



CHRISTIAN
CHURCH
FOUNDATION

2017

ANNUAL REPORT

Moving Money to Mission

Mission

— Our mission is to support and expand the ability of all Disciples ministries to worship, witness and serve. We do this by identifying and resourcing donors who desire to make a difference through planned gifts, and by assisting Disciples ministries to be good stewards of their gifts through sound policies and prudent investment services.

Core Values

— INTEGRITY

Honesty, transparency, full disclosure and the ability to fulfill our commitments.

— COMMITMENT TO EXCELLENCE

Continually working to improve our services and processes and to be responsive to the needs of donors and our church.

— STEWARDSHIP

Serving as trustee for donor and church dollars with the same level of commitment and care that we would have for our own resources. Understanding our purpose for being as a ministry to serve and to benefit all of the ministries of the Christian Church (Disciples of Christ).

— FIDUCIARY RESPONSIBILITY

Prudent and diligent oversight of funds under management. Commitment to treat each donor dollar as a sacred gift, requiring the highest level of care.

— PARTNERSHIP

Working to support all of the ministries of the church. Serving as an honest broker to connect ministries and donors for the benefit of the Gospel.

The Christian Church Foundation, Inc., is an integral part of the Christian Church (Disciples of Christ). It is included in the group listing of the General Assembly of the Christian Church (Disciples of Christ), Inc., which carries Tax Exemption Number 1125.

A listing of the General Assembly of the Christian Church (Disciples of Christ) can be found on page 1235, Volume 2, of the CUMULATIVE LISTS OF ORGANIZATIONS Publication 78 (Rev. 9-2004), described in Section 170 (c) of the Internal Revenue Code of 1986.

The complete set of 2017 financial statements, audited by BKD, LLP, is available by calling the Foundation at (800) 668-8016 or by visiting our website, www.christianchurchfoundation.org.

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Life-Income Gifts



From the President

Moving money to mission—it is more than the theme of this year’s annual report—it is the Christian Church Foundation’s very reason for being. Producing dollars for ministry is why the church created the Christian Church Foundation in 1961; that goal continues to drive us.

Ministries of the church received \$9 million last year from gifts managed at the Foundation. In addition, partner ministries - who jointly invest their long-term assets with ours - distributed more than \$11 million from their dollars invested here. What a joy to witness how generations of faithful Disciples are still making a difference for our church! Better yet is the privilege of working with today’s Disciples, as they envision how their legacies can transform the lives of generations yet to be born.

In 2017, the Christian Church Foundation reached a new milestone—\$729 million in total assets. This strong financial base anchors our service to the church and insures our ability to serve long into the future. Our strong base allows us to provide many free and personalized services, both to donors and to the various ministries of the church. Every step along the way begins with listening – working to understand the unique objectives of each donor and ministry partner. When we act, it is to work alongside those Disciples to see their dreams realized and to support the ministries that are important to them.

The Christian Church Foundation is honored to serve as the steward for the legacy gifts of thousands of members and friends of Disciples ministries. It is their faithful answer to Christ’s call that we honor with this report.

Thank you for another year of growth and service to the church. We are grateful for the gifts you made through us and the investments you have entrusted with us. Serving you while you serve is an amazing honor.

Moving money to mission—it is more than a mere financial transaction, it is a sacred act of faithful partnership.

Gary W. Kidwell
President



From the Treasurer

January 2, 2018 began early for me. I had volunteered to take charge of a fairly clerical process – reviewing our ministry distributions and deciding which ones should include a letter of further explanation.

Three imposing stacks of paper – each about a foot tall – awaited my review. I finished my cup of coffee and began my work, with the goal of being finished before most of my colleagues would arrive for work. Yes, No. No, Yes, No ... I looked at each beneficiary name and the type of distribution and quickly made a decision. If the accompanying payment was from a permanent fund, I looked at the donor's name and the beneficiary's name and address.

The names began to wash over me like a listing of old friends. These Disciples and their stories have become familiar names during my ministry here. Even those I've never met now feel like family.

About 20 or 30 checks into the pile, I found myself marveling at the amounts of many checks. \$14,358.17 – going to a small congregation. What will they do with this? Who will this bless?

Next, a check from a fund that I know has been distributing for at least three decades. I wondered how much those checks have totaled over more than 30 years. This one blessing a general ministry. Another from a woman that we never met, but her estate contributed a generous gift to the church. A clergy couple that lived so very modestly. Then a check from a church that had closed their doors and opened their hearts to doing ministry through their remaining assets. A modest check of \$76.20 from donors who are still contributing to their fund.

Then one with a name that is dear to me – my mother-in-law's estate gift to her congregation, where just last year I gathered with family to celebrate her life. This year, just weeks after that anniversary, she will send them a gift. The same will happen every year for as long as they continue to gather and do ministry. Evaline's check was there, alongside more than 600 distributions representing so many lives who continue to make a difference.

What began as a clerical task quickly became a much more interesting project, then it was personal, and finally ... finally I was overwhelmed with the feeling of being on holy ground.

During 2017, these distribution checks – mailed out to both our investors and those who benefit from gifts administered by the Foundation – have totaled more than \$20 million dollars.

Every year, I analyze those numbers – looking for trends and for insights I might share. This year, I got intentionally lost in the details. I touched those dollars as they were headed out to do ministry. I smiled as I remembered names and embraced the joy of imagining the difference these gifts would make. I found myself praying a prayer of blessing over those gifts, but even more powerfully – I found myself receiving a blessing from them.

With thanksgiving,

Ruth Weaver
Senior Vice President



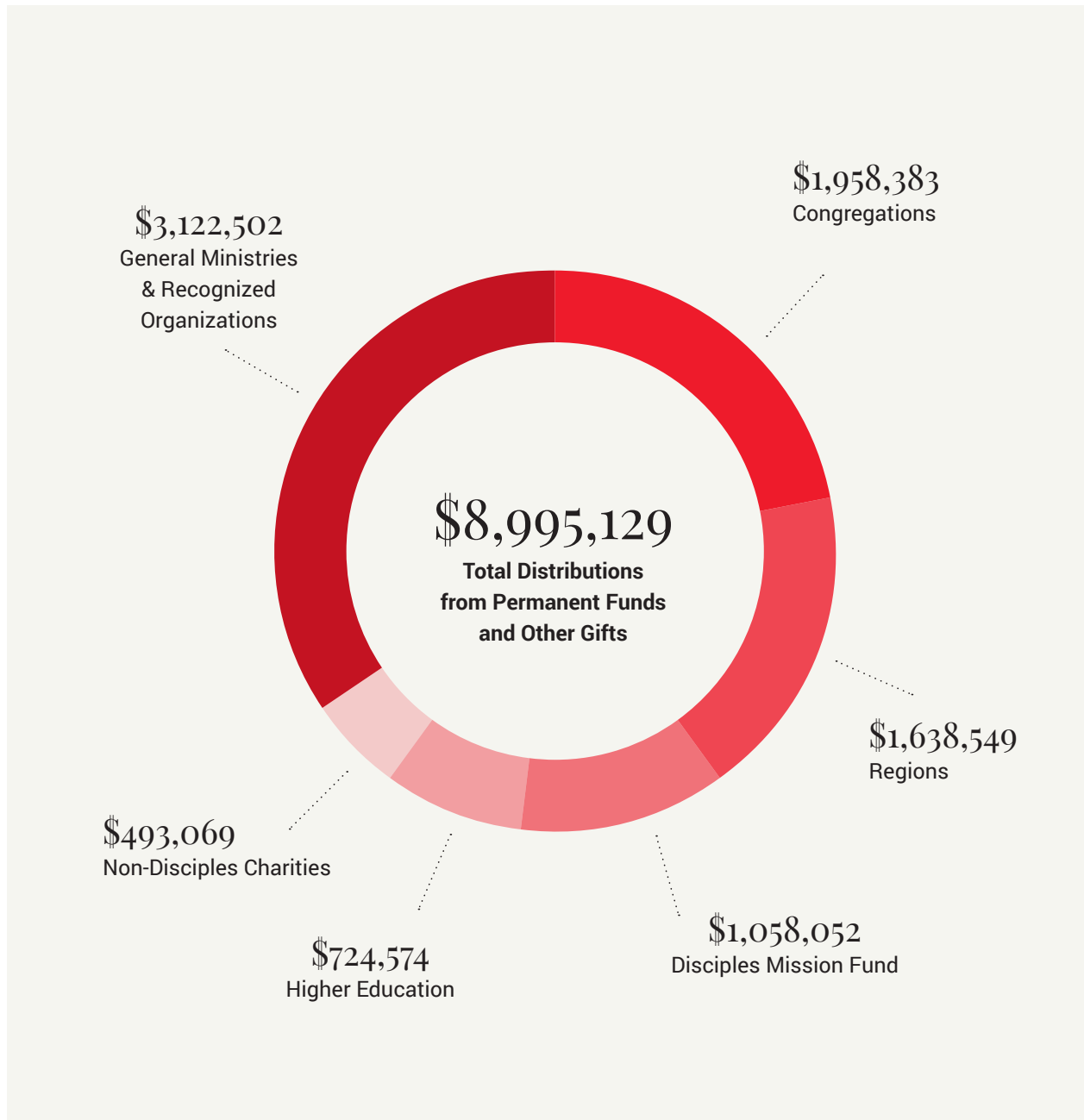
2017 At A Glance

\$11,250,605
New Permanent
Fund Gifts

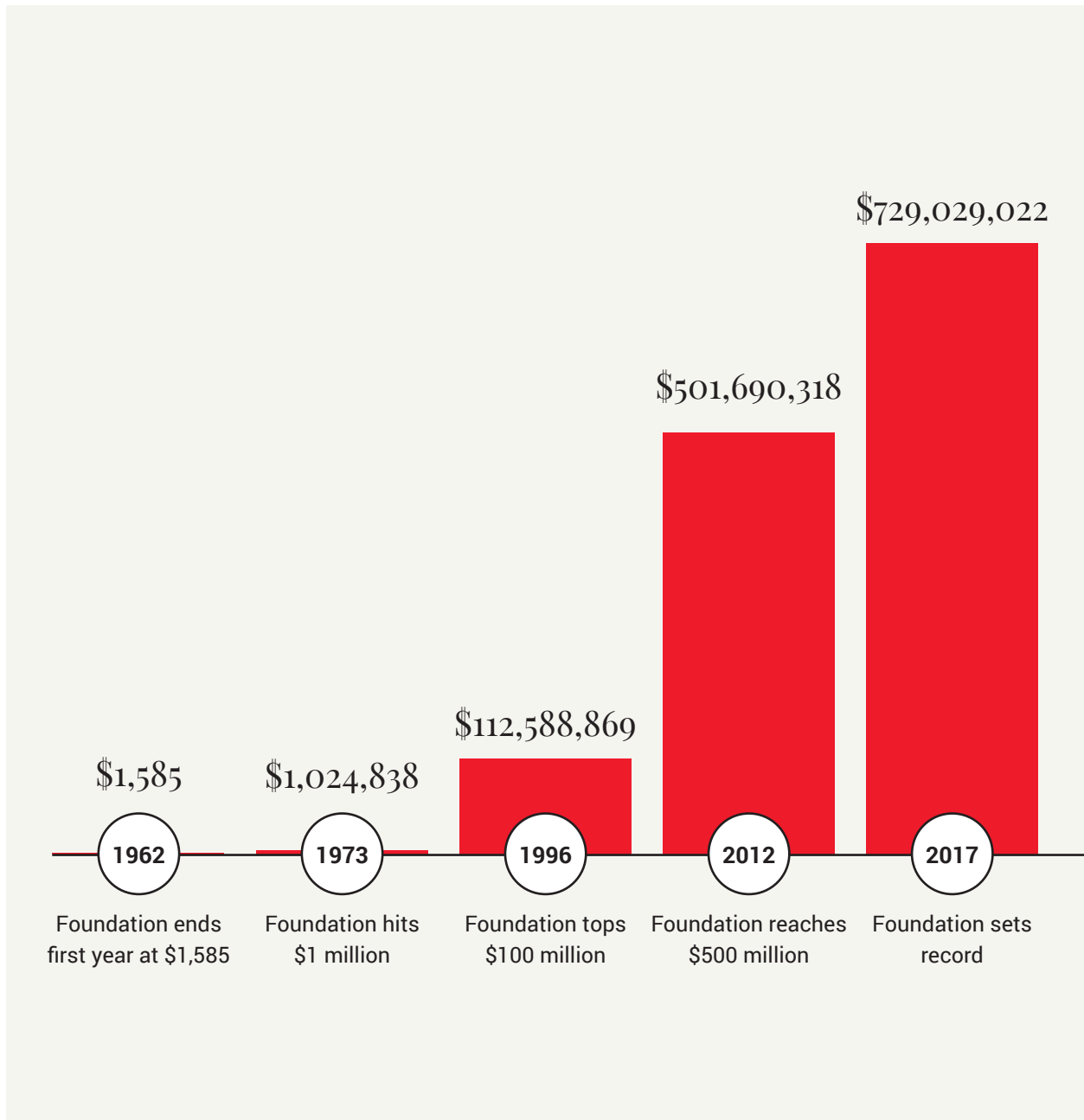
\$12,437,734
Total New Gifts
Under Management

\$22,804,123
Investment Account
Deposits

\$729,029,022
Total Assets



Total Assets: Historical Highlights





Investments

The focus of the Foundation's investment program is on moving money to mission. Designed as a turnkey solution for Disciples investors who want help meeting their legal and stewardship requirements, the purpose of the Joint Investment Trust is to provide ministry dollars that expand the witness of Disciples ministries.

Endowment fund stewards are called to balance current and future ministry needs. The Foundation addresses this challenge by selecting an asset mix that balances risks and rewards in diversified portfolios targeted to the needs of long-term investors. Foundation staff work alongside our investment consultant to both regularly rebalance to the desired asset mix and to assess each investment manager's performance. We work with the Interfaith Center on Corporate Responsibility, adding our voices to those of other shareholder

advocates who view the management of their investments as a catalyst for social change. Our work frees Disciples investors to focus on donor relationships and on mission, the thing your ministry does best! By jointly investing gifts entrusted to hundreds of Disciples ministries, participants in the Foundation's Joint Investment Trust enjoy efficiencies of scale beyond the capacity of any individual investor.

At the end of 2017, ministries of the church, including the Foundation, had jointly invested \$677 million in the Joint Investment Trust. This represents year-over-year growth of almost 13%, net of ministry distributions. Working together, we will continue to grow the resources necessary for today's ministries – and move money to mission for generations to come.



“*The Endowment Funds at University Christian Church support a wide variety of our ministries. Endowment fund income strengthens our congregation's witness to the Ft. Worth community – maintaining our building, supporting staff costs, and offering an excellent music program to our community. Annual income from our endowment provides resources for scholarships and adds meaningfully to our congregation's ability to serve others through both global and local outreach. Our partnership with the Christian Church Foundation helps us to be good stewards of these gifts, and to respond with abundance as God calls us to mission at home and around the world!*”

– Russell Peterman, Senior Minister, University Christian Church, Fort Worth, TX

JOINT INVESTMENT TRUST

Period Ending December 31, 2017

| Fund | 1 Year | 3 Year | 5 Year | 10 Year | Since Inception |
|-------------------------|--------|--------|--------|---------|---------------------|
| Beasley Growth | 15.49% | 6.87% | 9.11% | 5.10% | 9.0% (Dec. 1985) |
| Common Balanced | 13.15% | 5.47% | 6.67% | 4.69% | 7.6% (Dec. 1985) |
| Campbell Multi-Strategy | 13.11% | 4.94% | 6.95% | N/A | 3.7% (Feb. 2008) |
| Brown Income | 8.44% | 2.96% | 2.84% | 3.84% | 5.8% (Dec. 1989) |

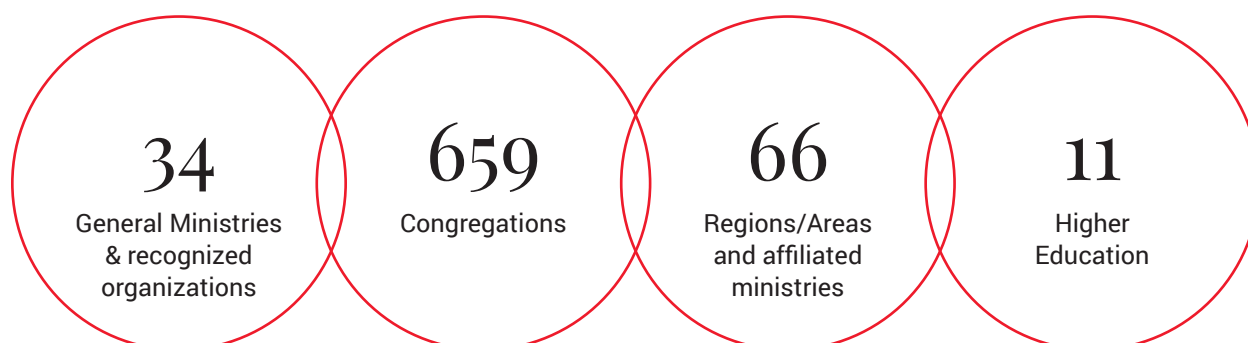
Beasley Growth Fund seeks total return from a moderately aggressive asset allocation. The Fund invests in a broad range of asset classes, including stocks, bonds and flexible capital. The targeted asset mix is 76% in equities and 24% in fixed income.

Common Balanced Fund seeks total return from a moderate asset allocation. The Fund invests in a broad range of stock and bond subset classes, including international stocks, inflation hedging and global bonds. The targeted asset mix is 53.5% in equities, 31.5% in fixed income and 15% in real assets.

Campbell Multi-Strategy Fund seeks equity-like returns with greater inflation protection. The Fund invests in a broad range of asset classes, including domestic and international stocks, flexible capital and real assets. The targeted asset mix is 52.5% in equities, 30% in flexible capital and 17.5% in real assets.

Brown Income Fund seeks income from a conservative asset allocation. The Fund invests in domestic and global bonds, stocks and real assets. The targeted asset mix is 65% in fixed income, 25% in equities and 10% in real assets.

PARTNER INVESTORS





2017 Board of Directors



Bob Williams, Chair
Dallas, TX
Investment consultant,
Prudential Financial
BBA, Stephen F. Austin University



Todd Reed, Vice Chair
Walton, KY
Vice president of operations,
Bottom Line Services Inc.
BS, University of Kentucky; CPA,
Certified Financial Planner



Linda Hull, Chair, Budget & Program Committee
Jacksonville, FL
Retired development officer
BA, Bethany College;
MS, University of Pittsburgh



John May, Chair, Investment Committee
Wilmington, NC
Customer technical services representative,
International Paper Co.
BS, North Carolina State University



Rev. Bob Bock, Chair, Nominating Committee
Canyon Country, CA
Senior pastor, First Christian Church, North Hollywood, CA
BA, DePauw University;
M.Div., Christian Theological Seminary



Ted Waggoner, Chair, Audit Committee
Rochester, IN
Attorney-partner,
Peterson Waggoner and Perkins, LLP;
BS, Indiana State University;
JD, Indiana University



Marvin Anderson
St. Louis, MO
Senior VP, U.S. Trust
BS, Rockhurst Univ.
MBA/MPP, University of Michigan



Marty Askins
Duncan, OK
Owner, Stephens County Abstract Company
BBA, University of Oklahoma



M. Dean Buffington
Boise, ID
Consultant, Buffington Mohr McNeal investment advisory firm
BA, College of Idaho;
JD, Willamette University



Debra Clayton, Secretary
Topeka, KS
President, Clayton Financial Services
BA, Pittsburg State University;
Certified Financial Planner



Rev. Teresa Dulyea-Parker
Bloomington, IL
Regional minister/president, Christian Church in Illinois-Wisconsin
BS, Economics, Western Michigan University;
M.Div., Christian Theological Seminary;
D.Min., Ecumenical Theological Seminary



Gloria Feliciano
Totowa, NJ
Church administrator
AA, National College of Business



Gita Gardner
Atlanta, GA
Architect, Hendessi & Associates
BS, University of Oklahoma



Angela McDonald-Fisher
Westfield, IN
Assistant General Counsel, Cummins Inc.
BA, St. Mary's College;
JD, Indiana University

Theodore Prentis Beasley



Endowing Founder



Rev. Samuel Robles Jr.
Orlando, FL
Pastor of Arise Christian Church
BS, University of Central Florida;
M.Div., Christian Theological Seminary



Rev. Heather Simpson
Uniontown, PA
Minister, Central Christian Church
BS, Hiram College;
M.Div., Lexington Theological Seminary



Josué Torres-Moreno
Bayamón, Puerto Rico
Assistant administrator of the
Christian Church (Disciples of
Christ) in Puerto Rico;
BA and MBA, University of Puerto Rico



Rev. Tanya Tyler
Sterling, IL
Interim minister, First Christian Church
BA, Rockford College;
M.Div., Lexington Theological Seminary



Rev. Joanne VerBurg
Black Mountain, NC
Retired pastor
BA, Ohio State University;
MA, Scarritt College; M.Div., Lexington
Theological Seminary



Sharon Worley
Denver, CO
CPA
Ian D. Gardenswartz & Assoc.;
BA, San Jose State University;
MA, University of Philadelphia



David Yonker
Burlington, IA
Senior minister, First Christian Church
BS, Culver-Stockton College;
M.Div., Lexington Theological Seminary

BEGINNING IN 2018



Jeff King
Fort Worth, TX
President, Fort Worth Region, Northern Trust
BBA, Texas Christian University



Dana Barnes Lee
Roanoke, VA
Retired executive
BS, Virginia State University

EX-OFFICIO MEMBERS



Rev. Gary W. Kidwell
Indianapolis, IN
President
Christian Church Foundation



Rev. Terri Hord Owens
Indianapolis, IN
General minister and president
Christian Church (Disciples of Christ)



Foundation Staff



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Foundation Staff



Ruth Weaver
CPA, MBA
Senior Vice President



Lori Lucas
CPA
Vice President & Controller



Sue Hansen
CPA
Assistant Vice President of
Gift Administration



Joe Hartman
MBA
Assistant Vice President
of Investment Program



Cathie White
CPA
Supervisor of Investment
Services



Jim Cullumber
Vice President of
Communications



Sherry Gou
CPA
Senior Accountant
Investment Services



Christy Stratton
Senior Accountant
Gift Administration



Bobbi Wesner
Accounting Assistant
Gift Administration and
Accounts Payable



Sierra Reslover
Executive Assistant
Treasury Services



Karen Johnson
Executive Assistant
Treasury Services



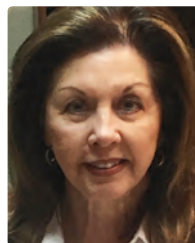
Emma Brown
Accountant
Investment Services



Linda White
Administrative Assistant to
the President



Cathy Beasley
Administrative Assistant



Carolyn Braxton
Administrative Assistant



Balance Sheet

Christian Church Foundation, Inc. Consolidated Statements of Financial Position December 31, 2017 and 2016

| | <u>2017</u> | <u>2016</u> |
|---|-----------------------|-----------------------|
| Assets | | |
| Cash | \$ 590,482 | \$ 502,424 |
| Marketable securities and other investments | 727,353,046 | 651,780,344 |
| Property and equipment – net | 263,589 | 263,138 |
| Contributions receivable | 597,669 | 2,022,710 |
| Other assets | <u>224,236</u> | <u>247,806</u> |
| Total assets | <u>\$ 729,029,022</u> | <u>\$ 654,816,422</u> |
| Liabilities | | |
| Non-endowment funds | | |
| Partner investment accounts | \$ 484,858,064 | \$ 440,511,701 |
| Liability to income beneficiaries under life-income gifts | 16,981,483 | 16,549,929 |
| Liability to charitable beneficiaries under life-income gifts | 7,054,081 | 6,464,925 |
| Other liabilities | <u>773,054</u> | <u>793,126</u> |
| Total non-endowment funds | <u>509,666,682</u> | <u>464,319,681</u> |
| Endowment funds held for the benefit of others | | |
| Managed for the benefit of the charitable entity donor | 13,880,512 | 12,086,852 |
| Restricted purposes for other charitable beneficiaries | <u>9,987,372</u> | <u>9,337,114</u> |
| Total endowment funds held for the benefit of others | <u>23,867,884</u> | <u>21,423,966</u> |
| Total liabilities | <u>533,534,566</u> | <u>485,743,647</u> |
| Net Assets | | |
| Unrestricted | 34,254,034 | 30,458,457 |
| Temporarily restricted | <u>161,240,422</u> | <u>138,614,318</u> |
| Total net assets | <u>195,494,456</u> | <u>169,072,775</u> |
| Total liabilities and net assets | <u>\$ 729,029,022</u> | <u>\$ 654,816,422</u> |

The complete set of audited financial statements can be found by visiting our website,
www.christianchurchfoundation.org or by calling the Foundation at (800) 668-8016.



Christian Church Foundation

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