

## 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, Inc. (CGF). The Office of Finance strives to ensure that 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.

### 2021 Annual Audits

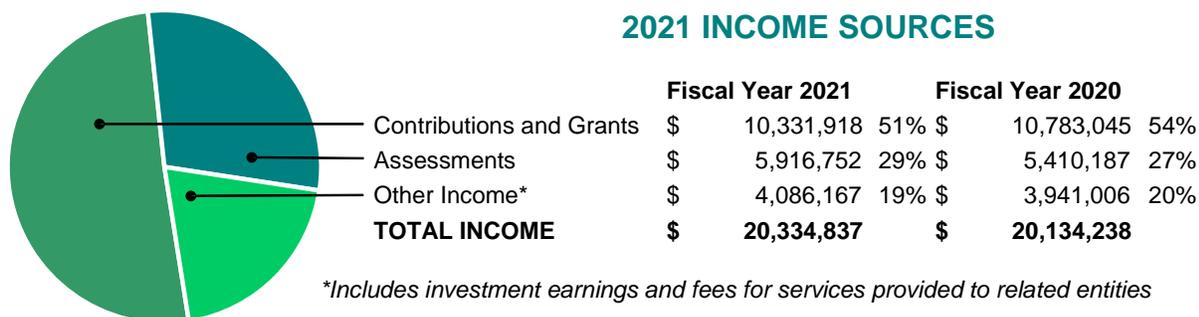
The 2021 financial statements of the GSC, BOBS Retirement Program and General Fund, and CGF were audited by CapinCrouse, LLP, certified public accountants. All corporations received unmodified (or “clean”) audit opinions. The audited statements are available at [www.rca.org/finance](http://www.rca.org/finance). The GSC’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, 2021*

#### General Synod Council (GSC)

The GSC’s total income was \$20.3 million and expenses totaled \$16.6 million, resulting in a net income of \$3.7 million. This surplus was not earned entirely on operational areas; rather, \$1.7 million was earned on endowed funds and a \$1.3 million Lilly Foundation grant was received for a specific purpose, to be used over the next three fiscal years. \$700,000 of assessments that were collected in fiscal year 2021 were set aside to pay for the General Synod held in October 2021 (which took place in fiscal year 2022). Total net assets were \$44.9 million, of which \$19.7 million is without donor restrictions and \$25.2 million is with donor restrictions.

The generosity of donors—churches, individuals, and foundations—provided over half of the cost of carrying out the work of the General Synod. Assessments provided 29 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 and grants** decreased by \$451,000 from 2020 to 2021. In 2020, the GSC received a PPP forgivable loan and a Lilly grant totaling \$2,347,600. In 2021, the GSC received a grant from the Lilly Foundation for Generation Spark in the amount of \$1,310,000, and Global Mission received estate gifts of approximately \$500,000.

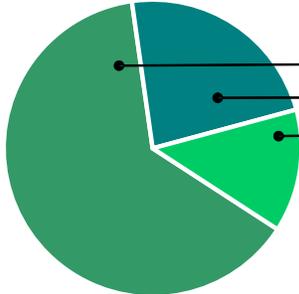
**Assessments** increased by approximately \$500,000 over the prior year. The difference was due to assessment relief of over \$900,000 provided to classes during fiscal year 2020 due to the COVID-19 pandemic and the postponement of General Synod. The increase in assessment revenue in 2021 was offset by a decrease in church membership.

**Other income** increased by \$145,000 compared to the prior year. This slight change was due to the combination of an increase in investment earnings and a decrease in fees collected. Investment income was higher in 2021 due to increases in market values in the endowment fund and third-party perpetual trusts. Fewer events were held in 2021 than 2020, resulting in fewer fees collected from participants. For example, Global Mission had two events that collected \$250,000 in fee income in 2020 before the pandemic struck. There were no similar events in 2021.

The GSC’s total expenses decreased from the prior year by \$581,000. Expenses included the release of \$2.1 million of assets held in the New Jersey Fund to New Brunswick Theological Seminary. Without the additional expense of the endowment transfer, all other expenses were \$2.6 million less than the prior year. Payroll and related expenses decreased by approximately \$1.7 million due to eliminated positions from the early retirement program and other eliminated positions.

The chart below shows expenses by functional category and is followed with a summary of each functional expense category.

**2021 EXPENSES**



	Fiscal Year 2021		Fiscal Year 2020	
Ministry Expenses	\$ 10,549,668	64%	\$ 11,651,277	68%
Work of the General Synod*	\$ 3,822,841	23%	\$ 2,845,032	17%
Ministry Support Services	\$ 2,218,170	13%	\$ 2,674,933	15%
<b>TOTAL EXPENSES</b>	<b>\$ 16,590,679</b>		<b>\$ 17,171,242</b>	

\*Includes GSC, General Synod and general secretary’s office

**Ministry expenses** (64 percent) include the costs related to carrying out the GSC’s three strategic areas of ministry—Global Mission (65 percent), Transformed & Transforming (26 percent), and Church Multiplication (9 percent). Ministry expenses decreased by \$1.1 million from 2021 to 2020. Personnel expenses were reduced by \$670,000 due to vacant positions that were eliminated and early retirements in 2020. There were also several meetings and events that were not held in 2021, resulting in a savings of approximately \$660,000.

**Work of the General Synod** (23 percent) includes costs related to the annual General Synod meeting and officers' expenses, commissions, task forces, the Office of the General Secretary, GSC meetings, and Communication and Production Services. The Work of the General Synod expenses increased by \$980,000 from 2020 to 2021. This increase is due to the transfer of the New Jersey Fund (\$2.1 million) to New Brunswick Theological Seminary. This one-time grant was offset by reduced travel and meeting expenses as well as reduced expenses related to Vision 2020 work.

**Ministry support services** (13 percent) includes costs relating to the general and administrative support needed to carry out the ministry work and the work of the General Synod. This includes human resources, data management, information technology, financial services, legal counsel, and fundraising. Expenses decreased by approximately \$460,000 in 2021 due to reduced personnel costs. These ministry support services are also provided to BOBS and CGF for a service fee.

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

#### Board of Benefits Services—Retirement Program

As of September 30, 2021, the date of the Board of Benefits Services' (BOBS) most recent audit, \$565 million is held in participant accounts in the RCA Retirement Plan and the RCA 403(b) Retirement Program and in annuities outside of the funds purchased on behalf of participants. In fiscal year 2021, participant and employer contributions to the plan were \$11 million, and distributions to participants totaled \$29 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 RCA ministers of Word and sacrament to their retirement accounts each year. An estimated \$1.1 million has not been paid into participant accounts from local congregations for benefits owed between January 1, 2009, and September 30, 2021. 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 in this workbook and the audited financial statements available at [www.rca.org/finance](http://www.rca.org/finance).

#### Board of Benefits Services—General Fund

The BOBS 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 their surviving spouses. The General Fund is financially healthy, with \$28 million in net assets as of September 30, 2021. The General Fund ended fiscal year 2021 with a net surplus of \$3.5 million. Investment earnings on reserves and endowments amounted to \$3.2 million, and other revenue generated \$1.7 million of income, for total income of \$5.9 million. Administration costs for the retirement plans, which are covered

primarily by a fee on employer contributions to the RCA 403(b) Retirement Program and the RCA Retirement Plan accounts, totaled \$960,000 in 2021.

Due to a projected surplus in fiscal year 2021, fees were not charged for the quarter ending December 31, 2021. Effective January 1, 2022, BOBS implemented a fee reduction for participants from 19 basis points (bps) to 10 bps. Since 2012, the administrative fee has dropped by 30 bps. Earnings from the ERISA Insurance Endowment Fund, a decrease in operational expenses, plus investment earnings from other sources and increased values in the retirement plans, allowed for this significant drop in fees.

Support for the assistance and retiree chaplains programs came from a General Synod assessment, designated contributions, and annual investment income from endowment funds. Assistance grants and retiree chaplains' ministry expenses were \$509,000 in 2021. The premiums received for life and long-term disability insurances cover the costs of administering those insurances. For additional information about the BOBS General Fund, see the report of the Board of Benefits Services in this workbook and the audited financial statements available at [www.rca.org/finance](http://www.rca.org/finance).

### Church Growth Fund

The CGF makes affordable-rate loans to current and former RCA churches and related agencies for building projects used in ministry. Loans are funded by current and former RCA churches, agencies, and individuals that purchase CGF savings certificates, which are interest-bearing investments offering a favorable rate of return. In fiscal year 2021, the CGF continued its plan to grow and service more RCA congregations, reaching \$85 million in total assets.

As of September 30, 2021, the CGF had \$29 million in cash and short-term investments and \$56 million in loans to churches. The loans were funded by \$35 million in savings certificates and \$50 million in net assets (capital). Net income totaled \$1.8 million after contributing \$780,000 to the GSC to be used for grants to church plants and grants for church revitalization. Since 2018, the CGF has operated under a goal 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 in this workbook and the audited financial statements available at [www.rca.org/finance](http://www.rca.org/finance).

### **Investments**

The investments of the GSC, BOBS, and CGF 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. The Investment Advisory Committee makes recommendations for changes to investment policy or management to each RCA board for consideration.

### *Excess Operating Reserves*

Since December 2017, the operating reserves of the GSC, BOBS, and CGF 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 investment policies. The first policy, invested only in fixed income, is the secondary liquidity source after cash and savings for the RCA entity and uses the benchmark for investment returns of the Barclays 1–5 Year Government/Credit A+ Index. The second policy, allocating assets to longer duration fixed income and equities, is the third source of liquidity for the RCA entities and uses the benchmark for fixed income investment returns of the Barclays Intermediate Government Corporate Bond Index. The total amount invested in fixed income at Telemus Capital, LLC, was \$32.2 million as of September 30, 2021. The total amount invested in index equities funds was \$4.6 million as of September 30, 2021.

### *Endowment Funds*

The GSC manages \$22.8 million in funds provided by donors or set aside by management to be invested long term. Some of the endowed gifts entrusted to the GSC 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 GSC and CGF, the endowment pool includes amounts designated for local congregations and RCA seminaries and colleges. In fiscal year 2021, the RCA Endowment Fund distributed \$971,000 to the GSC, \$30,000 to the CGF, and \$170,000 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's Office of Advancement ([advancement@rca.org](mailto:advancement@rca.org)).

BOBS also manages an endowment fund valued at \$16.5 million. Most of the BOBS endowment fund consists of the ERISA Insurance Endowment Fund, a board-designated endowment funded by reserves from the medical insurance program that was previously administered by BOBS. 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 2021, approximately \$500,000 was distributed from the endowment fund to the BOBS General Fund.

### *RCA Retirement Plans*

Fidelity Investments provides recordkeeping and investment management services for BOBS' retirement programs. In collaboration with the Investment Advisory Committee, in its fiduciary role, BOBS monitors the performance of the investment options (funds) available under the two retirement programs. BOBS and the Investment Advisory Committee 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 19 diversified mutual funds, including 4 socially responsible options. As of December 31, 2021, 76 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) program and Retirement Plan was \$560 million as of September 30, 2021. \$5 million is held in insurance contracts purchased on behalf of participants, but not held at Fidelity.

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

### *Planned Giving Programs*

The GSC 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. This fund is in a wind-down phase. Those wishing to establish a charitable gift annuity benefiting the RCA or a local RCA church may contact the Barnabas Foundation to do so.

### *Church Growth Fund Investments*

The CGF invests a portion of excess operating cash in three fixed-income accounts and one equity account. As of September 30, 2021, Telemus Capital, LLC, the Barnabas Foundation, and LVM Capital Management, Ltd., manage these funds. The RCA Investment Advisory Committee reviews the investment policy and investment performance semi-annually.

### *Socially Responsible and Environment, Social, and Governance (ESG) Investing*

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. In the fall of 2021, GSC and BOBS adopted two additional screenings: adult entertainment and pornography, and firearms and military weapons.

BOBS currently offers four environment, social, and governance (ESG) funds to its participants in the Retirement Program. Participants who wish to learn more about ESG investing and the ESG funds available to them may visit [www.rca.org/esg](http://www.rca.org/esg).

There were two General Synod actions (CA 21-6, *MGS 2021*, p. 206; ONB 21-9a, *MGS 2021*, p. 119) made in October 2021 related to ESG investments—both instructed the Investment Advisory Committee to follow up and one also asked BOBS to follow up. The Investment Advisory Committee has had preliminary discussions regarding these two recommendations; however, in order to give this topic the attention it deserves, the Investment Advisory Committee plans to hold a special meeting to address these two recommendations.

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

As the conflict with Russia and Ukraine unfolded, the RCA's exposure to investments in Russia was analyzed. It was found that the RCA's exposure to Russian holdings is very minimal. This minimal exposure is from investment in some index funds, and these index funds are divesting of Russian holdings as soon as possible. This has been difficult for them to do since the Russian stock market was closed.

## **2022 Budget Process**

### *Alignment of Resources with Transformed & Transforming, Global Mission, and Church Multiplication*

The general secretary has identified four ministry priorities that are in line with the GSC's ends policies—Transformed & Transforming initiatives, Global Mission, Church Multiplication, and Multicultural and Multiracial Future Freed from Racism. GSC staff focuses on equipping churches and church leaders in these four areas so that leaders are better able to follow the unique call that God has given their church. Budget managers developed 2022 budgets with the aim of making sure that resources are used wisely in light of decreased assessment revenue.

The assessments and contributions provided by RCA churches and members enable the GSC and 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. For more on how the RCA's financial resources were used in ministry during the past year please see the reports of Transformed & Transforming, Church Multiplication, Global Mission, and Multicultural and Multiracial Future Freed from Racism.

### *General Synod Council Operating Budget Process*

The GSC operating budget is primarily funded by assessment income and contributions. The 2022 budget was finalized by determining revenue available from assessments, contributions, investments, and other income. In October 2021, the General Synod approved a per member assessment for GSC, BOBS, and theological education of \$54.51 for the 2022 calendar year. This was an increase from the prior year due to the addition of the theological education allocation to the Ministerial Formation Certification Agency (MFCA), which was an increase of \$2.21 per member; General Synod also approved a \$0.29 assessment for the restructuring team created by the adoption of the Vision 2020 Team's recommendation (RF 21-1). The GSC and BOBS assessment rates remained flat at \$46.10 and \$2.00 per member, respectively. The fiscal year 2022 budgeted assessment revenue to the GSC (excluding MFCA) is \$4.2 million, representing a decrease of \$1.3 million from the 2021 budget. The budget was built based on an estimated decrease of 30,000 confessing members.

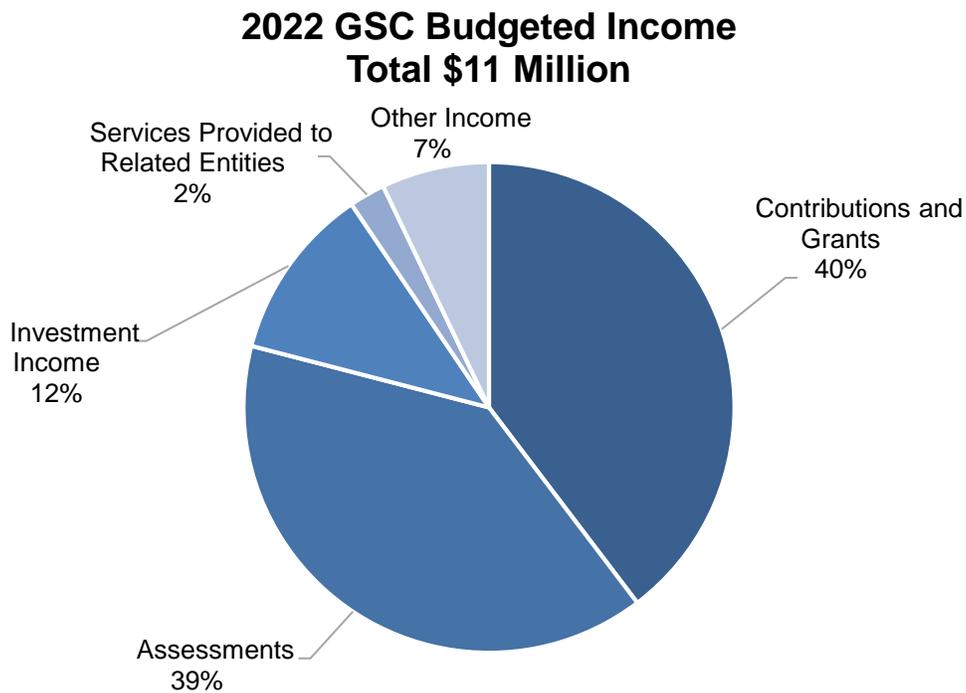
Contributions to the On Mission Fund are unrestricted contributions to the RCA. For 2022, contributions to the On Mission Fund are budgeted at \$100,000 less than 2021 because of the uncertainty of donor commitment due to churches departing the denomination. Based on partnership-in-mission (PIM) shares pledged to support missionaries, Global Mission expects to see an overall increase in contributions of about \$240,000 compared to prior year giving.

Personnel costs, including salaries and benefits, make up 67 percent of the total budget. The remaining 33 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.

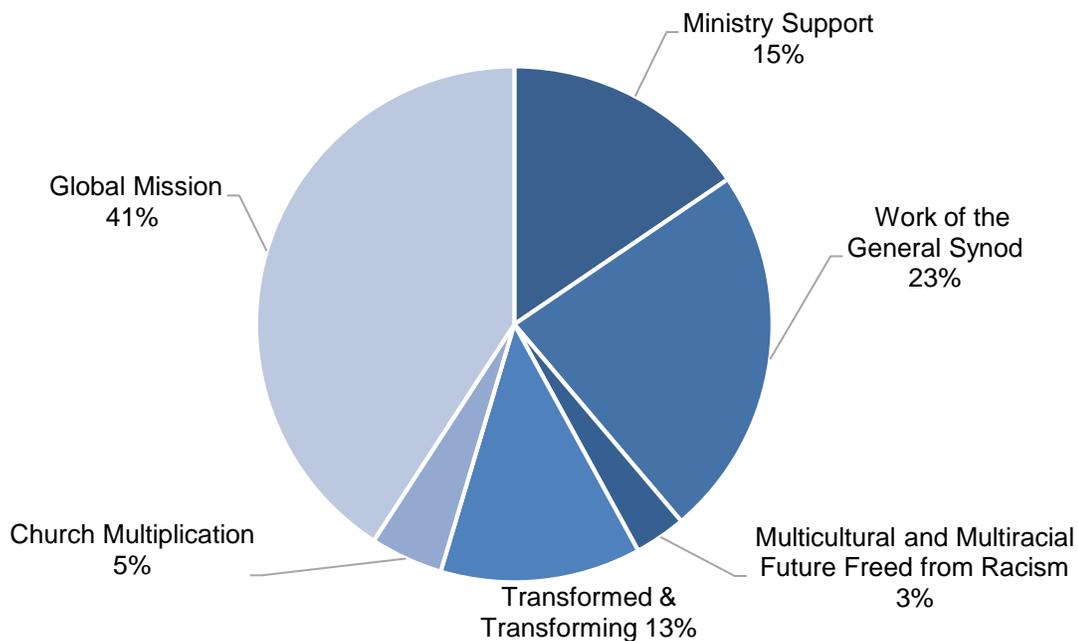
The 2022 budget was prepared assuming a draw on reserves of about \$1.1 million. \$700,000 of that amount was a planned use of reserves for the October 2021 General Synod, for which assessments were collected in 2021 (since there was no General Synod in the 2021 fiscal year, and two General Synods planned for fiscal year 2022). This deficit also included a planned draw on reserves of \$122,000 for the MFCA.

*General Synod Council 2022 Fiscal Year Budget*

The charts below show the budgeted operating income and expenses. This budget includes the four strategic priorities, the work of the General Synod, and ministry support services. The budgets do not include donor restricted activity.



**2022 GSC Budgeted Expenses  
Total \$12.1 Million**



In addition to the operating budget, gifts and grants designated for specific purposes typically provide about \$4–5 million annually. These specific purposes include funds for disaster relief, Global Mission projects, grants from foundations, and other projects beyond the scope of operational work. These designated gifts are classified as “with donor restrictions” on the audited financial statements.

Formulating the 2023 budget began in early spring 2022 and will be based on the approved assessment rate and estimated revenue for 2023. We are expecting a drop in revenue based on departures from the denomination. The negative financial impact of churches leaving the RCA will likely continue through the next couple of years. The budget will remain focused on fulfilling the priorities of Transformed & Transforming, Global Mission, Church Multiplication, and Multicultural and Multiracial Future Freed from Racism in impactful and measurable ways.

**2023 Assessment Proposal for GSC, BOBS Assistance Grants, and Theological Education**

*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 could not happen in 2020 without a stated session, and thus it was necessary for the RCA to proceed with another year of per-member assessments for 2021. The 2021 General Synod approved a

recommendation to delay the second vote on the changes related to covenant shares until the next stated session of General Synod (EC 21-12). Therefore, the RCA continues with the per-member assessment method in 2022.

The 2021 General Synod also adopted Rules and Regulations that apply to the interpretation of the provisions of the *Book of Church Order (BCO)* related to the transfer of churches. Specifically, RF 21-3 included the adoption of Rules and Regulations that will guide the application of certain provisions of the *BCO* related to the payment of assessments for departing churches. Due to the administrative implications of implementing the changes adopted in RF 21-3, GSC is proposing that the implementation of covenant shares be delayed again.

The GSC has recommended to this General Synod that the second vote on the change to the General Synod bylaws in *BCO* Chapter 3, Part I, Article 3, Section 6c (2021 edition, p. 110) to make covenant shares effective be delayed until the next stated session of General Synod. (See motion EC 22-9 in the report of the General Synod Council Serving as the Executive Committee of General Synod.)

The GSC assessment rate has not increased in four years. The GSC assessment-funded areas (excluding Global Mission and the MFCA) have reduced their budgets in that four year period by \$1.9 million. The GSC assessment-funded areas have reduced full-time equivalent staff positions (FTEs) from 62 in 2020 to 46 in 2022. That is a reduction of 16 FTEs. Those reductions were made in anticipation of a significant decline in the assessment revenue due to churches leaving the denomination. Total confessing membership has been declining for several years in a row—at an average annual decline of over 2 percent over the past ten years. The 2020 consistorial report form (CRF) total confessing membership was just over 120,000. Since January 1, 2021, and through March 7, 2022, 112 churches with over 32,000 confessing members have either submitted a Petition to Withdraw to their classis that has been reported to the GSC, disbanded, or left the denomination. The GSC based its 2022 budget on assessment income expecting 90,000 confessing members. At this point, we anticipate basing the 2023 budget on assessment income from 70,000 members. That is a drop of 50,000 members from 2021, which equates to a loss of \$2.3 million in assessment revenue (\$46.10, the 2022 GSC assessment amount, multiplied by 50,000).

In recent years, the GSC has been mindful of the impact of denominational assessments on the local church and has chosen not to ask for increases to the GSC per-member assessment rate in order to make up for the decline in revenue from departing churches. In order to offset lost assessment revenue from departing churches, we have made significant budget cuts. We are also seeking other sources of income.

However, going forward, we will need additional funding from assessments in order to continue to carry out the work that is required of the GSC. The GSC has many responsibilities that we must continue to fund; while the restructuring team approved at General Synod 2021 will be working to develop a new structure for the RCA that may or may not require these same functions, until their work is complete and any necessary constitutional and bylaws changes are fully adopted, the GSC must continue to fulfill all its currently required responsibilities. These responsibilities include but are not limited to the following: the cost of the meeting(s) and work of the General Synod, the GSC, and commissions; ecumenical work, racial and ethnic councils, endorsement of RCA chaplains, and Consistorial Report Form data collection and maintenance.

We are recommending an increase to the GSC per-member rate of \$1.00 per member. This increase will help retain and attract dedicated staff with competitive wages and benefits in order to carry out the work required of the GSC. An increase of \$1.00 per member based on an estimated 70,000 confessing members will raise additional assessment revenue of \$70,000. Even with this increase, we will need to make further reductions to our budget because this will not fully cover rising costs due to inflation and it will not cover the lost revenue from assessments due to departing churches.

The general secretary and the GSC staff realize the tremendous blessing and responsibility we have been given to manage the past and present funds entrusted to us by donors and congregations. We commit to careful stewardship of the funds with which God has blessed us.

#### *The Board of Benefits Services' Assistance Grant Assessment Request*

BOBS' 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 RCA ministers 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. The remainder of the funds required to sustain this program are provided through donations to BOBS and endowment income. BOBS requests that the assessment remain at \$2.00 per member for 2023.

#### *Theological Education Assessment Request*

The Pastoral Formation Oversight Board's (PFOB) recommendations to GSC regarding the theological education assessment for 2023 are based on the understanding that GSC is asked to bring back to the General Synod a recommendation that first came to General Synod 2021 regarding proposed changes to Western Theological Seminary's (WTS) bylaws and articles of incorporation. If approved, these changes would mean that WTS would no longer get a share of the RCA theological education assessment unless WTS is subsequently declared an agent of the General Synod by the General Synod.

Two versions of the theological education assessment have been prepared for General Synod, but only the applicable one will be voted upon; the vote(s) on Western's bylaws changes and whether it will remain an agent of the General Synod will take place first (RF 22-1 and RF 22-2), then the outcome of that vote or those votes will determine which version of the theological education assessment is placed before the synod.

Scenario 1 (a portion of the theological education assessment is no longer allocated to WTS; applies if BOTH of the following conditions are true: Western's bylaws and articles of incorporation changes are approved AND Western is not subsequently designated as an agent of the General Synod):

The Pastoral Formation Oversight Board (PFOB) recommends a General Synod assessment for theological education of \$4.00 per member, allocated in the following manner:

- \$20,000 to cover the cost of the meeting of PFOB, the General Synod professors, and collaborative efforts among the respective agents.
- The remainder will be split as follows:

- 80 percent of the funds are to be split evenly among the two agents for theological education (MFCA and NBTS).
- 20 percent distributed per capita of students within each agency (MFCA and NBTS) who are formally in the Certificate of Fitness for Ministry process.

Scenario 2 (WTS continues to receive a portion of the theological education assessment; applies if EITHER of the following conditions are true: Western's bylaws changes are not approved OR Western's bylaws changes are approved and it is also subsequently designated an agent of the General Synod):

PFOB recommends a General Synod assessment for theological education of \$6.12 per-member, allocated in the following manner:

- \$20,000 to cover the cost of the meeting of PFOB, the General Synod professors, and collaborative efforts among the respective agents.
- The remainder will be split as follows:
  - 80 percent of the funds are to be split evenly among the three agents for theological education (WTS, MFCA, and NBTS).
  - 20 percent distributed per capita of students within each agency (WTS, MFCA, and NBTS) who are formally in the Certificate of Fitness for Ministry process.

### 2023 Assessment Request

The charts below summarize the General Synod assessment amounts for 2022 and the GSC proposed amounts for 2023, depending on whether WTS remains an agent of the General Synod following decisions by the 2022 General Synod.

The following chart applies if WTS ceases to be an agent of the General Synod (Scenario 1):

Name of Assessment	2022	Proposed 2023	\$ Change	% Change
General Synod Council	\$46.10	\$47.10	\$1.00	2.2%
BOBS Assistance Fund	\$2.00	\$2.00	-	0%
Theological Education – Scenario 1	\$6.12	\$4.00	(\$2.12)	(34.6%)
RF 21-1 Restructuring Team	\$0.29	\$0.00	(\$.29)	-
	<b>\$54.51</b>	<b>\$53.10</b>	<b>(\$1.41)</b>	<b>(2.6%)</b>

The following chart applies if WTS continues to be an agent of the General Synod (Scenario 2):

Name of Assessment	2022	Proposed 2023	\$ Change	% Change
General Synod Council	\$46.10	\$47.10	\$1.00	2.2%
BOBS Assistance Fund	\$2.00	\$2.00	-	0%
Theological Education – Scenario 2	\$6.12	\$6.12	-	0%
RF 21-1 Restructuring Team	\$0.29	\$0.00	(\$.29)	-
	<b>\$54.51</b>	<b>\$55.22</b>	<b>\$0.71</b>	<b>1.3%</b>

### F 22-1

**To approve the General Synod Council 2023 assessment of \$47.10 per confessing member.**

**F 22-2**

**To approve the 2023 assessment of \$2.00 per confessing member for the Board of Benefits Services to provide assistance funding for retired pastors who have a demonstrated need.**

Note: only ONE of the following two motions, F 22-3a OR F 22-3b, will be placed before the General Synod for a vote, depending upon whether the General Synod approves WTS's proposed bylaws changes or not. F 22-3a will be placed before the synod if Western Theological Seminary ceases to be an agent of the General Synod (if RF 22-1 is approved but RF 22-2 is not approved). F 22-3b will be placed before the synod if Western Theological Seminary remains an agent of the General Synod (if RF 22-1 is not approved, or if both RF 22-1 and RF 22-2 are approved).

**F 22-3a**

**To approve the 2023 assessment of \$4.00 per confessing member for theological education.**

**F 22-3b**

**To approve the 2023 assessment of \$6.12 per confessing member for theological education.**