

Gift Annuity Disclosure Statement

Thank you for your interest in supporting the ministry of the Billy Graham Evangelistic Association through a charitable gift annuity. Detailed information about your payments and tax information will be included with your certificate.

The charitable gift annuities described in this publication are issued and administered by BGEA, MN, a nonprofit corporation that is a subsidiary of the Billy Graham Evangelistic Association and which exists to support its mission.

A gift annuity agreement is simultaneously a charitable gift and a commitment for fixed payments to the annuitant(s) for life. An annuity contract is non-assignable.

The Billy Graham Evangelistic Association was originally established in 1950. The responsibility for governing the organization, and BGEA, MN, is vested in a Board of Directors comprised of fifteen persons who are recommended by a Nominating Committee and approved by the Board of Directors.

BGEA, MN is recognized as tax exempt by the Internal Revenue Service. Gifts to fund a charitable gift annuity with BGEA, MN generally qualify for a charitable contribution deduction based on the present value of the gift portion, using IRS tables.

The BGEA, MN Gift Annuity Fund is a segregated fund set aside for the purpose of making annuity payments to annuitants. All assets in the fund are held in trust by BGEA, MN and are designated for payment to annuitants as established in their Gift Annuity Agreement. Annuity payments are a general obligation of, and are backed by the full faith and credit of BGEA, MN and the Billy Graham Evangelistic Association. Based on their right to receive annuity payments, annuitants have first claim to the fund's assets.

The Gift Annuity Fund is exempt from the registration requirements of the federal securities laws pursuant to an exemption contained in the Philanthropy Protection Act of 1995 (P.L. 104-62). This information is provided to you in accordance with the requirements of that Act. Annuity payments will be reported on Form 1099R each year to the annuitant and the IRS as required by law and determined by relevant facts of each case.

The objective of the Fund is preservation of principal and total return, in that order of priority, while investing at least 70 percent of the fund in U.S. Government and U.S. Corporate fixed income securities. Eighty percent (80%) of the fixed income securities must be rated in one of the four highest classifications by Moody's or Standard & Poor's. The balance of the Fund is invested in equities, mutual funds, exchange traded funds, or cash equivalents.

Gift Annuity Disclosure Statement cont'd

The amount you give to BGEA, MN at the time you enter the annuity agreement is deposited by BGEA, MN in a custodial account. At present, that custodial account holds all of the funds needed to maintain the annuity program. A portion of those amounts may be commingled with endowment and other funds of BGEA. Investments are managed as determined by BGEA, MN and its investment managers. The managers are compensated out of the assets of the Fund. Fee information is available on request.

Each year a consulting actuary gives BGEA, MN a statement indicating the amount it must maintain as a reserve. That reserve is established to ensure a sufficient amount of money in the Gift Annuity Fund to continue payments to all of the annuitants during their expected lifetimes. BGEA, MN will maintain the security of the Gift Annuity Fund by retaining an amount equal to the amount required by the most restrictive state regulations, plus the total of all amounts received by BGEA, MN for new gift annuities since the date the reserve requirement was last computed. Amounts that may be transferred out of the Gift Annuity Fund are primarily used for the general ministry activities of the Billy Graham Evangelistic Association.

The Billy Graham Evangelistic Association and BGEA, MN do not, without your authorization, disclose your information to anyone other than its agents, except as required by law.

Annuities issued to California residents are subject to regulation by the State of California. They are not insured or guaranteed by an insurance company or backed in any way by the California Life and Health Insurance Guarantee Association or any other state department or agency.

This information about charitable gift annuities is provided as an educational service. **THIS IS NOT LEGAL ADVICE. ANY PROSPECTIVE DONOR SHOULD SEEK THE ADVICE OF A QUALIFIED ESTATE AND/OR TAX PROFESSIONAL TO DETERMINE THE CONSEQUENCES OF HIS OR HER GIFT.**

Billy Graham Evangelistic Association
Segregated Charitable Gift Annuity Fund

BALANCE SHEET

December 31, 2017

Assets		
Cash	\$	239,884
US Bank (Market Value plus Accrued Income)		60,563,238
Total Assets		<u>\$ 60,803,122</u>
Liabilities		
Legal Reserve	\$	42,916,227
Accounts Payable		33,883
Other Liabilities		2,801
Total Liabilities		42,952,911
Net Assets		<u>17,850,211</u>
Total Liabilities and Net Assets		<u>\$ 60,803,122</u>

STATEMENT OF ACTIVITY

1/1/2017 - 12/31/2017

Total Assets Beginning of Year (Market Value)		\$ 58,056,391
Increases:		
New Annuities	\$	1,713,009
Dividends		318,188
Interest Income		932,339
Increase in Payables		45
Other Investment Income		2,202
Unrealized Capital Gains		3,059,408
Realized Capital Gains		418,879
Total Increases		<u>\$ 6,444,070</u>
Decreases:		
Annuity Payments		3,529,478
Matured Annuities		27,500
Investment Management Expense		136,377
Administrative Expense		3,984
Total Decreases		<u>3,697,339</u>
Excess of Increases over Decreases		<u>2,746,731</u>
Total Assets End of Year		<u>\$ 60,803,122</u>