	(8,545,128)
Actuarial loss on life income gift obligations	167,083	357,808
Contributions and investment income received restricted for long-term investments	(6,476,277)	(4,546,569)
Net change in beneficial interest in trust	0	281,996
Change in other long-term assets and liabilities	(21,381)	(23,806)
Changes in:		
Receivables	(13,030)	45,564
Prepaid expenses	216,083	15,294
Contributions receivable	(507,348)	(51,971)
Accounts payable and accrued expenses	(4,053)	(38,777)
Other assets and liabilities	<u>75,506</u>	<u>(168,424)</u>
Net cash used by operating activities	<u>(3,108,495)</u>	<u>(2,624,801)</u>
Cash flows from investing activities:		
Purchase of property and equipment	(54,176)	(50,887)
Proceeds from sale of automobile	16,013	4,500
Purchase of investments	(91,154,541)	(71,906,832)
Proceeds from sale of investments	88,194,968	69,995,304
Principal payments received on notes receivable	<u>29,714</u>	<u>127,037</u>
Net cash used by investing activities	<u>(2,968,022)</u>	<u>(1,830,878)</u>
Cash flows from financing activities:		
Payments on annuities and trusts payable	(556,936)	(918,165)
Proceeds from issuance of annuities and trusts payable restricted for long-term investments	325,174	419,633
Proceeds from contributions received restricted for long-term investments	3,231,632	2,132,994
Investment income received restricted for long-term investment	<u>2,919,471</u>	<u>1,993,941</u>
Net cash provided by financing activities	<u>5,919,341</u>	<u>3,628,403</u>
Net decrease in cash and cash equivalents	(157,176)	(827,276)
Cash and cash equivalents at beginning of year	<u>804,333</u>	<u>1,631,609</u>
Cash and cash equivalents at end of year	<u>\$ 647,157</u>	<u>\$ 804,333</u>

Christian Church Foundation, Inc.
Notes to Consolidated Financial Statements
December 31, 2007 and 2006

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

General and Principles of Consolidation

The Christian Church Foundation, Inc. (Foundation) was incorporated as a not-for-profit organization in November 1961, under the laws of the state of Indiana. The financial statements include the accounts of the Foundation and also the Joint Investment Trust of the Foundation (Trust), and the Oreon E. Scott Foundation, which operate for the benefit of the Foundation.

The Trust, of which the Foundation is Trustee, exists exclusively to receive and to administer cash and property transferred by any congregation, region, general unit, or other institution affiliated with the Christian Church (Disciples of Christ) (Church). Management of the Trust is the responsibility of the Foundation. Separate Statements of Financial Position for the Trust are included as Supplemental Schedules to these financial statements.

The Oreon E. Scott Foundation (Scott Foundation) was established in 1950 to promote religious, charitable, benevolent, scientific, literacy or educational purposes within the United States. In 1974, the Scott Foundation was reformed to bring it under the control of the Christian Church Foundation. U.S. Trust, Bank of America Private Wealth Management serves as the corporate trustee for the Scott Foundation and three individual trustees, elected by the Foundation, are selected from among the presidents of certain General Units of the Church. No Foundation employees are eligible to serve as individual trustees of the Scott Foundation. The Scott Foundation is a grant-making foundation, with annual grants determined based on a majority vote of the individual trustees.

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

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

Use of Estimates

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

Christian Church Foundation, Inc.
Notes to Consolidated Financial Statements
December 31, 2007 and 2006

Cash and Cash Equivalents

The Foundation reports only its petty cash and bank deposits in federally insured accounts as cash and cash equivalents. Due to the investing nature of the Foundation's operations, short-term, highly liquid investments are treated as investments rather than cash equivalents. At December 31, 2007, the Foundation's cash accounts exceeded federally insured limits by \$670,000. Amounts exceeding federally insured limits are determined using bank deposit balances at December 31.

Investments

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

Property and Equipment

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

Income Taxes

By virtue of its inclusion in the group exemption ruling of the General Assembly of the Christian Church (Disciples of Christ), the Foundation is exempt from federal income taxes under Section 501(c)(3) of the U. S. Internal Revenue Code.

Unrestricted Net Assets

Unrestricted net assets represent assets that may be legally expended by the Foundation for charitable purposes chosen by the Foundation. Unrestricted net assets include bequests and other testamentary gifts left to the Foundation without restrictions as well as donor advised funds where the donor has the ability to advise the Foundation on how these charitable gifts should ultimately be expended. The Foundation's Board of Directors has designated that unrestricted net assets held in permanent funds or as donor advised funds may only be expended in accordance with policies established by the Board of Directors or its donor advised fund committee. These board designated funds are separately disclosed as a component of unrestricted net assets in the Consolidated Statement of Financial Position.

Christian Church Foundation, Inc.
Notes to Consolidated Financial Statements
December 31, 2007 and 2006

Temporarily Restricted Net Assets

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

Permanently Restricted Net Assets

Permanently restricted net assets represent the original gift values of gifts that, either by agreement with the donors or by operation of law, may not distribute funds that cause the endowment to fall below the original gift value. Amounts over this set amount are generally available for distribution for specified purposes and are included as a part of unrestricted or temporarily restricted net assets.

Fair Value of Financial Instruments

The carrying value of the Foundation's financial instruments approximates their fair value.

Contributions

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

Christian Church Foundation, Inc.
Notes to Consolidated Financial Statements
December 31, 2007 and 2006

Note 2: Financially Interrelated and Affiliated Organizations

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

The General Board, on behalf of the General Assembly of the Christian Church (Disciples of Christ), elects the Board of Directors of the Foundation. Under Statement of Financial Accounting Standards No. 136, *Transfers of Assets to a Not-for-Profit Organization or Charitable Trust That Raises or Holds Contributions for Others* (SFAS 136), the Foundation and the General Assembly of the Christian Church are considered to be financially interrelated organizations.

Note 3: Functional Allocation of Expenses

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

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

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

Christian Church Foundation, Inc.
Notes to Consolidated Financial Statements
December 31, 2007 and 2006

Note 4: Contributions Receivable

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

Note 5: Marketable Securities and Other Investments

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

	<u>2007</u>	<u>2006</u>
Investments in unrelated parties:		
Short-term investments	\$ 10,392,793	\$ 5,930,135
Stock and stock funds	257,906,270	249,102,587
Bonds and bond funds	135,517,474	121,540,142
Alternative investments	21,028,300	18,858,067
Notes receivable	220,628	250,341
Investments in related party:		
Church Extension	<u>9,468,570</u>	<u>9,444,870</u>
Total	\$ <u>434,534,035</u>	\$ <u>405,126,142</u>

At December 31, 2007 and 2006, the market value of approximately 49% and 29% of the investments were provided by the managers of the funds.

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

Net investment return is shown net of the related investment fees, which includes transaction costs and other service fees that may not be separately identifiable from the reported results. Net investment return is reflected in the Consolidated Statement of Activities as unrestricted or temporarily restricted based on the nature of donor agreements or legally imposed restrictions. The components of net investment return, which excludes income on investments for subject-to-withdrawal funds and other funds held for the benefit of others, are as follows:

	<u>2007</u>	<u>2006</u>
Interest and dividend income	\$ 3,509,456	\$ 2,391,517
Realized and unrealized gains and losses	3,525,903	8,545,128
Separately reported fees	<u>(254,760)</u>	<u>(322,997)</u>
	\$ <u>6,780,599</u>	\$ <u>10,613,648</u>

Christian Church Foundation, Inc.
Notes to Consolidated Financial Statements
December 31, 2007 and 2006

Note 6: Life Income Gift Agreements

The Foundation administers a charitable gift annuity program on behalf of many of the ministries of the Church. All assets or proceeds from assets received in exchange for a charitable gift annuity are segregated in a separate fund and are not commingled with other Foundation assets. At December 31, 2007 and 2006 the market value of this fund was \$20.5 and \$21.1 million, respectively. The obligation to pay the annuity amount to annuitants is a general obligation of the Foundation and is estimated using the applicable federal rates (AFRs) at the gift date. Those rates range from 3.2% to 10.2% and at December 31, 2007 and 2006, the obligation was \$10.6 million for both years. After the obligation to the income beneficiary of a gift annuity is satisfied, the residual value of the charitable gift annuity may establish a permanent fund at the Foundation or be distributed to other charitable organizations selected by the donor. At December 31, 2007 and 2006, the estimated charitable residual value for charitable gift annuities which were intended to be distributed outside the Foundation was \$5.0 and \$5.2 million, respectively. The actuarial value for gifts whose remainder will become a permanent fund of the Foundation is included in net assets of the Foundation.

The Foundation also serves as trustee for charitable remainder trusts. These agreements also require periodic payments to income beneficiaries named by the donor. The present value of the liability to income beneficiaries of charitable remainder trusts is included as a part of the "Liability to income beneficiaries under life-income gifts". The obligation is also discounted using the AFR on the gift date. Those rates range from 3.8% to 11.00% and at December 31, 2007 and 2006 that obligation was \$8.2 and \$7.9 million, respectively. The actuarial value of the charitable residual for gifts whose remainder will become a permanent fund of the Foundation is included in the net assets of the Foundation. The present value of the estimated charitable residual of gift instruments which will be distributed to other charitable organizations is shown as "Liability to charitable beneficiaries under life-income gifts." The Foundation revalues these liabilities annually based on actuarial assumptions and the market value of the underlying investments. At December 31, 2007 and 2006, the estimated charitable residual value for charitable remainder trusts which were intended to be distributed outside the Foundation was \$2.5 and \$2.3 million, respectively.

Christian Church Foundation, Inc.
Notes to Consolidated Financial Statements
December 31, 2007 and 2006

Note 7: Leases

The Foundation provided, along with certain other affiliated organizations, a guaranty to a lease agreement entered into by Christian Church Services, Inc. As a guarantor for its pro rata share of the liability, the Foundation will sublease operating facilities from Christian Church Services, Inc. under an operating lease arrangement. The lease commenced February 15, 1995 and expires July 14, 2010. The lease also provides an option to extend the lease for an additional five-year term. Additionally, the lease provides for additional rent to cover certain operating costs, which is calculated annually and added to the base rent. Total lease expense paid for 2007 and 2006 was \$95,757 and \$97,192, respectively.

Future minimum annual base rental payments under this operating lease are as follows:

2008	\$	62,900
2009		62,900
2010		<u>36,692</u>
	\$	<u>162,492</u>

Note 8: Employee Benefits

Pension Plan

Employees of the Foundation who meet certain eligibility requirements participate in a defined-benefit plan of the Pension Fund of the Christian Church (Disciples of Christ). Contributions are paid monthly to the plan and are 14% of the base salaries of the employees participating in the plan. Pension expense for 2007 and 2006 was \$212,194 and \$194,388, respectively.

Health Care

The Foundation provides health care coverage to employees and certain eligible retirees primarily through its participation in the churchwide health plan, the Christian Church (Disciples of Christ) Health Care Benefit Trust, administered by the Pension Fund of the Christian Church. The Foundation also provides coverage to employees and retirees in certain other health plans on a limited basis. The Foundation continues to fund benefit costs on a pay-as-you-go basis. For 2007 and 2006, the Foundation made benefit payments to the churchwide health plan totaling \$266,414 (\$245,057 for employees and \$21,357 for retirees) and \$238,531 (\$217,173 for employees and \$21,358 for retirees), respectively. Additionally, the Foundation made benefit payments to other health plans totaling \$9,015 (\$6,322 for employees and \$2,693 for retirees) in 2007 and \$4,514 (\$2,979 for employees and \$1,535 for retirees) in 2006.

The accumulated postretirement benefit obligation for retirees is calculated using premium costs rather than claims experience, based on the nature of the churchwide plan. The weighted-average discount rate used in determining the accumulated postretirement benefit obligation for 2007 and 2006 was 7%. For measurement purposes at December 31, 2007, a 7% annual rate of increase in the per capita cost of covered health care benefits was assumed in the first year and years thereafter. For 2006, a 10% annual rate of increase was used.

Supplementary Information

Christian Church Foundation, Inc.
Supplemental Schedule
Statement of Financial Position – Joint Investment Trust (JIT)
December 31, 2007

	<u>Common</u>	<u>Beasley</u>	<u>Brown</u>	<u>Endowment</u>	<u>JIT Total</u>
Assets					
Cash and cash equivalents	\$ 8,851	\$ 5,278	\$ 78	\$ 55,856	\$ 70,063
Marketable securities and other investments	201,888,833	179,795,119	7,187,148	56,682	388,927,782
Contributions receivable	<u>470,045</u>	<u>604,025</u>	<u>—</u>	<u>—</u>	<u>1,074,070</u>
Total assets	<u>\$ 202,367,729</u>	<u>\$ 180,404,422</u>	<u>\$ 7,187,226</u>	<u>\$ 112,538</u>	<u>\$ 390,071,915</u>
Liabilities					
Non-endowment funds					
Subject-to-withdrawal funds	\$ 141,793,761	\$ 132,312,890	\$ 6,861,228	\$ 20,362	\$ 280,988,241
Other liabilities	<u>—</u>	<u>—</u>	<u>—</u>	<u>31</u>	<u>31</u>
Total non-endowment funds	<u>141,793,761</u>	<u>132,312,890</u>	<u>6,861,228</u>	<u>20,393</u>	<u>280,988,272</u>
Endowment funds held for the benefit of others					
Managed for the benefit of the charitable entity donor	5,119,769	4,815,273	—	—	9,935,042
Restricted purposes for other charitable beneficiaries	<u>7,058,953</u>	<u>2,587,140</u>	<u>8,199</u>	<u>—</u>	<u>9,654,292</u>
Total endowment funds held for the benefit of others	<u>12,178,722</u>	<u>7,402,413</u>	<u>8,199</u>	<u>—</u>	<u>19,589,334</u>
Total liabilities	<u>153,972,483</u>	<u>139,715,303</u>	<u>6,869,427</u>	<u>20,393</u>	<u>300,577,606</u>
Net Assets					
Unrestricted					
Board designated	7,615,732	9,812,268	302,146	87,554	17,817,700
Temporarily restricted	40,771,918	29,727,421	15,653	4,591	70,519,583
Permanently restricted	<u>7,596</u>	<u>1,149,430</u>	<u>—</u>	<u>—</u>	<u>1,157,026</u>
Total net assets	<u>48,395,246</u>	<u>40,689,119</u>	<u>317,799</u>	<u>92,145</u>	<u>89,494,309</u>
Total liabilities and net assets	<u>\$ 202,367,729</u>	<u>\$ 180,404,422</u>	<u>\$ 7,187,226</u>	<u>\$ 112,538</u>	<u>\$ 390,071,915</u>
Unit Value per Share	<u>\$ 250.87</u>	<u>\$ 390.59</u>	<u>\$ 148.62</u>	<u>\$ 113.36</u>	

Christian Church Foundation, Inc.
Supplemental Schedule
Statement of Financial Position – Joint Investment Trust (JIT)
December 31, 2006

	<u>Common</u>	<u>Beasley</u>	<u>Brown</u>	<u>Endowment</u>	<u>JIT Total</u>
Assets					
Cash and cash equivalents	\$ 9,853	\$ 5,396	\$ 61	\$ 55,919	\$ 71,229
Marketable securities and other investments	193,380,845	159,332,590	5,614,311	586,595	358,914,341
Contributions receivable	<u>55,432</u>	<u>727,435</u>	<u>1,050</u>	<u>25</u>	<u>783,942</u>
Total assets	<u>\$ 193,446,130</u>	<u>\$ 160,065,421</u>	<u>\$ 5,615,422</u>	<u>\$ 642,539</u>	<u>\$ 359,769,512</u>
Liabilities					
Non-endowment funds					
Subject-to-withdrawal funds	\$ 134,302,315	\$ 119,558,063	\$ 5,238,859	\$ 16,711	\$ 259,115,948
Other liabilities	<u>453</u>	<u>2,042</u>	<u>—</u>	<u>—</u>	<u>2,495</u>
Total non-endowment funds	<u>134,302,768</u>	<u>119,560,105</u>	<u>5,238,859</u>	<u>16,711</u>	<u>259,118,443</u>
Endowment funds held for the benefit of others					
Managed for the benefit of the charitable entity donor	5,893,375	3,478,889	—	—	9,372,264
Restricted purposes for other charitable beneficiaries	<u>6,937,871</u>	<u>1,000,620</u>	<u>8,196</u>	<u>—</u>	<u>7,946,687</u>
Total endowment funds held for the benefit of others	<u>12,831,246</u>	<u>4,479,509</u>	<u>8,196</u>	<u>—</u>	<u>17,318,951</u>
Total liabilities	<u>147,134,014</u>	<u>124,039,614</u>	<u>5,247,055</u>	<u>16,711</u>	<u>276,437,394</u>
Net Assets					
Unrestricted					
Board designated	7,386,914	7,940,212	353,466	621,174	16,301,766
Temporarily restricted	38,917,606	26,936,165	14,901	4,654	65,873,326
Permanently restricted	<u>7,596</u>	<u>1,149,430</u>	<u>—</u>	<u>—</u>	<u>1,157,026</u>
Total net assets	<u>46,312,116</u>	<u>36,025,807</u>	<u>368,367</u>	<u>625,828</u>	<u>83,332,118</u>
Total liabilities and net assets	<u>\$ 193,446,130</u>	<u>\$ 160,065,421</u>	<u>\$ 5,615,422</u>	<u>\$ 642,539</u>	<u>\$ 359,769,512</u>
Unit Value per Share	<u>\$ 248.15</u>	<u>\$ 387.31</u>	<u>\$ 148.59</u>	<u>\$ 113.36</u>	