



INDEPENDENT PRESBYTERIAN CHURCH
The Foundation

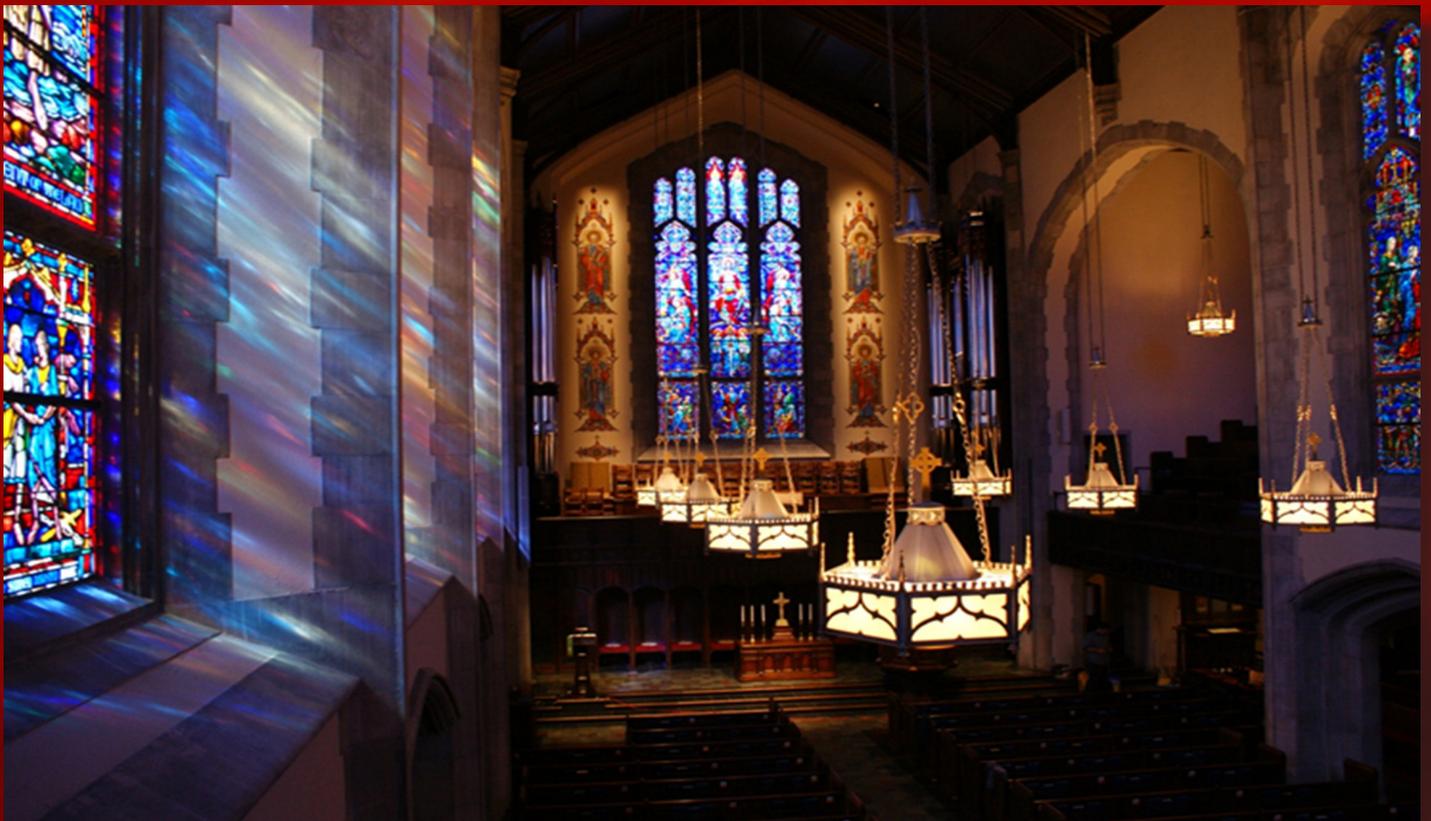
Annual Report 2014



*IPC Foundation Benefactors
Orlean and Ralph W. Beeson*

Independent Presbyterian Church and the IPC Foundation want to bring the Church and the IPC Foundation into closer communication, to collaborate in a way that maximizes the mission of both entities...to insure maximum charitable impact...and to increase the assets available for charitable mission.

From the Joint Operating Agreement, signed 16 December 2014





October 15, 2015

Dear IPC Church Members and Friends:

I am extremely excited to report continued growth for IPC Foundation (IPCF) in 2014, on the heels of an incredibly strong year in 2013. You will recall that last year was a special year, with an anonymous gift of \$5 million and investment returns of 17%. We knew it would be hard to top 2013, but we definitely sustained the growth trajectory in every key area. Below are some key highlights:

- Giving to the Foundation remains strong, with contributions of \$472,750 to IPC Funds
- The Jere White Children's Ministry Fund was established, bringing the total number of funds under management to 34
- Distribution and grant payments increased 11% to \$2.1 million, with 61.5% of the total directly benefiting the Birmingham community
- Investment returns were 6.0%
- Our partnership with SAIL continued (Summer Adventures in Learning), and we increased our funding by 30%, with giving to 17 programs

This year was also a year of redefinition, with the completion of two major agreements that govern much of the Foundation's operations.

- The first agreement is the 2014 Restatement of the Orlean and Ralph W. Beeson Fund, which consolidates in a single document the administrative provisions of the Beeson Fund. *More information regarding the restatement can be found in Appendix A.*
- The second agreement completed during the year is the Operating Agreement between the Church and the Foundation. IPCF was incorporated in 1973 as a separate 501(C)(3) to hold all endowment funds received by the Church. Over the years, the roles and responsibilities of the Foundation as it relates to the Church had become somewhat blurred, and it was the belief of many that an operating agreement was needed for clarification and good governance. Accordingly, IPC Foundation Board and IPC Session members worked jointly to develop an operating agreement between IPC and IPCF. After many, many months of diligently drafting a comprehensive agreement, the operating agreement was completed and signed at the end of 2014. The agreement is extremely significant to both IPC and IPCF, as it governs the relationship between the two entities and defines the roles and responsibilities of each party as it relates to the Foundation.

Last but by no means least, I would be remiss if I did not thank my predecessor for leaving the Foundation in such great shape. As you know, Jim Wooten retired after 10 years of dedication to the Foundation. He developed a tremendous network in the Birmingham community and abroad; his vision for summer learning led to program funding throughout Birmingham by a coalition of almost every major private foundation in Birmingham; his reputation and expertise in the not-for-profit circles in Birmingham is renowned. I end my report with a heart-felt thank you to Jim, as he has been truly missed.

Denise W Moore
Executive Director



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Focus on Grants

Each year, the IPC Foundation (the Foundation) awards Beeson grants for *“the benefit of mankind, the education of youth, the relief of human suffering, and propagation of the Christian religion.”* The Beeson Fund section of this annual report describes the grants process and lists grants made during the year. This section focuses on several grants to deepen our understanding of the impact they have on our world and its people. Five grant areas are highlighted to show breath and scope of reach including 1) charitable grants to women and children (Oasis Counseling for Women and Children) and young men of color (Growing Kings), 2) grants benefitting Presbyterian mission efforts (The Presbyterian Frontier Fellowship and Presbyterian Mission Agency), and 3) the grantmaking process of the IPC Youth Grant Team.



Oasis Counseling for Women and Children

exists to fill a critical gap in mental health care for women and children who are living at or below the poverty level. Oasis provides high-quality care from licensed professional counselors on a sliding-fee scale based on the client's household income and number of dependents. Funding from the IPC Foundation covers the costs for counselor training and education and subsidizes counseling services for individuals.

With an increasing number of clients recovering from trauma, the training is for counselor certification in Trauma-Focused Cognitive Behavioral Therapy and Eye Movement Desensitization and Reprocessing.

Subsidizing services is critical to Oasis' ability to provide therapy at an affordable rate especially for the 65% of clients who report household incomes of \$20,000 or less. While the current rate for private practitioners ranges from \$95 - \$135 per hour, Oasis clients paid on average \$16 per hour in 2013. The lasting impact of counseling is consistent with Oasis' clinical mission of helping clients build resilience and self-sufficiency through the services they receive.



The IPC grant supports the mission of **Growing Kings, Inc.** to encourage and facilitate the critical thinking and positive attitudes of underserved male youth through systemic and targeted enrichment, research, and advocacy. The organization was founded as a direct response to the alarming number of adolescent boys failing in various aspects of life, often due to the lack of positive male influences. As part of their efforts to address the issue of education concerns among young men, the staff and volunteers of Growing Kings engage students who are enrolled in Title I schools and who exhibit behaviors that are not conducive to a positive, healthy lifestyle. The program offers school-based personal development and enrichment programs to at-risk male youths as a way to provide them with the necessary tools and opportunities to lead a successful life.

Growing Kings uses the following program series to encourage students to achieve:

- Prince Charming is a literacy and mathematics program aimed at improving 4th and 5th grade students' critical thinking and analytic skills. Students who are referred to this program have a history with behavioral issues and low educational attainment.
- Measures of a Man is a program for 6th through 8th grade students that works to focus on character development, violence prevention, and personal enrichment. This

- program includes involvement of community organizations and leaders, who provide students with first-hand accounts on issues regarding youth violence, as well as provide mentorship.
- Scholars and Gentlemen is a school-based program with a curriculum specifically designed for 9th-12th grade males and focuses on culture, manhood and entrepreneurship. The program sessions introduce the young men to ideals needed to prepare for college, military, or other career fields. Young men in the junior class have an opportunity to participate in an out-of-state college tour.



Over the years, the IPC Foundation has supported a variety of projects sponsored by the Presbyterian Frontier Fellowship (PFF). This year's grant request to acquire land for a Christian school in Northern India in the state of Bihar, near Nepal, received careful review and ultimately, generous support. The school is part of a network, Empower Believers Connections, and when constructed the new school will accommodate approximately 150 students.

Network representative Chandon Kumar Sah and PFF Associate Director, Cody Watson, personally appeared to discuss the need for the school and for the grant. PFF has been doing mission ministry in this region of India for more than 15 years.

The Indian government requires schools to own the land in order to be officially registered and open for students. Schools attract students and their families, and many Christian house churches have been planted among these populations, carrying out the great commission of Jesus in Matthew 28 to "make disciples of all nations."

India is the second most populous nation in the world, and 82% of its population practices Hinduism. The mission field for Christian evangelism is ripe in this area!



The IPC Foundation is pleased to continue to support the education and development of children and the spreading of the Gospel of Jesus Christ globally as well as locally.

AFRICA MISSION TRIP

For more than twenty years, IPC and the IPC foundation have helped support the village of Mwandi, Zambia providing abundant prayers and financial resources for the needs of the impoverished villagers and for the building up of the Mission Hospital there.

We also send mission volunteers to teach "Vacation Bible School" to the children and to offer hands-on help for a variety of projects. It is not only the village of Mwandi that benefits from this long-standing relationship, as you can read in the Kelley Feagin's reflection on her 2014 trip experience.

The Truth About Mission Trips to Africa

For more than twenty years I have dreamed of a trip to Africa. This summer I lived the realization of that dream. Holding reality up against such prolonged dreams is dangerous. Well, the truth about my trip to Africa is that it did not match up with the dream. The truth is that I had no way to know that the reality would be so much bigger than the dream.

The truth is that the travel is hard. There are many hours spent in transit. There are many moments of hurry up and wait. The truth is that these difficult moments are overshadowed by the joy of getting to know a team of people that you share pews and stained glass with every week, but never had the chance to speak to.

The truth is that the work is not what you expect. Our job for this trip was to paint the interior and exterior of the hospital chapel. Our team was fortunate to have some truly skilled artists and I believe that the sacred space that is the Mwandi Mission Hospital Chapel has been beautifully painted. But, it was the work of God as artist that took my breath away. I challenge anyone to stand in the spray of Victoria Falls and not feel blessed by the beauty, the power and the gift of God's natural creation. I implore everyone to stop, lift up your eyes and allow yourself to be overwhelmed by a nighttime sky so filled with stars that it does not seem possible that they could be real.

The truth is that Mwandi is a place filled with poverty, disease, and hardship. But, Mwandi is also filled with people. These people are filled with faith, hope and love and they shared these gifts freely with all of us. The opportunity to worship, pray, work and play together created friendships and connections that no distance can sever. These people and this place welcomed me and the truth is I will never be the same.

The truth is that Mwandi is a foreign place half a world away, but I found that smiles and tears and laughter are truly universal.

The truth is that in less than two weeks this foreign land felt like home. The truth is I cannot wait to return.



Back Row: Michael Jackson, Sam Fisher, Phil Collins, Greg Jeane, Peggy Balliet, Michael Balliet and Trotter Cobb
Front Row: Beth Adams, Abigail Adams and Kelley Feagin

IPC YOUTH GRANT TEAM



2014 IPC Youth Grant Team Members from left to right beginning with back row include Craig Cantley, Carter Dukes, Rob Pulliam, William Cook, Helen Catherine Darby, Julia Jane Duggan, Parker Hartline, George Keller, Madeline Butts, Virginia White (not pictured, Emily Johnson.)

This is the fourth year that the IPC Foundation has set aside \$10,000 for a select group of IPC youth who are juniors or seniors in high school to research Beeson grant applications and recommend the distribution of those funds to the foundation board.

The youth parallel the process of the grantmaking committee by reviewing the proposals, conducting additional research, and making site visits. In the process they learn about the great needs in the community and around the world and realize the difficulty of making hard decisions when you cannot meet all the needs. They learn about the power of Christian philanthropy and how to make decisions as a group.

Once they determined their recommendations, they prepared a very polished presentation to the Foundation board that involved all members of the grant team. In some instances, the Youth Grant Team's research and recommendations influenced board decisions on additional grant applications.

For 2014 the Youth Grant Team chose to support Construction Education Foundation of Alabama (\$3,000), Hand in Paw (\$2,000), His Kids Too (\$2,000), and Studio by the Tracks (\$3,000).



STUDIO BY THE TRACKS



HIS KIDS TOO



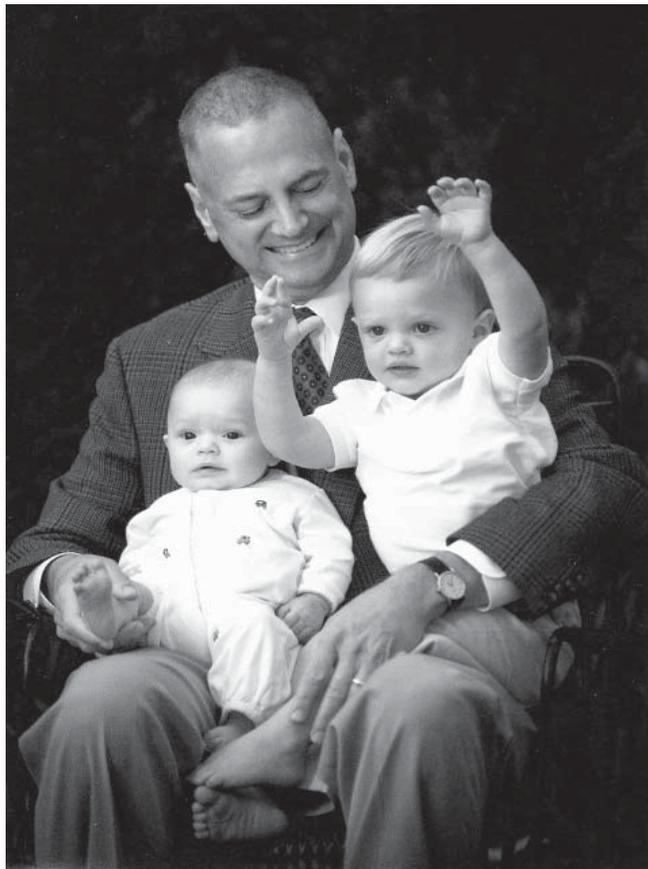
CONSTRUCTION EDUCATION

New Fund Focus

The Jere White Children's Ministry Fund

Everyone who knew Jere White knew him as a leader and a model of strength and grace. He was unquestionably a devoted Christian family man. He delighted in his family, and he and his beloved wife, Lyda, instilled in their children the importance of serving the church and serving others.

Recognizing Jere's love of children and his commitment to developing the Christian faith in all of God's children, Lyda created a named fund in her husband's memory in the IPC Foundation. The **Jere White Children's Ministry Fund** benefits IPC's programs of Christian nurture and spiritual development, specifically the Catechesis of the Good Shepherd program.



The Catechesis of the Good Shepherd program is a Montessori-based method of spiritual formation for children that now serves the three to ten-year-old children at IPC as their Sunday school and is also used by the IPC Day School children during the week. It is a religious experience shared by children and adults alike, listening to God's Word together.

The children work with highly trained teachers, called Catechists, in a special classroom called an atrium that is beautifully appointed with Christian symbols, images, and child-sized, hands-on lesson materials. Together they explore the Bible, biblical stories and events, their role in God's plan, and Presbyterian sacraments and worship practices.



The IPC Foundation is honored to help extend Jere's memory and legacy to generations of children who will benefit from his enduring spirit and his love of God.

Overview of the Foundation

The Independent Presbyterian Church (IPC) Foundation is a 501 (c) (3) corporation formed in 1973 in Birmingham, Alabama. The purpose of the Foundation is to extend IPC's ministries through the use of endowments.

MISSION STATEMENT

THE INDEPENDENT PRESBYTERIAN CHURCH FOUNDATION
A PUBLIC CHARITY ESTABLISHED BY THE CONGREGATION
OF THE INDEPENDENT PRESBYTERIAN CHURCH

ENCOURAGES AND RECEIVES CONTRIBUTIONS
FOR THE ENDOWMENT OF THE
INDEPENDENT PRESBYTERIAN CHURCH

INVESTS ITS FUNDS
TO ACCOMPLISH THE DONOR'S INTENTIONS, AND

SEEKS INNOVATIVE AND RESPONSIVE WAYS
IN WHICH ITS ASSETS MAY SERVE
CHRIST'S CHURCH, THE COMMUNITY, AND THE WORLD.

A History of Major Giving at IPC

The early years of IPC were devoted to building and beautifying the church and the Children's Fresh Air Farm. This work absorbed all available funds, as well as requiring a mortgage of \$150,000. When the Depression came, repayment had to be deferred. This phase of our history ended in 1943; a pledge of \$50,000 by Robert I. Ingalls generated a swell of enthusiasm, and a congregational dinner was held to secure the additional pledges needed to retire the debt. The instruments of indebtedness were burned at the annual congregational dinner on January 19, 1944.

IPC's first endowment began when Robert R. Meyer made a matching grant in 1943. The Meyer Fund still supports the Children's Fresh Air Farm.

From its early days, the Children's Fresh Air Farm attracted support from within IPC and from the community at large. The primary benefactor was Robert R. Meyer, not an IPC member but a friend of Henry Edmonds. Mr. Meyer underwrote much of the Farm's annual operating expenses and purchased the property for the Farm. Later he made two gifts to provide permanent support. First, he pledged \$50,000 in 1943, subject to IPC's contribution of an additional \$25,000. Then, through his will in 1947, he gave \$75,000, subject to IPC's contribution of another \$25,000. This sum of \$175,000 formed the initial balance of the **Robert R. Meyer Children's Fresh Air**

Farm Fund. Since then, memorials and gifts in support of the Farm over a designated threshold (currently \$500) are added to a related fund known as the **Children's Fresh Air Farm Campship Fund.**

IPC's second endowment came in 1961, when the **C. Eugene Ireland Fund** was established to hold bequests of C. Eugene and Annette Ireland, which totaled \$883,000. The Irelands suggested several causes to be supported by the Fund, but left responsibility for this decision with IPC.

In 1973, the IPC Foundation was formed as a 501 (c) (3) corporation to manage the endowments of IPC. Endowment gifts were encouraged; new funds could be established with a \$1,000 minimum. A number of funds were established in the 1980s.

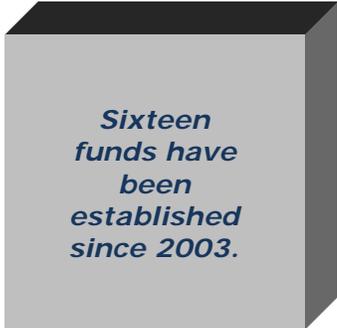
Between 1982 and 1984, IPC received the seed gifts that became the **Orlean and Ralph W. Beeson Fund**. The Beesons gave \$540,000 during their lifetimes, and added bequests that brought total contributions to \$18.6 Million. The Beeson Fund is devoted to "the benefit of mankind, the education of youth, the relief of human suffering, and propagation of the Christian religion." Distributions are made by a formal grants process. In 2014, the Beeson Trust was restated as described more fully in Appendix A.

Three gifts totaling \$1.5 Million by an anonymous family (in 1987, 1999, and 2000) formed the **Children's Fresh Air Farm Capital, Program, Maintenance, and Development Fund**. The Fund grew substantially in 2013 with the addition of a bequest of \$5.2 Million. The Children's Fresh Air Farm is the primary beneficiary, but the Fund also provides support to IPC.

By 2002, the number of funds had grown, several of them having similar purpose and smaller balances. Seven of these funds were consolidated for efficiency, leaving the Foundation with the basic fund structure in place today. At that time, the threshold for a fund was set at the current level of \$25,000.

Since that time, increased interest in endowment giving led to the creation of sixteen funds:

- **Barbara Noojin Walthall Bible Study Fund (2003)**
- **Martha Steger Estes Fund (2004)**
- **Jeanne Isaacs Children's Ministries Fund (2005)**
- **Garnet McAdams Deramus Congregational Care Fund (2006)**
- **Felix C. Yarboro Community Ministries Fund (2006)**
- **Bessie Herron Lester Fund (2007)**
- **HERO Fund (2008)**
- **IPC Facilities Fund (2008)**
- **The Troop 28 Fund (2008)**
- **Alyson L. Butts Fund (2009)**
- **Clinton Williams Taylor Fund (2011)**
- **Lydia C. Cheney Fund (2011)**
- **Sue Aldridge Newton Fund (2012)**
- **Children's Christian Education Fund (2012)**
- **William W. Featheringill Technology Fund (2013)**
- **Jere White Children's Ministry Fund (2014)**



*Sixteen
funds have
been
established
since 2003.*

At the end of 2014, the Foundation managed 34 funds and assets totaling \$63.2 Million. In addition, the Foundation has been advised of deferred gifts (e.g., bequests) that may be expected to increase the number of funds and the size of the endowment in the future.

**Annual Report of the President
Board of Directors and Staff**

Mrs. Susie Abbott	Mike Graham
Mr. Rucker Agee	Marsha Harbin, <i>Foundation Support</i>
Rev. Susan Clayton, <i>Director of Community Ministries</i>	Mrs. Penney Hartline
Mr. Stan Cash, <i>President</i>	Mrs. Susan Haskell
Mrs. Lydia Cheney	Mr. Jimmy Holloway
Mr. Foster Cook	Mr. Don James
Mrs. Sheri Cook, <i>Vice President</i>	Mrs. Pat Pelham
Mr. Bryson Edmonds	Mrs. Denise Moore, <i>Executive Director</i>
Rev. Bobbie Epting, <i>Director of Stewardship and Development</i>	Mr. David Turner, <i>Treasurer</i>
	Mr. Jim Wooten, <i>Executive Director - retired</i>

2014 Financial Highlights of the IPC Foundation

\$472,750	2014 Contributions to IPC Endowments
\$2.1 Million	Grants and Distributions paid in 2014
\$63.2 Million	Total Assets at Year-End
6.0%	2014 Investment Return

Our Purpose

The purpose of the Foundation is to extend IPC’s ministries through the use of endowments.

The Year in Review

The **Grantmaking Committee** oversees distribution of funds, including Beeson grants. In 2014, the committee chaired by Foster Cook:

- Paid out grants and distributions totaling \$2.1 million from 34 funds, with 61.5% directly impacting the Birmingham Community.
- Partnered with IPC’s Community Ministries Grants Subcommittee to conduct the annual Beeson grants cycle. Reviewed 109 applications (22 from new applicants) and awarded 91 grants for \$1.7 million, 57% of the amount requested and 6.5% more than last year. The grants were distributed in early February 2015.
 - ✓ Continued funding the SAIL (Summer Adventures in Learning) program as 1 of 10 funders across the Birmingham Area. Total grants have grown from \$500,000 in 2013 and \$675,000 in 2014, to \$800,000 committed for 2015. IPCF’s funded share (via Beeson Grants) during this time frame is \$80,000 in 2013, \$100,000 in 2014, and \$142,000 in 2015.
 - ✓ Managed and mentored the Youth Grant team (this is our fourth year) charged with researching and recommending to the grantmaking committee distributions from the Beeson Fund totaling \$10,000.

The **Finance Committee** actively oversees financial matters, with its major focus being the investment of Foundation endowments. In 2014, the committee, chaired by David Turner:

- Monitored asset allocation and investment performance. Investment return for 2014 was 6.0%.
- Received the annual financial audit, which had a clean opinion and no audit findings.

The **Development Committee** oversees efforts to publicize the Foundation and grow the endowments. In 2014, the committee, chaired by Susan Haskell:

- Hosted Foundation Sunday in January, a joint church school program with two speakers who are Beeson grant recipients.
- Published the 2013 Annual Report
- Placed several Foundation related articles in the Window
- Conducted a questionnaire for board members about their intentions for including the Church/IPCF in their wills. Received a 50% response rate.
- Worked with Rev. Bobbie Epting, Director of Stewardship and Development, to bring in \$475,000 of gifts to the Foundation.
 - ✓ Established a new fund, The Jere White Fund, to provide support for the Christian education of children at IPC. The support will be directed to the Catechesis of the Good Shepherd program.

The **Governance Committee** handles matters which span multiple committees. In 2014, the committee chaired by Sheri Cook:

- Nominated 2015 officers and proposed new directors to replace those whose terms end in 2014
- Obtained board approval to enter into a joint operating agreement between the Church and the Foundation with the main purpose "to bring the Church and the IPC Foundation into closer communication, to collaborate in a way that maximizes the mission of both entities, to minimize the costs of operation to ensure maximum charitable impact, to honor donor intent, to ensure the effective operation of the IPC Foundation, and to increase the assets available for charitable mission."
- Formed a search nominating committee together with the Church to hire a new executive director to replace Jim Wooten, who retired at the end of November. Accordingly, Denise W Moore was hired November 1, 2014 as the new Executive Director of the IPC Foundation.

Mr. Stan Cash, President
The Independent Presbyterian Church Foundation

Funds and Distributions Overview

During 2014, grants were awarded and distributions made totaling \$2.1 million from Foundation endowments. Following is a summary of the funds; details are found in the appendices.

The Orlean and Ralph W. Beeson Fund

The **Orlean and Ralph W. Beeson Fund** is devoted to the *benefit of mankind, the education of youth, the relief of human suffering, and propagation of the Christian religion.* At the end of 2014, the Beeson Fund was valued at \$47.0 Million.

Beeson Grants Processes

Income from the Beeson Fund is distributed by four grants processes. The primary grants process, known as **Annual Beeson Grants**, is carried out jointly by the Grantmaking Committee of the Foundation and the Grants Subcommittee of IPC’s Community Ministries Committee. Grant applications are evaluated in the summer and fall. Site visits are made where feasible. Grants are approved at the November meeting of the Board.

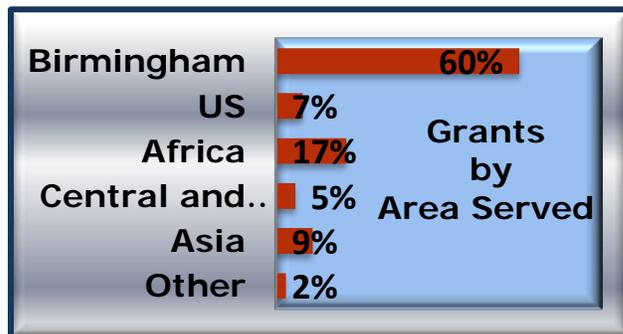
2014 Beeson grants totaled \$1,769,399. Annual Beeson grants provided 57% of the amount requested.

Beeson Scholarship Grants provide financial aid to students at Protestant Christian theological seminaries and small Protestant colleges and universities. Applications for needs-based financial aid are accepted at any time; responses are given within 30 days.

The Foundation maintains a reserve for **Beeson Emergency Grants** to respond to needs too urgent to await the Annual Beeson Grants cycle.

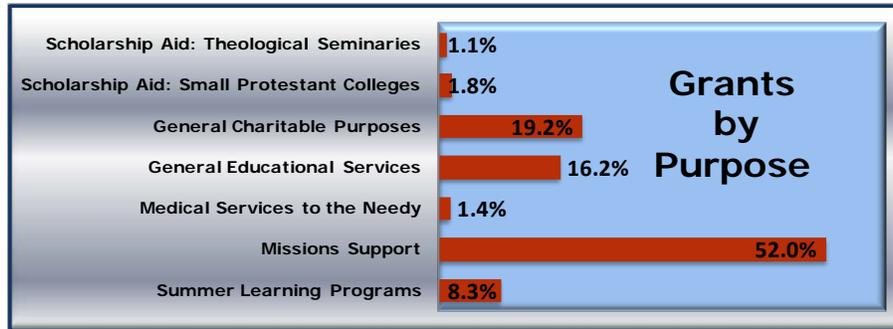
Finally, the Foundation recognizes that smaller needs do not justify the effort of a formal grant application. Accordingly, **Small Grants** are awarded monthly in a streamlined manner.

2014 Beeson Grants Summary



Beeson grants provided support to people in the United States, Central and South America, Africa, Europe, and Asia. Each grant has a story attached: of feeding the hungry, of healing the sick, of caring for widows and orphans, of lifting the oppressed, and of spreading the Good News to a troubled world. These two charts summarize 2014 Beeson grants by the geographic area they serve and by the need they serve.

To learn the stories behind a few of the grants, please see **Focus on Grants** beginning on Page 1. For a comprehensive listing of grants, see **Appendix A**.



Overview of the Unitized Funds

The Unitized Funds comprise 33 separate funds. Earnings from the funds support programs at IPC, Kirkwood by the River, and STAIR based upon donor guidance. Combined distributions in 2014 were \$522,199.

Group	Amount	Percentage
The Unrestricted Funds	\$936,848	6.0%
The Community Ministries Funds	\$12,997,864	82.6%
The Music & Fine Arts Funds	\$224,866	1.4%
The Christian Education Funds	\$725,902	4.6%
The Pastoral Care Funds	\$124,672	0.8%
The Facilities Funds	\$42,827	0.3%
Other Funds	\$457,712	2.9%
Agency Funds	\$232,126	1.5%
Total	\$15,742,817	100%

Appendix B provides a description of each Unitized Fund with key financial information. Detailed financial information for each fund is included in **Appendix C, Report #5**.

The Life Income Fund

The **Life Income Fund** is a "pooled income fund" as defined in Section 642 (c) (5) of the Internal Revenue Code. The Fund was established to hold gifts whose income is provided to one or more beneficiaries during their lifetime, and whose principal (known as the remainder interest) passes to IPC and/or related organizations thereafter.

A gift to the Fund creates immediate tax savings to the donor and provides lifetime income to the beneficiaries. Afterwards, the principal is transferred to IPC and/or related organizations for the uses specified by the donor. The Pooled Income Fund is particularly attractive for persons with appreciated securities paying little or no income. Donating these securities to the Life Income Fund avoids capital gains tax, creates an immediate tax deduction, increases income for life, and then provides permanent support to IPC.

The assets of the Fund are invested wholly in fixed income, and the income (less trustee fees) is distributed to the beneficiaries quarterly. During 2014, \$5,550 was distributed from the Fund.

As of December 31, 2014, the asset balance in the Fund was \$157,116. Remainder interests will eventually be distributed to funds managed by the IPC Foundation.

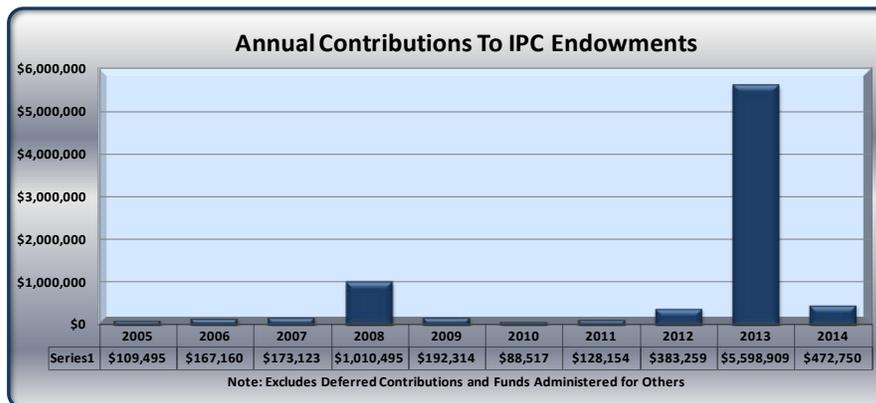
The Administrative Fund

The Foundation maintains an **Administrative Fund** for the purpose of paying grants and distributions from the endowments as well as the administrative expenses of the Foundation. Funds are withdrawn from the endowments as needed and deposited in the administrative fund for these purposes.

As of December 31, 2014, the asset balance in the Fund was \$227,915.

Contributions

The Unitized Funds



IPC's endowments received contributions of \$472,750 in 2014. The contributions were made by 95 donors to 18 different funds. One new fund was established.

Fund-by-Fund Contributions to IPC Endowments

The Unrestricted Funds

Covenant Fund \$106,344

The Christian Education Funds

Jere White Children Ministry Fund \$25,340

William W. Featheringill Technology Fund \$18,150

Paul Romjue Focus on Faith Fund \$2,175

Alyson L. Butts Fund \$1,000

Bessie Herron Lester Fund \$1,000

Margaret M. McClure Library Fund \$250

Clinton Williams Taylor Fund \$280

Nabers Christian Education Fund \$250

HERO Fund \$250

The Community Ministries Funds

CFAF CPDM Fund \$173,118

Yarboro Community Ministries Fund \$116,653

Sue Aldridge Newton Fund \$26,500

CFAF Campship Fund \$50

The Music & Fine Arts Funds

Steele Memorial Fund \$1,150

Religious Arts Festival Fund \$25

Joseph and Betty Schreiber Performance Fund \$25

The Facilities Funds

Elizabeth A. "Libby" Kidd Facilities Fund \$190

The Beeson Fund

The Beeson Fund is closed to contributions. The Beeson Fund Trust was restated in 2014 as further described in Appendix A.

Funds Administered for Others

The Foundation administers funds on behalf of others:

- The Mwandu Hospital Endowment Fund was established in 2000 by the Board of Trustees of Mwandu Hospital in Zambia to hold funds which will support future program growth. The initial deposit was \$50,000. Contributions of \$500 were received in 2014.
- The Troop 28 Fund was established in 2008 by a gift of land from an anonymous donor. The Fund will support the mission and activities of Troop 28, which is chartered by the Boy Scouts of America with the Independent Presbyterian Church as the chartered organization. The Fund is open to receive additional contributions of any kind.
- The STAIR Expansion Fund was established in 2012 by the STAIR Board of Directors to invest funds for future growth. This fund was liquidated in 2014 and the balance of the fund \$62,087 was distributed to STAIR.

The Power of Endowments

Endowments are truly gifts that keep on giving, as donations small and large combine to create permanent support. To illustrate, consider the Beeson Fund. The bequests that comprise the bulk of the endowment were received in 1988 and 1990. Since then, for each \$1.00 received:

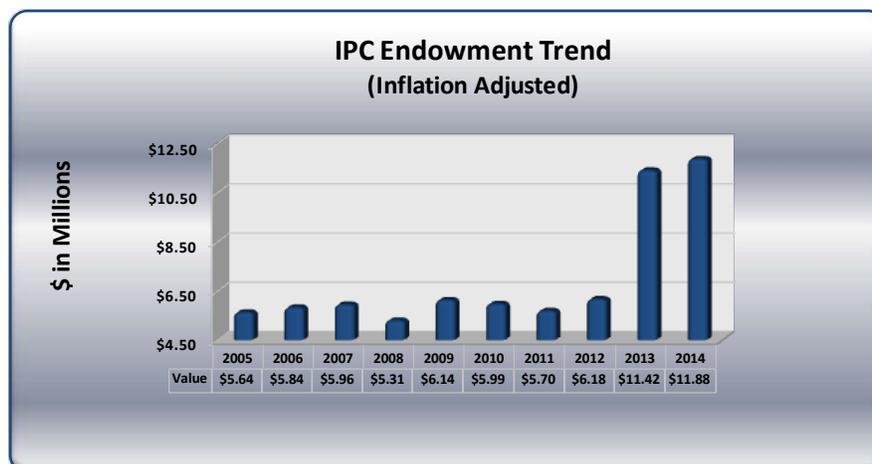
- \$1.66 has been withdrawn to support the ministries specified by the Beesons
- \$2.49 remains in the Fund to generate income for future support of those ministries.

Investment Policy and Performance

Investment Performance Trend

Investment return was 6.0% in 2014. The Foundation has a long-term investment horizon and maintains equity-market exposure through good and bad times, but strives to limit the impact of downturns. On balance, this approach has served us well.

Investment return is only part of the equation: contributions, distributions, and inflation must also be considered. The following chart is adjusted for inflation (i.e., expressed in Millions of 2004 Dollars) and depicts the net effects of all of these variables, thus illustrating the trend of the “purchasing power” of the endowments that support IPC (the Unitized Funds). A significant bequest in 2013 adjusts the baseline.

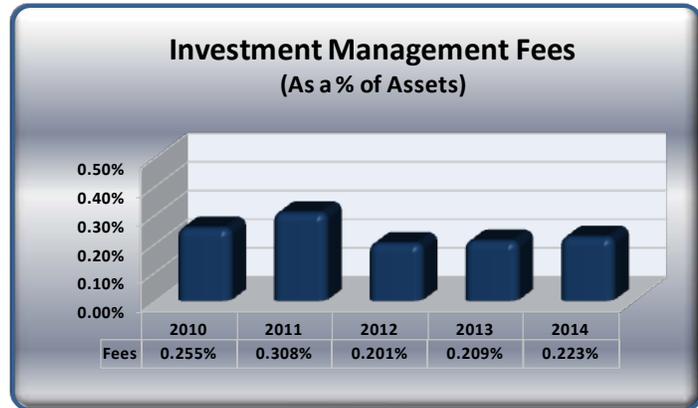


Investment Policy Changes

No changes were made to investment policy in 2014.

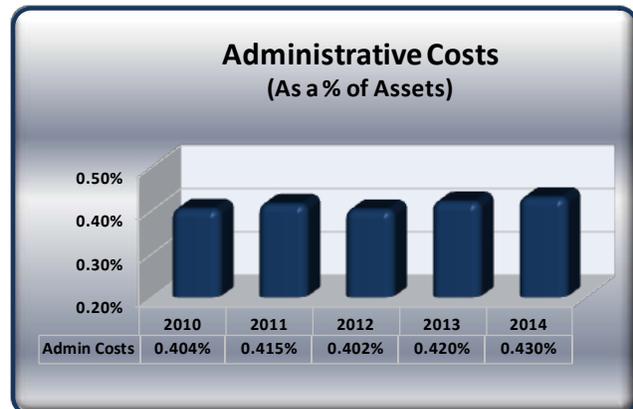
Investment Fees

The Foundation has no target for composite investment fees: the cost of each investment strategy is evaluated based on net return. However, the Foundation monitors composite fees to ensure they are reasonable. Our fees are well below the median for foundations of our size (0.50% of assets).



Administrative Expenses

Administrative expenses are those required to operate the Foundation. In 2014, expenses were 0.43% of assets, well below the standard of 1% used by many similar foundations.



Appendix A: Beeson Fund Details

Ralph W. and Orlean B. Beeson were long-time members of Independent Presbyterian Church. Orlean Beeson died in 1987, and under the provisions of her Last Will and Testament, she created and funded a trust known as the Orlean and Ralph W. Beeson Fund ("the Beeson Fund.") The Independent Presbyterian Church Foundation was appointed as Trustee of the Beeson Fund. The Beeson Fund was granted tax exempt status as a supporting organization of the Church in 1989.

Ralph, who served as Elder, Deacon, Director of the Foundation and board member of the Fresh Air Farm, died in 1990. Under the provisions of his Last Will and Testament, Ralph further, and substantially, funded the Beeson Fund.

For over twenty years, The Foundation has administered the Beeson Fund under the combined provisions of Orlean's Last Will and of Ralph's Last Will and Codicils, although the provisions of each will are not identical.

In 2001, the Trust was reformed to allow the Trustee to allocate some portion of principal growth each year to income thereby calculating distributions based on a "total return" approach rather than on the "all income" approach specified by Orlean and Ralph Beeson.

The Foundation and the Church made every effort over the life of the Beeson Fund to carry out the intent of the donors. Due to inconsistencies in the Testamentary Documents as reformed in 2001, the Foundation and the Church determined that a restatement of the Beeson Fund administrative provisions into a single document which includes a clear and concise statement of donor's binding intent would be beneficial and essential for the future administration of the Beeson Fund. Accordingly, in April 2014, the Independent Presbyterian Church Foundation and Independent Presbyterian Church consented to and joined in the restatement of the Beeson Fund.

Key provisions from the Beeson Fund 2014 Restated Trust Agreement are as follows:

Material Purpose of Trust: The primary and material purpose of the Beeson Fund is to make distributions from the Beeson Fund in perpetuity to qualified charitable organizations as directed by the Beesons in their Last Wills and Testaments and Codicils. The Trustee shall exercise its discretion regarding the selection of grant recipients under the direction of the Session of the Church. Accordingly, The Church and the Foundation entered into an Operating Agreement in 2014 for the purpose of ensuring that the Session of the Church provides direction to the Foundation.

Distribution Amount: The Trustee shall distribute each year a "distribution amount" which shall be:

- (a) an amount equal to the net income of the Beeson Fund; or
- (b) a percentage of the total return of the Trust as determined in the discretion of the Trustee based on sound endowment management principles

Designated Distributions from the Beeson Fund:

- (a) The Trustee shall distribute a portion of the distribution amount each year to the Alabama Boys and Girls Ranches,
- (b) The Trustee shall distribute a portion of the distribution amount each year for the support and maintenance and to defray the salary and expenses of up to eight missionary families to spread the Gospel.
- (c) The Trustee may distribute a portion of the distribution amount each year to defray administration expenses relative to the Beeson Fund but not in excess of the Beeson Fund's proportionate share of all such administration expenses of the Independent Presbyterian Church Foundation.

Unrestricted Distributions of Beeson Fund: The distribution amount from the Beeson Fund not otherwise distributed above shall be paid over and distributed only to charitable organizations described in section 170(c) and 2055(a) of the Internal Revenue Code of 1986, as amended, or corresponding provisions of any subsequent federal tax laws, to be applied and devoted totally to the benefit of mankind, the education of youth, the relief of human suffering, and the propagation of the Christian religion. A portion of the distribution amount, determined by the Trustee, shall be distributed among the following categories:

- (a) Protestant Christian theological seminaries for scholarship aid to needy students attending such seminaries
- (b) Small colleges or universities associated with the Protestant Christian Faith for scholarship aid to needy student
- (c) Organizations to be applied to and for medical care and services to the indigent
- (d) Agencies and organizations for general charitable purposes
- (e) A limited portion of the distribution amount to miscellaneous charitable organizations or entities, including Independent Presbyterian Church

Following is a consolidated list of grants approved and awarded in 2014:

Scholarship Aid for Theological Seminaries

	Award	
Candler School of Theology	\$ 7,500	
Louisville Seminary	\$ 5,000	
Pittsburgh Theological Seminary	\$ 5,000	
San Francisco Theological Seminary	\$ 4,000	
Union Presbyterian Seminary	\$ 5,000	
	\$ 26,500	1%

Scholarship Aid for Small Protestant Colleges

	Award	
Boyce College	\$ 4,000	
Covenant College	\$ 4,000	
Faulkner University	\$ 6,000	
Maryville College	\$ 5,000	
Samford University	\$ 4,000	
Samford Brock School	\$ 3,000	
Tusculum College	\$ 5,000	
	\$ 31,000	2%

General Charitable

	Award
Alabama Association of Nonprofits	\$ 2,500
Alabama Sheriffs Youth Ranches	\$ 5,090
Alabama Symphony Orchestra	\$ 4,800
American Baseball Foundation	\$ 5,000
Angel Flight Soars	\$ 1,324
BEAT (Bethel-Ensley Action Task, Inc.)	\$ 15,000
Children's Dance Foundation	\$ 5,000
Clerestory, Inc.	\$ 4,000
Community Furniture Bank	\$ 40,000
Exceptional Foundation	\$ 5,000
First Light	\$ 75,000
Grace House Ministries, Inc.	\$ 5,000
Greater Birmingham Ministries (GBM)	\$ 30,000
HICA!	\$ 15,000
Impact Alabama	\$ 5,000
IPC Social Services	\$ 13,780
Magic City Harvest	\$ 5,000

Norwood Resource Center	\$	5,000	
PEER	\$	15,000	
Presbyterian Home for Children	\$	22,500	
Red Mountain Theater Company	\$	5,000	
Sharing Place	\$	6,000	
Society of Saint Andrew	\$	5,000	
Studio by the Tracks	\$	10,500	
Trips for Kids Birmingham	\$	5,000	
Urban Ministry	\$	5,000	
Woodlawn Foundation	\$	5,000	
YouthServe	\$	10,000	
	\$	330,494	19%

General Education

Award

Alabama Possible	\$	15,000	
Assistance League of Birmingham	\$	3,000	
Better Basics	\$	12,000	
Cahaba River Society	\$	25,000	
Construction Education Foundation of Alabama	\$	18,000	
Cornerstone Schools	\$	7,500	
Foundations Early Learning & Family Center	\$	10,000	
Girls, Inc.	\$	10,000	
Growing Kings	\$	15,000	
Hand in Paw	\$	2,000	
Horizons School	\$	5,000	
Jefferson County Board of Education	\$	5,000	
Leading Edge Institute	\$	3,000	
Literacy Council	\$	10,000	
M-POWER	\$	15,000	
Pre-School Partners	\$	6,400	
Restoration Academy	\$	5,000	
Shades Valley Family YMCA	\$	5,000	
STAIR	\$	55,000	
Teach for America - Alabama	\$	45,000	
Teach for America - Alabama	\$	15,000	
United Way of Central Alabama	\$	10,000	
	\$	296,900	17%

Medical Services for Needy

Award

Alzheimer's of Central AL	\$	3,600	
AMBUCS-Greater Birmingham Chapter	\$	5,000	
Children's of Alabama	\$	6,000	
Community Grief Support Services	\$	6,000	
Oasis Counseling for Women & Children	\$	5,000	
	\$	25,600	1%

Mission Support

Award

Cooperative Downtown Ministries	\$	5,000	
Cure International-Kabul	\$	80,000	
First Presbyterian - Vero Beach, FL	\$	14,500	

Food for the Hungry - Nicaragua	\$	15,000	
Friends of Accion	\$	4,800	
Friends of Forman Christian College	\$	15,000	
General Board of Discipleship - UMC	\$	16,000	
His Kids Too	\$	22,000	
InChrist Supporting Ministries	\$	5,000	
Independent Presbyterian Church	\$	2,000	
IPC - Community Ministries	\$	165,000	
IPC - Community Ministries	\$	15,000	
IPC-Children's Fresh Air Farm	\$	6,000	
Kirkwood by the River	\$	102,905	
Kirkwood by the River	\$	19,300	
Living Waters for the World	\$	12,500	
Make Way Partners	\$	100,000	
Marion Medical Mission	\$	39,900	
Matthew Twenty-Eight	\$	25,000	
Medical Benevolence Foundation- Turkey	\$	20,000	
Medical Benevolence Foundation-Haiti	\$	15,000	
Medical Benevolence Foundation-Haiti	\$	10,000	
Ministry of Hope Lesotho	\$	5,000	
Mwandi UCZ Mission Hospital Board of Trustees	\$	12,000	
Mwandi UCZ Mission Hospital Board of Trustees	\$	12,000	
Mwandi UCZ OVC Project	\$	37,000	
Outreach Foundation	\$	15,000	
Outreach Foundation	\$	15,000	
Outreach Foundation	\$	10,000	
Outreach Foundation	\$	2,500	
Presbyterian Church in the Congo	\$	14,000	
Presbyterian Church in the Congo	\$	6,500	
Presbyterian Council for Chaplains	\$	5,000	
Presbyterian Frontier Fellowship	\$	24,000	
Presbyterian Mission Agency (formerly General Assembly Mission Council)	\$	25,000	
Rivers of the World - Thailand	\$	5,000	
Shepherd's Fold	\$	5,000	
Shepherd's Fold	\$	5,000	
The Chalmers Center	\$	3,500	
Urban Ministry, Inc.	\$	500	
	\$	911,905	52%

Summer Learning

Award

American Baseball Foundation	\$	25,000
Antioch Missionary Baptist Church	\$	12,500
Better Basics: SAIL Academy	\$	6,500
Breakthrough Birmingham	\$	12,000
Calvary Leeds	\$	1,000
Faith Aftercare Educational Enrichment Center	\$	9,500
Fresh Start Family Soulutions	\$	7,700
Greater Shiloh Baptist Church: Camp Shiloh	\$	12,700
Neighborhood Academy	\$	1,000
New Rising Star	\$	7,500
SAIL Assessments	\$	5,000
Summer Advantage/B'ham City Schools	\$	15,000
The Learning Village	\$	5,600
Uhope Success Academy	\$	1,000

YMCA Birmingham Metro	\$	10,000	
YMCA Summer Thinkers	\$	5,000	
Zion Springs Baptist Church: Springboard	\$	10,000	
	\$	147,000	8%
Total 2014 Awards		\$1,769,399	100%

The Meyer's Fund	Investment balance \$1,866,703	Distribution \$75,904
The CFAF Campship Fund	Investment balance \$ 792,130	Distribution \$20,839

The **Meyer Children's Fresh Air Farm Fund** is IPC's oldest endowment. It was established in 1945 by Robert R. Meyer, with The First National Bank of Birmingham (Regions Financial) as Trustee. The purpose of the Fund is to provide for the maintenance and operation of IPC's Children's Fresh Air Farm (more briefly, the Farm).

The initial contributions were \$50,000 by the Robert R. Meyer Foundation and \$25,000 by IPC. Under the terms of Mr. Meyer's will, IPC contributed an additional \$25,000 in 1947, matched by \$75,000 from the Meyer Foundation, resulting in the Fund's initial principal of \$175,000.

The trust allows additional contributions. In December 1949, friends of the Farm set up a related Fund known as the **Children's Fresh Air Farm Campship Fund**. Contributions to IPC for the general benefit of the Farm of \$500 or more are added to this Fund. The income of the Funds (less investment and administrative fees) is distributed to the Farm.

The CFAF General Fund	Investment balance \$127,858	Distribution \$3,834
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Through the years, several funds were established to provide perpetual support for the Children's Fresh Air Farm (CFAF). These include The Marguerite Bolvig CFAF Library Fund, the Baird CFAF Clothing Fund, the Dorothy Limerick Mayes CFAF Campship Fund, The Sara and Wayne Parker CFAF Fund, the Martha E. Robison Campship Fund, and the Lillian Fern Treschel Stubbs Campship Fund. In 2002, these funds were consolidated for efficiency as the **Children's Fresh Air Farm General Endowment Fund**. The income from this Fund supports the operations of the CFAF.

The Ireland Fund	Investment balance \$1,351,276	Distribution \$39,046
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The **C. Eugene Ireland Fund and the Ireland Emergency Fund** was established in 1961 to hold bequests of C. Eugene and Annette Ireland. The Irelands expressed wishes as to the use of the fund, but left full responsibility for all distributions to the trustees of IPC. In 2014, distributions totaling \$39,046 were made from the Ireland Fund:

- Operating support for Kirkwood by the River: \$15,951
- Operating support for the Children's Fresh Air Farm: \$21,145
- Hunger-related causes: \$1,950

The Yarboro Fund	Investment balance \$906,343	Distribution \$12,844
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The **Felix C. Yarboro Community Ministries Fund** was established in 2006 with gifts from the Foundation's Board of Directors, current and past. The Fund extends the community ministries of IPC by supporting causes which are complementary to and consistent with these ministries. Earnings from the Fund currently are combined with those of the Beeson Fund and distributed as Beeson Grants.

The Cheney Fund	Investment balance \$66,418	Distribution \$1,992
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The **Lydia C. Cheney Fund** was established in 2011 to support the education of underprivileged youth. The primary use of the Fund will be to support programs conducted by IPC for this purpose. Distributions will initially be directed to the Summer Learning Program at the Children's Fresh Air Farm.

The Newton Fund	Investment balance \$58,940	Distribution None
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The **Sue Aldridge Newton Fund** was established in 2012 in honor of Sue Aldridge Newton, recognizing her life-long dedication to Independent Presbyterian Church, her love of music and the arts, and her interest in helping children develop to their full potential. The Fund will support music and arts programming for underprivileged youth.

The CCES Fund	Investment balance \$103,108	Distribution None
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The **Children's Christian Education Fund** was established by an anonymous gift in 2012 to offer programs to develop the Christian faith of the children of IPC and also of underprivileged children and their parents or guardians. The Fund will primarily, but not necessarily exclusively, complement the Christian faith development of children already engaged in programs associated with the Independent Presbyterian Church and will provide separate programs for their parents or guardians.

THE MUSIC AND FINE ARTS FUNDS**The Steele Fund Investment balance \$96,329 Distribution \$2,854**

The **Steele Memorial Fund** was established in 1982 with an initial gift from Mrs. Myrtle Jones Steele in memory of her husband and parents. Mrs. Steele later increased the Fund with an additional gift and then a bequest. The income from the Fund is used for the expenses of the November Organ Series and related musical needs of IPC.

The Stayer Fund Investment balance \$5,225 Distribution \$154

The **Caroline Nissley Stayer Choral Music Fund** was established in 1984 with a gift from Samuel N. Stayer in loving memory of his mother, together with other gifts received in her memory. The income is distributed to IPC to be used as determined by the Director of Choral Music as a supplement to and not as part of the regular church budget for such purposes.

The Schreiber Fund Investment balance \$29,259 Distribution None

The **Joseph and Betty Schreiber Performance Fund** was established in 1998 to provide for the performance of major choral works at IPC. Principal and interest will be distributed when called upon.

The Religious Arts Fund Investment balance \$94,052 Distribution None

The **Religious Arts Festival Fund** was established by the IPC Session in 2000 to provide permanent funding for the Religious Arts Festival. Income will be disbursed to IPC once the principal reaches \$300,000.

THE PASTORAL CARE FUNDS**The Pastoral and Counseling Fund Investment balance \$47,254 Distribution \$1,417**

The Pastoral Care and Counseling General Endowment Fund was established in 2002 by combining the Counseling Ministry Fund and the Counseling Subsidy Fund. The income is used to support the counseling ministry of IPC.

The Congregational Care Fund Investment balance \$77,418 Distribution \$2,322

The **Garnet McAdams Deramus Congregational Care Fund** was established in 2006. The initial balance came from a generous gift from Mrs. Deramus' family. The income is used to support the congregational care ministries of IPC, initially directed to ministry for older members.

THE FACILITIES FUNDS**The Facilities Fund Investment balance \$42,827 Distribution None**

The **Elizabeth A. "Libby" Kidd Facilities Fund** was established by the IPC Session in 2008 to help assure that IPC's buildings, artworks, and furnishings are properly maintained in the years to come. In 2013, the Fund was renamed to honor Libby Kidd in recognition of more than 35 years of faithful service to IPC. Distributions are made for special projects.

OTHER ENDOWMENT FUNDS**The IPC Scholarship Fund Investment balance \$26,695 Distribution None**

The **IPC Educational Scholarship Fund** is made of three separate scholarship endowments:

- The **Snow Scholarship Fund**, established in 1967 in memory of Bessie B. and Nelson M. Snow by their three children,
- The **Monroe Rooks Scholarship Fund**, established by Monroe Rooks in 1971, and
- The **IPC General Scholarship Fund**, established by Helen Dugger London in 1985.

The Fund provides scholarships to members of IPC and/or to former campers and staff at CFAF who are in need of assistance.

**Appendix C: Financial Reports
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1. Fund-by-Fund Balance Sheet
2. Fund-by-Fund Statement of Activities
3. Beeson Fund Statement of Activities
4. Unitized Funds Statement of Activities
5. Unitized Fund-by-Fund Statement of Activities
6. Troop 28 Statement of Activities
7. Life Income Fund Statement of Activities

1. Fund-by-Fund Balance Sheet

FUND-BY-FUND BALANCE SHEET						
For The Year Ended December 31, 2014						
	Administrative Fund	Beeson Fund	Unitized Funds	Life Income Fund	Troop 28 Fund	Total
ASSETS						
Cash and cash equivalents	\$209,723	\$2,469,734	\$757,440	\$2,208		\$3,439,105
Investments, at market		\$44,361,707	\$14,596,672	\$154,596		\$59,112,975
Accrued income		\$171,235	\$11,548	\$312		\$183,095
Sales pending settlement (net)						\$0
Land					\$387,000	\$387,000
Other receivables	\$18,192		\$99,901		(\$18,192)	\$99,901
Total Assets	\$227,915	\$47,002,676	\$15,465,561	\$157,116	\$368,808	\$63,222,076
LIABILITIES AND NET ASSETS						
LIABILITIES						
Purchases pending settlement (net)						\$0
Investments managed for others			\$232,125			\$232,125
Accrued expenses	\$7,210	\$1,619,377	\$2,607	\$920		\$1,630,114
Total Liabilities	\$7,210	\$1,619,377	\$234,732	\$920	\$0	\$1,862,239
NET ASSETS						
Unrestricted	\$220,705		\$2,604,883			\$2,825,588
Temporarily restricted		\$11,069,894	\$5,061,403	\$156,196	\$368,808	\$16,656,301
Permanently restricted		\$34,313,405	\$7,564,543			\$41,877,948
Total Net Assets	\$220,705	\$45,383,299	\$15,230,829	\$156,196	\$368,808	\$61,359,837
TOTAL LIABILITIES AND NET ASSETS	\$227,915	\$47,002,676	\$15,465,561	\$157,116	\$368,808	\$63,222,076

2. Fund-by-Fund Statement of Activities

FUND-BY-FUND STATEMENT OF ACTIVITIES For The Year Ended December 31, 2014						
	Administrative Fund	Beeson Fund	Unitized Funds	Life Income Fund	Troop 28 Fund	Total
REVENUES AND GAINS						
Interest and dividends		\$1,524,596	\$303,104	\$4,459		\$1,832,159
Contributions			\$473,250			\$473,250
Deferred contributions						\$0
Net unrealized and realized gains or losses		\$1,477,743	\$342,490	\$2,660		\$1,822,893
Returned grants and other income	\$70,830	\$4,729				\$75,559
Total revenues and gains	\$70,830	\$3,007,068	\$1,118,844	\$7,119	\$0	\$4,203,861
EXPENSES						
Investment management and trustee fees		\$58,484	\$78,833	\$391		\$137,708
Administrative expenses	\$223,518	\$7,410	\$0	\$0	\$1,823	\$232,751
Grants and other distributions	\$2,158,937	\$118,705	\$0	\$5,550		\$2,283,192
Transfer to another Foundation fund	(\$2,394,963)	\$1,817,400	\$576,199		\$1,364	\$0
Other distributions	\$42,482		(\$241,877)			(\$199,395)
Total Expenses	\$29,974	\$2,001,999	\$413,155	\$5,941	\$3,187	\$2,454,256
Change in Net Assets	\$40,856	\$1,005,069	\$705,689	\$1,178	(\$3,187)	\$1,749,605
Fund Balance (Beginning of Year)	\$179,849	\$44,378,230	\$14,525,140	\$155,018	\$371,995	\$59,610,232
Fund Balance (End of Year)	\$220,705	\$45,383,299	\$15,230,829	\$156,196	\$368,808	\$61,359,837

3. Beeson Fund Statement of Activities

BEESON FUNDS STATEMENT OF ACTIVITIES
For The Year Ended December 31, 2014

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<u>REVENUES AND GAINS</u>				
Interest and dividends		\$1,524,596		\$1,524,596
Contributions				\$0
Deferred contributions				\$0
Net unrealized and realized gains or losses		\$1,477,743		\$1,477,743
Returned grants and other income			\$4,729	\$4,729
Total revenues and gains	\$0	\$3,002,339	\$4,729	\$3,007,068
<u>NET ASSETS RELEASED FROM RESTRICTION</u>				
Satisfaction of program restrictions	\$2,001,999	(\$2,001,999)		\$0
Reclassification for inflation		(\$257,594)	\$257,594	\$0
Cumulative effect				\$0
Total net assets released from restriction	\$2,001,999	(\$2,259,593)	\$257,594	\$0
Total revenues, gains, and other	\$2,001,999	\$742,746	\$262,323	\$3,007,068
<u>EXPENSES</u>				
Investment management and trustee fees	\$58,484			\$58,484
Administrative expenses	\$7,410			\$7,410
Grants promised but not yet paid (net)	\$118,705			\$118,705
Transfers to (from) another Foundation fund	\$1,817,400			\$1,817,400
Other distributions				\$0
Total Expenses	\$2,001,999	\$0	\$0	\$2,001,999
Change in Net Assets		\$742,746	\$262,323	\$1,005,069
Fund Balance (Beginning of Year)		\$10,327,148	\$34,051,082	\$44,378,230
Fund Balance (End of Year)	\$0	\$11,069,894	\$34,313,405	\$45,383,299

4. Unitized Funds Statement of Activities

For The Year Ended December 31, 2014

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Agency Funds	Grand Total
REVENUES AND GAINS						
Interest and dividends	\$45,933	\$252,523		\$298,456	\$4,648	\$303,104
Contributions	\$108,984	\$189,248	\$174,518	\$472,750	\$500	\$473,250
Deferred contributions						\$0
Net unrealized and realized gains or losses	\$49,487	\$283,345		\$332,832	\$9,658	\$342,490
Returned grants and other income						\$0
Total revenues and gains	\$204,404	\$725,116	\$174,518	\$1,104,038	\$14,806	\$1,118,844
NET ASSETS RELEASED FROM RESTRICTION						
Satisfaction of program restrictions	\$573,509	-\$341,632	\$24,806	\$256,683	-\$256,683	\$0
Reclassification for inflation		-\$2,731	\$2,731			\$0
Cumulative effect						\$0
Total net assets released from restriction	\$573,509	-\$344,363	\$27,537	\$256,683	-\$256,683	\$0
Total revenues, gains, and other	\$777,913	\$380,753	\$202,055	\$1,360,721	-\$241,877	\$1,118,844
EXPENSES						
Investment management and trustee fees	\$78,833			\$78,833		\$78,833
Administrative expenses						\$0
Grants and other distributions						\$0
Transfers to (from) another Foundation fund	\$576,199			\$576,199		\$576,199
Other distributions						\$0
Total Expenses	\$655,032	\$0	\$0	\$655,032	\$0	\$655,032
Change in Net Assets	\$122,881	\$380,753	\$202,055	\$705,689	-\$241,877	\$463,812
Fund Balance (Beginning of Year)	\$2,482,002	\$4,680,650	\$7,362,488	\$14,525,140	\$474,002	\$14,999,142
Fund Balance (End of Year)	\$2,604,883	\$5,061,403	\$7,564,543	\$15,230,829	\$232,125	\$15,462,954

5. Unitized Fund-by-Fund Statement of Activities (Excludes Gifts Promised but Not Yet Received)

Unitized Funds	2014							Ending Market Value
	Beginning Market Value	Income	Contributions	Gains & Losses	Fees	Admin Expense	Grants & Distributions	
Funds Administered for Others								
Mwandi Hospital Endowment	\$414,405	\$4,329	\$500	\$7,060	(\$1,360)	(\$808)	(\$192,000)	\$232,126
STAIR Expansion Fund	\$59,597	\$319	\$0	\$2,598	(\$214)	(\$214)	(\$62,087)	\$0
IPC Foundation Endowments								
The Unrestricted Funds								
M. Scott McClure Fund	\$794,274	\$16,022	\$106,344	\$17,283	(\$4,257)	(\$3,214)	(\$17,236)	\$909,216
	\$27,496	\$457	\$0	(\$90)	(\$134)	(\$97)	\$0	\$27,632
The Community Ministries Funds								
CFAF Capital Development Fund	\$7,402,422	\$135,558	\$173,118	\$148,895	(\$36,392)	(\$26,586)	(\$71,928)	\$7,725,087
Robert R. Meyer CFAF Fund	\$1,823,811	\$65,647	\$0	\$74,847	(14,698)	(\$7,000)	(\$75,904)	\$1,866,703
CFAF Campship Fund	\$788,992	\$14,091	\$50	\$16,529	(\$3,860)	(\$2,834)	(\$20,839)	\$792,130
Children's Fresh Air Farm General Fund	\$127,812	\$2,277	\$0	\$2,688	(\$625)	(\$459)	(\$3,834)	\$127,858
C. Eugene Ireland Fund	\$1,350,551	\$23,877	\$0	\$27,111	(\$6,506)	(\$4,712)	(\$39,046)	\$1,351,276
Yarboro Community Ministries Fund	\$777,606	\$15,751	\$116,653	\$16,444	(\$4,155)	(\$3,112)	(\$12,844)	\$906,343
Lydia C Cheney Fund	\$66,394	\$1,183	\$0	\$1,396	(\$325)	(\$238)	(\$1,992)	\$66,418
Sue Aldridge Newton Fund	\$31,491	\$576	\$26,500	\$641	(\$156)	(\$113)	\$0	\$58,940
Children's Christian Education Fund	\$100,100	\$1,820	\$0	\$2,040	(\$493)	(\$360)	\$0	\$103,108
The Music & Fine Arts Funds								
Steele Memorial Fund	\$95,144	\$1,695	\$1,150	\$2,001	(\$465)	(\$342)	(\$2,854)	\$96,329
Caroline Nissly Stayer Choral Music Fund	\$5,219	\$93	\$0	\$112	(\$26)	(\$19)	(\$154)	\$5,225
Joseph and Betty Schreiber Performance Fund	\$29,091	\$484	\$25	(\$96)	(\$142)	(\$103)	\$0	\$29,259
Religious Arts Festival Fund	\$91,287	\$1,660	\$25	\$1,858	(\$450)	(\$328)	\$0	\$94,052
The Christian Education Funds								
Nabers Christian Education Fund	\$29,053	\$518	\$250	\$611	(\$142)	(\$104)	(\$872)	\$29,313
Paul Romjue Focus on Faith Fund	\$78,955	\$1,428	\$2,175	\$1,661	(\$388)	(\$284)	(\$2,369)	\$81,178
Margaret M. McClure Library Fund	\$53,552	\$892	\$250	(\$178)	(\$261)	(\$189)	(\$11)	\$54,055
Barbara Noojin Walthall Bible Study Fund	\$108,819	\$1,939	\$0	\$2,288	(\$532)	(\$391)	(\$3,265)	\$108,858
Jeanne Isaacs Children's Ministries Fund	\$59,875	\$1,067	\$0	\$1,259	(\$293)	(\$215)	(\$1,796)	\$59,897
Bessie Herron Lester Fund	\$75,716	\$1,377	\$1,000	\$1,562	(\$373)	(\$272)	\$0	\$79,010
HERO Fund	\$141,588	\$2,468	\$250	\$2,822	(\$674)	(\$487)	(\$6,111)	\$139,856
Alyson L. Butts Fund	\$32,150	\$591	\$1,000	\$717	(\$162)	(\$119)	(\$964)	\$33,213
Clinton Williams Taylor Fund	\$85,667	\$1,560	\$280	\$1,825	(\$422)	(\$308)	\$0	\$88,602
William W. Featheringill Technology Fund	\$7,350	\$458	\$18,150	\$889	(\$123)	(\$91)	(\$488)	\$26,144
Jere White Children's Ministry Fund	\$0	\$413	\$25,340	\$202	(\$91)	(\$89)	\$0	\$25,775
The Pastoral Care Funds								
Pastoral Care & Counseling Fund	\$47,237	\$841	\$0	\$993	(\$231)	(\$170)	(\$1,417)	\$47,254
Gamet Deramus Congregational Care Fund	\$77,390	\$1,379	\$0	\$1,627	(\$378)	(\$278)	(\$2,322)	\$77,418
The Facilities Funds								
Elizabeth A. "Libby" Kidd Facilities Fund	\$41,387	\$755	\$190	\$848	(\$204)	(\$149)	\$0	\$42,827
Other Funds								
Troop 28 Fund	\$371,995					(\$3,187)		\$368,808
IPC Educational Scholarship Fund	\$25,917	\$471	\$0	\$528	(\$128)	(\$93)	\$0	\$26,695
Martha Steger Estes Fund	\$62,186	\$1,108	\$0	\$1,308	(\$304)	(\$223)	(\$1,866)	\$62,208
Total	\$15,284,530	\$303,104	\$473,251	\$340,281	(\$78,962)	(\$57,187)	(\$522,199)	\$15,742,817

6. Troop 28 Fund Statement of Activities

For The Year Ended December 31, 2014

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
REVENUES AND GAINS				
Interest and dividends				\$0
Contributions				\$0
Deferred contributions				\$0
Net unrealized and realized gains or losses				\$0
Returned grants and other income				\$0
Total revenues and gains	\$0	\$0	\$0	\$0
NET ASSETS RELEASED FROM RESTRICTION				
Satisfaction of program restrictions	\$3,187	(\$3,187)		\$0
Reclassification for inflation				\$0
Cumulative effect				\$0
Total net assets released from restriction	\$3,187	(\$3,187)	\$0	\$0
Total revenues, gains, and other	\$3,187	(\$3,187)	\$0	\$0
EXPENSES				
Investment management and trustee fees				\$0
Administrative expenses	\$1,823			\$1,823
Grants promised but not yet paid (net)				\$0
Transfers to (from) another Foundation fund	\$1,364			\$1,364
Other distributions				\$0
Total Expenses	\$3,187	\$0	\$0	\$3,187
Change in Net Assets	\$0	(\$3,187)	\$0	(\$3,187)
Fund Balance (Beginning of Year)	\$0	\$371,995	\$0	\$371,995
Fund Balance (End of Year)	\$0	\$368,808	\$0	\$368,808

7. Life Income Fund Statement of Activities

For The Year Ended December 31, 2014

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<u>REVENUES AND GAINS</u>				
Interest and dividends		\$4,459		\$4,459
Contributions				\$0
Deferred contributions				\$0
Net unrealized and realized gains or losses		\$2,660		\$2,660
Returned grants and other income				\$0
Total revenues and gains	\$0	\$7,119	\$0	\$7,119
<u>NET ASSETS RELEASED FROM RESTRICTION</u>				
Satisfaction of program restrictions	\$5,941	(\$5,941)		\$0
Reclassification for inflation				\$0
Cumulative effect				\$0
Total net assets released from restriction	\$5,941	(\$5,941)	\$0	\$0
Total revenues, gains, and other	\$5,941	\$1,178	\$0	\$7,119
<u>EXPENSES</u>				
Investment management and trustee fees	\$391			\$391
Administrative expenses	\$0			\$0
Grants and other distributions	\$5,550			\$5,550
Transfers to (from) another Foundation fund				\$0
Other distributions				\$0
Total Expenses	\$5,941	\$0	\$0	\$5,941
Change in Net Assets	\$0	\$1,178	\$0	\$1,178
Fund Balance (Beginning of Year)	\$0	\$155,018	\$0	\$155,018
Fund Balance (End of Year)	\$0	\$156,196	\$0	\$156,196

Appendix D: Independent Auditor's Report

On the following page is the annual Independent Auditor's Report provided by McGladrey LLP. The accompanying financial statements and notes are available from the Foundation website or by contacting the Foundation.



Independent Auditor's Report

To the Board of Directors
Independent Presbyterian Church Foundation
Birmingham, Alabama

Report on the Financial Statements

We have audited the accompanying financial statements of Independent Presbyterian Church Foundation, which comprise the statement of financial position as of December 31, 2014, and the related statements of activities and cash flows for the year then ended and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Independent Presbyterian Church Foundation as of December 31, 2014, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

The financial statements of Independent Presbyterian Church Foundation, as of and for the year ended December 31, 2013, were audited by other auditors whose report dated July 1, 2014 expressed an unmodified opinion on those statements.

McGladrey LLP

Birmingham, Alabama
August 28, 2015