



Community of Christ

CHRIST'S MISSION, OUR MISSION

Financial Update December 2023

1. Giving Tuesday and 2023 Update

Giving Tuesday was amazing thanks to the generosity of members and friends who shared just over \$707,000 including \$315,000 in matching funds. This will help close an approximate \$1 million shortfall in Worldwide Mission Tithes contributions as of 15 November.

While contributions are down by 12% year to date, expenses are also down by approximately the same amount. We are grateful for the good work of budget managers who balance mission support needs with changing financial realities. Although we anticipate a deficit of up to \$500,000 in 2023, budget surpluses from the 2021 and 2022 operating budgets are available to cover this deficit.

In addition, the operating reserves of the church are just under \$8.9 million as of 30 September. These reserves include the World Conference designated reserve and additional contingency and donor-designated reserves. These reserves are available to help us navigate any unexpected income loss that might occur due to world events and changing financial markets.

We are especially mindful of the spirit of generosity that accompanies Advent. We want to express our gratitude in advance for those who so graciously choose to share at the end of the year. Contact presidingbishopric@cofchrist.org if you have questions for the Presiding Bishopric or need assistance.

2. 2024 Worldwide Mission Budget Approved

The World Church Finance Board met on 2 December to consider and approve the 2024 Worldwide Mission Budget. This included discussion of strategies to address declining Worldwide Mission Tithes income addressed in the next section of this report. The approved budget is the last year of a four-year plan developed to provide a level of consistency in mission support services and ministries to the fields of the church. A copy of the budget can be found online at CofChrist.org/financial-updates. After significant discussion, the board approved budgeted income of \$14,032,000 and expenses of \$15,460,000. The projected deficit of \$1,428,000 will be covered by the carry-over surplus from the 2021 and 2022 budget years as part of the four-year budget plan. The multiple-year planning process balances income and expenses so at the end of the plan period the budget is at break-even or a slight surplus.

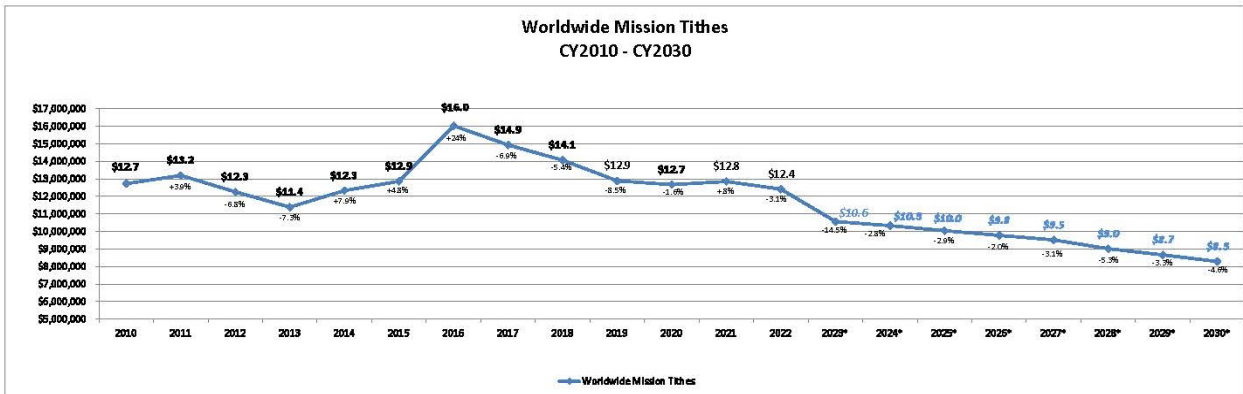
U.S.A. Temple Endowment income of \$435,000 was added to the budget in 2024 in accordance with the church’s spending rate policy on endowments. The spending rate policy can be found at *OurMinistryTools.org* and search “Endowments” in the sitewide search. Endowment documents that describe the purpose of our endowments can be found at *OurMinistryTools.org* and search “Endowments” in the sitewide search.

The Worldwide Mission Tithes goal range for 2024 is \$10.2 million to \$11.2 million. The Presiding Bishopric is grateful for the important work of the World Church Finance Board in reviewing and approving the 2024 budget.

3. 2024 and Beyond

Although the projected 2024 budget deficit is covered by surpluses generated in earlier years, it is symptomatic of a larger problem. As shared in the June 2023 financial update, those older than fifty gave just over \$11.2 million or 90% of the Worldwide Mission Tithes contributed in all nations in 2022.

As our contributors grow older, we will continue to see a gradual decline in Worldwide Mission Tithes. This chart illustrates actual Worldwide Mission Tithes contributions through 2022 and projected contributions into the future.



As Worldwide Mission Tithes are anticipated to decline in future years and expenses increase, we’re facing the possibility of significant budget reductions. These reductions would include staff reductions and would significantly impact our capacity to provide current services and ministries to the church at International Headquarters and throughout the field. Reductions in the last decade have resulted in inadequate staffing levels to support current and future needs. We are beyond the ability to trim back expenses. Entire groups of support services and ministries would have to be eliminated.

If we are to avoid these types of significant budget reductions, we must fill the increasing gap with alternate income sources such as:

- a. Engaging new generations of disciples in our mission including opportunities to respond through whole-life stewardship. These new disciples will help replace the loss of income from those faithful contributors who are no longer with us. This strategy will take multiple years to substantively affect income.
- b. Exploring and implementing new sources of income to build endowments and sustain our global mission. This will include an evaluation of how to best utilize all our assets to support our vision and mission. It will also include new funding models and approaches to attract funding to various aspects of our mission that have appeal beyond our current circle of members and friends.

The Presiding Bishopric along with church leaders have been working on strategies related to alternate income such as those listed above for multiple years. There are numerous possibilities still being explored and some that are currently in progress. We are reasonably confident that resources will become available in 2024 to help offset the expected loss in income due to decreasing Worldwide Mission Tithes.

In the event new income sources are not realized in 2024, we will need to implement significant budget reductions for 2025.

At the end of this update, you will find the Presiding Bishopric's Strategic Priorities shared with the World Church Finance Board. These strategies outline the focus of the Presiding Bishopric as we work to find ways to fund our global mission now and into the future.

4. 2022 Audit Report Available Online

On behalf of the World Conference, the World Church Finance Board approved the Community of Christ independent audit report for 1 January through 31 December 2022. The church contracted the services of independent audit firm Rubin Brown, which provided a "clean/unmodified opinion" for Community of Christ and consolidated affiliates as of 31 December 2022. This audit report and audit report summary are available at CofChrist.org/financial-updates.

5. Bridge of Hope Update

As of 15 November, the church moved within \$2.6 million of our overall goal and the fields of the church moved within \$11.5 million of achieving their targets. When achieved this will help us exceed the estimated \$120 million required to fund the retirement responsibility.

Funds received in excess of \$120 million will help the church fully fund the retirement responsibility after the updated valuation in 2024. Funds above what is required to fully fund the retirement responsibility will go toward annuitizing a significant portion of the retirement financial obligation. Annuitization will secure future

benefits for participants and eliminate the need for additional funding due to investment losses and changes in actuarial assumptions.

In the second quarter of 2024, the Presiding Bishopric will provide a final report to close out the Bridge of Hope Retirement Responsibility project. As stated earlier, building our endowments will be an ongoing focus of the Presiding Bishopric. Endowment growth will occur through continued collaborative conversations with the field as properties and buildings are sold and decisions are made about how to best support local and global mission.

We are deeply grateful to all the fields, mission centers, and congregations who have helped move us toward our overall goal. We recognize there are many competing needs for funds and are so appreciative of the generosity of the church toward funding the Bridge of Hope retirement responsibility.

6. Following the Movement

We are captured by the movement of God's generous compassion expressed in open hearts and actions that embody Christ's love and peace in a world yearning for a pathway that leads to hope. May this Advent be a reemergence of that hope as we are caught up once again in the story of Jesus the peaceful one.

We are deeply grateful for the continued response of the church to our divinely instilled call and vision. May Christ's love and peace be yours in abundance this holiday season.

Presiding Bishopric Strategic Priorities Overview for World Church Finance Board

PRIORITY #1

Engage new generations of disciples and seekers in our transforming mission including whole-life stewardship response.

This missional and financial challenge is our top priority as we work with leaders to create multiple entry points into various forms of spiritual community where new generations can encounter Christ's transforming mission and respond through whole-life stewardship.

Priority #1 Tier One Strategic Priorities *Tier One priorities focus initially on the United States due to the proportion of contributions (95%) that come from this source.*

- **Re-visioning of Mission Funding Council Purpose** — The purpose of the council will be revised to reflect a shift in focus to the next generation contributors.

- **Children’s Generosity Formation and Giving Portal** — Design and implement a portal for families to explore concepts of responsible sharing, saving, and spending with their children including an opportunity to contribute to the church’s mission.
- **Re-engagement of Individuals Ages 25 to 45 in Mission and Generosity** — Includes generosity minister position as part of mission funding, community platform for collaboration, focused education opportunities tied to life stage needs, and community building to cultivate belonging.
- **Deeper Engagement of Individuals Ages 46-65 in Mission and Capacity Expansion** — Includes generosity minister position as part of mission funding, focused education opportunities tied to life stage needs, community building, and mission partnerships.

PRIORITY #2

Explore and implement new sources of income to build endowments and sustain focused support of our global mission.

We will continue to evaluate how we utilize all assets while exploring and implementing new sources of income. This will include new funding models and creative approaches to attract funding to various aspects of our mission that have appeal beyond traditional forms of organized religion. We also will explore entrepreneurial opportunities that embody our Enduring Principles and have the potential to generate new sources of income.

Priority #2 Tier One Strategic Priorities:

- **Entrepreneurial Roundtable** — Engage business leaders in exploration of entrepreneurial opportunities to generate net revenue to support the church’s global mission.
- **Exploration and Implementation of New Net Revenue Generating Entities** — The priority is revenue diversification by identifying and potentially investing in entities that embody our values and provide predictable net revenue to fund mission over time.

PRIORITY #3

Explore and implement new partnership models to share gifts of ministry, story, leadership, and finances across fields, mission centers, and congregations in a decentralized church structure.

We will build our endowments over time enabling us to fund many International Headquarters expenses with endowment income. As we move in this direction, this will free individuals,

congregations, and mission centers to fund mission locally and globally by partnering with other mission centers and fields across the church as they respond to emerging missional opportunities.

This renewed spirit of generosity will extend beyond financial resources and bless the church with multicultural gifts of ministry, leadership, and story inspiring new understandings and expressions of what it means to be a global interdependent faith community.

Priority #3 Tier One Strategic Priorities

- **Connect Contributor Interests to Ministry Partnership Opportunities** — As we work with specific contributor groups in Priority #1 above, we will introduce partnership opportunities as one way to fund ministries in the Worldwide Mission Budget.

PRIORITY #4

Increase effective utilization of all our facilities, including International Headquarters campus, for mission.

Stewardship of our physical assets requires effective use of facilities for mission across the church including the Temple Complex. We will support ways to expand utilization of the Temple and Auditorium as a center for community life, formation, and mission.

In the future we will continue to evaluate the best use of all physical assets to support mission. In some cases, this evaluation will lead to the conversion of physical assets (such as buildings and property) to liquid assets so those funds can be used for new mission opportunities locally and globally into the future.

Priority #4 Tier One Strategic Priorities

- **Develop Temple Complex as Center for Community Life, Formation, and Mission** - Support emerging ministries like the Center for Living Water and explore new opportunities connected with greater Kansas City community life, cultural enrichment, and community development needs.

PRIORITY #5

Experiment with new ways to convey and live our principles of generosity and commitment to economic justice, offering hope for a sustainable future for all.

We have been inspired by new and broader understandings of generosity that make possible a world where there is enough for all if we courageously share. We will renew our efforts to teach these principles and practices to free the generosity of younger generations including our

children. We will apply these principles and advocate for policies and practices that value the worth of all persons, especially those trapped in cycles of poverty and injustice.

Priority #5 Tier One Strategic Priorities

The Presiding Bishopric anticipates potential projects connected to the Climate Change resolution passed at 2023 World Conference. This issue had strong resonance with the Order of Bishops and provides a tangible example of how principles of generosity, economic justice, and sustainability intersect.