



National Christian
FOUNDATION®

NATIONAL CHRISTIAN CHARITABLE
FOUNDATION, INC. and
SUPPORTING ORGANIZATIONS

Consolidated Financial Statements
With Independent Auditors' Report

December 31, 2017 and 2016

NATIONAL CHRISTIAN CHARITABLE FOUNDATION, INC.
and
SUPPORTING ORGANIZATIONS

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INDEPENDENT AUDITORS' REPORT

Board of Directors
National Christian Charitable Foundation, Inc.
and Supporting Organizations
Atlanta, Georgia

We have audited the accompanying consolidated financial statements of National Christian Charitable Foundation, Inc. and Supporting Organizations, which comprise the consolidated statements of financial position as of December 31, 2017 and 2016, and the related consolidated statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We did not audit the financial statements of ProVision Foundation, Inc., Emmanuel Foundation, Movement Foundation, TMG Foundation, or Elgin Children's Foundation, Supporting Organizations, whose statements reflect total assets of \$30.1 Million as of December 31, 2017, and total revenues of \$16.2 Million for the year then ended. We did not audit the financial statements of ProVision Foundation, Inc., Emmanuel Foundation, Movement Foundation, TMG Foundation, or Elgin Children's Foundation, Supporting Organizations, whose statements reflect total assets of \$29.7 Million as of December 31, 2016, and total revenues of \$18.8 Million, for the year then ended. Those statements were audited by other auditors, whose reports have been furnished to us and our opinion, insofar as it relates to the amounts included for ProVision Foundation, Inc., Emmanuel Foundation, Movement Foundation, TMG Foundation, or Elgin Children's Foundation, is based solely on the reports of other auditors. 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 consolidated financial statements are free from material misstatement.

Board of Directors
National Christian Charitable Foundation, Inc.
and Supporting Organizations
Atlanta, Georgia

Auditors' Responsibility, continued

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated 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 entity'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 consolidated 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, based on our audits and the reports of the other auditors, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of National Christian Charitable Foundation, Inc. and Supporting Organizations as of December 31, 2017 and 2016, 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.

Emphasis of Matter

National Christian Charitable Foundation, Inc. and Supporting Organizations has adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2016-14, *Presentation of Financial Statements of Not-for-Profit-Entities*, as described in Note 3. This has had a material effect on the presentation of the December 31, 2017 and 2016 consolidated financial statements.

Capin Crouse LLP

Lawrenceville, Georgia
July 3, 2018

NATIONAL CHRISTIAN CHARITABLE FOUNDATION, INC.
and
SUPPORTING ORGANIZATIONS

Consolidated Statements of Financial Position
(In thousands)

	December 31,	
	2017	2016
ASSETS:		
Current assets:		
Cash and cash equivalents	\$ 458,593	\$ 472,699
Investments	3,106,689	2,543,818
Current portion of notes receivable	7,604	5,164
Prepaid expenses and other assets	15,549	11,244
	3,588,435	3,032,925
Property and equipment–net	8,629	13,553
Notes receivable–net of current portion	55,508	38,025
Beneficial lead interest in trusts	4,057	4,329
	3,656,629	3,088,832
Total Assets	\$ 3,656,629	\$ 3,088,832
LIABILITIES AND NET ASSETS:		
Current liabilities:		
Accounts payable and accrued expenses	\$ 12,558	\$ 10,438
Current portion of notes payable	4,575	1,509
	17,133	11,947
Annuity obligations	17,221	16,843
Notes payable–net of current portion	1,843	1,686
	36,197	30,476
Net assets:		
Without donor restrictions	3,614,009	3,051,336
With donor restrictions	6,423	7,020
	3,620,432	3,058,356
Total Liabilities and Net Assets	\$ 3,656,629	\$ 3,088,832

See notes to consolidated financial statements

NATIONAL CHRISTIAN CHARITABLE FOUNDATION, INC.
and
SUPPORTING ORGANIZATIONS

Consolidated Statements of Activities
(In thousands)

	Year Ended December 31,					
	2017			2016		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE:						
Contributions	\$ 1,040,133	\$ 4,088	\$ 1,044,221	\$ 991,593	\$ 3,885	\$ 995,478
Noncash contributions	736,476	-	736,476	536,778	-	536,778
Investment income	199,048	-	199,048	79,605	-	79,605
Change in value of annuities and trusts	(1,527)	(272)	(1,799)	(1,030)	(264)	(1,294)
Other revenue	10,969	-	10,969	10,225	-	10,225
Total Support and Revenue	1,985,099	3,816	1,988,915	1,617,171	3,621	1,620,792
RECLASSIFICATIONS:						
Net assets released from restrictions:						
Expiration of purpose	4,413	(4,413)	-	4,866	(4,866)	-
EXPENSES:						
Program activities:						
Charitable distributions	1,356,437	-	1,356,437	1,070,402	-	1,070,402
Other programs	16,092	-	16,092	15,960	-	15,960
	<u>1,372,529</u>	<u>-</u>	<u>1,372,529</u>	<u>1,086,362</u>	<u>-</u>	<u>1,086,362</u>
Supporting activities:						
General and administrative	51,233	-	51,233	66,770	-	66,770
Fund-raising activities	2,082	-	2,082	2,160	-	2,160
	<u>53,315</u>	<u>-</u>	<u>53,315</u>	<u>68,930</u>	<u>-</u>	<u>68,930</u>
Total Expenses	1,425,844	-	1,425,844	1,155,292	-	1,155,292
Change in Net Assets from Operations	563,668	(597)	563,071	466,745	(1,245)	465,500
Change in Controlled Entity	(995)	-	(995)	(6,625)	-	(6,625)
Change in Net Assets	562,673	(597)	562,076	460,120	(1,245)	458,875
Net Assets, Beginning of Year	3,051,336	7,020	3,058,356	2,591,216	8,265	2,599,481
Net Assets, End of Year	\$ 3,614,009	\$ 6,423	\$ 3,620,432	\$ 3,051,336	\$ 7,020	\$ 3,058,356

See notes to consolidated financial statements

NATIONAL CHRISTIAN CHARITABLE FOUNDATION, INC.
and
SUPPORTING ORGANIZATIONS

Consolidated Statements of Cash Flows
(In thousands)

	Year Ended December 31,	
	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from donors	\$ 1,044,221	\$ 995,478
Cash received from other income	10,969	10,225
Cash received from interest and dividends	110,851	64,187
Cash paid to grantees	(1,315,444)	(1,070,402)
Cash paid to vendors and suppliers	(23,400)	(18,427)
Cash paid for taxes	(20,100)	(27,000)
Cash paid to employees	(21,505)	(19,941)
Net Cash Used by Operating Activities	<u>(214,408)</u>	<u>(65,880)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of investments	(1,423,861)	(1,456,052)
Proceeds from sale of investments	1,640,556	1,505,438
Purchases of gift annuity reinsurance asset	(5)	(713)
Issuance of new notes receivable	(28,645)	(12,145)
Payments received on notes receivable	8,892	6,704
Proceeds from sale of property and equipment	2,162	729
Purchases of property and equipment	(1,492)	(1,783)
Net Cash Provided by Investing Activities	<u>197,607</u>	<u>42,178</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payments on annuities	(2,207)	(2,753)
Proceeds from new annuities	1,680	6,286
Proceeds from new notes payable	5,138	1,814
Payments on notes payable	(1,916)	(1,232)
Net Cash Provided by Financing Activities	<u>2,695</u>	<u>4,115</u>
Net Change in Cash and Cash Equivalents	(14,106)	(19,587)
Cash and Cash Equivalents, Beginning of Year	<u>472,699</u>	<u>492,286</u>
Cash and Cash Equivalents, End of Year	<u>\$ 458,593</u>	<u>\$ 472,699</u>

See notes to consolidated financial statements

NATIONAL CHRISTIAN CHARITABLE FOUNDATION, INC.
and
SUPPORTING ORGANIZATIONS

Notes to Consolidated Financial Statements

December 31, 2017 and 2016

1. NATURE OF ORGANIZATION:

National Christian Charitable Foundation, Inc. (hereinafter referred to as NCCF or Foundation) and Supporting Organizations is the consolidated financial reporting entity for the Foundation and its Supporting Organizations, NCCF Trust (hereinafter referred to as NCCF Trust), a Texas trust; NCCF Support, Inc. (hereinafter referred to as NSI), a Georgia nonprofit corporation; National Christian Foundation Real Property, Inc. (hereinafter referred to as NCFRP), a Georgia nonprofit corporation; NCF, Inc. (hereinafter referred to as NCFI), a Georgia nonprofit corporation; NCF Corporation (hereinafter referred to as NCF Corp), a Florida nonprofit corporation; NCF Charitable Trust (hereinafter referred to as NCT), a Florida charitable trust; Givers Trust, Inc. (hereinafter referred to as GTI), a Georgia nonprofit corporation; 1610 Foundation, Inc. (hereinafter referred to as 1610), a Florida nonprofit corporation; Alpharetta Charitable Foundation, Inc. (hereinafter referred to as ACF), a Georgia nonprofit corporation; ALWells Foundation, Inc. (hereinafter referred to as ALWF), a Georgia nonprofit corporation; Bransar Supporting Organization (hereinafter referred to as BSO), a Georgia nonprofit corporation; CFA Family Foundation, Inc. (hereinafter referred to as CFA), a Georgia nonprofit corporation; Charitable Giving Foundation, Inc. (hereinafter referred to as CGF), a Georgia nonprofit corporation; DDV Davis Family Foundation, Inc. (hereinafter referred to as DDVD), a Georgia nonprofit corporation; D&CC Foundation, Inc. (hereinafter referred to as DCCF), a Georgia nonprofit corporation; D&RC Foundation, Inc. (hereinafter referred to as DRCF), a Georgia nonprofit corporation; The E3 Ranch Foundation, Inc. (hereinafter referred to as E3RF), a Georgia nonprofit corporation; Elgin Children's Foundation, Inc. (hereinafter referred to as ECF), a Tennessee nonprofit corporation; Emmanuel Foundation (hereinafter referred to as EF), a Delaware nonprofit corporation; Family Generations Foundation Inc. (hereinafter referred to as FGF), a Georgia nonprofit corporation; Global Generosity Foundation, Inc. (hereinafter referred to as GGF), a Georgia nonprofit corporation; Grateful Lives Foundation (hereinafter referred to as GLF), a Delaware charitable trust; Grounds For Grace, Inc. (hereinafter referred to as GFG), a Florida nonprofit corporation; Habakkuk 2:14 Foundation (hereinafter referred to as H214), a Georgia nonprofit corporation; Hope for the Heart (hereinafter referred to as HFTH), a Texas nonprofit corporation; Jackson Family Charitable Fund (hereinafter referred to as JFCF), a Georgia charitable trust corporation; JBM Community Resources (hereinafter referred to as JBMCR), a Georgia nonprofit corporation; Madala (hereinafter referred to as Madala), a Colorado nonprofit corporation; None Will Perish Foundation (hereinafter referred to as NWP), a Washington nonprofit corporation; One Small Light Lifted Foundation, Inc. (hereinafter referred to as OSL), a Georgia nonprofit corporation; ProVizion Foundation, Inc. (hereinafter referred to as PVF), a Tennessee nonprofit corporation; Refuge Foundation (hereinafter referred to as Refuge), a Tennessee nonprofit corporation; River Foundation (hereinafter referred to as RF), a Kentucky nonprofit corporation; Sacred Harvest Foundation (hereinafter referred to as SHF), a Delaware nonprofit corporation; Shamgar Foundation (hereinafter referred to as SF), a Georgia charitable trust; Strong Refuge Charitable Trust (hereinafter referred to as SRCT), an Washington charitable trust; Sozo Supporting Organization Fund (hereinafter referred to as SOZO), a Delaware nonprofit corporation; The Cawood Family Supporting Organization, Inc. (hereinafter referred to as TCFSO), a Georgia nonprofit corporation; The Movement Foundation, Inc. (hereinafter referred to as TMF), a Georgia nonprofit corporation; The Pursell Institute, Inc. (hereinafter referred to as TPI), a Delaware nonprofit corporation; TMG Foundation (hereinafter referred to as TMG), an Illinois nonprofit corporation; Westbrook Legacy Supporting Organization, Inc. (hereinafter referred to as WLSO) a Florida nonprofit corporation.

NATIONAL CHRISTIAN CHARITABLE FOUNDATION, INC.
and
SUPPORTING ORGANIZATIONS

Notes to Consolidated Financial Statements

December 31, 2017 and 2016

1. NATURE OF ORGANIZATION, continued:

NCCF was originally incorporated under the Non-Profit Corporation Code of the state of Georgia on December 19, 1982, and is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code (Code). It is also exempt from state franchise and income taxes under Section 48-7-25 of the Official Code of Georgia Annotated (OCGA). NCCF is currently classified as a publicly supported organization which is not a private foundation under Section 509(a)(1) of the Code. Contributions to NCCF are tax-deductible within the limitations prescribed by the Code. NCCF is guided in its operations and procedures by a Private Letter Ruling issued by the Internal Revenue Service in 1984 and amended in 1987.

During April 2001, the Foundation's board of directors adopted a resolution approving the formation of a new Georgia nonprofit corporation, National Christian Foundation, Inc. (NCF) (eliminating the word Charitable). The purpose of the new entity was to provide a new shorter business name for the ministry in keeping with its purpose and identity and to provide for the receipt of any living and testamentary contributions made under the shorter name. Since the Foundation is primarily known by its full name (National Christian Charitable Foundation, Inc.) and the full name is in use in many charitable giving instruments, wills, and other legal documents, the Foundation conducts the significant portion of its activities through NCCF.

NCCF Trust is a nonprofit trust organized and existing under the laws of the state of Texas, a tax-exempt organization classified as a public charity, and a Type 1 supporting organization to the Foundation. NCCF Trust was established on August 18, 1998, to receive, hold, and liquidate charitable contributions of units of beneficial interest in privately held business entities that are classified as pass through entities by the Code (S-corporation stock, limited liability company interests, and limited partnership interests).

NSI is a nonprofit corporation organized and existing under the laws of the state of Georgia as of October 22, 1996, a tax-exempt organization classified as a public charity, a Type 1 supporting organization to the Foundation, and used primarily to receive, hold, and liquidate charitable contributions of units of beneficial interest in privately held business entities that are not classified as pass through entities by the Code.

NCFRP is a nonprofit corporation organized and existing under the laws of the state of Georgia as of October 12, 2001, a tax-exempt organization classified as a public charity, a Type 1 supporting organization to the Foundation, and used primarily to receive, hold, and liquidate interests in real property.

NCFI is a nonprofit corporation organized and existing under the laws of the state of Georgia as of June 29, 2001, a tax-exempt organization classified as a public charity, and a Type 1 supporting organization to the Foundation.

NCF Corp is a nonprofit corporation organized and existing under the laws of the state of Florida as of March 15, 2006, a tax-exempt organization classified as a public charity, and a Type 1 supporting organization to the Foundation. NCF Corp serves as trustee of NCT.

NATIONAL CHRISTIAN CHARITABLE FOUNDATION, INC.
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Notes to Consolidated Financial Statements

December 31, 2017 and 2016

1. NATURE OF ORGANIZATION, continued:

NCT is a charitable trust organized and existing under the laws of the state of Florida as of February 9, 2006, and is classified as a supporting organization to the Foundation. NCT was created to receive, hold, and liquidate charitable contributions of units of beneficial interest in privately held business entities that are classified as pass-through entities by the Code (S-stock corporation, limited liability company interests, and limited partnership interests).

GTI is a nonprofit corporation organized and existing under the laws of the state of Georgia as of April 24, 2002, a tax-exempt organization classified as a public charity under 509a(1), and used primarily to make grants to international charities. GTI is controlled by NCF as NCF retains the right to appoint a majority of GTI's board of directors.

1610 is a Type 1 supporting organization to the Foundation and is to be operated exclusively for religious, charitable, and educational purposes within the meaning of 501(c)(3) of the Code.

ACF is a Type 1 supporting organization to the Foundation and is to be operated exclusively for religious, charitable, and educational purposes within the meaning of 501(c)(3) of the Code.

ALWF is a Type 1 supporting organization to the Foundation and is to be operated exclusively for religious, charitable, and educational purposes within the meaning of 501(c)(3) of the Code.

BSO is a Type 1 supporting organization to the Foundation and is to be operated exclusively for religious, charitable, and educational purposes within the meaning of 501(c)(3) of the Code.

CFA is a Type 1 supporting organization to the Foundation and is to be operated exclusively for religious, charitable, and educational purposes within the meaning of 501(c)(3) of the Code.

CGF is a Type 1 supporting organization to the Foundation and is to be operated exclusively for religious, charitable, and educational purposes within the meaning of 501(c)(3) of the Code.

DDVD is a Type 1 supporting organization to the Foundation and is to be operated exclusively for religious, charitable, and educational purposes within the meaning of 501(c)(3) of the Code.

DCCF is a Type 1 supporting organization to the Foundation and is to be operated exclusively for religious, charitable, and educational purposes within the meaning of 501(c)(3) of the Code.

DRCF is a Type 1 supporting organization to the Foundation and is to be operated exclusively for religious, charitable, and educational purposes within the meaning of 501(c)(3) of the Code.

NATIONAL CHRISTIAN CHARITABLE FOUNDATION, INC.
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SUPPORTING ORGANIZATIONS

Notes to Consolidated Financial Statements

December 31, 2017 and 2016

1. NATURE OF ORGANIZATION, continued:

E3RF is a Type 1 supporting organization to the Foundation and is to be operated exclusively for religious, charitable, and educational purposes within the meaning of 501(c)(3) of the Code.

ECF is a Type 1 supporting organization to the Foundation and is to be operated exclusively for religious, charitable, and educational purposes within the meaning of 501(c)(3) of the Code.

EF is a Type 1 supporting organization to the Foundation and is to be operated exclusively for religious, charitable, and educational purposes within the meaning of 501(c)(3) of the Code.

FGF is a Type 1 supporting organization to the Foundation and is to be operated exclusively for religious, charitable, and educational purposes within the meaning of 501(c)(3) of the Code.

GGF (formerly known as TICF) is a Type 1 supporting organization to the Foundation and is to be operated exclusively for religious, charitable, and educational purposes within the meaning of 501(c)(3) of the Code.

GLF is a Type 1 supporting organization to the Foundation and is to be operated exclusively for religious, charitable, and educational purposes within the meaning of 501(c)(3) of the Code.

GFG is a Type 1 supporting organization to the Foundation and is to be operated exclusively for religious, charitable, and educational purposes within the meaning of 501(c)(3) of the Code.

H214 is a Type 1 supporting organization to the Foundation and is to be operated exclusively for religious, charitable, and educational purposes within the meaning of 501(c)(3) of the Code.

HFTH was originally established as a private operating foundation in 1987 and was changed to public charity status by the IRS effective January 1, 2001. Due to a change in the articles of incorporation in December 2000, HFTH is now controlled by and operates as a supporting organization to the Foundation.

JFCF is a Type 1 supporting organization to the Foundation and is to be operated exclusively for religious, charitable, and educational purposes within the meaning of 501(c)(3) of the Code.

JBMCR is a Type 1 supporting organization to the Foundation and is to be operated exclusively for religious, charitable, and educational purposes within the meaning of 501(c)(3) of the Code.

Madala is a Type 1 supporting organization to the Foundation and is to be operated exclusively for religious, charitable, and educational purposes within the meaning of 501(c)(3) of the Code.

NWP is a Type 1 supporting organization to the Foundation and is to be operated exclusively for religious, charitable, and educational purposes within the meaning of 501(c)(3) of the Code.

NATIONAL CHRISTIAN CHARITABLE FOUNDATION, INC.
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Notes to Consolidated Financial Statements

December 31, 2017 and 2016

1. NATURE OF ORGANIZATION, continued:

PH is a Type 1 supporting organization to the Foundation and is to be operated exclusively for religious, charitable, and educational purposes within the meaning of 501(c)(3) of the Code.

OSLL is a Type 1 supporting organization to the Foundation and is to be operated exclusively for religious, charitable, and educational purposes within the meaning of 501(c)(3) of the Code.

PVF is a Type 1 supporting organization to the Foundation and is to be operated exclusively for religious, charitable, and educational purposes within the meaning of 501(c)(3) of the Code.

Refuge is a Type 1 supporting organization to the Foundation and is to be operated exclusively for religious, charitable, and educational purposes within the meaning of 501(c)(3) of the Code.

RF is a Type 1 supporting organization to the Foundation and is to be operated exclusively for religious, charitable, and educational purposes within the meaning of 501(c)(3) of the Code.

SHF is a Type 1 supporting organization to the Foundation and is to be operated exclusively for religious, charitable, and educational purposes within the meaning of 501(c)(3) of the Code.

SF is a Type 1 supporting organization to the Foundation and is to be operated exclusively for religious, charitable, and educational purposes within the meaning of 501(c)(3) of the Code.

SRCT is a Type 1 supporting organization to the Foundation and is to be operated exclusively for religious, charitable, and educational purposes within the meaning of 501(c)(3) of the Code.

SOZO is a Type 1 supporting organization to the Foundation and is to be operated exclusively for religious, charitable, and educational purposes within the meaning of 501(c)(3) of the Code.

TCFSO is a Type 1 supporting organization to the Foundation and is to be operated exclusively for religious, charitable, and educational purposes within the meaning of 501(c)(3) of the Code.

TMF is a Type 1 supporting organization to the Foundation and is to be operated exclusively for religious, charitable, and educational purposes within the meaning of 501(c)(3) of the Code.

TPI is a Type 1 supporting organization to the Foundation and is to be operated exclusively for religious, charitable, and educational purposes within the meaning of 501(c)(3) of the Code.

TMG is a Type 1 supporting organization to the Foundation and is to be operated exclusively for religious, charitable, and educational purposes within the meaning of 501(c)(3) of the Code.

NATIONAL CHRISTIAN CHARITABLE FOUNDATION, INC.
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Notes to Consolidated Financial Statements

December 31, 2017 and 2016

1. NATURE OF ORGANIZATION, continued:

WLSO is a Type 1 supporting organization to the Foundation and is to be operated exclusively for religious, charitable, and educational purposes within the meaning of 501(c)(3) of the Code.

ACF, E3RF, JFCF, OSLL, SRCT, and H214 became Type 1 supporting organizations to the Foundation during the year ended December 31, 2017.

Network Affiliates (Affiliates)—formerly Local Community Foundations

NCCF has developed relationships with 25 Affiliates across the country whereby NCCF provides donor-advised funds, administrative services, as well as training, marketing, gift planning, and advisory services to the Affiliates. The Affiliates' donor-advised funds are established as component funds of NCCF and as such are included in NCCF's total assets. At December 31, 2017 and 2016, total assets related to this program approximated \$2.410 billion and \$2.264 billion, respectively. NCCF assesses an administrative cost allocation on the component funds' investments based upon the market value of assets held at NCCF. A portion of this cost allocation is distributed to the Affiliates for operating purposes.

Unconsolidated Supporting Organizations

As a means to increase nontraditional giving opportunities, the Foundation has established various supporting organizations (SOs) for the benefit of NCCF which are utilized by donors to accomplish their charitable giving objectives. The SOs are formed under Section 509(a)(3) of the Code. As of December 31, 2017 and 2016, 10 SOs existed. NCCF estimates that these SOs have approximately \$341.7 million in total assets as of December 31, 2017, and approximately \$340.1 million as of December 31, 2016. Because these SOs do not meet the current standards for consolidation under the *Consolidation* topic of the FASB ASC, activity associated with these SOs has not been included in NCCF's consolidated financial statements for the years ended December 31, 2017 and 2016.

The Foundation's program activities include:

Charitable distributions—This represents the actual amount of charitable distributions given to grantee organizations without regard to processing costs. When donors make a distribution recommendation to potential grantee organizations, the Foundation undertakes a qualification process prior to distributing any funds. Once approved, distributions are then made to qualified grantee organizations, projects, needy individuals, or the general fund of NCCF as determined by management of NCCF. As noted below, the funds are under the complete control of the NCCF board, but donors may make recommendations as to their distribution. The Foundation personnel perform the qualification process mentioned above; therefore, the costs associated with these activities are included in the program services component of expenses.

Other programs—Rather than being solely a grant-making organization, some of NCCF's Supporting Organizations conduct and produce Christian education and outreach, as their charitable purpose.

NATIONAL CHRISTIAN CHARITABLE FOUNDATION, INC.
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Notes to Consolidated Financial Statements

December 31, 2017 and 2016

1. NATURE OF ORGANIZATION, continued:

Donor-advised funds—Donor-advised fund agreements (DAFs) allow donors to make charitable contributions to a fund which is used to provide distributions to qualified organizations, projects, needy individuals, or the general fund of NCCF. The funds are under the complete control of the NCCF board, but donors may make recommendations as to their distribution. Donor-advised funds are reported as contributions without donor restrictions.

Charitable gift annuities—Annuity agreements are issued in exchange for a payment that constitutes part charitable contribution and part purchase of an annuity, providing for payments to the stated annuitant(s) during their lifetime(s). These agreements constitute general obligations of the Foundation. The gift portion of annuities and investment reserves in excess of liabilities revert to a donor-advised fund and are reported as contributions without donor restrictions and designated net assets of the Foundation.

2. LIQUIDITY:

As part of NCCF's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. Amounts not available include amounts designated by the governing board but could be drawn upon if the governing board approves that action.

The following reflects NCCF's financial assets as December 31, 2017, that are available to meet general expenditures within one year of the statement of financial position date:

Financial assets available to meet general expenditures over the next 12 months:	
Cash and cash equivalents	\$ 458,593,000
Investments	890,240,000
Current portion of notes receivable	<u>7,604,000</u>
	<u>\$ 1,356,437,000</u>

NATIONAL CHRISTIAN CHARITABLE FOUNDATION, INC.
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Notes to Consolidated Financial Statements

December 31, 2017 and 2016

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The accompanying consolidated financial statements have been prepared on the accrual basis of accounting. The significant accounting policies followed are described below to enhance the usefulness of the consolidated financial statements to the reader.

PRINCIPLES OF CONSOLIDATION

The consolidated financial statements of the Foundation include the operations of the consolidated entity, including NCCF, NCCF Trust, NSI, NCFRP, NCFI, NCF Corp, NCT, GTI, 1610, ACF, ALWF, BSO, CFA, CGF, DDVD, DCCF, DRCF, E3RF, ECF, EF, FGF, GFG, GGF, GLF, H214, HFTH, JFCF, JBMCR, Madala, NWP, PH, OSLL, PVF, Refuge, RF, SHF, SF, SRCT, SOZO, TCF SO, TMF, TPI, TMG, and WLSO.

The following consolidated entities are hereinafter referred to as NCCF Type 1 supporting organizations (Type 1 SOs): ACF, GTI, 1610, ALWF, BSO, CFA, CGF, DDVD, DCCF, DRCF, E3RF, ECF, EF, FGE, GGF, GLF, GFG, H214, HFTH, JFCF, JBMCR, Madala, NWP, PH, OSLL, PVF, Refuge, RF, SHF, SF, SRCT, SOZO, TCF SO, TMF, TPI, TMG, and WLSO.

NCCF Type 1 SOs are consolidated when NCCF has the ability to appoint a majority of the organization's board of directors as well as the existence of an economic interest. Upon the appointment of an organization as a Type 1 supporting organization, or if a Type 1 SO ceases to be a NCCF supporting organization, the net assets, if any, are reported as "change in controlled entity" in the consolidated statements of activities. Such changes approximated (\$995,000) and (\$6,625,000) for the years ended December 31, 2017 and 2016. During the year ended December 31, 2017, NCCF ceased to control MBC Foundation and Love Thy Neighbor Too. During the year ended December 31, 2016, NCCF ceased to control JCB Foundation, Inc., TT Foundation, Inc., Lifeshape, and ProVision Trust, Inc.

All significant intercompany balances and transactions are eliminated.

RECLASSIFICATIONS

Certain reclassifications of amounts previously reported have been made to the accompanying consolidated financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported net assets. There were reclassifications to the consolidated statements of financial position increasing investments and decreasing cash and cash equivalents in the amount of \$31,786,000 for the year ended December 31, 2016.

ESTIMATES

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts and disclosures at the date of the consolidated financial statements. Actual results could differ from those estimates.

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash, checking, and money market accounts. These accounts may, at times, exceed federally insured limits. The Foundation has not experienced any losses in such accounts and seeks to mitigate its credit risk, as possible. The uninsured amount as of December 31, 2017 and 2016, was \$238,490,000 and \$216,983,000, respectively.

INVESTMENTS

Investments in equity securities with readily determinable fair values and all debt securities are reported at fair value based upon quoted market prices. Hedge fund and private equity fund assets are reported at net asset value (NAV), as reported by fund managers, which represents NCCF's proportionate share of the fund. Hedge fund assets are not immediately liquid. Accordingly, their values are based upon guidelines established by the fund managers. Management believes this method provides a reasonable estimate of fair value. These values may differ significantly from values that would have been used had a readily available market existed for such investments, and the differences could be material to the change in net assets of the Foundation. Realized and unrealized gains and losses are reported in the consolidated statements of activities as a component of investment income.

Other investments other than equity securities are carried at the lower of cost or fair value at date of donation, adjusted for any temporary and other than temporary impairments with recoveries in subsequent periods limited to the original cost. For other investments that are equity securities, such equity securities are carried at cost adjusted for any permanent impairment. Adjustments to the carrying value of the other investments are reported in the consolidated statements of activities as a component of investment income.

Donated investments are recorded at fair value on the date of donation and thereafter carried in accordance with the above provisions.

PREPAID EXPENSES AND OTHER ASSETS

Prepaid expenses and other assets consist of prepaid expenses, income tax refunds, and other current assets.

PROPERTY, EQUIPMENT, AND DEPRECIATION

Items purchased in excess of \$2,500 are capitalized as property and equipment and are recorded at cost. Donated items are recorded at their fair market value on the date of the gift. Depreciation of property and equipment is provided over the estimated useful lives of the assets on the straight-line basis, ranging from three to seven years.

BENEFICIAL LEAD INTEREST IN TRUSTS

NCCF is the irrevocable beneficiary of certain charitable lead trusts held and administered by independent trustees. Under the terms of the trusts, NCCF has the right to receive predetermined payments from the trusts. NCCF records its beneficial interest in trusts based upon the estimated net present value of payments expected to be received, discounted at rates ranging from 3.0% to 3.2%.

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

ANNUITY OBLIGATIONS

The Foundation has issued charitable gift annuity agreements. Under these agreements, a donor contributes assets to the Foundation in exchange for the right to receive a fixed dollar annual return during the donor's lifetime. A portion of the transfer is considered to be a charitable contribution for individual income tax purposes. The difference between the amount provided for the gift annuity and the liability for future payments, determined on an actuarial basis, is recognized as a contribution at the date of the gift. The annuity liability is revalued annually using a discount rate established at the inception of the agreement and appropriate actuarial assumptions. Actuarial changes and annuity payments are reported as change in value of annuities and trusts in the consolidated statements of activities.

The Foundation regularly purchases Nonparticipating Terminal Funding Group Annuities from various insurance companies. The purpose of these policies is to reinsure the gift annuity obligations of the Foundation. The insurance companies assume all mortality and investment risk associated with the gift annuities. However, the Foundation remains liable for fulfilling the requirements of the gift annuity agreements. The value of these policies has been determined to equal the outstanding annuity obligations of the Foundation and is included on the consolidated statements of financial position as investments.

As a result of the reinsurance of the mortality and investment risk associated with gift annuities, changes in the present value of expected payments to annuitants over their life expectancies from the date of the policy forward represent changes in the associated asset and not income to the Foundation. As of December 31, 2017 and 2016, the percentage of reinsured annuities was 77% and 78%, respectively.

Included in annuity obligations is the present value of future payments to annuitants and is computed using federal mortality rate tables with discount rates ranging from 1.4% to 2.2%.

NET ASSETS

The consolidated financial statements report amounts by classification of net assets:

- *Net Assets without donor restrictions* are currently available for purposes under the direction of the board, designated by the board, resources invested in property and equipment, and amounts held as annuity reserves.
- *Net Assets with donor restrictions* are contributed with donor stipulations for specific operating purposes or programs.

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

SUPPORT, REVENUE, AND RECLASSIFICATIONS

Revenue is recognized when earned and support when contributions are made, which may be when cash is received, unconditional promises are made, or ownership of donated assets is transferred to the Foundation. Donated property (including securities, real property, and equipment) is recorded at fair value at the date of the gift.

The Foundation reports gifts of cash and other assets as with donor restrictions support if they are received with donor stipulations that limit the use of the donated amounts. When a stipulated time restriction ends or purpose restriction is satisfied, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions.

Gifts of property and equipment are reported as support without donor restrictions unless explicit donor stipulations specify how the donated assets must be used. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Foundation reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Contributions to donor-advised funds are reported as without donor restriction support and net assets because the Foundation has the unilateral power to redirect these funds. Contributions to donor-advised funds is the Foundation's primary source of revenue.

Administrative cost allocations are typically based on a standard percentage of assets donated and are used to cover the Foundation's operating costs. Funds are transferred to the Foundation's operating fund when either the underlying assets are sold or income distributions are received.

Change in value of annuities and trusts represents the net change during the period from new agreements, investment income, payments to beneficiaries, and actuarial change.

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

EXPENSES

Expenses are recorded when incurred in accordance with the accrual basis of accounting. The costs of providing various program services and supporting activities of the Foundation have been summarized on a functional basis in the notes to these consolidated financial statements and in the consolidated statements of activities. Accordingly, certain costs have been allocated among the program services and supporting activities benefited. Investment management fees, which are general and administrative expenses, have been netted against investment income.

Expenses include grants to qualified organizations, including those made in accordance with donor-advised agreements that are recognized when distributions are promised or made.

INCOME TAX

Income tax expense is recorded for activities that generate unrelated business income. The Foundation generates taxable income through investment transactions. The Foundation accepts donations of S-corporation stock. During its holding period, the Foundation receives taxable distributions. Further, a taxable capital gain may be generated upon sale of the stock. Similarly, the Foundation receives interests in LLCs that generate taxable income. For the years ended December 31, 2017 and 2016, the Foundation incurred income tax expense of \$12,681,000 and \$30,419,000, respectively. Income tax expense is included in general and administrative expenses in the consolidated financial statements.

The financial statement effects of a tax position taken or expected to be taken are recognized in the consolidated financial statements when it is more likely than not, based on the technical merits, that the position will be sustained upon examination. Interest and penalties, if any, are included in expenses in the consolidated statements of activities. As of December 31, 2017 and 2016, the Foundation had no uncertain tax positions that qualify for recognition or disclosure in the consolidated financial statements.

RECENT ACCOUNTING PRONOUNCEMENTS

In 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*. NCCF adopted the provisions of this new standard during the year ended December 31, 2017. In addition to changes in terminology used to describe categories of net assets throughout the financial statements, new disclosures were added regarding liquidity and the availability of resources (Note 2), and disclosures related to functional allocation of expenses were expanded (Note 9).

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4. INVESTMENTS:

Investments consist of:

	December 31,	
	2017	2016
Fair value investments:		
Mutual funds	\$ 782,977,000	\$ 678,137,000
Equity securities	325,365,000	243,249,000
Debt securities:		
Mortgage-backed securities	3,743,000	6,145,000
Government securities	241,685,000	227,361,000
Corporate bonds	78,117,000	67,470,000
	1,431,887,000	1,222,362,000
Investments held at NAV:		
Hedge fund assets	70,248,000	69,872,000
Private equity funds	1,163,000	1,104,000
	71,411,000	70,976,000
Other investments:		
Cash and cash equivalents	444,000,000	414,557,000
Cash surrender value of life insurance policies	4,652,000	4,142,000
Closely held stock	328,705,000	270,693,000
Foreign stock	178,383,000	22,641,000
Partnerships	457,746,000	363,092,000
Real estate	28,229,000	47,709,000
Annuity reinsurance asset	17,421,000	16,845,000
Other	144,255,000	110,801,000
	1,603,391,000	1,250,480,000
Total Investments	\$ 3,106,689,000	\$ 2,543,818,000

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4. INVESTMENTS, continued:

The estimated market value of debt securities at December 31, 2017, by contractual maturity is shown below. Actual maturities will differ from contractual maturities because borrowers may have the right to call or prepay obligations with or without call or prepayment penalties.

	Mortgage-backed	Government	Corporate
Bond maturities:			
2018	\$ 76,000	\$ 70,359,000	\$ 24,107,000
2019–2023	1,559,000	151,148,000	44,721,000
2024–2028	737,000	15,231,000	6,362,000
2029 and later	1,371,000	4,947,000	2,927,000
	\$ 3,743,000	\$ 241,685,000	\$ 78,117,000

Investment income consists of:

	Year Ended December 31,	
	2017	2016
Interest and dividends	\$ 110,851,000	\$ 64,187,000
Net realized and unrealized gains on fair value investments	136,521,000	36,436,000
Realized gains (losses) on other investments	(30,268,000)	3,777,000
Impairment losses recognized on other investments *	(11,853,000)	(20,033,000)
Investment management fees netted with investment income	(6,203,000)	(4,762,000)
	\$ 199,048,000	\$ 79,605,000

Investment income (loss) is derived as follows:

	Year Ended December 31,	
	2017	2016
Investments, held at fair value and NAV	\$ 209,735,000	\$ 97,090,000
Other investments	(10,687,000)	(17,485,000)
	\$ 199,048,000	\$ 79,605,000

* As a result of current market conditions and after an evaluation of its other investment portfolio, the Foundation determined that it was necessary to write down certain other investments to their estimated net realizable value for other than temporary declines.

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5. PROPERTY AND EQUIPMENT—NET:

Property and equipment consist of:

	December 31,	
	2017	2016
Land	\$ 570,000	\$ 346,000
Buildings	4,545,000	6,306,000
Furniture and equipment	2,969,000	2,734,000
Software development costs	7,547,000	7,390,000
Construction-in-process	592,000	8,000
Leasehold improvements	55,000	3,553,000
	16,278,000	20,337,000
Less accumulated depreciation	(7,649,000)	(6,784,000)
	\$ 8,629,000	\$ 13,553,000

Depreciation expense for the years ended December 31, 2017 and 2016 was \$1,427,000 and \$1,414,000, respectively. As of December 31, 2017 and 2016 property and equipment totaled \$3,120,000 and \$3,599,000, respectively for NCCF and \$5,509,000 and \$9,954,000, respectively for NCCF Supporting Organizations.

6. NOTES RECEIVABLE:

Notes receivable consist of:

	December 31,	
	2017	2016
NCFRP—Secured promissory note receivable. The note matures July 29, 2023, and is non-interest bearing.	\$ 4,000,000	\$ 4,000,000
NCT—Secured promissory note, bearing simple interest at 4.0% which is payable in 10 equal annual installments of \$466,040. The promissory note matures on February 21, 2027, with all outstanding balances due and is secured by the collateral account pursuant to the Collateral Account Control Agreement.	3,780,000	-
NCT—Secured promissory note, bearing an interest rate of 5.5% which is payable in monthly installments of \$26,545. The note matures December 30, 2034, with all outstanding balances due and is secured by the Buyer's pledge and grant of security in the interest in Company shares.	3,524,000	3,635,000

(continued)

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6. NOTES RECEIVABLE, continued:
Notes receivable consist of, continued:

	December 31,	
	2017	2016
NCT—Six unsecured promissory notes, bearing an interest rate of 2.74%, which are payable in annual interest only payments. The notes mature June 12, 2034, with final balloon payments of the entire outstanding principal balances due.	3,061,000	3,061,000
ALWF—Secured promissory note, bearing interest at 6.0%. The loan commitment can be drawn up to \$20,000,000 and matures the sooner of December 31, 2045 or the dissolution and liquidation of the borrower. Outstanding principal is due on the occurrence of a distribution of net capital proceeds or net cash flow to the borrower. Interest is paid monthly.	11,290,000	3,359,000
Other various notes receivable with differing terms	37,457,000	29,134,000
	63,112,000	43,189,000
Less current portion	(7,604,000)	(5,164,000)
Notes receivable—net of current portion	\$ 55,508,000	\$ 38,025,000

Anticipated payments on notes receivable are due as follows:

Years Ending December 31,	Amounts
2018	\$ 7,604,000
2019	4,668,000
2020	6,414,000
2021	3,839,000
2022	3,676,000
Thereafter	36,911,000
	\$ 63,112,000

The Foundation determined the allowance for estimated losses on notes receivable by looking at historical payment information. Because the Foundation expects the notes to be paid in full, there is no allowance for uncollectibility. The Foundation monitors the credit quality of its notes annually, primarily by assessing the historical payments on the notes. As of December 31, 2017, all notes receivable are considered to be performing.

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7. NOTES PAYABLE:

Notes payable consists of:

	December 31,	
	2017	2016
Note payable secured by real property with interest at 6.45% per annum. Principal and interest payments of \$28,900 due monthly. Matures December 2025.	\$ 2,063,000	\$ -
Note payable secured by personal guarantee with interest at 4% per annum. Principal and interest due upon maturity December 2018.	1,213,000	1,213,000
Note payable secured by stock with interest at 4.25% per annum. Principal and interest due upon maturity January 2018.	1,500,000	-
Various notes payable with differing terms	1,642,000	1,982,000
	6,418,000	3,195,000
Less current portion	(4,575,000)	(1,509,000)
	\$ 1,843,000	\$ 1,686,000

Maturities of note payable are as follows:

Year Ending December 31,	Amounts
2018	\$ 4,575,000
2019	235,000
2020	251,000
2021	268,000
2022	285,000
Thereafter	804,000
	\$ 6,418,000

Interest expense was \$156,000 and \$2,400,000 for the years ended December 31, 2017 and 2016, respectively.

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8. NET ASSETS:

Net assets consist of:

	December 31,	
	2017	2016
Without donor restrictions:		
Undesignated:		
Operating	\$ 7,815,000	\$ 219,000
Supporting organizations	230,436,000	172,976,000
Donor-advised funds	3,366,621,000	2,864,130,000
	3,604,872,000	3,037,325,000
Equity in property and equipment	8,629,000	13,553,000
Board-designated—annuity reserves	508,000	458,000
	3,614,009,000	3,051,336,000
With donor restrictions:		
Time restricted:		
Beneficial lead interest in trusts	4,057,000	4,329,000
Purpose restricted:		
Various operating purposes and programs	2,366,000	2,691,000
	6,423,000	7,020,000
	\$ 3,620,432,000	\$ 3,058,356,000

9. FUNCTIONAL ALLOCATION OF EXPENSES:

The consolidated financial statements report certain categories of expenses that are attributable to one or more program or supporting functions of the Foundation, which are primarily allocated on estimates of time and effort. The following tables present the functional allocation of expenses for the years ended December 31, 2017 and 2016:

	Year Ended December 31, 2017			
	Program Activities	General and Administrative	Fund-raising Activities	Total
Salaries and benefits	\$ 7,361,000	\$ 13,784,000	\$ 1,215,000	\$ 22,360,000
Grants	1,356,437,000	-	-	1,356,437,000
Occupancy and maintenance	2,040,000	2,503,000	210,000	4,753,000
Services, supplies, and other	6,691,000	22,265,000	657,000	29,613,000
Income taxes	-	12,681,000	-	12,681,000
	\$ 1,372,529,000	\$ 51,233,000	\$ 2,082,000	\$ 1,425,844,000

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10. RELATED PARTIES:

During the years ended December 31, 2017 and 2016, NCCF, as a result of donor advisement, made charitable distributions approximating \$34,547,000 and \$32,711,000, respectively, to tax-exempt organizations of which NCCF's co-founder, CEO, or president serves as a board member.

In 2010, NCCF's audit committee chair became a minority interest shareholder and board member of Stellar Technologies Solutions, LLC (STS), which provides financial services to NCCF. During the years ended December 31, 2017 and 2016, NCCF paid STS approximately \$681,000 and \$556,000, respectively.

11. CONCENTRATIONS:

For the year ended December 31, 2017, approximately \$472,572,000 (representing 24% of the Foundation's total support and revenue) was received from five donors. The percentage contributed by each individual donor ranged from 2% to 13% of support and revenue.

For the year ended December 31, 2016, approximately \$427,289,000 (representing 26% of the Foundation's total support and revenue) was received from six donors. The percentage contributed by each individual donor ranged from 3% to 14% of support and revenue.

12. EMPLOYEE BENEFIT PLAN:

The Foundation has established a money purchase pension plan (the Plan) and trust for eligible employees effective January 1, 1999. Employer contributions to the Plan for the years ended December 31, 2017 and 2016, were \$233,000 and \$248,000, respectively.

13. COMMITMENTS AND CONTINGENCIES:

The Foundation leases office space and office equipment under noncancellable operating leases. The total rent expense for the years ended December 31, 2017 and 2016, was \$1,962,000 and \$1,993,000, respectively. Future minimum lease payments are as follows:

Years Ending December 31,	Amounts
2018	\$ 1,952,000
2019	1,658,000
2020	1,361,000
2021	1,386,000
2022	1,300,000
Thereafter	3,175,000
	\$ 10,832,000

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13. COMMITMENTS AND CONTINGENCIES, continued:

OTHER

The Foundation is involved in litigation with an unrelated party, a liquidating trustee of an investment fund that invested in an allegedly fraudulent business venture. The Foundation was not involved in the venture in any way, but the trustee is attempting to set aside charitable contributions that a promoter of the venture made to the Foundation, on grounds that the promoter was insolvent at the time of the contributions. Evaluating the likelihood of a successful outcome or a range of potential loss is very difficult at this time, but an adverse judgment that might approximate twelve million dollars is reasonably possible. However, the Foundation is vigorously contesting the trustee's claims, and intends to continue to do so. The Foundation believes it has strong defenses to the trustee's claims, including that they are time-barred under applicable law. Currently, the bankruptcy court has entered judgement in favor of the Foundation on two of the three counts. The two parties will proceed to trial on the one remaining count.

14. DISCLOSURE OF FAIR VALUE AND FAIR VALUE MEASUREMENTS:

The following disclosure of estimated fair value of financial instruments as of December 31, 2017 and 2016, is made in accordance with the requirements of the *Fair Value Measurements and Disclosure* topic of the FASB Accounting Standards Codification. Methods and assumptions used by the Foundation in estimating fair values are as follows:

Mutual funds and equity securities—The fair value of these financial instruments is based on quoted market prices or dealer quotes.

Mortgage-backed securities, government securities, and corporate bonds—The fair value of these financial instruments is based on yields currently available on comparable securities of issuers with similar credit ratings.

Hedge fund assets and private equity funds—The fair value of hedge fund and private equity fund assets is based upon estimated fair value per the net asset value as reported by fund managers, which represents NCCF's proportionate interest in the capital of the invested funds.

Change in valuation techniques—None.

The Foundation uses appropriate valuation techniques to determine fair value based on inputs available. When available, the Foundation measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 3 inputs are only used when Level 1 or Level 2 inputs are not available.

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14. DISCLOSURE OF FAIR VALUE AND FAIR VALUE MEASUREMENTS, continued:

The following table presents the fair value measurements recognized in the accompanying consolidated statements of financial position measured at fair value on a recurring basis and the level within the *Fair Value Measurements and Disclosure* topic fair value hierarchy in which the fair value measurements fall:

	Fair Value Measurements at December 31, 2017			
	Total	Level 1	Level 2	Level 3
Investments held at fair value:				
Mutual funds:				
Commodity funds	\$ 79,597,000	\$ 79,597,000	\$ -	\$ -
Growth funds	137,072,000	137,072,000	-	-
Fixed income funds	407,139,000	407,139,000	-	-
Value funds	159,169,000	159,169,000	-	-
	<u>782,977,000</u>	<u>782,977,000</u>	<u>-</u>	<u>-</u>
Equity securities:				
Commodities	34,465,000	34,465,000	-	-
Consumer goods	177,866,000	177,866,000	-	-
Finance	85,727,000	85,727,000	-	-
Industrial goods	27,307,000	27,307,000	-	-
	<u>325,365,000</u>	<u>325,365,000</u>	<u>-</u>	<u>-</u>
Debt securities:				
Mortgage-backed securities	3,743,000	-	3,743,000	-
Government securities	241,685,000	-	241,685,000	-
Corporate bonds	78,117,000	-	78,117,000	-
	<u>323,545,000</u>	<u>-</u>	<u>323,545,000</u>	<u>-</u>
Total fair value investments	<u>\$ 1,431,887,000</u>	<u>\$ 1,108,342,000</u>	<u>\$ 323,545,000</u>	<u>\$ -</u>
Investments held at NAV:				
Hedge fund assets	\$ 70,248,000			
Private equity funds	<u>1,163,000</u>			
	<u>\$ 71,411,000</u>			

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14. DISCLOSURE OF FAIR VALUE AND FAIR VALUE MEASUREMENTS, continued:

	Fair Value Measurements at December 31, 2016			
	Total	Level 1	Level 2	Level 3
Investments held at fair value:				
Mutual funds:				
Commodity funds	\$ 43,950,000	\$ 43,950,000	\$ -	\$ -
Growth funds	78,216,000	78,216,000	-	-
Fixed income funds	342,560,000	342,560,000	-	-
International funds	91,201,000	91,201,000	-	-
Value funds	122,210,000	122,210,000	-	-
	678,137,000	678,137,000	-	-
Equity securities:				
Commodities	28,486,000	28,486,000	-	-
Consumer goods	116,438,000	116,438,000	-	-
Finance	80,163,000	80,163,000	-	-
Industrial goods	18,162,000	18,162,000	-	-
	243,249,000	243,249,000	-	-
Debt securities:				
Mortgage-backed securities	6,145,000	-	6,145,000	-
Government securities	227,361,000	-	227,361,000	-
Corporate bonds	67,470,000	-	67,470,000	-
	300,976,000	-	300,976,000	-
Total fair value investments	\$ 1,222,362,000	\$ 921,386,000	\$ 300,976,000	\$ -
Investments held at NAV:				
Hedge fund assets	\$ 69,872,000			
Private equity funds	1,104,000			
	\$ 70,976,000			

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14. DISCLOSURE OF FAIR VALUE AND FAIR VALUE MEASUREMENTS, continued:

Gains and losses (realized and unrealized) related to investments included in change in net assets are reported in investment income. Gains and losses (realized and unrealized) related to the annuities and charitable lead trusts are reported in change in value of annuities and trusts. Gains and losses (realized and unrealized) related to charitable remainder trusts and revocable living trusts are included in the change in value of assets and liabilities on the consolidated statements of financial position.

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14. DISCLOSURE OF FAIR VALUE AND FAIR VALUE MEASUREMENTS, continued:

The Foundation uses the Net Asset Value (NAV) to determine the fair value for all hedge funds which (a) do not have a readily determinable fair value and (b) prepare their financial statements consistent with the measurement principles of an investment company or have attributes of an investment company. The following table lists investments in other investment companies (in partnership format) by major category at December 31, 2017:

Investment Category	Strategy	Fair Value Determined Using NAV	\$ Amount of Unfunded Commitments	Timing to Draw Down Commitments	Redemption Terms	Redemption Restrictions	Redemption Restrictions in Place at Year End
Private Equity Funds	Microfinance	\$ 1,163,000	\$ -	No more draw downs are expected.	No ability to be redeemed.	NA	NA
Hedge Funds	Absolute Return- Long/Short equity fund, primarily in U.S. securities	1,664,000	-	NA	anniversary date of investment in fund with 3-6 months notice required.	NA	NA
Hedge funds	Multi-strategy	700,000	-	NA	Redeemable on quarterly or semi- annual basis with 95 day notice.	Approx. 15% of balance has 1 year lockup which charges 5% redemption penalty.	NA
Hedge funds	Multi-strategy	67,884,000	-	NA	Redeemable quarterly between 10 to 65 days written notice.	NA	NA
		<u>\$ 71,411,000</u>	<u>\$ -</u>				

NATIONAL CHRISTIAN CHARITABLE FOUNDATION, INC.
and
SUPPORTING ORGANIZATIONS

Notes to Consolidated Financial Statements

December 31, 2017 and 2016

14. DISCLOSURE OF FAIR VALUE AND FAIR VALUE MEASUREMENTS, continued:

The following table lists investments in other investment companies (in partnership format) by major category at December 31, 2016:

Investment Category	Strategy	Fair Value Determined Using NAV	\$ Amount of Unfunded Commitments	Timing to Draw Down Commitments	Redemption Terms	Redemption Restrictions	Redemption Restrictions in Place at Year End
Private Equity Funds	Microfinance	\$ 1,104,000	\$ -	No more draw downs are expected.	No ability to be redeemed.	NA	NA
Hedge Funds	Absolute Return- Long/Short equity fund, primarily in U.S. securities	4,231,000	-	NA	anniversary date of investment in fund with 3-6 months notice required.	NA	NA
Hedge funds	Multi-strategy	5,925,000	-	NA	Redeemable on quarterly or semi- annual basis with 95 day notice.	Approx. 15% of balance has 1 year lockup which charges 5% redemption penalty.	NA
Hedge funds	Multi-strategy	59,716,000	-	NA	Redeemable quarterly between 10 to 65 days written notice.	NA	NA
		<u>\$ 70,976,000</u>	<u>\$ -</u>				

NATIONAL CHRISTIAN CHARITABLE FOUNDATION, INC.
and
SUPPORTING ORGANIZATIONS

Notes to Consolidated Financial Statements

December 31, 2017 and 2016

15. SUBSEQUENT EVENTS:

In 2018, one of the 25 Affiliates described in Note 1 (see paragraph titled Network Affiliates—formerly Local Community Foundations) decided to change its relationship with NCCF. The Foundation has agreed to financially support this separating group through July 31, 2018. All donors have the opportunity at any time to advise that grants be made to qualified organizations and some have opted to support this former affiliate. If 100% of the donors who have a relationship with this former Affiliate provide such advice prior to July 31, 2018, NCCF expects to grant approximately \$621,277,000 to this former Affiliate prior to December 31, 2018. Of that amount, \$178,041,000 has been granted as of the date of this report.

Subsequent events have been evaluated through July 3, 2018, which represents the date the consolidated financial statements were available to be issued. Subsequent events after that date have not been evaluated.

SUPPLEMENTARY INFORMATION

**INDEPENDENT AUDITORS' REPORT
ON SUPPLEMENTARY INFORMATION**

Board of Directors
National Christian Charitable Foundation, Inc.
and Supporting Organizations
Atlanta, Georgia

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating statements as shown on pages 33 to 38 are presented for the purpose of additional analysis of the consolidated financial statements and it is not a required part of the consolidated 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 consolidated financial statements. The consolidating statements of financial position and the consolidating statements of financial activities has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the consolidating statements of financial position and the consolidating statements of financial activities , which insofar as it relates to ProVision Foundation, Inc., Emmanuel Foundation, Movement Foundation, TMG Foundation, or Elgin Childrens Foundation, is based on the report of other auditors, is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Capin Crouse LLP

Lawrenceville, Georgia
July 3, 2018

NATIONAL CHRISTIAN CHARITABLE FOUNDATION, INC.
and
SUPPORTING ORGANIZATIONS

Consolidating Statement of Financial Position
(In thousands)

December 31, 2017

	NCCF	NCCF Trust	NSI	NCFRP	NCF Corp	NCT	NCFI	Subtotal	NCCF Supporting Organizations	Eliminations	Total
ASSETS:											
Current assets:											
Cash and cash equivalents	\$ 404,313	\$ 1,453	\$ 59	\$ 1,759	\$ 18	\$ 31,896	\$ 18	\$ 439,516	\$ 19,077	\$ -	\$ 458,593
Investments	1,973,390	5,775	2,735	52,288	-	747,665	120,906	2,902,759	203,930	-	3,106,689
Intercompany receivable	-	187	95	1,981	-	12,135	60	14,458	-	(14,458)	-
Current portion of notes receivable	1,043	138	-	161	-	4,954	-	6,296	1,308	-	7,604
Prepaid expenses and other assets	2,397	12	11	85	-	11,818	-	14,323	1,226	-	15,549
	<u>2,381,143</u>	<u>7,565</u>	<u>2,900</u>	<u>56,274</u>	<u>18</u>	<u>808,468</u>	<u>120,984</u>	<u>3,377,352</u>	<u>225,541</u>	<u>(14,458)</u>	<u>3,588,435</u>
Property and equipment—net	3,120	-	-	-	-	-	-	3,120	5,509	-	8,629
Notes receivable—net of current portion	175	-	-	7,000	-	35,091	-	42,266	13,242	-	55,508
Beneficial lead interest in trusts	4,057	-	-	-	-	-	-	4,057	-	-	4,057
Total Assets	<u>\$ 2,388,495</u>	<u>\$ 7,565</u>	<u>\$ 2,900</u>	<u>\$ 63,274</u>	<u>\$ 18</u>	<u>\$ 843,559</u>	<u>\$ 120,984</u>	<u>\$ 3,426,795</u>	<u>\$ 244,292</u>	<u>\$ (14,458)</u>	<u>\$ 3,656,629</u>
LIABILITIES AND NET ASSETS:											
Current liabilities:											
Accounts payable and accrued expenses	\$ 4,577	\$ -	\$ 34	\$ 534	\$ -	\$ 5,003	\$ 31	\$ 10,179	\$ 2,379	\$ -	\$ 12,558
Intercompany payable	-	187	95	1,981	-	12,135	60	14,458	-	(14,458)	-
Current portion of notes payable	-	-	-	-	-	2,816	-	2,816	1,759	-	4,575
	<u>4,577</u>	<u>187</u>	<u>129</u>	<u>2,515</u>	<u>-</u>	<u>19,954</u>	<u>91</u>	<u>27,453</u>	<u>4,138</u>	<u>(14,458)</u>	<u>17,133</u>
Annuity obligations	12,399	672	-	72	-	4,078	-	17,221	-	-	17,221
Notes payable—net of current portion	-	-	-	-	-	-	-	-	1,843	-	1,843
	<u>16,976</u>	<u>859</u>	<u>129</u>	<u>2,587</u>	<u>-</u>	<u>24,032</u>	<u>91</u>	<u>44,674</u>	<u>5,981</u>	<u>(14,458)</u>	<u>36,197</u>
Net assets:											
Without donor restrictions:											
Operating	(4,194)	331	151	1,439	18	10,022	48	7,815	-	-	7,815
Supporting organizations	-	-	-	-	-	-	-	-	230,436	-	230,436
Donor-advised funds	2,368,028	6,375	2,620	59,248	-	809,505	120,845	3,366,621	-	-	3,366,621
Equity in property and equipment	3,120	-	-	-	-	-	-	3,120	5,509	-	8,629
Board designated—annuity reserves	508	-	-	-	-	-	-	508	-	-	508
	<u>2,367,462</u>	<u>6,706</u>	<u>2,771</u>	<u>60,687</u>	<u>18</u>	<u>819,527</u>	<u>120,893</u>	<u>3,378,064</u>	<u>235,945</u>	<u>-</u>	<u>3,614,009</u>
With donor restrictions	4,057	-	-	-	-	-	-	4,057	2,366	-	6,423
	<u>2,371,519</u>	<u>6,706</u>	<u>2,771</u>	<u>60,687</u>	<u>18</u>	<u>819,527</u>	<u>120,893</u>	<u>3,382,121</u>	<u>238,311</u>	<u>-</u>	<u>3,620,432</u>
Total Liabilities and Net Assets	<u>\$ 2,388,495</u>	<u>\$ 7,565</u>	<u>\$ 2,900</u>	<u>\$ 63,274</u>	<u>\$ 18</u>	<u>\$ 843,559</u>	<u>\$ 120,984</u>	<u>\$ 3,426,795</u>	<u>\$ 244,292</u>	<u>\$ (14,458)</u>	<u>\$ 3,656,629</u>

NATIONAL CHRISTIAN CHARITABLE FOUNDATION, INC.
and
SUPPORTING ORGANIZATIONS

Consolidating Statement of Financial Position
(In thousands)

December 31, 2016

	NCCF	NCCF Trust	NSI	NCFRP	NCF Corp	NCT	NCFI	Subtotal	NCCF Supporting Organizations	Eliminations	Total
ASSETS:											
Current assets:											
Cash and cash equivalents	\$ 425,704	\$ 1,295	\$ 59	\$ 2,453	\$ 19	\$ 30,632	\$ 6	\$ 460,168	\$ 12,531	\$ -	\$ 472,699
Investments	1,612,143	5,831	2,722	76,311	-	593,077	96,482	2,386,566	157,252	-	2,543,818
Intercompany receivable	-	195	88	2,124	-	9,488	60	11,955	-	(11,955)	-
Current portion of notes receivable	97	24	-	185	-	4,847	-	5,153	11	-	5,164
Prepaid expenses and other assets	4,308	14	75	22	-	3,244	12	7,675	3,569	-	11,244
	<u>2,042,252</u>	<u>7,359</u>	<u>2,944</u>	<u>81,095</u>	<u>19</u>	<u>641,288</u>	<u>96,560</u>	<u>2,871,517</u>	<u>173,363</u>	<u>(11,955)</u>	<u>3,032,925</u>
Property and equipment—net	3,599	-	-	-	-	-	-	3,599	9,954	-	13,553
Notes receivable—net of current portion	1,017	126	-	6,084	-	25,579	-	32,806	5,219	-	38,025
Beneficial lead interest in trusts	4,329	-	-	-	-	-	-	4,329	-	-	4,329
Total Assets	<u>\$ 2,051,197</u>	<u>\$ 7,485</u>	<u>\$ 2,944</u>	<u>\$ 87,179</u>	<u>\$ 19</u>	<u>\$ 666,867</u>	<u>\$ 96,560</u>	<u>\$ 2,912,251</u>	<u>\$ 188,536</u>	<u>\$ (11,955)</u>	<u>\$ 3,088,832</u>
LIABILITIES AND NET ASSETS:											
Current liabilities:											
Accounts payable and accrued expenses	\$ 4,017	\$ -	\$ 8	\$ 459	\$ -	\$ 4,695	\$ 30	\$ 9,209	\$ 1,229	\$ -	\$ 10,438
Intercompany payable	-	195	88	2,124	-	9,488	60	11,955	-	(11,955)	-
Current portion of notes payable	-	-	-	-	-	1,509	-	1,509	-	-	1,509
	<u>4,017</u>	<u>195</u>	<u>96</u>	<u>2,583</u>	<u>-</u>	<u>15,692</u>	<u>90</u>	<u>22,673</u>	<u>1,229</u>	<u>(11,955)</u>	<u>11,947</u>
Annuity obligations	12,276	685	-	74	-	3,808	-	16,843	-	-	16,843
Notes payable—net of current portion	-	-	-	-	-	-	-	-	1,686	-	1,686
	<u>16,293</u>	<u>880</u>	<u>96</u>	<u>2,657</u>	<u>-</u>	<u>19,500</u>	<u>90</u>	<u>39,516</u>	<u>2,915</u>	<u>(11,955)</u>	<u>30,476</u>
Net assets:											
Without donor restrictions:											
Operating	(10,575)	339	208	1,825	19	8,355	48	219	-	-	219
Supporting organizations	-	-	-	-	-	-	-	-	172,976	-	172,976
Donor-advised funds	2,037,093	6,266	2,640	82,697	-	639,012	96,422	2,864,130	-	-	2,864,130
Equity in property and equipment	3,599	-	-	-	-	-	-	3,599	9,954	-	13,553
Board designated—annuity reserves	458	-	-	-	-	-	-	458	-	-	458
	<u>2,030,575</u>	<u>6,605</u>	<u>2,848</u>	<u>84,522</u>	<u>19</u>	<u>647,367</u>	<u>96,470</u>	<u>2,868,406</u>	<u>182,930</u>	<u>-</u>	<u>3,051,336</u>
With donor restrictions	4,329	-	-	-	-	-	-	4,329	2,691	-	7,020
	<u>2,034,904</u>	<u>6,605</u>	<u>2,848</u>	<u>84,522</u>	<u>19</u>	<u>647,367</u>	<u>96,470</u>	<u>2,872,735</u>	<u>185,621</u>	<u>-</u>	<u>3,058,356</u>
Total Liabilities and Net Assets	<u>\$ 2,051,197</u>	<u>\$ 7,485</u>	<u>\$ 2,944</u>	<u>\$ 87,179</u>	<u>\$ 19</u>	<u>\$ 666,867</u>	<u>\$ 96,560</u>	<u>\$ 2,912,251</u>	<u>\$ 188,536</u>	<u>\$ (11,955)</u>	<u>\$ 3,088,832</u>

NATIONAL CHRISTIAN CHARITABLE FOUNDATION, INC.

SUPPORTING ORGANIZATIONS

Consolidating Statement of Activities

(In thousands)

Year Ended December 31, 2017

	NCCF	NCCF Trust	NSI	NCFRP	NCF Corp	NCT	NCFI	Subtotal	NCCF Supporting Organizations	Eliminations	Total
NET ASSETS WITHOUT DONOR RESTRICTION:											
SUPPORT AND REVENUE:											
Contributions	\$ 1,205,449	\$ -	\$ 1	\$ 2,208	\$ 25	\$ 7,337	\$ 225	\$ 1,215,245	\$ 73,839	\$ (248,951)	\$ 1,040,133
Noncash contributions	323,823	-	-	20,669	-	346,504	24,423	715,419	21,057	-	736,476
Investment income	134,849	276	135	210	-	47,168	-	182,638	16,410	-	199,048
Change in value of annuities and trusts	(1,239)	(56)	-	(5)	-	(227)	-	(1,527)	-	-	(1,527)
Administrative fees and assessments	16,334	4	11	1,065	-	9,447	225	27,086	-	(27,086)	-
Other revenue	7,098	41	4	1,133	-	2,449	123	10,848	121	-	10,969
Total Support and Revenue	1,686,314	265	151	25,280	25	412,678	24,996	2,149,709	111,427	(276,037)	1,985,099
RECLASSIFICATIONS:											
Net assets released from restrictions:											
Expiration of purpose	-	-	-	-	-	-	-	-	4,413	-	4,413
Expiration of time	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	4,413	-	4,413
EXPENSES:											
Program activities	1,303,453	154	218	44,437	-	214,108	215	1,562,585	58,895	(248,951)	1,372,529
General and administrative	44,727	10	10	4,678	26	26,410	358	76,219	2,100	(27,086)	51,233
Fund-raising activities	1,247	-	-	-	-	-	-	1,247	835	-	2,082
Total Expenses	1,349,427	164	228	49,115	26	240,518	573	1,640,051	61,830	(276,037)	1,425,844
Change in Net Assets from Operations Without Donor Restrictions	336,887	101	(77)	(23,835)	(1)	172,160	24,423	509,658	54,010	-	563,668
Change in Controlled Entity	-	-	-	-	-	-	-	-	(995)	-	(995)
Net Assets Without Donor Restrictions, Beginning of Year	2,030,575	6,605	2,848	84,522	19	647,367	96,470	2,868,406	182,930	-	3,051,336
Net Assets Without Donor Restrictions, End of Year	\$ 2,367,462	\$ 6,706	\$ 2,771	\$ 60,687	\$ 18	\$ 819,527	\$ 120,893	\$ 3,378,064	\$ 235,945	\$ -	\$ 3,614,009

(continued)

**NATIONAL CHRISTIAN CHARITABLE FOUNDATION, INC.
and
SUPPORTING ORGANIZATIONS**

Consolidating Statement of Activities
(In thousands)
(continued)

Year Ended December 31, 2017

	NCCF	NCCF Trust	NSI	NCFRP	NCF Corp	NCT	NCFI	Subtotal	NCCF Supporting Organizations	Eliminations	Total
NET ASSETS WITH DONOR RESTRICTIONS:											
Contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,088	\$ -	\$ 4,088
Non cash contributions	-	-	-	-	-	-	-	-	-	-	-
Change in value of annuities and trusts	(272)	-	-	-	-	-	-	(272)	-	-	(272)
Net assets released from restrictions:											
Expiration of purpose	-	-	-	-	-	-	-	-	(4,413)	-	(4,413)
Expiration of time	-	-	-	-	-	-	-	-	-	-	-
Change in Net Assets With Donor Restrictions	(272)	-	-	-	-	-	-	(272)	(325)	-	(597)
Net Assets With Donor Restrictions, Beginning of Year	4,329	-	-	-	-	-	-	4,329	2,691	-	7,020
Net Assets With Donor Restrictions, End of Year	<u>\$ 4,057</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,057</u>	<u>\$ 2,366</u>	<u>\$ -</u>	<u>\$ 6,423</u>

NATIONAL CHRISTIAN CHARITABLE FOUNDATION, INC.
and
SUPPORTING ORGANIZATIONS

Consolidating Statement of Activities
(In thousands)

Year Ended December 31, 2016

	NCCF	NCCF Trust	NSI	NCFRP	NCF Corp	NCT	NCFI	Subtotal	NCCF Supporting Organizations	Eliminations	Total
NET ASSETS WITHOUT DONOR RESTRICTION:											
SUPPORT AND REVENUE:											
Contributions	\$ 1,112,552	\$ 25	\$ -	\$ 2,443	\$ -	\$ 14,123	\$ 215	\$ 1,129,358	\$ 54,714	\$ (192,479)	\$ 991,593
Noncash contributions	280,603	-	-	13,624	-	191,929	39,316	525,472	11,306	-	536,778
Investment income (loss)	54,025	354	150	1,676	-	17,129	-	73,334	6,271	-	79,605
Change in value of annuities and trusts	(1,178)	(56)	-	(5)	-	209	-	(1,030)	-	-	(1,030)
Administrative fees and assessments	13,845	11	12	857	-	6,965	180	21,870	-	(21,870)	-
Other revenue	4,215	63	-	458	25	3,256	82	8,099	2,126	-	10,225
Total Support and Revenue	1,464,062	397	162	19,053	25	233,611	39,793	1,757,103	74,417	(214,349)	1,617,171
RECLASSIFICATIONS:											
Net assets released from restrictions:											
Expiration of purpose	-	-	-	-	-	-	-	-	4,866	-	4,866
Expiration of time	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	4,866	-	4,866
EXPENSES:											
Program activities	1,074,336	673	302	8,319	-	157,625	175	1,241,430	37,411	(192,479)	1,086,362
General and administrative	37,221	17	12	3,247	27	44,681	274	85,479	3,161	(21,870)	66,770
Fund-raising activities	1,400	-	-	-	-	-	-	1,400	760	-	2,160
	1,112,957	690	314	11,566	27	202,306	449	1,328,309	41,332	(214,349)	1,155,292
Change in Net Assets from Operations Without Donor Restrictions	351,105	(293)	(152)	7,487	(2)	31,305	39,344	428,794	37,951	-	466,745
Change in Controlled Entity	-	-	-	-	-	-	-	-	(6,625)	-	(6,625)
Net Assets Without Donor Restrictions, Beginning of Year	1,679,470	6,898	3,000	77,035	21	616,062	57,126	2,439,612	151,604	-	2,591,216
Net Assets Without Donor Restrictions, End of Year	<u>\$ 2,030,575</u>	<u>\$ 6,605</u>	<u>\$ 2,848</u>	<u>\$ 84,522</u>	<u>\$ 19</u>	<u>\$ 647,367</u>	<u>\$96,470</u>	<u>\$ 2,868,406</u>	<u>\$ 182,930</u>	<u>\$ -</u>	<u>\$ 3,051,336</u>

(continued)

**NATIONAL CHRISTIAN CHARITABLE FOUNDATION, INC.
and
SUPPORTING ORGANIZATIONS**

Consolidating Statement of Activities

(In thousands)

(continued)

Year Ended December 31, 2016

	NCCF	NCCF Trust	NSI	NCFRP	NCF Corp	NCT	NCFI	Subtotal	NCCF Supporting Organizations	Eliminations	Total
NET ASSETS WITH DONOR RESTRICTIONS:											
Contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,885	\$ -	\$ 3,885
Non cash contributions	-	-	-	-	-	-	-	-	-	-	-
Change in value of annuities and trusts	(264)	-	-	-	-	-	-	(264)	-	-	(264)
Net assets released from restrictions:											
Expiration of purpose	-	-	-	-	-	-	-	-	(4,866)	-	(4,866)
Expiration of time	-	-	-	-	-	-	-	-	-	-	-
Change in With Donor Restrictions Net Assets	(264)	-	-	-	-	-	-	(264)	(981)	-	(1,245)
Net Assets With Donor Restrictions, Beginning of Year	4,593	-	-	-	-	-	-	4,593	3,672	-	8,265
Net Assets With Donor Restrictions, End of Year	<u>\$ 4,329</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,329</u>	<u>\$ 2,691</u>	<u>\$ -</u>	<u>\$ 7,020</u>