



GRACE  
BRETHREN  
INVESTMENT  
FOUNDATION, INC.

S I N C E 1 9 5 5

*"Investments with eternal values"*

Kenneth A. Seyfert  
President / Chief Executive Officer

## MEMORANDUM

To: Tom Avey and Fellowship Council  
From: Ken Seyfert, President and CEO  
Grace Brethren Investment Foundation, Inc. (GBIF)  
Date: January 2014  
Subject: Report to Fellowship Council

Greetings, Everyone . . .

I am pleased to provide you with this courtesy update of our organization as a national ministry affiliated with the Fellowship of Grace Brethren Churches.

Our Board of Directors is composed of twelve individuals who reside in the several regions as prescribed in the FGBC bylaws. The Board has voted to reduce the number of directors from the original fourteen to twelve via attrition. Ted Adomanis serves as Chairman of the Board. I serve as President and CEO, with Ryan Bowell serving as Vice President and Director of Credit Services and Brenda Byers serving as Secretary, Treasurer, and Director of Finance and Administration.

GBIF exists as a "church extension fund" as defined by the North American Association of Securities Administrators. We are regulated by the securities laws of the 38 states in which we have investors. The primary purpose of the Foundation is limited in scope by these regulatory authorities: *"To enable individuals who support the objectives of the Fellowship of Grace Brethren Churches to invest funds at a reasonable rate of interest and to provide thereby a source of funding in the form of capital loans for acquiring, developing, and remodeling land and buildings for Grace Brethren churches, schools, and other associated organizations."* We are precluded from making loans to individuals and can only loan funds to 501(c)(3) churches and organizations within the Fellowship of Grace Brethren Churches.

The rate of interest paid to our investors is currently 2.0%, compounded daily. As of December 31, 2013, GBIF total assets surpassed the \$100 million mark. Total loans outstanding were around \$58.5 million and we are not experiencing any serious delinquencies in loan payments. GBIF investment reserves, at around \$41 million, are invested very conservatively with no exposure to fluctuations in the stock market.

We continue to submit our financial records for annual audit by Capin Crouse, CPA's. Their reports find us to be in full compliance with the high standards of the accounting profession for a financial institution. We also remain in good standing with state securities regulators to whom we are accountable with annual reports and registration renewals.

GBIF is a long-standing member of the Evangelical Council for Financial Accountability (ECFA), which calls its members to very high standards of financial integrity and fiduciary responsibility. ECFA's most recent summary comment about GBIF indicates: *"We found Grace Brethren Investment Foundation in full compliance with ECFA's Standards. You are to be commended for your continuing commitment to these Standards."*

It has been our practice to make "goodwill contributions" to Grace Brethren ministries for the continued growth and viability of the Fellowship. We also make generous annual contributions toward the expenses of the office of the Fellowship Coordinator, including additional appropriations in recent years to help underwrite the increased expenditures of the office of Executive Director and task forces. In addition, we serve as the administrative organization for the FGBC Chaplaincy ministry and the office of the Endorsing Agent (his report is submitted separately), providing support to the Eagle Commission and subsidizing the expenses with an annual contribution when necessary. Further, we provide voluntary, seconded leadership and staff support for the FGBC Retirement Investment Plan and contribute toward the plan's administrative expenses.

We support via goodwill contributions the financial needs of our Fellowship as categorized by the Commitment to Common Ministry: Church Planting, Leadership Development, and Integrated Ministry. Our contributions to those worthy initiatives totaled \$665,500 in 2013 from 2012 earnings, not including subsidized support of the Eagle Commission and subsidized administrative support with seconded personnel and contributions to the FGBC Retirement Investment Plan.

John Schumacher, Endorsing Agent for the Chaplaincy ministry, and I are planning to join you for your upcoming meetings in Seal Beach. We will be eager to address any questions you may have at that time.

We are grateful to serve as your fellow workers in furthering the Great Commission.

Respectfully in Him,

A handwritten signature in black ink, appearing to be "Ken", written in a cursive style.

To: FGBC Fellowship Council  
From: Ken Seyfert  
Date: January, 2014  
Subject: FGBC Retirement Investment Plan

Happy New Year, Everyone!

In addition to my duties as Executive Director of Operations for Grace Brethren Investment Foundation, Inc., I have for the past 16 years served as chairman and overseer of the FGBC Retirement Investment Plan. I am assisted in this work by a committee consisting of Mr. Tom Avey, Mr. Bill Burby, Dr. Jim Custer, and Mr. Jim Johnson. Daily administrative support is provided by Mrs. Linda Leonard, coordinator of administration.

The FGBC established the Retirement Committee to administer both the 401(a)-employer contributed and the 403(b)-employee contributed plans. The committee acts on behalf of the FGBC, as administrator for each plan and reports officially on an annual basis to FGBC at annual national conference meetings. Written minutes of the meetings of the Retirement Committee are maintained in the Winona Lake office. Investment option alternatives are offered through American United Life Insurance Co. (One America Cos.) in Indianapolis. The most recent report of the Retirement Planning Committee is attached.

As part of its mission, GBIF provides annual "goodwill contributions" to FGBC- related ministries to help fund their purposes. The expenses related to the operations of the Retirement Investment Plan as a FGBC ministry to pastors have been funded through such contributions. GBIF stands ready to help as needed with any future contributions.

It is a privilege to be part of a vital ministry that is directed to assisting FGBC pastors and their families with planning for their financial future. I am grateful to the committee and to Linda Leonard with their helpful support of the plans. Where appropriate, we will continue to educate FGBC churches about their responsibility to include a fair contribution towards their pastors' retirement.

I will look forward to seeing you soon for meetings in Seal Beach, CA and would be happy to entertain any questions at that time.

Respectfully in Him,



Ken Seyfert  
Chairman, FGBC Retirement Investment Plan



**FELLOWSHIP OF GRACE BRETHREN CHURCHES  
RETIREMENT INVESTMENT PLAN  
PO BOX 587  
WINONA LAKE, IN 46590  
574-267-5161**

**Retirement Planning Committee**

As of **December 31, 2013**, the total combined asset value of the Fellowship Retirement Investment Plan was **\$ 11,750,574.21**. Currently, we have **376** active participants in the plans.

Thirty investment options are available to plan participants. Quarterly, individual reports are sent on a timely basis.

Account information is available on-line via a secure website at [www.oneamerica.com](http://www.oneamerica.com). Other enhancements have been made to the new bookkeeping system which is very user friendly. We have met with One America representatives to review our plan and discuss ways to improve our cooperative services.

As of **December 31, 2013**, we sent **1** monthly check to our retiree, Lois Schrock under the "Promise of Honor" program. The monthly need was **\$89.32**. Total current funds on hand as of **December 31, 2013** were **\$2,257.86**.

Respectfully submitted:

Mr. Kenneth A. Seyfert, Chairman  
[kseyfert@gbif.com](mailto:kseyfert@gbif.com)

Committee Members:

Mr. Tom Avey  
Mr. William Burby  
Dr. James L. Custer  
Mr. James W. Johnson

Coordinator of Administration:

Mrs. Linda Leonard