Stassi Cramm: So we will be working out of your financials booklet. This is the one that President Veazey showed you yesterday when he assigned your homework. You might wonder why we have these chairs sitting here. These chairs come out of my dining room. And Steve picked them up and transported them here. As Michele, and Steve, and I, talked about how we wanted to share financial information with you today, what we really wanted to be able to do was invite you over to my dining room table to have coffee and cake, or lemonade and fruit and to simply have the opportunity to chat with you about what is going on with church finances. As people whose primary language is numbers, which wasn’t an option, we know that describing numerical circumstances can sometimes be very difficult to understand. So we are going to do our very best to provide you an overview of what is in the financial report and as President Veazey said, we will then provide opportunity, probably after lunch, we want to make sure you are fed, to allow you to ask questions and to provide answers.

As the incoming Presiding Bishopric, we had the opportunity to work with Bishop Steve Jones to prepare D-1 Presiding Bishopric report. You will see that the report is in two parts and that is because of the change in leadership that took place on 1 March. We also asked various people around the church about what would be most helpful to highlight for the conference during this oral presentation. We are grateful to Bishop Jones for his contribution to the written report. We also thank those who have been asking questions making recommendations, and providing feedback about needed information. That has made a difference in how we have prepared this report. So let me summarize our plan. First, we are going to provide some highlights about our current financial circumstances. Second, we are going to provide some good news stories about why we are hopeful for the future as the church grows in the spirit of generosity. And then, like we’ve already mentioned, we are going to allow time for the conference to ask clarifying questions. We want to make sure that you receive all of the information that you need to understand our circumstances and to have confidence in how we are moving forward. Michele, Steve, and I, are going to do most of the presentation, but we also have invited several other ministry, ministers, of generosity to share with us. Before we jump into the financial details, we want to tell you a story that Bishop John Chatburn wrote to describe our financial circumstances. We hope it will provide a better understanding of our finances that we can build on with a summary of the details in the Presiding Bishopric Report.

Steven Graffeo: So the church finances its mission in two ways. Papayas and Coconuts- all free range, fair trade, cage free, gluten free, no genetically modified organisms. Members individually and collectively give papayas from their generosity and commitment to the mission of the church.

Michele McGrath: The church has a palm plantation that produces coconuts. It was formed giving gifts from church members who have gone before us as well as investments the church has made. The plantation has old trees that produce a lot of coconuts and trees that are not currently producing any coconuts. Since the year 2008, the church has had to harvest more coconuts from the plantation than
was healthy for the trees. The church needed more coconuts during this time because we didn’t want to slow down our pursuit of mission, but because of climate change and other causes. The trees were not producing as many coconuts as the church was harvesting.

**Stassi Cramm:** To protect the plantation and the long term health of the church, in February 2016, leadership decided to stop harvesting coconuts for a while. Leadership determined that it was important to allow the trees to recover and for the younger trees to start producing coconuts. This means, the church now will run mostly on papayas until the coconut trees, until the coconut trees regain health. It will take a long time for the coconut trees to regain health, but it will happen. Meanwhile, leadership is exploring growing mangos, but until then mission depends on the papayas shared by generous disciples.

**Michele McGrath:** Using the imagery of this story, we want to provide details on the status of the church’s palm plantation or in other words, our assets, including our endowments. So please pull out your financial booklet and turn, in all three languages, to page 13. You’ll see two pie charts that show assets by major category and real estate and equipment. First, I want to point out that the numbers on the pie charts are in thousands of dollars, which is not noted on the charts. Second, I want to explain why the world church had to make such significant budget reductions, even though the assets pie chart shows that we have over 137 million dollars in cash and securities as of June 30th, 2015. If you look in the right hand column just above the second pie chart, you’ll see a table that shows we are holding just under 132 million dollars for affiliates and others. These are the funds we hold for congregations, mission centers, camp grounds, and affiliates, in the affiliate investment pool. These marketable securities are legally part of the World Church’s assets, but are not available for us to use in support of the Worldwide Mission budget. Once you remove the funds held for others, you can see that the majority of the World Church’s assets are in investment real estate.

Now please turn to page 14. This consolidated net assets report is our summary from our most recent audit report for the fiscal years 2015, 2014, and 2013. The term net assets means assets minus liabilities. This is similar to equity or net worth. As you look at the bottom of the report you can see the decrease in net assets from 2013 to 2015. This decline has continued since 2005 for various reasons mainly related to the economy. In recent years, we have spent more income from our endowments than we have earned. This is because our real estate investments were not significantly increasing in value. Also, we have not been able to start development on our largest land holding known as Harmony. As we continue to use income from our endowments based on a spending rate, we had to pull the income for the budget from our marketable securities. This means that over time our investment in real estate has remained mostly constant, but during this same time, our investment in marketable securities got smaller, since we were pulling the income for both kinds of investments just from the marketable securities. Evaluating these trends and understanding the principle level in our endowment funds led to the decision to make the major budget reduction we just completed this spring.

**Steven Graffeo:** If you would now turn to page 15 and 16, let’s take a look at the Worldwide Mission budget for the last 3 years. These pages present the budget in actuals for church operations over the
last 3 years. You can see the budget was balanced each year as the budgeted income equaled the budgeted expenses. You will notice the significant income that was being used from the church’s palm plantation, meaning our endowments reserves and other sources. In February 2016, we determined we no longer could use income from our endowments and reserves because the balances were in investment real estate and the principle levels were very low. We will not be able to use income from our endowments for some time while we allow our endowment balances to grow by liquidating investment real estate and investing back into marketable securities. The good news is that we have managed within our budget we also started to decrease spending in fiscal year 2015 when we recognized that budget cuts were necessary.

Michele McGrath: Now let’s take a look at the balance in our two main endowments. Please turn to pages 17 through 19. We have already discussed our investments and what was happening with them. Remember as we continued to use income from our endowments based on a spending rate we had to pull the income to support the budget from our marketable securities. This means that over time our investment in real estate has remained mostly constant, but during this same time our investment in marketable securities got smaller since we were pulling the income from both investments just for marketable securities. This is why if you look at the bottom of the two reports on pages 18 and 19 you’ll see our net assets in each of these endowments have been declining. Remembering John’s story, this means we were using more coconuts than the plantation could produce. This is why we have stopped planning on income from our endowments. As you review these reports, I want to explain two terms. First, you’ll notice the words “permanently restricted” on pages 17 and 19. These balances come from generous disciples. We manage and oversee them. Other funds designated by the World Conference or the Presiding Bishopric can be moved at the request of the body that made the designation. Together, these are the principle levels that we have referred to in other financial communications. For each fund you’ll also see a line named accumulated earnings. These lines include both investment earnings and losses, as well as any expenses funded from the endowment.

Steven Graffeo: The status of our endowments and limited liquidity of the world church investments led to the need for another significant budget reduction through staff cuts. As we announced the plan for reductions, several in the church asked what it would take to avoid staff reductions. Once the Presiding Bishopric explained what would help, people started to submit tithing plans with one time contributions and ongoing commitments. If you could turn to page 22 you will see the three year budget projection model made possible by the generous response of the church. We will present this model to the June 2016 World Church Finance Board for critical review and approval of the fiscal year 2017 budget. The budget projections presented in resolution D-3 Worldwide Mission Budget Projections, which the conference will consider later, are based on this 3 year budget projection model. I’d like to invite Bishop Kees Compiar to share specifically about how we are gaining momentum with Abolish Poverty and Suffering. Kees has many roles, one of his areas of responsibility is overseeing the oblation program for the Presiding Bishopric.

Kees Compiar: So moving forward, our budgets include all income from Worldwide mission tithes including what has traditionally been known as oblation and what we now refer to as Abolish Poverty and Suffering. We are becoming more intentional about Abolish Poverty and ending suffering
through changes in our approaches. Our aim will be more focused on helping people help themselves. So the fiscal year 2016 budget and the budget in the three year budget. Ok. And the budget and the three year budget projection model includes funds for general aid, disaster relief, and grants, like we have historically been providing. On the screen there is an example of how the church responded to the earthquake in Nepal. We donated tents for those whose homes were damaged or totally destroyed. We delivered critical supplies via motorbike and even carried supplies to remote locations. Everyone in the villages, not just members, shared our donations. People were grateful for the generosity and the timely response of the church, your response. In addition to this type of support fiscal year 2016 and future budgets also include staff positions who work on systematic changes. We’re excited about the focus we have been bringing to this mission initiative, especially since the 2014 Peace Colloquy. At that Peace Colloquy, those who gathered began to explore how to be more effective in working for change that fulfills this mission initiative.

Michele McGrath: Thank you, Kees. Our focus on this mission initiative gives me hope. The response of the church through the grassroots effort described by Steve also gives me hope. The generous response of the church allowed leaders to keep $950,000 of extra staff members and to develop this 3 year plan that includes a 3% increase to keep the fiscal year 2017 staff levels. Although the staff cuts were painful and we lost talented full and part time ministers, the cuts would have been much worse without the generosity of friends and members. We are grateful for the quick and generous response of individuals and congregations.

Stassi Cramm: We know this last year has been very difficult for the church as we have experienced two significant downsizings. We have cut about 120 positions since last summer. This has hurt individuals, families, and the mission of the church. The confusion and discouragement over our financial circumstances has lessened trust in leadership. We apologize for all of these circumstances and commit to apply lessons learned. Many have asked, “What we will we do differently as we move forward?”. We are still learning and still developing our list, but we want to share some of the highlights at this point.

Michele McGrath: Through resolution D4 Worldwide Mission Budgeting and Auditing we are asking the conference to give the authority for the annual audit report and review and acceptance the World Church Finance Board. This will provide the board a broader understanding of the church’s assets and put its members in a better position to approve the annual Worldwide Mission Budget. Also, the audit report is only available in English because it is written by an independent audit firm, we are not authorized to translate it. However, at the finance board, we will have more time to supplement the written report with a verbal explanation in the three languages of the church. We hope the conference will support this resolution. At the same time, we want the whole church to have access to the audit report each year, so we are posting it online. As mentioned in the Presiding Bishopric Report, the fiscal year 2015, 2014, and 2013 audit reports are all available on the church’s website.

Steven Graffeo: We will continue, we will continue to liquidate the investment real estate in an efficient and effective way that maximizes returns. In English and in Spanish, please turn to page 23 and in French, page 25. I want to call your attention to the questions and answers section that begins here. Please look at questions 1 through 4. Over the last 6 months, we have provided information
about our largest investment real estate holding which is called Harmony. Some have asked questions about what Harmony is and why the church is invested in so much land. These questions and answers provide you more detail than we can provide in this session. Our strategy to liquidate investment real estate is a long term strategy and will take years even decades to complete. To help the Presiding Bishopric with these responsibilities, we will develop an advisory committee to council us about our investment portfolio real estate. We also will provide the investment committee, with periodic updates of what is happening with our real estate investments and seek guidance. Previously, the investment committee provided council only on our external investments and marketable securities. Committee members received only limited status updates about our real estate investments.

While we are talking about real estate, I want to share some good news about a contract we signed just last week. We have leased 39 acres to the MC Power companies for 30 years. They are going to build a solar panel farm on our property. This is great news because it helps us support alternative forms of energy as stewards of the earth. It also uses a section of Harmony that was not useable or in planning for other building projects. Additionally, we have signed an agreement so over 50% of the electricity used here in the Temple and Auditorium complexes will be from this solar farm. Again this makes us more green and it will save us utility expenses over the life of the contract.

Stassi Crammy: As we have explained previously, in fiscal year 2017 which will begin on 1 July 2016 we are not planning on significant income from our endowments. The lesson learned is that we will not apply spending rates to endowments and reserves that are invested in non-liquid assets. We will evaluate the balances on all endowments every year and purposefully monitor the principle so as not to intentionally spend it further down.

However, we want the conference to hear that over the coming years the rise and fall in the value of our real estate may cause the principle levels in our endowments to decline further. We will report this status each year to the World Church Finance Board and the investment committee and this information will be made available to the church through the annual audit report available online.

Steven Grafftor: We also want to assure our retirees and the church that we commit to funding our retirement obligations. The Church’s plan for funding these liabilities includes the pension trust which is invested in marketable securities and real estate. The pension trust is a separate legal entity from the church and its assets are not comingled with other church assets. The funding for pension liabilities also includes ongoing support from the church’s annual budget. It is an acceptable business practice to not fully fund the liabilities of a defined benefit plan at a particular time.

Michele McGrath: What is most important is the ability to pay benefits as they come due. The church’s plan shows how it will meet the liabilities over the years as cash is needed. The assets in the pension trust and funding in the annual budget are two primary sources of cash to help fund retirement obligations. Also, liquidation of other assets not included in our investment assets will be pursued to solidify our ability to meet our obligations. If you want additional details about the status of our retirement liabilities, you will find all the details in note 10 in the church’s audit report,
available online or by request. To find out how to access the audit report, please see question 16 in the questions and answers section of your finance book. In English, it is on page 26, and in Spanish and French on page 27.

**Stassi Cramm:** As we address these current matters, we are also looking and planning for the future. As President Steve Veazey announced Sunday night, we are building a bridge of hope that will provide continuing income for mission in years to come. Returning to John’s story, we now are looking to grow those Mangos. We are starting the Worldwide Mission endowment and the Canadian Reserve. As faithful disciples give generously of their surplus and bequests, together we will provide funding for the future. I’d like to invite Dar Shepherdson, the Bishop of Canada, to share about this.

**Dar Shepherdson:** Good morning friends and I bring a heartfelt welcome from all of the Canadians and particularly the Canadian delegation and as I look to the flag we recognize that we have a deep and a long heritage in the restoration church and I love working with those people. So when I am traveling around the mission centers and the congregations in Canada, People will say to me, “Dar, How are you?” and I will often, with some enthusiasm, tell them, “I am living the dream”. Amid our financial struggles that we have been going through, some people will question that as a response particularly from the bishop, but I am realistic about the present challenges that we are now facing. And I have a strong sense of hope that is within us and as I listen to other people’s dreams about the future of the church, and as I witness the people’s generosity and their commitments to tithe and particularly to the two new endowments, you will hear Steve, and Carrie, and Elf, and Doug, and our revitalization ministers and Apostle Smith and myself talk about the new and exciting ministries and expressions of witness that are starting to bubble up within the congregations here in Canada and as elsewhere around the country. As the Spirit touches the lives of our people they are to compel to share what they have to help mission happen. And so for all of these reasons and these exciting things that are beginning to happen, I can tell you without hesitation that I, and you, will be living that dream.

**Stassi Cramm:** Thanks, Dar. Like Dar, I am tremendously hopeful about the future, but for now, papayas or Worldwide Mission Tithes are what is going to fund mission. So we have developed a budget plan based on incoming cash, mostly from worldwide mission tithes. This means that strengthening and growing our contributor base is important. However, more important is sharing our witness and to others, and inviting them to come live Christ’s mission as part of our community. Money follows mission and when people are excited and passionate about the transformation of lives they are experiencing, tithing will flow. And so, the Presiding Bishopric is committed to support our colleagues in the Council of Twelve as the Apostles provide focus on witness, invitation, and finding our true capacity to live mission.

**Steven Graffeo:** You may have noticed that our reports on page 6, if you turn to page 6, about worldwide contributors and contributions are woefully inadequate. In previous years’ reports, we attempted to estimate the number of contributors in various parts of the world, estimating in this manner no longer serves a useful purpose in addressing the church’s financial needs, nor does it honor the faithful commitment of members. Estimating these important numbers is not good enough. We can do better. The information provided in the report does though, present a starting
place. What you see in the report is what we have in the official records of the church. They are not estimates. We know this under reports the number of actual contributors and the number of contributing congregations. Our commitment in the Presiding Bishopric is to implement procedures and systems for both receiving and accurately recording Worldwide Mission Tithes, and it begins with a new assumption. In the past, it was often assumed that our members in less affluent areas of the world lacked sufficient resources to support local ministries, let alone the World wide mission. Clearly this was and is an inaccurate thought.

We have all heard and can continue to hear the testimonies of persons in all circumstances of life giving to support Worldwide Mission. We have learned as a church that capacity to give exists with every, and for every disciple. Past assumptions about lacking capacity to give have been replaced with the principle of generosity. As financial officers of the church, we are responsible for ensuring that every person desiring to support mission has the opportunity to be counted. We will do better. Despite our limitation though, wonderful things are beginning to happen. I’d like to call on Bishops’ Mark Euritt and Catherine Mambwe. Mark is the Bishop of generosity for the multi-nations team and Catherine is the Bishop for Africa. Mark.

Mark Euritt: I want to be counted. I want to help make a difference. I have heard these words regularly over the past several years in my role as multi-nations bishop. People from all circumstances of life want to give to advance the mission of the church. Giving to support mission is a simple task for many of us in affluent nations where we receive envelopes and can designate our offerings. However, it is not so easy a task for the entire church, including more than 15,000 members in India.

To confront the situation, the leadership of east Odisha, Sora community, have put into place designated giving Sundays. Each Sunday is a different area of the church, is designated as the recipient. First Sunday offerings are designated for Worldwide mission tithes. Second Sunday offerings support the East Odisha Mission. Third Sunday offerings support the pallies, the districts, and the fourth Sunday offerings support the congregation. From the Caribbean to Africa, from Asia to the Americas, from the Islands of the Pacific across the globe, Community of Christ members are finding creative ways to give tithes to support worldwide mission. For them, the mission initiatives have become more than words. They have become a critical part of our identity. They give because they want to be counted among those who sacrifice for Community of Christ. They give because they believe they can make a difference.

Catherine Mambwe: Though we are contributing, we urgently needed a system that could track contributions for each mission center in Africa and Tahiti. We now have, we are now using such a tool. It allows us to show congregations how they are responding. It also helps us to measure their progress. On February 28, 2016 all mission centers in Africa, in a special day of giving, made contributions, as you can see in the pictures. In one congregation they used baskets with mission initiatives written on them. Members are excited to be able to contribute like everyone else in, to worldwide mission tithes by giving to the mission initiatives. It brings our members great pleasure when they can see their contributions are received, as I show them pictures of me handling a check to the Presiding Bishopric. Their records are now have been transferred from our recording system to the Shelby system the two used by the World Church. As a leader and financial officer of the church
in Africa, I feel delighted to see that members in my part of the world are beginning to be included in the church’s financial records. I’m also glad they are counted as contributors to local and worldwide mission. Thank you.

**Michele McGrath:** Thank you Mark and Catherine. It is a privilege to be able to serve with such passionate ministers of generosity. As Steve described, we look forward to working with leaders around the world in the next inter-conference period as we improve our ability to track and report generosity all around the church. We are excited about how we can use technology to improve our ability to unleash the true capacity of the church to fund mission locally and globally. I’d like to call on David Nii and Richard Betts to share about new opportunities to use technology in the USA fields. Dave is the USA bishop and Richard is the Minister of Generosity for the USA fields.

**Dave Nii:** As Michele mentioned in the USA we are looking at technology improvements in online giving to help to unleash generosity even more fully than we are presently doing right now. We are excited to be able to launch e-tithing. This new online giving system will be accessible through our World Church mobile app and our website. USA contributors will be able to set up and manage when and how they give through this online system.

One time or reoccurring gifts, bank drafts, debit or credit cards, worldwide or local mission tithes are all options that the individual user will control. And although e-tithing will replace our existing pre-authorized transfer process in the USA, the traditional giving procedure of using offering envelopes will still be continued. Instructions and information on e-tithing will be sent to all the USA financial officers later this month.

**Richard Betts:** I’m thrilled this morning to be able to tell you about an exciting new mission funding experiment, coming soon to the mission fields in the USA. You might have heard of crowdfunding websites such as kickstarter.com, justgive.org, gofundme. I want to introduce you to gofundmission.org, an official Community of Christ crowdfunding website. Again that’s gofundmission.org. Crowdfunding is when a large group of people come together to fund a project, rather than one person contributing a single large amount. Gofundmission.org will allow individuals to give directly to mission projects. Gofundmission.org will be a place where mission projects from congregations, mission centers and the World Church will sit side by side for you to fund. Gofundmission.org you can give any amount, any time, from anywhere and 100% of your donation will go directly to the mission project you choose to support. Mission funding has never been so easy. Gofundmission.org is coming soon, but if you go to gofundmission.org, have I said that enough?

If you go to gofundmission.org you can see a live demo prototype of the website with examples of possible, typical mission projects. On there at the very top is a 2 minute explainer video that we just completed yesterday. It explains crowdfunding and gofundmission better than I can.

Finally gofundmission.org is more than just about money and funding, I want it to be a window for mission, a window where people look into and see all the ways in which Community of Christ is doing mission in the church, a place where we continue to live out the enduring principle of blessings of community. Together we make mission possible. That’s gofundmission.org and it is coming soon.
**Michele McGrath:** Thank you, David and Richard. Even as we carefully manage our finances and work hard to keep the church informed about how we are doing, we recognize our call to help faithful and generous stewards who understand how tithing helps make mission happen. Your generosity makes all the difference. The 2015 generosity report available online demonstrates how worldwide mission tithes make a difference. This report is also available through the world conference 2016 app under documents. This year the report is available only in English, but we look forward to future years when we provide in French and Spanish too. This report contains examples of how the church is living the 5 mission initiatives with the support of Worldwide Mission tithes as one we work and share together. We are making a huge difference in the world. Thank you for your ongoing response to the call to live Christ’s mission building God’s vision of shalom.

**Steven Graffeo:** This week we will be working together to develop sufficient consent around a proposal on mission tithing and priesthood. We are hopeful that the conference will be able to find common ground as we move through the common consent process. This will give us a foundation to build on. As we leave this conference. It also will give us a common understanding for teaching and developing disciples around the world who are committed to living Christ’s mission and understand how their worldwide mission tithes work together as one in funding mission.

**Stassí Cramm:** The Holy Spirit, this evening through the church, can you feel it? Despite financial setbacks, God still calls us to pursue God’s vision of shalom, by living Christ’s mission. It is my testimony that even in the face of difficult decisions the Holy Spirit is blessing us. We are learning lessons and applying them in ways that will improve our decision making processes. We are listening had following the leadings of the Holy Spirit. We hope that the written and oral Presiding Bishopric Report provide you a clearer understanding of the church’s financial state the way forward, and why there is reason to live in hope.

Thank you for your continued generous response. Thank you, for allowing us to serve God by serving you, the Church, as the Presiding Bishopric. We commit to lead the call to faithful stewardship with renewed zeal.