



August 14, 2018 CT Online Meeting 9-11 AM CDT

Present:

Aguila, Pete
Alsted, Christian
Birch, Ole
Brady, Brad
Cleaver, Emanuel
Coles, Amy
Dotson, Junius
Dyck, Sally
Gatdula, Venus Mae
Gifford, Kelley
Graves, Gary
Hanke, Gil
Jen, Mike Dio
Jones, Beverly
Jung, Hee-Soo
Kemper, Thomas
Kenaston, Judi
Kitete, Prosper
Krause, Dan
Meekins, William
Milford, Brian
Nelson, Ken
Niesen, Marianne
Nhambiu, Benedita
Nuckols, Dave
Olson, Harriett

Perez, Lyssette
Scott, Robin
Slaughter, Mike
Swanson, James
Tuitahi, Monalisa
Wiggins Hare, Dawn
Zürcher, Stefan

Guests:

Bailey, Ray
Berger, Isabelle
Fenton-Sollof, Meg
Hill, John
Jones, Dale
Lambert, Steve
Lassiat, Meg

Absent:

Bledsoe, Earl
Boige grain, Barbara
Cape, Kim
Day, Fred
Deere, Josephine
DeVine, Jerry
Dharmaraj, Jacob
Evans, Cashar
Francisco, Ciriaco

Hawkins, Erin
Henry-Crowe, Susan
Hettmann, Michelle
Jung, Markus
Kent, Cynthia
Kumar, Moses
Malone, Tracy
McAlilly, Bill
McKee, Michael
McMillan, Duncan
Murphy, Tonya
Oglesby Jr., Dennis
Park, Jeremiah
Postell, Lathem
Sermonia, Jovito (Jun)
Watson, Mike
Webb, Mark
Wilbourn, Mille

Staff:

Bigham-Tsai, Kennetha
Clemons, Emily
Dopke, Cynthia
Trevathan, Adrienne

1. Meeting Overview:

Opening Devotions

Bishop Alsted

Began 9 am. Alsted began by using an image of a desert in Chile. Scripture: Isaiah 35.

Roll Call/establish quorum

Kennetha Bigham-Tsai

- There are 34 voting members registered and 24 voting members on the call. Quorum was established.
- The roll was call using the list of registered attendees, beginning with voting members and moving on to non-voting members and guests.
- Correction: Milford was incorrectly listed as a voting member; Trevathan clarified he is non-voting.

Overview of Meeting

Trevathan provided a voting overview. Bigham-Tsai offered a reminder that the advisory reports are written.

2. Executive Committee Report

Bishop Alsted

The executive committee will meet August 16; there is no report to provide this morning.

Motion to the CT to approve the spring 2018 minutes. **Vote approved by majority.**

Motion to the CT to approve the meeting date change for April 2019. **Vote approved by majority.**

Recap of action items from spring 2018

Kennetha Bigham-Tsai

Bigham-Tsai offered overview of Communication Strategy Team, as well as brief highlights related to action items from the spring meeting and updates since:

- The hiring of Emily Clemons.
- The introduction of the communications plan related to external and internal communications. Development of adaptive leadership strategies in conjunction with Eric Martin and development of a project with DM and GCSRW.
- The executive committee will work on various issues that surfaced during spring: work on the 4AF in collaboration with the Strategic Team which will meet in September to hear more about messaging strategy.
- There is continued collaboration with the StCCCM. Chapter 5 continues work on administrative order. There will be a representative at that meeting.
- There is a continued need for US Contextual Ministry decisions.
- How to build trust on the CT Board and how to better internal communications as well as come alongside the CWF.

LDCL Report

Ken Nelson

New Director of Communications

- With the authorization of the executive committee, LDCL has hired a new Director of Communications, Emily Clemons.
- The description was vetted with GCFA and interviews were conducted in July. Clemons began July 30, 2018.
- Nelson provided an introduction to Clemons and overview of her experience.

Update on the naming of the WSCF committee: Christian Alsted, Kennetha Bigham-Tsai, Brad Brady, Thomas Kemper, Dave Nuckols.

Action items related to CT membership changes:

CT members requiring vote:

Member

Dana Lyles
Germain Mupasa
Fred Brewington

Rationale

Resigned from the CT due to new position with GBGM
DMYP has recommended a replacement
Unable to be present for any meetings

A motion was made that the CT accept Lyles' resignation. Alsted asked the group to use chat if questions/concerns and then called for the vote to accept Lyles' resignation.

Vote to accept Lyles' resignation approved by majority.

A motion was made to remove Germain Mupasa as representative to the CT at the request of the DMYP.

Discussion:

- There was a question about why Mupasa is being replaced.
- The removal was the DMYP's request.
- There was a question of whether a CT staffmember had a conversation with Mupasa ahead of time.
- A representative from the DMYP spoke with Mupasa ahead of the meeting.

Vote: approved by majority with minority abstaining.

Nelson made a motion for the removal of Fred Brewington. **Vote approved by majority.**

4. Internal Finance & Evaluation Report

Motion to receive internal financial reports as of June 30, 2018 for record.

Dave Nuckols

- Nuckols gave a brief overview of the IFE documents.
- There is a narrative and update on spending in OnBoard; this narrative outlines minor changes in spending.
- Acknowledged the 2017 audit report.

Vote: received by majority.

Internal Evaluation update

Lyssette Perez

- The Internal Finance & Evaluation committee is working with CT consultant Brian Cesario to create an engagement survey as a mid-quad internal evaluation for the CT to be done in the fall.
- Perez had a conversation on August 9 with Brian and Adrienne Trevathan (staff liaison) to discuss process for creating the survey. There is a need for consistency in all CT evaluation tools.
- They are going to review the Agency Evaluation advisory group report from the recent Learning Dialogues with the agencies in July. The goal is to use similar language and evaluation methods so that there is consistency. Once the report has been reviewed, the Internal Finance & Evaluation team will meet to create the survey in consultation with the CT staff and with affirmation from the Executive Committee about the sense of direction.

Vote: report received.

5. World Service Contingency Fund Committee

Link to all WSCF reports and requests: <https://drive.google.com/drive/folders/1pN0axBiyiIiT9FGhD3VwxJAvjUOw6EWI>

Alsted made a motion to receive reports from 2017 grantee agencies. **Vote: received by majority.**

Alsted offered review of reports from GCUMM, DMYP, GCSRW on their World Service Contingency Fund (WSCF) grants. Alsted called for questions or comments.

Recommendation to CT on grant proposals

Kennetha Bigham-Tsai

Bigham-Tsai offered review of the WSCF requests beginning with the GBCS (Global Immigration) request for \$100,000. Alsted called for questions or comments.

Motion to approve the GBCS request (Global Immigration). **Vote: approved by majority with minority abstaining.**

Bigham-Tsai offered review of the GBCS request (Global AIDS) for \$29,000 and called for questions or comments.

Discussion:

- Question about clarification of the project information.
- Global AIDS Fund has been working with GBCS around the world. Their expenses are primarily administrative, which is why the WSCF committee is asking that this work become integrated with the existing work of the GBCS.
- These funds are around the work of the committee and the conferences they attend.
- Alsted called for vote.

Motion to approve the GBCS request (Global AIDS). **Vote: approved by majority with minority abstaining.**

Bigham-Tsai offered review of GCAH & GCORR request for \$60,000. The WSCF committee recommends the full funding of this request for a one-time event. Alsted called for questions/comments.

Motion to approve the GCAH & GCORR request. **Vote: approved by majority with minority against and abstaining.**

6. Budget Advisory Team Verbal Report

Bishop Alsted

- The Apportionment Sustainability Task Force learned that many annual conferences pay 100% apportionments by using conference resources (a higher number of annual conferences paying 100%). Larger churches cover a larger percentage of the apportionment, and larger churches often fund the growth that happens in annual conferences.
- GCFA has asked how we can adapt to address sustainability.
- Task force has recommended a 25% reduction in the base percentage rate which helps determine apportionment funds. Research and analysis has led them to recommend this percentage.
- The BAT had a robust discussion. The recommendation from the Apportionment Sustainability Task Force did not take into account potential loss of churches as a result of 2019 special session.
- There was a discussion on different plans included in CWF report and how they might affect the financial sustainability of the church. The discussion of the base rate was the center of the meeting.
- The BAT recommends an 18% reduction to the base rate. This results in a 23% decrease in funding. This is being shared as a point of information.

Discussion:

- There was discussion about sharing financial information in advance of the fall CT meeting so that the CT members are better prepared.
- There will be a plenary session at the fall meeting to receive the information.
- The staff will be working with the BAT to prepare materials for the CT ahead of time.
- Alsted called for questions and comments and then read some of the comments through the Q&A feature.
- There was a question about the number of funds being cut.
- There was a previous assumption that the base rate would be cut by 10% or more. Our obligations for the episcopal fund were 11% higher. We are looking at decrease to 6 funds and an increase to 1 fund.

Presentations

We Are Disciples: Four Areas of Focus and CT survey

Bishop Alsted

Alsted offered a review of proposed language changes to the wording of the Four Areas of Focus. CT members were asked to view the following video highlighting these changes in advance of the August meeting: <https://www.youtube.com/watch?v=oz6m6crIkG0>.

Members were encouraged to respond through a Survey Monkey poll which would remain open until August 31, 2018.

U.S. Contextual Ministries

Judi Kenaston

Kenaston offered an overview of the work of U.S. Contextual Ministries and presented a slideshow highlighting the history of the advisory group and the current work being done on the General Book of Discipline.

Alsted offered closing remarks at 11:06 am.

Bigham-Tsai closed in prayer at 11:07 am.

Respectfully Submitted,

Adrienne Trevathan
CT Staff

Supplement: Convener Reports

INTERNAL FINANCE & EVALUATION COMMITTEE

August 14, 2018 Full Board Online Meeting (9 – 11 am CST U.S.)

BRIEF SUMMARY OF GROUP PURPOSE

The Internal Finance & Evaluation committee serves to monitor and evaluate the internal operations of the Connectional Table related to finance and evaluation. This group reports to the Executive Committee and is responsible for reviewing and setting the operating budget for the Connectional Table, in addition to conducting the internal evaluation of the Connectional Table Board policies and procedures. Finally, the IFE committee reviews meeting evaluations and conducts a Board evaluation twice a quadrennium.

IDENTIFIED LONG TERM – SHORT TERM OUTCOMES FOR GROUP IF DONE

Goals for this committee are as per our charter:

- To steward the finances of the Connectional Table
- To support CT leadership and membership through constructive evaluation efforts that support excellence and continuous improvement.

SUMMARY OF ACTIVITIES & DECISIONS SINCE LAST MEETING

Please see the narrative and budget documents for a financial overview through June 30 YTD.

The final 2017 audit report is now available as a point of information.

ACTION ITEMS NEEDING APPROVAL BY WORKING GROUP – FULL CT

None.

Respectfully Submitted,

Dave Nuckols
Lyssette Perez



June 30, 2018 YTD Spending Narrative

It has been a fruitful first half of the year as we continue to track adjustments in our 2018 budget. While there are some notable variations within our budget as reflected in the financial statements, our spending is within the scope of our anticipated needs and income, and we continue to make adjustments as needed in consultation with GCFA.

Staff Travel

We anticipated more staff travel for Kennetha in her first year as CCMO for networking and conferences, and increased the line item to \$30,000. Much of Kennetha's travel has already taken place in the first six months of the year, and included a trip to Côte d'Ivoire. This is reflected in the current spending of \$24,202.

Consulting

In 2018, we have paid \$20,000 to date to Eric Martin, who has been doing regular adaptive leadership work with the CT staff, as well as providing presentations at the CT meetings. Eric will also be offering leadership at the upcoming fall meeting.

CT & Task Group Meeting Expenses

Our original meeting budget was \$165,000, and was reduced to \$150,000 earlier this year for the re-allocation of funds toward the new category of Task Groups Meeting Expense. This category was created primarily for staff travel associated with the beta Connectional Assessment meetings and for the Vital Congregations through Four Areas of Focus Strategic Team meeting in September. Our budget for this new line item is \$4,500, with the remaining funds going toward consulting fees to help offset the use of reserves.

Our total spending for the April 2018 CT meeting was \$84,464, about \$4,000 under our estimate of \$88,480. This will help offset the costs of our on-site meeting planners from GCFA at the fall 2018 meeting.

2018 Forecast

Our projected forecast for the rest of 2018 should remain close to original estimates. A few notable changes in administrative costs will be a slightly higher telephone expense (about \$1,000 - \$1,500) which now includes Kennetha's cell phone usage, as well as a decrease in staff salary due to Meredith Hoxie Schol's departure in early June and the start of our new Director of Communications.

Respectfully Submitted,
Adrienne Trevathan
Staff Liaison to Internal Finance & Evaluation

The Connectional Table - Sources and Use of Funds

In Thousands	Year-to-date June			Variance to:		Full Year 2018 Budget	YTD % of Full Year Budget
	2018 Actual	2018 Budget	2017 Actual	Budget	2017		
Sources of Funds							
CT-WS Income	\$ 272,832	\$ 267,544	\$ 267,546	\$ 5,288	\$ 5,286	\$ 535,088	51%
CT-Interest Inc-GCFA	\$ -	\$ 2,500	\$ -	\$ (2,500)	\$ -	\$ 5,000	0%
CT-Benefit Trust Income	\$ 19,196	\$ 17,500	\$ 18,811	\$ 1,696	\$ 385	\$ 35,000	55%
Use of Unrestricted Reserves	61,835	49,824	57,240	12,012	4,596	99,647	62%
Total Sources of Funds	\$ 353,863	\$ 337,368	\$ 343,597	\$ 16,496	\$ 10,266	\$ 674,735	52%
Administration Expenses							
Salaries & Benefits	186,463	\$ 192,668	176,006	(6,205)	10,457	\$ 385,335	48%
Training & Continuing Education	583	\$ 2,000	-	(1,417)	583	\$ 4,000	15%
Temp. Staff & Independent Contractors	16,668	\$ 25,000	1,416	(8,332)	15,252	\$ 50,000	33%
Facilities Costs	14,136	\$ 17,400	14,993	(3,264)	(857)	\$ 34,800	41%
Telephone, supplies & other office costs	6,297	\$ 5,300	5,518	997	779	\$ 10,600	59%
IT related costs	2,767	\$ 1,000	868	1,767	1,899	\$ 2,000	138%
Insurance	7,629	\$ 3,000	4,531	4,629	3,098	\$ 6,000	127%
Staff Travel	24,916	\$ 15,000	15,233	9,916	9,683	\$ 30,000	83%
Other	913	\$ 1,000	706	(87)	207	\$ 2,000	46%
Depreciation	-	-	-	-	-	-	0%
Total Administrative Expenses	\$ 260,372	\$ 262,368	\$ 219,270	\$ (1,996)	\$ 41,101	\$ 524,735	50%
General Conference	-	\$ -	275	-	(275)	\$ -	0%
Grants	-	\$ -	-	-	-	\$ -	0%
Task Groups	8,979	\$ 5,835	20,168	3,144	(11,189)	\$ 11,670	77%
Meetings	84,512	\$ 69,165	103,884	15,347	(19,371)	\$ 138,330	61%
Total Uses of Funds	\$ 353,863	\$ 337,368	\$ 343,597	\$ 16,496	\$ 10,266	\$ 674,735	52%

The Connectional Table - Balance Sheet

In Thousands	As of Dec 31, 2017	As of Jun 30, 2018	
		2018	2017
Assets			
Due From GCFA Short Term Invest. Pool	\$ 428,901	\$ 354,044	\$ 356,031
Prepays & Deposits	\$ 3,339	\$ (1,011)	\$ 14,952
Total Assets	\$ 432,240	\$ 353,032	\$ 370,983
Liabilities			
Accounts Payable Trade	\$ 13,978	\$ (1,988)	\$ -
Accrued Expenses	\$ 9,718	\$ 8,313	\$ 11,977
Total Administrative Expenses	\$ 23,696	\$ 6,324	\$ 11,977
Unrestricted Net Assets	\$ 408,544	\$ 346,708	\$ 359,006
Total Liabilities & Net Assets	\$ 432,240	\$ 353,032	\$ 370,983

**CONNECTIONAL TABLE
STATEMENT OF ACTIVITIES
June 30, 2018**

	Avg. Monthly Budget Amt.	Period 2018	Budget 2018	Year-to-Date 2018	% Budget 2018	Year-to-Date 2017
UNRESTRICTED						
INCOME						
CT-WS Income	44,590.67	45,472.00	535,088.00	272,832.00	50.99%	267,546.00
CT-Interest Inc-GCFA	416.67	0.00	5,000.00	0.00	0.00%	0.00
CT-Benefit Trust Income	2,916.67	3,524.89	35,000.00	19,195.60	54.84%	18,810.96
Total Income	47,924.00	48,996.89	575,088.00	292,027.60	50.78%	286,356.96

EXPENSES

ADMINISTRATION

CT-Admin-Salaries	23,895.83	36,455.21	286,750.00	145,570.07	50.77%	134,618.16
CT-Admin-ER Pension Exp	2,675.00	3,738.93	32,100.00	14,999.31	46.73%	14,371.28
CT-Admin-ER Payroll Taxes	1,666.67	616.16	20,000.00	2,832.46	14.16%	3,813.71
CT-Admin-Group Ins Exp	3,873.75	4,122.79	46,485.00	23,061.04	49.61%	23,202.96
CT-Admin-Staff Training/Cont Ed	333.33	0.00	4,000.00	583.00	14.58%	0.00
CT-Admin-Temp/Ind Contractors	4,166.67	0.00	50,000.00	0.00	0.00%	500.00
CT-Admin-Rent Exp	1,683.33	1,631.25	20,200.00	9,457.80	46.82%	9,461.28
CT-Admin-Bldg Mgmt Exp	1,083.33	805.09	13,000.00	4,222.17	32.48%	5,197.91
CT-Admin-Other Office Expense	41.67	0.00	500.00	0.00	0.00%	0.00
CT-Admin-Utilities	133.33	91.19	1,600.00	455.95	28.50%	333.41
CT-Admin-Telephone	541.67	388.03	6,500.00	3,085.63	47.47%	2,807.02
CT-Admin-Cell Phone	0.00	111.20	0.00	667.20	0.00%	583.80
CT-Admin-Postage/Freight	41.67	31.69	500.00	80.59	16.12%	14.43

CT-Admin-Printing Exp	8.33	0.00	100.00	0.00	0.00%	73.44
CT-Admin-Office Supplies	83.33	910.69	1,000.00	2,463.57	246.36%	2,039.71
CT-Admin-Non-cap Assets	125.00	0.00	1,500.00	0.00	0.00%	0.00
CT-Admin-Repairs & Maint (Equip)	41.67	0.00	500.00	0.00	0.00%	0.00
CT-Admin-Comp Maint & Support	83.33	0.00	1,000.00	0.00	0.00%	599.67
CT-Admin-Sftw Maint & Support	83.33	1,423.87	1,000.00	2,767.12	276.71%	268.00
CT-Admin-Prof/Consulting Fees	0.00	500.00	0.00	16,667.81	0.00%	915.86
CT-Admin-Legal Fees	83.33	0.00	1,000.00	0.00	0.00%	0.00
CT-Admin-Bank Fees	0.00	0.00	0.00	215.00	0.00%	412.17
CT-Admin-Bus Insurance	500.00	(272.13)	6,000.00	7,628.97	127.15%	4,530.80
CT-Admin-Meeting Exp	0.00	0.00	0.00	111.80	0.00%	913.95
CT-Admin-Staff Travel	2,500.00	2,006.21	30,000.00	24,202.20	80.67%	13,709.57
CT-Admin-Business Meals	0.00	191.87	0.00	601.83	0.00%	609.76
CT-Admin-Other Exp	83.33	533.00	1,000.00	698.00	69.80%	293.51
Total Administrative Expenses	43,727.92	53,285.05	524,735.00	260,371.52	49.62%	219,270.40

TASK GROUPS

CT-Task Group-Telephone	0.00	0.00	0.00	0.00	0.00%	219.37
CT-Task Group-Prof/Consulting Fees	0.00	0.00	0.00	0.00	0.00%	4,250.00
CT-Task Group-Mtg Exp	597.50	(895.67)	7,170.00	6,881.92	95.98%	10,968.16
CT-Task Group-Staff Travel	375.00	0.00	4,500.00	2,097.15	46.60%	2,278.54
CT-Task Group-Business Meals	0.00	0.00	0.00	0.00	0.00%	2,451.63
Total Task Group Expenses	972.50	(895.67)	11,670.00	8,979.07	76.94%	20,167.70

GENERAL CONFERENCE

CT-Gen Conf-Mtg Exp	0.00	0.00	0.00	0.00	0.00%	275.20
Total General Conference	0.00	0.00	0.00	0.00	0.00%	275.20

MEETINGS

CT-Mtgs-Telephone	0.00	0.00	0.00	0.00	0.00%	0.20
CT-Mtgs-Prof/Consulting Fees	0.00	0.00	0.00	0.00	0.00%	3,257.67
CT-Mtgs-Mtg Exp	11,527.50	1,207.91	138,330.00	84,464.08	61.06%	96,291.40
CT-Mtgs-Staff Travel	0.00	0.00	0.00	48.36	0.00%	4,334.28
Total Meeting Expenses	11,527.50	1,207.91	138,330.00	84,512.44	61.09%	103,883.55
Total Unrestricted Expenses	56,227.92	53,597.29	674,735.00	353,863.03	52.44%	343,596.85
Net Unrestricted Income/(Expense)	(8,303.92)	(4,600.40)	(99,647.00)	(61,835.43)	62.05%	(57,239.89)

CT Net (Income) Expense	(8,303.92)	(4,600.40)	(99,647.00)	(61,835.43)	62.05%	(57,239.89)
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Net Income Per General Ledger

Total Income	47,924.00	48,996.89	575,088.00	292,027.60	50.78%	286,356.96
Total Expense	56,227.92	53,597.29	674,735.00	353,863.03	52.44%	343,596.85
Total CT (Income) Expense	(8,303.92)	(4,600.40)	(99,647.00)	(61,835.43)	62.05%	(57,239.89)
	(0.00)	(0.00)	0.00	0.00		0.00

**Connectional Table
Statement of Financial Position
June 30, 2018**

	@ 1/1/18	Month of June	@ 6/30/18	@ 6/30/17
ASSETS				
CT-DT/DF Inter Agency-GCFA	428,901.40	7,207.43	354,043.56	356,030.57
CT-Prepaid Exp	1,924.75	(237.45)	500.05	0.00
CT-Prepaid Insurance	0.00	(12,694.29)	(1,632.73)	13,538.70
CT-Deposits	1,413.75	0.00	1,413.75	1,413.75
CT-Computer Equip	7,342.35	0.00	7,342.35	7,342.35
CT-Accum Deprec - Comp Equip	(7,342.35)	0.00	(7,342.35)	(7,342.35)
CT-Meeting/Travel Clearing Account	0.00	(962.02)	(1,292.25)	0.00
TOTAL ASSETS	432,239.90	(6,686.33)	353,032.38	370,983.02

LIABILITIES AND NET ASSETS

LIABILITIES

CT-A/P Trade	13,978.34	(1,988.34)	(1,988.34)	0.00
CT-Accrued Liabilities	1,421.01	0.00	0.00	0.00
CT-Accrued Payroll	0.00	0.00	0.00	1,357.66
CT-Accrued PTO	8,297.04	0.00	8,297.04	10,458.56
CT-Group Ins Payable	0.00	(97.59)	15.60	161.07
TOTAL LIABILITIES	23,696.39	(2,085.93)	6,324.30	11,977.29

NET ASSETS

UNRESTRICTED

CT-Fund Principal	<u>408,543.51</u>	<u>(4,600.40)</u>	<u>346,708.08</u>	<u>359,005.73</u>
TEMPORARILY RESTRICTED				
TOTAL NET ASSETS	<u>408,543.51</u>	<u>(4,600.40)</u>	<u>346,708.08</u>	<u>359,005.73</u>
TOTAL LIABILITIES AND NET ASSETS	<u>432,239.90</u>	<u>(6,686.33)</u>	<u>353,032.38</u>	<u>370,983.02</u>
Difference	0.00	0.00	0.00	0.00



To the Board of Directors
Connectional Table of
The United Methodist Church
Chicago, IL

To the Committee on Audit and Review of
The General Council on Finance and Administration of
The United Methodist Church
Nashville, TN

We have audited the financial statements of Connectional Table of the United Methodist Church (the "Organization") for the year ended December 31, 2017, and we will issue our report thereon dated May 11, 2018. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated January 9, 2018. Professional standards also require that we communicate to you the following information related to our audit.

SIGNIFICANT AUDIT MATTERS

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Organization are described in Note 2 to the financial statements.

As described in Note 2, in 2017, the Organization adopted Accounting Standards Update ("ASU") 2016-14, *Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities*. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The Organization has elected to early adopt ASU 2016-14 and has adjusted the presentation of these consolidated statements accordingly. The ASU has been applied retrospectively to all periods presented with the exception of the statement of functional expenses and the disclosure of liquidity and availability of resources, which have been implemented prospectively as allowed under the provisions of ASU 2016-14.

We noted no transactions entered into by the Organization during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the financial statements was:

General Council on Finance and Administration's ("GCFA") estimate of contributed services not charged to the Organization in accordance with Accounting Standards Update No. 2013-06. Services received from personnel of GCFA, an affiliate, for which GCFA does not charge the Organization have been measured at the cost recognized by the affiliate in providing those services based on their estimate of time spent providing services to the Organization. We evaluated the key factors and assumptions used to develop the estimate in determining that it is reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. We encountered no misstatements as a result of audit procedures.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated May 11, 2018.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Organization's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Organization's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of the Committee on Audit and Review and management of The General Council on Finance and Administration of the United Methodist Church and the Board of Directors and management of Connectional Table of the United Methodist Church and is not intended to be, and should not be, used by anyone other than these specified parties.

Cherry Bekaert LLP

Charlotte, North Carolina
May 11, 2018



**CONNECTIONAL TABLE OF
THE UNITED METHODIST CHURCH**

FINANCIAL STATEMENTS

*As of and for the Years Ended December 31, 2017
and 2016*

And Report of Independent Auditor

**CONNECTIONAL TABLE OF
THE UNITED METHODIST CHURCH
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Report of Independent Auditor

The Board of Directors
Connectional Table of the United Methodist Church
Chicago, Illinois

To Committee on Audit and Review of
The General Council on Finance and Administration of
The United Methodist Church
Nashville, Tennessee

We have audited the accompanying financial statements of the Connectional Table of the United Methodist Church (a non-profit organization), which comprise the statements of financial position as of December 31, 2017 and 2016, the related statements of activities and cash flows for the years ended December 31, 2017 and 2016, the related statement of functional expenses for the year ended December 31, 2017, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Connectional Table of the United Methodist Church as of December 31, 2017 and 2016, and the changes in its net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Changes in Financial Statement Presentation

As discussed in Note 2, the Connectional Table of the United Methodist Church adopted Accounting Standards Update (“ASU”) 2016-14, *Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities*. The ASU has been applied retrospectively to all periods presented with the exception of the statement of functional expense and the disclosure of liquidity and availability of resources, which have been implemented prospectively as allowed under the provisions of ASU 2016-14. Our opinion is not modified with respect to this matter.

A handwritten signature in black ink that reads "Cherry Bekaert LLP". The signature is written in a cursive, flowing style.

Charlotte, North Carolina
May 11, 2018

**CONNECTIONAL TABLE OF
THE UNITED METHODIST CHURCH
STATEMENTS OF FINANCIAL POSITION**

DECEMBER 31, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
ASSETS		
Due from GCFA short-term pooled investment fund	\$ 428,901	\$ 434,235
Accounts receivable	-	870
Prepaid expenses	3,339	1,414
Total Assets	<u>\$ 432,240</u>	<u>\$ 436,519</u>
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable	\$ 13,978	\$ 8,456
Accrued liabilities	9,718	11,816
Total Liabilities	<u>23,696</u>	<u>20,272</u>
Net Assets:		
Without Donor Restrictions:		
Undesignated	<u>408,544</u>	<u>416,247</u>
Total Net Assets	<u>408,544</u>	<u>416,247</u>
Total Liabilities and Net Assets	<u>\$ 432,240</u>	<u>\$ 436,519</u>

**CONNECTIONAL TABLE OF
THE UNITED METHODIST CHURCH
STATEMENTS OF ACTIVITIES**

YEARS ENDED DECEMBER 31, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
Revenue without Donor Restrictions:		
Allocation from World Service Fund	\$ 535,092	\$ 528,768
Services received from GCFA	28,127	43,053
Benefit Trust distribution	31,115	37,938
Interest income from GCFA short-term pooled investment fund	18,641	26,203
Total Revenue without Donor Restrictions	<u>612,975</u>	<u>635,962</u>
Expenses:		
Operating:		
Grants	-	300,000
Services for meetings	182,889	175,994
Management and general	437,789	470,622
Total Operating Expenses	<u>620,678</u>	<u>946,616</u>
Change in net assets without donor restrictions	(7,703)	(310,654)
Net assets without donor restrictions, beginning of year	416,247	726,901
Net assets without donor restrictions, end of year	<u>\$ 408,544</u>	<u>\$ 416,247</u>

**CONNECTIONAL TABLE OF
THE UNITED METHODIST CHURCH
STATEMENT OF FUNCTIONAL EXPENSES**

YEAR ENDED DECEMBER 31, 2017

	<u>Programs</u> <u>Services for</u> <u>Meetings</u>	<u>Supporting Services</u> <u>Management</u> <u>and General</u>	<u>Total</u>
Salaries and wages	\$ -	\$ 248,256	\$ 248,256
Employee benefits	-	74,096	74,096
Administration provided by GCFA	-	28,127	28,127
Equipment	-	333	333
Rent and occupancy	-	18,923	18,923
Building management expense	-	10,324	10,324
Travel and meetings	145,667	19,363	165,030
Staff travel	8,697	-	8,697
Professional fees	24,944	7,346	32,290
Interpretation services	3,258	-	3,258
Supplies	-	2,677	2,677
Telephone and web service	323	6,283	6,606
Postage, shipping, and freight	-	14	14
Utilities	-	1,072	1,072
Repairs and maintenance	-	2,218	2,218
Insurance	-	17,288	17,288
Promotional and information material	-	73	73
Other expense	-	1,396	1,396
Total Expenses	<u>\$ 182,889</u>	<u>\$ 437,789</u>	<u>\$ 620,678</u>

The accompanying notes to the financial statements are an integral part of this statement.

**CONNECTIONAL TABLE OF
THE UNITED METHODIST CHURCH
STATEMENTS OF CASH FLOWS**

YEARS ENDED DECEMBER 31, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
Cash flows from operating activities:		
Change in net assets	\$ (7,703)	\$ (310,654)
Change in assets and liabilities:		
Due from GCFA short-term pooled investment fund	5,334	308,526
Accounts receivable	870	(870)
Prepaid expenses	(1,925)	2,368
Accounts payable	5,522	(2,309)
Accrued liabilities	(2,098)	2,939
Net cash flows from operating activities	<u>-</u>	<u>-</u>
Net change in cash and cash equivalents	-	-
Cash and cash equivalents, beginning of year	<u>-</u>	<u>-</u>
Cash and cash equivalents, end of year	<u>\$ -</u>	<u>\$ -</u>

CONNECTIONAL TABLE OF THE UNITED METHODIST CHURCH NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2017 AND 2016

Note 1—Nature of the organization

As stated in *The Book of Discipline of The United Methodist Church*, “the purpose of Connectional Table (“CT”) is for the discernment and articulation of the vision for the church and the stewardship of the mission, ministries, and resources of The United Methodist Church (the “Church”) as determined by the actions of the General Conference and in consultation with the Council of Bishops. As part of the total mission of the Church, CT is to serve as a steward of the vision and resources for mission and ministry, provide fiscal responsibility, and establish policies and procedures to carry out the mission of the Church.”

Funding for CT’s operations is significantly provided by allocations received from the General Funds of The United Methodist Church based on a four-year budget developed from projections of expected program costs and from specified grants to be administered by CT. For the years ended December 31, 2017 and 2016, these allocations accounted for 87% and 83%, respectively, of CT’s total revenue. CT’s continued existence is partially dependent upon the Church’s future support. The Church’s future support is dependent upon contributions from its congregations (i.e., congregational participation in the apportionment covenant).

Note 2—Summary of significant accounting policies

The financial statements have been prepared on the accrual basis of accounting. CT’s significant accounting policies are described below:

Basis of Presentation – To ensure the observance of limitations and restrictions placed on the use of resources, CT maintains its accounts in accordance with the principles and practices of fund accounting. Fund accounting is the procedure by which resources for various purposes are classified into funds that are in accordance with activities or objectives of CT. Separate accounts are maintained for each fund.

For reporting purposes, however, CT’s financial statements have been prepared to focus on the organization as a whole. Resources are classified into two net asset categories based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of CT and changes therein are classified and reported as follows:

Net Assets without Donor Restrictions – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of CT. These net assets may be used at the discretion of CT’s management and the board of directors. CT has chosen to provide further classification information about net assets without donor restrictions on the statements of financial position. The sub classifications are as follows:

Board-Designated – Represents resources set aside by the board of directors to be used for specific activities within guidelines established by the board of directors. CT had no net assets that were board designated as of December 31, 2017 and 2016.

Undesignated – Represents the cumulative net assets without donor restrictions excluding those net assets designated for specific activities.

Net Assets with Donor Restrictions – Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of CT or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity. CT had no net assets with donor restrictions at December 31, 2017 and 2016.

**CONNECTIONAL TABLE OF
THE UNITED METHODIST CHURCH
NOTES TO THE FINANCIAL STATEMENTS**

DECEMBER 31, 2017 AND 2016

Note 2—Summary of significant accounting policies (continued)

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

Revenue is reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restriction. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations of temporary restrictions on net assets are reported as reclassifications from net assets with donor restrictions to net assets without donor restrictions.

Services Received from Personnel of an Affiliate – Services received from personnel of the General Council on Finance and Administration (“GCFA”) for which GCFA does not charge CT have been measured at the cost recognized by GCFA in providing those services. The revenue and expense relating to those services received are presented in the related party Note 4 and totaled \$28,127 and \$43,053 for the years ended December 31, 2017 and 2016, respectively.

Grants – CT approved an expenditure of \$300,000 from CT reserves for the 2013-2016 quadrennial period to help cover costs for the central conference pre-General Conference orientations held in central conferences in 2016. This was funded to the Commission on General Conference, the entity that coordinates the orientations.

Use of Estimates – Management of CT has made estimates and assumptions relating to the reporting of assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Due from GCFA Short-Term Pooled Investment Fund – The amounts presented as due from GCFA short-term pooled investment fund in the accompanying financial statements represent CT’s portion of the short-term investment portfolio managed by GCFA on behalf of certain agencies and related organizations of The United Methodist Church. The amount due from this fund effectively represents the amount of cash deposits that are available to CT to be disbursed out of GCFA’s centralized cash management system. Since these deposits are legally invested in GCFA’s name and not in a separate demand account in CT’s name, they are not classified as cash and cash equivalents, but rather are considered an amount due from GCFA. The short-term investment portfolio includes funds invested in demand deposits, corporate bonds, taxable municipal bonds, mutual funds, and notes from other United Methodist organizations. GCFA allocates interest earned on the portfolio to the participating entities. For the years ended December 31, 2017 and 2016, GCFA allocated \$18,641 and \$26,203 of interest income, respectively, to CT. While interest income can be earned based on the performance of the pooled investment funds, CT believes there is little to no risk exposure to losses due to the relationship with GCFA and policy under which the pooled funds are invested. The operating cash requirements of the general agencies are centrally managed by GCFA.

**CONNECTIONAL TABLE OF
THE UNITED METHODIST CHURCH
NOTES TO THE FINANCIAL STATEMENTS**

DECEMBER 31, 2017 AND 2016

Note 2—Summary of significant accounting policies (continued)

When an agency has surplus funds, they are invested by GCFA in the short-term pooled investment fund. GCFA allocates interest earned to the agencies invested in the pool based upon their pro-rata share of the pool on a monthly basis. The overall return for the short-term pooled investment fund for the years ended December 31, 2017 and 2016 was 4.38% and 4.13%, respectively. The overall rate of return for each agency may vary due to fluctuating balances throughout the year and the timing of investment gains and losses. The allocation of funds in the short-term investment pool as of December 31, 2017 and 2016 were as follows:

	<u>2017</u>	<u>2016</u>
Texas Methodist Foundation loan fund	25.8%	26.4%
Mutual funds	3.2%	3.0%
Short-term collateralized loan fund	0.5%	0.5%
Fixed income	11.4%	11.7%
Corporate bonds	59.1%	58.2%
United Methodist Development Fund	0.0%	0.2%
	<u>100%</u>	<u>100%</u>

Equipment – Equipment is recorded at cost, less accumulated depreciation. Depreciation is computed using the straight-line method with a modified half-year convention over estimated useful lives of three years for computer equipment and five years for furniture and office equipment. The modified half-year convention treats property placed in service or retired during the first half of the year as being made on the first day of the year. Thus, a full-year's depreciation under this method is allowed on property placed in service in the first six months, and no depreciation is allowed on property placed in service in the second six months. CT capitalizes assets with a cost greater than \$1,000.

Functional Expenses – The costs of providing program and other activities have been summarized on a functional basis in the statements of activities.

Income Taxes – CT is covered under GCFA's group determination letter from the Internal Revenue Service indicating that it is a nonprofit corporation and, except for taxes pertaining to unrelated business income, is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code (the "Code"). CT is also exempt from filing a form 990 due to its affiliation with a religious organization as described in Section 509(a) of the Code.

CT accounts for the effect of any uncertain tax positions based on a more likely than not threshold to the recognition of the tax positions being sustained based on the technical merits of the position under examination by the applicable taxing authority. If a tax position or positions are deemed to result in uncertainties of those positions, the unrecognized tax benefit is estimated based on a cumulative probability assessment that aggregates the estimated tax liability for all uncertain tax positions. Tax positions for CT include, but are not limited to, the tax-exempt status and determination of whether income is subject to unrelated business income tax.

Future Pronouncements – In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*. The guidance in this ASU supersedes the leasing guidance in Topic 840, *Leases*. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the statement of financial position for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classifications affecting the pattern of expense recognition in the statement of activities. The new standard is effective for fiscal years beginning after December 15, 2019. A modified retrospective transition approach is required for lessees for capital and operating leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements, with certain practical expedients available. Management is currently evaluating the impact the pending adoption will have on CT's financial statements.

**CONNECTIONAL TABLE OF
THE UNITED METHODIST CHURCH
NOTES TO THE FINANCIAL STATEMENTS**

DECEMBER 31, 2017 AND 2016

Note 3—Liquidity and availability of resources

The table below represents financial assets available for general expenditures within one year at December 31, 2017:

Financial assets at year end:	
Due from GCFA short-term pooled investment fund	\$ 428,901
Total financial assets	428,901
Less amounts not available to be used for general expenditures within one year:	
Financial assets not available to be used within one year	-
Financial assets available to meet general expenditures within one year	\$ 428,901

As part of CT's liquidity management plan, cash in excess of daily requirements are invested in GCFA's short-term pooled investment fund. This fund established by the board of directors may be drawn upon, if necessary, to meet unexpected liquidity needs.

Note 4—Related party transactions

CT receives World Service Fund allocations from the General Funds of The United Methodist Church, which are administered by GCFA to support the activities of CT. In addition, GCFA provides various services to CT, such as general ledger processing and maintenance, cash management, and group insurance plan administration.

CT had the following transactions with GCFA:

	<u>2017</u>	<u>2016</u>
Statement of Financial Position:		
Due from GCFA short-term pooled investment fund	\$ 428,901	\$ 434,235
Statement of Activities:		
Revenue:		
Allocation from World Service Fund	535,092	528,768
Services received from GCFA	28,127	43,053
Benefit Trust distribution	31,115	37,938
Interest income from GCFA short-term pooled investment fund	18,641	26,203
Expenses:		
Grants - The Commission on General Conference	-	300,000
Administration provided by GCFA	28,127	43,053
Group insurance expense	38,558	39,047

CONNECTIONAL TABLE OF THE UNITED METHODIST CHURCH NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2017 AND 2016

Note 5—Employee benefits

Retirement Benefits – CT sponsors the United Methodist Personal Investment Plan (“UMPIP”), a Section 403(b) defined contribution church plan. UMPIP allows each plan sponsor to elect the employer contribution formula. CT makes semi-monthly contributions to each eligible employee’s account held by Wespath Benefits and Investments (“Wespath”) based on 9% of annual employee compensation. Total contributions made by CT during 2017 and 2016 were \$26,812 and \$20,966, respectively.

Health, Life, and Other Employee Benefits – CT provides health, dental, life, and other employee benefits for its active employees and health, dental, and life benefits to retirees through a group plan which qualifies for treatment as a multiemployer plan under Accounting Standards Codification (ASC) 715, *Compensation – Retirement Benefits*. Substantially all retired employees are eligible to participate in the plan if they have attained normal retirement age while in the employ of CT.

The General Agencies of The United Methodist Church Benefit Plan (the “Plan”) provides medical, dental, life, and long- and short-term disability defined benefits to participants of the 11 general agencies, all Bishops covered by the Episcopal Fund, and employees of other United Methodist related organizations. Effective January 1, 2004, Plan amendments were made to change the retiree benefits offered and increase the related premiums paid by retirees.

The Plan’s unfunded accumulated postretirement benefit obligation (APBO) was approximately \$98,600,000 and \$92,000,000 and the Plan’s unfunded expected postretirement benefit obligation (EPBO) was approximately \$148,700,000 and \$128,000,000 as of December 31, 2017 and 2016, respectively.

All of CT’s active employees are covered by the Plan. The cost of the benefits is recognized as group insurance expense as premiums are paid. The total cost of benefits for active employees was \$38,558 and \$39,047 for the years ended December 31, 2017 and 2016, respectively.

Wespath has transferred certain excess pension assets to the General Agency Benefit Trust (“Benefit Trust”) established by the 1996 General Conference as of December 31, 1996. Annually, the Benefit Trust allows a stated percentage, 6% for 2017 and 2016, of the fair value of the Benefit Trust’s assets at year-end to be available for distribution in the subsequent year in order to reimburse the participating agencies, through GCFA, for their funding of active and retiree employee benefits. The fair value of the Benefit Trust’s assets (not plan assets) was approximately \$165,800,000 and \$149,300,000 as of December 31, 2017 and 2016, respectively. The total amount available for reimbursement in 2017 and 2016 was \$8,957,614 and \$8,822,895, respectively, of which CT’s share, excluding retiree health benefits, was \$31,115 and \$37,938 received in 2017 and 2016, respectively.



Note 6—Leases



CT leases office space under an operating lease agreement, which expires in December 2018. Rent expense for the operating lease, which began on February 1, 2013, totaled \$18,923 and \$18,868 for the years ended December 31, 2017 and 2016, respectively. Future minimum rental commitments for December 31, 2018 is \$19,575.


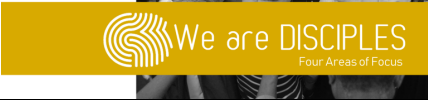


Note 7—Subsequent events








Management has evaluated subsequent events through May 11, 2018, the date the financial statements were available for issuance, and has determined that there are no subsequent events requiring disclosure.




CT presentation to the COB, May 2018


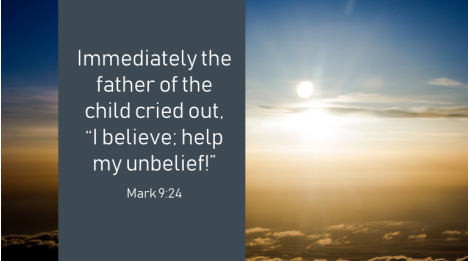

Slide	Text
<p>1</p> 	<p>In 2008, the Council of Bishops and the Connectional Table introduced the Four Areas of Focus to General Conference in an effort to present a vision of ministry and mission that would name and claim the best of United Methodism. An emphasis on the Four Areas would inspire, spark imagination and offer a way of bringing the church together in mission.</p> <p>The Connectional Table in collaboration with the council of bishops has formed a Four Areas of Focus Strategic Team. It includes the chairpersons of the Council of Bishops' leadership teams that correspond to each of the four areas, the general secretaries of Church and Society, Discipleship Ministries, Global Ministries and Higher Education and Ministry, and of United Methodist Communications and finally the Connectional Table chair and CCMO. The team will strategize, advance, engage, inspire, align and equip the bishops and the Connectional Table around the work of the Four Areas of Focus with the purpose of increasing the number of vibrant congregations.</p>
<p>2</p> 	<p>The primary work of the Council of Bishops' leadership teams is to:</p> <ul style="list-style-type: none"> • Build ownership: Equip residential bishops with resources for carrying out their work in the areas of focus. • Maintain focus: Help residential bishops stay focused on vital congregations through the areas of focus. • Be accountable: Help and support residential bishops achieve desired outcomes.

<p>3</p> <p>Research</p> <ul style="list-style-type: none"> • Little in-depth knowledge or understanding. • Messages need calls to action. • Making the Four Areas of Focus “come alive” will make a difference in uniting the church. 	<p>At the request of the Strategic Team, UMCOM in the fall of 2017 conducted new research around the knowledge and acceptance of the focus areas. While the 4 Foci have brought the church together in varying ways and many congregations have become more vital, the research pointed toward challenges and ways that the messaging around the Four Areas would be more useful.</p> <p>The 2017 research indicated:</p> <ul style="list-style-type: none"> • Local church leaders and members have little in-depth knowledge or understanding of the Four Areas. • The messages need calls to action. • Action plans will energize and engage local church leaders and help dissolve cynicism and doubt. • Making the Four Areas of Focus “come alive” will continue to make and enhance vital congregations and make a difference in uniting the church.
<p>4</p> <p>Messaging Strategy</p> <ul style="list-style-type: none"> • Centers on what we hold in common. • Targets leaders and members. • Provides information about the 4AF. • Inspires churches to celebrate work related to the 4AF. • Equips churches to share what they do. • Challenges churches to expand 4AF ministries. • Develops tools/resources in partnership with lead agencies. 	<p>In response, UMCOM has developed a strategy to build understanding and awareness – especially among leaders and members in local churches. The strategy calls for messages with descriptive language to aid clarity and understanding, and to make the Four Areas of Focus more meaningful.</p> <p>Key to the strategy is focusing on the common identity of United Methodists as disciples of Jesus Christ. The strategy.....</p> <ul style="list-style-type: none"> • Centers on what we hold in common. • Targets leaders and members. • Provides information about the 4AF. • Inspires churches to celebrate work related to the 4AF. • Equips churches to share what they do. • Challenges churches to expand 4AF ministries. • Develops tools/resources in partnership with lead agencies. <p>Let’s take a look....</p>
<p>5</p>	<p>MOVIE</p>

<p>6</p>  	<p>Key to the strategy is focusing on the common identity of United Methodists as disciples of Jesus Christ. Regardless of the details of how we live out our discipleship or what aspects of discipleship we choose to emphasize, we can agree that we are disciples of Jesus Christ.</p> <p>“We are disciples” as the umbrella title emphasizes that each of the Four Areas of Focus is an expression of discipleship; together they offer a holistic approach for vibrant, vital congregations to make disciples of Jesus Christ for the transformation of the world.</p>
<p>7</p> 	<p>Because the communications strategy emphasizes discipleship and seeks to ignite or reignite interest in the focus areas among local church leaders and members, the strategy uses these titles to identify the total emphasis and the four specific foci (original titles in parentheses) – under the umbrella: We Are Disciples: Four Areas of Focus.</p>
<p>8</p> 	<ul style="list-style-type: none"> • New and renewed congregations becomes: Make disciples. Grow in faith.

<p>9</p>  <p>Lead where God calls you.</p> 	<ul style="list-style-type: none"> Developing principled christian leaders, becomes: Lead where God calls you.
<p>10</p>  <p>Serve with your community.</p> 	<ul style="list-style-type: none"> Ministry with the poor, becomes: Serve with your community.
<p>11</p>  <p>Health and wholeness for all.</p> 	<ul style="list-style-type: none"> Global health, becomes: Promote health and wholeness for all.
<p>12</p>  <p>We are DISCIPLES</p>	<p>As our time is limited, there is no room in depth conversation about these changes. However as the residential bishops has a key strategic leadership role in promoting and implementing the four foci in the annual conferences your feed back, affirmation and ownership is crucial. And so we have developed an electronic feed back for you – an email with a link to the response form is already in your mail box, and I encourage you to fill it out at your earliest convenience. The CT staff will collect the feedback and I will present it to the COB executive committee, when they meet in july for final affirmation.</p>

<p>13</p>  <p>The mission is YET ALIVE</p>	<p>This year the Connectional Table has refocused its work on the our primary purpose which is to discern and articulate the church’s vision. We have identified three sources in this work first of all the mission of the church to make disciples of Jesus Christ for the transformation of the world, secondly par 125 which is the covenant for the World Wide UMC and thirdly the Four Areas of Focus.</p> <p>For this special time in the life of the UMC we sense the Holy Spirit saying to us: God’s mission is yet alive.</p> <p>I have asked the CT’s new chief connectional ministries officer rev Kennetha Bigham-Tsai to share a few words with us about the outcome of our last meeting in early april.</p> <p>I ask you to please welcome her.....</p>
<p>14</p>  <p>We are still invited into the mission of God.</p>	<p>Thank you Bishop Alsted, Bishop Carter and Bishop Ough, Council for this opportunity to share with you. As you know, we are facing a crucial time in the life of our church. Indeed, you are here this week to discern a way forward as we seek unity amidst the complexity of our worldwide connection. In this uncertain time, our church needs to hear a message of hope. At our CT meeting in April, the CT issued a statement that sought to provide hope by highlighting a key affirmation--that no matter what happens, no matter what changes may come to our church, we are sure that there will still be a United Methodist Church and God will still be calling us into God’s mission in the world.</p>
<p>15</p>  <p>God is still calling us to make disciples of Jesus Christ for the transformation of the world.</p>	<p>God is still calling us to make disciples of Jesus Christ for the transformation of the world. As our statement noted, <i>“Each morning, we wake up in a world mired in the sins of violence, racism, war, and more. Children go without food, families lose their homes, young and old struggle with addictions. The world is in need of the saving love of Jesus Christ, and The United Methodist Church has always been an effective witness of Christ’s love. It is vitally important that we continue to be so now. Therefore, today and every day, the mission is yet alive.”</i></p>

<p>16</p>  <p>We must take faithful steps to live as a worldwide church in mission to the world.</p>	<p>That means that no matter what, we will continue to take faithful steps to live as a worldwide church in mission to the world. No matter what, we will still serve with the poor in our communities; we will still seek health and wholeness for all; we will still develop leaders who will lead where God calls; and we will continue to find ways to welcome more people, younger people, more diverse people, and yes all people into discipleship and formation in Christ.</p>
<p>17</p>  <p>Immediately the father of the child cried out, "I believe: help my unbelief!" Mark 9:24</p>	<p>We are indeed in the midst of a "now and not yet" moment in the life of our connection. We struggle with the same doubt and unbelief highlighted in this passage in Mark. Therefore, as the Connectional Table we, <i>"...commit to praying for one another and for our whole connection that God would help our unbelief, comfort us in our uncertainty, and continue to give us hope."</i></p> <p>Bishops, I leave you with this prayer and with an affirmation of our common faith—that our God is faithful and that our mission as the United Methodist Church is yet alive.</p>
<p>18</p>  <p>The mission is yet alive</p>	<p>Dear colleagues</p> <p>God's mission is yet alive, and He continues to call us to engage in his mission in the world.</p> <p>We look forward to receive your input and feedback.</p> <p>Thank you!</p>

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The Connectional Table

*Engaging United Methodist Leaders in conversations
about Vision, Mission and Stewardship for the
Future of the Worldwide UMC*



Vision for a Worldwide UMC

Also this quad:

- ✦ The Connectional Table focus is to articulate and discern the VISION of the worldwide United Methodist connection.
- ✦ Broader vision can provide wider context for work of General Book of Discipline, and put into context the conversations about U.S. ministry context.

The Implications of a
General Book of Discipline
For the U.S. ministry context



Historical Context

- Conversations about **US church structure** ongoing for more than a century, and even more so when conferences were formed outside the US (1924).
- The central question was at that time: **How will the Book of Discipline apply in mission or central conferences?**

Historical Context

- In the **1968 General Conference** merger (50 years ago), a proposal was presented to discuss structure and consider the future structure of the church. **Highlights include: the need for a new structure for the U.S. church.**

UMC Demographics

- ✦ In 1968: Central Conference delegates made up 10% of the voting body.
- ✦ In 2020: Central Conference delegates will make up 44% of the voting body.

Connectional Table as Partner with Standing Committee on Central Conference Matters

- ✦ In 2013-2016 quad, CT and STCCCM met jointly in Mozambique. CT aligned its work with STCCCM's work on *General Book of Discipline*.
- ✦ This 2017-2020 quad, CT partners with STCCCM to consider Chapter 5: Administrative Order.

U.S. Ministry Context

- ✦ Connectional Table to engage United Methodist leaders across the Connection but especially in the United States.
- ✦ Seek to understand the perspective of Central Conferences in relationship to US contextual challenge.
- ✦ Key Question: What are the implications of a General Book of Discipline for U.S. ministry?

Conversations on U.S. Ministry Context

Objective of US Contextual Ministries Conversations:

To raise awareness among church leaders – especially in the U.S. – of need for U.S. church to have a place for decision-making and regional (US) ministry planning other than General Conference.

Some of many Implications and Considerations if changes are proposed

- ✦ Pensions
- ✦ Educational requirements for ordination
 - ✦ Elections of Bishops
 - ✦ Theological
 - ✦ Constitutional
 - ✦ “Political”

Other ideas to consider

- ⚡ Central Conferences can make BOD adaptations for contextual differences
- ⚡ Currently our system makes Central Conference delegates spend considerable time discussing issues that affect only the US Church. This requires them to have an understanding of our context (US laws, educational standards, regional)
- ⚡ Our system requires Central Conference delegates to vote on matters which they are not bound by and which only affect the US Church.
- ⚡ Currently petitions before GC are prioritized when they have financial or global implications. With a new GBOD, the hope would be that ALL petitions are global in nature. What happens to US only petitions?

Additional Thoughts....

- ⚡ Standing Committee on Central Conference Matters does not see allowing for US Contextual decisions as part of their work, but recognizes that with the success of their work, it will be essential.
- ⚡ We want to be supportive of the need for the GBOD. Our intention is for our work to coordinate with their work and not to add a burden for passage.
- ⚡ We recognize any proposal for additional structure will meet with resistance
- ⚡ If constitutional amendments are needed, their intent and consequences will need to be well communicated.

Where are we right now?

- ⚡ US Contextual Ministries Advisory Group meets August 21
- ⚡ We will be looking at what sort of proposal might be needed – would this be an incremental proposal? How can we approach the need for Constitutional Amendments? Is CT the right entity to bring this legislative proposal?
- ⚡ What are the legal and financial consequences of doing nothing and how do we communicate this throughout the Connection?
- ⚡ How can we work with and prepare constituencies that will be affected by a new plan an incremental plan or no plan? WesPath, Conference Chancellors, Faith and Order, GBHEM, DCMs, Lay Leaders, Standing Committee (this is not an exhaustive list!)
- ⚡ We will be bringing recommendations to the Fall CT meeting.

⚡ QUESTIONS?

⚡ Do you have feedback for our advisory group?

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Agency Evaluation Advisory Group Conveners Report August 14, 2018 Full Board Online Meeting (9 – 11 am CDT U.S.)

BRIEF SUMMARY OF GROUP PURPOSE

To conduct quadrennial evaluation of agencies receiving World Service funding per Book of Discipline.

IDENTIFIED LONG TERM – SHORT TERM OUTCOMES FOR GROUP IF DONE

- 1 or 2 Short Term Outcomes (2-4 Years)

--Develop an evaluation plan in consultation with the agency leaders.

--Provide coaching and support for agencies as we grow our capacity to do evaluation focused on missional fruitfulness.

--Conduct the first round of evaluations using the developed process realizing each agency has a different capacity to do evaluation at this current time.

- 1 or 2 Long Term Outcomes (4-7 Years)

--Establish a process that can be used, with minor adjustments, into the future to establish consistency in our evaluation process with a focus on missional fruitfulness.

--Evaluation will focus on the 4AF and the disciplinary mandates and other essential ministries.

SUMMARY OF ACTIVITIES & DECISIONS SINCE LAST MEETING

--We conducted the learning dialogues for the 4AF.

--We conducted the learning dialogues for the individual agencies around their disciplinary mandates and other essential ministries. We do have one agency still to schedule for this dialogue.

ACTION ITEMS NEEDING APPROVAL BY WORKING GROUP – FULL CT

--No action is required.

Respectfully Submitted by,
Dana Lyles and Brad Brady, co-conveners



ADVISORY GROUP ON CHAPTER 5 – ADMINISTRATIVE ORDER **August 14, 2018 Full Board Online Meeting (9 – 11 am CST U.S.)**

BRIEF SUMMARY OF GROUP PURPOSE

The Chapter 5 Revision Advisory Group serves in a consultative role with the Standing Committee on Central Conference Matters and the Committee on Faith and Order. They will work in partnership with these two bodies to revise Chapter 5 for a General Book of Discipline to be proposed at the 2020 General Conference. The General BOD focuses on revisions that define non-adaptable portions of the BOD for the worldwide church, and adaptable portions that the various regions of the church can adapt according to context.

SUMMARY OF ACTIVITIES & DECISIONS SINCE LAST MEETING

The writing team of the CT and Standing Com. joint group work on Chapter 5 had a web meeting June 12th. The meeting confirmed the overall direction of our work and the task given to the agencies in writing a draft that integrates the new “Theology of Agency” with the description of the general purposes of all the agencies. Each agency’s paragraphs are to be organized as follows:

- Organization
- Purpose/Objectives (combine these)
- Responsibilities
- Funding/Funds

At the core of the conversations is still the question of the purpose and place of agencies in the worldwide connection and therefore in the global/general Book of Discipline. As of today, we have no drafts and no actual decisions to talk about. We have had conversation around the possibility of putting the concerns that motivate agencies in the non-adaptable part of the BoD and the actual paragraphs that create the structures in the adaptable part. However, there is no clear direction yet.

The agencies have until August 31st to produce their drafts. These will then be compiled and then discussed by the writing team, and perhaps also by the full working group of the CT and the Standing Committee. I hope a draft can be ready for the full CT-meeting in early November. The plan is for the Standing Committee to adopt a proposal for GC 2020 at their meeting in Manila in March 2019.

ACTION ITEMS NEEDING APPROVAL BY WORKING GROUP – FULL CT

None.

Respectfully Submitted by,

Ole Birch
Advisory group 2 on Chapter 5



**Connectional Assessment Advisory Group
CONVENER'S REPORT
August 14, 2018 Full Board - Online Meeting (9-11 am CDT)**

Connectional Assessment Advisory Group Purpose:

This advisory group's purpose is to oversee and direct the implementation of an assessment process designed in the previous quadrennium to gather usable data about the missional strength and needs of the connection in a changing church and world. This process is intended to help us see the fruits of United Methodist connectional ministries today as we engage questions and gather data from annual conferences, general agencies, the Council of Bishops, the General Council on Finance and Administration and The Connectional Table. This process seeks to help us strive toward continuous improvement, build capacity, and communicate our ministry impact.

Outcomes:

Short Term Outcomes (2-4 Years) – Identify and work with 4-5 annual conferences in the jurisdictions and one annual conference in a central conference willing to Beta test the tool. Develop clear recommendations and plans based on the beta-tests for the future.

Long Term Outcomes (4-7 Years) – Increased missional capacity as a result of understanding and responding to strengths and needs within annual conferences and agencies, and strengthened relationships between annual conferences and general agencies in order to build capacity for mission in the Four Areas of Focus, which increase the number of vibrant congregations.

Progress Report:

In late 2017, CT staff convened a Design Team with agency staff members, a conference director of connectional ministries and advisory group members. The team designed and implemented the beta-testing process of the Connectional Assessment Tool with five annual conferences in the jurisdictions, and one annual conference in Liberia. There was an intentional decision to select the conferences led by the Strategic Team episcopal leaders, and also the conference of advisory group member Bishop Webb as a testing environment.

The CT hired consultant Dr. Mark McCormack to participate in the design, implementation and evaluation phase of the beta-testing. He drafted summary reports of the beta process for each annual conference and a comprehensive summary report. In July and August 2018, Dr. McCormack is discussing the reports with the bishop and director of connectional ministries of each beta annual conference. We anticipate the feedback process to be completed by August 31, 2018. The reports will be shared with the CT and the COB/CT VC->4AF Strategic Team for review and recommendations on next steps.

Action Items:

No action is requested at this time of the full CT.

Respectfully Submitted by,
Josephine Deere, convener – July 31, 2018



GENERAL CHURCH COUNCIL ADVISORY GROUP
August 14, 2018 Full Board Online Meeting (9 – 11 am CDT U.S.)

BRIEF SUMMARY OF GROUP PURPOSE

The General Church Council Advisory is tasked with establishing and recommending a model for a General Church Council that would replace the Connectional Table. In partnership with the Council of Bishops, this group's work focuses on discerning the most appropriate leadership body that will serve the worldwide United Methodist Connection.

IDENTIFIED LONG TERM – SHORT TERM OUTCOMES FOR GROUP IF DONE

- 1 or 2 Short Term Outcomes (2-4 Years)

Church leaders will increase their awareness of the demographic shifts of our denomination, engage and participate in conversations that will inform the proposals, and increase their understanding of the need for different representative leadership structures to deliberate on worldwide connectional matters.

- 1 or 2 Long Term Outcomes (4-7 Years)

With a new leadership structure in place by 2020 that aligns with the new General Book of Discipline, United Methodist leaders across the worldwide connection will experience a more equitable, worldwide approach to how the vision and mission of The UMC is communicated and lived out, and leaders will increase their awareness of our denomination's connectional unity and local freedom in the midst of church growth in new regions of the world.

SUMMARY OF ACTIVITIES & DECISIONS SINCE LAST MEETING

The committee held a Zoom meeting on May 31, 2018. The group reviewed the April 6, 2018 report in an effort to ensure that the group continues its task as set forth in that report to Connectional Table. Here are some of the latest developments from our conversation and status report on action items developed at the May meeting:

- As we continue with our task, it is more apparent that there needs to be further intentional effort to collaborate with other groups and entities within the connection who are involved in the work of re-visioning and re-thinking structure and essential functions for the church of the future. Pursuant to that, Bishop Ward reached out to Bishop Bickerton, who convenes the work of developing the General Book of Discipline under the charge of the Standing Committee on Central Conference matter. Bishop Bickerton welcomes the dialogue. It is clear from these conversations that the work of re-visioning and re-structuring come at a very inopportune time, as the church is in flux and experiencing a deep sense of anxiety which does not afford the best thinking on these very complex issues. The committee would like to request a time to meet together with this group, perhaps at the CT fall meeting, or a pre-scheduled

meeting of this group.

- We also reached out to Ole Birch and sought a status report and a copy of the current work of revising Chapter V, for the same reason as stated above. This work of collaborating can also be done during their online meetings and also onsite at the next CT meeting.
- Finally, it was agreed that the committee will initiate a draft of legislation for the creation of a Global Forum to be circulated among the members of the Missional Group for conversation and further development prior to the fall CT meeting.

ACTION ITEMS NEEDING APPROVAL BY WORKING GROUP – FULL CT

None.

Respectfully Submitted by,
Monalisa Tuitahi

U.S. CONTEXTUAL MINISTRIES ADVISORY GROUP SUMMARY REPORT

August 14, 2018 Full Board Online Meeting (9 – 11 am CDT U.S.)

(BRIEF SUMMARY OF PURPOSE OF GROUP)

The World Wide Nature Working Group US Contextual Ministries Advisory Group is tasked with finding a way for the Church in the U.S. to do the adaptable/supplemental work required by the proposed General Book of Discipline. While the Central Conferences have the Disciplinary authority to make these changes (Par. 543.7), the only current option for the U.S. is that all work must be done through the General Conference.

(IDENTIFIED LONG TERM – SHORT TERM OUTCOMES FOR GROUP IF DONE)

- 1 or 2 Short Term Outcomes (2-4 Years)
 - Leaders of the church in both the US and Central Conferences would have an understanding of the need for the US to make contextual decisions outside of the General Conference.
 - ACTIVITY: Continue to identify who/how to engage
 - ACTIVITY: Engage in quality conversation with identified groups of leaders.
 - The need for the US to make contextual decisions would be viewed without consideration of Disciplinary language on homosexuality.
 - ACTIVITY: Monitor and react to the action of the 2019 Special Session.
 - Change attitudes about “connectional” (not understood as solely our structure or uniformity)
 - ACTIVITY: Understand the current definitions of “connectional” being used
 - ACTIVITY: Establish a time frame for facilitating conversations with leaders
 - ACTIVITY: Engage in quality conversations with leaders that help to frame the larger picture.
 - Legislation possibly prepared as a result of conversations
 - ACTIVITY: Consider who is the best source for legislation (whether CT should generate the legislation or encourage it from another source.)
 - ACTIVITY: Consider possible legislative proposals.
- 1 or 2 Long Term Outcomes (4-7 Years)
 - U.S. would be organized in a way to allow adaptable/supplemental work for Section 7 of the GBOD to be completed efficiently

(SUMMARY OF ACTIVITIES & DECISIONS SINCE LAST MEETING)

The US Contextual Ministries Advisory Group is continuing on the timeline which it laid out in the fall of 2017. We are engaging church leaders in conversation around the need for the US to have a way to make decisions that enable or enhance its contextual ministry as will be required with the proposed General Book of Discipline.

Our intention is to continue the engagements we have outlined (StCCM; Study of Ministry Committee; C.O.B. Jurisdictional Study; C.O.B.) and add some additional groups such as DCMs and Conference Lay Leaders in the US. We are engaged in initial discussions with the COB and DCMs concerning a forum for discussion to occur after the 2019 Special Session.

We have two task teams working on the impact that a shift in structure might cause. One group is looking at implications, including legal ones, of proposals that have been made in the last several quadrennia. A second group is identifying possible legislative direction. This could include either legislative proposals for GC 2020 and/or a legislative piece and constitutional amendments which could enable a plan for the future. The Advisory Group meets on August 21 to further explore these possibilities. Our goals for this meeting are:

- To have group consensus and declared interest in proceeding with a proposal and a basic direction of a proposal
- To discuss if legislative proposals should come from CT or elsewhere
- To lay out a timeline for both the communication and any legislation to prepare (if this would be generated by CT)
- To identify and plan the groups that we need to communicate with in order to prepare them for any legislative proposals.

We feel our work is closely tied to the proposals for the General Book of Discipline. The work being done on Part VII informs and encourages our work and we feel that walking closely with the Standing Committee is essential.

(ACTION ITEMS NEEDING APPROVAL BY WORKING GROUP – FULL CT)

None.

Respectfully Submitted by,
Judi Kenaston, Convener; US Contextual Ministries Advisory Group

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