



GRACE COMMUNION
INTERNATIONAL

Living and Sharing the Gospel

September 2016

Dear Brothers and Sisters,

The growth of our international congregations is simply stunning. I can only praise God for the growth he is giving around the world. If you regularly read my updates on our website, then you already know we have added 31 churches in international locations to our GCI fellowship in the last four months. That is more than 4,000 new brothers and sisters in Christ. The growth in the US has been softer. Some areas experience decrease while others experience growth.

I am delighted to say that this year at every US regional conference, I met at least one couple who had joined or returned to our fellowship. All 19 of our full-time headquarters employees here in Southern California rejoice at such wonderful news and I imagine all of you as well. Thank you for all your prayers, contributions and personal sacrifices in the service and worship of our Eternal Triune God. I pray you enjoy and celebrate the living relationship that God is and invites us to join. He has performed some truly remarkable miracles in our transformation and renewal. I'd like to share some of what I look forward to with you.

While we have long enjoyed our home office being located in Southern California, the location in the USA isn't necessarily a huge factor impacting our international operations. However, when we focus on how we can better serve our US congregations, location becomes a more important factor. Southern California has served us well, yet over time the cost of living has reached the point where consideration has to be given to relocating. It reminds me of an old joke that is still funny every time I hear it. A man walks into his boss's office and says: "Sir, I'll be straight with you, I know the economy isn't great, but I have three companies after me, and I would like to respectfully ask for a raise." After a few minutes of haggling, the boss finally agrees to a 5% raise and the employee happily gets up to leave.

"By the way," asks the boss, "Which three companies are after you?" The employee quickly answers, "The electric company, the water company, and the phone company!"

A major consideration for relocation is that we can cut our overhead (i.e., cost of doing business in California) by \$500,000 per year. While this may seem reason enough to move out of California, there are other advantages. Our Glendora church property has significantly increased in value; by relocating, we would access some of that accrued equity to go directly into our mission of the gospel proclamation.

Every time I attend any of our regional conferences or visit one of our churches, several members and ministers suggest their location as a great venue for our church headquarters. It is true there are many locations with a lower cost of living.

Another significant factor to consider in relocation is 65% of our congregations are in the eastern half of the continental US.

We are confident we can relocate to an area where the business environment is good for both business and non-profits – in other words a place of economic growth and development. Our management team has been searching for an area with good quality of life and access to more affordable housing for our employees.

After much prayerful deliberation, our Board of Directors has concluded that relocating to North Carolina would fulfill these desirable requirements.

For some, it may seem like an historic move since this is only the third time our headquarters has relocated. Just as our relocation from Pasadena to Glendora ten years ago had virtually no effect upon our churches, this move will be similar. Mostly the impact will be on our staff in successfully relocating.

We are on sound financial footing, and we strive always to be the best stewards we possibly can be. We were pleased when Capin Crouse LLP, our external auditors, gave a “clean and positive” report to the Board in June, 2016. During the presentation of the report, the auditors also shared a “Letter to Management” outlining any suggestions they may have for changes or improvements. The report did not make any suggestions for improvements. The presenting partner shared, “It is unusual to have a letter to management without any suggestions, because we always try to find something!” She complimented management on the Church’s financial systems.

I don’t have to explain to you the poor world economy, and of course, the US economy is not doing so well either. The US stock markets have hit some record highs and many conclude it is because there is no place else in the world right now to put one’s money. Nevertheless, you most likely have heard the news reports that the US recovery has been the weakest post-recession recovery in its financial history with the GDP being only 1.2 %. All of us can only donate from what we receive and with inflation and the stagnant wages, we have seen that downward pressure upon our income in the last few years. With the poor economy and the increasing costs of living, especially in health care, we want to take advantage of every economy of scale we can. As I previously mentioned, we will realize a reduction of overhead, as well as gaining back some of the equity by selling our current property. These represent significant benefits.

Please join me in praying for this transition, as well as for successful relocation for those who will be moving and those looking for new employment. We have the highest esteem for their years of good work and service to our fellowship. Obviously, all the details cannot be given in this letter, but as milestones are achieved in making this relocation a reality, you will be able to read them in my weekly email update, which is posted on our website.

It will take the next 18 months to complete all the tasks necessary to relocate. We will announce when we finalize our selection of property in a new location and the work on selling the current property. We will be extra busy. Please join us in praying for God’s continual guidance to walk through the doors He is opening.

I extend my heartfelt appreciation for your support in helping us steward the gifts God has given us for everything God is calling us to do. We are working both harder and smarter as we follow the lead of the Holy Spirit and participate in the ministry of our Lord and Savior, Jesus Christ. We never forget that working with Jesus makes the yoke easier to wear. Your prayerfulness and heartfelt contributions are appreciated and respected.

Love and blessings upon you all,

A handwritten signature in black ink that reads "Joseph Tkach". The signature is written in a cursive, flowing style.

Joseph Tkach
President — Grace Communion International