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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. 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; Camping and Retreat Ministries to provide sacred spaces for all to grow in the Wesleyan tradition; and Clergy Formation Ministries designed to continue to equip clergy for leadership in the church. In addition, we connect and resource 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, join our Facebook page *NTC Center for Leadership Development* and follow us on social media @NTCleadership.

Camping and Retreat Ministries

Bridgeport Camp and Conference Center - 2016 was a year of continued visioning and planning at Bridgeport Camp and Conference Center (BCCC). Our Conference Summer Camps continue to be at or near to 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.

We continue to set records for attendance numbers at our facility for our non-summer events held from January to June and from August through December. This increase in total people attending events provided us with our greatest earning year on record for our non-camp events. Conference groups made up the majority of events, but we have also had great turnout from groups outside our conference including university retreats, family reunions, local school events, weddings, and sports banquets. We are always exploring innovative ways of using our facilities to attract new guests.

As we look to the future and the improvements that need to be made here at BCCC, there are several things on the horizon. We need to be diligent about creating more spaces for our children, youth, and adults to stay, eat, convene, and worship. We realize that our guests have other choices for camps and retreat centers which makes it imperative that we continue to grow and upgrade our facilities to offer the best possible camping experience. We covet your prayers and continued support as we continue to move forward and seek to better serve all our guests.

GO Camp - In 2016 the North Texas Conference added a new mobile camping ministry to its list of camping and retreat ministry offerings. GO Camp is a system of mobile camping, both summer and year-round, that seeks to reach communities that are currently underserved by our camping and retreat offerings. This flexible system of camping allows us to partner with churches and host camps in their communities with the goal of providing a meaningful camping experience for those who typically would not have the opportunity otherwise.

Last summer we had two weekends of GO Camp at Cochran Chapel UMC and FUMC Paris. 2017 will be our first full summer of camps throughout North Texas. We have 5 GO Camps planned at Paul Quinn College, FUMC Paris, FUMC Richardson, FUMC Plano, and FUMC Denton. Along with these camps we are also partnering with groups such as the Zip Code Connection, Project Transformation and assisting FUMC Dallas with their first summer of Urban Camp.

We are excited about what the future holds for GO Camp. If you are interested in hosting a GO Camp in the future or partnering with GO Camp please contact our Executive Director, Bouie Stewart, at info@gocampntc.org or visit our website for more details www.gocampntc.org. You can also find us on social media @GoCampNTC.

Prothro Center at Lake Texoma - 2016 marked the Prothro Center's 13th year of existence. Our bookings and revenue were again the highest that they have ever been. We are incredibly proud of the ongoing connection with groups such as: NTC UMW, Board of Ordained Ministry, NTC Licensing School, Bishops Cabinet, Clergy Spouses, Summer in Ministry Fellowship, NTC Residents, and many NTC Church/Youth Retreats. We were also extremely excited at the opportunity to host an additional Young Adult SEEK Camp again this year.

The consistency of our relationship with these individuals and many others has been the backbone of success for the Prothro Center. In 2016, we hosted 219 groups for overnight events, 86 of which were affiliated with the North Texas Conference. In addition to those numbers we also hosted 43 different groups who used our facilities for the day. We are thankful for this opportunity to highlight a group who has been using our facilities for many years, the Texoma Emmaus Community. They have been an established Emmaus Community since 1995 and held four walks at The Prothro Center in 2016 and returned for four more in 2017. We were excited to have them back at our facility and look forward to continuing to partner with them and many other organizations that partner with us to offer space for their events.

We are always working to keep up with the times regarding our facilities by remodeling and adding technology. For example, in 2016 we were able to extend Wi-Fi to all of our lodging facilities and meeting spaces. We also developed a new patio area complete with a fire pit and began clearing out a second beach area on the east side of our property. Along with these improvements we have continued to develop our 3 miles of hiking and bike trails. In 2017, we are hoping to finalize the work on our second beach and improve roadways and drainage to make our property more accessible by foot or car. We will also be working to create more spaces for you to enjoy the wonderful views that The Prothro Center has to offer.

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 and allow us to show you all that The Prothro Center has to offer.

Campus Ministry

Denton Wesley (UNT/TWU/NCTC) – The mission of the Denton Wesley Foundation is to have a loving and liberating community that believes in the power of love and service through Christ to transform the world. This is lived out through inviting, discipling, and empowering college students to grow as Christian leaders. The Denton Wesley does this through worship, small groups, community lunch, community events, music of the Wesley Band and Wesley Choir, local mission involvement and mission trips, and student staff opportunities. The Denton Wesley's own Shiloh Grocery Assistance Program (opened in March of 2014) continues to serve college students who receive low or no income, and assists over 300 students a month. In January of 2017, the Denton Wesley initiated a new Wesley Lead Team to further opportunities for discipleship, leadership, and listening for God's call in students' lives. Also in February of 2017, the Denton Wesley launched a new "House Worship" service fostering community and deep connection with God, particularly in outreach to TWU students. For more information about the Denton Wesley, please visit: www.dentonwesley.org

Southern Methodist University Wesley - The SMU Wesley Foundation continues to grow in depth and in numbers. We have focused the ministry on education and participation in Outreach and Mission efforts, growing in authentic Christian Community, and continuing in ongoing Discipleship. These focused areas have proven to meet the wants and needs of our students spiritually and socially and allowed for accessible ministry that helps our students become deeply devoted followers of Jesus. Some of our outreach efforts have supported our neighbors at CitySquare and the young adults who transition out of the foster care system, providing food to the world's most vulnerable through Rise Against Hunger, and building homes with Habitat for Humanity. Some of the ways we minister to and invite students into the life of Wesley and help our students understand what authentic community looks like are by opening our Wesley House as a safe place to gather and study, having study breaks at our Crêpe Night during midterms and finals, distributing study bags, gathering for holidays and special events, connecting students to host homes, and having the #SMUCouch on the Boulevard before football games. Some of the ways we help our students continue in ongoing discipleship is through our growing weekly

Bible Study, small groups, retreats, contemplative worship gatherings, and one on one discipleship and mentoring. Our student leadership and participation is at an incredible place helping lead all areas of the ministry and a newly invigorated social media effort. Our attendance at many of our weekly and special events is at an all-time high reaching near capacity regularly. One of our ongoing challenges is how to accommodate a growing and thriving ministry with limited space and how to make a growing ministry continue to feel small and intimate. The continued relationship with Highland Park UMC has proved to be successful as partners working to reach SMU. For more info on how you connect with and support SMU Wesley, check out smuwesley.com or contact Andrew Beard at awbeard@smu.edu.

Synergy Wesley Foundation (UTD/Richland/Collin) – Formerly the Wesley Foundation at UTD, the Synergy Wesley Foundation serves with students from the University of Texas at Dallas, Richland, Collin, and other North Dallas area colleges. We now have a brand new storefront space adjacent to the UTD campus, which serves as ministry central for reaching and growing young leaders for the transformation of the world. We empower students for leadership by building authentic community and relationships, promoting faith development through study and conversation, helping students discern and use their gifts, and serving alongside our neighbors to transform the world. So why “Synergy”? Our new ministry space is located off Synergy Park Boulevard, but more than that, the word Synergy has biblical roots speaking to our work together with God and one another for good. We invite you to join with us in our mission to synergize students, churches, and organizations to do transformative work with our campuses and communities. For more information, visit SynergyWesley.org or contact our campus minister, Brittany Burrows, at Brittany@SynergyWesley.org.

The Wesleyan Campus Ministry at TAMU Commerce – The Wesleyan is an inclusive and diverse campus ministry, where ALL God’s children can Belong, Believe and Become! We are a faith home to many who have been turned off from Church, yet by the power of the Holy Spirit former ‘outcasts’ have found in us a welcoming community where all can discern their faith and grow in discipleship. Current ministries include: Regenerate-Taize-style Worship, Free Lunch, Illuminate Bible Study, Love Group, Mobius Coffee House, small groups, missions, fellowship/outreach events, and retreats. Over the past year, we have continued to form stronger relationships with other student organizations on campus and with East District churches. Thanks to their support we have been able to fund major building repairs and reach new students. Among our student leaders we have some who are active in ministry elsewhere and/or discerning their call to ministry. Follow us @TamucWesleyan and www.commercewesley.webs.com or contact Brian@fumcccommerce.org

Wesley Campus Ministry 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 allow 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.

Wichita Falls Wesley Foundation (MSU/Vernon) – The Wichita Falls Wesley shares transforming grace by promoting spiritual, physical and emotional wellness among local, international and nontraditional undergraduate students. The Wichita Falls Wesley Board along with the District Superintendent and CLD Staff have spent 2016 searching for the next Director to serve the campuses of Wichita Falls. We are excited that a new Director, Rev. Marcus Jones, will begin on July 1, 2017 to continue the vital ministry.

Co-Active Peer Coaching Initiative

The CLD is currently developing a peer coaching model for the North Texas Conference that will be implemented to increase the adaptive leadership skills of our clergy. Given the complex and fast changing world in which we live, it is essential for leaders to be agile learners and adaptive leaders, able to reflect and wrest meaning from their experiences so they can integrate and use their learning going forward. The co-active coaching model will equip a small number of coaches with 60 hours of training (approved by the International Coaching Federation towards full certification). These coaches will be trained to practice curiosity, listen deeply,

hear nuance and hold space for others (the “Co” part of Co-Active), while also demanding accountability, action and courage (the “Active” part of Co-Active). This will be an invitational but voluntary program as pastors will be identified and invited by their District Superintendent.

Conference Council on Youth Ministry (CCYM)

Since you have seen us last, CCYM has been working diligently to improve and grow ourselves within our conference. We have hosted district events and all were very successful in bringing together youth to learn more about our all-powerful God. We also hosted two Midwinter retreats, which met at Bridgeport Camp for a weekend with 434 youth and volunteers in attendance. This year, CCYM chose the Midwinter theme to be “May the Faith Be with You,” which challenged youth to reach for their own and special faith. CCYM members led these weekends through family groups, intriguing worship, faith-energizing music and group activities that were of course, Star Wars- themed. As always, we hope that through these traditional camp activities that youth from around our conference will engage and learn from other youth from different areas of our conference. We believe that this experience not only grows the youth who attend, but our adult volunteers as well. Besides growing our youth, Midwinter is also purposed to raise money for our Youth Service Fund (YSF). This year we raised money during our Midwinters through a Snack Shack and a competitive girls vs. boys competition. Our 2016-17 YSF funds were put toward Jesus Freaks in the Streets (Fort Worth, Texas) and Go Camp Ministries from right here in our conference. Over two weekends, the youth of our conference raised \$3340! This year CCYM members will be in attendance at Annual Conference both as voting members and observers.

Our mission in CCYM is to foster young and diverse leaders for the future of our church. Throughout the year, we have learned accountability and leadership tools in order to be more effective as representatives in our conference. CCYM members will continue to be stewards of faith and grow as individuals as well as a body for the future of our church. Our body is eager to do the work of our church and to drive our Conference to continually be better and stronger.

Submitted by Sidney Weidenbach, CCYM Chairperson

Cultural Intelligence

The theme for Covenant Day 2017 was “Intercultural Leadership: Moving Towards Transformation.” Dr. Maria Dixon Hall introduced the concept of Cultural Intelligence (CQ) as a way to help our conference move forward with the capability to function effectively across a variety of cultural contexts including national, ethnic, organizational and generational cultures. CQ moves beyond knowledge about another culture and teaches practical skills and behaviors for making sense of the many different cultures pastors will encounter on a daily basis. The CLD is currently developing a training strategy to equip pastors and laity of the North Texas Conference with CQ skills.

Faith Formation

Children - Our A Time for Children (ATfC) Training, Accountability and Support initiative continued in 2016-2017 with all 11 of our original churches finishing the 2-year program and 14 new churches participating in their 1st year. Many of our ATfC participants will continue to meet for support and accountability while some will participate in leading and coaching new cohorts of participants.

Children’s Ministers from across the conference once again planned and led **Camp Bible** for 3rd-5th graders. During an overnight stay at Bridgeport Camp participants explored their Bibles and the traditions of our faith. This year’s Camp Bible will explore some of the many reunion stories of the Bible the weekend of September 23-24, 2017.

The CLD partnered with Lovers Lane UMC to host the **Bishop’s Rally** for 5-7th graders and Confirmands. 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. Our 2018 Rally will be hosted by Christ UMC Plano on February 18th.

Youth - The CLD partners with Youth Ministry Staff from across the conference to host several events through the year including Adult Volunteer training and 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 Hamilton Park UMC with global Discipleship Ministries staff member, Mighty Raising, as our Keynote Preacher. Next year's event will again be in April at Hamilton Park UMC.

Young Adults – Continue to meet weekly for fellowship and the friendly competition of Intramurals and open courts led and hosted by FUMC Richardson. Throughout the year North Texas Youth and Young Adults have attended and preached at regional and National Festivals of the Academy of Preachers. Our **SIM Fellows** from previous years have been busy. In addition to attending school, Collin Echols-Richter, Boston White, Shane Milner and Emily Hardwick serve as youth directors. Tim Clifford was approved by the SMU Wesley Board of Directors as a candidate for ministry. Jamie Morgan will serve as a QuadW missional intern in Dallas this summer. Hannah Walker serves as The Bridge Worship leader at Stonebridge UMC, and Manny Martinez is the Hispanic Ministries Intern at FUMC Arlington. We look forward to welcoming a new class of Summer in Ministry Fellows in 2018.

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 Emma Williams at emma@ntcumc.org.

2017-2018 Children, Youth, Young Adult Dates and Events

- Children and Youth Volunteer Training – Christ UMC Farmers Branch – August 12, 2017
- Camp Bible (3rd – 5th grade students) - Bridgeport Camp - September 23-24, 2017
- Flip the Script: Discernment Retreat (Young Adults) – October 21-22, 2017
- Academy of Preachers National Festival – Atlanta, GA – January 2-5, 2018
- Confirmation Retreat (5th-12th grade students) – Bridgeport Camp – January 19-21, 2017
- MidWinter Retreats 2018 (Middle and High School Youth) – Bridgeport Camp- January 26-28, February 9-10 and possibly February 23-25
- Bishop's Rally (5th - 7th grade students) – Christ UMC Plano – February 18, 2018
- ONE Worship Event (Middle and High School Youth) - Hamilton Park UMC- April 2018
- National Youth 2019 event: Kansas City - July 10-14, 2019

Luke 4 Initiative

The *Luke 4 Initiative* is completing its third year of developing church and community leaders who build effective ministry teams. The goal of this program is to move individuals, churches, and communities from:

- Passive to Motivated
- Divided to United
- Drifting to Purposeful
- Reactive to Initiative-Takers
- Inactive to Change-Makers

This year, we opened our trainings to individuals as well as teams, and offered multiple options for people to plug into the process through training workshops and coaching. In September, ministry residents participated in a *Luke 4 Initiative* workshop at their annual Residency Retreat. Participants from twelve different North Texas United Methodist congregations attended our November training, including members of the Wesleyan Campus Ministry at Texas A&M Commerce. These students are utilizing the skills learned through *Luke 4* to create welcoming

environments that attract non-churched students and questioning believers, while empowering students to serve their community and welcome outcasts into a safe and accepting place.

Additional trainings were offered in January, February, and April. We currently have a team of young adults from Oak Lawn UMC working to address youth homelessness, particularly among LGBTQI teens in their neighborhood; a team of Church at the Square (CitySquare) members learning to tell their stories of homelessness to City Council Members and building creative ministry models for their congregation; and a team from Trietsch Memorial UMC, in partnership with Westside Baptist Church of Lewisville, building intentional inter-racial relationships and addressing issues of racial justice within their community.

To learn 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.ntcleadership.org/luke-4-initiative.

BOARDS AND RESOURCES

Congregational Assessment, Response 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, and Clergy Misconduct. This past year three 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; and 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 January of 2017, CORR helped sponsor a Civil Rights Bus Tour for youth from several North Texas Conference churches. The tour included stops at historic sites in Little Rock and Memphis 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.

COMPENSATION OF CLERGY **APPOINTED BEYOND THE LOCAL CHURCH-2016**

(The 2016 Book of Discipline, ¶628)

	ANNUAL CASH SALARY	UTILITIES/OTHER HOUSING RELATED ALLOWANCE	OTHER CASH ALLOWANCE	TRAVEL ALLOWANCE
Cathy Bingman	30,000			
Darrell Coats	64,000		3,000	
Jennifer Griffith Cobb	0	0		
John W. Cole III	49,000	35,000		
Janet Collinsworth	0			
C. Megan Danner	61,000			
Andrew Fiser	45,000	12,000		
Russell Floyd	0			
C. David Grant	100,500			Vouchered
Joel B. Green	200,000	28,000		
Lisa Greenwood	133,000			
Justin Hancock	21,000			
Brian Hardesty-Crouch	15,085	12,000		
Terrance Heislen	28,000			
Leslie A. Herrscher	34,000			
Chiv Peter In	20,000	21,000	1,000	3,000
Larry M. James	105,000			
Leslie A. Janovec	108,752	29,540		
Ashleigh Joyner	69,000			
Sheri S. Lake	32,000			
Sarah Lancaster	29,300	36,000		1,200
William B. Lawrence	172,000	84,000		
Mai Le	28,000			
Traci Loveman	48,000			
Mary Miriti	0			
Alyce M. McKenzie	62,740	55,556		
Thomas R. McKnight	39,300		1,470	Vouchered
Timothy McLemore	40,260	24,000		
Connie Nelson	89,839			
Ugonna Onuoha	59,305			
Beatriz E. Pacheco	60,000			
Lydia Pellikan	44,483			
James Clifton Pierce	85,801			
JamesPaul Qazilbash	52,000			
Stephen W. Rankin	59,000	45,000		
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	105,621			2,000
John Thornburg	110,000			
Patricia Piron Thresher	41,000	30,000		
Harry S. Wright, Jr.	70,000			
Joseph R. Zinser	52,000	12,000		

CENTER FOR MISSIONAL OUTREACH

BOARD OF GLOBAL MINISTRIES

(and the dedicated involvement of North Texas Conference United Methodists)

The year 2016-2017 again saw Christ's United Methodist people in the North Texas Conference step forward in the ways and means of missional outreach, thus making REAL the compassionate declaration that "the world is our parish!". Here are key elements of telling evidence of engagement with commissioned personnel of the General Board of Global Ministries, GBGM's approved agencies close to home and far away, and stepping out together as Volunteers In Mission.

Local church involvement in 2016-2017: *ninety-five (95) congregations* of our conference were involved meaningfully and fruitfully in initiatives, projects, service trips, and undertakings approved by GBGM.

Second-mile, specified financial support from our NTC congregations: \$426,520.

World regions impacted in the Gospel and for the benefit of our neighbors: every part of planet Earth with the exception of Antarctica! *Twelve* regions of Africa, *six* regions of South America, *five* regions of Central America & the Caribbean, *five* regions of Europe, *three* regions of Asia, and *one* region of the Middle East...plus, domestically here in the United States...experienced the engagement of North Texas United Methodists in some significant fashion.

GBGM missionaries supported: *Cynthia Ceballos, David Ceballos, Jacques Akasa Umenbudi, Kristen Brown, William Gibson, Mary Escobar, Becky Harrell, Beatrice Gbanga, Eun Ha Choi, Jae Hyung Choi, Andrew Donaldson, Lester Doron, Cornelia (Connie) Wieck, Alina Saucedo, Marilia Alves Schuller*; plus, support of two specialty agencies: *Missionaries Around The World and Young Adult Mission Service Programs*.

Top-ten GBGM locales supported by North Texas United Methodists and their congregations (in order of financial strength):

1. *UMCOR Disaster Response, USA*
2. *UMCOR Undesignated*
3. *UMCOR Disaster Response, International*
4. *Congo missions*
5. *Haiti missions*
6. *Cameroon missions*
7. *Heifer International*
8. *Russia missions*
9. *Panama missions*
10. *Czech Republic missions*

Volunteer-In-Missions Teams raised, organized, and sent: *seventy-three (73) teams* comprised of *one thousand one hundred fifty-four (1,154) women, men, boys, and girls*. These were transformative experiences for all involved!

Trained and active disaster Early-Response Teams (ERTs) in the North Texas Conference: 14

One Great Hour of Sharing/UMCOR Sunday special offering support

Unfortunately this special offering has seen almost a 45% **decrease** in support in the last few years, which is quite drastic.

2014 \$35,649.90
 2015 \$24,680.17
 2016 \$19,967.62

Donations UMCOR receives through this offering, along with other undesignated gifts made throughout the year, cover their costs of doing business. **UMCOR does not receive United Methodist World Service or apportionment funds**, so without your offerings, UMCOR would not exist. Please consider taking this offering annually.

Your conference Board of Global Ministries has been active to-date by: a) continuing to sponsor and encourage participation in *basic and advanced Early Responder Training*; b) supporting from budgeted resources immigrants services ministry through *Justice For Our Neighbors* (JFON); c) sponsoring and sending *two conference-wide disaster relief mission teams* to Louisiana this year – one in the Spring and one in the Fall; d) investing further in *Haiti hurricane recovery* by gifts to Grace Children's Hospital and Heifer Project, Haiti; and e) promoting, celebrating, and assisting congregations in the ongoing effort of resupplying the UMCOR Sager Brown Depot with the various disaster response supplies and kits so vital to personal and family well-being in locations of natural and human-generated disaster. Go give a week at Sager Brown!

Your Board of Global Ministries enthusiastically encourages your investment of prayer, time and energy, dollars, material, and presence in these - and all missional endeavors - for the sake of God's reign and rule and the addressing of human need. There are so many high-quality ways that congregations, small groups, families, and individuals can become involved in mission and outreach close to home and far away through the auspices of the General Board of Global Ministries. For more information about possibilities right for you, contact Rev. Andrew Fiser of the Center for Missional Outreach. The world is *still* our parish! To God be the glory.

ZIP CODE CONNECTION

The Zip Code Connection (ZCC) was launched in 2013 to eradicate poverty in two high-poverty zip codes by 2025: 75215 in urban South Dallas/Fair Park and 75426 in rural northeast Texas Red River County. The ZCC is an initiative of the Center for Missional Outreach in the North Texas Conference of the United Methodist Church. Our mission is to make significant progress toward eradicating poverty in our two target communities and restore each of them to be vibrant, thriving places to live, work, learn, do business, raise children, and practice one's faith. We believe poverty is best addressed by tackling its root causes in the areas of community engagement, education, health and wellness, and economic development, all through the lens of our faith. The Zip Code Connection is not a direct-service organization. Rather, we use connections and collaborations to amplify the efforts of community and external partners. Acting as a think tank for the North Texas Conference of the United Methodist Church, we are developing open-source models and resources to effect change far beyond our two initial focus areas.

During the last year we made significant progress in each of our focus areas. The most exciting and promising activities in each of our communities are in the area of economic development. Both communities identify "jobs" as their greatest need. We are helping to launch organizations and processes which will help strengthen and scale up existing small businesses in the communities so they can be sustainable and begin hiring other residents. At the same time, we are providing support to budding entrepreneurs, particularly the communities' youth, to help them create and grow new businesses and new jobs that will contribute to community transformation. A particular focus is ensuring that everything is community-owned and community-controlled. While outside resources can be helpful in getting things started, we don't want to contribute to the kind of gentrification that ultimately displaces the people who are here now.

Red River County Activities and Accomplishments in the Last Year

- Leadership change: Ms. Cassie Randel replaced Melinda Watters as the Director and Ms. Catana Yarnell was hired with Lennox Foundation grant funds to coordinate community activities in the Hub as well as increase parent and community involvement with the public schools.

- **Community Engagement:** The Hub Community Center, owned by the city of Clarksville and managed by the Zip Code Connection, has become a place where community members from all walks of life are gathering and learning together, and participating in the renewal of their community. Activities include senior breakfasts (with Bingo!), GED classes presented by the community college, the Boys and Girls Club after-school and summer activities, job fairs, and countless others.
- **Education:** In addition to Catana's work with the community, we were awarded a grant through the UMC's General Board of Global Ministries for funds from the Kendall Will and Trust to provide a half-time counselor for Clarksville ISD.
- **Economic Development:** The Clarksville Economic Development Corporation and the Zip Code Connection agreed to jointly fund a community sustainability project directed by Communities Unlimited. The initial community launch meeting in November identified 22 volunteers as members of the "sustainability team" which is receiving on-going support for creating a long-range plan, and CU is already bringing in mentors to work with small businesses. The combination of the CU team and the community sustainability team means that this project will be able to move forward with minimal additional ZCC support.

South Dallas Fair Park Activities and Accomplishments in the Last Year

- **Rev. George Battle III** continues as our very able and visionary Connections Director for South Dallas Fair Park. George is in the final stages of the process to be commissioned as a full elder in the United Methodist Church.
- **Economic Development:** We are in the process of launching the Fair Park District Entrepreneur Center (to be known as "The District"—see www.thedistrictfairpark.org), thanks to a generous gift from St. Andrew UMC in Plano. The new center will be a place where community members who currently have small businesses can get help scaling them up to be more sustainable (and hopefully to employ more people) and where budding entrepreneurs can get help developing and funding new community-owned enterprises. This space will also be used to host our continuing "table|space" events, where curious and open-minded people meet for conversations about spirituality and faith.
- **Community Engagement:** The cornerstone of community engagement in this community continues to be the South Dallas Fair Park Faith Coalition. The Faith Coalition is comprised of more than 25 of the 150 churches in the community, and they are working together on common missional initiatives that are aligned with our own four focus areas. The Coalition has sponsored prayer walks, job fairs, Saturday morning breakfast and tutoring programs, and has been actively involved in the political and civic life of the community through participation in city council and community planning hearings. It is also beginning to pool funds toward coalition projects, meaning that it will be sustainable beyond our original support.

Outreach to the Northwest District

While our core mission continues to focus on two zip codes, we have also begun addressing the need to share resources and best practices with other communities in the North Texas Conference. SMU/Perkins intern Jen Chickering worked this year with the eight UMC churches in Wichita Falls, helping them identify needs in their own high-poverty zip code and think about how they might collaborate for greater collective impact than any of them could do alone.

Summary

In January, we had a community-organized press conference to announce the launch of our business incubator in South Dallas. Afterward, a thoughtful person within our own UMC community wrote:

"I know and understand your concern over the length of time the project is taking. Yesterday provided an answer for you. What a validation by the community of the project and of the NTC of The United Methodist Church! What we witnessed yesterday doesn't just happen. The numerous mentions of the project and focus on the UMC spoke volumes about the community's confidence in the effort. Such embrace develops slowly and with caution. While

this particular project is not huge, it will be catalytic, and it is symbolic, providing hope for the neighborhood as it considers what's ahead. Thanks for your vision. This is hard, hard work. Your endurance and steadfastness is making a big, big difference."

CENTER FOR NEW CHURCH DEVELOPMENT AND CONGREGATIONAL TRANSFORMATION

"INNOVATION"

Innovation is the theme for this year's Annual Conference session, and has been a watchword for the Center for New Church Development and Congregational Transformation since its creation! We exist to help witness to the innovative 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.

When our Center was formed as a result of the conference strategic plan in 2010, it started with two mandates: 1) starting new faith communities, and 2) transforming existing congregations. Two years ago a third was added: 3) Future at the Crossroads, which works with churches in changing demographics and in steep decline. In 2017 a fourth major area has been added: 4) Strengthening the Black Church.

With Jim Ozier's retirement, the Center team consists of Dr. Owen Ross as the new Director, Associate Director Rev. S. Dianna Masters, Ministry Coordinator and Church Liaison, Liliana Rangel, and Administrative Assistant, Suzy Cass.

TRANSFORMING EXISTING CONGREGATIONS

The Healthy Church Initiative (HCI) 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 Large 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 specifically 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. In 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 3 years.

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

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

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

“Reaching 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 by starting as many new churches as we are starting, 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 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.

“Turn Around Tours” is one of the innovative ways we’ve highlighted learning from each other, and we are 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 liliana@ntcumc.org.

NEW CHURCH STARTS

The impact of starting “New Places for New People” is now being felt throughout the conference as 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! Each of the new church pastors is trained through the New Church Leadership Institute, or some other innovative way to start new faith communities....and they are 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 an experienced, 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 (closed)
 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 – Cross Way – 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 (closed)
 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, Grand Prairie 1st) Planter: Leonardo Haro (closed)
- 2014 —Lewisville Hispanic, (church within a church at 1st 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 (closed)
- 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 (closed)
 Schreiber Memorial Campus (Extension of Highland Park) Planter: Stephen Lohoefer
 A new African American congregation still in the works 2016/2017

2017—Jahweh Rafah Hispanic (church within a church at FUMC Rowlett)
 Planter: Georgiennette Haddock
 Trinity Falls (Multisite/Daughter of FUMC McKinney) Planter: Kris Melvin
 Casa Linda Extension (Multisite/Daughter of Casa Linda) Planter: Juan Carlos Ramirez

Future at the Crossroads looks for ways to leverage the historic impact of churches in changing demographics that have resulted in a long pattern of steep decline, and the results are now being felt throughout the conference!

The following churches have gone through this process, which leads either to closing the church to leverage its assets to start new congregations, or to repurposing the church to better reach the mission field in innovative, often bold new ways.

- Elm Ridge (closed; repurposed for a new church, Cross Way)
- Oak Grove (Heritage congregation; gifted 10 acres of land for a new church)
- Cross Way (moved from school to the former Elm Ridge property)
- Button Memorial (intensified efforts to reach fast growing mission field)
- Wesley, McKinney (closed; sale proceeds to start and strengthen new churches in area)
- Schreiber Memorial (adopted as extension campus of Highland Park)
- Lancaster (intensified efforts to reach changing neighborhood)
- Kirkwood (transitioning to Hispanic congregation)

The results have generated exciting possibilities resulting in over three million dollars of money to invest in new church starts; repurposed at least four older churches, and helped develop innovative ways to reach their changing communities.

Strengthening the Black Church for the 21st Century is a national initiative of the UMC, that intentionally works to transform our existing African American churches, and to plant new African American congregations and ministries.

Respectfully submitted,
 Jim Ozier, Gloria Fowler, Liliana Rangel

COMMUNICATIONS REPORT

The Communications Team continued to make disciples of Jesus Christ for the transformation of the world via ever expanding and cutting edge media platforms. The Communications Team remained on the pulse of media trends and directions in order to provide the NTC with relevant and vital communications. The Communications Team members are Wendy Campbell, email consultant; Linda S. Johnson, associate editor of the NTC Connection; Patrick Steil, webmaster; Wil Murphy, videographer and media consultant; Michael Graves, social media consultant; and Sheron C. Patterson, Communications Director. Our media platforms are the NTC website, Communication training events, and two e-newsletters.

“360 Connection Series – Powerful Church Communication Workshops” was launched in June 2016. These monthly workshops educated, inspired and informed annual conference members in areas of communication that led to vitalized churches. The workshop topics were “Effective Mobile Communications,” “Social Media and Ministry,” “Email Excellence,” “Getting Media Coverage for Your Church Event,” “How to Write Like a

Journalist,” and “Supercharge Your Church Website to Attract First-Time Guests.” An average of 30 lay and clergy persons attended these half-day, free workshops that were held at the Ministry Center.

Our website, www.NorthTexasUMC.org experienced a rise in traffic from 5,936 in 2014 to 12,278 in 2017. The majority of the readers on our website are using mobile devices, whether that be a smart phone or tablet. Readers use our website to access four major types of information: North Texas Conference news, administrative purposes, connectional resources, and episcopal responses to world events. While Facebook is still the most used app, apps like Google Search and YouTube are quickly gaining popularity.

The NTC Connection is our twice monthly online e-newsletter. Its growing subscription numbers now total 4,158. *The NTC Connection* offers lay and clergy readers insight into the life and ministry of the North Texas Annual Conference via articles that cover the depth and breadth of this geographical area. Outstanding achievements of small churches, large churches and new churches are included. Lay persons whose faith shines in community events are chronicled. Using computer analytics, the Communications Team reviews how many readers each article garnered. A few of our most-read articles were:

- [Why St. Paul UMC Is on a Soaring Trajectory](#)
- [Farmersville Member’s Invention Changed Lives of Mayan People](#)
- [How to Gracefully Correct – or Fire – a Church Volunteer](#)
- [Two North Texas Churches Make Fastest-Growth List](#)
- [By Day, an East Texas Pastor. By Night, a Social Media Star to Teens](#)
- [Two Storied Dallas Churches Unite](#)
- [How Audacious! First Paris Opens Public Water Park](#)
- [Oldest Methodist Church West of Trinity River Overcoming Crisis](#)

Ever responsive to our audience, the Communication Team launched the *Clergy Update* in January of 2016 to offer the active and retired clergy a streamlined and consistent method of receiving news that impacts their world. This twice monthly e-newsletter receives positive feedback from clergy for its concise format and vital information.

CORE LEADERSHIP TEAM

The Core Leadership Team (CLT) met during the 2016-17 term to discuss new and ongoing initiatives in the conference and to receive input and feedback from those in attendance.

Dr. Lynn Parsons, director of the Zip Code Connection, presented the on-going, inspiring work being done by the Connection. Our boots-on-the-ground workers are active in the Dallas Fair Park district and Clarksville in Red River County, staying involved in the community by working directly with the residents and the business leaders. Through the work of the NTC and grace of God, lives are being changed and communities transformed. There is much still to do, but the CLT is confident that God is at work as we strive to eradicate poverty in these areas.

Marti Soper, Director of the Center for Leadership Development (CLD), presented work on a new initiative of Cultural Intelligence (CQ) for the Conference, based on work being done by Dr. Maria Dixon Hall. This work was first presented to the clergy at Covenant Day with great success, and the team is excited to see the fruit this initiative will bear over the coming years. The CLT is grateful to be involved in the nascent stages of this work, and it is our desire to see CQ rolled out to the laity as the program is developed.

The CLT also engaged in discussion about camping and retreat ministries in the North Texas Conference. SEEK camps and Go Camps should prove to be effective ways to give more kids and youth the opportunity to participate in camping and to make a real difference in their lives.

Bishop McKee shared the work being done across the conference while providing opportunity for questions, comments, and feedback. 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 – Jeff Bouis
- Lay members elected by each district – Clay Johnson-East, Lisa Tichenor-Metro, Tim Crouch-North Central and Abby Echols-Northwest
- Three at-large members appointed by the Bishop – Marie Mitchell, Alfred White and Andy Lewis
- One District Superintendent – Cammy Gaston
- Center Directors – Jodi Smith, Marti Soper, Jim Ozier, and Larry George

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

HEALTH BENEFITS POLICIES

June 2017

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 Wespath Benefits and Investments 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 salary-paying 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 *2016 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 Wespath 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 full-time lay employees, if the church has a sub-adoption agreement with Wespath and meets the 75% participation rule.
8. Retired clergy members of the conference immediately eligible to receive pension from Wespath 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 ¶356 *2016 Book of Discipline*) of the conference (who were enrolled in HealthFlex at the time of their disability) immediately eligible to receive disability benefits from Wespath 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 Wespath.
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 Wespath, and their respective dependents.
12. Surviving dependents of a deceased active participant as long as the participant and dependent were covered participants at the time of death.
13. Surviving dependents 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 in-network or out-of-network. 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, two other vision plans are available.

A choice of three dental plans (Dental PPO, Dental Passive PPO 1000, and Dental Passive PPO 2000) is available for a fee and each is administered through Cigna.

UMLifeOptions is a Wespath sponsored life insurance program allowing eligible clergy and lay employees of churches to purchase additional life insurance coverage. Local churches are plan sponsors of this coverage and will find information on this program at www.wespath.org.

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 \$2,600 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.wespath.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 Wespath 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 clergy person.

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 a 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 Part 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 "pastor-in-charge" are eligible for this supplement. The guidelines for application are as follows:

GUIDELINES FOR 2017 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 2017 Ministerial Compensation Report turned in at Charge Conference) must be below \$68,876 (the 2017 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
\$68,876 and above	100%	\$10,356	\$ 0
\$68,875 – 65,432	95%	9,838	518
\$65,431 – 61,988	90%	9,320	1,036
\$61,987 – 58,545	85%	8,803	1,553
\$58,444 – 55,101	80%	8,285	2,071
\$55,100 – 51,657	75%	7,767	2,589
\$51,656 – 48,213	70%	7,249	3,107
\$48,212 – 44,769	65%	6,731	3,625
\$44,768 – 41,326	60%	6,214	4,142
\$41,325 and below		6,214	4,142

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
\$68,876 and above	100%	\$9,312	\$ 0	\$14,484	\$0
\$68,875 – 65,432	95%	8,846	466	13,760	724
\$65,431 – 61,988	90%	8,381	931	13,036	1,448
\$61,987 – 58,545	85%	7,915	1,397	12,311	2,173
\$58,544 – 55,101	80%	7,450	1,862	11,587	2,897
\$55,100 – 51,657	75%	6,984	2,328	10,863	3,621
\$51,656 – 48,213	70%	6,518	2,794	10,139	4,345
\$48,212 – 44,769	65%	6,053	3,259	9,415	5,069
\$44,768 – 41,326	60%	5,587	3,725	8,690	5,794
\$41,325 and below		5,587	3,725	8,690	5,794

6. If the pastor's Total Compensation for Health Insurance Supplement Eligibility is above \$68,876 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 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 1-1-2018

<u>Years of Service (full time equivalent)</u>	<u>% \$1,300</u>	<u>\$ Amount</u>
0 – 4	0	0
5	30 %	390
6	32 %	416
7	34 %	442
8	36 %	468
9	38 %	494
10	40 %	520
11	44 %	572
12	48 %	624
13	52 %	676
14	56 %	728
15	60 %	780
16	64 %	832
17	68 %	884
18	72 %	936
19	76 %	988
20	80 %	1,040
21	84 %	1,092
22	88 %	1,144
23	92 %	1,196
24	96 %	1,248
25 or more	100 %	1,300

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. **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 (§357.2 2016 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 Part 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 (§357.3 2016 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 (§356 2016 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 Part 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 2016 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, Wespath 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 Wespath with instructions for changing or maintaining health coverage for the next calendar year. Wespath will also provide claim forms, MRA and DCA forms at the beginning of each calendar year. Additional forms may be obtained at www.wespath.org or from the conference Center for Connectional Resources.

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

**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, 2017.

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

REMITTANCES

	2015 RECEIPTS	2016 RECEIPTS
APPORTIONMENTS		
World Service	1,666,837.93	1,682,369.94
Ministerial Education	573,883.78	577,591.01
Black College Fund	228,909.59	230,406.95
Africa University Fund	51,495.59	51,578.30
Interdenominational Cooperation Fund	45,092.27	45,194.04
General Administration Fund	204,059.08	203,120.15
Episcopal Fund	521,092.84	578,666.00
Lydia Patterson Institute	69,399.40	68,644.85
Mt. Sequoyah	16,596.08	16,415.19
Jurisdictional Administration Fund	32,708.43	32,149.98
SMU Campus Ministry	2,177.52	
Leadership Development	1,424,237.23	1,660,612.60
New Church Development & Congregational Trans	1,158,928.07	1,204,283.27
Missional Outreach	645,738.21	646,111.22
Connectional Resources	1,207,008.28	1,384,977.93
Area and Conference Administration	520,210.23	502,668.73
Board of Pension & Health Benefits	2,057,811.57	1,683,700.00
District Superintendents Fund	544,994.59	577,320.00
District Administration Fund	<u>659,500.51</u>	<u>657,328.99</u>
TOTAL APPORTIONMENTS	11,630,681.20	11,803,139.15

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

REMITTANCES

	2015 RECEIPTS	2016 RECEIPTS
TARGETED CAUSES		
Second Mile Apportionment Fund	28,423.77	26,861.41
GENERAL ADVANCE SPECIALS		
UMCOR		
UMCOR Undesignated Gifts	38,097.70	35,177.40
UMCOR Relief Supplies	24,576.37	4,788.50
UMCOR Domestic Disaster Response	18,597.84	47,940.62
UMCOR International Disaster Response	84,414.76	23,208.27
UMCOR Global Health	<u>00.00</u>	<u>130.00</u>
Total UMCOR	165,686.67	111,244.79
WORLD MISSIONS		
Regional Africa		5,381.55
Cameroon	2,100.00	174.70
Congo	2,270.00	3,487.50
Kenya	5,030.00	4,587.00
Liberia	600.00	
Europe	3,700.00	2,032.21
Latin America and the Caribbean	10,358.54	3,000.00
Middle East	849.00	
Panama	15,500.00	6,184.05
Zoe Ministry-Rwanda	2,593.67	5,570.00
Becky Harrell		2,000.00
Haiti Advance Project	<u>24,264.25</u>	<u>15,511.01</u>
	67,265.46	47,928.02
TOTAL GENERAL ADVANCE SPECIALS	232,852.13	159,172.81
OTHER ADVANCE SPECIALS		
Heifer International	4,018.00	1,000.00
Red Bird Mission		461.12
World Hunger & Poverty	3,488.26	
Global Aids Fund	350.66	
Nothing But Nets	<u>375.00</u>	<u>00.00</u>
TOTAL OTHER ADVANCE SPECIALS	8,231.92	1,461.12
TOTAL ALL ADVANCE SPECIALS	241,184.05	160,633.93
YOUTH SERVICE FUND	1,810.33	3,067.25

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

REMITTANCES

	2015 RECEIPTS	2016 RECEIPTS
GENERAL CONFERENCE OFFERINGS		
UMCOR SUNDAY (One Great Hour)	24,680.17	19,967.62
World Communion	6,806.70	7,908.80
UM Student Day	2,329.96	2,071.85
Human Relations Day	1,978.71	2,078.30
Peace With Justice	1,707.20	1,997.31
Native American Ministries	<u>2,429.39</u>	<u>2,266.60</u>
TOTAL GENERAL CONFERENCE OFFERINGS	39,932.13	36,290.48
OTHER CONFERENCE BENEVOLENCES	282,571.12	585,789.61
TOTAL NON-APPORTIONED FUNDS	593,921.40	812,642.68
TOTAL APPORTIONED FUNDS	11,630,681.20	11,803,139.15
TOTAL ALL CAUSES	12,224,602.60	12,615,781.83

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

Plano, Texas

Consolidated Financial Statements
December 31, 2016 and 2015

NORTH TEXAS CONFERENCE OF THE UNITED METHODIST CHURCH

Consolidated Financial Statements

December 31, 2016 and 2015

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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 consolidated financial statements ("financial statements") of The North Texas Conference of the United Methodist Church, a nonprofit organization, which comprise the consolidated statements of financial position as of December 31, 2016 and 2015 and the related consolidated statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

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

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

We believe 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 consolidated 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, 2016 and 2015, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Ratliff & Associates, P.C.

July 31, 2017

NORTH TEXAS CONFERENCE OF THE UNITED METHODIST CHURCH
Consolidated Statements of Financial Position
December 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
ASSETS		
Current Assets		
Cash	\$ 1,085,945	\$ 1,374,875
Accounts receivable	2,158,772	1,406,804
Investments	32,318,891	29,911,711
Prepaid expenses	<u>396,152</u>	<u>391,548</u>
Total Current Assets	<u>35,959,760</u>	<u>33,084,938</u>
Property and Equipment, net of depreciation	<u>5,675,884</u>	<u>5,933,430</u>
Other Assets		
Land and buildings held for sale	4,801,164	2,269,514
Endowment and other long-term investments	<u>1,677,866</u>	<u>2,019,715</u>
Total Other Assets	<u>6,479,030</u>	<u>4,289,229</u>
Total Assets	<u>\$ 48,114,674</u>	<u>\$ 43,307,597</u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Notes payable, current portion	\$ 1,486,090	\$ 520,948
Accounts payable and accrued liabilities	508,947	513,374
Accumulated postretirement benefits obligation, due in one year	<u>330,899</u>	<u>390,531</u>
Total Current Liabilities	<u>2,325,936</u>	<u>1,424,853</u>
Non-current Liabilities		
Notes payable, non-current portion	2,198,221	2,431,773
Accumulated postretirement benefits obligation, due in more than one year	<u>10,438,769</u>	<u>10,618,564</u>
Total Non-current Liabilities	<u>12,636,990</u>	<u>13,050,337</u>
Total Liabilities	<u>14,962,926</u>	<u>14,475,190</u>
Net Assets		
Unrestricted net assets	30,956,281	25,980,191
Temporarily restricted net assets	1,381,399	2,038,148
Permanently restricted net assets	<u>814,068</u>	<u>814,068</u>
Total Net Assets	<u>33,151,748</u>	<u>28,832,407</u>
Total Liabilities and Net Assets	<u>\$ 48,114,674</u>	<u>\$ 43,307,597</u>

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

NORTH TEXAS CONFERENCE OF THE UNITED METHODIST CHURCH

Consolidated Statements of Activities
For the Years Ended December 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Change in Unrestricted Net Assets		
Revenues and support		
Apportionment receipts	\$ 11,804,265	\$ 11,630,681
Program and event fees	5,761,960	3,497,259
Property insurance receipts	5,947,476	5,701,475
Health insurance receipts	5,220,624	5,020,282
Pension receipts	2,132,828	2,120,685
Investment income (loss)	1,777,433	(542,536)
Other income, net	154,372	760,751
Temporarily restricted net assets released	<u>1,551,879</u>	<u>409,358</u>
Total unrestricted revenues	34,350,837	28,597,955
Program expenses		
General and jurisdictional programs	3,704,267	3,680,947
New church development	1,758,730	1,228,449
Leadership development	1,796,324	1,636,927
Missional outreach	1,407,274	848,891
Conference services		
Property insurance	6,099,548	6,088,719
Conference benefits	9,000,718	8,812,078
Legacy property	930,298	348,740
Episcopal office	144,897	144,128
District expenses	1,070,536	1,118,873
Midwestern Wesley Foundation	24,038	54,913
Camp and conference expenses	<u>2,019,662</u>	<u>1,827,014</u>
Total program expenses	27,956,292	25,789,679
Supporting Expense		
Connectional	1,308,198	1,171,098
Communications	<u>349,684</u>	<u>406,986</u>
Total supporting expense	<u>1,657,882</u>	<u>1,578,084</u>
Total expenses	<u>29,614,174</u>	<u>27,367,763</u>
Excess revenues over expenses	<u>4,736,663</u>	<u>1,230,192</u>
Other income (expense)		
Gain on postretirement benefits obligation, net	<u>239,427</u>	<u>745,631</u>
Increase in Unrestricted Net Assets	<u>\$ 4,976,090</u>	<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
 Consolidated Statements of Activities (continued)
 For the Years Ended December 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Increase in Unrestricted Net Assets	\$ 4,976,090	\$ 1,975,823
Change in Temporarily Restricted Net Assets		
Contributions	767,600	324,463
Investment income (loss)	127,530	(49,330)
Net assets released	<u>(1,551,879)</u>	<u>(409,358)</u>
Change in Temporarily Restricted Net Assets	<u>(656,749)</u>	<u>(134,225)</u>
Change in Permanently Restricted Net Assets	<u>-</u>	<u>-</u>
Increase in Net Assets	4,319,341	1,841,598
Net assets, beginning of year	<u>28,832,407</u>	<u>26,990,809</u>
Net assets, end of year	<u>\$ 33,151,748</u>	<u>\$ 28,832,407</u>

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

NORTH TEXAS CONFERENCE OF THE UNITED METHODIST CHURCHConsolidated Statements of Cash Flows
For the Years Ended December 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Cash Flows from Operating Activities		
Increase in net assets	\$ 4,319,341	\$ 1,841,598
Adjustments to reconcile increase in net assets to net cash provided by operating activities		
Depreciation	308,426	387,554
Change in postretirement benefits obligation	(239,427)	(745,630)
Investment (gains) losses	(1,931,382)	542,505
Loss on sale or disposition of assets	1,441,564	184,592
Non-cash contributions	(3,283,053)	(1,275,000)
Decrease (increase) in operating assets		
Accounts receivable	8,032	44,499
Prepaid assets	(4,604)	290,076
Increase (decrease) in operating liabilities		
Accounts payable and accrued liabilities	(4,427)	(305,193)
Net Cash Provided by Operating Activities	<u>614,470</u>	<u>965,001</u>
Cash Flows from Investing Activities		
Purchase of investments	(4,290,245)	(3,499,209)
Withdrawal of investments	3,707,196	2,908,833
Proceeds from sales of assets	-	370,753
Purchase of fixed assets	(89,944)	(113,991)
Net Cash Utilized by Investing Activities	<u>(672,993)</u>	<u>(333,614)</u>
Cash Flows from Financing Activities		
Principal payments on notes payable	(230,407)	(199,211)
Net Cash Utilized by Financing Activities	<u>(230,407)</u>	<u>(199,211)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(288,930)	432,176
Cash and cash equivalents at beginning of year	<u>1,374,875</u>	<u>942,699</u>
Cash and cash equivalents at end of year	<u>\$ 1,085,945</u>	<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 Consolidated Financial Statements
December 31, 2016 and 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 280 member churches and fellowships and 16 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 consolidated financial statements (“financial statements”) include the assets, liabilities, net assets, and financial activities of all institutions and agencies providing services at the Conference level of administration and for which the Council on Finance and Administration has oversight responsibility. Furthermore, the following agencies of the Conference are separately incorporated 501(c)(3) nonprofit organizations, however they are consolidated with the Conference for financial statement presentation: Bridgeport Camp and Conference Center, Prothro Center at Lake Texoma, NTC Offsite Camping Ministry, Board of Pensions, and Board of Trustees. Significant intercompany transactions and balances have been eliminated.

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 Consolidated Financial Statements
December 31, 2016 and 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 the amounts related to the accumulated postretirement benefit obligation.

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.

Investments - All investments are measured at fair value based upon the exit price model. Funds are managed by Wespath Investment Management ("Wespath") 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 consolidated statements 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. Building and improvements have useful lives of 10-30 years. Furniture and equipment have useful lives of 5-10 years. The cost of maintenance and repairs is charged to expense as incurred.

Impairment of Long-lived Assets - Long-lived assets include property and equipment and land and buildings held for sale. 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 yearend, 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.

Consolidated Statement of Cash Flows - The indirect method is used to prepare the consolidated statements 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 Consolidated Financial Statements
December 31, 2016 and 2015

2 - Summary of Significant Accounting Policies (continued)

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, 2016 and 2015, the Conference conducted unrelated business activities at the Prothro and Bridgeport Camps. Management has determined that expenses exceed unrelated business revenues, and therefore, no tax is due. Accordingly, no provision for income taxes is included in the financial statements. The Conference previous tax filings for the years ended 2013, 2014 and 2015 are open for examination by the taxing authorities.

3 - Reclassifications

Certain reclassifications have been made to the consolidated statement of financial position and the consolidated statement of activities for the 2015 financial statement presentation to correspond to the current year's format. Net assets and changes in net assets are unchanged due to these reclassifications.

4 - Other Income

	<u>2016</u>	<u>2015</u>
Contributions	\$ 402,779	\$ 442,523
Interest income	46,814	35,917
Loss on impairment of other asset	(449,100)	-
Other income	<u>153,879</u>	<u>282,311</u>
	<u>\$ 154,372</u>	<u>\$ 760,751</u>

5 - Investments

The Conference has an agreement with TMF in which TMF acts as agent and investment manager for the Conference's investments. These investments are either directly invested or pooled by TMF 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 Wespath which are invested by the Wespath in pooled investment funds. Wespath 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 consolidated statements of financial position.

NORTH TEXAS CONFERENCE OF THE UNITED METHODIST CHURCH

Notes to Consolidated Financial Statements

December 31, 2016 and 2015

5 - Investments (continued)

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.

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 level 2 assets measured at fair value.

- Level 2 investments include assets held with Wespeth that are pooled into larger investment funds of Wespeth. Wespeth funds are measured using net asset value ("NAV") per share, or its equivalent, which is based upon an active market with daily pricing for these funds, that may be redeemed at the NAV at the date of the yearend financial statement or in the near term, which is generally considered to be within 90 days.
- Level 2 investments also include long term investments maintained by TMF and are valued using significant other observable inputs that are based upon fixed or variable rates of broader financial markets.

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.

NORTH TEXAS CONFERENCE OF THE UNITED METHODIST CHURCH

Notes to Consolidated Financial Statements

December 31, 2016 and 2015

5 - Investments (continued)

The following table sets forth, by level within the fair value hierarchy, the Conference's investments at fair value at December 31, 2016.

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
TMF short-term investments	\$ 952,277	\$ -	\$ -	\$ 952,277
Wespath deposit account	-	2,976,570	-	2,976,570
Wespath retiree health account	-	21,921,345	-	21,921,345
Wespath superannuate fund	-	114,092	-	114,092
Wespath long-term reserve	-	710,219	-	710,219
TMF long-term investments	-	5,644,388	-	5,644,388
Total	<u>\$ 952,277</u>	<u>\$ 31,366,614</u>	<u>\$ -</u>	<u>\$ 32,318,891</u>
Endowment and other investments	<u>\$ 1,677,866</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,677,866</u>

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
Wespath deposit account	-	2,703,631	-	2,703,631
Wespath retiree health account	-	19,847,083	-	19,847,083
Wespath superannuate fund	-	105,241	-	105,241
TMF long-term investments	-	5,574,875	-	5,574,875
Total	<u>\$ 1,680,881</u>	<u>\$ 28,230,830</u>	<u>\$ -</u>	<u>\$ 29,911,711</u>
Endowment and other investments	<u>\$ 2,019,715</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,019,715</u>

Significant changes in investments year over year consist of unrealized gains and losses as well as additions or withdraws as reported in the consolidated statements of cash flows. In addition, interest income is disclosed in the separate Other Income note disclosure.

NORTH TEXAS CONFERENCE OF THE UNITED METHODIST CHURCH

Notes to Consolidated Financial Statements

December 31, 2016 and 2015

6 - 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:

	<u>2016</u>	<u>2015</u>
Land	\$ 754,101	\$ 754,101
Buildings, parsonages and capital improvements	8,163,833	8,147,101
Furniture and fixtures	622,615	618,982
Automobiles	<u>109,575</u>	<u>107,148</u>
 Total	 9,650,124	 9,627,332
Less: accumulated depreciation	<u>(3,974,240)</u>	<u>(3,693,902)</u>
 Net property and equipment	 <u>\$ 5,675,884</u>	 <u>\$ 5,933,430</u>

7 - Multi-employer Pension Plans

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

The risks of participating in these multi-employer defined benefit pension plans are different from single-employer plans because: (a) assets contributed to the multi-employer 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 to be borne by the remaining participating employers, and (c) if the Conference chooses to stop participating in one of its multi-employer plans, it may be required to pay a withdrawal liability to the plan. The Conference has no plans to withdraw from its multi-employer 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 ("Pre-82") - The Conference participates in the Pre-1982 Plan which is a multi-employer defined benefit pension plan administered by Wespeth Benefits & Investments ("Wespeth Benefits"), formerly known as the General Board of Pension and Health Benefits of the United Methodist Church. 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.

NORTH TEXAS CONFERENCE OF THE UNITED METHODIST CHURCH

Notes to Consolidated Financial Statements
December 31, 2016 and 2015

7 - Multi-employer Pension Plans (continued)

The Board of Pensions of the Conference acts as trustee responsible for deposits with the Wespath Benefits. 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 Wespath Benefits that shows the funding requirements and funded status of all the conferences for the Pre-82. In 2016 and 2015, Pre-82 assets are expected to be overfunded by approximately \$105,280,896 and \$305,403,187, respectively.

No payment was required in 2016 or 2015, and no payment will be required for 2017 although future payments towards the plan are possible.

Ministerial Pension Plan ("MPP") - U.S. bishops, Conference members and local pastors under Episcopal appointment are eligible for pension coverage under the Ministerial Pension Plan. 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 2016 or 2015, and no payment will be required for 2017 although future payments towards the plan are possible. This plan was replaced by the CRSP described below.

Comprehensive Protection Plan ("CPP") - 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. The CPP is a multi-employer defined benefit pension plan administered by Wespath Benefits. The contribution to the plan for the years ended December 31, 2016 and 2015, were \$682,337 and \$638,650, respectively.

United Methodist Personal Investment Plan ("UMPIP") - 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. Conference clergy members, lay employees, and local church personnel are eligible to participate in this multi-employer defined contribution plan administered by Wespath Benefits 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, 2016 and 2015 were \$49,290 and \$45,159, respectively. These amounts are included in conference benefits in the consolidated statements of activities.

Clergy Retirement Security Program ("CRSP") - 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 Wespath Benefits. 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.

NORTH TEXAS CONFERENCE OF THE UNITED METHODIST CHURCH

Notes to Consolidated Financial Statements
December 31, 2016 and 2015

7 - Multi-employer Pension Plans (continued)

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

	<u>2016</u>	<u>2015</u>
Defined contribution plan, funded from the Conference	\$ 693,599	\$ 684,420
Defined benefit plan, funded from the Conference	<u>1,600,207</u>	<u>1,567,801</u>
Total contributions	<u>\$ 2,293,806</u>	<u>\$ 2,252,221</u>

The Conference expects future annual contributions for all of the plans above to be approximately \$2.3 million. 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.

8 - Postretirement Benefit Plan

The Conference sponsors a defined benefit postretirement health care plan for ministerial employees of its member churches and employees of the Conference. Actuarial reports are currently obtained every year for the plan. The annual measurement date is December 31. The plan is unfunded, however, as of December 31, 2016 and 2015, the Conference has approximately \$21,921,345 and \$19,847,083, respectively, 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.

The following tables present the Plan's obligations, funded status, activities and net unrestricted assets.

Accumulated postretirement benefit obligation (APBO) at December 31:

	<u>2016</u>	<u>2015</u>
Gross APBO	\$ 10,769,668	\$ 11,009,095
Fair value of plan assets	<u>-</u>	<u>-</u>
Net unfunded status of the plan	<u>\$ 10,769,668</u>	<u>\$ 11,009,095</u>

Amounts recognized in the statements of financial position consist of the following:

Noncurrent assets	\$ -	\$ -
Current liabilities	330,899	390,531
Noncurrent liabilities	<u>10,438,769</u>	<u>10,618,564</u>
	<u>\$ 10,769,668</u>	<u>\$ 11,009,095</u>

NORTH TEXAS CONFERENCE OF THE UNITED METHODIST CHURCHNotes to Consolidated Financial Statements
December 31, 2016 and 2015**8 - Postretirement Benefit Plan (continued)**

	<u>2016</u>	<u>2015</u>
Reconciliation of APBO to amounts recognized in statement of activities:		
APBO, beginning of year	\$ 11,009,095	\$ 11,754,726
Service cost	327,810	417,649
Interest cost	443,205	433,231
Actuarial gain	(611,986)	(1,192,718)
Expected benefits paid directly to the Conference, net of retiree contributions	<u>(398,456)</u>	<u>(403,793)</u>
Net change	<u>(239,427)</u>	<u>(745,631)</u>
APBO, end of year	<u>\$ 10,769,668</u>	<u>\$ 11,009,095</u>
Net unrestricted assets are developed as follows:		
Net prior service credit (cost)	\$ 7,919,340	\$ 9,626,094
Net gain	<u>4,131,779</u>	<u>3,760,716</u>
Net unrestricted assets	<u>\$ 12,051,119</u>	<u>\$ 13,386,810</u>
Net unrestricted assets, beginning of year	\$ 13,386,810	\$ 14,053,175
Amounts amortized during the year		
Net prior service credit	(1,706,754)	(1,706,754)
Net gain	(240,923)	(152,329)
Occuring during the year		
Net gain	<u>611,986</u>	<u>1,192,718</u>
Net unrestricted assets, end of year	<u>\$ 12,051,119</u>	<u>\$ 13,386,810</u>
Net periodic postretirement benefit (income) costs are as follows:		
Service cost	\$ 327,810	\$ 417,649
Interest cost	443,205	433,231
Net prior service credit amortization	(1,706,754)	(1,706,754)
Net gain amortization	<u>(240,923)</u>	<u>(152,329)</u>
Net periodic postretirement benefit income	<u>\$ (1,176,662)</u>	<u>\$ (1,008,203)</u>

NORTH TEXAS CONFERENCE OF THE UNITED METHODIST CHURCH

Notes to Consolidated Financial Statements
December 31, 2016 and 2015

8 - Postretirement Benefit Plan (continued)

The following assumptions and dates are used:

	<u>2016</u>	<u>2015</u>
Discount rate	4.00%	4.10%
Current health care cost trend rate	6.50%	6.50%
Ultimate health care cost trend rate	5.00%	5.00%
Year of ultimate trend rate	2023	2019
Census date	1/1/2017	1/1/2015

Effect of 1% increase in health care cost trend rates:

APBO	\$ 11,005,100	\$ 11,223,912
Amount change	\$ 235,432	\$ 214,817
Percentage change	2.19%	1.95%

Effect of 1% reduction in health care cost trend rates:

APBO	\$ 10,568,484	\$ 10,824,302
Amount change	\$ (201,184)	\$ (184,793)
Percentage change	-1.87%	-1.68%

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

2017	\$ 337,452
2018	383,224
2019	417,198
2020	461,308
2021	508,466
2022-2026	<u>3,055,524</u>
Total	<u>\$ 5,163,172</u>

NORTH TEXAS CONFERENCE OF THE UNITED METHODIST CHURCH

Notes to Consolidated Financial Statements
December 31, 2016 and 2015

9 - Notes Payable

Notes payable are to the Texas Methodist Foundation as follows:

\$450,000 note payable secured by a prior year receipt of property. The loan bears interest at a variable rate, 5.00% per annum at December 31, 2016. This loan is current and was paid in full in 2017.	\$ 347,132
\$961,997 note payable secured by a 2016 noncash receipt of property. No interest is due on the loan. The loan is current and was paid in full in 2017.	961,997
\$4,100,000 note payable secured by real estate of the Conference, and bearing interest at a variable rate, 1.80% at December 31, 2016. This loan amortizes over 20 years.	<u>2,375,182</u>
Notes Payable as of December 31, 2016	3,684,311
Less current maturities	<u>(1,486,090)</u>
Non-current portin of notes payable	<u>\$ 2,198,221</u>

Interest expense during 2016 and 2015 amounted to \$62,781 and \$68,498, respectively.

Future principle amounts due as of December 31, 2016, are as follows:

2017	\$ 1,486,090
2018	179,641
2019	182,902
2020	186,221
2021	189,601
Thereafter	<u>1,459,856</u>
	<u>\$ 3,684,311</u>

NORTH TEXAS CONFERENCE OF THE UNITED METHODIST CHURCH

Notes to Consolidated Financial Statements
December 31, 2016 and 2015

10 - 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.

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.

Endowment investments are reported in endowment and other long-term investments in the consolidated statements of financial position. As of December 31, the endowment investments of the Conference consisted of the following:

	<u>2016</u>	<u>2015</u>
Nannie F. Bean Trust	\$ 64,068	\$ 64,068
Perkins Fund	<u>1,605,077</u>	<u>1,496,122</u>
Total	<u>\$ 1,669,145</u>	<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 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 Consolidated Financial Statements
December 31, 2016 and 2015

10 - Endowment Investments (continued)

Changes in endowment net assets for the years ended December 31, 2016 and 2015 were as follows:

	Temporarily <u>Restricted</u>	Permanently <u>Restricted</u>	<u>Total</u>
Endowment investments, January 1, 2015	\$ 789,847	\$ 814,068	\$ 1,603,915
Investment income (loss)	(38,150)	-	(38,150)
Grants paid	<u>(5,575)</u>	<u>-</u>	<u>(5,575)</u>
Endowment investments, December 31, 2015	746,122	814,068	1,560,190
Investment income (loss)	124,675	-	124,675
Grants paid	<u>(15,720)</u>	<u>-</u>	<u>(15,720)</u>
Endowment investments, December 31, 2016	<u>\$ 855,077</u>	<u>\$ 814,068</u>	<u>\$ 1,669,145</u>

11 - Net Assets

	<u>2016</u>	<u>2015</u>
Unrestricted net assets:		
Balance, beginning of year	\$ 25,980,191	\$ 24,004,368
Increase	<u>4,976,090</u>	<u>1,975,823</u>
Balance, end of year	<u>\$ 30,956,281</u>	<u>\$ 25,980,191</u>
Temporarily restricted net assets:		
Balance, beginning of year	\$ 2,038,148	\$ 2,172,373
Decrease	<u>(656,749)</u>	<u>(134,225)</u>
Balance, end of year	<u>\$ 1,381,399</u>	<u>\$ 2,038,148</u>
Permanently restricted net assets		
Balance, beginning of year	\$ 814,068	\$ 814,068
Change	<u>-</u>	<u>-</u>
Balance, end of year	<u>\$ 814,068</u>	<u>\$ 814,068</u>

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 consolidated 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 consolidated financial statements ("financial statements") of the North Texas Annual Conference of the United Methodist Church as of and for the years ended December 31, 2016 and 2015, and our report thereon dated July 31, 2017, which expressed an unmodified opinion of those financial statements, appears on page one. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole.

The Supplementary Consolidated Statement of Revenues and Expenses on page twenty 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 31, 2017

NORTH TEXAS CONFERENCE OF THE UNITED METHODIST CHURCH

Supplementary Consolidated Statement of Revenues and Expenses

For the Year Ended December 31, 2016

	Balance 12/31/2015	Collections	Disbursements	Transfers	Balance 12/31/2016
Unrestricted net assets					
General Conference	\$ 825,344	\$ 3,273,208	\$ (3,259,607)	\$ -	\$ 838,945
Jurisdictional conference	-	108,336	(108,336)	-	-
GBGM advances	-	160,634	(160,634)	-	-
Other benevolences	-	175,690	(175,690)	-	-
Apportioned conference programs					
Center for new church development	522,220	1,291,465	(1,103,625)	(57,405)	652,655
Center for leadership development	483,171	2,028,463	(1,796,324)	(361,532)	353,778
Center for missional outreach	468,709	671,457	(434,331)	(314,281)	391,554
Center for connectional resources	1,808,488	1,444,351	(1,301,755)	(495,890)	1,455,194
Conference benefits	13,392,870	12,340,822	(9,756,013)	(52,794)	15,924,885
Property insurance	1,612,595	6,135,311	(6,099,548)	-	1,648,358
Non-apportioned programs					
Episcopal office - area admin.	367,744	111,976	(76,204)	(35,937)	367,579
Episcopal office - GCFA	-	-	-	21,252	21,252
Communications	83,408	403,048	(349,684)	(19,520)	117,252
District superintendents	126,869	580,771	(508,451)	(38,764)	160,425
East district	391,682	181,214	(153,863)	(25,345)	393,688
Metro district	864,711	184,691	(151,777)	(22,607)	875,018
North central district	482,445	171,389	(155,315)	(21,997)	476,522
Northwest district	192,075	165,060	(101,131)	(23,774)	232,230
Legacy property	2,176,133	3,743,976	(930,298)	(38,374)	4,951,437
Midwestern Wesley Foundation	39,449	4,100	(24,037)	33,123	52,635
Bridgeport camp (non-apportioned)	8,266	876,544	(1,145,083)	303,663	43,390
Bridgeport camp property	738,875	-	-	(75,521)	663,354
Prothro Camp center	1,361,767	-	-	(161,124)	1,200,643
Prothro Center	33,370	714,391	(826,048)	203,529	125,242
NTC offsite camping ministry	-	2,776	(48,531)	56,000	10,245
Total unrestricted net assets	<u>25,980,191</u>	<u>34,769,673</u>	<u>(28,666,285)</u>	<u>(1,127,298)</u>	<u>30,956,281</u>
Temporarily restricted net assets					
Creating congregation	653,400	-	-	(653,400)	-
Young Clergy Initiative	42,317	240	-	(42,557)	-
Zip Code Connection	92,772	316,652	(670,270)	260,846	-
NT Disaster Relief	29,739	365,907	(288,126)	(1,058)	106,462
Peace with Justice	9,195	998	(1,000)	-	9,193
Native American Ministry	14,233	1,133	(5,000)	-	10,366
Hispanic Plan	6,460	-	-	-	6,460
Box Truck	31,394	-	(8,547)	(22,847)	-
Cut Trust	271,269	-	-	-	271,269
Perkins Fund Income	746,121	124,675	(15,719)	-	855,077
Nannie Bean Trust Earnings	-	2,495	(2,495)	-	-
Episcopal GCFA Funds	16,982	83,020	(68,694)	(31,308)	-
Robertson Awards	1,769	10	-	-	1,779
JV Partnership	7,415	-	(1,704)	-	5,711
Children Seek Scholarship	18,595	-	-	-	18,595
Superannuate Corpus	89,338	-	-	-	89,338
A Wilkinson Playground	7,149	-	-	-	7,149
Total temporarily restricted net assets	<u>2,038,148</u>	<u>895,130</u>	<u>(1,061,555)</u>	<u>(490,324)</u>	<u>1,381,399</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>
Total Net Assets	<u>\$ 28,832,407</u>	<u>\$ 35,664,803</u>	<u>\$ (29,727,840)</u>	<u>\$ (1,617,622)</u>	<u>\$ 33,151,748</u>

See the Independent Auditor's Report on Supplementary Information.

AFRICA UNIVERSITY

Africa University ended 2016 poised to celebrate its Silver Jubilee and eager to embrace new opportunities for transformative ministry over the next 25 years.

The university community acknowledges, with heartfelt gratitude, the faithfulness and generosity of the North Texas Conference in helping Africa University to realize its mission. We thank the North Texas Conference for investing 93.72 percent of the asking to the Africa University Fund (AUF) apportionment in 2016.

The steadfast support of the North Texas Conference is of vital importance to Africa University. On the occasion of the institution's 25th anniversary, we invite the individual members, congregations and districts of the North Texas Conference to celebrate their journey with Africa University. After all, much of the credit for the university's progress and impact goes to local congregations, such as those of the North Texas Conference, who are committed and who give selflessly.

Please encourage your congregation to remain engaged and aim to invest 100 percent of its asking to the AUF and other apportioned funds in 2017. Engage in a season of daily prayer for Africa University. Join Africa University's honorary alumni association. Consider hosting a special "AU@25" event or an Africa University Sunday in your local church or area. Use your event to increase awareness of Africa University's ministry and invite attendees to each give \$25 each in honor of the 25th anniversary.

Great things are on the horizon for Africa University in the next quarter century. Your Africa University is continuing to evolve and serve by:

- Restructuring its academic units in order to remain relevant and provide a broader-based education to meet new demands in the African workforce.
- Providing leadership formation experiences and learning for more than 1,400 full-time students each year.
- Generating new knowledge and capacity to support peacebuilding and to improve food security, human rights, and leadership for the African continent.

Thanks to your generosity, the mission of the global United Methodist Church is alive in the contributions of the Africa University's 7,000+ graduates. More than 90 percent of these graduates are still in Africa, serving communities in 32 countries. Currently, more than two dozen Africa University graduates are missionaries in Africa, Latin America, Asia and Europe, under the auspices of the General Board of Global Ministries (GBGM).

"I was influenced by the civil strife in Congo and other parts of Africa," said Rev. Jean Claude Maleka, an AU graduate, deacon and GBGM missionary serving in the West African country of Ivory Coast. He and his wife, Francine Mufuk — also an AU graduate — are from the Democratic Republic of Congo in Central Africa. Mufuk's assignment is to coordinate young girls' ministry.

Maleka's assignment is evangelism and church planting. He is also helping to provide clean drinking water to families and communities in the areas with new church starts.

"I was inspired to serve as a missionary to assist the church to consolidate peace building in many places in Africa," said Maleka.

Without Africa University, "I am sure that I would not have the mental maturity and spiritual growth that I have now," said Albert Wakili, an AU graduate who is a Global Mission Fellow. Wakili is currently serving as a youth and children's worker at Blanchardstown Methodist Church in Dublin, Ireland, one of the newest and most ethnically diverse congregations in Irish Methodism. He plans to return to Nigeria later this year, when his two-year term with the GBGM ends.

Thank you, North Texas United Methodists, for your unwavering response to the call to faith, hope, and renewal in the world. We pray that blessings continue to abound for all who serve in disciple-making ministry in the North Texas Conference.

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
jsalley@gbhem.org www.support-africauniversity.org

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 near White Rock Lake in East Dallas is a 24/7/365 community and is home to almost 500 residents.

Our vision is to enhance the quality of life for all we serve. We strive to create life-enriching experiences for our residents to celebrate life every day and offer the following for seniors: Independent Living, Assisted Living, Memory Care, Skilled Nursing, In & Out-Patient Rehabilitation, Home Healthcare, Home Services, Hospice, and supportive dementia daytime care in our Adult Day Center.

C. C. Young was founded in service and is growing in service, extending its reach beyond our campus walls:

- The Community Services Team provides Home Healthcare, Home Services, and Hospice in 13 counties in addition to residents on our campus: Collin, Cooke, Dallas, Denton, Ellis, Fannin, Grayson, Hunt, Johnson, Kaufman, Rockwall, Tarrant and Wise.
- The C. C. Young Cares program launched in 2015 to provide 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 continue to develop to expand the outreach even further.
- The 2017 Spirit is Ageless Art & Writing Contest received 190 entries this year with entries as follows: 24% from C. C. Young residents, 5% from Point Members and 71% from members in the community at large.
- The Point and Pavilion in the heart of our campus offers creative, educational and fitness opportunities for residents and the general public. The Point also has event and meeting space available. To schedule a meeting, tour, or to learn more, contact Brian Parman at bparman@ccyoung.org.

C. C. Young's master plan will transform the existing campus and services over the next 8-10 years. Phase I is in process now: construction of a new nine-story, state-of-the-art Transitional Living Center called The Vista:

- The Vista is designed with ultimate flexibility in mind. It will be built in accordance with the strictest construction guidelines required for skilled nursing in Texas which is the highest level of care.
- The Vista will offer 221 new state-of-the-art patient rooms and resident apartments. Beautifully appointed spaces will replace and enhance the current skilled nursing, rehabilitation, memory care, and the adult day center program while also adding larger assisted living residences.

- Amenities include inpatient and outpatient rehabilitation with a comprehensive aquatic program and therapy pool, spa, grand hall, multiple dining venues, family gathering rooms, a community room, a meditation room and chapel, art gallery, gift shop, team member area and multiple sensory gardens.
- Smaller ‘households’ for 16 residents/patients will create intimate environments to promote closer relationships with their families and caregivers.
- The Vista will house two full kitchens enabling us to enhance the dining experience. Options will include food cooked to order options in each household.
- The new design and flow of the building has been designed to transform and enhance person-centered care.

The Vista building is currently under construction and will transform senior care in the fall of 2018 through forward-thinking design, programs and technology. 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.

LYDIA PATTERSON INSTITUTE

Every year, Lydia Patterson institute (LPI) becomes a stronger ministry of the United Methodist Church with its eternal mission of changing lives and serving as a catalyst from despair to optimism through knowledge and faith. At least 400 lives are being touched daily. Students are prepared for a life of higher education, and many are brought to Jesus Christ with a promise to Christian service.

Three years ago, LPI added a middle school to its already highly successful high school program. With the addition of the 7th and 8th grades came the integration of the latest state-of-the-art technology available for the classroom. The 9th and 10th grades were upgraded last year, and the 11th and 12th grades were completed this school year. This makes our school the only one in the El Paso area totally technologically operated with Smartboards and E-Pads in every classroom and Ebooks in every subject.

The mission of Lydia Patterson Institute is to form bilingual leaders for both church and society, and to provide them with the tools to break the cycle of poverty and make a better life for themselves and their families. This past school year we graduated 83 seniors. All are in college today. On graduation night, we announced a total of \$1.6 million in scholarships from United Methodists colleges and universities alone. Our connection with other United Methodist institutions merits mention as to the success of our ministry.

Our job is to help students and their families move forward towards a higher socio-economic level. The challenges are plentiful, but we meet them with faith and optimism. Economic conditions across the border hinder the economic abilities of our parents. This year, the price of gasoline was doubled, and the Mexican peso is in a constant state of devaluation. The effect of the downturns is a need for more scholarships to support our students.

Lydia Patterson Institute, your mission on the U. S.–Mexico border is a promise of hope to those fearing the uncertainties of border issues and the threats of deportation. At a time where politicians and government officials talk about building fences or higher walls, Lydia Patterson is building taller bridges between the two countries to bring families to more equitable means of living, and preparing its students to serve both sides of the border with dignity and integrity in a bi-national setting. We strive to form the bilingual leaders of tomorrow and our next generation of disciples for the transformation of a world of peace and harmony on our U. S.–Mexico borders and beyond.

Thank you for being a part of this redemptive ministry and for joining us in making it a vital one for the next 100 years. Our appreciation goes out to the Bishop and every United Methodist church in this conference and all those

who support us with their dollars and their prayers. We extend a warm invitation to visit our campus, whether in a mission tour, work team, or personal stopover, and experience firsthand the life of one of the greatest ministries of the United Methodist Church.

Dr. Socorro de Anda, LPI, President

METHODIST CHILDREN'S HOME

Greetings from Methodist Children's Home (MCH) and the more than 5,000 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. There you can view our strategic plan, annual report or explore in more detail the services we offer. You can also 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 join our ministry as a home parent, foster parent or in another capacity.

Guided by our core values of Christian Principles, Relationships, Responsibility, Growth, Service and Hope; MCH provides the care, 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 in residential programs on our Waco campus and Boys Ranch as well as through 13 MCH Family Outreach offices including Dallas.

The reasons children and youth arrive in our care are unique to each individual. They range from extreme trauma, a sudden change in the family structure, school issues, or poor choices in a difficult and ever-changing world. We invest in our staff so that regardless of what brings someone to MCH, they encounter the highest level of care possible. Our vision remains to share what we learn with pastors, youth ministers and family members in the local church because MCH knows you are encountering similar situations.

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:

- Began the process of creating a bold three-year strategic plan to help chart a bright future for this ministry and address the ever-changing needs of children, youth and families from Texas and New Mexico. Our leadership team is committed to finding new and innovative ways to fulfill our mission and partner with United Methodist congregations to serve those who would benefit from the services we offer.
- Opened the first new residential home in more than 50 years, The Dr. Jack Kyle and Evelyn Daniels Home, on our Waco campus.
- Started building two additional homes thanks to the generosity of our supporters. These homes are part of our capital campaign, "Building Hope." This campaign seeks to create 21st century homes that are designed and equipped to best serve the children now entering our care. The response from our benefactors, alumni and fellow childcare providers to the new homes' design and features has been amazing.

- Assisted 35 young men and women 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 designated gifts for scholarships, approximately \$500,000 was available to assist 84 MCH alumni in pursuing advanced education degrees and certificates.
- Established 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 semifinals and we enjoyed one of our best years on record at the Heart O' Texas Fair & Rodeo. We believe extracurricular activities are powerful ways to empower our young people and strengthen their 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, TX

Rev. Marie Mitchell, Grand Prairie, TX

Mr. Dan Moore, Carrollton, TX

These individuals, along with other Board members, MCH Commissioners and benefactors, enable our ministry to achieve its mission. If you would like to schedule a speaker, arrange a tour or request resources to help promote an offering, contact our Development office by email at development@MCH.org, by phone at (254) 750-1314 or (800) 853-1272. You can also reach us by mail at 1111 Herring Avenue, Waco, Texas 76708.

As we now celebrate our 127th 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

PERKINS SCHOOL OF THEOLOGY SOUTHERN METHODIST UNIVERSITY

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

- Seventy-seven students affiliated with the North Texas Conference are enrolled at Perkins, including: 55 Master of Divinity students; eight Master of Arts in Ministry students; seven Master of Theological Studies students; four Doctor of Ministry students; one Master of Theology student; and two students who have yet to declare an intended major.
- Eligible 2016–2017 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.

- Twenty-eight Perkins students have been placed as interns within the North Texas Conference this year in the following settings: First UMC Garland, Oak Lawn UMC, White Rock UMC, Greenland Hills UMC, Austin Street Center, Kessler Park UMC, Highland Park UMC, Zip Code Connection, Poetry UMC, St. Andrew UMC, Lake Cities UMC, First UMC Richardson, Parkland Health and Hospital System, Lovers Lane UMC, Grace UMC, Cross Way UMC, First Rowlett UMC, St. Paul UMC, Casa Linda UMC, First UMC Dallas, Stonebridge UMC, Bent Tree Bible Fellowship, New World UMC, Highland Hills UMC, Celeste First UMC and Kingston UMC.

Enrollment at Perkins for the 2016-17 academic year totals 342 students, of which more than two-thirds are United Methodist and more than 45 percent are ethnic minority students. Master's degree programs comprise approximately 51 percent male and 49 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.

2016 HIGHLIGHTS

- Perkins welcomed the appointment of Dr. Craig C. Hill as Dean and Professor of New Testament. Dean Hill most recently served as Executive Director of the Doctor of Ministry and Master of Christian Practice programs at Duke, as well as Research Professor of Theological Pedagogy. Additionally, he served at, among other institutions, Wesley Theological Seminary in Washington, D.C., Yale Divinity School, the University of Cambridge, England, and at seminaries in Moscow, Russia, and Seoul, South Korea.
- In looking ahead to its exciting and vibrant future, Perkins instituted the first formal market/marketing study undertaken by school in a decade. Working in conjunction with an external consulting group, the study is an effort to gauge feedback from Perkins alumni, students, faculty, staff and other key constituencies on how best to guide the school during its next phase forward. One essential component of that study was the creation of the Perkins Engagement Team, a group of key staff and faculty who meet every other week to generate ideas, formulate strategy and review progress related to Perkins' admissions, recruiting and marketing functions.
- Renowned biblical scholar N.T. Wright was the featured lecturer as Perkins hosted "Simply Wright: N.T. Wright at Perkins | SMU" on Nov. 15-17, 2016. Wright gave three nightly lectures, which were free to the public and drew more than 3,000 attendees, and directed workshops for the 120 conference attendees during the day. To date, videos of the three lectures have garnered more than 35,000 views on the Perkins YouTube channel.
- Dr. Carlos F. Cardoza-Orlandi, Professor of World Christianities and Mission Studies at Perkins, was appointed to serve as the director for the Doctor of Ministry Program at Perkins. He joined the Perkins faculty in July 2010, having previously served as Professor of World Christianity at Columbia Theological Seminary in Decatur, Georgia, from 1994-2010.
- Bart Patton, who has nearly 20 years of experience in ministry, joined Perkins as its Director of Youth and Young Adult Ministry Education. He provides oversight and strategic planning for Perkins' programs for high school youth and their families, young adults, and practitioners who work with these constituencies. Additionally, Patton will be the point person for connecting Perkins and SMU to church and community organizations that work with youth and their families and with young adults.
- Perkins, in conjunction with the Houston Methodist Hospital system, began offering seminars and courses to educate hospital staff and personnel on the role of theology and healing.

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.

Grace and peace,
Craig C. Hill, Dean and Professor of New Testament

PROVIDENCE PLACE

On behalf of our Board of Directors, staff, and those on our campus who are working hard to achieve their own personal level 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 121st anniversary in 2016 thanks to the committed support from individual donors and United Methodist Churches. We have been able to be a blessing to those around us for well over a century, and we couldn't have done it without you.

Providence Place provides a safe haven for those who have felt excluded. We offer adoption services to women who are 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 social, independent living and vocational training to students who are trying to live to their full potential and capabilities, believing that they will find themselves accomplishing things they never thought were possible.

I'd like to take time here to share a few of the exciting things that have happened around our campus this past year:

A huge win for Providence Place comes in being named as a recipient of the Impact San Antonio grant. With the money that was awarded, we will be able to purchase equipment that will substantially enhance the work environment simulations for the students in our Work Training Center. Please come by our exhibitor table during Annual Conference to pick up our newsletter, where we go into much more detail about this process!

In June of 2016, we celebrated a record-setting number of twenty-nine young adults who graduated from the Center for Higher Independence program, of whom 90% had found employment upon graduation. We are beyond excited for them and are grateful to have been a part of their story – you helped them reach their goals!

In the Horticulture program, our garden has doubled in size and we've made two additions – sheep! Maude and Maxine are taken care of by the students and have become the greeters to those driving onto our campus. We have a farm stand, where the students will sell the produce that's grown in the garden, and we've found a rise in its popularity! Our neighbor has graciously partnered with us to use the corner of their lawn to hold our stand and we've noticed we have regulars coming to visit us most Fridays (weather permitting). We've even traveled to different Farmer's Markets around San Antonio!

Throughout this past year, our Chaplain, Rev. Carrie Land, has truly been God's hands and feet throughout our campus. She has done an outstanding job at counseling expectant mothers and students, leading Bible studies, organizing our praise band and preaching in our weekly Chapel Service. All are welcome to Chapel, including staff *and* those beyond our walls – if you find yourself in San Antonio at 3:30 on a Thursday afternoon, come join us! We are so grateful for Carrie's servant heart and leadership.

Carrie has also recently begun leading our Adoptions of Texas program. Under her direction, we have seen a broader range in outreach efforts and a peak in adoption inquiries. This past year we have had many post-adopt interactions. Most recently we've had a man who was born in 1970 and his adopted mother fly in from Missouri to meet his birth mom and biological brother and sister on our campus. After a few phone calls between them, it was a grand reunion and we were blessed to be able to experience that with them.

This October, we will be honoring the 50 years we have spent on our current campus. We have seen many faces and heard many stories; through your compassion, thousands of lives have been changed for the better. If you would like to join us for this celebration, we would be honored to have you!

Last but certainly not least, I would also like to take the time to recognize those from the North Texas Annual Conference who give of themselves, their time and resources to serve on the Providence Place Board of Directors:

Board of Directors

Tom Giltner Dallas, TX
 Catherine Tunks Dallas, TX

Honorary Board of Directors

Rev. Dr. Joan LaBarr

I encourage you to schedule a tour of our beautiful 25 acre campus, coordinate a volunteer mission trip, arrange a speaker for your congregation or church group, and request offering materials for an annual church offering. We couldn't continue these ministries without you and we would love to come and share the stories of Providence Place! If we could be a resource to you, contact our Advancement Team at (210) 696-2410 or at mission.advancement@provplace.org. Also, please visit our website at www.provplace.org to learn more about these special ministries and to hear first-hand stories from those we have served.

Respectfully,
 Judith Bell, President & CEO

Saint Paul School of Theology

www.spst.edu

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

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

Saint Paul School of Theology is a seminary of the United Methodist Church committed to the formation of people for innovative, creative ministry. We are one institution with two campuses, in Kansas and Oklahoma.

This past 2015-2016 academic year, Saint Paul enrolled 168 students from 15 annual conferences and 5 countries on both campuses. The Course of Study School at Saint Paul served 194 students in three midwest locations. Course of Study will expand course offerings to Hays, Kansas beginning Fall 2017.

Rev. Neil B. Blair became president of the seminary July 2016. Blair is a 1980 Master of Divinity graduate of Saint Paul and an ordained elder. He most recently served as the Executive Director for Institutional Advancement for the UM General Board of Higher Education and Ministry.

Saint Paul School of Theology and Oklahoma City University partnered to offer a 3+3 accelerated degree program. Under this arrangement, OCU students will complete 3 years of undergraduate studies in the pre-seminary track and begin their 4th year as an MDiv student at Saint Paul School of Theology. Students prepare for ordination/entry into ministry in six years instead of the usual seven, while earning both B.A. and M.Div. degrees. The accelerated program saves students time and money.

Saint Paul and The Academy for Spiritual Formation have partnered to offer a Doctor of Ministry (DMin) in Prophetic Witness and Service with an emphasis in Spiritual Formation. This is the first time a seminary has worked with The Academy for Spiritual Formation, a ministry of The Upper Room, to co-develop an advanced degree.

Saint Paul is also partnering with the Academy to host a 5-Day spiritual formation retreat with the theme "Draw the Circle Wide". The summer retreat includes community and individual reflection about how spiritual disciplines help develop our listening and global language of love. Dr. Amy Oden, Professor of Early Church History and Spirituality, is a lead organizer.

Rev. Casey Sigmon served as a visiting professor in a year-long professorship as part of the Vanderbilt program in Theology and Practice. Sigmon co-taught a preaching class with Dr. Mike Graves this fall and a course entitled, “Preaching in the Digital Age” based on her dissertation research this spring.

Saint Paul now offers a Certificate in Theological Formation. The certificate is 24 credit hours of courses all taught by Saint Paul faculty. Classes may be completed entirely online or through a combination of online and on-campus offerings.

Dr. Angela Sims’ work in oral history preserves the memory of elder African Americans in her recently published book, *Lynched: The Power of Memory in a Culture of Terror*. Collaborative faculty books include *Transforming Community: The Wesleyan Way to Missional Congregations* by Saint Paul professor Dr. Hal Knight and Dr. F. Douglas Powe, Jr. and *Coming Full Circle: Constructing Native Christian Theology* by Saint Paul professor Dr. Elaine Robinson and Rev. Steven Charleston.

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

SOUTHERN METHODIST UNIVERSITY

More than 100 years ago the Methodist Episcopal Church, South, had the foresight to understand what a great institution of higher education could mean for the ambitious young city of Dallas. Southern Methodist University continues to mark exciting developments as students and faculty pursue opportunities that provide a platform for making global impact. Recent highlights include:

In fall 2016 SMU’s total enrollment of 11,739 included 6,521 undergraduates and 5,218 graduate students. Ethnic minority students made up 26 percent of total enrollment. An international enrollment of 1,719 (more than 14 percent of total enrollment) represented 124 foreign countries.

SMU ranks among the nation’s top universities. In the 2017 *U.S. News & World Report* listings, SMU ranks 56th among 310 of the “best national universities.” Several individual schools and academic programs also earned national rankings.

SMU received \$26 million in external funding during 2015-16 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.

In January, SMU received a \$2 million gift from SMU Trustee emeritus and longtime benefactor Cary M. Maguire to endow the directorship of SMU’s Cary M. Maguire Center for Ethics and Public Responsibility. The Maguire Center supports ethics-related education and activities for students and faculty, as well as outreach to community, private and public institutions. Also in January, SMU received a \$2.5 million gift from AT&T to endow the AT&T Center for Virtualization to fund its research to support the fast, reliable cloud-based telecommunications necessary for global connectivity. Announced in October, a \$1.7 million grant from the Texas Instruments (TI) Foundation will help fund the STEM Teacher Academy at SMU’s Simmons School of Education and Human Development to help Dallas ISD teachers develop methods for engaging students in science.

In July, Craig C. Hill became the new dean at SMU’s Perkins School of Theology, after the former Dean William B. Lawrence retired in May. Hill came to SMU from Duke University, where he had served as executive director of the Doctor of Ministry and Master of Christian Practice programs and as research professor of theological pedagogy. Also in July, Maria Dixon Hall, associate professor of organizational communication and director of corporate communication and public affairs, was named as the provost’s senior advisor for campus cultural

intelligence initiatives. Hall leads the initiative to cultivate a campus culture that equips faculty, staff and students to engage with today's culturally complex world.

Frederick R. Chang, director of SMU's Darwin Deason Institute for Cyber Security in the Bobby B. Lyle School of Engineering, was elected to the National Academy of Engineering and inducted into the Academy of Medicine, Engineering and Science of Texas.

Sabri Ates, associate professor in SMU's Clements Department of History in Dedman College of Humanities and Sciences, and Zachary Wallmark, assistant professor and chair of music history at SMU Meadows School of the Arts, received fellowship grants from the National Endowment for the Humanities – the only two recipients in North Texas from the current funding cycle.

In fall, SMU opened its new Dr. Bob Smith Health Center, which provides comprehensive medical care to students. The two-story building houses medical and counseling programs, a full-service pharmacy and SMU's health education program. Students returning to campus also celebrated a transformed Fondren Library, which includes new common spaces, study zones and a Starbucks.

SMU hosted inspirational speakers at its 2016 Commencement ceremonies. In May, Richard Templeton, SMU Board of Trustee member, and Texas Instruments CEO, with his wife, Mary Templeton, philanthropist and community volunteer, shared lessons learned from a swimming accident two and a half years ago that left Mrs. Templeton paralyzed. Mr. Templeton touted resiliency as a critical personal characteristic, and Mrs. Templeton challenged the graduates to jump into opportunities to make a difference as they begin their next life phase. In December, retired Dallas Police Chief David O. Brown, who gained national attention for his handling of a gunman's July 2016 ambush of five police officers, told the graduates, "you may be the next greatest generation of heroes in this country."

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 fourth academic year as President of Southwestern University, I marvel at the ways in which our history of "firsts" continues to lead the way for our future. We are the first institution of higher education in Texas, home to the first Rhodes Scholar in Texas, and the first in the nation to honor alumni with a homecoming celebration. This tradition of "firsts" continues as we create new and dynamic educational experiences for today's young hearts and minds, built on a foundation of strength from our past.

In August, Southwestern welcomed 381 entering students bringing the total enrollment to 1,486. A total of 73 percent of the new class was in the top 25 percent of their graduating class, and 36 percent were in the top 10 percent. Altogether, 19 states and seven countries are represented in the class. Underrepresented students make up 39 percent of the class, and 15 percent are first-generation students. I was pleased to have the opportunity to visit personally with prospective students and their families at the 21 events hosted on campus this year.

Last year marked the opening 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 continued 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.

2016 Accolades

- *USA Today*, *U.S. News and World Report*, and *Washington Monthly* ranked Southwestern as the top national, liberal arts college in Texas.
- The Princeton Review ranks Southwestern in its Top 200 "Colleges That Pay You Back." Southwestern's Career Services ranks 4th in the nation and No. 1 in Texas in The Princeton Review's latest book, *The Best 380 Colleges: 2016 Edition*. The Princeton Review also ranked Southwestern in its Best 380 Colleges, Best Western Colleges, and Best Green Colleges.
- Kiplinger's *Personal Finance* names Southwestern a "Best College Value."
- Southwestern is one of 47 colleges and universities in the country to be named a "Best Buy" school in the 2017 edition of the *Fiske Guide to Colleges*.
- The United States Environmental Protection Agency (EPA) names Southwestern the 2015-2016 College & University Green Power Conference Champion for the sixth year in a row.
- Southwestern was named a Military Friendly® School.

Academics

- Southwestern University's Paideia curriculum provides students with an educational experience that is interdisciplinary, integrative, and intentional. Eleven clusters are currently established to engage 1300 first-year through senior students and 90 full-time faculty members. Six Paideia seminars are currently being held, and six more are scheduled for fall 2017. Paideia and the Office of Community-Engaged Learning (CEL) have sponsored six faculty CEL-Fellows to develop courses that include community-engaged learning. In addition, 30 students have received support for intercultural learning in study abroad programs, and 18 students are participating in a living-learning community in our Global Engagement Hall. This spring, five Southwestern students will serve as Community-Engaged Learning Teaching Assistants (CELTAs) for the Paideia clusters (Americas, Conflict, Design, Global Health, Situating Place). Eleven faculty and professional staff are engaged in a one-year commitment to engage in research related to Paideia, such as the exploration of team-teaching, interdisciplinary, and community-engaged learning.
- New students had the opportunity to participate in the First Symposium this past fall, which showcases work from the First-Year and Advanced-Entry Seminar experience.
- For the 16th consecutive year, the King Creativity Fund supported innovative and visionary student projects across the disciplinary spectrum.

Faculty Achievements

Numerous Southwestern Faculty members were honored this year:

- Five faculty members published books in 2016.
- Seven faculty members received Sam Taylor Fellowship grants from the Division of Higher Education from the Board of Higher Education and Ministry of The United Methodist Church for 2016 to support their scholarly work. These awards provide pivotal support for our faculty in the

early phases of a project, providing seed money to assist them in establishing a track record which can lead to additional funding opportunities.

- Professors of Biology Maria Todd and Maria Cuevas received a \$15,000 grant from the Joe and Jessie Crump Foundation for Medical Research. The funds will support their research aimed at elucidating the role of tight junction destabilization in the development and progression of endometrial cancer. This project will offer research opportunities for undergraduate students majoring in biology.
- Assistant Professor of History Jessica Hower received a John Fell Research Fund Grant from Oxford University to present a paper titled "Auld Enemies and Auld Empires: Scotland, England, and Early Modern British Imperialism" at a special two-day conference on "Imperial Comparison" at All Souls College, Oxford University, in Oxford, United Kingdom on July 8-9, 2016.
- Assistant Professor of Chemistry and Biochemistry Mike Gesinski was awarded a grant from the Petroleum Research Fund and the American Chemical Society titled "Development of a Novel and Versatile Method for the Synthesis of Substituted Cyclobutanes." Designed to support promising early scholars, this grant will provide \$55,000 over two years to support an undergraduate research program in organic chemistry at Southwestern.
- Associate Professor of Sociology Reggie Byron was awarded an external grant from the Fund for Advancing the Discipline (FAD) of the American Sociological Association. His project is titled "Discriminatory Race and Gender Termination from Low Wage Work". He will work with sociology majors, Deidra McCall '18, and Madeline Carrola, '18, over two summers to complete this project.

Student Achievements

Southwestern students also earned a variety of honors and awards in 2016. For example:

- Fifty-six students were inducted into our chapters of Phi Beta Kappa and Alpha Chi honor societies.
- Markell Henderson '19, was selected from a group of national finalists to become one of 16 in this year's incoming class to be a part of the prestigious Kemper Scholars Program. The James S. Kemper Foundation of Chicago, Illinois, has been supporting Kemper Scholars since the program's inception in 1948. It provides exceptional financial and programmatic support for summer internships, both locally after the sophomore year, and in the Chicago community, after the junior year.
- Class of 2018 students Sophia Anthony, Rachel Arco, Lacey Bowersox, and Emilie Fisher all received two-year Hatton W. Sumners scholarships from the Dallas Foundation. These prestigious awards provide \$20,000 in scholarship support each year, as well as financial support to attend trainings, lectures, and other events throughout the year.
- Student Lauren Gillespie, Class '18, was selected as a Women Scholar for Computing Research Association. She was one of only 60 chosen out of 600 applicants. This scholarship allowed her to attend the Grace Hopper Celebration of Women in Computing in Houston, Texas, on October 19-21. She was also selected to be a "Hopper" volunteer during the conference. The Grace Hopper Celebration of Women in Computing is the largest celebration of women in technology in the world and gives women in computing an opportunity to celebrate their accomplishments in increasing the diversity of computing fields.
- Student Marissa Madrid-Ortega '17, was awarded a Benjamin A. Gilman International Scholarship for the 2016-17 academic year. The \$8,000 award will allow Madrid-Ortega to continue her critical language study in China.
- Chemistry major Caitlin Lacker '16, was awarded a prestigious National Science Foundation Graduate Award Fellowship (NSF). The NSF Graduate Research Fellowship Program recognizes and supports outstanding graduate students in NSF-supported science, technology, engineering, and mathematics disciplines who are pursuing research-based master's and doctoral degrees at accredited United States institutions. For the 2016 competition, NSF received nearly 17,000 applications, and offered 2,000 awards.

- Junior physics major Isabella Ferranti '17, and sophomore physics and computational math dual major Yash Gandhi, '17, were both awarded prestigious National Institute of Standards and Technology Summer Undergraduate Research Fellowships (NIST-SURF) for summer 2016. Each award included a \$5,500 fellowship, as well as travel and housing costs to attend the National Institute of Standards and Technology summer research program in Boulder, Colorado. Ferranti worked with a team studying "Laser Frequency Combs for Finding Exoplanets" and Gandhi worked with the "Multiple Output Multiple Input Wireless Technology as a Measurement Tool" team. The 11-week program offered the opportunity to work alongside leading research scientists and talented undergraduates throughout the United States.

Athletics

Accolades earned by Southwestern student-athletes and coaches in 2016 included:

- Approximately one-third of the student body participated in the University's 20-sport NCAA Division III Intercollegiate Athletic Program.
- For fall 2016, the Athletic Department generated 41% of the total deposits for the University.
- The net tuition revenue for student-athletes has consistently been higher than non-athletes; the rolling ten-year average differential is \$1,517.
- The student-athletes cumulative grade point average is consistent with that of non-athletes, both of which are slightly above 3.0.
- Southwestern Football clinched its first-ever Southern Collegiate Athletic Conference (SCAC) championship with a 20-7 victory over Trinity on November 5—just four short years after being reinstated in 2013. It also marked the program's first conference title since being crowned Texas Conference co-champions in 1946.
- Southwestern University football student-athlete, Justin Broussard,'17, was named D3 football.com second-team All-American.
- The Southwestern volleyball team captured the NCAA Regional title, defeating No.4 UT-Dallas on their home court 3-2 on November 13, for the first time in program history. They advanced to the National Collegiate Athletic Association (NCAA) Quarterfinals, where they defeated Tufts University 3-2 on November 17. The Pirates fell in the NCAA Final Four to Washington University-St. Louis, ending their historic run.
- The Southwestern University Men's Golf Team won the Southern Collegiate Athletic Conference championship by one stroke in the closest finish ever in SCAC men's golf championship history.
- Head Men's Golf Coach Greg Sigler was named SCAC Coach of the Year for 2016.
- Women's soccer student-athlete Mallory Harkins, '20, was named SCAC Defensive Player of the Year.
- Women's soccer student-athlete Mary Cardone, '20, received Newcomer of the Year laurels.
- Head Women's Soccer Coach Linda Hamilton was picked as the SCAC Coach of the Year.
- Head Men's Basketball Coach Janson Hightower was named to the National Association of Basketball Coaches 30-Under-30 Team.
- Southwestern University Baseball Student-Athlete Will Cates '16 earned College Sports Information Directors of America (CoSIDA) second-team Academic All-America honors.
- Tyler Gammill, '18, won the individual championship and SCAC Golfer of the Year in men's golf, making him the first Southwestern male golfer to earn the award.
- Two volleyball student-athletes earned American Volleyball Coaches Association (AVCA) All-American honors: Nikki Welch,'17, was named 2016 AVCA All-America Second Team and Kate Mitchell, '17, was named AVCA All-America Honorable Mention.
- Nikki Welch was also named a CoSIDA Academic All-District team member.
- Jon Duncan and Kelly Heyde were named SCAC Men's Swimming Staff of the Year.
- Billy Porter was named SCAC Women's Tennis Coach of the Year.
- Men's Golf earned their fourth consecutive trip to the NCAA Championship.

- Baseball Student-Athlete Will Cates '16 and Volleyball Student-Athlete Kaitlyn Foster '16 were named Kassen/Lowry Male and Female Athletes of the Year.

Speakers and Symposia

- The 2016 Roy and Margaret Shilling Lecture Series welcomed Sister Helen Prejean to campus on April 19, 2016. She presented "Dead Man Walking-The Journey Continues," detailing her personal experience as the spiritual adviser to death row inmate, Patrick Sonnier, as he awaited execution.
- The University celebrated its 172nd Commencement Convocation on May 7, 2016. Janet H. Brown, Executive Director of the Commission on Presidential Debates (CPD) was the keynote speaker. Ms. Brown leads the organization of 26 general election presidential and vice presidential debates for the CPD, a non-partisan, non-profit corporation that sponsors and produces televised presidential debates during each U.S. general election.
- The Keynote Colloquium: Language and Revolution held during Homecoming delved into how our use of language changes the world. Each of our three speakers addressed this question from a different perspective, but each one illustrated the importance of language within the context of revolution and change.
- The Race and Ethnicity Studies program hosted an interdisciplinary symposium during Martin Luther King, Jr. Dream Week. The symposium featured Southwestern faculty members who focused on the research on race and racial discrimination.
- The 2017 Brown Symposium will be held March 1-3. It will focus on arts and revolution with a specific focus on how the arts have given voice to the issues and themes that have spurred revolutions.

In Conclusion

I would like to take this opportunity to personally invite you to visit Southwestern and see first-hand the ways in which this intellectual community 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 using the abundance God has given us to help congregations build cultures of purpose and generosity that inspire a spirit of abundance. TMF was blessed with another year of growth, ending 2016 with approximately \$525 million in assets under management. The measure of success, however, for all of our services – investments, loans, leadership ministry, strategic discernment, grants, stewardship services, and legacy giving – is in how effective they are at helping individuals and congregations echo God's generosity by using their abundance to invest in God's promise-filled future.

Beginning July 1, 2017, Carol Montgomery, TMF Area Representative for the North Texas Conference, will be the primary point of engagement between congregations (clergy and laity) and TMF. She will 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 \$95.1 million at the end of 2016.

- Churches and agencies, not including individuals, within the North Texas Annual Conference had \$64.3 million invested with TMF's Methodist Loan Fund and \$66.1 million invested in all portfolios.

Throughout Texas and New Mexico:

- As of December 31, 2016, **total assets** under management by TMF were approximately \$524.9 million.
- **Methodist Loan Fund investments** ended the year at \$333.1 million, and our loan portfolio at \$342.7 million.
- TMF's **Undesignated Endowment** grew from \$31.6 million to \$34.6 million.
- Our **Leadership Ministry Endowment** grew from \$5.8 million to \$7.1 million.
- **Gifts to TMF** saw significant gains, including new gifts and pledges of \$455,941 to the Gil Rendle Learning and Leadership Endowment. Total gifts ended the year at \$3.4 million, including gifts to Leadership Ministry of \$492,058 and \$40,827 to Grants. Our **Development** staff worked with individual donors on planned gifts totaling \$2.9 million.
- During 2016, TMF made **grants** totaling approximately \$1 million. Of that total, an estimated \$650,000 came from unrestricted endowments and \$350,000 from TMF operations. The Grants Committee of the TMF Board of Directors determines distribution decisions for these discretionary funds. In 2016, grants funds were distributed as follows:
 - 43% to **outreach ministries and evangelism targeting systemic change**
 - 45% to **ministries which systemically benefit families living in poverty**
 - 12% for **scholarships**

In addition to the \$1 million cited above, TMF provided \$180,000 in **special grant funding** to the six conferences we serve throughout Texas and New Mexico. Since beginning these grants in 2009, TMF has awarded a total of \$1,430,000 to the conferences, to be used at the discretion of the presiding Bishops.

- TMF distributed approximately \$1 million from **permanent endowments**, predominantly to United Methodist causes.
- TMF's **Leadership Ministry** seeks to enable courage, learning, and innovation among leaders. The primary method by which we do this work is through facilitating transformational conversations. During 2016, TMF hosted 15 peer-learning groups, involving over 275 clergy and lay leaders from across Texas and New Mexico, and from the other conferences of the South Central Jurisdiction (SCJ). In addition to continuing the SCJ Bishops Conclave, the New and Continuing District Superintendent groups, Executive Pastors, Musicians, and Ministry with the Poor groups, in 2016 TMF Leadership Ministry and Area Representatives worked in collaboration with Horizons Stewardship Company to launch a Year-Round Generosity Pilot Project with seven congregations in the North Texas Conference. We also are engaged in an ongoing learning partnership with Ministry Innovation Fellows Angie Thurston and Casper ter Kuile at Harvard Divinity School who are working to resource and network ministry innovators across the country.
- In 2016, the **Area Representatives** team adopted a new hybrid model of representing TMF's work, which includes both geographic coverage and resource specialization. Specialties within the team include laity empowerment, year-round stewardship planning, endowment and legacy giving, strategic discernment, Miracle Sunday stewardship campaigns, and non-profit governance. The team held 22 Putting Your House in Order seminars; four comprehensive 'Holy Conversations' discernment processes; 15 half-day or full-day core purpose workshops; and two Miracle Sunday campaigns. The team visited with 25 churches about beginning or re-awakening endowment giving and assisted several non-profit boards of directors on matters of governance.

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:

- Mr. Joe Holmes, Layperson, three-year term (Plano)
- Mr. Kelvin Walker, Layperson, three-year term (Dallas)
- Ms. Julie Yarbrough, Layperson, three-year term (Dallas)

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

- Mr. Jim Adams, Layperson, term expires 2017 (Dallas)
- Mrs. Mary Brooke Casad, Layperson, currently serving through 2018 (Sulphur Springs)

- Dr. Will Green, Layperson, currently serving through 2019 (Dallas)
- Mr. Larry Haynes, Layperson, currently serving through 2019 (Coppell)
- Dr. Owen Ross, Clergy, currently serving through 2019 (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)
- Robert Dupuy, Senior member (Dallas)
- Bishop Michael McKee, Senior member (Plano)
- Dr. Clayton Oliphint, Clergy, TMF Chair-elect (Richardson)
- Mrs. Kay Yeager, Layperson, TMF Chair (Wichita Falls)

Tom Locke, President

TEXAS UNITED METHODIST COLLEGE ASSOCIATION

“Unite the pair so long disjointed, knowledge and vital piety, learning and holiness combined.”

The mission and work of the Texas United Methodist College Association continues to be guided by these words of John Wesley. TUMCA students are profoundly grateful for their scholarships. That support has made possible experiences that have changed their lives. One student wrote us last year to say:

“We have not met, but you have played a vital role in my life for a long time...You have affected my family in untold ways. Thanks to you my fiancé realized her call to ministry and our paths crossed. And now thanks to your generosity, I will continue towards my call.”

While the support from any one congregation may be small, the impact of these funds is enormous. TUMCA students receive hope, affirmation, encouragement, and the development of leadership and servant ministry skills that will serve the church now and in the future. Clergy, laity leaders, teachers, and responsible business and community leaders, once TUMCA scholars, will help chart the course for our church.

Through the funding of scholarships at our United Methodist Universities, our students are afforded an opportunity to get an education that offers both intellectual and spiritual development. Our total distribution to TUMCA schools during the year just concluded was \$325,000. These 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 of our scholars have been first generation college students.

Texas United Methodist College Association is our extension of a congregation’s mission, and we are grateful for their support and proud to work with them in the transformation of the world.

Dr. Darrell Loyless, President

WESLEY-RANKIN COMMUNITY CENTER

Wesley-Rankin Community Center has continued a path of faithful relationship-building in the name of Christ, walking a path of hope and reconciliation with the people of West Dallas. Together, we have experienced the harsh realities of life and celebrated the deep joys of relationship.

We were reminded once again of the importance of home and community when more than 200 of our neighbors were faced with eviction. When home is the center of life, evictions tear at the very being of existence. Politicians and attention-seekers argued, while Wesley-Rankin reached out to connect neighbors in holy conversations and to invite friends in faith to walk with families in crisis. Whether prayers, a borrowed truck, or a few dollars were shared, the heart of the relationship was the strength of the bond with those who struggle.

We looked back on our history and learned what we already knew. Authentic relationships are the building cornerstone of wholeness. Differences are celebrated and a place from which we begin to learn and grow.

Dreaming and visioning knew no limits as students loaded buses to travel the path of civil rights leaders across the south, experiencing first-hand the historic steps of Martin Luther King, Jr., Rosa Parks, and others, including those steps walked across the Selma Bridge. Hispanic children aligned their own struggles with those of the African Americans, learning that when there is injustice for some, the reality is unjust for all. Children who had never left the state, or ever dared to imagine a world beyond poverty, learned that they can stand with and for others and have their voice heard. Children shared racism in their young lives, tempering their hearts to continue the rallying cry for equality.

We looked back on our history and learned that we can never stop moving forward, lest we fail to honor the steps taken on our behalf.

The program growth was strong, but program depth was the story of our lives during the year 2016-17. While we eagerly measure increased enrollment and continued measureable impact, this was the year of the deepening, still small voice growing within that gave us the greatest sense of ministry and blessing in a journey together with our community.

The days will continue and the numbers will be counted and recorded. But at the end of the day, it will be the warmed heart and the awakened voice that will stand as our strength for what has been and will continue to be Wesley-Rankin Community Center.