

Review of Fiscal 2017

Mission Support – Finance Team



Financial Reports at Gather

- **Look Back** - Review of Fiscal 2017 Results
 - “Fiscal” year = 12 month period ended January 31, 2018
- **Look Forward** – Proposed 2019 Mission & Ministry Budget
 - Recommended by COLT, Finance Committee, Executive Board
- Deliver final consolidated ECC Audit
- Deliver ***draft*** Covenant Pension Plan Audit



Finance Team Stewardship

- **Base Mission Budget** (where ECC assumes funding risk)
 - 5 mission priorities and mission support areas
- **Project Ministry** (where Mission investment \leq income)
 - Each ministry “sponsored” by one of our 5 mission priorities
- **Benefit Offerings & ECC Affiliate Stewardship**
 - Bethany Benefits, Pension programs, NCP, CMB, CTC, NPU, NPTS
- **Project Advisor** (existing and new ministry structures)



Guiding Stewardship Principles

- Serve diverse ministry needs, while ensuring sustainability
- Increase unrestricted mission reserves (invest and protect)
- Maximize % investment into core Mission & Ministry
- Reimagine stewardship across entire ECC affiliate sphere
- Constantly enhance resourcing available to local Church

2017 = 100% of Church, Donor Giving into Mission!



GATHER2018

Mission Priority - Investment Themes

- **SSC** – Substantial (but focused) growth in Church Planting, Vitality
- **MDD** – Diverse, high-quality resourcing and ministry content
- **DL** – Leadership transition, broad pastoral care and resourcing
- **LMDJ** – Well staffed core team with accelerating project \$
- **SG** – Increasing missionary forecast / “SG” global coordination

- **Communication** – Enhancement of award winning media
- **Shared Services** – Escalation in technology, facility \$



2017 Core Mission Investment

Base Mission Investment	2017 Actual	2017 Budget	vs. Budget	% Variance
Start and Strengthen Churches	\$ 2,678,314	\$ 3,382,053	\$ (703,739)	-20.81%
Make and Deepen Disciples	\$ 1,076,510	\$ 1,167,031	\$ (90,521)	-7.76%
Develop Leaders	\$ 1,772,225	\$ 1,786,357	\$ (14,132)	-0.79%
Love Mercy Do Justice	\$ 595,822	\$ 631,041	\$ (35,219)	-5.58%
Serve Globally	\$ 5,214,021	\$ 5,387,273	\$ (173,252)	-3.22%
<i>Mission Support-Communications</i>	\$ 1,306,093	\$ 1,331,141	\$ (25,048)	-1.88%
<i>Mission Support-Shared Services</i>	\$ 3,471,961	\$ 3,199,604	\$ 272,357	8.51%
	\$ 16,114,945	\$ 16,884,500	\$ (769,555)	-4.56%

- **SSC** – Investment “net” of additional \$483,000 in funding from “living legacy” funds
- **MDD** – Significant staff position remained “open” in FY2017
- **LMDJ** – Living into the full, annualized mission investment in current team
- **SG** – Continued relative strength in the US\$ currency exchange rate

Components of Mission Investment

	Base Mission	External Appropriations	Base Mission Totals	Project Ministry	Mission & Ministry Totals
Start & Strengthen Churches	\$ 1,106,439	\$ 1,571,875	\$ 2,678,314	\$ 42,819	\$ 2,721,133
Make & Deepen Disciples	\$ 1,076,510		\$ 1,076,510	\$ 40,919	\$ 1,117,429
Develop Leaders	\$ 772,224	\$ 1,000,000	\$ 1,772,224	\$ 672,295	\$ 2,444,519
Love Mercy Do Justice	\$ 595,822		\$ 595,822	\$ 1,917,401	\$ 2,513,223
Serve Globally	\$ 1,233,996	\$ 3,980,025	\$ 5,214,021	\$ 5,484,668	\$ 10,698,689
<i>Support: Communications</i>	\$ 1,306,093		\$ 1,306,093		\$ 1,306,093
<i>Support: Shared Services</i>	\$ 3,471,961		\$ 3,471,961		\$ 3,471,961
Mission Investment Total	\$ 9,563,045	\$ 6,551,900	\$ 16,114,945	\$ 8,158,102	\$ 24,273,047

• Appropriations are inside the base mission budget but deployed externally

- SSC appropriations = Church Planting and support
- DL appropriations = North Park University / NPTS
- SG appropriations = Long-term missionary funding

2017 Sources of Mission Income

Base Mission Income	2017 Actual	2017 Budget	vs. Budget	% Variance
ECC Church Support	\$ 8,336,772	\$ 8,860,000	\$ (523,228)	-5.91%
Donor Support	\$ 2,135,935	\$ 1,825,000	\$ 310,935	17.04%
Affiliate Fees & Ministry Investment	\$ 4,473,116	\$ 4,990,500	\$ (517,384)	-10.37%
Bequest Transfer & Other Income	\$ 545,991	\$ 509,000	\$ 36,991	7.27%
External Communication Sales	\$ 373,166	\$ 410,000	\$ (36,834)	-8.98%
External Rental Income	\$ 302,750	\$ 290,000	\$ 12,750	4.40%
	\$ 16,167,730	\$ 16,884,500	\$ (716,770)	-4.25%
<i>Base Mission Surplus (deficit)</i>	\$ 52,785	\$ 0	\$ 52,785	

Project Ministry Support	\$ 8,158,102.00	\$ 8,320,000.00	\$ (161,898.00)	-1.95%
Total Mission and Ministry Budget	\$ 24,273,047.30	\$ 25,204,500.00	\$ (931,452.70)	-3.70%

- Church support up ~.5% over FY 2016, and Donor Support up ~3.5% over FY 2016
- “Ministry investment” (reserves earmarked for ministry) follows lower expense trend
- Continued market pressure on external communication sales

Fiscal 2017 – Other Metrics

- **Bethany Benefits** Medical Increase (2018) = 3%
 - 3-year trend ~2.25% vs broader market trend rate >10%
 - Solid corporate reserves allocated to secure the plan
- **Covenant Pension Plan** ~105% funded on fair assumptions
 - Evaluating future plan structure from position of strength
- **Momentum in Local Church Resourcing**
 - Online giving (~130 churches), GuideStone 403b (~75 churches), Lilly Financial (~250 churches and participants)
 - ECC Investment = **CovEnterprises, CovScholars, Bezalel, Lilly**



ECC Audit Observations

- Clean, unqualified opinion with no audit adjustments
- Core debt level dropped for 3rd year in a row
 - Overall debt increased as result of mission investment
- Solid improvement in unrestricted mission reserves
- Please review audit for scale / scope of ECC obligations
 - (Loan guarantees, Pension Plans, Annuities, Affiliate Risks)

Report on Fiscal 2017

Mission Support – Finance Team



