

XIV. AGENCY REPORTS

CONFERENCE REPORTS

| | |
|---|-----|
| Board of Ordained Ministry | 312 |
| Center for Leadership Development | 314 |
| Center for Missional Outreach | 321 |
| Center for New Church Development and Congregational Transformation. | 324 |
| Core Leadership Team. | 327 |
| Board of Pension and Health Benefits: 2017 Comprehensive Funding Plan | 328 |
| Board of Pension and Health Benefits: Health Benefits Policies | 333 |
| Council on Finance and Administration, Treasurer’s Report | 345 |
| Financial Statements, Auditor’s Report, Notes | 348 |

CONNECTIONAL REPORTS

| | |
|--|-----|
| Africa University | 370 |
| C.C. Young Senior Living | 371 |
| Dallas Bethlehem Center | 372 |
| Drew University Theological School | 374 |
| Golden Cross | 376 |
| Lydia Patterson Institute | 378 |
| Methodist Children’s Home. | 379 |
| Methodist Health System. | 381 |
| Mount Sequoyah Center, Inc. | 382 |
| Perkins School of Theology. | 384 |
| Providence Place | 386 |
| Saint Paul School of Theology | 387 |
| South Central Jurisdiction | 388 |
| Southern Methodist University | 389 |
| Southwestern University | 390 |
| Texas Methodist Foundation | 395 |
| Texas United Methodist College Association | 397 |
| Wesley Theological Seminary, Washington, D.C | 397 |
| Wesley-Rankin Community Center. | 399 |

BOARD OF ORDAINED MINISTRY

The purpose of the North Texas Conference Board of Ordained Ministry is to recruit, credential, equip and nurture leaders for professional ministry to achieve the mission of the church—to make disciples of Jesus Christ for the transformation of the world. We strive to build lifelong effectiveness in leaders for the North Texas Conference. Clergy effectiveness is developed over a lifetime through living our discipleship, growing in leadership of our congregations and developing missional effectiveness.

The Board of Ordained Ministry is charged by *The Book of Discipline* with carrying out many critical tasks and, through its various committees, board members fulfill their responsibilities in an excellent manner. These committees include the Executive Committee, the Committee on Local Pastors Education, the Committee on Certification, the Committee on Clergy Effectiveness, the Committee on Recruitment, the Committee on Conference Relations & Transfer Review, the Committee on Chaplains and Related Ministries, and the Committee on Provisional Membership. The entire Board of Ordained Ministry functions as the committee for Preparation & Qualifications examining candidates for commissioning and ordination.

The following summarize the Board of Ordained Ministry's priorities this year:

Recruitment: We strive to create a culture of call in our conference and effectively reach those God is nudging into licensed or ordained pastoral ministry. We particularly focus on reaching young and diverse candidates for the mission field of North Texas. This activity begins in the local church and we encourage laity and clergy to create a culture of call in the local congregation.

Candidacy: One of our top priorities is to work with the four District Committees on Ministry and continue to refine our process for entering ministry so that it is as clear and easy to navigate as possible. The process to become a certified candidate helps persons discern how God is calling them. A Candidacy Summit is a one day event which introduces inquiring candidates to the culture of call and the process of entering ministry. They begin the process with trained group mentors and develop relationships with other individuals along the way.

Readiness to Effectiveness: The work of the Board of Ordained Ministry strives to lead the conference in establishing lifelong effectiveness for all clergy. The Board of Ministry has labored hard this quadrennium to improve the process for approving candidates for commissioning/provisional membership and ordination/full membership. Our focus is to move clergy from readiness for ministry to effectiveness in ministry. We strive to challenge, prepare and equip our clergy to develop excellent pastoral and professional leadership skills. The work of Preparations & Qualification is divided into three areas—Call & Disciplined Life, Worship & Proclamation, and Theology.

Residency: The Board of Ordained Ministry has reviewed the Residency in Ministry program that has served the conference well for over sixteen years. We determined it was time to update the two year Residency program for Provisional Members. A newly designed program was approved by the Board of Ordained Ministry in April 2016 and begins with the 2016 Residency group. The new program emphasizes the critical skills & competencies pastors need to reach today's mission field. There is a renewed emphasis on leadership and innovative creativity that fosters individual growth and effectiveness. Time in Residency will cultivate creative leaders through horizontal and vertical learning. The new program uses a coaching component instead of assigned mentors. It focuses on spiritual mentoring of the candidate. The Making Disciples Project is established as a key measure of integration.

Lifelong Clergy Effectiveness: We work collaboratively with the Bishop, the cabinet, our laity and the Center for Leadership Development to provide resources and tools for clergy formation throughout their life in ministry.

The North Texas Conference Board of Ordained Ministry is extremely grateful for the leadership, support and help that Duane VanGiesen and Janet Thompson provide. Their expertise and hard work greatly enhance our work and effectiveness. I have cherished the opportunity to serve as the Chair of the Board of Ordained Ministry 2012–2016 and I am grateful to the North Texas Conference for the years of support and encouragement.

Respectfully submitted, Jan Davis, Chair

**COMPENSATION OF CLERGY
APPOINTED BEYOND THE LOCAL CHURCH-2015**

(The 2012 *Book of Discipline*, ¶628)

| | ANNUAL CASH SALARY | UTILITIES/OTHER HOUSING RELATED ALLOWANCE | OTHER CASH ALLOWANCE | TRAVEL ALLOWANCE |
|-------------------------------|--------------------------|--|----------------------------|---------------------|
| John F. Allen | Commission | | | |
| Shawn Bakker | 82,690 | 44,000 | | |
| Cathy Bingman | 65,000 | | | |
| William J. Bryan | 92,023 | 32,500 | | |
| Jennifer Griffith Cobb | 45,350 | 24,650 | | |
| John W. Cole III | 49,000 | 35,000 | | |
| Janet Collinsworth | 0 | | | |
| Marc Corazao | 53,479 | 12,000 | 2,000 | |
| C. Megan Danner | 61,000 | | | |
| Andrew Fiser | 45,000 | 12,000 | | |
| Russell Floyd | 0 | | | |
| C. David Grant | 97,600 | | | Vouchered |
| Joel B. Green | 148,000 | | | |
| Lisa Greenwood | 133,000 | | | |
| Justin Hancock | 21,000 | | | |
| Brian Hardesty-Crouch | 16,630 | 12,000 | | |
| Terrance Heislen | 34,000 | | | |
| Leslie A. Herrscher | 34,000 | | | |
| In, Chiv Peter | 13,500 | 33,300 | 1,000 | 3,000 |
| Larry M. James | 105,000 | | | |
| Leslie A. Janovec | 106,517 | 29,540 | | |
| Ashleigh Joyner | 69,000 | | | |
| Sheri S. (Hollingsworth) Lake | 29,000 | | | |
| Sarah Lancaster | 29,300 | 36,000 | | 1,200 |
| William B. Lawrence | 172,000 | 84,000 | | |
| Traci Loveman | 48,000 | | | |
| Alyce M. McKenzie | 62,740 | 55,556 | | |
| Thomas R. McKnight | 39,300 | | 1,470 | Vouchered |
| Timothy E. McLemore | 47,248 | 12,000 | | |
| Connie Nelson | 89,839 | | | |
| Ugonna Ndukwo Onuoha | 54,975 | | | |
| Beatriz E. Pacheco | 60,000 | | | |
| Lydia Pellikan | 42,494 | | | |
| JamesPaul Qazilbash | 51,000 | | | |
| Stephen W. Rankin | 96,000 | | | |
| Caesar Rentie | 118,738 | | | |
| Joerg Rieger | 85,000 | 50,000 | | 1,500 |

| | | | |
|-------------------------|---------|--------|-------|
| Jennifer Beth Scott | 55,000 | | |
| Sarah J. Squires | 63,650 | | |
| Mark W. Stamm | 103,550 | | 1,500 |
| John Thornburg | 93,000 | | |
| Patricia Piron Thresher | 34,652 | 30,000 | |
| Harry S. Wright, Jr. | 72,000 | | |

CENTER FOR LEADERSHIP DEVELOPMENT

The mission of the Center for Leadership Development (CLD) is to develop principled Christian leaders for the transformation of the world by helping clergy and laity embrace God's call to LIVE as faithful disciples, LEAD congregations effectively and DEVELOP missional fruitfulness. In collaboration with the Conference Board of Ordained Ministry, the CLD seeks to recruit gifted, diverse clergy; develop and sustain clergy and laity through life-long learning; and equip Staff/Pastor Parish Relations Committees to collaborate with their clergy for ongoing formative work towards greater effectiveness. Our work includes Leadership Ministries for laity living out of a baptismal calling as well as discerning a call to ordained ministry; Faith Formation Ministries for equipping all age groups towards greater Wesleyan discipleship and Clergy Formation Ministries designed to continue to equip clergy for leadership in the church. In addition, there are Boards and Resources for churches and laity.

For more information about the Center for Leadership Development see our pages in the Conference Guide, visit our website at www.ntcleadership.org and join our Facebook page *NTC Center for Leadership Development*.

Highlights from our work in 2015–16 include:

LEADERSHIP MINISTRIES

Luke 4 Initiative

Now in its second year, the Luke 4 Initiative (L4i) is bearing fruit within the five congregations that completed the 8-month lay leadership training process for community transformation in 2015. First Garland UMC is currently in the process of opening a transitional housing shelter for homeless youth and their families as a result of their involvement in L4i. White Rock and Vista Ridge UMC's have made lasting connections with their local public schools. And Holy Covenant UMC is experiencing growth in church involvement of neighbors from all races, ages, income levels, social status, and orientation.

This year, five new teams participated in the training process, including: a new team from First Garland focused on interfaith dialogue and understanding in partnership with members of a local mosque (Islamic Association of North Texas); Warren UMC, with a focus on expanding an existing after-school tutoring program in an effort to overcome generational poverty in the South Dallas community; First UMC Dallas, with a focus on advocacy for failing schools in the Dallas ISD; The Woods UMC, with a focus on creating leaders for social justice ministry within their church and community; and a community-based team out of Garland working on creating sustainable housing for up to fifty homeless people within the Garland community. To find out more about the Luke 4 Initiative, and how your church can become involved in this Conference-wide movement to transform communities through prayerful and prophetic action, please visit: www.ntcleaderhip.org/luke-4-initiative.

Summer Internship in Ministry (SIM) Fellowship

Our pilot year of the SIM Fellowship was a great success, with ten college students discerning a call to ministry while participating in a summer filled with hands-on experiences including local church ministry; an orientation retreat focused on spiritual practices for discernment; a “taste of seminary” week with some of Perkins’ finest professors; attendance at Annual Conference; several “Friday Ministry Experiences” including a tour of CitySquare, Dallas Bethlehem Center, time with a chaplain at Children’s Hospital, and a look at some of our innovative ministries rising up out of Union Coffee House and White Rock UMC’s co-working space. As a final capstone experience, these students went on a spiritual pilgrimage to Iona, Scotland along with several leaders from the North Texas Conference, including Bishop McKee and Board of Ordained Ministry Chair, Rev. Jan Davis.

As we continue to discern the impact of the SIM internship experience we continue to be in relationship with this first class of SIMterns and are proud of the work they continue to do for God: Jamie Morgan has been accepted as a summer GBGM Global Justice Volunteer; Emily Hardwick and Aubry Reichman are house-mates at an intentional living community through a partnership with Christ UMC Plano and the Missional Wisdom Foundation; Manny Martinez is on staff at a local church; Henry Martinez has launched a new worshipping community at Oak Cliff Barber Shop called “Reach the Streets;” Brooke Foster will lead a mission trip for Lipscomb University students to Cebu City, Philippines this summer.

We are excited to have six new college students participating in the SIM Fellowship this summer. They have just completed an orientation retreat focused on self-understanding and spiritual growth through an introduction to the Enneagram with Suzanne Stabile and spiritual discernment practices with Rev. Brian Hardesty-Crouch. Following the retreat, they spent a week at Perkins, focused on Old and New Testament interpretation, preaching, and engaging the church in the world. The first week in June, they will begin work in their host churches, and later this summer will participate in a capstone retreat to focus on the Wesleyan emphases of personal piety and social holiness. They will attend a United Methodist Seminar Program on a social issue such as poverty with GBCS in Washington DC, followed by a retreat experience in Harpers Ferry, WV. We invite you to hold these young people in your prayers as they discern how God is calling them to serve the church and the world. For more information on the SIM Fellowship, please visit: www.ntcleadership/sim-fellowship.

FAITH FORMATION MINISTRIES (CHILDREN, YOUTH, YOUNG ADULTS)

Among the many events, relationships, partnerships and initiatives this year that we are extremely excited about, there are two that stand out—our partnership with Rev. Dr. Leanne Hadley as a pilot conference for *A Time with Children* and our *Strategic Plan for Camping and Retreat Ministry*.

A Time for Children

Our children are being born and also dying. They are laughing, witnessing wars, dancing, building, crying, loving, hating, hoping... and it is time for the church to minister to children...

This is the time for our congregations to specifically and effectively meet the spiritual needs of children and families...

The North Texas Conference is one of four Conferences in a pilot cohort with Rev. Dr. Leanne Hadley, an ordained elder with over 30 years of experience in Children’s Ministry, to participate

in a two-year experience of intentional training, coaching and group mentoring for Children's Ministers with the hope of equipping them with leading edge tools to meet the spiritual needs of our children and families through the United Methodist Church. This year has focused on learning a common language for the spiritual formation of children and families, assessing our settings and introducing new practices. Year two will focus on implementing necessary changes in our settings and building the new vision based on our assessments during year one. Eleven churches are participating in the first cohort and a second cohort will begin in Fall, 2016.

Strategic Plan for Camping and Retreat Ministries of North Texas

This year, a team of clergy and lay persons representing various ministry contexts across North Texas worked with consultants, gathered surveys, held focus groups, gathered market research and did interviews to discern how our Camping and Retreat Ministry aligns with our mission as United Methodists in the North Texas Conference. Together we examined the role of camping and retreat ministries in developing the faith and discipleship of the people in our congregations and communities. We are convinced that there is an exciting future for Camping and Retreat Ministry in North Texas through our two current locations at Bridgeport Camp and Conference Center and The Prothro Center. In addition we believe there is an opportunity to build a new model of Offsite Camping ministry. We will be proposing significant investments in our current facilities and partnerships with local churches, community centers and campuses for new offsite camping ministries. We will be developing unified Wesleyan curriculum, a specific scope and sequence for each age group, and a vision for leadership development. Our hope is to continue to foster the development of principled Christian leaders through all aspects of camping and retreat ministries from childhood through adulthood.

Bridgeport Camp and Conference Center

2015 was a continued year of vision and planning at Bridgeport Camp and Conference Center (BCCC). The Conference Summer Camps were almost at capacity, with 4 camps being completely full. We also had 2 full weeks of SEEK (Summer Events for Exceptional Kampers) Camps, and a full week of Project Transformation Camp in August. This gave us another great summer attendance of over 1600 campers and over 500 volunteer leaders that helped make this another incredible year of camping ministries.

We set a new record for attendance numbers at our facility this year for our non-summer events held from January to June before camps start, then starting again in August until the end of the year. This increase in total people attending events here provided us with our greatest earning year on record for our non-camp events. Conference groups made up the majority of events, but we had great turnout from groups outside our conference as well. Some of these groups include university retreats, family reunions, local school events, weddings, and sports banquets.

As we look to the future and the improvements that need to be made here at BCCC, there are several things on the horizon. With our camps being so close to full almost every week and crowded facilities at multiple non-Summer events, we need to be diligent about creating more spaces for our children, youth, and adults to stay, eat, convene, and worship. We covet your prayers and continued support as we continue to move forward to better serve all our guests.

Prothro Center at Lake Texoma

2015 marked the Prothro Center's 12th year of existence. As bookings reached record highs, we are incredibly proud of the ongoing connection with groups such as: NTC UMW, Board of Ordination, NTC Licensing School, Bishops Cabinet, Clergy Spouse, Summer Internship, NTC Residents, and

many NTC Church/Youth Retreats. We were also extremely excited at the opportunity to host an additional Young Adult Seek Camp this year.

The consistency of our relationship with these individuals has been the backbone of success for the Prothro Center. With that being said, I think that it's important to inform you of all of the other amazing happenings that our conference has paved the way for. Royal Family Kids Camp celebrated its 4th year with us. It's a camp that brings close to 40 foster kids to spend the week with us. Lions Camp—24 young adults from different countries get a chance to gather and learn about our Country and each other's. SMU Residents Life, DCCCD, TX A&M Commerce, Austin College, Collin County Community College, and many High Schools host retreats here, as well. On top of all of these wonderful retreats, we were the location that 28 people said their vows to each other, as well. Prothro is a great place for adults, young adults, and youth, to learn to connect, reflect, and grow.

Improvements and modernization are occurring inside and outside of our 100 acres of incredible lake views and wooded areas. Our Lakeview Conference room received new rustic plank carpet to tie into our overall theme. We've also started to repurpose trees that have fallen and turn them into handmade headboards, lamps, art, beds, fences, and furniture. We also had the opportunity to add a new volleyball court, pergola, horseshoe pit, and flagstone patio by our pool. Our hike and bike trails were improved and extended to now reach 3 miles. Their popularity has really taken off providing fantastic views of almost every type of landscape imaginable.

The possibilities of The Prothro Center at Lake Texoma are endless and we welcome everyone. We are excited for what the future holds and thank all who have played a part in our success. We hope to see you on your next church/school/family/individual retreat.

Children, Youth, Young Adults

This is the time for Children, Youth and Young Adults to answer the call to faith, develop as disciples and lead the church into the future. Children's Ministers from across the Conference planned and led **Camp Bible** for 3–5 graders during an overnight stay at Bridgeport Camp. Participants explored how our faith is informed by Scripture, Tradition, Experience and Reason. This year's Camp Bible will be September 24–25th.

The NTC partnered with Lovers Lane UMC to host the **Bishop's Rally** for 5–7th graders and Confirmants with nearly 800 participants this year! Bishop's Rally creates a unique opportunity to bridge the gap from Children to Youth Ministry and have an encounter with our Bishop designed specifically for them.

The Youth Ministry of North Texas continues to be led by our Conference Council on Youth Ministry (see full report below). The NTC is also partnering with Youth Ministry Staff from across the Conference to host an ALL Conference ALL Youth event to gather for ONE Day in ONE Worship as ONE Church. This year's **ONE** event took place at Highland Park UMC with Rev. Richie Butler as our Keynote Preacher. Next year's event will be in April at Hamilton Park UMC.

Young Adults in North Texas continue to meet weekly for fellowship and the friendly competition of Intramurals led and hosted by FUMC Richardson. Children's, Youth and Young Adult staff from local churches gather quarterly for lunch and networking. To find more information on all these efforts, to host an event at your church or get involved, please visit www.ntcleadership.org or email Kelly Carpenter at kelly@ntcumc.org.

2016–2017 Children, Youth, Young Adult Dates and Events

- Volunteer Training—Christ UMC Farmers Branch—August 13, 2016
- Camp Bible (3rd–5th grade students)—Bridgeport Camp—September 24–25, 2016
- MidWinter Retreats (Middle & High School Youth)—Bridgeport Camp—January 27–29 and February 10–12, 2017
- Bishop’s Rally (5th–7th grade students)—Lovers Lane UMC—TBD Spring 2017
- ONE Worship Event (Middle & High School Youth) - Hamilton Park UMC—April 2017
- Greenhouse Children’s Ministry Training—April 22, 2017
- Children, Youth, Young Adults and leaders of all faith formation ministries are encouraged to connect with others in the Conference. Please visit www.ntcleadership.org for additional information.

Collegiate Ministries**Denton Wesley Foundation**

The Denton Wesley Foundation continues to strive for the Kingdom of God as we reach up, reach out, and reach in. In 2015–2016, we have reached toward God both in small group settings and in our weekly Tuesday Night Together (TNT) Worship. TNT this year has included a variety of faith series, such as Impostor Messages of Faith, Mad God: Kingdom Road, Jesus for President, and Love in Truth and Action. We have reached out to many students and the community through our Shiloh Food Pantry, monthly local missions, and building hope and homes through Proyecto Abrigo in Juarez, Mexico. And we have reached in to build community, welcoming many new students throughout the year, incorporating community-building through all that we do – especially our Thursday night Fuse ministry. In all of this, we explore God’s call together, through student leadership, one-to-one conversations, and communal opportunities to listen and grow in God’s love together.

The Wesley at Paris Junior College

The Wesley Campus Ministry Center at Paris Junior College offers the students, many who are older with families, a place to feed the body and the spirit. We offer good hot lunches three days a week which allows the students that are on a very tight budget to have a good meal and to be offered a place of acceptance and encouragement. The devotions and one on one mentoring prove to be very needed by the students as they struggle to fulfill their academic requirements and the demands of work and raising families. As Jesus told Peter “...feed my sheep,” so is Wesley at Paris JC feeding both the body and the spirit.

SMU Wesley

SMU Wesley had the joy of continuing to reach and serve students of SMU through projects and education of Outreach and Missions, through times of meaningful faith Community development, and by helping our students grow in Discipleship as followers of Jesus Christ. In our Outreach efforts, we worked with local ministries and churches that supported persons impacted by modern day slavery and sex trafficking, refugees in Dallas, our homeless neighbors, and providing meals

around the world. We found new and creative ways to build community on campus through Crepe Night Study Breaks during midterms and finals, providing study bags to students, holiday meals, and continued with the #SMUCouch where we gave a safe space for students to connect with us before football games. In our discipleship efforts, we have seen growth in our bible studies and worship attendance, students starting to invite others and engage them in the faith, and we have seen a more meaningful partnership with Highland Park United Methodist Church as we work to create life long followers of Jesus by connecting students to the local church.

Wesley Foundation at the University of Texas at Dallas

An emerging campus ministry at a rapidly growing university, the Wesley at UTD is reaching and developing thoughtful and articulate young leaders on their Richardson campus. They are a diverse, missional, and inclusive community offering a supportive environment for students to ask deep questions, discover and live out their faith. Through the Wesley, students are empowered for ministry leadership including weekly worship, small groups, retreats, peer support, evangelism, social justice education, missions, and hand bell music ministry. Wesley students are actively engaged on campus at UTD and are passionate about transforming the world. During the past year as its ministry has grown, the Wesley Foundation has established a Board of Directors, become an independent nonprofit through the UMC, connected with local churches, and explored opportunities for a permanent facility on campus. The Wesley at UTD is seeking to be in relationship with partner churches and would love to connect with you! To learn more about the Wesley at UTD, please visit: www.utdwesley.org or contact Wesley Director Brittany Burrows at brittany@utdwesley.org.

The Wesley of Wichita Falls

The Wesley of Wichita Falls shares transforming grace by promoting spiritual, physical and emotional wellness among local, international and nontraditional undergraduate students. Whether serving weekly free lunch for 100 students, providing discounted recreational opportunities like jumping at Urban Air Trampoline Park, in a safe, substance-free environment, providing mentoring or serving breakfast for the homeless at an area church, we seek to intersect student's lives wherever they are with the love of Jesus Christ.

The Wesleyan Campus Ministry at TAMU Commerce

The Wesleyan Campus Ministry at TAMU-C has welcomed students who are new to our ministries via connecting with other student organizations and outreach events; including 6 new student leaders, and 4 other new student members of FUMC Commerce. In accordance with our mission to 'offer an inclusive and welcoming faith community where ALL God's diverse children: Belong, Believe, Become;' WCM is now a member of the Reconciling Ministry Network, we have a new small group for the LGBTQ+ community. We have started a new weekly student-led worship service, Illuminate. WCM has formed stronger relationships with East District churches which has resulted in more funding, ending 2015 with a balanced budget and have fundraised thousands of dollars which is/will be used for much needed building repairs/remodels. A recent graduate who is still an active leader at WCM has begun seminary at Brite Divinity and plans to pursue ordination, another student is FUMC's youth minister, another student will be a counselor at Bridgeport, and at least one more student is discerning their call to ministry.

CLERGY FORMATION MINISTRIES

Clergy Fruitfulness Initiative

This year, the Clergy Fruitfulness Initiative completed its first five-year cycle of resourcing the life-long journey of clergy leadership. Starting with those in their 5th year following ordination (full connection membership) and every 5 years proceeding, clergypersons join with their classmates in a time of reflection and renewal, resourcing and realignment, and recognition and celebration. Since its launch in 2011, over 120 clergy with 5 to 30 years of service have participated in the CFI process. As we look to the fall of 2016, the first group of participants will have the opportunity to attend a second time, to deepen the work they began at their first CFI experience, through new tools for self-exploration and growth.

BOARDS AND RESOURCES

Congregational Assessment, Resource and Transformation (CART) Teams

CART Teams are equipped to assist District Superintendents, clergy and congregations move through the difficult work of grief, anger, mistrust, loss and change.

Throughout the year, the CART Teams were deployed to engage congregations that were in crisis or conflict to assist in healing, reconciliation and transformation. Please contact your DS or the Center for Leadership Development for more information on how to receive the help of CART Crisis or Conflict teams.

Intentional Interim Ministry (IIM)

Interim ministers are experienced clergypersons, committed to Wesleyan theology and the UMC, who have proven effective in their service to Christ and the church. Intentional Interim Ministers adapt well to a congregation's context and particular needs, are highly relational, and provide pastoral leadership and management for a season of ministry. IIMs are vetted by the Bishop and NTC Cabinet, trained and certified through an accreditation process, and may be deployed across conference boundaries. IIMs serve many contexts which include: Sabbatical, Renewal or Study Leave; Pastoral Transitions; Conflict Management; Disability, Terminal Illness or Death of a Pastor; Clergy Misconduct. This past year 5 Intentional Interim Ministry placements were appointed by the Bishop and Cabinet.

For more information on IIM training or deployment, contact your District Superintendent or the Center for Leadership Development of the NTC.

Committee on the Status and Role of Women (COSROW):

The NTC COSROW meets to focus on major priorities of issues related to women: a) to gather, interpret and transmit information on the status and role of all women at the conference, district and local church level; b) work in tandem with the United Methodist Women to champion full inclusion of women in decision-making structures; c) develop processes to inform and sensitize leadership within the conference at all levels on issues that affect women; d) to review sexual harassment policies and procedures, by working in consultation with the NTC Congregational Assessment Response and Transformation Crisis Team(s).

Committee on Religion and Race (CORR):

The NTC Committee on Religion and Race has the goal of strategic planning in the areas of diversity, cultural competency, racial justice, reconciliation and equity, and communication/advocacy for change. In the fall of 2015, the NTC CORR led the racial justice and cultural competency training for the Board of Ordained Ministry Residency Retreat at Prothro for the second year. In January of 2016, CORR helped sponsor a Civil Rights Bus Tour for youth from several North Texas Conference churches, including: Spring Valley, Kessler Park, Walnut Hill, and Grace UMC Dallas. The tour included stops at historic sites in Selma and Montgomery and took place over the Martin Luther King, Jr. holiday weekend. The CORR will continue to encourage more NTC involvement in the future, and explore new ways to connect more of our churches with opportunities for growth in cultural competency and racial reconciliation.

CENTER FOR MISSIONAL OUTREACH**BOARD OF GLOBAL MINISTRIES**

(and the dedicated involvement of North Texas Conference Methodists)

“The world is our parish” remains an authentic and vital declaration for United Methodist people and congregations in the North Texas Conference. In conference year 2015–2016, North Texas Methodists and their Board of Global Ministries made real this Wesleyan heritage declaration in the following ways:

Missionary Support: Historically at the center of our near-to-home and far away labors for the Kingdom of God and the addressing of human need & hopes, sixteen GBGM missionaries or missionary-centered agencies were supported: *Beatrice Gbanga, Becky Harrell, Cynthia Ceballos, David Ceballos, Jacques Akasa Umembudi, John Calhoun, Katelyn J. Davis, Marilla Alves Schuller, Mary L. Escobar, Mbwizu Ndjungu, Nkemba Ndjungu, Rachel T. Ternes, Sarah Roemer, Umba Llunga Kalangwa, Missionaries Around The World, and Young Adult Mission Service Programs.* In more than 60 countries around the globe, United Methodist missionaries live out their calling—with impressive fruitfulness and grace—as pastors, evangelists, educators, church planters, congregational & leadership developers, UMCOR personnel on the ground, agricultural specialists, health coordinators, and health-care professionals.

To reserve a date for hosting an itinerating United Methodist missionary or to discover how individuals, groups, or your church family can be in ministry with people around the world through the work of our Church’s missionaries, contact Rev. Marji Hill at marji@ntcumc.org or Rev. Clay Womack at cwomack@fumcgarland.org.

Local Church Involvement: Conference year 2015–2016, saw *one hundred and fifty nine* (159) congregations engage meaningfully & fruitfully in missional initiatives, projects, appeals, and undertakings approved by the General Board of Global Ministries and its agencies! Engagement and response happened in several forms: uncountable hours of hands-on service, fervent prayer, financial support, words & deeds of advocacy—the stuff of disciples of Jesus Christ. Just a few simple stats to bear witness:

| | |
|---|--------------|
| > Total second mile, specified financial support: | \$579,453.00 |
| > Number of world-areas/regions impacted: | 40 |
| > Number of individual ministry agencies/causes supported: | over 12 |
| > Top-ten supported by North Texas Methodists (in descending order of strength financially) | |
| —UMCOR international disaster response | |
| —UMCOR undesignated response | |
| —UMCOR USA response | |
| —Panama missions | |
| —Cameroon missions | |
| —Haiti missions | |
| —Mozambique missions | |
| —Czech Republic missions | |
| —Russia missions | |
| —Kenya missions | |

In the near future your Conference Board Of Global Ministries also hopes to tabulate & share an approximate count of the number of local church and conference groups/persons who put boots on the ground in 2015–2016 across the planet for the sake of Christ & the love of God and neighbor ... who organized and carried out local church & community supportive undertakings for GBGM undertakings... and who established specific expressions of prayer-support for the situations, needs, and persons of missional & disaster response. Humbly expressed, the people and churches of the North Texas Conference have faithfully responded so much and so well. There is cause to celebrate and give thanks. And, there is plenty of room to grow!

The NTX Conference Board Of Global Ministry, from its budgeted resources, also extended supportive care in 2015–2016: toward *immigrants-services ministry* through support of JFON (Justice For Our Neighbors); toward *program development* through support of Radio E.L.U.M. a radio ministry of the United Methodist Church of Liberia (Radio Equatorial Latitude United Methodism)—church development & community health projects for the indigenous population in and around the city of Santiago de Veraguas, Panama—the Methodist Day Center serving impoverished children & their families in Asuncion, Paraguay—and, Refugee Services of Texas in Dallas; toward *in-Conference disaster response* through support of the Grayson County Disaster Recovery effort relative to Spring 2015 storm damage.

“Christmas Tornadoes”—December 26, 2015: Marvelous, faithful, sacrificial, grace-filled, Spirit-inspired response continues toward and with the persons and families in the communities impacted by the December 26 tornado. Very strong response has come from Bishop Michael McKee’s appeal to support the Conference fund since December 27, which as of April 1 totaled \$322,919.26. This includes \$110,000 of UMCOR grant money. Additionally, tons of in-kind donations have poured in. Hundreds of United Methodist volunteers and Early Responders have sprinted to the locations of need, and continue to this day—joining hearts & hands with fellow co-workers of all sorts. Numerous new occasions of Early Responder training have occurred since the storm, and the response to those training opportunities has been heavy and awesome. More training occasions are already on the calendar; *frequently check the **Center For Missional Outreach’s webpage for opportunities***. Present and future Early Response needs will be well-met. Congregations and church staffs in the stricken communities, and beyond, mobilized and assisted their communities. An UMCOR trained Case Manager, Macy Crone, was hired to spend the conference fund equitably. In addition, volunteers serving with her—are on-site and at work. Heart-felt thanks to our Bishop, Dr. Larry George & Rev. Marji Hill of the Center For Missional Outreach, and all the congregations,

clergy, and volunteers. United Methodist disciples of Jesus show up and stay ‘till the need is met with love, hope, skill, sweat, and friendship.

The world *still* is our parish. To God be the glory!

ZIP CODE CONNECTION

THE HEART OF THE ZIP CODE CONNECTION IS OUR BELIEF IN CONNECTING COMMUNITIES TO THEIR FAITH—AND TO EACH OTHER.

Our two on-the-ground connections directors—Rev. George Battle III in South Dallas/Fair Park and Melinda Watters in Clarksville/Red River County—put this belief to work in everything they do. Because of their efforts (and thanks to your support), the two communities served by the Zip Code Connection have active coalitions which bridge races, religions, and socio-economic status for the sake of working together to create vibrant, thriving communities freed from the impacts of intergenerational poverty.

Today, we are glad to announce that our on-the-ground work is being actively supported by a newly formed advisory council, made up of thoughtful leaders from within the North Texas Conference and the communities we serve. This group represents residents and stakeholders of our two target communities, people who have knowledge of the ZCC or expertise in one or more of our focus areas. In short, this group represents a pool of people who will guide the Zip Code Connection and advocate on its behalf.

With the support of our advisory council we are making visible progress as we engage in ministry with our neighbors in South Dallas/Fair Park (75215) and Clarksville/Red River County (75426).

In South Dallas, we are making connections inside the community through our facilitation of the South Dallas/Fair Park Faith Coalition. On Saturday mornings, our partners have been providing a breakfast and tutoring program to more than 60 children across multiple neighborhoods. Through economic development partnerships with the City of Dallas and others, we are employing more than 20 community residents at a livable wage. They are working to survey and identify needs for house and property rehabilitation. Over the next year, these same workers and others will be trained to connect families with new health resources through a multi-hospital partnership, and they will receive additional job skills training to facilitate their path into higher levels of employment.

In Red River County, we partnered with the city of Clarksville’s Economic Development Corporation which purchased and renovated a building to be used as a new community center. The Hub, as the center is now known, is a home for our ministry partners, an incubator for transformative partnerships in Red River County, and our center of operations. This space is serving as a catalyst for the community’s renewal—giving a permanent home to the local Boys and Girls Club for after-school and summer youth programs, hosting community forums on important topics, and providing a space for Paris Junior College to bring GED classes and adult education programs to the heart of Red River County.

The work we continue to do in our four focus areas, **Community Engagement, Education, Health and Wellness, and Economic Development**, is rooted in our core strategies of **Convening** neighbors and churches, organizations, and individuals; **Learning** with our congregations and our neighbors about the issues and best practices; and **Leveraging** financial, political, and decision-making resources needed to support community transformation.

To see stories of how the Zip Code Connection is transforming communities, visit our new website at zipcodeconnection.org.

Rev. George Battle III, Connections Director for South Dallas/Fair Park, can be reached at 972-489-9467 or GeorgeB@ntcumc.org.

Melinda Watters, Connections Director for Clarksville/Red River County, can be reached at 512-547-7990 (cell), 903-784-3041 (home), or Melinda@ntcumc.org.

Lynn Parsons, Zip Code Connection Executive Director, can be reached at 214-931-6254 or Lynn@ntcumc.org.

CENTER FOR NEW CHURCH DEVELOPMENT AND CONGREGATIONAL TRANSFORMATION

“WITNESS”

Opening our doors to receive new people, and opening our doors so that the congregation can go out and get into the mission field is The Center for New Church Development and Congregational Transformation’s way to WITNESS to the risen Christ! We exist to help witness to the creative spirit of God here in the NTC and in our community by working to multiply the number of Vital Congregations within the North Texas Conference. To “witness” to something is to give testimony to what we have personally experienced and how it has impacted us. Our witness centers around our two priorities—1) starting new faith communities, and 2) transforming existing congregations.

TRANSFORMING EXISTING CONGREGATIONS

The Healthy Church Initiative is already making an incredible impact within the Conference, and is proving to be the best process available to create more vital congregations. HCI encompasses two areas of focus: the Larger Church Initiative and the Small Church Initiative.

Now used by 29 annual conferences (including all the Texas conferences), the HCI is based on training our own clergy and laity to mutually coach and mentor congregations. This approach involves laity in all levels of leadership and participation, and it has a component designed especially for small membership churches. We are so heartened by all the personal testimonies we receive as a witness to its fruitfulness.

The HCI is led by the Rev. Gloria Fowler. On a given month, over 300 clergy and laity from 36 churches, meeting in more than 10 different locations, study best-practice literature on strengthening the local church. These churches are large and small; rural, urban and suburban.

Participation is completely optional. If a congregation begins the journey, it can proceed to whatever level it feels it needs. If it goes all the way to the “Weekend Consultation” and follow-up coaching, the entire process takes about three years.

The following churches have participated in the Healthy Church Initiative process:

| | | | |
|----------------------|--------------------------|-----------------|------------------------|
| Plymouth Park | Poetry/Kemp/Becker | Jubilee | First Lewisville |
| FUMC Sulphur Springs | Honey Grove/ McKenzie | Aubrey | Alvord |
| Van Alstyne | Mabank | Pleasant Valley | Boyd |
| Wesley, Greenville | FUMC The Colony | Wheatland | Church of the Disciple |
| Faith, Corinth | Holy Covenant | Good Shepherd | Creekwood |
| Whaley | Wesley, McKinney | Caddo Mills | Fellowship |
| Spring Valley | Archer City | Whitewright | FUMC Royse City |
| FUMC Mesquite | Alvord | Trenton | FUMC Bells |
| FUMC Commerce | Boyd | Henrietta | Cochran Chapel |
| University Park | Saint Jo | Burkburnett | Asbury, Denton |
| Stonebridge | Ponder | Iowa Park | FUMC Farmersville |
| Terrell | Pilot Point | Bridgeport | Suncreek |
| FUMC Irving | Valley View | Wesley | FUMC Holliday |
| FUMC Decatur | Button Memorial | Kavanaugh | FUMC Krum |
| Lake Highlands | Oak Haven | Howe | Paradise |
| Heath | St. Marks | Lakeway | Wesley, Wichita Falls |
| Cornerstone | St. Stephen | Trinity | |
| Wylie | Camp Wisdom | St. Philips | |
| | | Grace Avenue | |

Seminars and workshops are often an important part of becoming a vital congregation. So we also held well-received workshops (and we plan more):

“**How to Reach New People**” is the popular Jim Griffith seminar which teaches existing churches how to become ‘Mission-Field’ centered to reach new people. This workshop provides hands-on, practical steps to reach the community in which your church is located.

“**Following The Founder: Becoming a Successful 2nd Pastor**” is specifically for pastors who may want to become a part of our pool of trained clergy ready to follow a new church’s founder. We know that starting as many new churches as we are starting, that we must be ready for when those churches have their first pastoral transition.

“**Breaking Barriers to Church Growth**” is a workshop to help churches create a culture of growth. Participants receive ‘take-aways’ which can be immediately implemented in their local church, and which help change the culture of the church to become more intentionally out-reach centered.

“**Lay Missioner Planting Network**” is a training for Hispanic laity, to start new faith communities as bi-vocational pastors and lay leaders. The trainings were offered in two locations (Oak Cliff and Christ Foundry) and over 50 Hispanic laity have been trained.

“**SBC21**” stands for Strengthening the Black Church for the 21st Century. Right now, two of our African American churches are participating, and one of our pastors is a trained SBC coach. We intend to take this conference-wide in the coming years.

“Turn Around Tours” is one of the creative ways we’ve highlighted learning from each other and experiencing first-hand the impact our churches are making in their respective communities. We resurrected the old ‘progressive dinner’ of years gone by, and turned it into an inspirational learning tool. Participants travel by bus to three congregations, each highlighting a success story in widely divergent settings. At each stop we enjoy an ‘appetizer’ or ‘lunch’ or ‘dessert.’ In each location we tour the facility and hear from the pastor, staff, and key laity on practical steps they took to “turn around.” Tours are being organized all around the Conference. These aren’t seminars or workshops or listening to ‘experts,’ but intentionally learning from each other and leveraging the great talent here in North Texas.

If you are interested in participating in any of these seminars, workshops or Turn Around Tours, please contact Liliana Rangel at lilian@ntcumc.org.

NEW CHURCH STARTS

The impact of starting “New Places for New People” is now being felt throughout the Conference! We have continued to plant new churches and faith communities. Currently, we have 19 new church starts now averaging over 3,000 in worship each Sunday! However, our objective is not to just get more people into our churches; it is to get our churches into our mission field! To that end, we are excited that three new congregations (two Hispanic and one Anglo) were planted by our existing churches in 2015. Each of the new church pastors are trained through the New Church Leadership Institute, and assessed by our Conference Assessment Team before they are appointed by the Bishop. They also attend New Church “Boot Camp” and each one is assigned a personal trained coach to give the new start and the pastor the best possible advantage to succeed.

Our new churches are (listed by year they were planted):

- 2008— The Woods—Grand Prairie (Vital Merger) Planter: Jill Jackson-Sears
 Oak Cliff UMC—Oak Cliff (formerly “Connexion”) Planter: Edgar Bazan
 The Village—DeSoto (Daughter of St Luke “Community”) Planter: Derek Jacobs
- 2009— Falls Chapel—Wichita Falls (Restart with new name) Planter: Louis Pearce
 FUMC Krum—Krum (Restart and relocation) Planter: Christy Thomas
 New Beginnings—Grand Prairie Planter: Perry Crenshaw (closed)
- 2010— Crossway—Aubrey (Daughter church of Grace Avenue) Planter: Chris Yost
 St. Andrew Frisco—Frisco (Extension campus of St. Andrew) Planter: Edlen Cowley
 Munger Place—Dallas (Extension campus of Highland Park) Planter: Andrew Forrest
 Nuevo Dia—Dallas (A New Day Community) Leader Shellie Ross
 FaithBridge—Rockwall Planter: Frank Rahm (closed)
- 2011— Living Life Church—Allen (Daughter church of FUMC Allen) Planter: Abe Smith
 Korean North Central—The Colony (Daughter of Korean Central) Planter: Nakhoon Cho
 Melissa UMC—Melissa (Daughter church of FUMC McKinney) Planter: Alan Hitt
 The Journey—Wylie/Sachse (Daughter of FUMC Rowlett) Planter: Chris Everson;
 suspended
- 2012— Connections – Paris (Extension Campus 1st Paris) Planter: Kathy French
 “Oasis Fellowship” (Daughter church of Grace UMC, Dallas) Planter: Mary Miriti
 Union Coffee Shop ministry (Anchored by UPUMC) Planter: Planter: Mike Baughman

- 2013— Christ Church, Princeton (Daughter of Christ Church Plano) Planter: Clay Horton
 Prosper Extension Campus (Daughter of Prosper UMC) Planter: Kevin McClain
 Grand Prairie Hispanic (Church Within-a-Church, at FUMC, Grand Prairie)
 Planter: Leonardo Haro
- 2014— Lewisville Hispanic (Church Within a Church at FUMC, Lewisville)
 Planter: Carlos Avalos
 Cockrell Hill Hispanic (Church Within a Church at Cockrell Hill) Planter: Pablo Guardiola
 The Journey (Restart, Daughter church of Pleasant Valley) Planter: Chris Everson
- 2015— “Party Barn Church” (Extension of FUMC Paris)
 Trinity Hispanic (Church Within a Church at Trinity UMC, Duncanville) Planter: Josue Rodriguez
 Church at the Square (extension of Highland Park UMC) Planter: Jonathan Grace
- 2016— The Summit (extension of FUMC, Lewisville) Planter: Jonathan Perry
 Christ Foundry (extension campus at Cochran Chapel)
 A new African American congregation still in the works 2016/2017

CORE LEADERSHIP TEAM

Bishop McKee and the center directors shared the work being done through the four centers and task forces at the Core Leadership Team (CLT) meetings while providing opportunity for questions, comments and feedback.

Conference Lay Leader Linda Parks presented the upcoming activities from the Board of Laity. District Laity Days with Bishop McKee were planned in all four districts with the Bishop traveling on the first Saturday to First UMC Frisco in the North Central District then on to the Northwest District at First UMC Henrietta. The second Saturday started at First UMC Terrell in the East District and the day ended in the Metro District at St. Luke “Community” UMC in Dallas.

Bishop McKee, Jim Ozier, Center Director for New Church Development and Congregational Transformation, and District Superintendent Cammy Gaston created enthusiasm with the work being done to show signs of hope and opportunity throughout the conference.

Marti Soper, Director of Center of Leadership Development (CLD), explained how a laity team participating in the Luke 4 Initiative can be energizing to a congregation. Information was also provided on the work of the Strategic Planning Team for envisioning the future of camping and retreat ministries in the North Texas Conference.

Hearing updates on the Annual Conferences missional initiatives of One + One and the Zip Code Connection by Larry George, Center Director for Missional Outreach, proved to be inspiring and exciting.

During these meeting times the CLT members engaged in healthy discussion, dreamed big dreams and shared in strategies for producing “fruit” in priorities being set by the Annual Conference. For a more detailed description of these priorities refer to the conference workbook containing these reports for the various centers and task forces.

The Core Leadership Team is convened by Bishop Michael McKee and includes:

- Vice Chair/Conference Lay Leader—Linda Parks
- Lay members elected by each district—Clay Johnson-East, Lisa Tichenor-Metro, Tim Crouch-North Central and Anne Aaron-Northwest
- Three at-large members appointed by the Bishop—Valarie Englert, Alfred White and Andy Lewis
- One District Superintendent—Cammy Gaston
- Center Directors—Jodi Smith, Marti Soper, Jim Ozier and Larry George
- Also attending: Sheron Patterson, Director of Conference Communications

As the CLT members responded and shared as a listening and visioning body for the Annual Conference enthusiasm and excitement continued to grow throughout the year.

BOARD OF PENSION AND HEALTH BENEFITS

2017 Comprehensive Benefit Funding Plan Summary

The 2012 *Book of Discipline* ¶ 1506.6 requires that each annual conference develop, adopt and implement a formal comprehensive funding plan for funding all of its benefit obligations. The funding plan shall be submitted annually to the General Board of Pension and Health benefits for review and be approved annually by the annual conference, following the receipt and inclusion of a favorable written opinion from the General Board of Pension and Health Benefits (GBPHB). This document is only a summary of the information contained in the actual signed funding plan and does not contain all the information required for a comprehensive view of the conference's benefit obligations. You may request the full contents of the 2017 comprehensive benefit funding plan from your conference benefit office.

CLERGY RETIREMENT SECURITY PROGRAM (CRSP) Defined Benefit (DB) and Defined Contribution (DC)

Program overview:

The Clergy Retirement Security Program (CRSP) is an Internal Revenue Code section 403(b) retirement program providing lifetime income and account flexibility designed for those who serve as clergy of The United Methodist Church. The program is designed to provide participants with one portion of their overall retirement benefits. CRSP replaced the Ministerial Pension Plan (MPP) effective January 1, 2007, which had previously replaced the Pre-82 Plan for service rendered prior to January 1, 1982. CRSP consists of both a defined benefit (DB) plan, which provides a monthly benefit at retirement based upon years of credited service to The United Methodist Church, and a defined contribution (DC) plan, which provides a retirement account balance established and funded by the annual conferences.

Current funding plan information:

The Clergy Retirement Security Program (CRSP-DB) annuities total liability as of January 1, 2015 is \$1.271 billion, while total plan assets are \$1.407 billion, resulting in a current plan funded ratio of 111%. The North Texas Conference portion of the liability is 1.4190% with a 2017 contribution of \$1,687,017. The conference anticipates that the amount will be funded by direct billing. Additionally, General Conference 2012 approved a change to CRSP that provides each annual conference the discretion to determine whether to cover three-quarter and/or half-time clergy. The

North Texas Conference has elected to cover clergy serving 50%+ under CRSP effective January 1, 2017.

Effective January 1, 2014 the CRSP-DC plan was reduced from a 3% to a 2% of plan compensation non-matching contribution. Clergy have the opportunity to earn up to an additional 1% CRSP-DC contribution by contributing at least 1% of their plan compensation to UMPIP; therefore, if a participant contributes at least 1% of plan compensation to UMPIP, the individual will receive a contribution of 3%, which is unchanged from 2013. The 2017 CRSP-DC contribution is anticipated to be \$477,984 and will be funded by direct bill of the local churches.

MINISTERIAL PENSION PLAN (MPP)

Plan overview:

Supplement Three to the Clergy Retirement Security Program (CRSP), also known as the Ministerial Pension Plan (MPP), provides clergy with a pension benefit for their years of ministry with The United Methodist Church from 1982 through 2006. MPP is an Internal Revenue Code section 403(b) retirement plan. Effective January 1, 2014, exactly 65% of the account balance must be annuitized when the funds are to be distributed. The remainder may be rolled over to UMPIP, into an IRA or another qualified plan, or it may be paid out as a lump sum.

Current funding plan information:

The Ministerial Pension Plan (MPP) annuities' total liability as of January 1, 2015 is \$3.122 billion, while total plan assets are \$3.509 billion, resulting in a current plan funded ratio of 112% and no required contribution for 2017. The North Texas Conference's portion of the total liability is .9859%. Future MPP annuitants have a total account balance of \$4.145 billion and the North Texas Conference's portion of that balance is \$56,904,358 or 1.37% of the total.

PRE-1982 PLAN

Plan overview:

Supplement One to the Clergy Retirement Security Program (CRSP), also known as the Pre-1982 Plan, provides clergy with a pension benefit for their years of ministry with The United Methodist Church prior to 1982. The Pre-1982 Plan was replaced by MPP effective January 1, 1982. If a clergy person retires within the Conference (and does not terminate), the minimum benefit payable is based on two factors: 1) years of service with pension credit and 2) the Conference pension rate. Years of service with pension credit are approved by each Conference on the recommendation of the Conference Board of Pensions (CBOP) in accordance with plan provisions and *The Book of Discipline*. The pension rate, also called the Past Service Rate (PSR), is the dollar amount chosen by the Conference as the amount payable for each approved year of service with pension credit. The pension rate may change from year to year. The number of years of service with pension credit is multiplied by the pension rate, and the product is the minimum annual benefit payable to those clergy eligible for Pre-1982 Plan benefits. In certain situations, the benefit received from the Pre-1982 plan may vary based on the applicability of what is referred to as Defined Benefit Service Money (DBSM), which is the defined contribution feature of the Pre-1982 Plan. At the time that a participant retires, the DBSM account is converted to a life based benefit and, at that point, the clergy's benefit is the greater of the PSR or DBSM benefit. If the conference increases the PSR, the clergy's benefit is recalculated; but the DBSM based benefit does not change.

Current funding plan information:

The 2017 PSR recommended to the North Texas Conference will be \$762.00, representing a 0.00% increase from the 2016 rate. The conference expects future increases to be approximately 2.50%,

which is based on the following rationale: To align with the average COLA rate as published in Public Law 106-554 which is stated at 2.5%.

The contingent annuitant percentage is recommended to remain at the 70% level.

Based on the final actuarial valuations from the General Board of Pension and Health Benefits as of January 1, 2015 for 2017, the portion of the Pre-1982 liability and assets attributable to the North Texas Conference and its related funded status are as follows:

| | |
|---------------------------------------|-------------------|
| Funding Plan Liability | \$(23,692,859) |
| Assets, including In-Plan and Outside | <u>26,009,700</u> |
| Funded Status | \$2,316,841 |
| Funded Ratio | 109.78% |

ACTIVE HEALTH BENEFIT PROGRAM

Program Overview:

The North Texas Conference offers the following active health benefit to its active eligible participants: Self Funded-HealthFlex.

Current funding plan information:

The total cost of the program for 2017 is anticipated to be \$5,818,289 and will be funded by premiums that are direct billed to the local churches. It is anticipated that increases for future years will average 4.5% based on the following rationale: Expected Health Cost Increases.

Additional Conference Sponsored Coverage

The North Texas Conference has elected to provide health benefits coverage to the following groups during periods where, without conference funded premiums; the participants would not be provided coverage or benefits (all figures as of 12/31/2015):

| Category: | Number of Participants | Estimated Cost |
|---|------------------------|----------------|
| 1. Clergy and/or lay participants on disability | 2 | \$40,224 |

The total estimated cost of conference sponsored coverage as of 12/31/2015 is \$40,224.

POST-RETIREMENT MEDICAL BENEFIT PROGRAM (PRM)

Program Overview:

The North Texas Conference post-retirement medical program currently offers ExtendHealth.

Current funding plan information:

The conference's expectation for 2017 is to offer the following benefits: ExtendHealth with HRA.

The funding obligation for 2017 is anticipated to be \$356,000 with the following funding sources: Apportionments. On a longer term basis, the conference intends to ensure funding by continued funding through apportionments at \$375,000.

Based on the most recent PRM valuation dated 12/31/2015, the following is the funded position of the post-retirement medical benefits:

| | |
|---|--------------|
| 1. Expected Post Retirement Obligation (EPBO) or net conference cost | \$14,096,112 |
| 2. Accumulated Post Retirement Obligation (APBO) or net conference cost | \$11,009,095 |
| 3. Assets designated for PRM | \$16,000,000 |
| 4. Service Cost (SC) or net conference cost | \$390,000 |

As a preview of the 2018 CBFP requirement, a new PRM Funding Contribution requirement will be mandatory for conferences requesting a full favorable CBFP opinion. This year the calculation for informational purposes only is as follows:

| | |
|---|-------------|
| 5. Funded Status, [3. – 2.] | \$4,990,905 |
| 6. Number of Annual Payments | 20 |
| 7. Portion of Funded Status Payable [5. / 6., but zero if 5. is positive] | \$0 |
| 8. PRM Funding Contribution, Informational purposes only [4. + 7.] | \$390,000 |

These values are based on a 4.10% long term discount rate, a 0.00% long-term expected rate of return on assets, and a current medical trend rate of 6.50% with an ultimate medical trend rate of 5.0%, beginning in 2019.

COMPREHENSIVE PROTECTION PLAN (CPP)**Plan Overview:**

The Comprehensive Protection Plan (CPP) provides death, long-term disability and other welfare benefits for eligible clergy of The United Methodist Church and their families. It is an Internal Revenue Code 414(e) "church plan" funded by plan sponsor insurance premiums. Generally, clergy are eligible to participate in CPP if the conference or salary-paying unit sponsors the plan and they are able to satisfy the eligibility requirements which include full-time appointment with plan compensation equal to or greater than 60% of the Denominational Average Compensation (DAC) or the Conference Average Compensation (CAC), whichever is less.

Current funding plan information:

For 2017, the North Texas Conference has an expected required contribution to the Comprehensive Protection Plan of \$646,000, which is anticipated to be funded by: apportionments. The anticipated average increase in future years is expected to be 2.50% per year as a result of: COLA Averages.

**UNITED METHODIST PERSONAL INVESTMENT PLAN (UMPIP)
FOR LAY AND CLERGY****Plan Overview:**

The United Methodist Personal Investment Plan (UMPIP) is an Internal Revenue Code section 403(b) defined contribution retirement savings plan for clergy and lay employees of The United Methodist Church and affiliated organizations. Participants may make before-tax, Roth and/or after-tax contributions through payroll deductions. Participant contributions, various optional plan sponsor contributions and investment earnings comprise the individual's retirement account balance.

Current funding plan information:

Conference office lay employees working an average of 20 hours per week or more are eligible for a plan sponsor funded pension contribution of 6% of salary. Lay employees are encouraged to make contributions toward their retirement through payroll deductions to the UMPIP. The estimated contribution for the North Texas Conference is anticipated to be \$50,900 and will be funded via apportionments.

The North Texas Conference, as of January 1, 2017 is planning on sponsoring the UMPIP for clergy serving at least half -time and are eligible for a pension contribution of 3% of salary. The estimated contribution for the Conference is anticipated to be \$233,339 and will be funded via direct bill.

**OTHER CONFERENCE BENEFIT OBLIGATIONS: DEFINED CONTRIBUTION (DC)
TYPE****Plan Overview:**

The North Texas Conference currently offers the following DC benefit(s): Life Insurance. The funding obligation for 2017 is anticipated to be \$27,000 with the funding sources to be apportionments. The anticipated average increase in future years is expected to be 0.00% per year due to: BOPHB voted to maintain this policy to provide life insurance for the laity in our health insurance program.

OTHER CONFERENCE BENEFIT OBLIGATIONS: DEFINED BENEFIT (DB) TYPE**Plan Overview:**

The North Texas Conference currently offers a Retiree Medical Emergency plan made available to the North Texas Annual Conference retirees. The funding obligation for 2017 is anticipated to be \$3,200 with the funding sources to be: 1.4 million endowment at GBOPHB. The anticipated average increase in future years is expected to be 5.00% per year due to: Expected ultimate health care cost trend rate. The liability associated with this benefit is estimated to be \$80,000 based on a discount rate of 5.00%.

The North Texas Conference currently offers a Perkins Grants for Need per Endowment plan made available to the North Texas Annual Conference retirees. The funding obligation for 2017 is anticipated to be \$80,000 with the funding sources to be: Grants are determined by Investment Income per Endowment Terms. The anticipated average increase in future years is expected to be 2% per year due to expected average income on the assets. The liability associated with this benefit is estimated to be \$1,600,000 based on a discount rate of 5.00%.

CONCLUSION

The 2017 Comprehensive Benefit Funding Plan and the above Summary document incorporates, to the best of our understanding, the North Texas Conference's obligations and funding requirements of the benefits provided to the clergy and laity of the North Texas Conference.

BOARD OF PENSION AND HEALTH BENEFITS

HEALTH BENEFITS POLICIES

June 2016

INTRODUCTION

The North Texas Conference provides a conference health insurance program designed to provide its eligible employees (defined herein) with a comprehensive plan for major medical insurance. The program is administered through a group plan overseen by the conference Board of Pension and Health Benefits. The North Texas Annual Conference participates in HealthFlex, the health benefits program of the General Board of Pension and Health Benefits (GBOPHB) of The United Methodist Church for our active participants and OneExchange for retired participants.

All full-time clergy appointed to local churches within the conference or as District Superintendents or to the conference staff (ordained elders, deacons in full connection, deacons on track to become elders, commissioned persons on track to become elders or deacons, full-time local pastors, members of other conferences or denominations appointed according to Paragraphs 346.1 or 346.2) **are required** to be enrolled in the conference health insurance plan and their respective church or salarypaying unit is responsible for the premium for the appointee. Coverage for spouses and dependents is optional, and the premium for an appointee's spouse and dependents is the responsibility of the appointee.

ELIGIBILITY

The following are eligible for coverage under the program and in accordance with the adoption agreement between the North Texas Conference and GBOPHB:

1. Ordained elders and deacons and commissioned persons on track to become elders or deacons (including those with full conference membership, provisional membership and associate membership), and local pastors appointed full-time to local churches within the conference and their eligible dependents.
2. Clergy serving as district superintendents and conference staff.
3. Clergy from other United Methodist annual conferences and ordained ministers from other denominations employed full-time and under episcopal appointment to a local church or charge of the North Texas Annual Conference under the provisions of Paragraphs 346.1 or 346.2 of the *2012 Book of Discipline*.
4. Clergy appointed beyond the local church within the connectional structure to a General Agency, to other than a unit of a conference or other than a General Agency, an ecumenical agency and extension ministry endorsed by the General Board of Higher Education and Ministry under the provisions of Paragraph 344.1a(2), 344.1a(3), 344.1a(4) and 344.1b, only if they are listed specifically in the annual GBOPHB adoption agreement.
5. Clergy appointed to Leave of Absence or Sabbatical (eligible for one year only).

6. Lay persons who are full-time (at least 30 hours per week) employees of the annual conference and their eligible dependents.
7. Full-time (at least 30 hours per week) lay employees and their eligible dependents of local churches or connectional agencies in the North Texas Annual Conference which offer the conference group insurance program to all of their fulltime lay employees, if the church has a sub-adoption agreement with the GBOPHB and meets the 75% participation rule.
8. Retired clergy members of the conference immediately eligible to receive pension from the GBOPHB at the beginning of the month following the month in which the retired relation takes place, and who had a minimum of five (5) continuous and consecutive years of active participation in the North Texas Annual Conference group health program at the time of retirement, and their respective dependents. Retired Clergy can retain future rights to conference funding if at the time of retirement coverage was declined because the clergy had other employer sponsored group health insurance.
9. Disabled clergy members (appointed under ¶357 *2012 Book of Discipline*) of the conference (who were enrolled in HealthFlex at the time of their disability) immediately eligible to receive disability benefits from the GBOPHB at the beginning of the month following the month in which the disability leave with disability benefits takes place, as granted by the Division of Conference Relations, and their respective dependents.
10. Retired lay employees of the conference or a local church within the conference at the beginning of the month following the month in which the retired relation takes place, and who had a minimum of five (5) consecutive years of active participation in the North Texas Annual Conference group health plan at the time of retirement, and their respective dependents, if the church selects that category in the sub-adoption agreement with GBOPHB.
11. Disabled lay employees of the conference or a local church within the conference (who were enrolled in HealthFlex at the time of their disability) at the beginning of the month following the month in which the disability leave takes place as granted by the GBOPHB, and their respective dependents.
12. Surviving dependent of a deceased active participant as long as the participant and dependent were covered participants at the time of death.
13. Surviving dependent of a deceased retired participant as long as the participant and dependent were covered participants at the time of death. If the surviving dependent declined coverage at the time of the participant's retirement due to having other **employer sponsored group health insurance**, that dependent retains future rights to funding as long as the other employer sponsored group health remains in effect.
14. Eligible children include any child under the age of 26, including all natural, legally adopted and step-children for whom the participant has court ordered legal guardianship.
15. A divorced spouse of an active participant is eligible provided the participant is responsible by legal decree for the majority of financial support of the former spouse or specifically responsible for the medical or other health care expenses of the former spouse.

16. Continuation health benefits are available for a period of one year for any participant who becomes ineligible providing they have been on the plan for at least three months and they are not eligible for coverage under another group health plan or Medicare. The plan is the same and the premium, due one month in advance, is billed directly to the participant. Notification of ineligibility must occur within 30 days and application for continuation benefits must occur within 60 days of becoming ineligible and the continuation benefits begin the day after the participant became ineligible.

Eligible persons must complete a HealthFlex enrollment form and return it to the conference Center for Connectional Resources within 30 days of their date of hire, date of newly acquired eligibility or family status change. Family status changes which allow late enrollment are: birth, death, marriage, divorce, or loss of other coverage. There is also an open enrollment period every year in November for coverage to begin in January of the following year.

MEDICAL BENEFITS PROGRAM FOR ACTIVE PARTICIPANTS

A Preferred Provider Organization (PPO) plan, Consumer Driven Health Plans (CDHP), and High Deductible Health Plans (HDHP) are available for active participants and their dependents. These plans are currently administered by Blue Cross/Blue Shield of Illinois. Prescription drugs are covered for active participants through OptumRX and the prescription plan is a percentage plan with co-pay amounts for three tiers of drugs. A mail order program is also available to obtain 90-day supplies of maintenance drugs at a lesser cost and is required for all maintenance prescriptions.

Mental health and chemical dependency benefits are provided through United Behavioral Health (UBH) under all plans. A participant must call UBH at 1-800-788-5614 before receiving inpatient or outpatient treatment either innetwork or outofnetwork. There is also a Pastoral Consultation Hotline for clergy available for both active and retired clergy at no charge. The number is 800-842-2869.

Vision benefits are available through Vision Service Plan (VSP). A basic vision examination is provided and discounts for eyeglasses and contact lenses are available at no cost. For an additional fee, a full service vision plan is also available.

A choice of three dental plans (PPO, Passive PPO or Traditional) is available for a fee and each is administered through Cigna.

Term life insurance is provided through Hartford Life and Accident Insurance Company as a part of the health benefit. The amount of insurance is as follows: \$5,000 for lay employees; \$10,000 for all full-time appointed clergy to age 72 or those covered by the HealthFlex active plan until age 65. This benefit is for both life insurance and accidental death, dismemberment and loss of sight. Dependent insurance is provided in the following amounts for covered dependents: \$2,000 for spouses; \$1,000 for children ages 6 months to 25; \$100 for children ages 14 days to 6 months.

Medical Reimbursement Accounts (MRA) and Dependent Care Accounts (DCA) are also available to active participants. A participant may select annual MRA/DCA amounts between \$300 and \$2,550 to be deducted by the salary paying unit on a monthly basis as a salary reduction. This money may be used for medical expenses which are not covered by the plan such as deductibles, co-pays, dental, vision and other qualified costs. The DCA may be used to pay for qualified child or

parent daycare expenses (maximum annual amount is \$5,000). Forms to be used to submit claims are available at www.gbophb.org or in the conference Center for Connectional Resources.

CONFERENCE FUNDING POLICIES FOR ACTIVE HEALTH BENEFITS

1. The premium for full-time clergy appointed to local churches within the conference or as district superintendents or to the conference staff (ordained elders, deacons in full connection, deacons on track to become elders, commissioned persons on track to become elders or deacons, full-time local pastors, members of other conferences or denominations appointed according to Paragraphs 346.1 or 346.2) is to be paid by the local church or salary paying unit. For 2017, the fully-funded premium for the conference will be the Consumer Driven Health Plan (CDHP) C2000.
2. The premium for the appointee's spouse and dependents is the responsibility of the appointee. An optional agreement may be made between the church or salary paying unit and the appointee for the church or salary paying unit to pay the family premium.
3. The Conference will pay the premium for lay employees of the annual conference. The premium for dependents is the responsibility of the employee.
4. Responsibility for the premium for eligible lay employees of local churches or institutions within the connectional structure will be determined by the employer and the employee.
5. The Conference pays the active premium for disabled clergy members of the conference who were appointed to a local church or as district superintendent or to the conference staff and were enrolled in HealthFlex at the time of disability. Approval by the Division of Conference Relations and eligibility to receive disability benefits from the General Board of Pension and Health Benefits is also required. Payment begins the month following the month in which the disability leave with disability benefits takes place. The premium for dependents is the responsibility of the clergyperson.

If the disability with benefits was approved prior to December 31, 2013, the conference will pay the active premium until the disabled participant chooses retired status at which time enrollment in a OneExchange Medicare Plan (if the participant is age 65 or older) will be required and funding will be based on years of service attained at time of retirement. For those taking retired status at age 62 or 30 years of service, the funding for the active health premiums will be based on the scale in the *2012 Journal* and 2013 Medicare Supplement premium of \$5,040 not to exceed \$2,520 per year. At age 65 and Medicare eligibility, funding will be provided at the current year's OneExchange Funding Scale.

For disability with benefits approved on or after January 1, 2014, the conference will pay the active premium until the disabled participant reaches age 65 at which time enrollment in an OneExchange Medicare Plan will be required and funding will be based on years of service attained at that time. Retired status is not required but enrollment in a Medicare plan is and cessation of active health insurance premiums paid by the conference will occur.

OneExchange is available only to those with Medicare Parts A and B benefits. Therefore, to qualify for OneExchange and conference funding, a retired clergy person who opted out of Social Security

must either purchase Medicare Parts A and B at their own expense or have access to Medicare through their spouse.

6. Subsidies are available on a sliding scale for those churches whose pastor's Total Compensation is below the Denominational Average Compensation (DAC) for the appointee's premium and those pastors whose compensation is below the DAC for their dependents. A written application must be submitted to and approved by the appropriate District Superintendent. Only those appointed full-time as "pastorincharge" are eligible for this supplement. The guidelines for application are as follows:

Guidelines for 2016 Health Insurance Supplement Applications

1. Local churches must submit to their district superintendent a written application signed by the Pastor (Staff)-Parish Relations Committee chairperson and the Administrative Council/Board chairperson for appointee supplements.
2. Pastors must submit to their district superintendent a written application for dependent supplements.
3. The pastor's Total Compensation for Insurance Supplement Eligibility (line IX from the 2016 Ministerial Compensation Report turned in at Charge Conference) must be below \$67,333 (the 2016 Denominational Average Compensation).
4. If the need exists in the judgment of the district superintendent and funds are available, appointee supplements may be awarded to churches on the following scale (annual amount shown—paid monthly):

| Pastor's Total Compensation | % DAC | Church Pays | Amount of Supplement |
|-----------------------------|-------|-------------|----------------------|
| \$67,333 and above | 100% | 10,056 | \$ 0 |
| \$67,332–63,966 | 95% | 9,553 | 503 |
| \$63,965–60,600 | 90% | 9,050 | 1,006 |
| \$60,599–57,233 | 85% | 8,548 | 1,508 |
| \$57,232–53,866 | 80% | 8,045 | 2,011 |
| \$53,865–50,500 | 75% | 7,542 | 2,514 |
| \$50,499–47,133 | 70% | 7,039 | 3,017 |
| \$47,132–43,766 | 65% | 6,536 | 3,520 |
| \$43,765–40,400 | 60% | 6,034 | 4,022 |
| \$40,399 and below | 6,034 | 4,022 | |

5. If the need exists in the judgment of the district superintendent and the funds are available, dependent supplements may be awarded to pastors on the following scale (annual amount shown—paid monthly):

| Pastor's Total Compensation | % DAC | One Dependent | | Two or More Dependents | |
|-----------------------------|-------|---------------|----------------------|------------------------|----------------------|
| | | Pastor Pays | Amount of Supplement | Pastor Pays | Amount of Supplement |
| \$67,333 and above | 100% | \$9,060 | \$ 0 | \$14,076 | \$ 0 |
| \$67,332–63,966 | 95% | 8,607 | 453 | 13,372 | 704 |
| \$63,965–60,600 | 90% | 8,145 | 906 | 12,668 | 1,408 |
| \$60,599–57,233 | 85% | 7,701 | 1,359 | 11,965 | 2,111 |
| \$57,232–53,866 | 80% | 7,248 | 1,812 | 11,261 | 2,815 |
| \$53,865–50,500 | 75% | 6,795 | 2,265 | 10,557 | 3,519 |
| \$50,499–47,133 | 70% | 6,342 | 2,718 | 9,853 | 4,223 |
| \$47,132–43,766 | 65% | 5,889 | 3,171 | 9,149 | 4,927 |
| \$43,765–40,400 | 60% | 5,436 | 3,624 | 8,446 | 5,630 |
| \$40,399 and below | 5,436 | 3,624 | 8,446 | 5,630 | |

6. If the pastor's Total Compensation for Health Insurance Supplement Eligibility is above \$67,333 but extraordinary circumstances exist in the judgment of the district superintendent, an appointee supplement may be awarded to the church and/or a dependent supplement may be awarded to the pastor at the lowest level on the scales above if funds are available. Likewise, superintendents are not obligated to award any supplements even though an applicant may be eligible, if they determine that no need exists.

7. District superintendents are asked to distribute these Guidelines and the supplement application forms to churches and pastors who may be eligible as soon as possible. Additional application forms will be available in the district and conference offices.

8. District Superintendents are asked to fax or mail the approved Health Insurance Supplement Application Forms to the Center for Connectional Resources by December 1 of each year. No supplements will be processed until the approved Application Forms are received in the Center for Connectional Resources. Forms received after the deadline will be processed for the following month's billing and they will not be done retroactively.

9. All supplements cease when a pastoral change occurs. New applications are to be submitted to the Center for Connectional Resources by the 1st day of the month following the move. A supplement may be processed one month retroactively only in the event of a mid-year move.

MEDICAL BENEFITS PROGRAM FOR RETIRED PARTICIPANTS

Beginning on January 1, 2014, the North Texas Annual Conference provides a consultation service through OneExchange to help Medicare-eligible retired participants, spouses and surviving spouses find and enroll in a Medicare supplement plan best suited to individual needs. You must have Medicare Parts A and B to be eligible for coverage through OneExchange. For those enrolling in the insurance supplement plan through OneExchange, the annual conference will help offset

the cost of the individual Medicare supplemental plan and eligible health care costs by funding a Health Reimbursement Account (HRA).

Clergy in the retired relationship with the annual conference who continue to work full time at a local church or eligible agency remain in the active plan. Retired clergy who opted out of Social Security and their dependents and spouses continue in the active plan if they continue working full time at a local church or eligible agency.

A dependent spouse may be eligible for conference retiree benefits even if not a covered dependent at the time of the participant's retirement. If the spouse is covered by another **employer sponsored group health insurance plan**, he/she may decline conference coverage while still maintaining future rights to coverage. The retiring participant may also decline conference coverage at the time of his/her retirement while maintaining future rights to coverage if he/she can be covered under a spouse's **employer sponsored group health insurance plan**. Future coverage rights can be exercised at any open enrollment opportunity or within thirty (30) days of losing the other employer sponsored group health coverage as long as the other coverage was maintained up to the day the conference coverage is to begin.

The divorced spouse of a retiree may retain coverage or future rights to coverage as described above if it is declared in the divorce decree that the participant is responsible for health coverage or is responsible for a majority of the financial support of the divorced spouse. Future rights to coverage will end when the specified period in the legal decree has expired or upon the death of the participant (providing the decree provides for termination of the participant's responsibility at that time).

A new spouse or dependent acquired by a retiree after retirement is not an eligible dependent with the exception of a dependent child gained through court ordered legal guardianship.

TOLLING PROVISION: If the retiring participant or eligible dependent has other employer sponsored group health coverage at the time of retirement (through a subsequent employer or spouse's employer) he/she may decline HealthFlex coverage and retain the ability to enroll for such coverage at a future date (so long as continuous coverage through such other employer sponsored group health coverage is maintained). The eligible person can exercise this enrollment option within 31 calendar days of losing other employer sponsored group health coverage.

After retirement, if a retiree, dependent or surviving spouse terminates conference coverage, they will no longer retain any future rights to coverage.

CONFERENCE FUNDING POLICIES FOR RETIREE HEALTH BENEFITS

Beginning on January 1, 2014, the North Texas Annual Conference through the Retiree Health Insurance Current Year Benefits apportionment helps fund a Health Reimbursement Account (HRA) to be used for health insurance premiums and/or eligible medical expenses in retirement for eligible retired clergy participants, spouses and surviving spouses. Prior to retirement at age 65, an eligible clergyperson would be given information to contact OneExchange, the agency selected by the General Board of Pension and Health Benefits to guide retirees through the process of choosing the most suitable plan to supplement Medicare.

For those eligible clergypersons enrolled in the conference health insurance plan who retire after January 1, 2003, their eligible spouses, and eligible surviving spouses, the conference will fund a Health Reimbursement Account with 30-100% of \$1,260 for those retiring at age 65 (or full retirement age) based on their years of ministerial service (which qualify for retirement credit) in The United Methodist Church in which they were appointed to a local church or within the connectional structure as defined in the *2012 Discipline* Paragraphs 344.1(a)(1) and (2), or partial years of like service for less than full-time appointments, as follows:

ONEEXCHANGE FUNDING SCALE

Effective 1-1-2014

| <u>Years of Service (full time equivalent)</u> | <u>% \$1,260</u> | <u>\$ Amount</u> |
|--|------------------|------------------|
| 0-4 | 0 | 0 |
| 5 | 30 % | 378 |
| 6 | 32 % | 403 |
| 7 | 34 % | 428 |
| 8 | 36 % | 454 |
| 9 | 38 % | 479 |
| 10 | 40 % | 504 |
| 11 | 44 % | 554 |
| 12 | 48 % | 605 |
| 13 | 52 % | 655 |
| 14 | 56 % | 706 |
| 15 | 60 % | 756 |
| 16 | 64 % | 806 |
| 17 | 68 % | 857 |
| 18 | 72 % | 907 |
| 19 | 76 % | 958 |
| 20 | 80 % | 1,008 |
| 21 | 84 % | 1,058 |
| 22 | 88 % | 1,109 |
| 23 | 92 % | 1,159 |
| 24 | 96 % | 1,210 |
| 25 or more | 100 % | 1,260 |

For those eligible clergypersons enrolled in the conference health insurance plan who retired before January 1, 2003, their eligible spouses, and eligible surviving spouses, the North Texas Conference will fund 100% of \$1,260.

ELIGIBILITY FOR ONEEXCHANGE AND CONFERENCE FUNDING FOR RETIREES

1. RETIREES, SPOUSES, SURVIVING SPOUSES

Retired full-time clergy appointed to: 1) a local church within the North Texas Conference, 2) District Superintendents or 3) Conference staff (including ordained elders, associate members, deacons in full connection, provisional elders and deacons, full-time local pastors, members of other annual conferences or denominations appointed under ¶346.1 and 346.2) who have a **minimum of five (5) continuous and consecutive years of active participation** in the North Texas Annual Conference group health plan at the time of retirement are eligible. **Conference funding via an HRA will only be available to retired clergy and non-clergy spouses while they are covered by a plan through OneExchange or the active conference health plan.** Under certain circumstances, the five (5) year condition may be waived upon written recommendation from the Bishop and the Cabinet with approval from the North Texas Conference Board of Pension and Health Benefits.

Spouses of clergy at time of retirement are eligible for OneExchange (or the active plan in the case of those under age 65) and funding based on the years of service level of the retired clergy. Retirees and Spouses who decline conference health insurance at the time of retirement due to other employer sponsored group coverage (in which they have maintained continuous coverage) may be eligible for OneExchange and funding when the employer coverage ceases. (Medicare and Medicare Supplemental Plans are not considered employer sponsored group plans.)

The divorced spouse of a retiree may retain coverage or future rights to coverage in the appropriate conference health insurance plan if it is declared in the divorce decree that the participant is responsible for health coverage or is responsible for a majority of the financial support of the divorced spouse. Future rights to coverage will end when the specified period in the legal decree has expired or upon the death of the participant (providing the decree provides for termination of the participant's responsibility at that time). Conference funding is not available for divorced spouses.

A new spouse or dependent acquired by a retiree after retirement is not an eligible dependent with the exception of a dependent child gained through court ordered legal guardianship.

Dependent children of a retiree are eligible for the appropriate conference health insurance plan but are not eligible for conference funding.

After retirement, if a retiree, dependent or surviving spouse terminates conference coverage, they will no longer retain any future rights to coverage.

2. CLERGY COUPLES IN RETIREMENT

The first party of a clergy couple to retire will receive funding corresponding to their own years of service level at the time of their retirement. Upon retirement of the second party of the clergy couple, both will receive funding related to the highest years of service level.

Full-time appointed clergy spouses of a retired clergy are not eligible for supplemental funding as their active health premium is paid in full by the local church to which they are appointed.

In the event of a clergy couple divorce following retirement, each clergy person would receive the amount of funding based on their own years of service.

3. PRE-65 RETIREES/SPOUSES/SURVIVING SPOUSES

For clergy retiring on or prior to 12/31/2013 who are at least 62 years of age (but not yet 65) or have 30 years of service, their eligible spouses, and eligible surviving spouses who are required to remain in the active health plan, the conference will base funding for active health premiums on the scale in the *2012 Journal* and 2013 Medicare Supplement premium of \$5,040 not to exceed \$2,520 per year per person. At age 65 and Medicare eligibility funding will be provided at the current year's OneExchange Funding Scale. Anyone retiring on or after January 1, 2014 will receive funding through appropriately reduced conference health insurance premiums based on the OneExchange Funding Scale in effect on the date of retirement.

4. TWENTY YEAR RULE RETIREES (§358.2 *2012 Discipline*)

Those retiring under "the twenty year rule" (i.e., are not 62 and have at least 20 years but not 30 years of service) are eligible to remain on the conference active insurance plan. These participants must pay the entire active premium until they reach 65 (Medicare eligible). At age 65, the retiree may obtain the services of OneExchange and the conference will fund an HRA at the years of service level accrued at the time of retirement.

5. RETIREES APPOINTED FULL TIME TO A LOCAL CHURCH

For retirees who continue to serve local churches full time in the North Texas Conference and remain in the active health plan the conference will fund through appropriately reduced conference health insurance premiums based on the OneExchange Scale in effect on the date of retirement.

6. CLERGY WHO OPTED OUT OF SOCIAL SECURITY

OneExchange is available only to those with Medicare Parts A and B benefits. Therefore, to qualify for OneExchange and conference funding, a retired clergy person who opted out of Social Security must either purchase Medicare Parts A and B at their own expense or have access to Medicare through their spouse.

7. INVOLUNTARY RETIREMENT (§358.3 *2012 Discipline*)

For those under involuntary retirement who have remained in the conference active health plan, funding will become available at age 65 (Medicare eligible) when entering OneExchange. The level of funding will correspond to the years of service attained at the effective date of retirement.

8. DISABILITY (§357 *2012 Discipline*)

If the disability with benefits was approved prior to December 31, 2013, the conference will pay the active premium until the disabled participant chooses retired status at which time enrollment in an OneExchange Medicare Plan (if the participant is age 65 or older) will be required and funding will be based on years of service attained at time of retirement. For those taking retired status at age 62 or 30 years of service, the funding for the active health premiums will be based on the scale in the *2012 Journal* and 2013 Medicare Supplement premium of \$5,040 not to exceed \$2,520 per year. At age 65 and Medicare eligibility, funding will be provided at the current year's OneExchange Funding Scale.

For disability with benefits approved on or after January 1, 2014, the conference will pay the active premium until the disabled participant reaches age 65 at which time enrollment in an OneExchange

Medicare Plan will be required and funding will be based on years of service attained at that time. Retired status is not required but enrollment in a Medicare plan is and cessation of active health insurance premiums paid by the conference will occur.

OneExchange is available only to those with Medicare Parts A and B benefits. Therefore, to qualify for OneExchange and conference funding, a retired clergy person who opted out of Social Security must either purchase Medicare Parts A and B at their own expense or have access to Medicare through their spouse.

9. RETIRED FULL-TIME LOCAL PASTORS (§320.5 2012 Discipline)

Retired full-time local pastors who meet OneExchange eligibility described in 1. above will receive HRA funding according to their years of service at time of retirement.

10. Surviving spouses of deceased retired clergy are eligible for coverage as long as the participant was a covered participant at the time of death. The health plans available to surviving spouses are the same as those available to retiree participants and conference funding of the HRA is the same as for the retiree.

11. The health plans available to retired Diaconal Ministers are the same as for retired clergy and the conference funding of the HRA is the same as for retired clergy.

12. The health plans available for retired lay employees of the annual conference are the same as for retired clergy. Conference funding of the HRA for the retired lay employee of the annual conference with 10 or more years of service (not including spouse or dependents) is based on the same scale of service as that for retired clergy beginning at the 10 years of service level.

13. Retired lay employees of a local church or qualified agency within the conference are eligible to participate in any of the health insurance plans available to retired clergy, **if the church or agency has a sub-adoption agreement with the GBOPHB**. The premiums are the same as for the retired clergy, but the responsibility for payment remains entirely with the retired lay participant.

ADMINISTRATIVE PROCEDURES

Enrollment material can be obtained from the conference Center for Connectional Resources. Enrollment forms must be completed, signed and returned to that office within 30 days of the employee's date of hire or family status change. If the 30-day time period is not met, an election of "No Coverage" is assigned (**although the salary paying unit is still responsible for payment of the appointee's premium in the case of mandatory categories of participants**) and the employee would be eligible for coverage at the next open enrollment opportunity. Upon receipt of enrollment forms, the General Board of Pension and Health Benefits will inform the insurance provider and the participant should receive election material and appropriate insurance cards within a reasonable period of time.

The monthly health insurance billing is mailed to the appropriate local church, agency, or individual on the 1st of each month and the payment is due in the conference office by the 20th of that month. Premiums not received by the next billing period are considered "past due" and so marked on the next month's bill. Termination procedures begin for any accounts more than 60 days

in arrears. District Superintendents are informed each month of those churches with past due balances.

Participants will receive annual election materials each fall prior to the Open Enrollment period from the General Board of Pension and Health Benefits with instructions for changing or maintaining health coverage for the next calendar year. GBOPHB will also provide claim forms, MRA and DCA forms at the beginning of each calendar year. Additional forms may be obtained at www.gbophb.org or from the conference Center for Connectional Resources.

Denial of benefits policies and appeals procedures are those of the HealthFlex insurance carrier and GBOPHB.

**HEALTH BENEFITS POLICY STATEMENT
FOR INDIVIDUALS COVERED THROUGH 20-YEAR RULE RETIREMENT,
EXTENSION MINISTRY APPOINTMENTS, CONTINUATION INSURANCE,
AND RETIREES AND SURVIVING SPOUSES PAYING PREMIUMS
DIRECTLY TO THE NORTH TEXAS CONFERENCE**

The North Texas Conference makes health insurance available to clergy who have retired under the 20-year rule and to some clergy who are appointed to extension ministry positions. (Special arrangements for health coverage can be made in some cases for those appointed under ¶344.1b, and ¶344.1d.) The premiums must be paid by the individual one month in advance and are due on the 20th of every month. Accounts are past due if not received by the 20th and if two payments are due on the 20th of any month, a letter will be sent to the individual with notification of insurance cancellation. In addition, an attempt will be made to schedule a meeting with the participant and a member of the conference staff to explain the termination of coverage. Any account that is two payments past due will be terminated if payment has not been received in the conference office by the end of the month. The termination date will be retroactive to the first of the month of unpaid premium. (For example: The premium for February is billed on January 1 and is due by January 20. The premium for March is billed on February 1 and is due by February 20. If neither February nor March premium is paid by February 20, the insurance will be terminated retroactive to February 1.)

The North Texas Conference offers continuation health insurance to participants who have been terminated or have lost eligibility if they have been covered for at least three consecutive months prior to loss of eligibility. The continuation coverage can extend up to one year following the loss of coverage date. The first month's premium is due with the application for coverage and future premiums are due one month in advance on the 20th of every month. Accounts are past due if not received by the 20th and if two payments are due on the 20th of any month, a letter will be sent to the individual with notification of insurance cancellation. In addition, an attempt will be made to schedule a meeting with the participant and a member of the conference staff to explain the termination of coverage. Any account that is two payments past due will be terminated if payment has not been received in the conference office by the end of the month. The termination date will be retroactive to the first of the month of unpaid premium.

If anyone in the above categories has extenuating circumstances which prevent them from making timely payments, a hearing may be scheduled with the conference Board of Pension and Health Benefits to appeal the scheduled termination and request a payment plan.

This Health Benefits policy statement will be effective July 1, 2014.

**COUNCIL ON FINANCE AND ADMINISTRATION
CONFERENCE TREASURER'S REPORT (UNAUDITED)**

REMITTANCES

| | 2014 RECEIPTS | 2015 RECEIPTS |
|---|----------------------|----------------------|
| APPORTIONMENTS | | |
| World Service | 1,659,331.59 | 1,666,837.93 |
| Ministerial Education | 572,784.48 | 573,883.78 |
| Black College Fund | 229,149.08 | 228,909.59 |
| Africa University Fund | 51,292.46 | 51,495.59 |
| Interdenominational Cooperation Fund | 44,933.80 | 45,092.27 |
| General Administration Fund | 199,741.85 | 204,059.08 |
| Episcopal Fund | 495,552.02 | 521,092.84 |
| Lydia Patterson Institute | 69,425.42 | 69,399.40 |
| Mt. Sequoyah | 16,606.15 | 16,596.08 |
| Jurisdictional Administration Fund | 32,581.46 | 32,708.43 |
| SMU Campus Ministry | 6,422.04 | 2,177.52 |
| Leadership Development | 1,302,012.08 | 1,424,237.23 |
| New Church Development & Congregational Trans | 911,466.43 | 1,158,928.07 |
| Missional Outreach | 585,744.51 | 645,738.21 |
| Connectional Resources | 1,549,019.08 | 1,207,008.28 |
| Area and Conference Administration | 519,128.85 | 520,210.23 |
| Board of Pension & Health Benefits | 2,087,514.00 | 2,057,811.57 |
| District Superintendents Fund | 536,603.92 | 544,994.59 |
| District Administration Fund | 658,761.78 | 659,500.51 |
| TOTAL APPORTIONMENTS | 11,528,071.00 | 11,630,681.20 |

**COUNCIL ON FINANCE AND ADMINISTRATION
CONFERENCE TREASURER'S REPORT (UNAUDITED)**

REMITTANCES

| | 2014 RECEIPTS | 2015 RECEIPTS |
|---------------------------------|------------------|------------------|
| TARGETED CAUSES | | |
| Second Mile Apportionment Fund | 29,530.24 | 28,423.77 |
| GENERAL ADVANCE SPECIALS | | |
| UMCOR | | |
| UMCOR Undesignated Gifts | 32,398.55 | 38,097.70 |
| UMCOR Relief Supplies | 1,564.31 | 24,576.37 |
| Heifer International | 5,725.00 | 4,018.00 |
| Domestic Disaster Response | 35,461.55 | 18,597.84 |
| International Disaster Response | 23,967.40 | 84,414.76 |
| World Hunger & Poverty | 1,869.00 | 3,488.26 |
| Global Aids Fund | 3,600.00 | 350.66 |
| Nothing But Nets | 462.50 | 375.00 |
| Zoe Ministry-Rwanda | 4,692.00 | 2,593.67 |
| Haiti Advance Project | <u>17,823.18</u> | <u>24,264.25</u> |
| Total UMCOR | 127,563.49 | 200,776.51 |
| WORLD MISSIONS | | |
| Regional Africa | 3,524.34 | |
| Cameroon | 4,350.00 | 2,100.00 |
| Congo | 6,116.00 | 2,270.00 |
| Kenya | 4,140.00 | 5,030.00 |
| Liberia | 1,327.00 | 600.00 |
| China | 1,000.00 | |
| Czech Republic | 2,500.00 | |
| Europe | | 3,700.00 |
| Spain | 1,250.00 | |
| Latin America and the Caribbean | 26,672.31 | 10,358.54 |
| Brazil | 1,333.00 | |
| Middle East | 2,011.15 | 849.00 |
| Panama | <u>6747.16</u> | <u>15,500.00</u> |
| | 60,970.96 | 40,407.54 |
| TOTAL GENERAL ADVANCE SPECIALS | 188,534.45 | 241,184.05 |
| YOUTH SERVICE FUND | 905.03 | 1,810.33 |

**COUNCIL ON FINANCE AND ADMINISTRATION
CONFERENCE TREASURER'S REPORT (UNAUDITED)**

REMITTANCES

| | 2014 RECEIPTS | 2015 RECEIPTS |
|---|--------------------------|--------------------------|
| GENERAL CONFERENCE OFFERINGS | | |
| One Great Hour of Sharing | 35,649.90 | 24,680.17 |
| World Communion | 6,635.98 | 6,806.70 |
| UM Student Day | 1,729.32 | 2,329.96 |
| Human Relations Day | 1,467.60 | 1,978.71 |
| Peace With Justice | 3,071.36 | 1,707.20 |
| Native American Ministries | <u>1,299.62</u> | <u>2,429.39</u> |
| TOTAL GENERAL CONFERENCE OFFERINGS | 49,853.78 | 39,932.13 |
| ANNUAL CONFERENCE OFFERINGS | | |
| Golden Cross | 4,250.29 | 5,927.37 |
| Providence Place—San Antonio | 13,688.23 | 10,476.55 |
| Methodist Home Waco | <u>40,088.94</u> | <u>20,518.99</u> |
| TOTAL ANNUAL CONFERENCE OFFERINGS | 58,027.46 | 36,922.89 |
| JURISDICTIONAL FAIR SHARE GOAL | | |
| Lydia Patterson Endowment | 250.00 | 2,085.25 |
| Lydia Patterson Special/Scholarship | <u>2,100.00</u> | <u>2,000.00</u> |
| TOTAL JURISDICTIONAL FAIR SHARE GOAL | 2,350.00 | 4,085.25 |
| CONFERENCE ADVANCE SPECIALS | | |
| Bethlehem Center | 18,191.03 | 8,475.00 |
| C. C. Young Home | 2,366.86 | 2,025.00 |
| Methodism Breadbasket | 1,000.00 | 1,000.00 |
| One Man's Treasure Clothes Closet | 600.00 | |
| Project Transformation | 11,156.69 | 27,925.36 |
| Wesley Rankin Community Center | 9,228.00 | 9,342.31 |
| NTX Food Bank | 50.00 | 519.00 |
| Wesley Village Retirement Home | | 1,287.85 |
| Bridgeport Camp & Retreat Center | | 3,215.36 |
| Crossroads Community Service | <u>61.00</u> | <u>00.00</u> |
| TOTAL CONFERENCE ADVANCE SPECIALS | 42,653.58 | 53,789.88 |
| OTHER BENEVOLENCES | <u>242,787.32</u> | <u>187,773.10</u> |
| TOTAL NONAPPORTIONED FUNDS | 614,641.86 | 593,921.40 |
| TOTAL APPORTIONED FUNDS | 11,528,071.00 | 11,630,681.20 |
| TOTAL ALL CAUSES | 12,142,712.86 | 12,224,602.60 |

**NORTH TEXAS CONFERENCE OF
THE UNITED METHODIST CHURCH**

Plano, Texas

Financial Statements
December 31, 2015

**NORTH TEXAS CONFERENCE OF THE UNITED METHODIST
CHURCH**

Financial Statements

December 31, 2015

TABLE OF CONTENTS

| | Page |
|--|------|
| Independent Auditor's Report | 1 |
| Statement of Financial Position | 2 |
| Statement of Activities | 3–4 |
| Statement of Cash Flows | 5 |
| Notes to Financial Statements | 6–17 |
| Supplementary Information | |
| Report on Supplementary Information | 19 |
| Supplementary Statement of Revenues and Expenses | 20 |



Ratliff & Associates, P.C.
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Council on Finance and Administration of
The North Texas Conference of the United Methodist Church

We have audited the accompanying financial statements of The North Texas Conference of the United Methodist Church (a nonprofit organization), which comprise the statement of financial position as of December 31, 2015 and the related statements of activities and cash flows for the year then ended, 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 audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit 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 that the audit evidence that 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 North Texas Conference of the United Methodist Church as of December 31, 2015, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Ratliff & Associates, P.C.

July 21, 2016

NORTH TEXAS CONFERENCE OF THE UNITED METHODIST CHURCH
Statement of Financial Position
December 31, 2015

ASSETS

| | |
|---|-----------------------------|
| Current Assets | |
| Cash | \$ 1,374,875 |
| Accounts receivable | 1,406,804 |
| Investments | 29,911,711 |
| Prepaid expenses | <u>391,548</u> |
| Total Current Assets | <u>33,084,938</u> |
| Property and Equipment, net of depreciation | <u>5,933,430</u> |
| Other Assets | |
| Land and buildings held for sale | 2,269,514 |
| Endowment and other long-term investments | <u>2,019,715</u> |
| Total Other Assets | <u>4,289,229</u> |
| Total Assets | <u>\$ 43,307,597</u> |

LIABILITIES AND NET ASSETS

| | |
|--|-----------------------------|
| Current Liabilities | |
| Notes payable, current portion | \$ 520,948 |
| Due to program liabilities | 93,310 |
| Accounts payable and accrued liabilities | 420,064 |
| Unfunded postemployment benefits obligation, due in one year | <u>390,531</u> |
| Total Current Liabilities | <u>1,424,853</u> |
| Non-current Liabilities | |
| Notes payable, non-current portion | 2,431,773 |
| Unfunded postemployment benefits obligation, due in more than one year | <u>10,618,564</u> |
| Total Non-current Liabilities | <u>13,050,337</u> |
| Total Liabilities | <u>14,475,190</u> |
| Net Assets | |
| Unrestricted net assets | 25,980,191 |
| Temporarily restricted net assets | 2,038,148 |
| Permanently restricted net assets | <u>814,068</u> |
| Total Net Assets | <u>28,832,407</u> |
| Total Liabilities and Net Assets | <u>\$ 43,307,597</u> |

The accompanying notes are an integral part of these financial statements.

NORTH TEXAS CONFERENCE OF THE UNITED METHODIST CHURCH

Statement of Activities
For the Year Ended December 31, 2015

Change in Unrestricted Net Assets

| | |
|--|----------------------------|
| Revenues and support | |
| Apportionment receipts | \$ 8,361,900 |
| Program and event fees | 3,497,259 |
| Property insurance receipts | 5,701,475 |
| Health insurance receipts | 5,315,881 |
| Pension receipts | 1,825,086 |
| Investment loss | (542,536) |
| Other income | 348,585 |
| Temporarily restricted net assets released | <u>409,358</u> |
| Total unrestricted revenues | 24,917,008 |
| Program expenses | |
| New church development | 1,228,449 |
| Leadership development | 1,636,927 |
| Missional outreach | 848,891 |
| Conference services | |
| Property insurance | 6,088,719 |
| Conference benefits | 9,259,165 |
| Legacy property | 348,740 |
| Episcopal office | 144,128 |
| District expenses | 1,118,873 |
| Midwestern Wesley Foundation | 54,913 |
| Camp and conference expenses | <u>1,827,014</u> |
| Total program expenses | 22,555,819 |
| Supporting Expense | |
| Connectional | 1,171,098 |
| Communications | <u>406,986</u> |
| Total supporting expense | <u>1,578,084</u> |
| Total expenses | <u>24,133,903</u> |
| Excess revenues over expenses | <u>783,105</u> |
| Other expense | |
| Actuarial gain on retiree medical | <u>1,192,718</u> |
| Increase in Unrestricted Net Assets | <u>\$ 1,975,823</u> |

(Continued)

The accompanying notes are an integral part of these financial statements.

NORTH TEXAS CONFERENCE OF THE UNITED METHODIST CHURCH
Statement of Activities (continued)
For the Year Ended December 31, 2015

| | |
|--|----------------------|
| Increase in Unrestricted Net Assets | <u>\$ 1,975,823</u> |
| Change in Temporarily Restricted Net Assets | |
| Contributions | 324,463 |
| Investment losses | (49,330) |
| Net assets released | <u>(409,358)</u> |
| Change in Temporarily Restricted Net Assets | <u>(134,225)</u> |
| Change in Permanently Restricted Net Assets | <u>-</u> |
| Increase in Net Assets | 1,841,598 |
| Net assets, beginning of year | <u>26,990,809</u> |
| Net assets, end of year | <u>\$ 28,832,407</u> |

The accompanying notes are an integral part of these financial statements.

NORTH TEXAS CONFERENCE OF THE UNITED METHODIST CHURCH

Statement of Cash Flows
For the Year Ended December 31, 2015

| | |
|---|---------------------|
| Cash Flows from Operating Activities | |
| Increase in net assets | \$ 1,841,598 |
| Adjustments to reconcile increase in net assets to net cash provided by operating activities | |
| Depreciation | 387,554 |
| Change in unfunded postemployment benefits obligation | (745,630) |
| Investment losses | 542,505 |
| Loss on sale of assets | 184,592 |
| Non-cash contributions | (1,275,000) |
| Decrease (increase) in operating assets | |
| Accounts receivable | 44,499 |
| Prepaid assets | 290,076 |
| Increase (decrease) in operating liabilities | |
| Due to program liability | (53,746) |
| Accounts payable and accrued liabilities | <u>(251,447)</u> |
| Net Cash Provided by Operating Activities | <u>965,001</u> |
| Cash Flows from Investing Activities | |
| Purchase of investments | (3,499,209) |
| Withdrawal of investments | 2,908,833 |
| Proceeds from sales of assets | 370,753 |
| Purchase of fixed assets | <u>(113,991)</u> |
| Net Cash Utilized by Investing Activities | <u>(333,614)</u> |
| Cash Flows from Financing Activities | |
| Principal payments on notes payable | <u>(199,211)</u> |
| Net Cash Utilized by Financing Activities | <u>(199,211)</u> |
| Net Increase in Cash and Cash Equivalents | 432,176 |
| Cash and cash equivalents at beginning of year | <u>942,699</u> |
| Cash and cash equivalents at end of year | <u>\$ 1,374,875</u> |

The accompanying notes are an integral part of these financial statements.

NORTH TEXAS CONFERENCE OF THE UNITED METHODIST CHURCH

Notes to Financial Statements

December 31, 2015

1—Nature of Organization

The North Texas Conference of The United Methodist Church (the “Conference”) is the administrative headquarters of the North Texas United Methodist regional districts. The Conference represents approximately 286 member churches and fellowships and 14 new church starts. The Conference provides various services for its member churches including administration of health benefits and retirement plans available to member clergy and Conference lay employees and collection of funds for remittance to various regional, national and global benevolences.

The principal source of revenue and support for the Conference is apportionments received from the member churches represented by the Conference.

The accompanying financial statements include the assets, liabilities, net assets, and financial activities of all institutions and organizations providing services at the Conference level of administration and for which the Council on Finance and Administration has oversight responsibility.

2—Summary of Significant Accounting Policies

In fulfilling its responsibility for the preparation of the Conference’s financial statements and disclosures, management selects accounting principles generally accepted in the United States of America and adopts methods for their application. The application of accounting principles requires the estimating, matching and timing of revenue and costs in the determination of support and expenditures. It is also necessary for management to determine, measure and allocate and make certain assumptions regarding resources and obligations within the financial process according to those principles. Below is a summary of certain significant accounting policies selected by management.

Basis of Accounting—The Conference’s financial statements have been prepared using the accrual method of accounting and conform to accounting principles generally accepted in the United States of America (GAAP). Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Unrestricted net assets—Net assets that are not subject to donor-imposed stipulations.

Temporarily restricted net assets—Net assets subject to donor-imposed stipulations that will be met either by actions of the Conference and/or passage of time.

Permanently restricted net assets—Net assets subject to donor-imposed stipulations that must be maintained permanently. Generally, the donors of these assets permit the use of all or part of the income earned on related investments for general or specific purposes.

Donor restricted contributions whose restrictions are met in the same reporting period in which those contributions are received are reported as temporarily restricted support and as net assets released from restrictions.

Fund Accounting—To ensure observance of the allocations and restrictions placed on funds received, the accounts of the Conference are maintained internally in accordance with the principles of fund accounting. Accordingly, resources collected, invested and ultimately disbursed are classified for accounting and reporting purposes into separate funds, established according to the various boards and agencies of the Conference. See the Supplementary Information included at the end of this report.

NORTH TEXAS CONFERENCE OF THE UNITED METHODIST CHURCH

Notes to Financial Statements

December 31, 2015

2—Summary of Significant Accounting Policies (continued)

Use of Estimates—The process of preparing financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The methods used in making accounting estimates are believed by management to be reasonable and have been consistently applied. Actual results may differ from estimated amounts. The most significant estimates are depreciation and unfunded postemployment benefit liabilities.

Cash Equivalents—The Conference considers all short-term investments with an original maturity of three months or less to be cash equivalents.

Accounts Receivable—As a significant dollar amount of member church apportionments and other remittances are received close to year-end, member churches are provided a cut-off date subsequent to year-end in order for churches to fulfill their annual apportionments. The amount of apportionments and other remittances received between year-end and the cut-off date are recognized as accounts receivable in the accompanying statement of financial position. Due to the nature of these receivables, no allowance for doubtful accounts is deemed necessary.

Accrued Liabilities—Amounts disbursed in January 2016, which relate to expenditures of the previous calendar years, have been accrued to match with the accrued collections discussed above. The total accrued expenditures were \$513,374 as of December 31, 2015.

Investments—All investments are measured at fair value based upon the exit price model. Funds are managed by Wespeth Investment Management and the Texas Methodist Foundation (“TMF”). The underlying investments are in short-term money market funds, fixed income, equities, energy and TMF Methodist loan funds and are subject to market risk. Dividends, interest, realized and unrealized gains and losses are included in investment income on the statement of activities as part of the change in unrestricted net assets unless the use of the assets received is limited by donor-imposed restriction. Investments fees and other investment activity expenses are netted within the investment income. These expenses are not material to these financial statements.

Property and Equipment—Buildings, improvements and equipment are recorded at cost, if purchased or at estimated market value at the date of receipt if acquired by gift. Assets over \$5,000 are capitalized. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. The cost of maintenance and repairs is charged to expense as incurred.

Impairment of Long-Lived Assets—Management evaluates its long-lived assets for financial impairment whenever events or changes in circumstances indicate the carrying value of an asset may not be recoverable. An impairment loss is recognized when the estimated undiscounted future cash flows from the assets are less than the carrying value of the assets. Assets to be disposed of are reported at the lower of their carrying amount or fair value, less cost to sell. Management is of the opinion that the carrying amount of its long-lived assets does not exceed their estimated recoverable amount.

Concentration of Credit Risk—During the year, and at December 31, 2015, the Conference had funds which exceeded the FDIC insured limit on deposit with a commercial bank. In an effort to minimize risk, the Conference maintains its accounts with a large regional bank.

Statement of Cash Flows—The indirect method is used to prepare the statement of cash flows. For the purposes of this statement, the Conference considers all highly liquid investments with a maturity of three months or less at the date of acquisition to be cash equivalents.

NORTH TEXAS CONFERENCE OF THE UNITED METHODIST CHURCH

Notes to Financial Statements

December 31, 2015

2—Summary of Significant Accounting Policies (continued)

Financial Instruments—A financial instrument is cash or other evidence of ownership or conveyance of rights to receive cash or other financial instruments from another party. The Conference's financial instruments include cash and investments. As of December 31, 2015, the financial instruments were stated at their fair value.

Income Tax Status—The Conference is a nonprofit organization that is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code as other than a private foundation, except on net income derived from unrelated business activities. For the year ended December 31, 2015, the Conference conducted unrelated business activities at the Prothro and Bridgeport Camps, and is in the process of filing the necessary returns. No tax is due and accordingly, no provision for income taxes is included in the financial statements. The Conference tax filings for the years 2012, 2013 and 2014 are open for examination by the taxing authorities.

3—Investments

The Conference has an agreement with the Texas Methodist Foundation ("TMF") in which TMF acts as agent and investment manager for the Conference's investments. These investments are either directly invested or pooled by the Foundation into larger investment funds. TMF adheres to the Statement of Investment Guidelines adopted by the General Council of Finance and Administration of the United Methodist Church.

The Conference also maintains investments with the General Board of Pensions and Health Benefits ("GBOPHB") which are invested by the GBOPHB in pooled investment funds. GBOPHB investments are comprised of approved investment instruments in accordance with the funds' objectives.

The Conference's investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statements of financial position.

The Conference's investments are financial assets that are measured and reported on a fair value basis. The Conference measures and discloses fair value measurements in accordance with the authoritative accounting literature. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The authoritative accounting literature establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives highest priority to unadjusted quote prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements).

The three levels of the fair value hierarchy under authoritative accounting literature are described as follows:

Level 1—Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Conference has the ability to access.

NORTH TEXAS CONFERENCE OF THE UNITED METHODIST CHURCH

Notes to Financial Statements

December 31, 2015

3—Investments (continued)

Level 2—Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from, or corroborated by, observable market data by correlation or other means.
- If the asset or liability has a specified (contractual term), the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3—Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value.

- Level 2 investments include assets held with the GBOPHB that are pooled into larger investment funds of the GBOPHB and are valued based on their pro-rata share of the total investment funds and are redeemable at the net asset value per share as of the measurement date without restriction.
- Level 3 investments include long term investment funds that are maintained by the TMF and are valued using significant unobservable inputs or valuation techniques.

The preceding methods described may produce fair value calculations that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Conference believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different value measurement at the reporting date.

The following table sets forth, by level within the fair value hierarchy, the Conference's investments at fair value at December 31, 2015.

| | <u>Level 1</u> | <u>Level 2</u> | <u>Level 3</u> | <u>Total</u> |
|---------------------------------|---------------------|----------------------|---------------------|----------------------|
| TMF short-term investments | \$ 1,680,881 | \$ - | \$ - | \$ 1,680,881 |
| GBOPHB deposit account | - | 2,703,631 | - | 2,703,631 |
| GBOPHB retiree health account | - | 19,847,083 | - | 19,847,083 |
| GBOPHB superannuate fund | - | 105,241 | - | 105,241 |
| TMF long-term investments | - | - | 5,574,875 | 5,574,875 |
| | <u>\$ 1,680,881</u> | <u>\$ 22,655,955</u> | <u>\$ 5,574,875</u> | <u>\$ 29,911,711</u> |
| Total | <u>\$ 1,680,881</u> | <u>\$ 22,655,955</u> | <u>\$ 5,574,875</u> | <u>\$ 29,911,711</u> |
| Endowment and other investments | <u>\$ 2,019,715</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 2,019,715</u> |

NORTH TEXAS CONFERENCE OF THE UNITED METHODIST CHURCH

Notes to Financial Statements

December 31, 2015

3—Investments (continued)

Assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) are as follows:

| | <u>Land Held for Sale</u> | <u>TMF Long-term Investments</u> |
|-------------------|-------------------------------|--------------------------------------|
| January 1, 2015 | \$1,968,782 | \$5,452,175 |
| Interest income | - | 44,258 |
| Additions | <u>(974,268)</u> | <u>16,804</u> |
| December 31, 2015 | <u>\$2,269,514</u> | <u>\$5,513,237</u> |

Land and Buildings Held for Resale includes foreclosed properties carried at fair values. These properties are valued using significant unobservable inputs (Level 3).

4—Property and Equipment

Buildings, improvements and equipment acquired by the Conference are recorded at cost when purchased and fair value when donated. Depreciation is computed based on expected useful lives, and is calculated using the straight-line method.

Property and equipment consists of the following at December 31, 2015:

| <u>Description</u> | <u>Useful Life</u> | <u>Cost</u> |
|--|--------------------|---------------------|
| Land | N/A | \$ 754,101 |
| Buildings, parsonages and capital improvements | 30 | 8,147,101 |
| Furniture and fixtures | 5 | 618,982 |
| Automobiles | 5 | <u>107,148</u> |
| Total | | 9,627,332 |
| Less: accumulated depreciation | | <u>(3,693,902)</u> |
| Net Building, Improvements and Equipment | | <u>\$ 5,933,430</u> |

Additionally, the conference has land and buildings valued at \$1,968,782 that are held for sale at December 31, 2015.

5—Multiemployer Pension Plans

The Conference is a participating employer in five separate trustee-managed multiemployer defined benefit pension plans which are described in further detail below.

The risks of participating in these multiemployer defined benefit pension plans are different from single-employer plans because: (a) assets contributed to the multiemployer plan by one employer may be used to provide benefits to employees of other participating employers, (b) if a participating employer stops contributing to the plan, the unfunded obligations of the plan may be required

NORTH TEXAS CONFERENCE OF THE UNITED METHODIST CHURCH

Notes to Financial Statements

December 31, 2015

5—Multiemployer Pension Plans (continued)

to be borne by the remaining participating employers, and (c) if the Conference chooses to stop participating in one of its multiemployer plans, it may be required to pay a withdrawal liability to the plan. The Conference has no plans to withdraw from its multiemployer pension plans.

Because employers that contribute to multi-employer plans are responsible only to make the contributions called for and they do not have a directly identified or separate interest in investment gains or losses or administrative costs, nor does the employer have a directly identified or separate obligation for benefit payments, separate assets and liabilities for their portion of the plan are not recognized, and the contributions are recognized as expense in the period they are paid.

Pre-1982 Plan—The Conference participates in the Pre-1982 Plan (“Pre-82”) which is a multi-employer defined benefit pension plan administered by the General Board of Pension and Health Benefits (“GBOPHB”). The fund covers service prior to 1982 for substantially all clergy and lay pastors. For service subsequent to 1981, clergy members of the Conference are eligible to participate in the multi-employer retirement plans offered by The United Methodist Church as described below.

The Board of Pensions of the Conference acts as trustee responsible for deposits with the GBOPHB. All assets of the plan are available to pay all benefits of the plan, regardless of the conference from which the contributions came or under which benefits were accrued. However, each conference controls certain benefit provisions of the plan and may choose to fund this plan using different funding methodologies. In the past, the Conference has chosen to fund the plan using the full actuarial allocation and is currently fully funded. An actuarial report is available from the GBOPHB that shows the funding requirements and funded status of all the conferences for the Pre-82. In 2015, Pre-82 assets are expected to be overfunded by approximately \$305,403,187.

Ministerial Pension Plan—U.S. bishops, Conference members and local pastors under Episcopal appointment are eligible for pension coverage under the Ministerial Pension Plan (“MPP”). The MPP is a multi-employer defined contribution plan which required the Conference to contribute 12% of each participant’s compensation, subject to a limit on total compensation. This plan was frozen effective December 31, 2006; however, the Conference is required to make payments to the plan as needed.

No payment was required in 2015, and no payment will be required for 2016 although future payments towards the plan are possible. This plan was replaced by the CRSP described below.

Comprehensive Protection Plan—In addition to the Pre-82 Plan, certain ministerial employees are provided disability and death benefits as well as certain minimum benefits related to pension coverage through participation in the Comprehensive Protection Plan (“CPP”). The CPP is a multi-employer defined benefit pension plan administered by the GBOPHB. The contribution to the plan for the year ended December 31, 2015 was \$638,650.

United Methodist Personal Investment Plan—Effective January 1, 2006, the Cumulative Pension and Benefit Fund and the Personal Investment Plan were merged to form the United Methodist Personal Investment Plan (“UMPIP”). Conference clergy members, lay employees, and local church personnel are eligible to participate in this multi-employer defined contribution plan administered by the GBOPHB which currently allows an employer contribution of up to 12%. The Conference contributes 6% of all eligible lay participants’ compensation. Total contributions to the plan for the years ended December 31, 2015 and 2014 were \$45,159 and \$45,013, respectively. These amounts are included in conference benefits in the Statement of Activities.

NORTH TEXAS CONFERENCE OF THE UNITED METHODIST CHURCH

Notes to Financial Statements

December 31, 2015

5—Multiemployer Pension Plans (continued)

Clergy Retirement Security Program—Effective January 1, 2007, the Conference established the CRSP, which is a multi-employer defined benefit plan and a multi-employer defined contribution plan administered by the GBOPHB. Clergy members and local pastors under Episcopal appointment to a conference, church, charge, district or conference-controlled entity or unit are eligible to participate. For the defined benefit plan, the contribution is based on a formula using the denominational average compensation and the years of credited service beginning January 1, 2007. For the defined contribution plan, contributions are 3% of each eligible participant's compensation.

The contributions to the CRSP for the years ended December 31, 2015, were as follows:

| | |
|---|---------------------|
| Defined contribution plan, funded from the Conference | \$ 684,420 |
| Defined benefit plan, funded from the Conference | <u>1,567,801</u> |
| Total contributions | <u>\$ 2,252,221</u> |

The Conference expects the annual contributions for all of the plans above to be approximately \$2.3 million a year beginning in 2016. The total costs for the above benefit plans are generally billed to the churches of the Conference; however, any shortfalls are obligations of the Conference.

During 2012, the General Conference approved a petition to establish a new retirement plan that incorporates characteristics of both a defined benefit and a defined contribution plan. The plan became effective in 2014 and is expected to significantly reduce retirement plan expenses in future periods.

6—Post Employment Benefit Plan

The Conference sponsors a defined benefit postretirement health care plan for ministerial employees of its member churches and employees of the Conference. The plan is unfunded. Actuarial reports are currently obtained every year.

The annual measurement date is December 31. The following table presents the Plan's funded status. At December 31, 2015, there were no plan assets for postretirement healthcare benefits.

Obligations and Funded Status

Accumulated postretirement benefit obligation (APBO) at December 31, 2015:

| | |
|--|----------------------|
| Gross APBO | \$ 11,009,095 |
| Fair value of plan assets at December 31, 2014 | <u>-</u> |
| Net unfunded status of the plan | <u>\$ 11,009,095</u> |

The following table presents the amounts recognized as assets and liabilities in the financial statements at December 31, 2015:

NORTH TEXAS CONFERENCE OF THE UNITED METHODIST CHURCH

Notes to Financial Statements

December 31, 2015

6—Post Employment Benefit Plan (continued)

Amounts Recognized in the Financial Statements

Amounts recognized in the Statement of Financial Position consist of:

| | | |
|------------------------|----|-------------------|
| Noncurrent assets | \$ | - |
| Current liabilities | | 390,531 |
| Noncurrent liabilities | | <u>10,618,564</u> |
| | \$ | <u>11,009,095</u> |

Net periodic benefit cost recognized in the statement of activities is \$1,008,203.

Actuarial losses, net of expected benefit payments less service and interest cost, increased APBO by \$1,357,904 and is reported in other expense in the statement of activities.

Assumptions

The weighted average discount rate assumption to determine benefit obligations at December 31, 2015, in accounting for the plan was 3.75%.

Cash Flows

The following benefit payments, which reflect expected future services, as appropriate, are expected to be paid in future years.

| <u>Year</u> | <u>Cost</u> |
|-------------|---------------------|
| 2016 | \$ 398,456 |
| 2017 | 450,626 |
| 2018 | 474,573 |
| 2019 | 491,852 |
| 2020 | 528,210 |
| 2021–2025 | <u>3,123,433</u> |
| Total | <u>\$ 5,467,150</u> |

As of December 31, 2015, the Conference had approximately \$19,847,083 designated by the Board to be used for payment of future net periodic postretirement benefit costs. Any changes in the plan or revisions to assumptions that affect the amount of expected future benefits may have a significant effect on the amount of the reported obligation and future annual expense.

NORTH TEXAS CONFERENCE OF THE UNITED METHODIST CHURCH

Notes to Financial Statements

December 31, 2015

7—Notes Payable

Notes payable are to the Texas Methodist Foundation as follows:

| | |
|--|---------------------|
| \$450,000 note payable bearing interest at a variable rate, 5.00% per annum at December 31, 2015; amortized over 30 years, secured by real estate. | \$ 347,654 |
| \$4,100,000 note payable secured by real estate purchased for construction of a new conference center and improvements, bearing interest at a variable rate, 1.80% at December 31, 2015, amortized over 20 years | <u>2,605,067</u> |
| | 2,952,721 |
| Less current maturities | <u>(520,948)</u> |
| | <u>\$ 2,431,773</u> |

Interest expense during 2015 amounted to \$68,498.

Future principle amounts due as of December 31, 2015, are as follows:

| | |
|------------|---------------------|
| 2016 | \$ 520,948 |
| 2017 | 176,439 |
| 2018 | 179,641 |
| 2019 | 182,902 |
| 2020 | 186,221 |
| Thereafter | <u>1,706,570</u> |
| | <u>\$ 2,952,721</u> |

8—Endowment Investments

The Conference's endowment investments are composed of funds from contributions permanently restricted by the donor. As required by generally accepted accounting principles, net assets associated with permanent restrictions, including board designated funds, are classified and reported based upon the existence or absence of donor-imposed restrictions.

NORTH TEXAS CONFERENCE OF THE UNITED METHODIST CHURCH

Notes to Financial Statements

December 31, 2015

8—Endowment Investments (continued)

The Conference operates under the Uniform Prudent Management of Institutional Funds Act of the State of Texas (TUPMIFA). This Act eliminates the historic dollar value limitation imposed by the previous law, thereby increasing the Conference's ability to apply a total-return spending rate to its funds. The historic dollar value limitation is replaced with a new standard of prudence. The Conference may apply its spending rate if it is determined to be the prudent course of action, even though application of the spending rate will cause the value of the fund to fall below the value of the original gift.

As of December 31, 2015 the endowment of the Conference consisted of the following endowment investments:

| | |
|----------------------|-------------------------|
| Nannie F. Bean Trust | \$ 64,068 |
| Perkins Fund | <u>1,496,122</u> |
| Total | <u>\$ 1,560,190</u> |

The Nannie F. Bean Trust is held at the General Council of Finance and Administration (the "GCFA") in compliance with the estate documents. Income is managed by the GCFA and distributed periodically. Per the trust agreement, the Conference returns the funds to the General Board of Global Ministries (GBGM) designating the recipient of the funds from the list GBGM maintains. The purpose of the Perkins Fund is to assist retired clergy with catastrophic medical expenses.

The Conference has a spending policy of appropriating for distribution each year up to 95% of its endowment fund's net income. In establishing this policy, the Conference considered the long-term expected investment return on its endowment. Accordingly, over the long term, the Conference expects the current spending policy to allow its endowment fund to grow at an average of 5% annually. This is consistent with the Conference's objective to maintain the purchasing power of the endowment assets as well as to provide additional real growth through investment return.

To achieve that objective, the Conference has adopted an investment policy that attempts to maximize total return consistent with an acceptable level of risk. Endowment assets are invested in a well diversified asset mix, which includes equity and debt securities that is intended to result in a consistent inflation-protected rate of return that has sufficient liquidity to make an annual distribution of up to 95%, while growing the fund, if possible. Actual returns in any given year may vary from this amount. Investment risk is measured in terms of the total endowment fund; investment assets and allocation between asset classes and strategies are managed not to expose the fund to unacceptable levels of risk.

NORTH TEXAS CONFERENCE OF THE UNITED METHODIST CHURCH

Notes to Financial Statements

December 31, 2015

8—Endowment Investments (continued)

Changes in endowment net assets for the years ended December 31, 2015 were as follows:

| | Temporarily <u>Restricted</u> | Permanently <u>Restricted</u> | <u>Total</u> |
|--|----------------------------------|----------------------------------|--------------------|
| Endowment investments, December 31, 2014 | \$789,847 | \$814,068 | \$1,603,915 |
| Investment income | (38,150) | - | (38,150) |
| Grants paid | <u>(5,575)</u> | <u>-</u> | <u>(5,575)</u> |
| Endowment investments, December 31, 2015 | <u>\$746,122</u> | <u>\$814,068</u> | <u>\$1,560,190</u> |

Endowment investments are reported in endowment and other investments in the statement of financial position.

9—Other Income

| | |
|--------------------|-------------------|
| Contributions | \$ 30,356 |
| Interest income | 35,917 |
| Other income | <u>282,311</u> |
| Total other income | <u>\$ 348,584</u> |

10—Net Assets

Unrestricted net assets:

| | |
|-------------------------------------|------------------|
| Balance, beginning of year | \$ 24,004,368 |
| Increase in unrestricted net assets | <u>1,975,823</u> |

Balance, end of year \$ 25,980,191

Temporarily restricted net assets:

| | |
|---|------------------|
| Balance, beginning of year | \$ 2,172,373 |
| Decrease in temporarily restricted net assets | <u>(134,225)</u> |

Balance, end of year \$ 2,038,148

Permanently restricted net assets:

| | |
|---|------------|
| Balance, beginning of year | \$ 814,068 |
| Increase in permanently restricted net assets | <u>-</u> |

Balance, end of year \$ 814,068

NORTH TEXAS CONFERENCE OF THE UNITED METHODIST CHURCH

Notes to Financial Statements

December 31, 2015

11—Contingencies

The Conference has been named as a defendant in various legal actions involving alleged employee misconduct. Summary judgments have been issued in favor of the Conference in all but one of those cases. The Conference intends to vigorously defend the remaining case; however, as it is in the early stages of litigation, no determination of the ultimate outcome can be made at this time.

12—Subsequent Events

Subsequent events have been evaluated through the date of the independent auditor's report on page one, which is the date the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION



Ratliff & Associates, P.C.
Certified Public Accountants

INDEPENDENT AUDITOR'S
REPORT ON SUPPLEMENTARY INFORMATION

We have audited the financial statements of the North Texas Annual Conference of the United Methodist Church as of and for the year ended December 31, 2015, and our report thereon dated July 21, 2016, which expressed an unmodified opinion of those financial statements, appears on page 1. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Supplementary Statement of Revenues and Expenses on page 20 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Ratliff & Associates, P.C.

July 21, 2016

NORTH TEXAS CONFERENCE OF THE UNITED METHODIST CHURCH

Supplemental Statement of Revenues and Expenses For The Year Ended December 31, 2015

| | Balance 12/31/2014 | Collections | Disbursements | Transfers | Balance 12/31/2015 |
|--|-----------------------|----------------------|------------------------|-----------------|-----------------------|
| Unrestricted net assets | | | | | |
| General Conference | \$ 819,000 | \$ 3,196,700 | \$ (3,196,700) | \$ 6,344 | \$ 825,344 |
| Jurisdictional conference | - | 120,881 | (120,881) | - | - |
| GBGM advances | - | 241,184 | (241,184) | - | - |
| Other benevolences | - | 132,575 | (132,575) | - | - |
| Apportioned conference programs | | | | | |
| Center for new church development | 539,491 | 1,280,357 | (1,287,233) | (10,395) | 522,220 |
| Center for leadership development | 614,947 | 1,785,945 | (1,855,019) | (62,702) | 483,171 |
| Center for missional outreach | 444,273 | 662,063 | (629,816) | (7,811) | 468,709 |
| Center for connectional resources | 1,282,690 | 1,649,649 | (1,457,801) | 333,950 | 1,808,488 |
| Conference benefits | 12,718,561 | 10,171,858 | (9,369,914) | (127,635) | 13,392,870 |
| Property insurance | 1,716,260 | 5,936,914 | (6,138,719) | 98,140 | 1,612,595 |
| Non-apportioned programs | | | | | |
| Episcopal office - area admin. | 322,394 | 142,713 | (110,863) | 13,500 | 367,744 |
| Communications | 62,045 | 449,128 | (426,018) | (1,747) | 83,408 |
| District superintendents | 110,812 | 555,245 | (539,188) | - | 126,869 |
| East district | 446,528 | 185,787 | (184,193) | (56,440) | 391,682 |
| Metro district | 1,216,996 | 200,786 | (183,931) | (369,140) | 864,711 |
| North central district | 684,332 | 174,735 | (165,320) | (211,302) | 482,445 |
| Northwest district | 185,860 | 164,390 | (136,328) | (21,847) | 192,075 |
| Legacy property | 550,765 | 1,573,478 | (363,188) | 415,078 | 2,176,133 |
| Midwestern Wesley Foundation | 19,031 | 80,896 | (60,478) | - | 39,449 |
| Bridgeport camp (non-apportioned) | (6,912) | 1,020,076 | (981,701) | (23,197) | 8,266 |
| Bridgeport camp property | 738,875 | - | - | - | 738,875 |
| Prothro Camp center | 1,425,957 | - | (64,190) | - | 1,361,767 |
| Prothro Center | 112,463 | 702,528 | (781,621) | - | 33,370 |
| Total unrestricted net assets | <u>24,004,368</u> | <u>30,427,888</u> | <u>(28,426,861)</u> | <u>(25,204)</u> | <u>25,980,191</u> |
| Temporarily restricted net assets | | | | | |
| Creating congregation | 653,400 | - | - | - | 653,400 |
| Young Clergy Initiative | 92,300 | 9,996 | (59,979) | - | 42,317 |
| Zip Code Connection | 163,824 | 466,691 | (538,741) | 998 | 92,772 |
| NT Disaster Relief | 9,050 | 26,689 | (6,000) | - | 29,739 |
| Peace with Justice | 9,305 | 854 | - | (964) | 9,195 |
| Native American Ministry | 13,872 | 1,215 | (854) | - | 14,233 |
| Hispanic Plan | 6,460 | - | - | - | 6,460 |
| Box Truck | 16,008 | - | (8,784) | 24,170 | 31,394 |
| Cut Trust | 276,198 | - | (4,929) | - | 271,269 |
| Perkins Fund Income | 789,847 | 4,531 | (48,257) | - | 746,121 |
| Nannie Bean Trust Earnings | 5,604 | 2,586 | (8,190) | - | - |
| Episcopal GCEA Funds | 13,747 | 81,479 | (78,244) | - | 16,982 |
| Robertson Awards | 1,761 | 8 | - | - | 1,769 |
| JV Partnership | 7,415 | - | - | - | 7,415 |
| Children Seek Scholarship | 18,595 | - | - | - | 18,595 |
| Superannuate Corpus | 89,338 | - | - | - | 89,338 |
| A Wilkinson Playground | 5,649 | 500 | - | 1,000 | 7,149 |
| Total temporarily restricted net assets | <u>2,172,373</u> | <u>594,549</u> | <u>(753,978)</u> | <u>25,204</u> | <u>2,038,148</u> |
| Permanently restricted net assets | | | | | |
| Perkins Fund | 750,000 | - | - | - | 750,000 |
| Nannie Findlay Bean Trust | 64,068 | - | - | - | 64,068 |
| Total permanently restricted net assets | <u>814,068</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>814,068</u> |
| Net Assets at End of Year | <u>\$ 26,990,809</u> | <u>\$ 31,022,437</u> | <u>\$ (29,180,839)</u> | <u>\$ -</u> | <u>\$ 28,832,407</u> |

See the Independent Auditor's Report on Supplementary Information.

AFRICA UNIVERSITY REPORT

Through its unwavering generosity to Africa University, the North Texas Conference is strengthening the higher education ministry of The United Methodist Church in sub-Saharan Africa. Thank you, North Texas United Methodists, for investing 94.83 % of the asking to the Africa University Fund (AUF) apportionment in 2015. Your giving sustains Africa University's ministry and role as a catalyst for change.

Thank you for your commitment to training leaders who are ethically grounded, spiritually mature, and well-equipped to address key global challenges such as food insecurity, conflict, and poverty. Your ongoing support is deeply valued by the students, faculty, staff, trustees and alumni of Africa University.

Increased and steadfast support for the Africa University Fund (AUF) apportionment and investment through the World Service Special Gifts fund over the next quadrennium are vital to Africa University's development and sustainability.

Institutional Update:

Enrollment: Currently, Africa University has a total enrollment of about 1,500 full-time students who represent 26 of Africa's 54 countries. An additional 770 students are gaining new skills and knowledge as they pursue undergraduate and graduate degrees on a part-time basis.

Alumni: In 2015, Africa University awarded degrees to its largest graduating class so far—674 young people from 14 African countries. Africa University's alumni now number more than 6,200. Graduates are at work in at least 29 African countries as well as in Australia, Asia, Europe, Latin America, and North America. Many serve The United Methodist Church and their nations in senior and strategic roles within and beyond Africa.

Africa University is nurturing and sending forth leaders for new institutions and initiatives which expand the mission of our denomination in Africa. Africa University alumni include:

- A Liberian graduate, **Alfred Zigbuo**, serving as a Global Ministries-supported missionary and administrator in the East Congo Episcopal Area. He brings experience as the country director of Operation Classroom and expertise in post-conflict healing/institution building in Liberia to his new mission field, a recently formed and conflict-ravaged annual conference.
- **Clare Paidamoyo Katiyo**, a young mother who earned a degree in health services management with United Methodist scholarship support, is now the district administrator overseeing a network of four large hospitals and 37 health centers in rural Zimbabwe. Her skills and commitment put her on the frontline of an ongoing national effort to improve health and save lives.
- **Ilda Guambe** was born in a remote rural village in Mozambique. She is the first woman in a family of nine to earn a degree. She mentors and inspires young people in her country to stay in school to realize their God-given potential and their dreams.
- In the Democratic Republic of Congo, **Pastor Mujinga Mwamba Kora** serves as a lecturer and registrar of Kabongo Methodist University, while the **Rev. Dr. Kimba Kyakutala Evariste** is the president of Kabongo Methodist University and also lectures at the Kamina Methodist University. They are both two-time graduates of Africa University and represent a growing number of alumni who lead United Methodist higher education institutions on the continent of Africa.

The United Methodist Church benefits greatly from the leadership of Africa University graduates at the general church level. These leaders include:

- The **Rev. Manuel João André** of West Angola and the **Rev. Daniel Mhone** of Malawi, who serve as board members of the United Methodist Boards of Church and Society and Global Ministries, respectively; the **Rev. Dr. Laishi Bwalya** of the Congo Central Conference, who serves on the Connectional Table; and the **Rev. Dr. Kimba Kyakutala Evariste** of North Katanga, who is the secretary of the Standing Committee on Central Conference Matters.
- In the wider Methodist fellowship, the **Rev. Olga Choto Ranchaze** of Mozambique, serves on the World Methodist Council's Standing Committee on Education.

The gifts of North Texas United Methodists and others have supported excellence in teaching, learning and community service and built a first-rate campus comprised of 45 buildings—all debt-free. The university's permanent endowment now stands at more than \$64 million, due in large part to the generosity and prayerful affirmation of United Methodist congregations, agencies and individuals. But the work is not yet done!

We pray that the North Texas Conference will remain resolute in pursuing a 100 percent investment to the AUF and other apportioned funds of The United Methodist Church in 2016.

Looking ahead: Thank you, North Texas Conference, for helping Africa University to become a world-class university for ethical and transformational leadership development. Please pray for Africa University. As you journey with Africa University, know that you are part of a ministry that equips Africans to do for themselves and grow the experience of God's promised abundance in the world. God bless and keep you all.

Submitted by:

James H. Salley, Associate Vice Chancellor for Institutional Advancement
Africa University Development Office, P O Box 340007, Nashville, TN 37203-0007
Tel: (615) 340-7438 Email: audevoffice@gbhem.org www.support-africauniversity.org
AFRICA UNIVERSITY: Changing Africa: Learning here. Living here. Leading here.
Serving God. All the time. Everywhere.

C. C. YOUNG—SENIOR LIVING. SENIOR CARE

C. C. Young was founded in 1922 to honor its namesake and Methodist minister, Reverend Christopher Conley Young, whose ministry was to provide a home and aging services for the elderly. Today's 20-acre campus in East Dallas is a 24/7/365 facility and is home to almost 500 residents. C. C. Young was founded in service and is growing in service, extending its reach beyond the campus walls:

- The Community Services Team focuses on a 5-county outreach program to provide Home Healthcare, Home Services, and Hospice while servicing Collin, Dallas, Denton, Kaufman, and Rockwall counties in addition to residents on our campus.

- The C. C. Young Cares program launched in 2015 provides healthy, flash-frozen meals to seniors in need throughout the DFW Metroplex. Thus far, distribution has been via connections with our church friends. Strategic partnerships are currently developing to expand the outreach even further.

C. C. Young developed a master plan which will transform the existing campus and services. Phase I will be construction of a new ten-story, state-of-the-art Transitional Living & Wellness Center for residents, patients, family members and team members:

- The high-rise will offer 210 new state-of-the-art and *reimagined* patient rooms and resident apartments. Beautifully appointed spaces will enhance skilled nursing, rehabilitation, memory care, assisted living, the adult day stay program, and more.
- Amenities include inpatient and outpatient rehabilitation with a comprehensive aquatic therapy pool, spa, grand hall, multiple dining venues, children's play rooms, a community room, a meditation room and chapel, art gallery, gift shop, team member area and multiple sensory gardens.
- Smaller 'households' for up to 16 residents/patients will create intimate environments to promote closer relationships with their caregivers.
- Dining options will be expanded to include food cooked to order in each household.
- The new design and flow of the building has been designed to enhance person-centered care.

Services on campus: Independent Living, Assisted Living, Memory Care, Adult Day Center, Skilled Nursing, Outpatient Therapy, Pastoral Care, Rehabilitation, Home Healthcare, Home Services, Hospice, Benevolence, and Respite Care as well as cultural events at The Point & Pavilion.

If you have not visited us in a while, please come see us! The future looks bright as we continue to expand on Reverend Young's ministry of service. Call 214-874-7474 to schedule an appointment and tour. For additional information, visit: www.ccyoung.org.

DALLAS BETHLEHEM CENTER

HAPPY BIRTHDAY: The 70-year old Dallas Bethlehem Center (DBC) is one of 92 National Mission Institutes established by United Methodist Women across the U.S. to assist people living in poverty. Dallas Bethlehem's mission: In partnership with South Dallas/Fair Park children and families, is to create a bright and secure future through education, food security, empowerment and neighborhood development. DBC works with its community and nonprofit partners to produce the resources most needed; leveraging its annual budget seven times through its partner's programs.

DEMOGRAPHICS

- Dallas Bethlehem Center's primary service areas are 75215 and 75210 zip codes in South Dallas/Fair Park. 27,920 clients (3,306 unduplicated clients) were served in 2015 of which 71% were female, 93% Black/African American, 33% children/youth, and 46% senior adults.

- There are approximately 21,000 households and 53,000 people living within a 3-mile area centered on DBC. Nearly 60% of those households earn less than \$35,000/yr. 50% are unemployed.
- 99% of the population qualifies for free lunch programs with a median income of \$22,000 per household annually. Other stress markers include high dropout rates, extremely high rates of teen pregnancy, incarceration, and violent crimes and a prevalence of drug houses.

STAY IN TOUCH:

- Be a covenant partner by providing volunteers, prayers, funding, ideas, and advocacy to their local congregation. See covenant partners who changed the course of DBC in 2015 at www.DallasBethlehemCenter.org/church.
- Get our monthly updates: <http://www.dallasbethlehemcenter.org/contact-us.html> or send us your email address.
- Like us on Facebook for weekly updates and pictures to share here: <https://www.facebook.com/The-Dallas-Bethlehem-Center-162005910491229/>.
- Make www.DallasBethlehemCenter.org a favorite on your phone and computer.
- SIGN UP TO BE a DBC Representative and receive monthly stories: <http://www.dallasbethlehemcenter.org/contact-us.html>.

JUMP INTO MISSION with DBC:

Saturday Morning Tutor
 Distribute food on Thursdays
 Work in the Community Garden with neighbors
 Hold a School Supply and Uniform Drive
 Help cook, serve, clean-up Thanksgiving Community Dinner
 Be A Christmas STAR tree gift provider
 Engage your church in StarBright Concert committee and ticket sales
 Organize DBC Workday
 Plant flower beds with seasonal color

TO SEE HIGHLIGHTS of 2015: Go to <https://www.facebook.com/The-Dallas-Bethlehem-Center-162005910491229/photos>

UMW Representatives takes on big roles with StarBright. Sign up at <http://www.dallasbethlehemcenter.org/contact-us.html>

- Front of House: 1st Richardson, All UMW units
- Choir Gifts: Lovers Lane—Abigail
- VIP: St. Paul, St. Luke “Community”, 1st UMC—Dallas
- SPONSORS: UMW Conference, UMW Metro, 1st Richardson, Lovers Lane

STARBRIGHT SPONSORS 2016 WITH DANNY GLOVER and DBC kids:

North Texas Conference: Metro District, UMC of Preston Hollow, University Park UMC, St. Paul UMC, St. Luke “Community” UMC, and 1st UMC Dallas.

Voices for Bethlehem Choir members from: First UMC-Richardson, Glen Oaks UMC, Greenland Hills UMC, Highland Park UMC, Lovers Lane UMC, Oak Lawn UMC, St. Paul UMC, Preston Hollow UMC, University Park UMC, Warren UMC.

Come be Christ’s hands and feet in the mission field that is South Dallas/Fair Park.

Blessings, Fran Lobpries, Executive Director

DREW UNIVERSITY THEOLOGICAL SCHOOL

A Cohering Vision: Curriculum, Community, Co-Curricular Initiatives

After much collaborative discussion, discernment, and evaluation of the current state of theological education, those of us who lead, teach, and support Drew Theological School have launched on an ambitious course. Nearly 150 years after our founding, we envision a future as bright as the best eras in our past. I am pleased to share with you here the concrete steps we have taken—and are taking—to bring this future to light.

First, our efforts have been attentive to the history of Drew, in particular its Methodist roots, its long commitment to the Church and its ministries, and draw from this wellspring for inspiration and direction. Also, we have honored our progress to achieve denominational, ethnic, gender, and racial diversity in our faculty and student body. This rich diversity has become both a hallmark of Drew and an expansion of our wellspring. Forces beyond our campus—notably, that the reasons for pursuing a theological education and expected outcomes are shifting dramatically—further press the need for us to align our vision and its supporting systems with our communal reality.

Given this imperative, we are focused on the three “C’s” of our cohering vision: redesigning our *curriculum*, strengthening our *community* of learning, and deepening training through revived *co-curricular* initiatives. These three aspects of a Drew Theological School education will work together to enable us to empower creative thought and courageous action to advance justice, peace, and love of God, neighbor, and the earth—as well as uniquely position us to lead evolving expressions of Christianity.

Designing distinct pathways from curriculum to vocation

To remain meaningful and offer the greatest value to our students, each of the six degree paths that we offer must be as distinct as the ministry to which it leads. For example, our Master of Arts in Ministry program, which forms students for the broadest spectrum of theologically-informed advocacy and ministry, or our DMin program, which has become the “new” terminal vocational degree, must be custom rebuilt for current and emerging student needs and outcomes. This also holds true for our Master of Arts, Master of Sacred Theology, PhD, and, most critically, our Master of Divinity programs.

We have achieved our roadmap for curricular change through a period of intentional discernment, which included discussion with consultants, and with colleagues at peer institutions, who led

curricular formation retreats with our faculty; through the discernment and guidance of our faculty, and with the generous financial support of the Jesse Ball duPont Fund. Our next steps include a comprehensive analysis of pedagogical and technological trends in theological education, enrollment, and outcomes. Our redesigned curricular paths will be announced in the fall of 2017, concurrent with the 150th anniversary of the founding of Drew Theological School and the 500th anniversary of the Protestant Reformation.

Student experiences rooted in community

Despite the increase in students pursuing their education through evening classes and online enrollment, we remain committed to the on-campus experience of community. This begins with a student-centered educational experience that better attends to the scheduling needs of our students, offers broader course content and availability, and more intentionally integrates vocational or career aspirations with coursework.

The success of these efforts is inextricably linked to scholarship support. Only by removing the financial barriers for students pursuing vocations can we hope to attract and retain the most promising students and free them to learn and grow in community. Related to tuition support is the need for more affordable and modernized housing for those students who choose to live on campus. Together, scholarship support and housing relief will also unburden our students from unsustainable debt.

Fostering innovation in ministry and the work of spirit-filled justice

To round out changes in our curriculum and on-campus learning experiences, we are also reviving co-curricular initiatives. The existing Center for Lifelong Learning will be recast as the new Center for Innovation and Leadership in Ministry and serve students, alumni, and others seeking to find creative and courageous approaches to revitalizing ministry. Here, programming will train pastoral leaders, in particular, for service in rapidly changing church environments, as well as position them to lead fearlessly and prophetically.

Our second co-curricular center will be an expansion of the current Communities of Shalom. This initiative will focus on action, advocacy, and social justice work in both pastoral and lay environments. Projects will range from student interns supporting the work of A Future with Hope in our home state of New Jersey, advancing social justice in non-profit settings across the country and around the world, initiatives which seek to transform and end systemic poverty, expansion of our Partnership for Religion and Education in Prisons (PREP) program, and teaching residencies at Drew for prophetic leaders.

Success so far through our *One and All Campaign*

As the 14th dean of Drew Theological School, I am deeply committed to continuing our long and distinguished legacy. To this end, our vision is innovative, forward-looking, and grounded in the practical needs of our students—we hope, too, that it is an inspiration to the various constituencies we serve. I fully subscribe to the inimitable words of Antonio Machado, that “we make the road by walking.” The road to this bright future we envision will be made by the dedication, determination, and generosity of those who love Drew and believe in its future.

Our vision is coming to light, in part, because of the generosity of our many alumni-donors and friends. Our *One and All* fundraising campaign has raised more than \$12 million to date for the

Theological School and has seed-funded many of our burgeoning efforts.

Also, I encourage our alumni to embrace your power of influence to help grow philanthropic support for Drew Theological School. Many of our largest gifts have come from the influence of alumni, particularly pastors who serve in our church communities. Yes, the needs ahead are many, yet our hope is high for a bright future for Drew Theological School. The road is made by walking. Let's walk it together.

The Reverend Dr. Javier A. Viera
Dean of the Theological School
Professor of Pastoral Theology

GOLDEN CROSS

Mission statement: *“Golden Cross is a faith-based program of Methodist Health System and the North Texas Conference of the United Methodist Church. Its purpose is to provide healthcare to persons who cannot afford it.”* (Revised, November 2005)

Background: As a division of Methodist Health System Foundation, Golden Cross Congregational Health Ministry is a unique mission program. Started in 1921 by a men's Sunday school class at First United Methodist Church in Dallas, Texas, this group of community leaders saw the need in Dallas to provide healthcare for those who could not afford it—in 1921 there was no Medicare or Medicaid. These men were Christian revolutionaries who wanted to make a difference. They saw the potential for outreach and growth of their vision if each member of each Methodist congregation would give \$1 per year to Golden Cross.

Benefits for North Texas Conference: For over 90 years, Golden Cross has been a powerful ministry based at Methodist Dallas Medical Center and serving the entire North Texas Conference of the United Methodist Church. Founders of Golden Cross united the North Texas Conference and Methodist Dallas in a partnership dedicated to providing free medical care, bringing together Methodist congregations, dedicated physicians, and caring individuals to provide for those in need.

Expansion of Golden Cross: As community needs changed in recent years, Golden Cross grew. Through resourceful initiatives administered primarily through the Methodist Dallas Golden Cross Academic Clinic, the program has expanded to serve thousands of North Texas residents each year.

In 2015, the Golden Cross board of trustees approved the expansion of the program to northern Dallas County and southern Collin County. Growth of Golden Cross is important as it promotes health and wellness to churches within the North Texas Conference.

MedAssist: In 2006, the Golden Cross board of trustees agreed to allocate available investment income to the development of a prescription medication program called MedAssist, which provides qualified patients with medications at no cost. Administered by healthcare professionals funded through Golden Cross, it provided significant services to patients in fiscal year 2015:

- 54 bridge medications were purchased for patients at a cost of \$5,211, as well as \$11,606 worth of medical supplies and equipment.

- 1,207 prescriptions were written for free medications provided by pharmaceutical companies at no cost. The retail pharmacy market value of these free medications is \$544,809.
- \$700 worth of teaching supplies were purchased, including food models focused on meat and vegetables; vision simulation glasses that replicate how seeing with cataracts or glaucoma would be for patients; as well as other health education material for patients with lower health literacy.
- More than 300 patient visits have been seen by the clinic's newly recruited nurse practitioner, including several affiliated with Methodist Health System's Accountable Care Organization who have been identified as high utilizers of the hospital's services and who do not have an established primary care provider.

Oversight: Guided by the mission of the Golden Cross Congregational Health Ministry, the board of trustees of the Golden Cross Division of Methodist Health System Foundation is charged with governing and directing the program's outreach and services. The Golden Cross board comprises dedicated clergy and lay members from North Texas Conference churches. They review program support annually in order to determine highest priority and best use of available funds and take seriously their responsibility to successfully manage the sacred trust of donors.

Important financial support: Golden Cross continues to need the support of all the churches within the North Texas Conference to realize and further its mission. North Texas Conference churches are encouraged to maintain and provide support for this important ministry by donating \$1 per member per year.

Individual contributions are welcome at Foundation.MethodistHealthSystem.org/Golden-Cross.

Call for more information: To access services, call the Golden Cross Academic Clinic at 214-947-6700. Additional information may also be found at MethodistHealthSystem.org/GoldenCrossClinic.

The mission of Golden Cross answers the call of Christ, "Heal the sick ... Freely you have received; freely give" (Matthew 10:8). Through the prayers and generous support of the North Texas Conference, Golden Cross will continue its ministry to those in need of quality health care.

G. David Neal, Chairman

2015 North Texas Conference Golden Cross Commitments

The following churches met the Golden Cross founders' original goal of \$1 per member per church:

| | |
|------------------------------------|------------------------------|
| Agape Memorial UMC | First UMC, Seagoville |
| Axe Memorial UMC | Forestburg UMC |
| Birthingright UMC, Sulphur Springs | Highland Park UMC |
| First UMC, Duncanville | Salem-Kinser UMC, Greenville |
| First UMC, Farmersville | St. Andrew UMC |
| First UMC, Garland | Tira UMC |
| First UMC, Irving | Umphress Road UMC |
| First UMC, Plano | University Park UMC |
| First UMC, Richardson | Walnut Hill UMC |
| First UMC, Rockwall | Webb Chapel UMC |

LYDIA PATTERSON INSTITUTE

Bishop and Members of the Conference:

It is with great respect and gratitude that I bring you a report from your institution on the US-Mexico border, Lydia Patterson Institute.

The past few years have been a time of change and preparation for the next 100 years. Since the celebration of Lydia Patterson's Centennial Celebration, the Board of Trustees, teachers and staff, students and parents and our committed supporters have been busy at work assuring that the next 100 years of "La Lydia" be even greater than the first. We commit to see Lydia Patterson continue to be a model ministry of the South Central Jurisdiction of the United Methodist Church.

We began with the kick-off of a capital campaign for the renovation of its facilities and the development of programs to meet the needs of the 21st Century. Phase I of the plan has been completed, and 14 classrooms have been renovated and equipped with the latest state-of-the-art infrastructure and technology. We have added a middle school with a unique program (ELPILearn) developed by our own staff and consultants in the field. The ELPILearn is designed to prepare the students to compete in a changing world of technology, math and science. It provides a sophisticated method of teaching English resulting in students learning twice as fast. The ELPILearn was carried forward to the 9th and 10th grades this year, and in the final phase, it will be introduced in the 11th and 12th grades next year.

Lydia Patterson is about touching lives. It takes students of very limited resources and with very little hope for a good education and provides them with the tools just described to become well prepared for a better life. Lydia Patterson is about serving. Students are prepared to serve their communities, the church, and their neighbor. Students in the Lay Ministry Program are serving in internships throughout the country. Many have chosen to go to seminary and others are already serving as local pastors.

Challenges never cease to exist at LPI. Just as we bounced back from a slight drop in enrollment due to crime and violence across the border and changes in the student visa regulations, we are now faced with the daily devaluation of the Mexican peso. Parents struggle to meet tuition, and we depend on the generosity of our Methodist community to provide financial assistance through scholarship giving so students can remain in school.

I wish to offer a word of appreciation for your apportionments paid for the daily operations of the school. Your support of our capital funds campaign will enable us to continue our service to those less fortunate and to the church in general for another century. Students travel for 2-3 hours from their homes to walk over the international bridge and walk to the school every day. If we manage to send 98% of these students to college, I believe the return on our investment is pretty high.

At Lydia Patterson we are doing what the church has asked. We are forming bilingual, bicultural leaders and disciples of Jesus Christ for the transformation of the world. We are changing 435 lives daily, all for the glory of God. Thank you for being a part of this redemptive ministry.

Respectfully, Socorro de Anda, President

METHODIST CHILDREN'S HOME

Greetings from Methodist Children's Home (MCH) and the children, youth and families we serve. Our ministry is possible thanks to the support of our many benefactors and friends, including those from the North Texas Annual Conference. I am honored to report to you that MCH continues to be in compliance with and, in many cases, exceed best practice standards for childcare established by the states of Texas and New Mexico as well as the Council on Accreditation (COA), an international accrediting organization of child welfare, behavioral health, and community-based social services.

I invite each member of the annual conference to visit our website at www.MCH.org to view our strategic plan, annual report, or explore in more detail our mission. Guided by our core values of Christian Principles, Relationships, Responsibility, Growth, Service and Hope, MCH provides the services, programs and talented individuals needed to positively impact the lives of children, youth and families throughout Texas and New Mexico. This is happening every day through residential programs on our historic Waco campus and Boys Ranch, located just outside of Waco, as well as through 12 MCH Family Outreach offices, including the Dallas area.

The reasons children and youth arrive in our care are unique to each individual. They range from extreme trauma or a sudden change in the family structure to school issues or poor choices in a difficult and ever-changing world. Our collaboration with Texas Christian University's Institute of Child Development to incorporate Trust-Based Relational Intervention (TBRI) as well as other best-practices into our daily programs keeps MCH on the cutting edge of childcare. These proven and tested techniques and methods of interacting with children are impacting families in positive ways. Our vision remains to share what we learn in serving the children and families from "hard places in life" with pastors, youth ministers and concerned family members in the local church because MCH knows you are encountering similar situations as well. The lessons we are learning, coupled with spiritual development opportunities for all children in our care, make MCH a unique ministry of the United Methodist Church.

Throughout the past year, MCH marked our 125th anniversary of ministry by commemorating the past, celebrating the present and creating the future. As we look back and see how far we have come since 1890, we are grateful for the clear way God has led MCH through these years in our mission to "offer hope to children, youth and families in a nurturing Christian community."

Through the generosity of our benefactors, the prayers of our friends and supporters, and the commitment of a skilled community of MCH employees, here are some of the things you helped MCH accomplish for God's glory and those we serve:

- Celebrated 125 years of ministry through a number of special events, highlighted by our anniversary celebration on October 10 in Waco. Special guests Chip and Joanna Gaines, elected public officials, Board members, volunteers, alumni, staff, young people, and benefactors came together to honor the work God has done through MCH since 1890.
- Completed a bold five-year strategic plan that has helped chart a bright future for this ministry. Our leadership team is working on a new plan to further challenge MCH to serve the needs of more children, youth and families from Texas and New Mexico.
- Started building the first new home on our Waco campus in more than 50 years.
- Earned a four-star rating from Charity Navigator, their highest rating available. This designation comes as the result of our close oversight in areas of our fundraising, operations and financial management.

- Assisted 25 young people in graduating from our University of Texas – University Charter School on the Waco campus and other public school systems. Thanks to our many friends who made annual gifts to our general scholarship fund or designated monies from their estates for scholarships, approximately \$500,000 was available to assist more than 100 MCH alumni in pursuing advanced education degrees and certificates.
- Announced plans to open new MCH Family Outreach offices in Killeen and Bryan/College Station, Texas, and Las Cruces, N.M.
- Enjoyed a great year for our athletic programs, Ag Science/FFA and Environmental Studies programs and other extracurricular activities. Our MCH Bulldog football team reached the state finals and we enjoyed one of our best years on record at the Heart O' Texas Fair & Rodeo. We believe these extracurricular activities are powerful ways to help teach our young people responsibility and enable them to gain a sense of belonging in our nurturing Christian community.

Our achievements in the past, and those yet to come, are directly related to the men and women who give their time, talents and resources to bless our children. The following individuals from the North Texas Annual Conference serve on the MCH Board of Directors:

Mrs. Amy Barley, Celina
Rev. Marie Mitchell, Grand Prairie

These individuals, along with other Board members, MCH Commissioners, and benefactors, enable our ministry to achieve its mission. On behalf of Methodist Children's Home, thank you for sharing our story in your churches and communities. If you would like to schedule a speaker, arrange a tour, or request resources to help promote an offering, contact our development office by e-mail at development@MCH.org, by phone at (254) 750-1213 or (800) 853-1272, or by mail at 1111 Herring Avenue, Waco, Texas 76708.

I again encourage you to visit our website at www.MCH.org to download stories; identify resources to help educate your congregation on our ministry; view a transparent listing of our financial resources and services delivered; find out how you can refer a child for placement; or learn more about a call to serve our ministry as a home parent, foster parent, or in another capacity as we seek to offer hope to those in our care.

This year MCH asks the Annual Conference to once again review the content of our Statement of Covenant Relationship. This document is included in the legislation section of the workbook. It defines how MCH and the Annual Conferences of Texas and New Mexico operate independently but also toward a common mission. MCH has a policy instituted by our Board of Directors requiring that we review the Statement of Covenant Relationship every four years. The only changes involve the realignment in the number of Annual Conferences from Texas and New Mexico which resulted in our Board membership decreasing by one member. The document also reflects the new name of the Rio Texas Conference.

As we now celebrate our 126th year of ministry, MCH knows our service to children and families is possible because of God's amazing grace and our generous benefactors. Thank you for your trust and support of our ministry. May God continue to bless you, the ministries of the North Texas Annual Conference and Methodist Children's Home.

Sincerely, Tim Brown , President/CEO

METHODIST HEALTH SYSTEM

Guided by the founding principles of life, learning, and compassion, Dallas-based Methodist Health System (Methodist) provides quality, integrated healthcare to improve and save the lives of individuals and families throughout North Texas. Seven hospitals, including four general acute-care hospitals and three specialty hospitals, and 28 Methodist Family Health Centers and Medical Groups are part of the nonprofit Methodist Health System, which is affiliated by covenant with the North Texas Conference of The United Methodist Church.

In fiscal year 2015, Methodist provided nearly **\$109 million in non-reimbursed charity care**, as well as a number of other community benefits, far exceeding its requirements as a nonprofit health system. Methodist is an organizational cornerstone of voluntarism that brings together hundreds of individuals in its service area who donate many thousands of hours to serve those in need of healthcare services. Methodist's nonprofit general acute-care hospitals and healthcare programs include the following:

Methodist Dallas Medical Center is a 585-bed teaching hospital and regional referral center—the flagship of Methodist Health System. A critical safety-net hospital, Methodist Dallas has one of only three Level I adult trauma centers in Dallas County and it is the only one in southern Dallas County. The medical center's emergency department treats more than **60,000 patients annually**, including admitting more than **1,800 trauma patients**. Because of the growing demand for emergency, trauma, and critical care services in North Texas, Methodist Dallas opened the \$121-million Charles A. Sammons Tower in July 2014. The Sammons Tower expansion provides the hospital with increased capacity to treat **90,000 patients annually through the emergency department**.

The Joint Commission–accredited hospital provides a wide range of services including trauma, neurosurgery, transplantation, oncology, orthopedics, and women's health to name a few. Advanced clinical designations include Level I Trauma Center, Level III Neonatal Intensive Care Unit, Advanced Primary Stroke Center, Best Practice Model Hospital for Kidney Transplant, and a General Surgery Epicenter for robot-assisted liver and pancreas procedures — the first in the world.

Methodist Charlton Medical Center is a 317-bed acute-care hospital providing full-service quality care to the Best Southwest communities of far southwest Dallas County. This Joint Commission–designated hospital is proud to offer the latest in medical technology and innovative treatments through a variety of specialties, including award-winning cardiology services. In March 2016, Methodist Charlton opened a new 32-bed intensive care unit with state-of-the-industry technology for the most medically fragile patients.

The 254-bed **Methodist Mansfield Medical Center** opened in December 2006, offering high-quality care to the growing city of Mansfield and its many surrounding communities. The Joint Commission–designated hospital offers 33 specialties, including women and children's services, neonatal intensive care, cardiology, gastroenterology, orthopedics, neurosurgery, physical medicine, emergency care, and wound care to name a few. In December 2015, a \$118 million expansion created a second patient care tower adding 86 new beds, operating rooms, gastroenterology suites, and the Amon G. Carter Foundation Heart and Vascular Center for advanced cardiac care.

Methodist Richardson Medical Center's new 242-bed acute-care hospital is located at President George Bush Highway and Renner Road. It opened in April 2014 and serves residents in Richardson, Garland, Murphy, Plano, Sachse, Wylie, and the surrounding areas. This technically

advanced facility complements the existing Methodist Richardson Cancer Center, emergency department, and physician office building. It is staffed by physicians in more than 35 medical specialties and features a Level III Neonatal Intensive Care Unit; labor, delivery, and recovery suites; a range of women's services; and advanced cardiac care, including catheterization procedures, electrophysiology, and surgical services. The Society of Cardiovascular Patient Care awarded Methodist Richardson Cycle IV Chest Pain Center accreditation.

In February 2015, Children's Health™ and Methodist Richardson Pediatric Services opened a 12-bed pediatric inpatient unit that offers care for newborns to patients 18 years old with conditions such as bacterial and viral infection, gastrointestinal and respiratory disorders, and much more. In addition, the hospital added diagnostic equipment including 3-D mammography, endobronchial ultrasound, and an additional 64-slice CT scanner for emergency stroke diagnosis and treatment.

Methodist Richardson Medical Center—Campus for Continuing Care located on Campbell Road includes two medical plazas, as well as 205 licensed beds with a full-service emergency department, behavioral health and addiction recovery unit, and ancillary services. This campus will also offer after-hospital care managed by a third party for patients who are discharged from the hospital but not yet ready to care for themselves at home. It serves residents of Richardson, Plano, North Dallas, and the surrounding communities.

Methodist's Golden Cross Congregational Health Ministry is a unique, specialized practice of professional nursing focused on the promotion of health within the context of the values, beliefs, and practices of a faith community. The ministry works to assess the congregation's needs and abilities, plan programs, and implement those programs to promote health and wellness. Over the years, the program has grown to include 60 local partnering congregations in the Methodist Dallas and Methodist Charlton service areas, as well as any North Texas Conference United Methodist congregations who request services. The focus and purpose of these partnerships is to intentionally promote and enhance whole-person health (body, mind, and spirit) in these congregations.

Methodist Family Health Centers and Medical Groups

With the growing need for access to primary care physicians, Methodist committed itself to answering this call. As an integral part of its long-term growth, the health system invested in the placement of Methodist Family Health Centers and Medical Groups at strategic locations throughout its service areas. Today, 28 Family Health Centers offer extended family care and general medical services across North Texas.

The crosses on top of Methodist Dallas, Methodist Charlton, Methodist Mansfield, and Methodist Richardson Medical Centers symbolize the lifesaving legacy of Golden Cross and the compassion and concern that are the daily standard of service for Methodist Health System. Together with the North Texas Conference, Methodist Health System will continue to serve as a beacon of Christian caring throughout the region.

MOUNT SEQUOYAH CENTER, INC.

The future is bright:

Mount Sequoyah has written commitments to provide facilities and pursue a partnership with UA Wesley ministries through December 31, 2019. The goal is to solidify a relationship with college age people and expand that relationship across the jurisdiction, making Mount Sequoyah's facilities a destination for religious training and spiritual formation.

Mount Sequoyah completed an intensive review of its mission and future potential conducted by United Methodist Elders, Pamela J. Harris and Garrie F. Stevens, of Run River Enterprises, a consulting firm. The review process included three two-day work sessions that were well attended by staff and Trustees. As a result, Mount Sequoyah has undertaken the task of refocusing its purpose and mission in an effort to identify unique areas in which it can develop training programs to equip clergy and laity with the tools, technology, and skills that will be necessary to reach the mission fields twenty or thirty years in the future and required to resolve conflicts likely to be faced by our clergy and within our churches.

The future is secure:

Mount Sequoyah is financially secure. In exchange for negotiated price increases, Mount Sequoyah orally committed to provide our largest corporate client training facilities, food service and housing through the year 2017 with full expectation to continue into 2018. The rents are fixed through 2017.

A \$550,000 payment is due from American Tower for a 30-year cell tower site lease.

Fayetteville Cottage is leased from August 1 through December 31, 2019 and 1011 Skyline (former District Superintendent's House) is leased through January 2017 with a verbal commitment to extend through January 2018.

Three Host Family houses are leased through May 31, 2017.

A \$100,000 increase in events and programming revenue and an increase of \$75,000 in contributions are projected for 2016. A Development Officer has been hired.

Long-term debt is \$275,000 and the Line of Credit is currently \$105,000. Cash equivalent assets of \$300,000 are held by the United Methodist Foundation of Arkansas.

Mission accomplished:

Witnessing through our actions, our words, and our presence, that is what Radical Christian Hospitality is all about.

Mount Sequoyah extended Radical Christian Hospitality to Christian motorcycle groups, including two groups from Texas, attending Fayetteville's Annual Bikes, Blues, and Barbecue Festival. The Faith Riders shared the gospel with 1063 persons and prayed with 90 persons who asked for forgiveness and to receive Christ as their Lord and Savior.

By extending Radical Christian Hospitality to youth, Mount Sequoyah touched the lives of over 700 youth who participated in swimming lessons, swim teams, tennis lessons and tennis teams, Kanakuk KampOut, youth mission camps, and group events.

Radical Christian Hospitality cemented a partnership between Mount Sequoyah and UA Wesley Ministries resulting in making our campus a second home to college students from across the South Central Jurisdiction. Our unprecedented family environment attracted over 200 parents from Texas as overnight guests while visiting.

Radical Christian Hospitality celebrated the marriage of thirty-two couples as they pledged their lives and hearts to each other on our beautiful campus under the Lord's ever-watchful eye.

Radical Christian Hospitality welcomed 30,052 guests for overnight stays and provided 18,378 delicious meals prepared by our own chef. Included in the numbers were 61 different Church groups, 13 family reunions, and 29 groups from regional colleges and universities.

Radical Christian Hospitality, coupled with our Christian Education and Spiritual Formation Coordinator, a United Methodist Diaconal Minister, produced religious education programs and workshops that attracted jurisdiction wide participation and a Lay Servant Academy praised because of its structure and skilled presenters.

Radical Christian Hospitality was the catalyst to reestablish our in house food service. Chef Curt Harcourt received rave reviews from all guests. Some refer to our Dining Hall as “Curt’s on the Hill” a take off on a well-known local restaurant, the “Inn at the Mill”.

Radical Christian Hospitality resulted in year-end positive cash flow for the past three years and the receipt of over \$710,000 in contributions during said period to remodel and upgrade facilities.

Radical Christian Hospitality resulted in groups seeking Mount Sequoyah as a designation of choice resulting in events and programs already booked throughout the years 2017, 2018 and even one event in 2019.

Closing: The future looks bright as Mount Sequoyah plants seeds that, with God’s blessings, will in the near future transform the world for Jesus Christ.

Lamar Pettus, Executive Director

PERKINS SCHOOL OF THEOLOGY SOUTHERN METHODIST UNIVERSITY

Perkins celebrates our vital connections with the North Texas Annual Conference:

- Seventy-four students affiliated with the North Texas Conference are enrolled at Perkins, including: 54 Master of Divinity students, five Doctor of Ministry students, four Master of Theological Studies students, four Master of Arts in Ministry students, two Master of Theology students, and five students whom haven’t yet chosen a degree program.
- Eligible 2015–2016 students from the North Texas Conference each received a Perkins Annual Conference Endowment (PACE) grant in the amount of \$2,000, with qualifying students receiving an additional \$6,000 each in need-based aid.
- A total of 23 Perkins students have been placed as interns within the North Texas Conference this year.

Enrollment at Perkins for the 2015–16 academic year totals 365 students, of which more than two-thirds are United Methodist and more than 40 percent are ethnic minority students. Master’s degree programs comprise approximately 53 percent male and 47 percent female students. The D.Min. program includes students from southern Asia taking classes in Singapore and Dallas. Our Ph.D. program has 32 students.

Dr. O. Wesley Allen Jr. (Ph.D., Emory) joined the Perkins faculty as the Lois Craddock Perkins Chair in Homiletics in August 2015. He previously was a professor of Homiletics and Worship at Lexington Theological Seminary. Dr. Allen is president-elect of the Academy of Homiletics.

Dr. Evelyn L. Parker (Ph.D., Northwestern), Associate Dean for Academic Affairs at Perkins, was appointed to the Susanna Wesley Centennial Chair in Practical Theology at Perkins. This chair was made possible because of a gift of \$2 million in endowment funds plus \$100,000 a year for the first five years of operations, from an anonymous donor, who transmitted the gift through the Texas Methodist Foundation.

Dr. Priscilla Pope-Levison (Ph.D., University of St. Andrew's) joined Perkins as the school's Associate Dean for External Programs. She will supervise all of the program directors and units at Perkins with areas of responsibility for non-degree continuing education, certification, outreach to youth and other initiatives. Dr. Pope-Levison came to Perkins from Seattle Pacific University, where she was a professor of Theology and assistant director of Women's Studies.

As part of SMU's "Operational Excellence for the Second Century" (OE2C) initiative, Perkins streamlined its organizational structure in early 2015. Dr. Tom Spann was named director of the Perkins Intern Program, succeeding Dr. Bill Bryan, who was named to the newly created position of Associate Dean of Student Affairs.

Dr. Paul Barton (Ph.D., Southern Methodist University) was named director of the Mexican American and Hispanic-Latino/a Church Ministries Program. In addition, he will serve as director of the Regional Course of Study School. Dr. Barton is a clergy member of the Rio Texas Conference. He previously was an associate professor in the history of American Christianity and Missiology and director of Hispanic Church Studies at Seminary of the Southwest in Austin.

Highland Park United Methodist Church provided a \$1.5 million gift to Southern Methodist University that endowed the Umphrey Lee Professorship in Methodist History at Perkins as well as supported the HPUMC Future Church Leaders Program.

The Center for the Study of Latino/a Christianity and Religions at Perkins was awarded a \$500,000 grant by The Henry Luce Foundation's Theology program. The three-year grant will significantly expand the Center's work in promoting an understanding of the different religious expressions within the Latino/a communities in the United States and in Latin America.

Perkins unveiled a new degree option, the Master of Theology (Th.M.), which began enrolling students in the Fall 2015 semester. The Th.M. degree is a second master's and requires 24 term hours within one of four divisions of study: The Biblical Witness, The Heritage and Context of Christianity, The Interpretation of the Christian Witness, and The Theology and Practice of Ministry.

Additionally, Perkins revealed that it will begin offering a Spanish-language Master of Theology (Th.M.) degree beginning in fall 2017. The degree, the first of its kind among the 13 United Methodist-related schools of theology, will be a nonresidential program designed for experienced full-time pastors or church/academic leaders.

Perkins also announced the creation of a first-of-its-kind degree, the Doctor of Pastoral Music, which will begin enrolling students in 2016. Areas of focused study will include liturgy, congregational song, worship leadership, performance skills, and the theological basis of church music.

Perkins thanks our many colleagues, friends, and alumni/ae across the connection for generous support in many ways, including referrals of prospective students, as we continue our vital mission of preparing women and men for faithful leadership in Christian ministry.

I will retire as Dean of Perkins School of Theology on May 31, 2016. It has been my privilege to serve in this capacity since 2002. In our mission to prepare women and men for faithful leadership in Christian ministry, the students who have passed through the halls of this school and into the world of ministry are the focus of our work. I am honored to have been a part of their journey.

Grace and peace, William B. Lawrence
Dean and Professor of American Church History

PROVIDENCE PLACE

On behalf of our Board of Directors, staff, and those on our campus who are working hard to achieve their own personal levels of success, I thank you—Bishop Michael McKee and the members of the North Texas Annual Conference—for your dedication in partnership with the ministry of Providence Place. By God’s grace, we celebrated our 120th anniversary in 2015 thanks to the committed support from individual donors and United Methodist Churches.

Providence Place provides a safe haven for those who have felt excluded. We offer adoption services to women who are in crisis and facing an unplanned pregnancy, as well as those who are looking to open their hearts and homes to a child in need of a forever family. We also have our Center for Higher Independence (CHI), which is a transitional program for young adults with cognitive or physical disabilities. Here, we offer independent living and vocational training to students who may not have realized their full potential and capabilities, believing that they will find themselves accomplishing things they never thought were possible.

The past year has been a year of transitions for Providence Place. From a transition in leadership to transitions throughout our programs, we see God’s hand at work. For example, we have transitioned our expectant mothers to an off-campus apartment around the corner for a more private and comfortable experience. We have seen a rise in post adoption inquiries, with past clients wanting to piece together their life story. The curriculum has been expanded in the CHI classrooms, with more vocational training tracks being offered to help students realize where they can excel. Texas state licensing standards requirements have changed so that there is now a lower instructor-to-student ratio, which allows for much more personal and specialized lessons. In June of 2015, twenty-six young adults graduated from CHI and begin applying all they had learned while either continuing to live here in San Antonio or after moving back to their hometown—80% of those students had found employment at the time of their graduation.

A need to review our Mission, Vision and Core Values was felt across the campus. There was a calling to begin this ministry over 120 years ago, and I feel these accurately describe the way in which we wish to deliver hope to those we connect with. I would love to share them with you now:

Mission Statement: Providence Place is a non-profit and for-purpose organization fostering opportunities. We empower adults with disabilities and people on the adoption journey by supporting independence and building bright futures with endless possibilities.

Vision Statement: Imagining possibilities and eliminating barriers in an ever changing world.

Core Values: Grace, Wholistic Care, Authentic Presence, Openness of Spirit and Value of Human Capital.

In January of 2016, we introduced our new Chaplain, Carrie Land, to our Providence Place family. Carrie is currently on track to become an Elder in Full Connection in the United Methodist Church. She has worked with Providence Place in the past through her previous position as a DARS (Department of Assistive and Rehabilitative Services) Counselor, where she would refer young adults with disabilities to our program. Carrie has great plans for the spiritual community here on campus, with her first being to revitalize a worship service that welcomes all expectant mothers, students and staff during the week. We are beyond thrilled to have her join our team.

I would also like to take the time to recognize those from the North Texas Conference who give of themselves, their time and resources to serve on the Providence Place Board:

Board of Directors

Mr. Tom Giltner, Dallas
Mrs. Catherine Tunks, Garland

Honorary Board Members

Rev. Dr. Joan Gray LaBarr, Carrollton
Mrs. Louise Taylor, Paris

I invite you to schedule a tour of our beautiful 23 acre campus, coordinate a volunteer mission trip, arrange a speaker for your congregation or church group, or request offering materials for an annual congregational offering. Contact our Development Office at (210) 696-2410 or at info@provplace.org. Please visit our website at www.provplace.org to learn more about this special ministry and to hear first-hand stories from those we have served.

With a grateful heart, Judith Bell, President & CEO

SAINT PAUL SCHOOL OF THEOLOGY

www.spst.edu

Kansas City Area Campus
Saint Paul: Church of the Resurrection
4370 W 109th St, Suite 300
Overland Park, KS 66211

Oklahoma City Area Campus
Saint Paul: Oklahoma City University
2501 North Blackwelder
Oklahoma City, OK 73106

Saint Paul School of Theology is a seminary of the United Methodist Church that educates leaders to make disciples for Jesus Christ, renew the Church, and transform the world. We are one institution with two campuses, in Oklahoma and Kansas.

This past academic year, Saint Paul enrolled 199 students from 14 annual conferences and 6 countries on both campuses. The Course of Study School at Saint Paul served 222 students in four Midwest locations.

The Saint Paul Board of Trustees named Dr. Nancy Howell, Saint Paul Professor of Theology and Philosophy, as the Acting President this spring. Her term began March 2 as Rev. H. Sharon Howell retired. Dr. Nancy Howell brings multiple years of experience serving in administration.

Saint Paul and Kansas Wesleyan University signed a Memorandum of Understanding for a 3+3 theological studies undergraduate-graduate program. The agreement is thought to be the first of its kind to be established between a United Methodist-based university and a United Methodist seminary. Under this arrangement, Kansas Wesleyan students condense the four-year course of study for the Christian Ministry major into three years, followed by the completion of the three-year Master of Divinity degree at Saint Paul. The 3 +3 program with Kansas Wesleyan will begin Fall 2016. 3+3 collaborations with other undergraduate institutions are currently in discussion.

Dr. Young-Ho Chun is serving as the Director of Asian Studies for Saint Paul. He is currently recruiting the 4th Korean Doctor of Ministry track of students. The model of theological education designed for this highly successful and unique program is currently being considered by other global communities.

Saint Paul will offer two fully online courses starting fall 2016 and two in the spring semester of 2017. We will continue to offer popular hybrid courses as well as video link every course between our two locations.

Two new components in the MDiv program are practicums taught by ministry practitioners and off-campus spiritual formation retreats. Practicum offerings include such real-life skill areas as budgets and finance, funerals and ministry with children. Spiritual formation retreats deepen students' spirituality for a lifetime of ministry.

The Fellows program equips candidates called to full-time ministry with academic formation and real-life pastoral experience. The award covers tuition, books, and fees for three years. Each Fellow will receive a pastoral mentor and a student appointment with a stipend to cover living expenses.

The Oklahoma Campus had its second recognition dinner celebrating eight years of seminary excellence in Oklahoma. The Celebrate Saint Paul dinner has become an annual event including the Bishop Robert E. Hayes, Jr. Leadership Award.

The trustees, faculty, staff, and students of Saint Paul thank you for your interest, prayers, and support.

SOUTH CENTRAL JURISDICTION

The time for the 2016 Jurisdictional Conference is near. The thirteenth session of the South Central Jurisdictional Conference since unification in 1939 will be in Wichita, Kansas, July 13–16. Business sessions are at the Hyatt Regency Hotel and worship services at First United Methodist Church.

There are three bishops to be elected. Fifty-two bishops have been elected since 1944. The opening worship on Wednesday evening, July 12, will be a memorial service and Holy Communion.

There will be 216 voting delegates to this Conference. That is fifty fewer than 2012. Election of a bishop requires 60% of valid ballots cast to be elected. That would be 130, if all delegates vote on a ballot. Any elder in good standing in The United Methodist Church is eligible for election.

The Conference will hear reports from the institutions and agencies of the Jurisdiction, including Southern Methodist University, Lydia Patterson Institute and Mount Sequoyah Retreat Center. Trustees for these groups will also be elected.

The Mission Council, with a representative from each of the Annual Conferences, will report, and will nominate Rev. Brian Bakeman as the new Executive Director of the Mission Council. Dr. David Severe, after eleven years in that position, is retiring after this conference.

The public is welcome to come and observe the conference. Registration will be open in March, and the link to it will be on the Jurisdiction website at www.scjumc.org.

David Severe, South Central Jurisdiction Executive Director

SOUTHERN METHODIST UNIVERSITY

Over the past five years, Southern Methodist University has celebrated the centennial of its founding in 1911 by the Methodist Episcopal Church, South, and its opening in 1915. Highlights of recent developments follow:

- In fall 2015 SMU's total enrollment of 11,643 included 6,411 undergraduates and 5,232 graduate students. Ethnic minority students made up 26 percent of total enrollment. An international enrollment of 1,652 represented 92 foreign countries, with the largest numbers from China, India and Saudi Arabia.
- SMU ranks among the nation's top universities. In the 2016 *U.S. News & World Report* listings, SMU ranks 61st among 270 of the "best national universities." Several individual schools and academic programs also earned national rankings.
- SMU received \$26 million in external funding during 2014-15 for research in the U.S. and worldwide. Current research subjects include water quality, natural hazards, cyber security and treatments for cancer and other diseases.
- SMU Unbridled: The Second Century Campaign reached its \$1 billion goal ahead of schedule in Sept. 2015. It provided funds for 607 student scholarships; 62 endowed faculty positions, making a total of 114; 66 academic programs, including major endowment support for two schools; and 18 capital projects, including new and renovated facilities.
- The Meadows Museum at SMU celebrated its 50th anniversary in 2015 with exhibitions never before seen in the U.S. The museum houses one of the largest and most comprehensive collections of Spanish art outside of Spain.
- Perkins School of Theology provides special programs for the Texas Annual Conference. The Houston-Galveston Extension Program enables students to begin master's degree studies through weekend and evening classes in Houston and Galveston and complete their degree requirements on the Dallas campus. In addition, the Houston Lay School of Theology offers classes taught by Perkins faculty at St. Paul's United Methodist Church each February and August.

SMU treasures its Methodist heritage, and we ask for your continued prayers and support.

R. Gerald Turner, President
Southern Methodist University

SOUTHWESTERN UNIVERSITY

As I complete my third academic year as President of Southwestern University, I am honored to turn one page of Southwestern's storied history and gaze upon the horizon of possibilities that is our next 175 years. Throughout this milestone year, we reflect on the expansive creativity, passionate pursuit of knowledge, and steadfast resilience of this University as a whole and as a composite of the many individuals who have contributed to Southwestern's success.

In August, Southwestern welcomed 423 entering students bringing the total enrollment to 1,538. Highlights of this class include 15% from outside the state of Texas and 42% identifying as non-Anglo. I was pleased to have had the opportunity to visit personally with prospective students and their families at the 21 events hosted on campus this year.

On February 5, 2015, Southwestern University celebrated the 175th anniversary of its original 1840 charter in a big way! The day began by marking the 65th anniversary of the Lois Perkins Chapel with an organ concert and Chapel service followed by students, faculty, staff, alumni, trustees, and community members gathering on the Academic Mall to form a giant "175", captured in an aerial photograph. Finally, the crowd of nearly 1,100 enjoyed a huge birthday cake, live music by the SU Jazz Band, Congressional proclamations, the presentation by students of an empty time capsule that was filled and buried on February 5, 2016, and the announcement of Southwestern's largest-ever single gift of \$5.1 million from Margaret S. Odiorne, the widow of **Truman J. Odiorne** '66.

Last year marked the completion of our Phase I renovation of the Fondren-Jones Science Building, which will pave the way for a remarkable future for our students. Southwestern's annual Research and Creative Works Symposium, "From Every Voice," continues to yield a high level of participation and offers an undergraduate presentation experience that is second to none; and Paideia Connections invites our campus and local community to think, create, and connect ideas across disciplines in an exercise of reason and problem solving.

Southwestern also inaugurated the "President's Thinking Symposium on Living, Learning, and Leading." As part of my experimental course, "Effective Thinking and Creative Puzzle-Solving," my class hosted noted guests from around the country who described the "puzzles" of their professional careers, the practices of mind they use to resolve them, and led thought-provoking conversations on the meaningful and life-changing experiences that have shaped their lives.

As I reflect on this past year, I am honored to bear witness to the power of Southwestern: a catalyst of creative thinking and experience that occurs when engaged minds come together.

2015 Accolades

- Three Fulbright Scholarship recipients were among our Southwestern family. Two students and one faculty member will have the opportunity to pursue their respective research interests around the globe.
- *USA Today*, *US News*, *Washington Monthly*, and *World Report* ranked Southwestern as the top national liberal arts college in Texas.
- *Princeton Review* ranks Southwestern in its Top 200 "Colleges That Pay You Back." Southwestern's Career Services rank 12th in the U.S. and best in Texas in *The Princeton Review's* latest book, *The Best 380 Colleges: 2016 Edition*. This is the fourth time since *The Princeton Review* began ranking career centers in 2008 that SU Career Services has been ranked in the top 20 nationally.

- Kiplinger's *Personal Finance* names Southwestern a "Best College Value."
- Southwestern is one of 44 colleges and universities in the country to be named a "Best Buy" school in the 2015 edition of the *Fiske Guide to Colleges*.
- EPA names Southwestern the 2014-2015 College & University Green Power Conference Champion for the fifth year in a row.

Academics

- Southwestern University's Paideia provides students with an educational experience that is interdisciplinary, integrative, and intentional. Eleven clusters are currently established to engage 900 first-year and sophomores students and 87 faculty members. Four Paideia Seminars are in process or have recently concluded, and three more are scheduled for the spring 2016. Eighteen faculty have developed courses that include community-engaged learning, 28 students have received support for intercultural learning in study abroad programs, and 12 students are participating in a living-learning community in our Global Engagement Hall. Faculty development sessions continue to be central to Paideia through campus-wide workshops, cluster retreats, and the Dean's Teacher/Scholar sessions.
- New students had the opportunity to participate in the First Symposium this past fall, which showcases work resulting from the First-Year and Advanced-Entry Seminar experience.
- For the 15th consecutive year, the **King Creativity Fund** supported innovative and visionary student projects across the disciplinary spectrum.
- This fall, eight Southwestern students will serve as Community-Engaged Learning Teaching Assistants (CELTA's) for the SU Garden and Paideia clusters.

Faculty Achievements

Numerous Southwestern Faculty members were honored this year:

- Four faculty members published books in 2015.
- Four faculty members received Sam Taylor Fellowship awards from the Division of Higher Education of the Board of Higher Education and Ministry of the United Methodist Church for 2015 to support their scholarly work.
- Assistant Professor of Music and Artist in Residence Hai Zheng-Olefsky has been invited to perform her fifth Asia concert tour. She will bring her long time pianist Kiyoshi Tamagawa, Associate Dean of the Sarofim School of Fine Arts and Professor of Music, to celebrate their 20th season performing together.
- Therese Shelton, Associate Professor of Math, was presented with The Ron Barnes Distinguished Service to Students Award by the Texas section of the Mathematical Association of America (MAA) at their April 2015 Meeting. The award represents both a teacher's commitment to students and the respect from the teacher's peers. For more than 20 years, Shelton has been preparing students to give math presentations at external conference and professional meetings, including seven recent national presentations, one of which won a national award.

- Professor of Religion Elaine Craddock received a Fulbright grant to fund her research on transgender communities and Hindu temples in Tamil Nadu, India, during her spring 2016 sabbatical.
- Ben Pierce, Professor of Biology and holder of the Lillian Nelson Pratt Chair, was recently awarded a \$27,691 grant from the Williamson County Conservation Foundation to carry out research on the ecology of the Georgetown salamander. In the past five years, Pierce has received a total of \$131,557 for his research on the Georgetown salamander.
- Associate Professor of German Erika Berroth received a nationally competitive grant to participate in a faculty development summer seminar sponsored by the American Association of Teachers of German.
- Assistant Professor of History Jethro Hernandez Berrones was awarded the Hans-Walz prize by The Hans-Walz Foundation at the Robert Bosch Stiftung for his doctoral dissertation titled “Revolutionary Medicine: Homeopathy and the Regulation of the Medical Profession in Mexico, 1853-1942”. The institute awards the best monograph on the history of homeopathy every other year.

Student Achievements

Southwestern students also earned a variety of honors and awards in 2015. For example:

- Thirty-eight students were inducted into our chapters of the Phi Beta Kappa and Alpha Chi honor societies.
- Graduating seniors Shelby Beem and Lauren Gieseke were awarded Fulbright scholarships and selected to teach English in Germany and Bulgaria, respectively.
- Two first-year students, Deidre McCall and Matt Pagano, received Kemper scholarships in a year that saw the Kemper Corporation of Chicago cut the number of universities participating in its selective three-year program from 16 to 12; Southwestern not only remained in the program, but also received an extra scholarship.
- Students Grace Atkins, Riley Daniels, Hunter Jurgens, Savannah Medley, and Sosha Orbin all received two-year Hutton W. Sumners scholarships from the Dallas foundation.
- Ryan Galloway, a senior education major, won a Texas Association of School Personnel Administrators (TASPA) scholarship. It is the 16th year in a row that a Southwestern student has received the award—no other university in Texas has accomplished this achievement.
- Senior Amber Wallour received an Award of Excellence at the 35th annual Central Texas Art Competition and Exhibition for her oil on canvas “Lemming Season.”
- Music majors Rachel Childers, Michael Martinez, and Caleb Martin have been accepted to the College Band Directors National Association Small College Intercollegiate Band.
- Joanna Hawkins, December 2014 graduate, received the 2015 Odum Award for Undergraduate Research for her capstone paper titled, “A Risky Act of Social Justice: Health Care Workers Responding to Outbreaks of Ebola in Africa.” This is the top award for an undergraduate paper at the annual meetings of the Southern Sociological Society, and the seventh time in 10 years that a student from Southwestern has won.
- Isabella (Belle) Jo is the fifth Southwestern student since 2008 to receive the Critical Languages Scholarship (CLS) for China. CLS is a full scholarship to study languages that the State Department deems critical to the U.S. diplomacy.

- Junior music major Mattie Kotzur won a chair in the World Association for Symphonic Bands and Ensembles International Youth Orchestra. Competing among a group of international musicians, Mattie's flute audition won her the spot in the prestigious ensemble.
- Hewlett Packard, along with the National Center for Women & Information Technology (NCWIT), selected Natalia Rodriguez '15 as one of three inaugural winners of the NCWIT Collegiate Award. The award recognizes three undergraduate women for completing outstanding technical projects at the junior level or above. The senior computer science major was also recently selected to be the new student board member on the Board of Trustees for the Anita Borg Institute, a global organization dedicated to women in technology.
- Senior Marianne Brown will begin her seminary studies at Brite Divinity School in Fort Worth immediately after graduation. She is a member of the Central Texas Conference.

Athletics

Accolades earned by Southwestern student-athletes and coaches in 2015 included:

- Approximately one-third of the student body (500+/-) student-athletes participate in the University's 20-sport NCAA Division III Intercollegiate Athletic Program.
- For the fall 2015, the Athletic Department generated 42% of the total deposits for the University. Additionally, the Athletic Department generated 64% of the deposits for incoming male students.
- The net tuition revenue for student-athletes has consistently been higher than non-athletes; the rolling ten-year average differential is \$1,567.
- The student-athletes cumulative grade point average is consistent with that of non-athletes, both of which are slightly above 3.0. In the fall of 2015, 51 members of the football team had GPAs over 3.0 with 13 of the players being named to the Dean's List.
- The Athletic Department added several new head coaches in the fall of 2015, one of which is internationally renowned Women's Soccer Coach, Linda Hamilton. Coach Hamilton played for the United States World Cup Team for nine years including being a starter on the team that won the first World Cup for women. She joins five-time Olympian, Francie Larrieu Smith, in bringing world class expertise to the Athletic Department.
- The women's basketball team won the SCAC Championship last spring while the women's volleyball team won the championship this past fall. For volleyball, it marked their ninth trip to the NCAA National Tournament.
- The men's golf team is currently ranked 7th in the nation; last spring they finished 22nd in the nation at the NCAA National Men's Division III Golf Championships in Greensboro, NC.
- Late in the fall 2015 semester, the Athletic Department announced entering into a football-only affiliated membership with the America Southwest Conference, which will provide the football program with a guaranteed schedule in one of the strongest NCAA Division III football conferences in the country.
- Annie Bourne set a new SCAC Career Rebounding mark and was named SCAC Defensive Player of the Year.

- Lauren Boone comes from behind to win the 2015 SCAC Women's Golf Individual Title and is named SCAC Women's Golfer of the Year.
- Cozette Palmer posts the first ever no-hitter in SCAC Tournament history.
- Men's tennis makes its first-ever trip to the SCAC Championship match and sets a new SU record for wins in a season. Billy Porter earns SCAC Coach of the Year.
- Cody Taylor wins third consecutive Pole Vault championship as the first-ever athlete to accomplish this feat in SCAC history.
- Cody Hebert birdies the first hole of a three-man, sudden-death playoff to make the individual cut at the NCAA Championship.
- Will Cates was named SCAC Player of the Year; DIII Baseball All-America Honorable Mention, and CoSIDA Academic All-America Third Team.

Speakers and Symposia

- For the first time, the Race and Ethnicity Studies program hosted an interdisciplinary symposium during Martin Luther King Week. The symposium featured six Southwestern faculty members and Southwestern alumna Tara Leday '14 and focused on the research on race and racial discrimination.
- The 2015 Brown Symposium focused on how 3-D printing is changing the fields of sculpture, music, and medicine.
- The Representing Gender Paideia Cluster will be hosting the 11th annual ACS Gender Studies Conference on campus. The Conference will feature Dr. Banu Subramaniam, a professor of Women, Gender, and Sexuality Studies at the University of Massachusetts as the keynote speaker and 24 panel presentations from students and faculty across the globe.
- The Roy and Margaret Shilling Lecture Series will welcome Sister Helen Prejean to campus on April 19, 2016, as she presents "Dead Man Walking—The Journey Continues" detailing her personal experience as the spiritual adviser to death row inmate, Patrick Sonnier, as he awaited execution. Southwestern is participating in the "Dead Man Walking Project" dedicated to raising awareness about the death penalty in colleges and secondary schools.
- The University will celebrate its 172nd Commencement Convocation on May 7, 2016. Keynote speaker will be Janet H. Brown, Executive Director of the Commission on Presidential Debates (CPD). Ms. Brown has led the organization of 26 general election presidential and vice presidential debates at the CPD, a non-partisan, non-profit corporation that sponsors and produces televised presidential debates during each U.S. general election.

In Conclusion

I would like to take this opportunity to personally invite you to visit Southwestern and see first-hand this intellectual community that is thinking, creating, and connecting ideas to make meaning and make a difference.

Respectfully yours,
Edward Burger, President and Professor

TEXAS METHODIST FOUNDATION (TMF)

TMF is committed to helping individuals, families, congregations, and organizations steward their potential in order to achieve lasting change that will help create a better world. We ended 2015 with approximately \$505 million in assets under management. The measure of success, however, for all of our services—investments, loans, leadership ministry, strategic discernment, grants ministry, stewardship services, and legacy giving, including gift planning and church endowments—is in how effective they are at helping individuals and congregations fulfill God’s purpose, as together we work to make Christ’s love visible in the world.

John Thornburg, TMF Area Representative for the North Texas Conference, is the primary point of engagement between congregations (clergy and laity) and TMF and will continue to connect North Texas Conference constituents to resources relevant to their unique goals for missional growth in their congregations and communities.

TMF, headquartered in Austin, serves United Methodist individuals, churches, and agencies within the six annual conferences in Texas and New Mexico. We appreciate the opportunity to report some of the ways we served United Methodists last year.

Within the North Texas Annual Conference:

- Loans from TMF to churches in the North Texas Annual Conference totaled \$82.4 million at the end of 2015.
- Churches, agencies, and individuals within the North Texas Annual Conference had \$65.5 million invested with TMF’s Methodist Loan Fund/Individual Fund.

Throughout Texas and New Mexico:

- As of December 31, 2015, total assets under management by the Foundation were approximately \$505 million.
- Methodist Loan Fund investments ended the year at \$323 million, and our loan portfolio at \$314 million.
- TMF’s Undesignated Endowment grew from \$29.9 million to \$31.8 million.
- Our Leadership Ministry Endowment grew from \$5.6 million to \$5.8 million.
- TMF’s **Leadership Ministry** seeks to increase the effectiveness of church leadership by helping leaders gain a better perspective of their potential. The primary method by which we do this work is through facilitating transformational conversations; some take the form of on-going peer groups and others as stand-alone conversations around an adaptive issue. During 2015, TMF hosted 14 peer learning groups, involving 255 lay and clergy leaders, and has plans for at least four new groups in 2016. These groups include gatherings of the South Central Jurisdiction Bishops, District Superintendents, key cabinet leaders, Boards of Ordained Ministries, and groups focused on ministry with the poor, music in worship, senior pastors recently appointed to their first large church, transitions of leadership in tall steeple churches, as well as groups for Executive Pastors, tall steeple pastors and targeted groups to develop the next generation of leaders. In addition, TMF and the active Bishops of the South Central Jurisdiction hosted The Forum on Wesleyan Potential, a three-day conversation amongst leaders from different fields of experience and generations about the future of faith communities, a dialogue “less constrained by what is, and more encouraged by what could be.”

- In 2015, TMF **Grants** continued efforts to identify and invest in financially sustainable ministries that are creating measurable, systemic change. New questions and conversations explored institutional and entrepreneurial ministries and how we can help grant applicants address key issues, such as strategic planning, funding sources, and methods for measuring outcomes and effectiveness. TMF held a workshop in Albuquerque, New Mexico, to equip outreach ministries and non-profits with grant writing skills. During 2015, TMF made grants totaling approximately \$1.2 million. Of that total, an estimated \$956,000 came from unrestricted endowments and \$260,000 from TMF operations. The Grants Committee of the TMF Board of Directors determines distribution decisions for these discretionary funds. In 2015, 34% of grant funds were allocated to outreach ministries targeting systemic change; 27% targeted ministries which systemically benefit families living in poverty, particularly children; 27% of funds were granted to evangelism, especially those ministries connecting with segments of the population the church is not effectively reaching today; and the remaining 12% were used for scholarships.
- TMF distributed approximately \$1 million from **permanent endowments**, predominantly to United Methodist causes.

TMF Board members

TMF has submitted the following candidates for election and re-election to the TMF Board of Directors from the North Texas Annual Conference:

- Dr. Will Green, Layperson, three-year term (Dallas)
- Mr. Larry Haynes, Layperson, three-year term (Coppell)
- Rev. Owen Ross, Clergy, three-year term (Dallas)

TMF Board members previously elected by the North Texas Annual Conference include:

- Mr. Jim Adams, Layperson, currently serving through 2017 (Dallas)
- Mrs. Mary Brooke Casad, Layperson, currently serving through 2018 (Sulphur Springs)
- Mr. Joseph W. Holmes, Layperson, currently serving through 2017 (Plano)
- Dr. Jan Davis, Clergy, currently serving through 2018 (Rowlett)
- Rev. Katherine Glaze Lyle, Clergy, currently serving through 2016 (Dallas)
- Dr. Andrew Stoker, Clergy, currently serving through 2018 (Dallas)

TMF Board members from within the North Texas Annual Conference who are currently serving in an otherwise elected or advisory capacity include:

- Mrs. Patricia M. Deal, Senior Member (Wichita Falls)
- Mr. Robert Dupuy, Senior Member (Dallas)
- Dr. Will Green, At-Large (Dallas)
- Bishop Mike McKee, Senior Member (Plano)
- Dr. Clayton Oliphint, TMF Secretary (Richardson)
- Mrs. Kay Yeager, TMF Chair-elect (Wichita Falls)

Tom Locke, President

TEXAS UNITED METHODIST COLLEGE ASSOCIATION

The mission of the Texas United Methodist College Association remains strong. Our total distribution to the TUMCA schools for their scholarship use reflects an increase over last year. It is important to note that TUMCA funds granted to SMU, Southwestern, Texas Wesleyan, and McMurry are restricted to scholarships for deserving students from United Methodist congregations in Texas. No funds can be used for bricks and mortar. Many TUMCA scholars are first generation college students.

Thanks be to God and The United Methodist Church for TUMCA'S privilege to serve at this remarkable intersection of faith and learning. John Wesley is surely smiling because of the way in which TUMCA has "united the pair so 'oft disjoined, knowledge and vital piety."

TUMCA students are profoundly grateful for these critical scholarship funds. Among the many letters from appreciative TUMCA scholars is this quote, "I am the first of my brothers and sisters to go to college. My desire to go to a United Methodist school would not have been realized without my TUMCA scholarship. I love my school! The professors are terrific and chapel is really cool."

While the TUMCA apportionment is modest for any congregation, the impact of these funds is enormous: beyond the financial assistance, the recipients of the TUMCA scholarships receive hope, affirmation, encouragement, and the development of leadership and servant ministry skills that will serve the church as future clergy, laity leaders, teachers, and responsible business and community leaders.

TUMCA is an extension of a congregation's mission beyond its walls, affirming to our youth that their congregation will partner with them in the next chapter of their educational journey.

Dan E. Solomon, President
Texas United Methodist College Association

WESLEY THEOLOGICAL SEMINARY, WASHINGTON, D.C.

Called. Answered. Sent.

Wesley Theological Seminary has been equipping and sending forth prophetic preachers, teachers, and leaders into diverse ministries throughout the church and around the world. Near and far, our alumni point to God's love even as they join the Spirit in making disciples and shaping healthy communities.

- With more than 410 master's-level students preparing for leadership in the church and the world, Wesley remains one of the largest and most diverse theological schools in North America.
- The Lewis Center for Church Leadership informs more than 17,000 pastors and lay leaders on trends and ideas through its e-newsletter. The center has influenced more than 5,600 church leaders through leadership assessments, sexual ethics trainings, and fundraising trainings.
- The new Institute for Community Engagement is forwarding Wesley's mission of raising prophetic leaders in the public square through classes, partnerships, conferences, and resources.

Wesley Students Are Answering God's Call

Wesley provides **more than \$2 million dollars annually in scholarships** to our students thanks to the consistent support of alumni, congregations and friends of the seminary. The Ministerial Education Fund and conference partners help us equip a broad range of students to serve the church as pastors and leaders. These include:

- Two Master of Divinity students who are exploring ordination in the UMC that have created outreach opportunities for people who ordinarily would not consider going into a church. **Zach Spoerl** and **Matt Wilke**, working with three United Methodist Churches and Wesley, have started Pub Theology in downtown D.C., drawing spiritual-but-not-religious young adults into Christian community.
- Master of Theological Studies student **Jane Adams** is working with denominations and congregations on issues of poverty and hunger in the U.S. As an intern at the Center for Faith-Based and Neighborhood Partnerships at the U.S. Department of Health & Human Services, she provides tools for building on charitable activities such as food pantries and backpack ministries. As a member of a local United Methodist congregation, she's putting her knowledge to work in her local church and neighborhood, too.

Christian leadership must innovate for greater faithfulness and be able to engage the full diversity of people within our society even while holding true to the foundations of our faith and tradition. The people named above—as well as so many more of our students—exemplify these aims. Read more about our students at wesleyseminary.edu/stories.

Mourning the Loss of a Christian Leader

The Rev. Clementa Pinckney was a Doctor of Ministry student at Wesley in the Leadership Excellence track. He was working on a research project on the combined role of pastor and statesman, when his life was taken along with eight others at Mother Emanuel AME Church in Charleston, S.C. **Rev. Pinckney exemplified the spiritually powerful and prophetic leadership that is at the core of our mission.**

To ensure Pinckney's legacy continues, Wesley has established scholarships in his name for Doctor of Ministry candidates seeking to empower their congregations, engage their communities, and influence public discourse. Additionally, **Wesley has developed a Doctor of Ministry track exploring the intersection between public life and church leadership.** This degree focus amplifies Wesley's mission and location and, we hope, will raise up leaders to continue Pinckney's legacy. <https://www.wesleyseminary.edu/doctorofministry/>

Seeking Connection

We are on this journey of faith together. As you follow Jesus Christ, we pray and trust the Spirit will equip you to mentor future leaders and to help others identify God's call to ministry in their lives. Let us know about someone you feel has the potential for Christian leadership by emailing us admissions@wesleyseminary.edu. **And may God's transformative, creative Spirit lead all of us, as the body of Christ, to new and faithful ways of sharing God's grace and love with all God's people, for the redemption of the world.** Learn more at wesleyseminary.edu.

WESLEY-RANKIN COMMUNITY CENTER

Working as a daily volunteer in Wesley-Rankin Community Center's B3X Summer Camp for low-income children, Frances walked into her classroom full of children one afternoon and was greeted by Lilliana. The first grade girl took Frances' hand and asked, "Can I be part of your family?"

At Wesley-Rankin Community Center, we invite volunteers to not simply stop by for an hour or two in order to fulfill a requirement for community service, or complete an outreach task, but to engage with the community in meaningful, significant ways. Our community lives below the poverty line and faces academic failure at a rate of 50% of entering freshman who will not graduate high school. Meaningful relationships and enrichment activities provide children with role models and stable encouragement that impact academic success and life-choices in positive ways. Three years ago, Frances made a commitment to Wesley-Rankin Community Center and children like Lilliana. A trusting relationship quickly grew, through field trips, science projects, math and reading activities. Neither Frances' nor Lilliana's life will ever be the same for having walked this journey together.

Wesley-Rankin Community Center (WRCC) is a 501C3, faith-based, nonprofit agency of the United Methodist Church. Serving Dallas for more than 114 years, with 78 of those years in West Dallas, WRCC believes in transformation through education and caring relationships. Through these caring relationships, WRCC partners with our West Dallas neighbors, providing education and resources to drive community transformation. WRCC measures impact in all program areas, responding to a dynamic, rapidly changing community.

In the past year, WRCC enrolled 155 students in afterschool programming, up from just 47 five years ago. Program activities focus on reading, math, science, and homework support. Measurable Impact numbers show that 90% of students increased in reading fluency and 97% increased in math scores, all supported by 140 volunteers contributing 2518 hours of service!

B3X Summer Camp engages children in high-level science, math, and music & arts activities with the goal of expanding horizons of learning and fostering a love of learning, ultimately making a positive impact in academic success. In summer 2015, 268 enrolled with 100% of children experiencing at least one "First Time Ever" learning experience. Activities included seeing a live theater performance, building a roller coaster from recyclable materials, knitting, dissecting owl pellets, building and launching a boat made of cardboard and duct tape, playing musical instruments, and learning about human trafficking through a fundraiser to support local relief efforts.

Children spent a total of 4200 hours reading. All this was possible through the work of 675 volunteers who completed 4300 hours of service. Measurable Impact numbers show 95% of middle school participants increased in math scores over the summer.

Wesley-Rankin Community Leadership Council, comprised of 25 women from the local community, has launched a small business, Uniform Store. New school uniforms are available at low cost to the community, raising to-date almost \$3,000 to go toward college scholarships for Wesley-Rankin graduates. The Academy adult education program offers classes each day on topics such as financial literacy, computer literacy, parenting, crime prevention, and healthy cooking. Between 50 and 75 certificates of completion are distributed each semester.

The senior program has continued to provide daily meals, fellowship, education, and field trips for 40–80 seniors daily, including between 600 and 800 meals per month.

Wesley-Rankin has launched Wesley-Rankin Community School, in a unique partnership with Lumin Education, providing children from birth to third grade with critically needed early childhood education. At capacity, just fewer than 300 children will be served.

Due to extraordinary growth, combined with the aging and declining condition of current buildings, Wesley-Rankin has launched a capital campaign to build a new facility to support growth, educational requirements, and to address critical safety/accessibility needs.

Working with churches, corporations, individuals, and foundations across the region, Wesley-Rankin values partnerships in this important work.