



Community of Christ

CHRIST'S MISSION, OUR MISSION

Financial Update

December 2019

IN THIS UPDATE...

1. **New Board and New Budget**
2. **Fiscal Year 2019**
3. **Calendar Year 2019b**
4. **Bridge of Hope—Retirement Responsibility and Endowments**
5. **Worldwide Mission Tithes**
6. **Church-wide Capital Pause Continues**
7. **Minimum Balances**
8. **2019 World Conference**
9. **The Way Forward—Persist in Hope**

THE UPDATE...

1. **New Board and New Budget**

The 2019 World Conference passed World Conference Resolution 1315, which provided a 55-member World Church Finance Board, as follows:

- Four (4) bishops elected to six-year terms by the Order of Bishops at World Conference to represent the order. Elected members can be Community of Christ employees.
- Thirty (30) members elected to six-year terms by the World Conference to represent the church at-large. Elected members cannot be Community of Christ employees.

- Twenty-one (21) members of the World Church Leadership Council—the First Presidency, Council of Twelve Apostles, senior president of seventy, president of the High Priests Quorum, presiding evangelist, and the Presiding Bishopric.

The newly constituted board, including new members elected at World Conference, met 7 and 8 December 2019 to review and approve the 2020 Worldwide Mission Budget, which can be found at www.CofChrist.org/resources?tags=budget|Audit#/. The World Church will move to a calendar year for its accounting cycle 1 January 2020. Additionally, the board received updates on the fiscal year 2019 audit process.

The previous World Church Finance Board met 23 May 2019 and approved income assumptions for 2020 budget planning. Given the downward trends in Worldwide Mission Tithes in the first half of 2019, the decision was made to develop the 2020 budget with a reduced-income assumption.

The 2020 approved budget is based on a Worldwide Mission Tithing goal of \$12 million (USD). While the 2020 Worldwide Mission Budget supports a similar level of ministries and services to the church as in 2019, it provides significantly less support to Bridge of Hope at its approved level. Here is a comparison:

	FY 2019 Actual (million USD)	CY 2020 Budget (million USD)
Total Worldwide Mission Budget	16.3	14.8
Worldwide Mission Tithes Goal	13.5	12.0
Budget Contribution to Bridge of Hope	2.9	0.5

Leaders are grateful the current level of ministries and services can be maintained for the coming year based on the church meeting a Worldwide Mission Tithes goal of \$12 million.

2. Fiscal Year 2019

Fiscal year 2019 ended 30 June 2019. Since then, the Fiscal Services Team has worked with jurisdictions around the world to complete year-end tasks for the annual independent financial audit.

The unaudited totals for fiscal year 2019:

Fiscal Year 2019 Worldwide Mission Budget	BUDGET (million USD)	ACTUALS (million USD)
Total Worldwide Mission Budget	17.2	16.3
Worldwide Mission Tithes Goal	14.7	13.5

The World Church Finance Board Audit Review Team met with the church's independent auditor, RSM, in August as the fiscal year 2019 audit process began. Information about RSM can be found at <https://rsmus.com/>. Field work with RSM and the Fiscal Services Team occurred in October.

This year's audit report will be similar to the fiscal year 2018 audit report found at www.CofChrist.org/common/cms/resources/Documents/FY18-CofC-Audit-Report.pdf. Beginning with the 2018 audit, the Bank of Kansas City (the church's bank), RSM, and the World Church Finance Board approved a contractual basis of accounting for the World Church. This permitted development of an audit report that complies with generally accepted accounting principles (GAAP) in all material respects except consolidation with Graceland University. We received positive feedback about the new audit report layout for fiscal year 2018. Readers said it made it easier to understand the church's financial health. The fiscal year 2019 audit report will include a comparison to fiscal year 2018, since both reports are in the same format.

The World Church Finance Board continues to explore producing the audit report in languages other than English. Unfortunately, due to cost, the board chose not to have the Presiding Bishopric contract with RSM to produce the fiscal year 2019 audit report in French and Spanish.

3. Calendar Year 2019b

To transition to a calendar year for the World Church's accounting cycle, the World Church is operating on a six-month period that started 1 July 2019 and will end 31 December 2019. The Presiding Bishopric is calling this accounting cycle calendar year 2019b. The biggest concern about this period is that Worldwide Mission Tithes are significantly below budget. Budget managers are limiting expenses to those needed to maintain core ministries and services.

4. Bridge of Hope—Retirement Responsibility and Endowments

Funding the retirement responsibility is the first of two priorities for Bridge of Hope. As of 30 June 2019, the church has raised \$65.3 million (USD)—or 54 percent—toward the \$120 million (USD) goal. The five sources contributing to this progress:

1. \$13.3 million (USD) Bridge of Hope Tithes
2. \$2.7 million (USD) net proceeds from program-property sales
3. \$13.6 million (USD) Worldwide Mission Budget support
4. \$4.2 million (USD) transfer of World Conference-designated General Operating Endowment funds
5. \$31.5 million (USD) historic-asset sales

General Operating Endowment Update

The 2019 World Conference approved moving the World Conference-designated funds from the General Operating Endowment to the Bridge of Hope—Retirement Responsibility. As seen above, \$4.2 million (USD) was transferred 30 April 2019.

The World Conference also supported the Presiding Bishopric’s plan to take legal steps to 1) terminate the Fund and 2) move all donor-designated assets to the Bridge of Hope. The donor-designated assets are about \$4.1 million (USD) as of 30 June 2019. Since World Conference, the Presiding Bishopric has worked with the Office of General Counsel to evaluate the best method to terminate the Fund and move the donor-designated assets. This analysis has been completed. Because the steps can be implemented quickly, the Presiding Bishopric has elected to wait until January 2024 to determine what portion, if any, of the General Operating Endowment is required to meet the retirement responsibility before taking action.

Historic-asset update

The only historic asset sale as of 30 June 2019 is the Printer’s Manuscript of the Book of Mormon sold in September 2017. The Presiding Bishopric continues to evaluate potential historic-asset sales. As announced at World Conference, World Church leaders are prayerfully considering all assets of the church to determine the best way to align them with financial and missional needs as we move into the future.

Between now and January 2024

The church still needs to raise \$54.7 million (USD) by January 2024 to meet the retirement-responsibility goal. World Church leaders are grateful for the generous response of the church to this need. It demonstrates our commitment to each other and our willingness to uphold the commitment the church made to those who sacrificially supported the church’s mission.

Learn more about Bridge of Hope—Retirement Responsibility

Biannual updates on progress for the retirement-responsibility goal can be found at www.CofChrist.org/contributions-update. You also can watch the Presiding Bishopric's full presentation on the Bridge of Hope from the 2019 World Conference at www.CofChrist.org/resources?tags=Financial-Update-April-2019#/2222/2019-world-conference-presiding-bishopric-report:-bridge-of-hope or the summary report at www.CofChrist.org/resources?tags=Financial-Update-April-2019#/2224/2019-world-conference-presiding-bishopric-report:-bridge-of-hope---summary.

Bridge of Hope—Growing Endowments

The second Bridge of Hope priority is to continue to grow the endowments. As a reminder, the original goal of Bridge of Hope was to meet the retirement responsibility first and then provide at least \$35 million (USD) to the USA-held endowments and \$25 million (CAD) to the Canadian Mission Endowment. The priority to grow the endowments becomes increasingly important with the continued decline in Worldwide Mission Tithes. The Temple Endowment increased by about \$3 million (USD) in fiscal year 2019. The Worldwide Mission Endowment increased by about \$90,000 (USD) in this same period.

5. Worldwide Mission Tithes

As of 31 October 2019, Worldwide Mission Tithes were about \$9.7 million which is 15 percent below the calendar year 2019 goal of \$14.7 million (USD).

Giving Tuesday was 3 December this year. We had \$250,000 (USD) in matching funds. The church took advantage of those funds by giving \$325,000 (USD) for a total of \$575,000 (USD) contributed to Worldwide Mission Tithes. We are grateful for the generosity.

As this report is released, time remains to extend your generous response to Worldwide Mission Tithes. You can help close the 2019 budget gap by making your first or an extra monthly or weekly contribution prior to 31 December. If you are 70.5 years or older and living in the USA, you can make a charitable IRA rollover gift. Read more at www.CofChrist.org/common/cms/resources/Documents/2016-IRA-Brochure.pdf.

Monthly updates on Worldwide Mission Tithes can be found at www.CofChrist.org/contributions-update.

The Presiding Bishopric provided a detailed report about long-term Worldwide Mission Tithes trends to the 2019 World Conference. You can watch this presentation at www.CofChrist.org/resources?tags=Financial-Update-April-2019#/2215/2019-world-

[conference-presiding-bishopric-report:-financial-reports-and-tithing](#). Important factors from this report:

1. Community of Christ contributors to Mission Tithes are very generous.
2. Regardless, contributions to Mission Tithes have been declining for more than 25 years.
3. The decline is based on the loss of contributors.
 - In 2014, about 9,100 USA households supported Worldwide Mission Tithes, and 12,800 supported Local Mission Tithes.
 - In 2018, that number dropped to 7,600 USA households supporting Worldwide Mission Tithes and 10,700 supporting Local Mission Tithes.
4. Almost 80 percent of Worldwide Mission Tithes are given by those 60 and older.
5. It takes over 10 years for a new contributor to Mission Tithes to become a consistent and sustaining giver.

As World Church leaders evaluate the trends, it is clear we must identify and pursue innovative ways to fund the current and future mission of the church. We hope those generously supporting Local and Worldwide Mission Tithes will continue to provide this support and grow their response as their capacity allows. At the same time, the church must explore ways to encourage generous response from those who have not connected with current methods of sharing Mission Tithes.

It is important to help others grow in discipleship in different ways that also financially support local and worldwide mission. As we live our chief purpose to birth, nurture, and multiply communities of disciples and seekers engaged in spiritual formation and compassionate ministry and action, we also must discover new ways to financially support these activities. To this end, World Church leaders are bringing together a team to explore ideas and possibilities with those under the age of 60.

6. Church-wide Capital Pause Continues

As a reminder, the worldwide church requires World Church approval before proceeding with any capital project over \$5,000 (USD). This process applies to all fields and was announced by President Stephen M. Veazey in his “A Time to Act!” address in September 2017.

The document describing the process and how to request an exception is at www.CofChrist.org/common/cms/resources/Documents/legal/Capital-Projects-Pause-Process.pdf.

As explained previously, the capital-pause process is not short term. It will take several years to have necessary missional and fiscal conversations throughout the church about the best way to use assets. As promised, an annual review of the pause was accomplished at the September 2019 World Church Leadership Council meetings. The decision was made to continue the capital pause another year.

If your congregation or mission center has capital work that you feel needs to be done, please work with your mission center officers, field support ministers in the USA, field bishop, or field apostle to work through the process.

7. Minimum Balances

As announced at the 2019 World Conference, the Presiding Bishopric implemented a minimum-balance process on all jurisdictional investment accounts as of 1 April 2019. If you are unfamiliar with this process, please watch the summary video at www.CofChrist.org/resources?taqs=Financial-Update-April-2019#/2226/2019-world-conference-presiding-bishopric-report:-bridge-of-hope---minimum-balance-explanation.

Minimum-balance amounts on USA investment accounts in the Affiliate Investment Pool were communicated via email to all account stewards in October 2019. If you are an account steward and did not receive this information, please contact your field support minister.

Since implementing minimum balances, the Presiding Bishopric has worked closely with the Council of Twelve Apostles and other field leaders to evaluate various situations to minimize negative missional impact. As the church continues to progress toward the \$120 million (USD) Bridge of Hope—Retirement Responsibility goal, the Presiding Bishopric will be able to lower the total minimum balance. The next review will be in April 2020 with updates communicated in May 2020.

8. 2019 World Conference

Members and friends from around the world gathered for the 2019 World Conference: “Discover.” All the Presiding Bishopric’s presentations to the Conference can be found at www.CofChrist.org/resources?taqs=Financial-Update-April-2019#/. The generosity of the body was manifested as people shared:

- Time to be together and experience our global community.
- Talent expressed through worship, classes, discussions, and other fellowship.

- Treasure in support of the World Conference budget, which resulted in a surplus of more than \$180,000 (USD) being held as contingency for potential Worldwide Mission Tithes shortfalls and capital needs.
- Testimony through the vibrant telling and interweaving of our individual stories with the church's unfolding story.

9. The Way Forward—Persist in Hope

President Veazey shared words of counsel at the end of his closing sermon at the 2019 World Conference. We close this update with the following excerpt from this counsel:

...Financial constraints are hindering the church from moving into the future at a pivotal and opportune time in history. These obstacles can be overcome through generosity, cooperation, and discernment about how the assets of the church can be directed to serve budget necessities and mission priorities.

Members, congregations, and church jurisdictions are called to live the stewardship principles and practices already given to you...

Trust what is being born. Have faith in divine purposes. Persist in Hope.

World Church leaders are grateful for the church's commitment to overcome the obstacles before us. As together we continue to discern where the Spirit is leading, here are some ways we can respond faithfully in the spirit of generosity:

1. Prayerfully ponder your support of local and worldwide mission. How might you adjust investments in your time, talent, testimony, and treasure?
2. If you reside in the USA, transition to eTithing. Why? This saves your congregational financial officer data-entry work. More importantly, it ensures your support of Local and Worldwide Mission Tithes will continue even when you are away from your congregation.
3. Form a group to study *Choosing Generosity*. Are you open to what happens when you immerse yourself in God's generosity and respond with your whole life? The text, available through [Herald House](#), includes discussion questions for individual and group reflection. It's a great Sunday-school resource for older youth and adults.
4. Engage in the Generosity Cycle as a congregation. Did you miss the four-week opportunity to explore whole-life stewardship from October 27–November 17? It's not too late. You can find suggestions for moving through the four phases at www.CofChrist.org/generosity-cycle.

5. Consider individually and congregationally making a special year-end gift to Worldwide Mission Tithes.

As together we continue to explore important questions about what matters most for the way forward, may we be blessed in knowing God's purposes will prevail.

Watch for the next Financial Update Report in May 2020.