Financial Update  
December 2022  
(All dollars reported in USD)

1. 2021 Audit Report  
Approval by the World Church Finance Board  
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 2021. The church contracted with a new independent audit firm, RubinBrown (https://www.rubinbrown.com/) to provide a fresh review of the church’s financial statements. RubinBrown issued a “clean/unmodified opinion” for Community of Christ and consolidated affiliates as of 31 December 2021. This audit report and audit report summary are available on the church’s website at CofChrist.org/news/2021-audit-report-available/.

Summary of the Financial Statements  
Net assets increased from 31 December 2020 to 31 December 2021 by approximately $30.9 million. The increase was based on various factors, including contributions to Bridge of Hope, sales of investment real estate, and changes in actuary assumptions for the church’s retirement obligations.

2. Bridge of Hope—Retirement Responsibility  
The below table shows the funding level of the church’s retirement responsibilities as identified in the 2021 actuary report, also found in Note 7 of the 2021 Audit Report. As of 31 December 2021, the funding level based on the assets in the legally separate Defined Benefit Trust was 51 percent as reported by the actuaries. The funding level increased by 12 percent as of 31 December 2020.

<table>
<thead>
<tr>
<th>From Actuary Report</th>
<th>FYE 12/31/20</th>
<th>20-21</th>
<th>FYE 12/31/21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Benefit obligation (liability)</td>
<td>$ 88.3</td>
<td>$ 17.6</td>
<td>$ 5.3</td>
</tr>
<tr>
<td>Fair value of plan assets</td>
<td>43.9</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Unfunded liability</td>
<td>44.4</td>
<td>17.6</td>
<td>5.3</td>
</tr>
<tr>
<td>Funded %</td>
<td>50%</td>
<td>0%</td>
<td>0%</td>
</tr>
</tbody>
</table>

In calculating funding levels, the actuaries do not consider assets the church holds in three funds to support the retirement responsibility:

1. Fund 23—Post Retirement Fund
2. Fund 24—Multi-nation Fund
3. Fund 28—Bridge of Hope Fund

The below table identifies that the church is 76-percent funded for all retirement responsibilities as of 31 December 2021, when the assets in Funds 23, 24, and 28 are considered along with the assets of
the Defined Benefit Trust. This is about a 15-percent improvement from 31 December 2020. The progress made in our funding level is a direct result of the church working together to meet the Bridge of Hope—retirement responsibility goal.

As of 15 November 2022, the church had raised $108.3 million toward the $120 million Bridge of Hope retirement responsibility goal. The church has made great progress as we move into the final year of this project. We are pleased to report that the field of Apostle Barbara Carter met its target as of 15 November 2022. The field of Apostle Carlos Mejia met its target earlier in the year.

Meeting or exceeding the goal will happen with the commitment by the Council of Twelve Apostles to achieve their field target by 1 January 2024 or ask the Presiding Bishopric to borrow the remaining funds needed from a field’s investment accounts to reach that field’s target.

**BRIDGE OF HOPE RETIREMENT RESPONSIBILITY**

**As of 15 November 2022**

**GOAL: $120M (USD) by 1 January 2024**

All amounts reported in USD
3. 2022 Update
Budget to Actual as of 30 September 2022

So far, 2022 has presented worldwide economic challenges in various ways, including high inflation rates—especially in some parts of the world. Like others who have investments in global markets, Community of Christ’s returns were negative in 2022. Despite these challenges, faithful stewards continue to financially support the church’s mission locally and globally. Contributions through 30 September 2022 were on track to achieve the minimum side of the church’s 2022 goal range of $11.2 million. As of third quarter 2022, total income for the 2022 Worldwide Mission Budget was about 10 percent below budget, and expenses were about 18 percent below budget.

Levels of Ministries and Services

Budget managers continue to do an amazing service in providing ministries and support to the church’s mission with limited staff and modest non-staff budgets. Leaders continue to be wise stewards of Worldwide Mission Tithes and other available income, seeking to make the most of limited resources. Concerns have been expressed regarding the operation and maintenance of the Temple Complex. Major maintenance continues to be completed on schedule. Although some aesthetic-maintenance items have not been accomplished routinely, no critical mechanical maintenance items are being deferred. Several projects related to modernizing digital infrastructure are underway to improve communication capabilities from the Temple Complex. Other projects preparing for the 2023 World Conference also are in the works.

The level of activity at the Temple Complex remains lower than desired. One strategic initiative being pursued by the First Presidency in collaboration with others is to find ways to continue to bring the Temple to life. As one minister expressed: “How do we use the Temple to bring the church and community to life?” President Steve Veazey addressed this in a Way Forward video (www.youtube.com/watch?v=frUJub9zY2U).

Overall, feedback shows a desire to have more support in church fields through paid ministers and greater capacity for support services through International Headquarters. World Church leaders clearly hear this feedback and are trying to prioritize and concentrate efforts based on the most important needs with available income. However, there is no question, that current income levels are marginally acceptable in accomplishing what the church would like in supporting mission.

We remain grateful for the stewardship of the church’s staff and the generosity of faithful disciples that make what we are accomplishing possible.

Major Investment Real Estate Sale

In mid-June 2022, the church signed a contract and closed on the first phase of a contractual agreement with North Point for 1,107 acres in Harmony in the Little Blue Valley in Missouri.

This first phase was a sale of $4.7 million with $1.5 million or 47 percent of the proceeds being more than the appraised value recorded in the church’s financial statements. Additional phases, valued at a minimum of $4.3 million each, will happen over a maximum of a ten-year period.

When this contract is complete, the total value of the sale will be at least $38 million which is about 38 percent above the book value as of 31 December 2021. The contract has the potential to exceed this amount depending on what the market indices do over time.

This leaves a little more than 400 acres in Harmony owned by the church. The Presiding Bishopric has worked hard to sell the Harmony property in a way that benefits the church, and we are grateful that this deal is now signed and proceeding.

This contract allows the church’s assets held in the various funds—but especially the endowments—to be converted from investment real estate to investments in the market. This means it mostly converts investment real estate held directly by the church whose value is already listed in the
church’s assets to cash, which can be invested into the market. When a phase of this contract is completed above book value—like the first phase—the increase provides earnings to the church’s assets.

Converting investment real estate to market investments allows the endowments to have growing balances in the market that can be used to generate income for the annual budget based on a spending rate and rolling average in accordance with the Presiding Bishopric policy. At this time, it is anticipated that the 2024 proposed Worldwide Mission Budget will reintroduce a spending rate from the Temple Endowment held in the USA.

**Under 50 Survey**

In May 2022, Community of Christ conducted a survey of those under the age of fifty who had an affinity with the church. The purpose was to seek a better understanding of their connection points and the ways participants might engage with and support Community of Christ.

- A total of 1,074 people participated.
- Seventy-nine percent were under the age of fifty.
- Thirty-two percent were male, 63 percent female, 2 percent nonbinary, and 3 percent preferred not to answer.
- Seventy-nine percent of respondents lived in the USA; 21 percent lived outside the USA.
- Eighty-five percent considered themselves Community of Christ members; 15 percent did not.

**Highlights:**
- Those in the age group eighteen to thirty-four reported looking for community and yearning for a sense of belonging.
- Forty-seven percent of those under fifty attend a mix of online and in-person church activities.
- Ninety-four percent of respondents have given financially to the church; at least half of those under fifty prefer online giving methods.
- Younger audiences report connection to activities focused on:
  - Fighting poverty and needless suffering throughout the world.
  - Community-service opportunities.
  - Social-justice issues.
  - Networking and small groups.
- For those under fifty, the preferred method for seeking information about religious or spiritual organizations is through a website or social media.

Additional information about the survey and how Community of Christ will engage with this information is in an online report at CofChrist.org/articles/under-fifty-survey-results-available/.

**Giving Tuesday**

The Generosity Cycle led us into Giving Tuesday on 29 November 2022. The church generously shared $1,035,167 toward Worldwide Mission Tithes on this special day of giving. The total included $525,167 of contributions, and matching funds of $510,000. Thanks to everyone who participated by contributing on Giving Tuesday or providing matching funds.

**Reminder about Oblation as Part of Worldwide Mission Tithes**

You will see an Abolish Poverty, End Suffering section in the 2023 approved budget. By giving to Worldwide Mission Tithes through eTithing, contributors are supporting this budget, which includes Oblation and direct aid. eTithing is not connected to a particular worship experience that includes the Lord’s Supper. This is why Oblation is not on eTithing. Giving to Worldwide Mission Tithes on eTithing or through the offering plate supports the budget, including Oblation.
OurMinistryTools.org

The number of leaders around the world using OurMinistryTools.org continue to grow. With a username and password, priesthood, leaders, and members can access up-to-date church policies as well as priesthood and leadership resources (https://cofchrist.org/our-ministry-tools/). If you have trouble gaining access, please email InfoSys@CofChrist.org to arrange a time to receive personal assistance.

4. 2023 Worldwide Mission Budget Approved
The Four-year Plan (2021–2024)

The 2022 Worldwide Mission Budget was part of a three-year plan for 2021–2023 that was extended to become a four-year plan through 2024 at the May 2022 World Church Finance Board. The goal of this plan generally has been to maintain the same level of ministries and services as funded by the Worldwide Mission Budget for the plan’s duration.

This goal was to be accomplished within a projected income based on certain trends and increases in expenses as driven by the economy. The plan used budget surpluses from the first two years to offset deficits in the last two years. So, over the four-year span the budget remained neutral, meaning income covered expenses.

2023 Worldwide Mission Budget Approved

On Saturday, 3 December 2022, the World Church Finance Board approved the 2023 Worldwide Mission Budget, which continues similar levels of ministries and services as provided in 2022. The budget is posted online at https://s3.amazonaws.com/monkdev.mnk.26072/uploaded/s/0e15165272_1670248201_summary-worldwide-mission-budget-2023-05122022.pdf.

The 2023 Worldwide Mission Budget was developed as a continuation of the ministries and services provided in 2022 as part of the four-year plan. The board reviewed adjustments to the plan based on the continued global economic uncertainty and worldwide inflation rates.

The approved 2023 income and expenses are $14,680,000 and therefore budget neutral. Similar to 2022, in 2023 Worldwide Mission Tithes are planned to provide more than 77 percent of the budget income. Other income sources in the budget include designated gifts, using a 3-percent spending rate on World Church endowments in Canada, sales, rentals, and service fees.

Beyond 2023

The $1 million surplus from 2021 and the anticipated surplus from 2022 will be used to offset an anticipated deficit in 2024 as the four-year plan ends. At this point, the Presiding Bishopric remains hopeful that 2024 will be a continuation of the 2023 level of ministries and services. This would avoid a major budget reduction until 2025.

This would give World Church leaders more time to look for ways to increase Worldwide Mission Tithes, increase balances in endowments, and develop new sources of income. However, without increased income, significant budget reductions in 2025 are unavoidable.

Use of Endowments

A spending rate on World Church endowments in the USA is not being applied to provide income to the budget because most of the funds are in the World Church’s investment properties, such as Harmony and 39th Street. The recent sale of property to North Point will help convert endowment assets into marketable securities.
As part of the second goal of the Bridge of Hope, the Presiding Bishopric continues to look for ways to grow the endowments. On Tuesday, 22 November the Presiding Bishopric completed a sale of the Henry Alfred Stebbins Book of Commandments which was part of the church’s historic artifacts. The sale was for $1.2 million and was coordinated by the church’s broker. The sale was to a dealer who was representing a third-party buyer. The net proceeds from this sale were $1.08 million and were deposited in the Lifetime of Generosity section of the Temple Endowment.

As a result, it is anticipated that the Temple Endowment in the USA will provide income to the 2024 budget. Further it is expected this source of income will grow over the ten-year span of completing the North Point contract.

**Operating Reserve Fund**

World Conference Resolution (WCR) 1264 states that a minimum of three months of annual budgeted expenses be maintained as a Basic Reserve. Based on the 2023 budgeted expenses, the Basic Reserve must be about $3.7 million. As of 30 September 2022, the balance of the Basic Reserve for WCR 1264 compliance was $3.8 million.

As explained previously, the Presiding Bishopric, in consultation with the World Church Finance Board, has increased the Operating Reserve funds through generous contributions beyond the minimum needed for compliance. As of 30 September 2022, the Operating Reserve total balance was just over $8.3 million. This provides a little over half a year of operational coverage based on the 2023 budget amount.

In addition to the normal operating costs, in 2023 the church will gather for World Conference, which has a separate budget. The added funds in the Operating Reserve also will provide a financial safety net for this event.

If the extra Operating Reserve funds are not needed to get through the four-year plan, the agreement with the contributors is that they will be moved to Bridge of Hope to grow endowments.

**5. Change in Leadership**

The 2023 World Conference will consider the letter of counsel presented to the church by President Veazey. If approved, Ron Harmon would become the presiding bishop with Carla Long and Wim van Klinken as counselors. Bishop Steve Graffeo would retire in 2023. Presiding Bishop Stassi Cramm would expand the focus to her ministry and responsibilities as a member of the First Presidency. She would continue to supervise the Presiding Bishopric.

This financial update is the last report that will be provided by the current Presiding Bishopric. The biannual financial updates in the *Herald* and on the website, along with posting the annual independent audit, were introduced by the current Presiding Bishopric to provide transparency and financial awareness to members and friends of Community of Christ. The incoming Presiding Bishopric will continue this process.

**Looking Ahead**

Watch for the next Financial Update in June 2023.