

*Dear Friends,*

As we move ahead into 2017, many of us are reminded daily of the differences among individuals and groups. We hear stories about people's lives and perspectives that are outside our experiences.

At Everence, we respect those differences. At the same time, we embrace the common values that bring us together to invest resources in the future that we'll all share.



#### **Recasting our partnership with congregations**

Our traditional church communities are experiencing change in both structures and relationships. Our faith community – attenders, congregations and church networks – are on the move in new directions.

While this movement may reveal differences within our community, we all have a mutual interest in continuing to serve God's mission in this world. In 2016, Everence devoted time and resources to re-think how we work with congregations, considering new paths in stewardship ministry.

In 2017, we are listening to pastors about their needs. We're also reaching out to urban and intercultural churches to better understand their perspectives and stewardship vision. The goal is to recast our approach to working with your congregations and move in a meaningful direction.

In partnerships with two denominations, we launched the Pastoral Financial Assistance Program in 2016 to support pastors in their own financial journeys. Now, a year later, that program has been amazingly successful, and we hope its results will be lasting for those of you who could participate.

#### **Reinventing online interaction**

Phones and computers are ever-present today. Many of us are connected all day to the internet to work, shop, communicate and travel. Managing our money is no different.

Everence is devoting people and resources to reinventing your online experience with us – starting with our website this year. More of our interaction with you is via the internet and that will only grow. Within this Everence initiative, our guiding principle is to focus on your experience. We want you to be comfortable interacting with us online, blending it easily with offline conversations with our advisors and staff.

#### **Putting regulations into perspective**

The regulatory environment is in flux. Government rules touch many corners of our work with you personally or with your organization in managing people and financial resources. In the midst of changing government oversight, our promise is to continue to concentrate on how we can best serve you under current laws and regulations. This same commitment has driven all Everence activities over the course of time.

#### **What's ahead?**

As we see significant shifts in our society – at home, work and church – Everence is ready to help you address your changing needs in the future, wherever and however it makes sense to come together.

We are ready to work with you and understand how you want to be intentional about being a good steward of your finances and to be generous with others. We will pursue your best interest in helping you plan for the future.

We're eternally grateful to partner with you in making important financial decisions that deeply affect your families, organizations and churches. We look forward to our shared tomorrow.

Sincerely,

A handwritten signature in black ink that reads "Kenneth D. Hochstetler". The signature is fluid and cursive, with a large, sweeping flourish at the end.

**Kenneth D. Hochstetler**

President and Chief Executive Officer

# 2016 annual report highlights

Certain 2015 amounts have been reclassified to conform to the 2016 presentation.

The financial information presented is unaudited and does not comply with Generally Accepted Accounting Principles. This information is presented on a combined basis for all Everence entities and should not be relied upon in determining the financial strength or condition of any specific Everence entity. Members may request audited financial statements for Mennonite Foundation, Everence Association, Inc., Everence Federal Credit Union and certain other Everence entities included in this consolidated report.

## Financial information

### Balance sheets

	December 31	
	2016	2015
<b>Assets</b>		
Cash and short-term investments	\$ 139,973,967	\$ 159,956,002
Bonds	760,077,638	689,327,308
Stocks	1,762,902,550	1,588,717,459
Mortgage loans and notes receivable	179,465,942	176,703,920
Real estate and real estate mutual funds	22,086,575	24,836,794
Property and equipment	15,222,465	15,534,941
Other investments	57,379,913	57,738,834
Other assets	9,827,517	9,232,322
<b>Total assets</b>	<b>\$2,946,936,567</b>	<b>\$2,722,047,580</b>
<b>Liabilities and unassigned funds</b>		
Reserves for life, annuity and health certificates	\$ 320,949,147	\$ 310,699,009
Claim liabilities	3,812,806	3,777,422
Invested funds managed for others	1,967,844,402	1,791,265,177
Reserves for gift plans	339,317,690	307,872,797
Premiums paid in advance	2,668,456	3,081,145
Other liabilities	171,044,590	170,736,378
Unassigned funds and special reserves	141,299,476	134,615,652
<b>Total liabilities and unassigned funds</b>	<b>\$2,946,936,567</b>	<b>\$2,722,047,580</b>

### Statements of operations

	Years ended December 31	
	2016	2015
<b>Revenues and other additions</b>		
Assessments	\$ 69,112,558	\$ 63,123,025
Invested funds additions	299,055,333	289,738,568
Gift plans additions	67,291,017	97,842,046
Net investment income (including unrealized appreciation/depreciation on investments)	174,213,609	20,250,164
Other income	25,619,895	24,844,970
Contributions	316,664	218,235
<b>Total revenues and other additions</b>	<b>635,609,076</b>	<b>496,017,008</b>
<b>Expenses and other disbursements</b>		
Member benefits	52,888,570	53,227,796
Increase in reserves	10,664,497	4,168,009
Administrative and miscellaneous	50,765,723	47,208,252
Charitable distributions	46,765,047	40,279,580
Constituent distributions and withdrawals	260,063,913	219,242,191
Increase in funds managed for others	177,063,749	80,956,587
Increase in gift plans	31,316,891	42,556,738
<b>Total expenses and other disbursements</b>	<b>629,528,390</b>	<b>487,639,153</b>
<b>Net income before net capital gains and taxes</b>	<b>6,080,686</b>	<b>8,377,855</b>
Net capital gains	53,774	438
Taxes	174,912	141,545
<b>Net income</b>	<b>\$ 5,959,548</b>	<b>\$ 8,236,748</b>

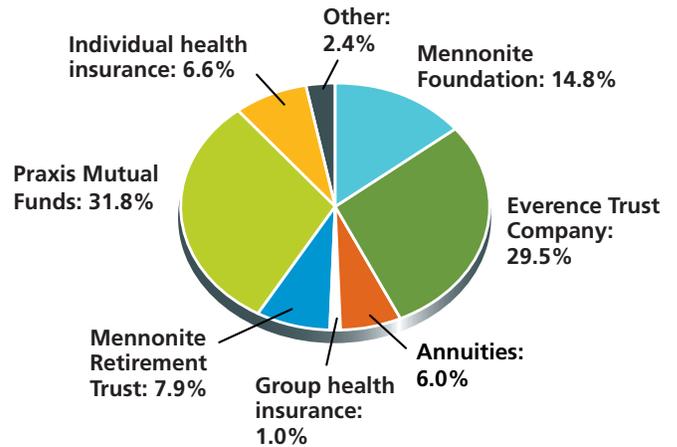
## Total assets\*

(in millions)



\*Includes assets managed on behalf of customers.

## Revenue



## Making a difference

### Charitable gift plans

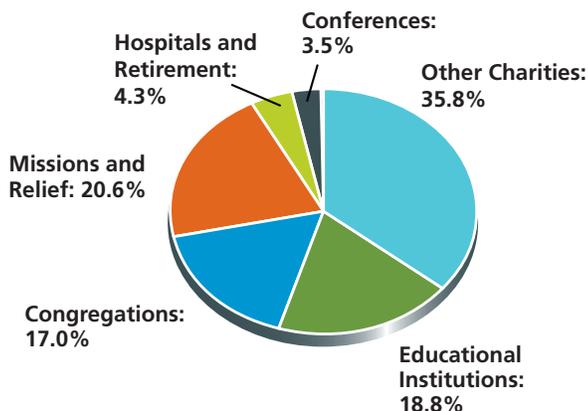
**Contributions** (in millions)



**Distributions to charities** (in millions)



### Distribution by charity type



### Matching grants

	2016	2015
Sharing Fund and Community grants (in millions)	\$ .94	\$ .93
Sharing Fund grants	.90	.89
Chapter grants	.04	.04
Total congregational grant match (in millions)	\$ 1.28	\$ 1.27
Number of households	1,612	1,901
Number of churches	685	720

### Positive investments

	2016	2015
Community development investments (in millions)	\$ 15.3	\$ 11.3
Everence Money Market Accounts (in millions)	\$ 9.3	\$ 10.1
Church mortgages and high-impact loans* (in millions)	\$ 55.3	\$ 58.8
Positive Impact Bonds (in millions)	\$ 120.7	\$ 107.6

### Rebate for Missions

	2016	2015
Charitable tithe of credit card income	\$ 32,764	\$ 33,000

\*High-impact loans assist emerging and socially engaged congregations, help nonprofit organizations make environmentally friendly improvements, and address community development needs in the U.S.