



National Christian  
FOUNDATION®

NATIONAL CHRISTIAN CHARITABLE  
FOUNDATION, INC. and  
SUPPORTING ORGANIZATIONS

Consolidated Financial Statements  
With Independent Auditors' Report

December 31, 2021 and 2020

**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

### ***Opinion***

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, 2021 and 2020, and the related consolidated statements of activities and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, 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, 2021 and 2020, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are required to be independent of National Christian Charitable Foundation, Inc. and Supporting Organizations and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

We did not audit the financial statements of ProVision Foundation, Inc., Movement Foundation, TMG Foundation, or Elgin Children's Foundation, Supporting Organizations, whose statements reflect total assets of \$40.0 Million as of December 31, 2021, and total revenues of \$12.1 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 \$41.0 Million as of December 31, 2020, and total revenues of \$26.5 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

***Responsibilities of Management for the Consolidated Financial Statements***

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about National Christian Charitable Foundation, Inc. and Supporting Organizations' ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

***Auditors' Responsibilities for the Audit of the Consolidated Financial Statements***

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit 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 National Christian Charitable Foundation, Inc. and Supporting Organizations' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about National Christian Charitable Foundation, Inc. and Supporting Organizations' ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

*Capin Crouse LLP*

Lawrenceville, Georgia  
July 8, 2022

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

**Consolidated Statements of Financial Position**  
(In thousands)

	December 31,	
	2021	2020
<b>ASSETS:</b>		
Cash and cash equivalents	\$ 370,846	\$ 279,029
Investments	6,920,659	4,873,158
Notes receivable	137,396	110,942
Prepaid expenses and other assets	29,179	7,561
Property and equipment—net	8,665	9,635
Beneficial lead interest in trusts	2,886	3,192
	<u>\$ 7,469,631</u>	<u>\$ 5,283,517</u>
<b>Total Assets</b>	<b>\$ 7,469,631</b>	<b>\$ 5,283,517</b>
<b>LIABILITIES AND NET ASSETS:</b>		
<b>Liabilities:</b>		
Accounts payable and accrued expenses	\$ 15,658	\$ 37,465
Annuity obligations	42,104	16,195
Notes payable	3,786	1,421
<b>Total liabilities</b>	<b>61,548</b>	<b>55,081</b>
<b>Net assets:</b>		
Without donor restrictions	7,394,172	5,220,908
With donor restrictions	13,911	7,528
<b>Total net assets</b>	<b>7,408,083</b>	<b>5,228,436</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 7,469,631</b>	<b>\$ 5,283,517</b>

See notes to consolidated financial statements

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

**Consolidated Statements of Activities**  
(In thousands)

	Year Ended December 31,					
	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>SUPPORT AND REVENUE:</b>						
Contributions	\$ 1,957,075	\$ 11,560	\$ 1,968,635	\$ 1,117,665	\$ 2,511	\$ 1,120,176
Noncash contributions	1,487,178	105	1,487,283	1,037,569	-	1,037,569
Investment income	427,300	-	427,300	374,870	-	374,870
Change in value of annuities and trusts	(137)	(306)	(443)	(1,706)	(297)	(2,003)
Other revenue	10,727	-	10,727	7,187	-	7,187
<b>Total Support and Revenue</b>	<b>3,882,143</b>	<b>11,359</b>	<b>3,893,502</b>	<b>2,535,585</b>	<b>2,214</b>	<b>2,537,799</b>
<b>RECLASSIFICATIONS:</b>						
Net assets released from restrictions:						
Expiration of purpose	4,976	(4,976)	-	1,266	(1,266)	-
<b>EXPENSES:</b>						
<b>Program activities:</b>						
Charitable distributions	1,639,797	-	1,639,797	1,340,464	-	1,340,464
Other distribution costs	10,530	-	10,530	8,966	-	8,966
	<u>1,650,327</u>	<u>-</u>	<u>1,650,327</u>	<u>1,349,430</u>	<u>-</u>	<u>1,349,430</u>
<b>Supporting activities:</b>						
General and administrative	62,350	-	62,350	108,331	-	108,331
Fund-raising activities	2,192	-	2,192	1,671	-	1,671
	<u>64,542</u>	<u>-</u>	<u>64,542</u>	<u>110,002</u>	<u>-</u>	<u>110,002</u>
<b>Total Expenses</b>	<b>1,714,869</b>	<b>-</b>	<b>1,714,869</b>	<b>1,459,432</b>	<b>-</b>	<b>1,459,432</b>
Change in Net Assets from Operations	2,172,250	6,383	2,178,633	1,077,419	948	1,078,367
Change in Controlled Entity	1,014	-	1,014	-	-	-
Change in Net Assets	2,173,264	6,383	2,179,647	1,077,419	948	1,078,367
Net Assets, Beginning of Year	5,220,908	7,528	5,228,436	4,143,489	6,580	4,150,069
<b>Net Assets, End of Year</b>	<b>\$ 7,394,172</b>	<b>\$ 13,911</b>	<b>\$ 7,408,083</b>	<b>\$ 5,220,908</b>	<b>\$ 7,528</b>	<b>\$ 5,228,436</b>

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,	
	2021	2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Cash received from donors	\$ 1,968,635	\$ 1,120,176
Cash received from other revenue	10,727	7,187
Cash received from interest and dividends	217,064	158,800
Cash paid to grantees	(1,628,487)	(1,336,572)
Cash paid to vendors and suppliers	(49,435)	(20,978)
Cash paid for taxes	(39,638)	(37,623)
Cash paid to employees	(29,362)	(29,470)
Net Cash Provided (Used) by Operating Activities	<u>449,504</u>	<u>(138,480)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchases of investments	(2,439,355)	(1,098,241)
Proceeds from sale of investments	2,052,840	1,225,312
Issuance of new notes receivable	(62,694)	(44,827)
Payments received on notes receivable	37,632	33,726
Proceeds from sale of property and equipment	-	2,172
Purchases of property and equipment	(394)	(851)
Net Cash Provided (Used) by Investing Activities	<u>(411,971)</u>	<u>117,291</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Payments on annuities	(1,481)	(1,498)
Proceeds from new annuities	53,400	867
Proceeds from new notes payable	2,417	1,454
Payments on notes payable	(52)	(358)
Net Cash Provided by Financing Activities	<u>54,284</u>	<u>465</u>
Net Change in Cash and Cash Equivalents	91,817	(20,724)
Cash and Cash Equivalents, Beginning of Year	<u>279,029</u>	<u>299,753</u>
Cash and Cash Equivalents, End of Year	<u>\$ 370,846</u>	<u>\$ 279,029</u>

See notes to consolidated financial statements

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

**Notes to Consolidated Financial Statements**

December 31, 2021 and 2020

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; and the Type 1 supporting organizations listed below.

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.



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

December 31, 2021 and 2020

1. NATURE OF ORGANIZATION, continued:

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.

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).

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

**Notes to Consolidated Financial Statements**

December 31, 2021 and 2020

1. NATURE OF ORGANIZATION, continued:

The following entities are Type 1 supporting organizations to the Foundation and operate exclusively for religious, charitable, and educational purposes within the meaning of 501(c)(3) of the Code.

1610 Foundation, Inc.	Grounds For Grace, Inc.
3CR Ministries Foundation (3CR)	Habakkuk 2:14 Foundation
AM Charitable Foundation, Inc.	HAA Charitable Foundation
Alpharetta Charitable Foundation, Inc. (ACF)	IllumiNations Foundation, Inc. (IF)
Angel Armies, Inc. d/b/a For Others Collective	Jackson Family Charitable Fund
ALWells Foundation, Inc.	JBM Community Resources
Austin Charis Foundation	KM Foundation
Believers Supporting Foundation, Inc.	Linder Pine Supporting Organization (LPSO)
Bona Terra Foundation (BTF)	Madala
Boyd Family Foundation, Inc. (BFF)	MHC Bridge Foundation
Bransar Supporting Organization, Inc.	Moontower Foundation (MOON)
Building On A Firm Foundation, Inc.	The Movement Foundation, Inc.
CAL Memorial Trust	None Will Perish Foundation (NWP)
Catalyst Trust of Indiana	One Accord Supporting Organization, Inc.
The Cawood Family Supporting Organization, Inc.	One Small Light Lifted Foundation, Inc.
CFA Family Foundation, Inc.	Optima Giving Foundation
Charitable Giving Foundation, Inc. (CGF)	ProVition Foundation, Inc.
Cities Project Global, Inc.	The Pursell Institute, Inc.
Covenant Charities Foundation (CCF)	Refuge Foundation
D&RC Foundation, Inc.	The River Foundation, Inc.
D&CC Foundation, Inc.	S8 Impact Foundation
The E3 Ranch Foundation, Inc.	Sacred Harvest Foundation
Eagle Feather Foundation	Samaritan Foundation Charitable Trust
Elgin Children's Foundation, Inc.	Shamgar Foundation (SF)
Emmanuel Foundation	Sozo Supporting Organization Fund
Ergon Foundation	Strong Refuge Charitable Trust
Family Generations Foundation, Inc.	Templeton Family Supporting Organization
Fields Park Trust	TMG Foundation
Fioretti Family Foundation	Vanman Charitable Foundation
The Foundation for Christian Ministries	
Gideon Charitable Foundation, Inc. (GIDEON)	
Global Charitable Foundation, Inc.	
Grateful Lives Foundation	

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

December 31, 2021 and 2020

1. NATURE OF ORGANIZATION, continued:

3CR, BTF, BFF, CCF, IF, LPSO, and MOON became Type 1 supporting organizations to the Foundation during the year ended December 31, 2021. ACF, CGF, GIDEON, NWP, and SF were dissolved during the year ended December 31, 2021.

*Network Affiliates (Affiliates)–formerly Local Community Foundations*

NCCF has developed relationships with 24 local Christian community foundations (Affiliates) across the country whereby NCCF and Affiliates collaborate for the purposes of encouraging and facilitating charitable giving and grantmaking. Affiliates help to develop strong relationships in local communities with individuals, families, corporations, professional advisors, churches and other ministries. NCCF sponsors donor-advised funds and is willing to open such funds to receive contributions from givers referred by Affiliates. The donor-advised funds created in connection with these givers are established as component funds of NCCF and as such are included in NCCF's total assets. At December 31, 2021 and 2020, total assets related to this program approximated \$4.261 billion and \$3.353 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. Because these SOs do not meet the current standards for consolidation under the *Consolidation* topic of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC), activity associated with these SOs has not been included in NCCF's consolidated financial statements for the years ended December 31, 2021 and 2020. As of December 31, 2021 and 2020, 10 SOs existed. NCCF estimates that these SOs have approximately \$235.5 million in total assets as of December 31, 2021, and approximately \$257.9 million as of December 31, 2020.

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

December 31, 2021 and 2020

1. NATURE OF ORGANIZATION, continued:

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. The accompanying consolidated statements of activities include charitable distributions and other distribution costs as program expenses. Both of these program expenses are part of the charitable distributions program.

*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. 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.

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

December 31, 2021 and 2020

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, investments not expected to be utilized in the coming year, notes receivable not expected to be received in the coming year, and beneficial lead interest in trusts. The following reflects NCCF’s financial assets that are available to meet general expenditures within one year of the consolidated statement of financial position date.

	December 31,	
	2021	2020
Cash and cash equivalents	\$ 370,846,000	\$ 279,029,000
Investments	1,247,516,000	1,040,180,000
Current portion of notes receivable	21,435,000	21,255,000
	\$ 1,639,797,000	\$ 1,340,464,000

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 all of the entities listed in the opening paragraph of Note 1.

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. During the year ended December 31, 2021, NCCF was appointed control of IllumiNations Foundation, Inc.

All significant intercompany balances and transactions are eliminated.

**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.

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

**Notes to Consolidated Financial Statements**

December 31, 2021 and 2020

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, 2021 and 2020, was \$360,819,000 and \$265,327,000, 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 investments in equity securities that do not have readily determinable fair values, 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.

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

December 31, 2021 and 2020

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

**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%.

**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, 2021 and 2020, the percentage of reinsured annuities was 98% and 95%, 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 .4% to 7.4%.

**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.

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

December 31, 2021 and 2020

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. Conditional promises to give, that is those with a measurable performance or other barrier and a right of return, are not recognized until the conditions on which they depend have been met.

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.

**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.



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

December 31, 2021 and 2020

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

**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. 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, 2021 and 2020, the Foundation had no uncertain tax positions that qualify for recognition or disclosure in the consolidated financial statements.

**NATIONAL CHRISTIAN CHARITABLE FOUNDATION, INC.**  
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4. INVESTMENTS:

Investments consist of:

	December 31,	
	2021	2020
Fair value investments:		
Mutual funds	\$ 3,676,869,000	\$ 1,369,808,000
Equity securities	1,128,211,000	1,002,768,000
Debt securities	363,156,000	344,350,000
	5,168,236,000	2,716,926,000
Investments held at NAV:		
Hedge fund assets	164,384,000	152,844,000
Private equity funds	10,382,000	9,670,000
	174,766,000	162,514,000
Other investments:		
Cash and cash equivalents	183,987,000	895,868,000
Cash surrender value of life insurance policies	7,118,000	5,867,000
Closely held stock	494,449,000	450,384,000
Foreign stock	128,000	779,000
Partnerships	751,194,000	526,378,000
Real estate	32,959,000	36,536,000
Annuity reinsurance asset	38,489,000	16,338,000
Other	69,333,000	61,568,000
	1,577,657,000	1,993,718,000
	\$ 6,920,659,000	\$ 4,873,158,000

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

December 31, 2021 and 2020

5. PROPERTY AND EQUIPMENT—NET:

Property and equipment consist of:

	December 31,	
	2021	2020
Land	\$ 2,307,000	\$ 2,274,000
Buildings and improvements	3,567,000	3,482,000
Furniture and equipment	3,156,000	2,917,000
Software development costs	7,050,000	7,012,000
Leasehold improvements	636,000	636,000
	16,716,000	16,321,000
Less accumulated depreciation	(8,051,000)	(6,686,000)
	\$ 8,665,000	\$ 9,635,000

Depreciation expense for the years ended December 31, 2021 and 2020, was \$1,364,000 and \$1,629,000, respectively. As of December 31, 2021 and 2020, property and equipment totaled \$2,752,000 and \$3,681,000, respectively for NCCF and \$5,913,000 and \$5,954,000, respectively for NCCF Supporting Organizations.

6. NOTES RECEIVABLE:

Notes receivable consist of:

	December 31,	
	2021	2020
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. This note was paid in full during the year ended December 31, 2021.	\$ -	\$ 2,797,000
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.	2,951,000	3,105,000

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

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6. NOTES RECEIVABLE, continued:

Notes receivable consist of, continued:

	December 31,	
	2021	2020
NCT–Six secured promissory notes, bearing an interest rate of 8.5% and payable in interest-only monthly installments of \$111,244. Annual principal payments based on a percent of excess cash flow. The notes matures on December 31, 2035; secured by the buyer’s pledge and grant of security in the interest in Company Shares.	15,026,000	15,705,000
NCT–Secured promissory note, bearing an interest rate of 5.0% which is payable in interest-only installments of \$58,606. The note matures on September 30, 2030, with all outstanding balances due and is secured by the buyer’s pledge and grant of security interest in Company shares.	4,688,000	4,542,000
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
Type 1 SO–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.	13,884,000	9,586,000
NCT–Secured promissory note, bearing simple interest at 6.5%, which is payable in 40 equal quarterly installments of \$221,466. The note matures December 31, 2028, with all outstanding balances due.	4,831,000	5,556,000
NCT–Secured promissory note, bearing an interest rate of 12% which is payable in monthly installments of \$150,000. The note matures July 31, 2021, with all outstanding balances due and is secured by the buyer’s pledge and grant of security in the interest in Company shares.	7,750,000	8,950,000

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**Notes to Consolidated Financial Statements**

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6. NOTES RECEIVABLE, continued:

Notes receivable consist of, continued:

	December 31,	
	2021	2020
NCT–Secured promissory note, bearing simple interest at 3.75% which is payable in 2 equal annual installments of interest only and 5 equal annual installments of \$3,523,720. The promissory note matures on December 29, 2027, with all outstanding balances due and is secured by the terms and conditions of the Subordination Agreement.	12,867,000	-
NCT–Secured promissory note, bearing simple interest at 5.00% which is payable in 15 equal annual installments of \$1,007,120. The promissory note matures on April 30, 2036, with all outstanding balances due and is secured by the terms and conditions of the Subordination Agreement.	10,292,000	-
Type 1 SO–Unsecured promissory note, bearing interest at 3.75% compounding annually. Principal and interest payments are payable quarterly pursuant to terms of the agreement and amortization schedule. The note matures July 1, 2031.	5,228,000	-
Type 1 SO–Subordinated secured convertible promissory note, bearing interest at 10.0% compounding monthly. The promissory note issued pursuant to the terms of a Note Purchased Agreement dated as of August 27, 2021 matures on August 27, 2022, if not converted to equity prior to that date pursuant to the terms of the agreement.	3,500,000	-
Other various notes receivable with differing terms*	53,318,000	57,640,000
Notes receivable	\$ 137,396,000	\$ 110,942,000

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

December 31, 2021 and 2020

6. NOTES RECEIVABLE, continued:

Anticipated payments on notes receivable are due as follows:

Years Ending December 31,	Amounts
2022	\$ 21,435,000
2023	10,922,000
2024	12,063,000
2025	12,934,000
2026	11,478,000
Thereafter	68,564,000
	\$ 137,396,000

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, 2021, all notes receivable are considered to be performing.

\*Other various notes receivable with differing terms as of December 31, 2021 and 2020, are made up of 99 and 93 notes, respectively, with individual balances less than three million dollars.

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

December 31, 2021 and 2020

7. NET ASSETS:

Net assets consist of:

	December 31,	
	2021	2020
Without donor restrictions:		
Undesignated:		
Operating	\$ 23,806,000	\$ 17,654,000
Supporting organizations	995,624,000	813,427,000
Donor-advised funds	6,373,790,000	4,388,872,000
	7,393,220,000	5,219,953,000
Board-designated–annuity reserves	952,000	955,000
	7,394,172,000	5,220,908,000
With donor restrictions:		
Time restricted:		
Beneficial lead interest in trusts	2,886,000	3,192,000
Purpose restricted:		
Various operating purposes and programs	11,025,000	4,336,000
	13,911,000	7,528,000
	\$ 7,408,083,000	\$ 5,228,436,000

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

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8. **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, 2021 and 2020:

	Year Ended December 31, 2021			
	Program Activities	General and Administrative	Fund-raising Activities	Total
Salaries and benefits	\$ 5,057,000	\$ 23,543,000	\$ 824,000	\$ 29,424,000
Grants	1,639,797,000	-	-	1,639,797,000
Occupancy and maintenance	893,000	2,859,000	782,000	4,534,000
Services, supplies, and other	4,580,000	38,959,000	586,000	44,125,000
Income taxes	-	(3,011,000)	-	(3,011,000)
	<b>\$ 1,650,327,000</b>	<b>\$ 62,350,000</b>	<b>\$ 2,192,000</b>	<b>\$ 1,714,869,000</b>

	Year Ended December 31, 2020			
	Program Activities	General and Administrative	Fund-raising Activities	Total
Salaries and benefits	\$ 4,993,000	\$ 23,563,000	\$ 926,000	\$ 29,482,000
Grants	1,340,464,000	-	-	1,340,464,000
Occupancy and maintenance	655,000	2,904,000	201,000	3,760,000
Services, supplies, and other	3,318,000	27,460,000	544,000	31,322,000
Income taxes	-	54,404,000	-	54,404,000
	<b>\$ 1,349,430,000</b>	<b>\$ 108,331,000</b>	<b>\$ 1,671,000</b>	<b>\$ 1,459,432,000</b>

9. **RELATED PARTIES:**

During the years ended December 31, 2021 and 2020, NCCF, as a result of donor advisement, made charitable distributions approximating \$40,938,000 and \$33,262,000, 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, 2021 and 2020, NCCF paid STS approximately \$963,000 and \$733,000, respectively.



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

December 31, 2021 and 2020

10. CONCENTRATIONS:

For the year ended December 31, 2021, approximately \$695,079,000 (representing 18% of the Foundation's total support and revenue) was received from five donors. The percentage contributed by each individual donor ranged from 2% to 5% of support and revenue.

For the year ended December 31, 2020, approximately \$305,020,000 (representing 12% of the Foundation's total support and revenue) was received from five donors. The percentage contributed by each individual donor ranged from 2% to 4% of support and revenue.

11. EMPLOYEE BENEFIT PLAN:

The Foundation has established a 401(k) plan (the Plan) for eligible employees effective January 1, 1999. Employer contributions to the Plan for the years ended December 31, 2021 and 2020, were approximately \$400,000 and \$360,000, respectively.

12. 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, 2021 and 2020, was \$1,657,000 and \$1,804,000, respectively. Future minimum lease payments are as follows:

<u>Years Ending December 31,</u>	<u>Amounts</u>
2022	\$ 1,766,000
2023	1,719,000
2024	1,719,000
2025	824,000
	<hr/>
	\$ 6,028,000
	<hr/> <hr/>

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

December 31, 2021 and 2020

13. DISCLOSURE OF FAIR VALUE AND FAIR VALUE MEASUREMENTS:

The following disclosure of estimated fair value of financial instruments as of December 31, 2021 and 2020, 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.

*Debt securities*—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.

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

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13. 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, 2021			
	Total	Level 1	Level 2	Level 3
Investments held at fair value:				
Mutual funds	\$ 3,676,869,000	\$ 3,676,869,000	\$ -	\$ -
Equity securities	1,128,211,000	1,128,211,000	-	-
Debt securities	363,156,000	-	363,156,000	-
Total fair value investments	<u>\$ 5,168,236,000</u>	<u>\$ 4,805,080,000</u>	<u>\$ 363,156,000</u>	<u>\$ -</u>
Beneficial lead interest in trusts	<u>\$ 2,886,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,886,000</u>
Investments held at NAV:				
Hedge fund assets	\$ 164,384,000			
Private equity funds	<u>10,382,000</u>			
	<u>\$ 174,766,000</u>			

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

December 31, 2021 and 2020

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

	Fair Value Measurements at December 31, 2020			
	Total	Level 1	Level 2	Level 3
Investments held at fair value:				
Mutual funds	\$ 1,369,808,000	\$ 1,369,808,000	\$ -	\$ -
Equity securities	1,002,768,000	1,002,768,000	-	-
Debt securities:	344,350,000	-	344,350,000	-
Total fair value investments	<u>\$ 2,716,926,000</u>	<u>\$ 2,372,576,000</u>	<u>\$ 344,350,000</u>	<u>\$ -</u>
Beneficial lead interest in trusts	<u>\$ 3,192,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,192,000</u>
Investments held at NAV:				
Hedge fund assets	\$ 152,844,000			
Private equity funds	<u>9,670,000</u>			
	<u>\$ 162,514,000</u>			

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 with revocable remainderman and revocable living trusts are included in the change in value of assets and liabilities on the consolidated statements of financial position.

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

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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, 2021:

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	Private Equity	\$ 10,382,000	\$ -	NA	No ability to be redeemed.	NA	NA
Hedge Funds	Private Debt	2,557,000	-	NA	No ability to be redeemed.	NA	NA
Hedge Funds	Absolute Return- Long/Short equity fund, primarily in U.S. securities	149,833,000	-	NA	On anniversary date of investment in fund with 3-6 months notice required.	NA	NA
Hedge Funds	Multi-strategy	11,994,000	-	NA	Redeemable quarterly with 10 to 65 day notice.	Approx. 15% of balance has 1 year lockup which charges 5% redemption penalty.	NA
		<u>\$ 174,766,000</u>	<u>\$ -</u>				

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

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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, 2020:

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	Private Equity	\$ 9,670,000	\$ -	NA	No ability to be redeemed.	NA	NA
Hedge Funds	Absolute Return- Long/Short equity fund, primarily in U.S. securities	139,612,000	-	NA	On anniversary date of investment in fund with 3-6 months notice required.	NA	NA
Hedge funds	Multi-strategy	<u>13,232,000</u>	<u>-</u>	NA	Redeemable quarterly with 10 to 65 day notice.	Approx. 15% of balance has 1 year lockup which charges 5% redemption penalty.	NA
		<u>\$ 162,514,000</u>	<u>\$ -</u>				

**NATIONAL CHRISTIAN CHARITABLE FOUNDATION, INC.  
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December 31, 2021 and 2020

14. SUBSEQUENT EVENTS:

Subsequent events have been evaluated through July 8, 2022, 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 31 to 36 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 activities have 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 activities, which insofar as it relates to ProVision Foundation, Inc., Movement Foundation, TMG Foundation, or Elgin Children's Foundation, are based on the report of other auditors, and are fairly stated in all material respects in relation to the consolidated financial statements as a whole.

*Capin Crouse LLP*

Lawrenceville, Georgia  
July 8, 2022

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

**Consolidating Statement of Financial Position**  
(In thousands)

December 31, 2021

	NCCF	NCCF Trust	NSI	NCFRP	NCF Corp	NCT	NCFI	Subtotal	NCCF Supporting Organizations	Eliminations	Total
<b>ASSETS:</b>											
Cash and cash equivalents	\$ 217,184	\$ 795	\$ 49	\$ 650	\$ 10	\$ 72,970	\$ -	\$ 291,658	\$ 79,188	\$ -	\$ 370,846
Investments	4,737,159	2,607	1,937	76,534	-	1,217,567	-	6,035,804	884,855	-	6,920,659
Intercompany receivable	-	12	-	1,526	-	12,606	-	14,144	2	(14,146)	-
Notes receivable	1,673	-	-	3,026	-	94,165	-	98,864	38,532	-	137,396
Prepaid expenses and other assets	4,557	19	15	6	-	20,670	-	25,267	3,912	-	29,179
Property and equipment-net	2,752	-	-	-	-	-	-	2,752	5,913	-	8,665
Beneficial lead interest in trusts	2,886	-	-	-	-	-	-	2,886	-	-	2,886
<b>Total Assets</b>	<b>\$ 4,966,211</b>	<b>\$ 3,433</b>	<b>\$ 2,001</b>	<b>\$ 81,742</b>	<b>\$ 10</b>	<b>\$ 1,417,978</b>	<b>\$ -</b>	<b>\$ 6,471,375</b>	<b>\$ 1,012,402</b>	<b>\$ (14,146)</b>	<b>\$ 7,469,631</b>
<b>LIABILITIES AND NET ASSETS:</b>											
<b>Liabilities:</b>											
Accounts payable and accrued expenses	\$ 6,707	\$ 1	\$ 2	\$ 833	\$ -	\$ 6,108	\$ 43	\$ 13,694	\$ 1,964	\$ -	\$ 15,658
Intercompany payable	-	12	-	1,526	-	12,606	-	14,144	2	(14,146)	-
Annuity obligations	16,919	590	-	61	-	24,534	-	42,104	-	-	42,104
Notes payable	-	-	-	-	-	-	-	-	3,786	-	3,786
<b>Total liabilities</b>	<b>23,626</b>	<b>603</b>	<b>2</b>	<b>2,420</b>	<b>-</b>	<b>43,248</b>	<b>43</b>	<b>69,942</b>	<b>5,752</b>	<b>(14,146)</b>	<b>61,548</b>
<b>Net assets:</b>											
<b>Without donor restrictions:</b>											
Operating	5,992	156	68	1,056	10	16,516	8	23,806	-	-	23,806
Supporting organizations	-	-	-	-	-	-	-	-	995,624	-	995,624
Donor-advised funds	4,932,756	2,674	1,931	78,266	-	1,358,214	(51)	6,373,790	-	-	6,373,790
Board designated-annuity reserves	952	-	-	-	-	-	-	952	-	-	952
	4,939,700	2,830	1,999	79,322	10	1,374,730	(43)	6,398,548	995,624	-	7,394,172
<b>With donor restrictions</b>	<b>2,885</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,885</b>	<b>11,026</b>	<b>-</b>	<b>13,911</b>
<b>Total net assets</b>	<b>4,942,585</b>	<b>2,830</b>	<b>1,999</b>	<b>79,322</b>	<b>10</b>	<b>1,374,730</b>	<b>(43)</b>	<b>6,401,433</b>	<b>1,006,650</b>	<b>-</b>	<b>7,408,083</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 4,966,211</b>	<b>\$ 3,433</b>	<b>\$ 2,001</b>	<b>\$ 81,742</b>	<b>\$ 10</b>	<b>\$ 1,417,978</b>	<b>\$ -</b>	<b>\$ 6,471,375</b>	<b>\$ 1,012,402</b>	<b>\$ (14,146)</b>	<b>\$ 7,469,631</b>

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

**Consolidating Statement of Financial Position**  
(In thousands)

December 31, 2020

	NCCF	NCCF Trust	NSI	NCFRP	NCF Corp	NCT	NCFI	Subtotal	NCCF Supporting Organizations	Eliminations	Total
<b>ASSETS:</b>											
Cash and cash equivalents	\$ 123,106	\$ 1,175	\$ 60	\$ 2,019	\$ 12	\$ 104,905	\$ 8	\$ 231,285	\$ 47,744	\$ -	\$ 279,029
Investments	3,112,416	4,005	2,332	63,074	-	954,281	-	4,136,108	737,050	-	4,873,158
Intercompany receivable	39	14	74	1,209	-	17,685	-	19,021	-	(19,021)	-
Notes receivable	1,218	-	-	3,834	-	78,078	-	83,130	27,812	-	110,942
Prepaid expenses and other assets	4,060	25	15	138	-	1,048	-	5,286	2,275	-	7,561
Property and equipment-net	3,681	-	-	-	-	-	-	3,681	5,954	-	9,635
Beneficial lead interest in trusts	3,192	-	-	-	-	-	-	3,192	-	-	3,192
Total Assets	<u>\$ 3,247,712</u>	<u>\$ 5,219</u>	<u>\$ 2,481</u>	<u>\$ 70,274</u>	<u>\$ 12</u>	<u>\$ 1,155,997</u>	<u>\$ 8</u>	<u>\$ 4,481,703</u>	<u>\$ 820,835</u>	<u>\$ (19,021)</u>	<u>\$ 5,283,517</u>
<b>LIABILITIES AND NET ASSETS:</b>											
<b>Liabilities:</b>											
Accounts payable and accrued expenses	\$ 5,104	\$ 6	\$ -	\$ 654	\$ -	\$ 30,051	\$ -	\$ 35,815	\$ 1,650	\$ -	\$ 37,465
Intercompany payable	39	14	74	1,209	-	17,685	-	19,021	-	(19,021)	-
Annuity obligations	14,148	602	-	64	-	1,381	-	16,195	-	-	16,195
Notes payable	-	-	-	-	-	-	-	-	1,421	-	1,421
Total liabilities	<u>19,291</u>	<u>622</u>	<u>74</u>	<u>1,927</u>	<u>-</u>	<u>49,117</u>	<u>-</u>	<u>71,031</u>	<u>3,071</u>	<u>(19,021)</u>	<u>55,081</u>
<b>Net assets:</b>											
<b>Without donor restrictions:</b>											
Operating	364	159	143	1,017	12	15,951	8	17,654	-	-	17,654
Supporting organizations	-	-	-	-	-	-	-	-	813,427	-	813,427
Donor-advised funds	3,223,911	4,438	2,264	67,330	-	1,090,929	-	4,388,872	-	-	4,388,872
Board designated-annuity reserves	955	-	-	-	-	-	-	955	-	-	955
	<u>3,225,230</u>	<u>4,597</u>	<u>2,407</u>	<u>68,347</u>	<u>12</u>	<u>1,106,880</u>	<u>8</u>	<u>4,407,481</u>	<u>813,427</u>	<u>-</u>	<u>5,220,908</u>
With donor restrictions	3,191	-	-	-	-	-	-	3,191	4,337	-	7,528
Total net assets	<u>3,228,421</u>	<u>4,597</u>	<u>2,407</u>	<u>68,347</u>	<u>12</u>	<u>1,106,880</u>	<u>8</u>	<u>4,410,672</u>	<u>817,764</u>	<u>-</u>	<u>5,228,436</u>
Total Liabilities and Net Assets	<u>\$ 3,247,712</u>	<u>\$ 5,219</u>	<u>\$ 2,481</u>	<u>\$ 70,274</u>	<u>\$ 12</u>	<u>\$ 1,155,997</u>	<u>\$ 8</u>	<u>\$ 4,481,703</u>	<u>\$ 820,835</u>	<u>\$ (19,021)</u>	<u>\$ 5,283,517</u>

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

**Consolidating Statement of Activities**  
(In thousands)

Year Ended December 31, 2021

	NCCF	NCCF Trust	NSI	NCFRP	NCF Corp	NCT	NCFI	Subtotal	NCCF Supporting Organizations	Eliminations	Total
<b>NET ASSETS WITHOUT DONOR RESTRICTION:</b>											
<b>SUPPORT AND REVENUE:</b>											
Contributions	\$ 2,255,527	\$ 1	\$ -	\$ 306	\$ -	\$ 23,420	\$ -	\$ 2,279,254	\$ 144,717	\$ (466,896)	\$ 1,957,075
Noncash contributions	868,227	-	-	67,979	-	524,136	-	1,460,342	26,836	-	1,487,178
Investment income (loss)	216,512	(822)	100	1,800	-	114,093	-	331,683	95,617	-	427,300
Change in value of annuities and trusts	(67)	(50)	-	(5)	-	(15)	-	(137)	-	-	(137)
Administrative fees and assessments	26,223	4	(32)	2,101	-	15,872	-	44,168	-	(44,168)	-
Other revenue	5,131	50	1	628	25	4,668	-	10,503	224	-	10,727
Total Support and Revenue	<u>3,371,553</u>	<u>(817)</u>	<u>69</u>	<u>72,809</u>	<u>25</u>	<u>682,174</u>	<u>-</u>	<u>4,125,813</u>	<u>267,394</u>	<u>(511,064)</u>	<u>3,882,143</u>
<b>RECLASSIFICATIONS:</b>											
Net assets released from restrictions:											
Expiration of purpose	-	-	-	-	-	-	-	-	4,976	-	4,976
<b>EXPENSES:</b>											
Program activities	1,581,621	921	506	56,358	-	388,578	-	2,027,984	89,239	(466,896)	1,650,327
General and administrative	74,048	29	(29)	5,476	27	25,746	51	105,348	1,170	(44,168)	62,350
Fund-raising activities	1,414	-	-	-	-	-	-	1,414	778	-	2,192
Total Expenses	<u>1,657,083</u>	<u>950</u>	<u>477</u>	<u>61,834</u>	<u>27</u>	<u>414,324</u>	<u>51</u>	<u>2,134,746</u>	<u>91,187</u>	<u>(511,064)</u>	<u>1,714,869</u>
Change in Net Assets from Operations Without Donor Restrictions	1,714,470	(1,767)	(408)	10,975	(2)	267,850	(51)	1,991,067	181,183	-	2,172,250
Change in Controlled Entity	-	-	-	-	-	-	-	-	1,014	-	1,014
Net Assets Without Donor Restrictions, Beginning of Year	<u>3,225,230</u>	<u>4,597</u>	<u>2,407</u>	<u>68,347</u>	<u>12</u>	<u>1,106,880</u>	<u>8</u>	<u>4,407,481</u>	<u>813,427</u>	<u>-</u>	<u>5,220,908</u>
Net Assets Without Donor Restrictions, End of Year	<u>\$ 4,939,700</u>	<u>\$ 2,830</u>	<u>\$ 1,999</u>	<u>\$ 79,322</u>	<u>\$ 10</u>	<u>\$ 1,374,730</u>	<u>\$ (43)</u>	<u>\$ 6,398,548</u>	<u>\$ 995,624</u>	<u>\$ -</u>	<u>\$ 7,394,172</u>

(continued)

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

**Consolidating Statement of Activities**  
(In thousands)  
(continued)

Year Ended December 31, 2021

	NCCF	NCCF Trust	NSI	NCFRP	NCF Corp	NCT	NCFI	Subtotal	NCCF Supporting Organizations	Eliminations	Total
<b>NET ASSETS WITH DONOR RESTRICTIONS:</b>											
Contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,560	\$ -	\$ 11,560
Non cash contributions	-	-	-	-	-	-	-	-	105	-	105
Change in value of annuities and trusts	(306)	-	-	-	-	-	-	(306)	-	-	(306)
Net assets released from restrictions:											
Expiration of purpose	-	-	-	-	-	-	-	-	(4,976)	-	(4,976)
Expiration of time	-	-	-	-	-	-	-	-	-	-	-
Change in Net Assets With Donor Restrictions	(306)	-	-	-	-	-	-	(306)	6,689	-	6,383
Net Assets With Donor Restrictions, Beginning of Year	3,191	-	-	-	-	-	-	3,191	4,337	-	7,528
Net Assets With Donor Restrictions, End of Year	<u>\$ 2,885</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,885</u>	<u>\$ 11,026</u>	<u>\$ -</u>	<u>\$ 13,911</u>

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

**Consolidating Statement of Activities**

(In thousands)

Year Ended December 31, 2020

	NCCF	NCCF Trust	NSI	NCFRP	NCF Corp	NCT	NCFI	Subtotal	NCCF Supporting Organizations	Eliminations	Total
<b>NET ASSETS WITHOUT DONOR RESTRICTION:</b>											
<b>SUPPORT AND REVENUE:</b>											
Contributions	\$ 1,220,252	\$ -	\$ 1	\$ 482	\$ 10	\$ 1,524	\$ -	\$ 1,222,269	\$ 105,937	\$ (210,541)	\$ 1,117,665
Noncash contributions	515,654	-	-	19,394	-	472,350	-	1,007,398	30,171	-	1,037,569
Investment income (loss)	216,196	(419)	40	2,036	-	44,695	-	262,548	112,322	-	374,870
Change in value of annuities and trusts	(1,636)	(50)	-	(5)	-	(15)	-	(1,706)	-	-	(1,706)
Administrative fees and assessments	20,331	(80)	8	1,002	-	13,555	-	34,816	-	(34,816)	-
Other revenue	6,130	(1,224)	-	366	-	1,501	-	6,773	414	-	7,187
<b>Total Support and Revenue</b>	<b>1,976,927</b>	<b>(1,773)</b>	<b>49</b>	<b>23,275</b>	<b>10</b>	<b>533,610</b>	<b>-</b>	<b>2,532,098</b>	<b>248,844</b>	<b>(245,357)</b>	<b>2,535,585</b>
<b>RECLASSIFICATIONS:</b>											
Net assets released from restrictions:											
Expiration of purpose	-	-	-	-	-	-	-	-	1,266	-	1,266
<b>EXPENSES:</b>											
Program activities	1,293,168	152	84	16,295	-	172,359	-	1,482,058	77,913	(210,541)	1,349,430
General and administrative	66,940	(50)	8	2,929	27	72,061	-	141,915	1,232	(34,816)	108,331
Fund-raising activities	1,529	-	-	-	-	-	-	1,529	142	-	1,671
<b>Total Expenses</b>	<b>1,361,637</b>	<b>102</b>	<b>92</b>	<b>19,224</b>	<b>27</b>	<b>244,420</b>	<b>-</b>	<b>1,625,502</b>	<b>79,287</b>	<b>(245,357)</b>	<b>1,459,432</b>
Change in Net Assets from Operations Without Donor Restrictions	615,290	(1,875)	(43)	4,051	(17)	289,190	-	906,596	170,823	-	1,077,419
Change in Controlled Entity	-	-	-	-	-	-	-	-	-	-	-
Net Assets Without Donor Restrictions, Beginning of Year	2,609,940	6,472	2,450	64,296	29	817,690	8	3,500,885	642,604	-	4,143,489
Net Assets Without Donor Restrictions, End of Year	<u>\$ 3,225,230</u>	<u>\$ 4,597</u>	<u>\$ 2,407</u>	<u>\$ 68,347</u>	<u>\$ 12</u>	<u>\$ 1,106,880</u>	<u>\$ 8</u>	<u>\$ 4,407,481</u>	<u>\$ 813,427</u>	<u>\$ -</u>	<u>\$ 5,220,908</u>

(continued)

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

**Consolidating Statement of Activities**

(In thousands)

(continued)

Year Ended December 31, 2020

	NCCF	NCCF Trust	NSI	NCFRP	NCF Corp	NCT	NCFI	Subtotal	NCCF Supporting Organizations	Eliminations	Total
<b>NET ASSETS WITH DONOR RESTRICTIONS:</b>											
Contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,511	\$ -	\$ 2,511
Non cash contributions	-	-	-	-	-	-	-	-	-	-	-
Change in value of annuities and trusts	(297)	-	-	-	-	-	-	(297)	-	-	(297)
Net assets released from restrictions:											
Expiration of purpose	-	-	-	-	-	-	-	-	(1,266)	-	(1,266)
Expiration of time	-	-	-	-	-	-	-	-	-	-	-
Change in Net Assets With Donor Restrictions	(297)	-	-	-	-	-	-	(297)	1,245	-	948
Net Assets With Donor Restrictions, Beginning of Year	3,488	-	-	-	-	-	-	3,488	3,092	-	6,580
Net Assets With Donor Restrictions, End of Year	<u>\$ 3,191</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,191</u>	<u>\$ 4,337</u>	<u>\$ -</u>	<u>\$ 7,528</u>