

Making
a
Difference
2016
Annual Report



Christian Church Foundation

Our 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.

Our 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 2016 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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FROM THE PRESIDENT

HELPING DISCIPLES MAKE A DIFFERENCE has long been the Foundation's tag line. It's a mission that begins with Disciples who have a vision – and ends with ministries that are making a positive impact.

You, friends and ministries we serve, have inspiring stories. For 56 years, you've entrusted those stories and legacies with us. Thank you! In this Annual Report, we're honored to share just a few stories of how you're successfully transforming a lifetime of service into an enduring, joy-filled legacy.

In the pages that follow, we list the names of 1,534 endowment funds, each created as the legacy of an individual or a congregation that had a vision for future ministries. Other Disciples have discovered the benefits of life-income gifts and donor-advised funds that are, or someday will be, supporting a wide variety of Disciples ministries.

Many more individuals have worked directly with their congregations and



other beloved ministries, and entrusted a gift directly with those ministries. Each one of you has a rich history. It's our joy to hear your stories and begin to envision how your witness can continue through a legacy gift that reflects you. This, for all of us, is ministry. Our commitment is to reverently care for each legacy gift entrusted to us.

So, what exactly does that term – reverent care – mean? First and foremost, it means making certain that the gift you are considering is right for you

2016 AT A GLANCE

Total Distributions
from Permanent
Funds & Other Gifts
\$8 million



Distribution Details

General Ministries & Recognized Organizations	\$2.65 million
Regions	\$1.52 million
Congregations	\$1.90 million
Higher Education	\$0.63 million
Disciples Mission Fund	\$1.00 million
Non-Disciples Charities	\$0.30 million

New Permanent Fund Gifts
\$3.97 million

Total New Gifts Under Management
\$4.74 million

Investment Account Deposits
\$25.29 million

Total Assets
\$654.8 million

and your family, as well as the church. It means we will listen to your story, your concerns and your dreams for ministries. We'll then help you discern a legacy that is uniquely yours.

Reverent care means we will exercise the highest level of record-keeping to preserve your thoughts and ideas, so that as ministries change – growing, merging or dying in future generations – our staff can discern how best to continue your legacy.

Finally, reverent care involves active investment management and financial controls. It means stewarding your gifts to ensure their safe-keeping, their growth, and – most importantly – to see that they are being distributed to the ministries that you intended with your gift. Our investment goals balance risk and return to achieve excellent long-term returns, while also investing in a manner that strives to be consistent with our faith and values.

During 2016, we were honored to receive \$4.7 million of new gifts that were entrusted to us for management. We also received \$25.3 million of investments from Disciples ministries who have partnered with us to invest their assets for current and future ministries.

Together – donors, investors, and Foundation staff – we reached a new milestone: \$654.8 million in total assets. Donors enabled us to make charitable distributions of \$8.0 million from the gifts managed by the Foundation. Our investing partners, with investments of more than \$440 million, distributed millions



Total Assets: Historical Highlights

1962 - After the Foundation's 1st Year
\$1,585

1973 - Foundation hits \$1 million
\$1,024,838

1996 - Foundation tops \$100 million
\$112,588,869

2012 - Foundation reaches \$500 million
\$501,690,318

2016 - Foundation sets record
\$654,816,422

more in support of their varied ministries.

What a blessing it is to witness the ways that your life stories are being translated into active, vital ministries. Thanks be to God! You are Making a Difference!

Gary W. Kidwell
President

INVESTMENTS

Joint Investment Trust

Period ending December 31, 2016					
Fund	1 YR	3 YR	5 YR	10 YR	Since Inception
Beasley Growth	8.9%	3.6%	8.8%	4.2%	8.7% Dec. 1985
Common Balanced	10.0%	2.4%	6.5%	3.9%	7.4% Dec. 1985
Campbell Multi-Strategy	8.9%	1.5%	6.8%	NA	2.7% Feb. 2008
Brown Income	8.9%	0.5%	3.0%	3.3%	5.7% Dec. 1989

Partner Investors include



32 General Ministries & recognized organizations

644 Congregations

67 Regions/Areas & affiliated ministries

12 Higher Education

MORE THAN 750 DISCIPLES ministries, with a combined investment of almost \$600 million, have entrusted their long-term investments to the Foundation's management.

With the partnership of Disciples investors of all sizes, we make it possible for investing ministries to outsource the tedious responsibilities of investing, while also driving down their transactional and management costs.

The combined investing power of the Joint Investment Trust (JIT) produced excellent returns in 2016, with all four of the JIT's investment funds earning returns that, net of the maximum costs and fees, handily beat their Policy Indexes. (Policy Indexes represent the returns that a given investment mix would earn if there were no trading costs or fees.)

Our combined investment power also allowed the Foundation, as Trustee of the JIT, to reduce our base-level costs in 2016 by 21% - and every dollar of that reduction went back to the participants in the JIT as higher returns. The net result was that Disciples ministries, working as one, increased the dollars available for ministry for each of the JIT's participant ministries.

We understand that ministries want their investment dollars to support their faith values. As one of 300 member organizations in the Interfaith Center on Corporate Responsibility (ICCR), the JIT adds the voices of Disciples investors with those of other shareholder advocates who view the management of their investments as a catalyst for social change. ICCR members, with combined assets of over \$200 billion, engage hundreds of corporations

Fund Descriptions

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.

annually in an effort to foster greater corporate accountability on questions such as the stewardship of water resources, human trafficking and slavery, climate change and sustainable food production. Together, with other faith-based investors, we are making a difference in corporate boardrooms!

Good returns, lower costs, and shareholder advocacy are just a few of the ways that we partner with JIT investors. The Foundation also is committed to walking with your ministry as you encourage more endowment gifts and fulfill your legal obligations for gifts already received. Whether you are just beginning to encourage endowment gifts, or have a large number of previous gifts, every dollar entrusted to your stewardship is sacred. Every dollar should be invested to make a difference.



“We are saddened anytime a church closes. The leaders of Red Bridge Christian Church near Kansas City created a legacy plan for their congregation that will ensure ministry continues. Earnings from their Legacy Fund at the Foundation will support young ministers through the Bethany Fellows program and retirees through the Fellowship of John at Foxwood Springs. Red Bridge’s witness continues, and we give thanks to God.”

- Rev. Shanna Steitz
Community Christian Church
Kansas City, MO
and Board member
of Bethany Fellows

2016 BOARD OF DIRECTORS



Rodney Witte, Chair
Denver, CO
BS, Colorado State University; Bank Management, Pacific Coast Banking School



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



Todd Reed, Chair, Investment Committee
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, Board Secretary
Wilmington, NC
Customer technical services representative, International Paper Co.
BS, North Carolina State University



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



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



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



Rev. Joan Bell-Haynes
Herndon, VA
Pastor, United Christian Parish of Reston, VA
BS, Albany State College;
M.Div., University of Chicago Divinity School



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



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



Debra Clayton
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
Carmel, IN
Assistant General Counsel Cummins Inc.
BA, St. Mary's College;
JD, Indiana University

Theodore Prentis Beasley
Endowing Founder
1900-1984



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



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



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 2017



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



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

EX-OFFICIO MEMBERS



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



Rev. Sharon Watkins
Indianapolis, IN
General minister and
president
Christian Church
(Disciples of Christ)



“Endowment funds help sustain the ongoing ministry of Week of Compassion, including our witness in places like Serbia and the Republic of Georgia. I give thanks to those individuals and congregations that include Week of Compassion in their legacy giving plans. The income stream in 2016 alone provided \$341,000 that supported a Disciples presence in response to disasters and sustainable development.”

- Vy Nguyen
Executive Director
Week of Compassion

FOUNDATION STAFF



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 Senior Vice
 President



Lori Lucas
 CPA
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 & Controller



Sue Hansen
 CPA
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 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



Sherri Harper
Senior
Accountant



Sherry Gou, CPA
Senior Accountant
Investment
Services



Christy Stratton
Senior Accountant
Gift Administration



Bobbi Wesner
Accounting Assistant
Gift Administration
and Accounts
Payable



Pat Kuhl
Executive Asst.
Treasury
Services



Karen Johnson
Executive Asst.
Treasury
Services



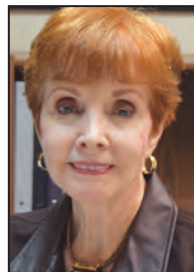
Emma Brown
Accountant
Investment
Services



Linda White
Administrative
Asst. to the
President



Sierra Reslover
Administrative Asst.
for Development



Midge Rach
Administrative Asst.
South Central &
Southwest Zones



“My dad, John R. Compton, was an African-American pioneer within the Christian Church (Disciples of Christ). His legacy lives on through the Black Disciples Endowment Fund, which provides vital resources to encourage and support African-Americans in leadership and ministry. While I miss him terribly, my heart is comforted knowing that his love for the church endures forever and his impact will be felt by future generations.”

- Jackie Compton Bunch
Columbus, OH

BALANCE SHEET

Christian Church Foundation, Inc. Consolidated Statements of Financial Position December 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Assets		
Cash	\$ 502,424	\$ 414,645
Marketable securities and other investments	651,780,344	597,182,289
Property and equipment – net	263,138	309,988
Contributions receivable	2,022,710	1,506,059
Other assets	<u>247,806</u>	<u>248,953</u>
Total assets	<u>\$ 654,816,422</u>	<u>\$ 599,661,934</u>
Liabilities		
Non-endowment funds		
Partner investment accounts	\$ 440,511,701	\$ 398,148,095
Liability to income beneficiaries under life-income gifts	16,549,929	17,034,682
Liability to charitable beneficiaries under life-income gifts	6,464,925	6,079,126
Other liabilities	<u>793,126</u>	<u>793,883</u>
Total non-endowment funds	<u>464,319,681</u>	<u>422,055,786</u>
Endowment funds held for the benefit of others		
Managed for the benefit of the charitable entity donor	12,086,852	13,212,686
Restricted purposes for other charitable beneficiaries	<u>9,337,114</u>	<u>10,125,145</u>
Total endowment funds held for the benefit of others	<u>21,423,966</u>	<u>23,337,831</u>
Total liabilities	<u>485,743,647</u>	<u>445,393,617</u>
Net Assets		
Unrestricted	30,458,457	26,848,617
Temporarily restricted	<u>138,614,318</u>	<u>127,419,700</u>
Total net assets	<u>169,072,775</u>	<u>154,268,317</u>
Total liabilities and net assets	<u>\$ 654,816,422</u>	<u>\$ 599,661,934</u>

The complete set of 2016 audited financial statements can be found by visiting our website, www.christianchurchfoundation.org, or by calling the Foundation at (800) 668-8016.

PERMANENT FUNDS

A NEW GENERATION OF donors is generously supporting the varied ministries of the church with their gifts. These gifts, along with well over a thousand donors who have given in the past, are making a difference in congregations, regions, and other church-related ministries and institutions. Gifts made through Permanent Funds and Steward's Donor-Advised Funds distributed \$7.5 million to ministry in 2016.

Generous donors found ways to reflect their hopes and dreams through permanent funds that not only keep alive their names, but also their ability to support the ministries dear to them. Each one of these named permanent funds is unique, just like the individuals who have made these gifts possible.

Like individuals, congregations may wish to create legacy funds. Congregations, especially those prayerfully considering difficult questions surrounding closing or transition-

ing their ministries, can find joy in creating a permanent fund that will both honor the congregation's history and also continue to keep its memory alive with annual gifts to the ministries that are most important to them.

The Steward's Donor-Advised Fund is another option for giving through the Foundation. Funds can be established with a gift of cash or readily marketable stock worth \$10,000 or more, and then added to with gifts of any amount. Donors contributed almost \$400,000 to Steward's Donor-Advised Funds in 2016.

At the end of 2016, the Foundation owned or served as trustee for \$171.3 million in endowment funds and Steward's Donor-Advised Funds. The following pages list those funds, along with the names of donors who contributed gifts to them during 2016. If there is an error or omission, please contact us.

Making a Difference

Donors choose the beneficiary(ies) of their permanent funds and other donor-directed gifts. Distributions in 2016 benefitted the following:

\$2,291,611 General Ministries & recognized organizations

\$1,837,800 Local Congregations

\$1,508,656 Regions

\$994,557 Disciples Mission Fund

\$608,481 Higher Education

\$290,047 Non-Disciples Charities





CHRISTIAN CHURCH FOUNDATION

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