***FLOSSMOOR COMMUNITY CHURCH FOUNDATION***

**ANNUAL REPORT FOR THE PERIOD ENDING**

**December 31, 2018**

**Overview**

The Flossmoor Community Church Foundation is dedicated to preserving and enhancing Flossmoor Community Church as a vital institution in the community. All members of Flossmoor Community Church are members of the Foundation. Our mission is to provide financial security for the long-term viability of the church’s facilities and support for church outreach activities. The Foundation board is responsible for i) raising funds for the Foundation, ii) deploying the funds in accordance with fund policy and iii) managing the Foundation’s assets by taking appropriate risk and protecting principal.

**Portfolio Performance and Accomplishments**

FCC and FCCF have moved to a Fiscal Year from January 1, 2018 to December 31, 2018. The changes for Fiscal Year 2018 are reported in this Annual Report.

As of December 31, 2018 total assets were $2,517,594 including $250,000 in a residence, a cash reserve of $20,188 and designated cash for facilities investment of $157,087. The residence, cash reserve and designated cash were not available for investment. $2,090,319 was invested with professional managers in a variety of funds. Investment decisions are made by the Foundation Investment Committee, which is advised by Morgan Stanley and approved by the Foundation Board. These funds were invested as follows:

**Investment 2018 Asset Value % of Assets 2017 Asset Value % of Assets**

Restricted Cash $ 20,188 1.0% $ 58,180 2.0%

Designated Cash 157,087 6.8% 262,830 9.4%

Fixed Income 577,274 25.5% 594,752 23.6%

Equities 1,308,256 57.7% 1,443,750 57.2%

Alternatives 204,800 9.0% 222,067 8.8%

Totals $2,267,594 100% $2,523,400 100%

The Fund Balance decreased from $2,523,400 as of December 31, 2017, to $2,267,594 a decrease of $255,805 or 10.1%. The decrease in Investable Assets is $170,250 or 7.5%.Notable Changes are: FCCF Fixed Income Assets decreases by 2.9%; FCCF International Equity Funds Assets decreases by 15.3%; U.S. Equity Funds decreased by 6.6%; Tholl Pearson Tactical Fund remaining the same value as originally invested and Alternative Funds decrease by 2.5%.

The Morgan Stanley the December Monthly Performance Report - *Return Foundation % (Net of Fees) vs. Industry Benchmark for Comparison* is for the Year to Date December 31, 2018. The Foundation Unrestricted Invested Assets lost 6.81% vs. the Industry Benchmark Comparison loss of 5.22%. This overall decline and volatility in the stack and bond market has not been seen for 10 years.

Changes in the cash reserve and designated cash reserve for the facilities projects included:

 Income

* Donations and Memorials: $3,325
* Dividends & Interest Income: $23,774

Income Total $27,099

 Expenses

* Distributions to FCC: $61,785
* Facilities Projects: $42,508
* Advisory Fees: $7,452
* Annuitant Payments: $1,584
* Other Expenses: $2,479

 Cash Expense Total $115,808

The Flossmoor Community Church Foundation is chartered to support Flossmoor Community Church Facilities with 90% of the contributions and outreach with 10% of the contributions. Annually the Foundation reserves 5% of the unrestricted fund balance and contributes approximately $62,000 for facilities operations and for outreach.

In 2016, the Foundation Board requested a new facilities plan in order to more proactively and cost effectively address the facilities needs before becoming costly emergencies. Reserve Advisors were retained and updated the 2004 Plan. In July 2017 the FCC Foundation Members approved the recommendations.

Since approval of the Plan in July 2017, FCC has undertaken several projects totaling costs of $83,408. FCCF has reimbursed FCC for all these costs as the projects were within the scope of the Facilities Plan expenditures. Some projects were able to include additional, needed work for the cost originally included in the plan. The projects include: Community House roof replacement, bathroom and kitchen remodeling, floor refinishing. The Community House improvements and marketing has substantially increased its use. Other projects include a much need new phone system, LED lights for the sanctuary, replacement of carpet and needed repairs in the office wing and family room.

Thank you.

Lois Glasgow
Foundation Board President