



March 2018

Financial Update: Frequently Asked Questions and Answers

1. Was Giving Tuesday 2017 successful?

YES! It was a huge success again this year. Worldwide Mission Tithes received for Giving Tuesday were \$397,448 (USD).

The Presiding Bishopric is grateful to the contributors who promised to match dollar-for-dollar the first \$190,000 (USD) contributed and the contributors who rose to the challenge and exceeded the \$190,000 (USD) by over \$17,000 (USD).

For those who participated, thank you for your spontaneous generosity! If you missed the event in 2017, plan to participate November 27, 2018.

2. Did we make the \$3.5 million (USD) goal for November and December 2017?

YES! The combined contributions for November and December were about \$4 million (USD), which significantly exceeded the goal. Amazing generosity.

Thank you to all who made this happen!

3. Was there an increase in congregations making contributions in response to President Steve Veazey's "A Time to Act!" challenge?

YES! Sixty-two congregations and mission centers made one-time contributions totaling more than \$694,865 (USD) to Worldwide Mission Tithes in 2017. Thirty-one more congregations and mission centers contributed in 2017 to Worldwide Mission Tithes and pledged to contribute over \$224,700 (USD) in 2018.

Thank you to the participating jurisdictions and their example of collective stewardship and generosity.

4. Did the World Church make the 2017 calendar-year goal for Worldwide Mission Tithes?

Almost. Total contributions to Worldwide Mission Tithes for calendar year 2017 were approaching \$14.9 million (USD). The wonderful generosity in November and December helped us get really close to our mid-year adjusted goal of \$14.9 million (USD).

The World Church was significantly under budget at the end of summer, so getting so close to the goal is wonderful news and shows the capacity we have when we work as a community.

5. What were the net assets of the World Church at the end of fiscal year 2017 as compared to fiscal year 2016?

UNAUDITED NET ASSETS			
(in millions USD)	6/30/17	6/30/16	CHANGE
Unrestricted	\$ (6.1)	\$ (25.9)	\$ 19.8
Temporarily restricted	4.7	3.9	0.8
Permanently restricted	16.3	33.0	(16.7)
Total (Rounded)	\$ 15.0	\$ 11.0	\$ 4.0

6. What were the primary contributors to the \$4 million (USD) World Church net asset increase?

1. Increase in investment real estate’s appraised value
2. Decrease based on re-designation of gift plans and how future pledges are being tracked
3. Increase related to unfunded retirement responsibilities based on actuarial assumption changes and good investment returns
4. Decrease due to the addition of multi-nation retirement responsibility
5. Decrease from non-USA real estate write-down

7. Has progress been made in selling investment property in Harmony?

YES. The parcel known as Area 33 included 474 acres and sold for \$2.4 million (USD). This is the first major sale of the Harmony property, located in Independence, Missouri, since the deal was made with Homes by Whittaker in 2014.

From the Whittaker sale, the church continues to receive proceeds as houses sell in that development. Area 33 was a land sale, and the church’s ownership interest in this area now has been sold.

8. How does the Area 33 sale help the World Church’s investments?

The sale of Area 33 increases the financial assets of the church slightly because the final sale value was 1 percent over appraised value.

The Harmony property is part of the World Church’s investment portfolio. As has been reported previously, most of the World Church’s investments are held in Harmony, including the World Church’s endowments. When the Presiding Bishopric sells the property for the appraised value, the sale does not increase the assets of the church. However, it does convert the assets into marketable securities, which can provide investment income. When the Presiding Bishopric sells property for higher-than-appraised value, the increase grows the World Church’s net assets and endowments.

9. Where do I find the approved fiscal year 2018 Worldwide Mission Budget?

www.CofChrist.org/financial-updates

10. How did the church's generosity at the end of calendar year 2017 influence the Worldwide Mission Budget levels?

The church's generosity made a HUGE difference. The annual budget amount that will be developed and reviewed by the World Church Finance Board in June 2018 will include an assumption of \$14.7 million (USD) for Worldwide Mission Tithes and a total budget of \$16.95 million (USD).

11. Why was the reduction so much less than the originally announced \$5 million?

The baseline budget reviewed by the World Church Finance Board in November 2017 was based on an annual Worldwide Mission Tithes assumption of \$12 million (USD). Because of the generosity of the church, the World Church Finance Board is comfortable with an annual assumption of \$14.7 million for Worldwide Mission Tithes.

This demonstration of the church's generosity cut the reduction from \$5 million (USD), as originally announced as a possibility by President Veazey in September 2017, to just under \$2 million (USD). Thank you for your outpouring of financial support for the church's worldwide mission.

12. How was the goal set for \$115 million (USD) to support the retirement responsibility as announced by President Veazey in "A Time to Act!" in September 2017?

The goal was estimated based on three factors:

1. Unfunded retirement obligation as of June 30, 2016
2. Estimated multi-nation retirement obligation
3. Loan from the Affiliate Investment Pool to support post-retirement benefit payments

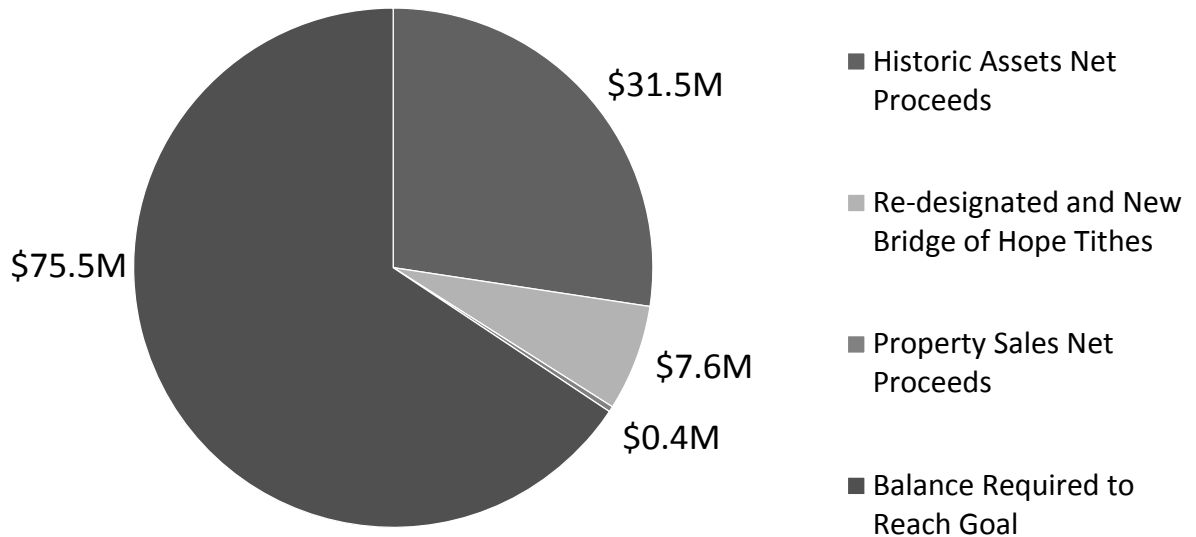
13. What is the Bridge of Hope Project?

The Bridge of Hope Project is the effort to strengthen the financial health of the worldwide church into the future by funding the retirement responsibility and building the Temple, Worldwide Mission, and Canadian Mission endowments. Funds given to this project will be designated as Bridge of Hope Tithes. They will be used first to fund the retirement responsibility and then to strengthen the endowments.

As the Presiding Bishopric is able to generate net proceeds from the sale of historic assets and non-investment properties that are not essential for church mission, more Bridge of Hope Tithes will flow into the endowments.

Contributions to specific purposes within the Bridge of Hope Project will be honored.

14. What progress has been made toward the \$115 million (USD) goal?



15. How are funds being raised for the Bridge of Hope Project?

The Presiding Bishopric is pursuing four sources of funding:

1. Contributions and pledges from individuals, families, and jurisdictions
2. Net proceeds from property sales around the world
3. Proceeds from the sale of historic assets
4. Support from the annual Worldwide Mission Budget

16. How much has been received and pledged to Bridge of Hope Tithes?

Total contributions received and pledged for the future as well as net proceeds received from property sales as of January 31, 2018:

- \$40.7 million (USD) and \$1.8 million (CAD) to Bridge of Hope Tithes—Use Where Needed
- \$5.8 million (USD) from Worldwide Mission Budget
- \$4.3 million (CAD) to Canadian Mission Endowment
- \$2.5 million (CAD) to Canadian Worldwide Communications Endowment
- \$0.3 million (USD) to Temple Endowment
- \$11.9 million (USD) to Worldwide Mission Endowment

17. What other historic assets might be sold?

The Presiding Bishopric is continuing to explore several potential sales of historic assets as well as non-investment properties that are less essential for church mission. The specifics related to additional historic asset sales cannot be shared at this point. Details need to remain confidential to avoid adversely affecting potential negotiations. Information will be shared with the church when it is appropriate without impacting the process. Assets will be sold only if a satisfactory price can be negotiated.

18. If the church fully funds the retirement responsibility, will this take care of this financial challenge forever?

The retirement responsibility is a calculation that *estimates* how much would need to be invested today to fulfill all benefits due in the future for about 1,000 people. The Presiding Bishopric is using best industry standards on determining this amount. If the church is able to fully fund the retirement obligations now, at some point it is possible additional funding would be required based on interest rates, life expectancies, and other variables that only can be estimated.

19. What is the goal for the Bridge of Hope Tithes?

\$25 million (CAD) and \$150 million (USD)

Bridge of Hope Tithes will be added to the net proceeds from the sale of assets to fund the retirement responsibility first. Once this need is met, the balance of Bridge of Hope Tithes plus all future Bridge of Hope Tithes will be used to grow the endowments so they can support mission into the future.

20. How does the \$115 million (USD) goal for the retirement responsibility relate to the Bridge of Hope Tithes goal?

The \$115 million (USD) goal is a subset of the Bridge of Hope Tithes goal. The plan is to raise about \$104 million (USD) in the USA, about \$10 million (USD) or \$13.3 million (CAD) in Canada, and about \$1 million (USD) in other nations.

Once the \$115 million (USD) goal is met, the remaining contributions to Bridge of Hope Tithes will go into the endowments. If the Bridge of Hope goal of \$25 million (CAD) and \$150 million (USD) is met, the Canadian Mission Endowment will receive \$25 million (CAD), and the Worldwide Mission Endowment will receive \$35 million (USD).

21. Should I give to Worldwide Mission Tithes or to Bridge of Hope Tithes?

Contributions to Local and Worldwide Mission Tithes are the heart of generous support of the church and should be the priority. Regular contributions to Worldwide Mission Tithes by individuals, congregations, and jurisdictions provide financial strength and stability, allowing vital ministries and services to be maintained.

We sometimes are blessed with financial gifts that exceed our needs or expectations. Such times may offer an opportunity to consider a gift to Bridge of Hope Tithes. As the retirement responsibility is funded and endowments begin to grow, income will flow to the budget to support and sustain ministries in the future.

22. How can I give to Bridge of Hope Tithes?

You can give to Bridge of Hope Tithes in the USA through eTithing, by writing Bridge of Hope Tithes on your envelope, or by sending a check to the Presiding Bishopric payable to Community of Christ with a note designating the purpose. In eTithing, you'll find Bridge of Hope Tithes in the section for World Church.

In other countries, you can send a check to field bishops or check with them on what electronic giving methods are available. In the USA and several other countries, you can put a check in your congregational offering and write in Bridge of Hope Tithes on the worldwide side.

23. What is happening with the new mission funding model that President Veazey mentioned in "A Time to Act!" in September 2017?

There will be a church-wide conversation about funding mission. By April 5 a webpage on www.CofChrist.org will be dedicated to facilitating this conversation. This will be your chance to learn and be part of how we approach stewardship and, specifically, funding mission into the future. It will be an opportunity for you to be heard, as we capture your comments and suggestions with an online survey. Again, we need your help. Your participation in this conversation is essential if we are to develop a framework that will help cultivate a culture of generosity in the church.

24. What is being developed in response to World Conference Resolution 1314, *Mission and Tithing*, asking "that the First Presidency and Presiding Bishopric provide resources to support priesthood and leaders in developing disciples who understand faithful tithing as part of the six principles of A Disciple's Generous Response"?

Information has been updated on the following webpages:

- www.CofChrist.org/disciples-generous-response
- www.CofChrist.org/ways-to-fund-mission
- www.CofChrist.org/investments
- www.CofChrist.org/endowments
- www.CofChrist.org/oblation
- www.CofChrist.org/legacy-giving

Also, two new tracts are available at Herald House on *Tithing* and *Whole-life Stewardship*:

- www.HeraldHouse.org/collections/brochures

The Presiding Bishopric also is excited to announce that a replacement booklet for *Becoming a Generous Disciple* will be available before the 2019 World Conference. Watch for announcements about *In Search of Whole-life Stewardship*.

25. Is the difficult financial journey of the World Church finally done?

No. Together we have made excellent progress. The good news described in the March 2018 financial update indicates how “The Way Forward Plan” is working. The church’s collective response to meet the financial needs of worldwide mission and the Bridge of Hope Project is making a difference. World Church leaders have had to make tough decisions, but the improvement in the World Church’s net assets as of June 30, 2017, shows the wisdom of those decisions.