

REPORT OF THE OFFICE OF FINANCE

The Office of Finance provides centralized finance and accounting services to the denominational corporations, including the General Synod, the General Synod Council (GSC), the Board of Benefits Services (BOBS), and the Church Growth Fund (CGF). The Office of Finance strives to ensure financial systems, procedures, and controls are in place to support the mission and ministry of these entities and to assist the officers and directors of the corporations in fulfilling their fiduciary responsibilities. The finance staff is available to respond to financial questions from local congregations, classes, and regional synods as together we carefully manage the financial resources with which we have been blessed.

2019 Annual Audits

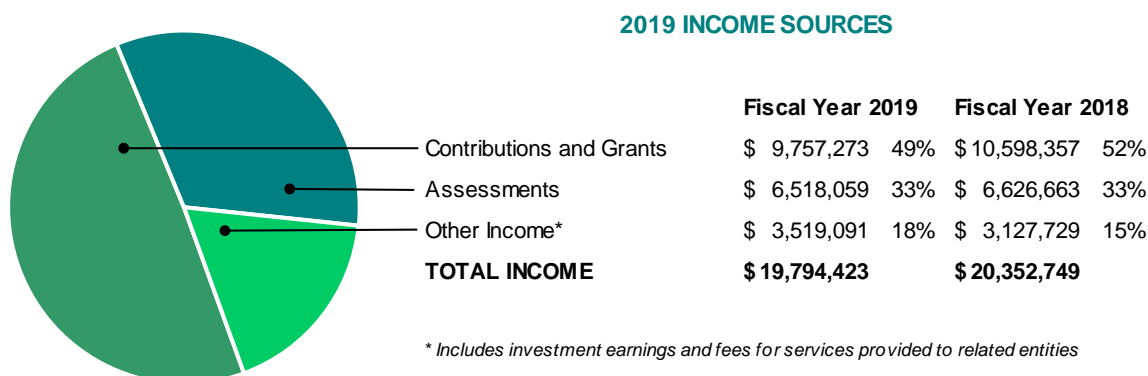
The 2019 financial statements of the General Synod Council, Board of Benefits Services Retirement Program and General Fund, and Church Growth Fund were audited by CapinCrouse LLP, certified public accountants. All corporations received unmodified (or “clean”) audit opinions. The audited statements are available at www.rca.org/finance. The General Synod Council’s Audit and Risk Management Committee reviewed the audited financial statements of each entity and the management comment letters from the auditors and reported the audit results to the boards of the respective corporations. Financial highlights of each organization are presented below.

Financial Summaries—Fiscal Year Ended September 30, 2019

General Synod Council (GSC)

The GSC’s total income was \$19.8 million and expenses totaled \$19 million, resulting in a net income of \$800,000. Total net assets were \$38.2 million, of which \$17.2 is without donor restrictions and \$21 million is with donor restrictions.

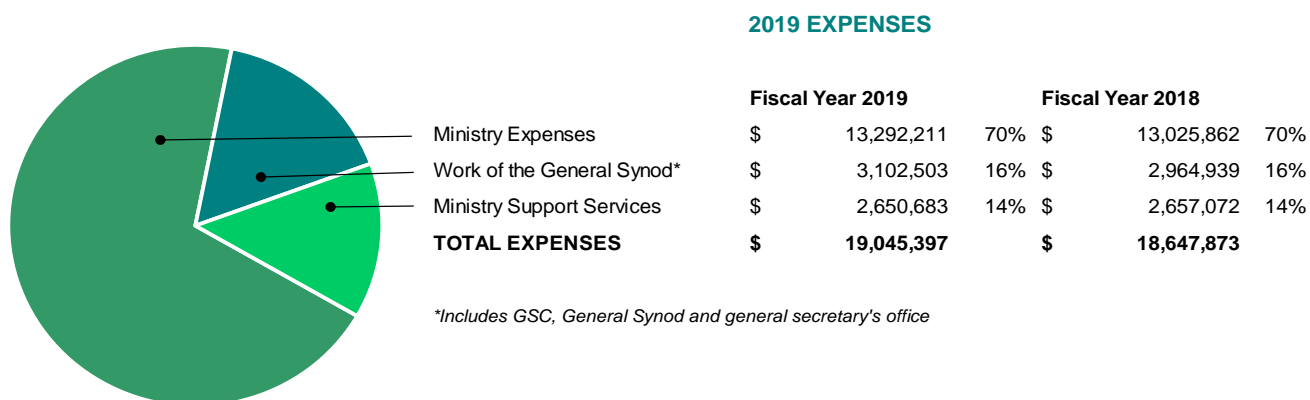
The generosity of donors—churches, individuals, and foundations—provided 49 percent of the funding to carry out the work of General Synod. Assessments provided 33 percent of income and continue to be consistently paid to GSC by classes. Funding for the work of the General Synod, including the operating budget and all other designated and restricted funds, is presented in the following chart:



Contributions received were approximately \$840,000 less in 2019 than in 2018. In 2018, global missions received a bequest of approximately \$300,000, as well as approximately \$600,000 in donations for hurricane relief.

Assessments received were approximately \$110,000 less in 2019 than in 2018 due to a decrease in reported confessing membership; the decrease was offset by an increased assessment rate of \$0.46 per member from 2018 to 2019.

Other income increased in 2019 compared to 2018 by approximately \$391,000. This was due to the GSC recognizing the Historical Series activity and net assets in 2019.



Ministry expenses (70 percent) include the costs related to carrying out the GSC's three strategic areas of ministry: Global Mission (41 percent), Transformed & Transforming (23 percent), and Church Multiplication (6 percent). Ministry expenses increased \$266,000 from 2018 to 2019. This is due largely to an increased number of ministerial excellence grants awarded with grant funds provided by the Lilly Foundation and BOBS.

Work of the General Synod (16 percent) includes costs related to the annual General Synod meeting, commissions, task forces, the Office of the General Secretary, the General Synod Council, and Communication and Production Services, including *RCA Today* magazine. The Work of the General Synod expenses increased by \$138,000 from 2018 to 2019. This increase was primarily due to differences in costs at the two different General Synod locations in 2019 and 2018.

Ministry support services (14 percent) includes costs relating to the general and administrative support needed to carry out the three strategic areas of ministry and the work of the General Synod. This includes human resources, data management, information technology, financial services, legal counsel, and fundraising. These expenses remained fairly consistent between 2019 and 2018.

The source data for these charts are the audited financial statements, which can be viewed in full at www.rca.org/finance.

Board of Benefits Services—Retirement Program

As of September 30, 2019, the date of BOBS's most recent audit, \$463 million is held in mutual funds and annuities on behalf of participants in the 403(b) and retirement plans. In fiscal year 2019, participant and employer contributions to the plan were \$10 million, and distributions to participants totaled \$23 million for the same time period.

Together as a denomination, we, through decisions of General Synod, have agreed to contribute 11 percent of the eligible salaries of ministers of Word and sacrament to their retirement accounts each year. An estimated \$1.6 million has not been paid into participant accounts from local congregations for benefits owed between January 1, 2009, and September 30, 2019. BOBS staff continues to work with pastors, congregations, and classes to obtain necessary information to monitor compliance with *Book of Church Order* Formulary No. 5 requirements. RCA ministers of Word and sacrament should review their quarterly statements to verify that 11 percent of their eligible salary is being contributed. Elder delegates to synod should ask questions in their local congregation to ensure that their congregation is providing this important benefit for their pastor(s).

For additional information about the retirement plan, see the report of the Board of Benefits Services and the audited financial statements available at www.rca.org/finance.

Board of Benefits Services—General Fund to Administer Retirement Programs

The Board of Benefits Services General Fund administers the retirement programs, life and long-term disability insurances, and assistance and retiree chaplains programs for active and retired RCA ordained ministers, their dependents, and surviving spouses. The General Fund is financially healthy, with \$22 million in net assets as of September 30, 2019. The General Fund ended fiscal year 2019 with a net surplus of \$2.6 million. \$1.3 million of that surplus was due to a transfer from the support and investment funds, and \$1.3 million came from the increase in market value of investments and other revenue.

Administration costs for the retirement plans are covered primarily by a fee on employer contributions to the 403(b) and retirement plan accounts and totaled \$880,000 in 2019. Effective January 1, 2020, BOBS implemented a fee reduction for participants from 22 basis points to 21 basis points. This represents a cumulative decrease of over 50 percent in the past eight years.

BOBS has reduced operational expenses, which is a significant factor that has allowed for the reduction in fees charged to participant accounts. The earnings from the Endowment Fund also replaced fees to support the assistance fund.

Support for the assistance and retiree chaplains programs came from a General Synod assessment, designated contributions, a portion of the administrative fees charged to retirement plan participants' accounts, and annual investment income from endowment funds. Assistance program expenses, including assistance grants and the retiree chaplains program, were \$582,000 in 2019. For additional information about the BOBS General Fund, see the report of the Board of Benefits Services and the audited financial statements available at www.rca.org/finance.

Church Growth Fund

The Church Growth Fund (CGF) makes affordable-rate loans to RCA churches and related agencies for building projects used in ministry. Loans are funded by RCA churches, agencies, and individuals that purchase CGF savings certificates, which are interest-bearing investments offering a favorable rate of return. In fiscal year 2019, the CGF continued its plan to grow and service more RCA congregations, reaching \$80 million in total assets.

As of September 30, 2019, the CGF had \$19 million in cash and short-term investments and \$61 million in loans to churches. The loans were funded by \$33 million in savings certificates and \$47 million in net assets (capital). Net income was strong due to gains on investments; it totaled \$1.5 million after contributing \$771,000 to the GSC to be used for grants to church plants, scholarships to fund youth mission experiences, and grants for church revitalization. Since 2018, the CGF has operated under a board policy of being able to contribute up to 50 percent of net operating income annually back to the denomination.

The CGF has very strong liquidity, capital, and cash flow when compared to standards established by the North American Securities Administrators Association. For additional information about the CGF, see the report of the Church Growth Fund and the audited financial statements available at www.rca.org/finance.

Investments

The investments of the General Synod Council, Board of Benefits Services, and Church Growth Fund are managed by professional investment managers. Performance and compliance with defined investment policy statements are reviewed twice a year by the Investment Advisory Committee, which is made up of representatives from the boards of each corporation and at-large members with investment expertise.

Excess Operating Reserves

Since December 2017, the operating reserves of the General Synod Council, Board of Benefits Services, and Church Growth Fund are being managed by Telemus Capital, LLC, an investment firm based out of Ann Arbor, Michigan, in an actively managed portfolio of fixed-income securities. Telemus Capital, LLC, allows for the segregation of funds for each RCA corporation. The investments for each RCA entity may then be further segregated and managed under two separate fixed income investment policies. The first policy is the secondary liquidity source after cash and savings for the RCA corporations and uses the benchmark for investment returns of the Barclays 1–5 Year Government/Credit A+ Index. The second policy is the third source of liquidity for the RCA corporations and uses the benchmark for investment returns of the Barclays Intermediate Government Corporate Bond Index. The total amount invested in fixed income at Telemus Capital, LLC, was \$30 million at September 30, 2019.

Endowment Funds

The General Synod Council manages \$19.1 million in funds provided by donors or set aside by management to be invested long term. Some of the endowed gifts entrusted to the General Synod Council date back to the mid-1800s. The investment proceeds from endowed gifts are used for donor-designated purposes while preserving and growing the dollar value of the original gift. LVM Capital Management, Ltd., actively manages 100 percent of the fixed income investments and 80 percent of the equity investments. The remaining 20 percent of equities are

invested in passive index funds at the recommendation of the Investment Advisory Committee. The benchmark for investment returns is 70 percent S&P 500 and 30 percent Bank of America Merrill Lynch 1–10 Year Government/Corporate Bond Index.

In addition to the General Synod Council and Church Growth Fund, the endowment pool includes amounts designated for local congregations and RCA seminaries and colleges. In fiscal year 2019, the RCA Endowment Fund distributed \$670,000 to the General Synod Council, \$26,000 to the Church Growth Fund, and \$119,000 to RCA-affiliated organizations. If you are interested in setting up an endowment for the benefit of the GSC or your local congregation, please contact the RCA Office of Advancement.

The Board of Benefits Services also manages an endowment fund valued at \$13.5 million. Most of the BOBS endowment fund consists of a board designated endowment funded by reserves from the BOBS Insurance Fund. LVM Capital Management, Ltd., actively manages 100 percent of the fixed income investments and 80 percent of the equity investments. The remaining 20 percent of equities are invested in passive index funds at the recommendation of the Investment Advisory Committee. The benchmark for investment returns is 70 percent S&P 500 and 30 percent Bank of America Merrill Lynch 1–10 Year Government/Corporate Bond Index.

RCA Retirement Plans

Fidelity Investments provides recordkeeping and investment management services for the Board of Benefits Services retirement programs. In collaboration with the Investment Advisory Committee (IAC), in its fiduciary role, BOBS monitors the performance of the investment options (funds) available under the two retirement programs. BOBS and the IAC are assisted in this task by outside investment consultants from Lockton Advisors.

Mutual fund options available to retirement plan participants include target-date retirement funds based on a participant's retirement age as well as 17 diversified mutual funds, with socially responsible options. As of December 31, 2019, 80 percent of RCA participant funds are invested in target-date retirement funds. The total market value of the mutual funds held in the 403(b) and retirement plans was \$460 million at September 30, 2019.

BOBS, with the assistance of Lockton Advisors, participated in a Request for Information (RFI) for the recordkeeping fees of the two retirement plans. This exercise resulted in a decrease in fees (from 5 to 4 basis points) from Fidelity. This decrease was effective January 1, 2020, and provides a three-year rate guarantee.

For the fifth year in a row, the Board of Benefits Services completed a reallocation project that allows eligible participants in the retirement program to reallocate funds from the RCA retirement plan to the 403(b) plan, resulting in greater flexibility at retirement.

For additional information about the retirement plan investments, see the report of the Board of Benefits Services.

Planned Giving Programs

The General Synod Council manages various planned giving programs, including charitable gift annuities, totaling \$1.3 million. The Barnabas Foundation provides investment management and recordkeeping services for these programs. The investments include equities and fixed income to provide cash flow to cover the required payouts.

Church Growth Fund Investments

The Church Growth Fund invests a portion of excess operating cash in three fixed-income accounts and one equity account. LaFleur and Godfrey Investment Management, Telemus Capital, LLC, and LVM Capital Management, Ltd., manage these funds. The RCA Investment Advisory Committee reviews the investment policy and investment performance semi-annually.

Socially Responsible Investments

All investment policy statements for each pool of investments require the investment manager to avoid investments in the securities of companies whose principal business involves gambling, for-profit prisons, or the production or distribution of tobacco or alcohol.

Retirement funds may be invested, at the discretion of the participant, in socially responsible funds screened for the above restrictions.

The General Synod Council also invests a portion of excess operating cash with Oikocredit, one of the world's largest sources of private funding to the microfinance sector.

2019 Budget Process and Assessment Proposal for GSC, BOBS Assistance Grants, and Theological Education

Alignment of Resources with Transformed & Transforming

The 2020 budget process included initiative plans for each priority and initiative leader. These plans, originally determined in 2013 and 2014 with the launch of Transformed & Transforming, defined a purpose statement, the destination of what will be accomplished over the course of the 15-year goal.

The general secretary has identified three ministry priorities—Transformed & Transforming initiatives, Global Mission, and Church Multiplication. GSC staff focuses on equipping churches and church leaders in these three areas so that they are better able to follow the unique call that God has given their church. To make sure that we are using resources wisely, priority leaders developed 2020 budgets based on goals for measurable outcomes. Primarily, they're achieving these goals by equipping churches and leaders through opportunities like connection events, learning communities, leadership communities, and leadership collaboratives.

More than 662 congregations are engaged in Transformed & Transforming so far—that's nearly two-thirds of RCA congregations. In addition to assessments, more than 540 churches, 2,300 individuals, and 120 organizations financially supported the GSC and RCA missionaries in fiscal year 2019. The assessments and contributions provided by RCA churches and members enabled the GSC staff to come alongside RCA congregations in many ways, start new churches, and reach people with the love of Christ through RCA mission efforts. Here are a few highlights of how the RCA's financial resources were used in ministry during the past year.

Discipleship

As we enter what is considered to be the 2.0 evolution of the Transformed & Transforming goal, there are a number of areas of collaboration that include but are not limited to the engagement of leaders, churches, and classes in conversations and events that provide bridges that cross Transformed & Transforming areas of discipleship, leadership, and mission; that involve cohorts

and communities that involve church plants, micro church leaders, missional communities, and partner not-for-profits; and involve hybrid processes that invest significant relational capital investment that engages leaders both with face-to-face equipping as well as with online resources and platforms developed both inside the RCA and in collaboration with proven pathway partners.

The new Discipleship guiding coalition has been meeting regularly to formulate plans to help leaders and churches in their discipleship. The Discipleship team is working on a newsletter and has already designed and developed a new discipleship brochure. The majority of the guiding coalition members have engaged in weekly coaching and training on discipleship and being training for coaching and facilitation of 3DM discipleship processes. Other initiative successes include the following:

- 21 leaders have been engaged in coaching with leaders across the RCA.
- 10 churches have been engaged in the learning community process.
- 62 classes have been engaged in discipleship training gatherings.
- A free 8-week discipleship pilot coaching session is launching in September. This 8-week coaching will provide leaders with an opportunity to engage with practical tools to help build a disciple-making culture.
- A 9-month learning cohort on discipleship is also launching in September. This will launch on the new online learning platform and will provide practical teaching, training, and tactical tools to help grow in a walk with Jesus while providing reproducible content for discipleship strategies. This is a paid cohort.

Next Generation Engagement

The purpose of Next Generation Engagement is to empower young adults, ministry teams, and congregations to create a culture of intergenerational ministry—that is all people of all ages serving in leadership positions at the church, classis, and denominational levels. The goal of intergenerational ministry is to reframe the mental model of young people in the church; we are no longer seeking to “keep” these young people in our congregations. Instead, this ministry seeks to empower young leaders and congregations to serve one another into future ministry endeavors.

Next Generation Engagement is passionate about including and developing RCA youth. Two of Next Generation Engagement’s successes include publishing a lament toolkit and launching our first podcast discussion on lament by Scott Cormode on the Faithward website. Additionally, two more podcasts are nearing completion. Another online opportunity that was launched is the Restoring You online resource for youth pastors, leaders, and volunteers. This opportunity brings awareness to upcoming opportunities. Other successes include the following:

- The Robben Island project launched with its Sankofa-style learning model.
- The Next Generation Engagement online presence and newsletter has expanded to over 400 subscribers.
- Deepened engagement with the Christian Reformed Church in North America (CRCNA) that includes a joint denominational database locating all CRCNA and RCA campus ministries in the U.S. and Canada.
- In collaboration with Chris Schoon from the CRCNA, Next Generation Engagement submitted a \$1.5 to \$2 million grant request to the Lilly Foundation for Generation Spark. Generation Spark gives church leaders a research-based plan to attract and retain youth and young adults in the church.

Leadership Development

The work of the Leadership Development initiative is guided by a coalition of pastors, regional executives, classis leaders, business entrepreneurs, and marketplace leaders representing different areas of specialized expertise in leadership development. Our goal is to develop leaders who demonstrate God-honoring character, emotionally healthy chemistry with others, and uniquely skilled competence where their “deep gladness and the world’s deep hunger meet” (Buechner).

Leadership Development gathered as a new guiding coalition in September; coalition members are being empowered to be regional hub leaders for training and equipping local churches and leaders. The initiative has identified and tested some leading tools and resources that will be used to train and equip churches and leaders. Other initiative successes include:

- In May, Leadership Development hosted a Church Systems and Structure workshop. Eleven churches participated with a one-time follow-up consultation discussion on their programs and structure.
- A Senior Pastors Cohort will be launching soon for churches with over 150 members that will focus on ownership, learning, and growth for participants.
- Completed an 8-session digital course on Enneagram (learning to lead yourself and others).

Thriving Leaders, Thriving Churches

Thriving Leaders, Thriving Churches is guided by a coalition of pastors, staff, and regional synod staff. The team’s focus is to empower leaders and congregations to take the next faithful step in their ministries, navigating the complexities of leading change. This empowerment is delivered through high-impact coaching, learning communities focused on personal and corporate transformation, support systems for pastors and congregations in transition, and equipping in vision discernment.

Thriving Leaders, Thriving Churches has found some successful ways of moving its work online. One way has been to adapt two learning communities to an online format for 16 churches in New Jersey. The initiative has also organized an online class on becoming a trauma-informed congregation to help churches gain the tools and resources necessary to help their members through hard experiences. Other successes include:

- The First Call program expanded with the leadership of the Albany group. Recruitment is in place for this two-year learning community.
- Thriving Leaders, Thriving Churches partnered with Special Projects to successfully write a \$1 million Lilly Grant to foster innovation practices.
- The Reformed Partnership for Congregational Renewal hired a new director, Larry Doornbos. Now called Vibrant Congregations, this organization will help congregations discern next steps in ministry.
- The Thriving Leaders, Thriving Churches guiding coalition worked on generating processes for the small church initiative proposed at General Synod 2018.

Women’s Transformation and Leadership

Women’s Transformation and Leadership has been established as part of Transformed & Transforming to help the Reformed Church in America pursue a vision for the full inclusion of

women's gifts and influence in all areas of the church and beyond. A cross-sector group of RCA leaders serves as the guiding coalition and as regional facilitators for Women's Transformation and Leadership, helping to champion the mission, create and lead new processes, and provide critical insights and advisement.

Women's Transformation and Leadership is excited to offer many ways for women and men to gather and see how their gifts can benefit the work of the Lord. A She Is Called Women of the Bible study series started in July and will run through early September, with over 100 participants. Building God's Church Together has virtual gatherings in response to COVID-19 that happen every Monday night. This group gathers for spiritual direction and to share ideas, hope, and encouragement. In addition, Sunday, May 17, was designated as the RCA's Women in Ministry Sunday. Women's Transformation and Leadership shared resources with congregations as they celebrated the gifts of women. Other areas of success include:

- Women's Leadership completed a trip to the Holy Land in November with 20 women and men.
- The She is Called Leadership Collaborative is launching in September on the new online learning platform.
- An additional 24 names will be added to the Legacy of Leadership booklet, including women from the 1980s and 1990s who were instrumental in the life of the RCA.
- The initiative is launching two learning communities for the Pacific Northwest and West Michigan as well as the New Brunswick Theological Seminary ministry certificate program in church leadership. Leadership collaboratives are currently running in Chicagoland and Central Plains. The New York City, Canada, and Midland Reformed cohorts finished this past spring and their final reports are being collected now.

Local Missional Engagement

Local Missional Engagement (LME) helps churches discern what God is doing in their church and in their communities and helps explore ways to bring those things together. LME champions the work of reviving the church's missional imagination. Local Mission also seeks to equip the church to share the good news of the gospel in word and deed, as individuals and as a corporate body. The LME office committed this year to multiple learning opportunities, as well as better collaboration with the Christian Reformed Church in North America, and other partners.

- Partnered with Wheaton College to provide joint training for an MA in Evangelism and Leadership or an MA in Leading Missional Movements.
- 3 connection events have or will be completed that provided teaching and workshops for equipping.
- 2 registered nonprofits were created as a result of a leadership collaborative.
- Special Projects and Local Mission are actively engaged with Faithward and other initiatives in developing online learning avenues, resources, and community outreach.
- A new online learning platform was successfully launched in partnership with Faithward. The first class will be a leadership collaborative through Women's Leadership and Transformation.

Short-Term Mission

The Short-Term Mission initiative (previously known as Volunteer Engagement) is focused on empowering, equipping, and engaging RCA volunteers of all ages in service for Christ through short-term mission opportunities that have a transforming impact on individuals, congregations,

and the partner communities in which they serve. We believe that as people serve in short-term mission in the name of Christ, whether in their local community or around the world, that service can have long-term impact on all participants.

This team is focused on supporting congregations and equipping Christians for service with RCA missionaries and mission partners. Short-Term Mission works with mission trip leaders and participants throughout the planning process, providing support on-field and helping ensure effective debriefing and follow-through.

Short-Term Mission partners with many areas to work with participants in the area of service. The initiative has partnered with Genesis to work with close to 1,000 students through their service opportunities. In addition, the initiative has expanded services for specific Global Mission partner sites to include wrap-around services. Another partnership opportunity is with Faith Church and Global Mission. Short-Term Mission is starting the process of creating virtual prayer walks. We are hopeful that we can repeat this with other partners to create more ways for people to continue to engage in prayer for global partners. Other initiative successes include:

- The Cultivate program has four volunteers starting new service this year and two volunteers continuing year-long service.
- The Next Generation Missional Engagement Scholarship fund awarded 85 scholarships amounting to \$109,237.50, benefitting 772 young people.
- Short-Term Mission has started the process of collecting stories and resources to help churches start to engage in mission trips on a very local level with the help of Local Missional Engagement.

Cultural Agility and Advocacy

Cultural Agility and Advocacy has focused on helping congregations and people to live more fully into the biblical vision of shalom and the human hope of the beloved community. Cultural Agility and Advocacy has offered congregations two pathways as they strive for shalom and the beloved community, helping congregations:

- Increase their cultural agility.
- Advocate by addressing societal patterns, including influencing public policy.

“Cultural agility” begins with whatever culturally-rooted style of relationship-building a person or congregation has, and focuses on adapting that style when communicating, negotiating, and building trust with other people, congregations, or groups whose cultures differ from one’s own.

Events are one way Cultural Agility and Advocacy builds these relationships. The initiative held four advocacy connection events over the past year. These included topics of creation care, mass incarceration, and small business. In addition, cultural agility connection events were held; 28 participants engaged in this high-level training experience. The African American Black Council (AABC) also held a connection event on the Vision 2020 process. Forty-eight participants received information from a Vision 2020 Team member. Also, several leadership collaboratives were held. These served vice presidents of consistories, declining churches that wish to be vibrant, and nonprofit corporations. Other initiative success stories include:

- Successful launch of the Robben Island initiative.
- Completed a study of the inter-generationality within the AABC.

- Hosted an AABC Friday Series that brought in teams of people for a Zoom series covering an important range of church and community life.
- Completed a grant proposal to the World Council of Churches to equip parents, grandparents, and legal guardians to advocate for their children's education.

Disability Concerns

Scripture's vision of the kingdom is a unifying embrace of the love and grace of Jesus Christ that reaches all people—every race, tribe, people, and language, every type of disability and special need. Raising awareness and making our churches accessible to people with disabilities establishes a needed foundation, but our own attitudes require even greater transformation so that ministries to and for people with disabilities that may be grounded in pity or compassion can grow into ministries with and by people with disabilities that recognize that everyone has gifts to serve the purposes of God's kingdom mission. The vision of RCA Disability Concerns is to welcome and engage the gifts of all people in Christ's ministry, becoming accessible, inclusive, missional churches where everybody belongs and everybody serves. A covenant with CRC Disability Concerns between the governing boards of the RCA and the Christian Reformed Church (CRC)—in place since 2009—has demonstrated a track record of multiplied effectiveness and continues to deepen ministry impact in both denominations and beyond, welcoming all the partners that God provides.

This year marks the 30th anniversary of the Americans with Disabilities Act (ADA). Disability Concerns highlighted this anniversary and its connections to the President's Report to General Synod in 1990, along with Syl Scorza as a wheelchair user and lifetime advocate for people with disabilities and others in the RCA who have been marginalized historically. When General Synod was canceled due to the pandemic, the coordinator for Disability Concerns created a video-recorded interview of Scorza that was part of a four-part series highlighting the ADA and calling for RCA (and CRC) churches to embrace the spirit of the ADA through specific calls to action. Disability Concerns is also grateful for the invitation to make ableism a daylong focus in the RCA staff's work with Reesheda Graham Washington and to raise greater awareness among staff around ableism and the inclusion of people with disabilities in providing equitable hospitality. Additional areas of success include:

- A network of RCA regional mental health consultants has been established.
- 6 RCA/CRC Disability Concerns connection events have been or are scheduled for this year.
- 100 churches have designated a church disability advocate. They have also been encouraged to facilitate an accessibility audit of their church and work with leaders to adopt a disability policy.
- Held a virtual gathering in partnership with Women's Transformation and Leadership in June focusing on mental health challenges in response to COVID-19.
- Continuing to raise the issue of mental wellness within churches through connection events (Bearing Hope, for example), targeted campaigns, and the launch of regional mental health consultants.
- The annual Disability Concerns Leadership Training conference was adapted from an in-person to a virtual gathering and was offered to a wider audience.

Global Mission

For over 375 years, RCA Global Mission has impacted millions of people around the world with the love of God. And God's faithfulness continues. Our goal is to provide opportunities for RCA

churches to partner with global churches in ways that are collaborative and mutually meaningful, helping us all live and love like Jesus.

Today, around 100 RCA missionaries and partners are bringing hope through the light of Christ. Your gifts support their work and enable the hope of Christ to reach even more people.

- The RCA has over 90 mission personnel and over 60 mission partners.
- RCA Global Mission is currently partnering in 51 countries.
- RCA Global Mission is currently engaged in 125 active projects.
- 752 RCA churches engaged in the work of RCA Global Mission this past year.
- 8 missionaries are currently fundraising for new mission endeavors, including 2 new missionaries.
- Our spring appeal solicited funds for COVID-19 international grants for missionaries and partners overseas and domestic grants for North American church starts (see the Church Multiplication information below). The appeal raised almost \$130,000. Global Mission worked with 33 partners in 24 countries to raise awareness and to provide food relief, trauma counseling, masks for protection, and access to the internet for students to continue education from home.

Church Multiplication

- 16 New Congregation Plans (NCPs) were approved in July 2020, representing 10 states and provinces and 3 classes; others are in the process of being approved. 15 are Hispanic congregations.
- 50 new churches have been planted since July 2018.
- 130 people participated in a Hispanic Planting Summit/Exponential this spring.
- The RCA Church Multiplication Team and the CRCNA have entered into a partnership with Fresh Expressions to enable small, contextual, nimble church plants, often organized around a shared interest, with volunteer or co-vocational leaders. Over 125 pastors and leaders have viewed the introductory webinar and over 65 participated in a virtual vision day.
- 15 new churches have been planted in Nepal (in cooperation with RCA Global Mission); 39 apprentices are being trained as planters, and 34 fellowships are going so far.
- Church planting is not one size fits all. Church Multiplication is pivoting to three planting lanes (fresh expressions of church, classic plants, and multiplication center plants) so that church planting is within the reach of any RCA congregation, in any kind of circumstance.
- A new online support group for female solo or co-pastors of church plants has been meeting for the last five months, featuring beautiful diversity. July's meeting had female planters from Georgia, Florida, New York, Wisconsin, and Michigan (including Hispanic, Asian American, African American, and white participants).
- More than \$60,000 in COVID relief funds have been given out to RCA planters, including \$1,000 greatest need grants and \$500 sustainability grants (helping to equip planters to become more co-vocational).

General Synod Council Operating Budget Process

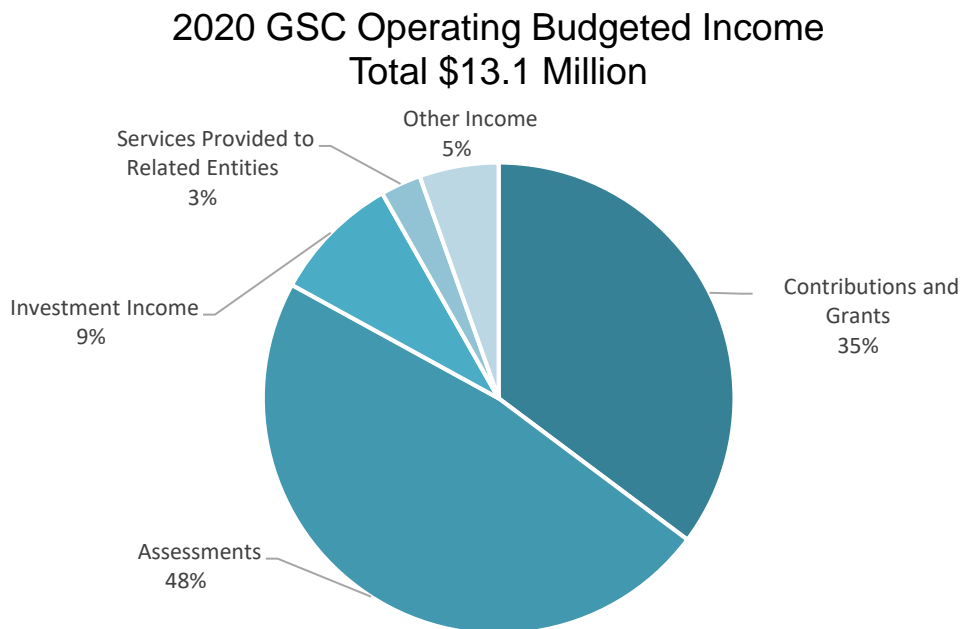
The General Synod Council (GSC) operating budget is primarily funded by assessment income and contributions. The 2020 budget was finalized by determining revenue available from assessments, contributions, investments, and other income. In 2019, General Synod approved

a per member assessment for GSC, BOBS, and theological education of \$54.22. This was the same amount as approved in 2018. The 2019 General Synod approved an additional one-year \$0.08 per member assessment to be used to create a fund for Christian Educators, Reformed Church in America (CERCA) scholarships for continuing education. The 2020 budgeted assessment revenue of \$6.3 million is a decrease of \$225,000 from 2019. For 2020, contributions to support the three ministry priorities are budgeted at \$35,000 more than 2019. Global Mission expects to see an overall decrease in contributions of about \$230,000.

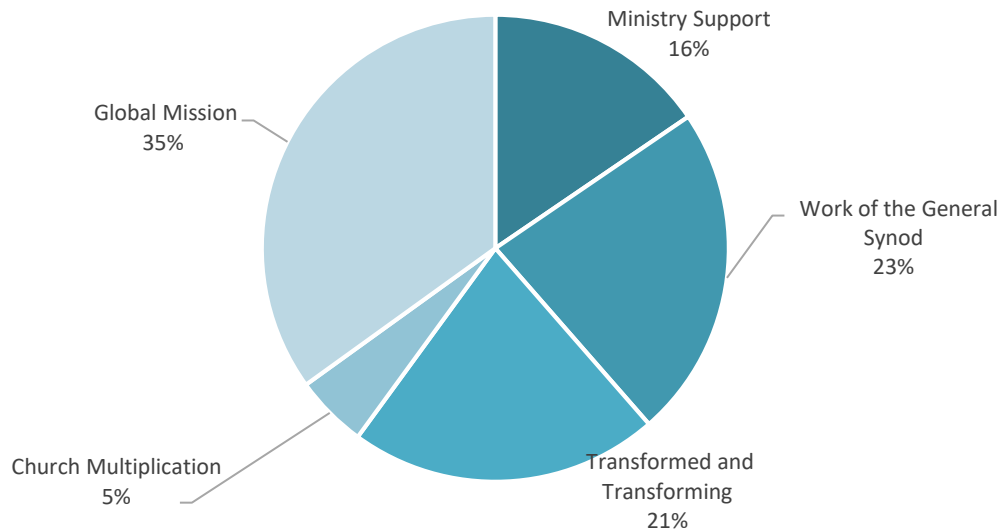
Personnel costs, including salaries and benefits, make up 71 percent of the total budget. The remaining 29 percent of the budget is used for meeting and travel costs for the GSC, commissions, and General Synod; office costs, including rent and utilities; and other costs necessary to carry out the work of the GSC.

The 2020 budget was prepared assuming a draw on reserves of about \$455,000 for costs related to move forward the initiatives of Transformed & Transforming, Global Mission, and Church Multiplication. This includes a planned draw on reserves of \$115,000 for the Vision 2020 Team.

The following charts show the sources of budgeted operating revenue and budgeted operating expenses, shown by ministry and support areas.



2020 GSC Operating Budgeted Expenses Total of \$13.6 million



In addition to the operating budget, gifts and grants designated for specific purposes typically provide about \$4 to \$5 million annually. These specific purposes include funds for disaster relief, global mission projects, and other projects beyond the scope of operational work. These designated gifts are classified as “with donor restrictions” on the audited financial statements. The GSC recognizes that many churches are facing a number of economic challenges caused by COVID-19. Churches are experiencing a reduction in giving because of discontinued in-person worship services or congregants now struggling to make ends meet. Other churches rely heavily on income from renting their worship spaces to other groups that are not currently meeting due to gathering restrictions. In March 2020, the GSC took action and offered financial relief in response to the challenges facing RCA churches. The relief was offered via a 30 percent reduction of one quarter’s assessment billing. The General Synod Council assessment was reduced by \$450,000 to provide relief for churches. RCA denominational staff were asked to decrease their budgets by 25 percent. This was a difficult task for staff to do, but our staff knew that by cutting back, they could pass those savings on to classes and churches. The budget reductions did not apply to personnel budgets.

In June 2020, the GSC approved another 30 percent reduction to the third quarter’s assessment billing to make up for the savings realized by not holding a General Synod session in 2020. This discount was applied only to the General Synod Council portion of assessments.

Formulating the 2021 budget will begin in midsummer 2020 and will be based on the approved assessment rate and estimated revenue for 2021. The focus will continue to be on aligning staff, support services, and programs to fulfill the priorities of Transformed & Transforming, Church Multiplication, and Global Mission in impactful and measurable ways.

2020 General Synod Assessment Amount

*****Note: General Synod 2019 approved changes to the General Synod bylaws that would allow a change in the manner in which assessments are calculated by a percentage of income method***

*(Covenant Shares) rather than the per-member method. The amendment process for the Bylaws and Special Rules of Order (BCO Chapter 3, Part I, Article 11) says that both votes by the General Synod in order to make a bylaws change effective must occur at stated sessions. Therefore, the final vote of General Synod to make this bylaws change effective cannot happen in 2020 without a stated session, and it is necessary for the RCA to proceed with another year of per-member assessments for 2021.***

The GSC is requesting no increase in assessments over the previous year. In doing so, we know that we will have less revenue from assessments due to declining membership. We will also have higher expenses due to cost of living increases for staff and rising health care costs. We plan to make up for the deficit by cutting costs.

Confessing membership is the driving factor in revenue received under the per-member assessment method. The Consistorial Report Forms for the year ending December 31, 2019, indicate a decline in confessing membership of 4 percent over the previous year. Thus we anticipate a \$240,000 (4 percent) decline in assessment revenue for the year 2021.

Staff leadership anticipated this decline in revenue and has already begun to implement reductions to the budget for the 2021 fiscal year. These reductions included staff reductions, narrowing our ministry focus, and reducing several other costs such as travel and meetings.

Board of Benefits Services Assistance Grant Assessment Request

The Board of Benefits Services' assistance program provides grants to retired ministers and to their surviving spouses who are experiencing financial distress. Financial assistance is primarily awarded for needs related to housing and daily living expenses, ongoing medical insurance premiums, funeral grants to surviving spouses of an RCA minister of Word and sacrament, retirement contributions for disabled ministers, and payments for one time emergency needs. In 2016, General Synod approved an increase from \$1.50 to \$2.00 per member for assistance grants. Prior to 2016, the per-member assessment had not changed in more than 25 years. The remainder of the funds required to sustain this program are provided through donations to the Board of Benefits Services and endowment income. The Board of Benefits Services requests that the assessment remain at \$2.00 per member for 2021.

Theological Education Assessment Request

GSC voted to set the General Synod assessment for theological education at \$482,000 for Calendar Year 2021, which equals a \$3.91 per-member assessment. This recommendation excludes any allocation to the MFCA, which will use reserves to fund its operations during the next year.

The recommendation is for the 2021 theological education assessment to be allocated in the following manner:

- 75 percent of the funds are to be split evenly among the two agents for theological education (WTS and NBTS).
- 20 percent distributed per capita of students within each agency who are formally in the Certificate of Fitness for Ministry process.
- 5 percent to cover the cost of the meeting of the PFOB, the General Synod professors, and collaborative efforts among the respective agents.

2021 Assessment Request

The chart below summarizes the General Synod assessment amounts for 2020 and the General Synod Council proposed amount for 2021.

Name of Assessment	2020	Proposed 2021	Change	% Change
General Synod Council	\$46.10	\$46.10	-	0%
BOBS	\$2.00	\$2.00	-	0%
Theological Education	\$6.12	\$3.91	(\$2.21)	-36.11%
CERCA scholarships* (MGS 2019, DE 19-2, p. 216)	\$0.08	0	(\$0.08)	-100%
	\$54.30	\$52.01	(\$2.29)	-4.22%

*The 2020 assessment for CERCA scholarships was approved by General Synod 2019 as a one-year assessment amount.

****Note:** In June 2020, the General Synod Council approved the following motion:

GSC 20-33

To adopt a General Synod assessment amount for 2021 of \$52.01 per confessing member (including \$46.10 for the General Synod Council assessment, \$2.00 for the BOBS assistance fund, and \$3.91 for theological education), which reflects no increase over the 2020 numbers, given that there is no alternative for approving an assessment for 2021 since the General Synod will not meet again before its stated session in June 2021; and further;

To seek ratification of this action by General Synod 2021.

*This action will come before the next stated session of General Synod for ratification. ***