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BISHOP'S INITIATIVE: CLERGY EFFECTIVENESS

The clergy effectiveness initiative began its work in August 2013 at the direction of Bishop Michael McKee. The group was composed of a diverse group of laity and clergy from the North Texas Conference, several members of the Board of Ordained Ministry, one District Superintendent and the Director of the Center for Leadership Development. The lay members brought valuable perspectives from a variety of professional fields.

The Initiative was charged with identifying characteristics of effective pastoral leadership, studying current evaluation tools and making recommendations for the future. The Initiative consulted numerous resources in carrying out its work, including past evaluative tools, GBHEM research on pastoral effectiveness, other annual conferences and secular resources.

The identified objective of the Clergy Effectiveness Initiative is to provide a summative tool in the context of a formative process. The Initiative identified and focused on three areas of need:

1. **Summative Tool**—A tool to “sum up” clergy effectiveness
 - Year End Review Form
 - Areas of Strength
 - Areas of Growth – leading to the formative process
 - Utilized by the Cabinet
2. **Formative Process**—A process for clergy to continually “form” and grow in effectiveness.
 - Marks of Fruitfulness
 - Utilized by the S/PPRC and available to the Cabinet
 - S/PPRC helps pastor in formative process
 - S/PPRC meets with clergy at least quarterly using Marks of Fruitfulness
 - Set goals & objectives each year and celebrates successes
3. **Staff/Pastor Parish Relations Training**—provide training, support and resources for local churches to partner with their pastors in reaching effectiveness
 - Utilize gifts of laity
 - Raise expectation for S/PPRC leadership
 - Offer more frequent S/PPRC training
 - Provide good quality on-line training

Pastoral Effectiveness Defined

The initiative affirmed the continued utilization of the assessment tool the “Marks of Fruitfulness”. This is an assessment tool currently used for helping pastors build capacity for **LIVING** discipleship fruitfulness, **LEADING** congregational fruitfulness and **DEVELOPING** missional fruitfulness. The Marks of Fruitfulness defines a common understanding of effectiveness for the North Texas Conference. Pastoral effectiveness is a combination of competencies and skills as defined below.

Living Discipleship Fruitfulness

- Spiritual Health
- Emotional & Mental Health
- Professional Health: Seeks opportunities for learning & growing
- Fiscal Health
- Physical Health
- Relational Health

Leading Congregational Fruitfulness

- Pastoral Care
- Preaching
- Teaching
- Leading Worship
- Management of Self and Others
- Adaptive Decision-Maker
- Connectional Leader
- Relational Leader
- Equipping Leader
- Innovative Leader

Developing Missional Fruitfulness

- Mission-Field Awareness and Action
- Strategic Developer
- Collaborative Connector
- Transforming Visionary
- Social Witness
- Culturally Competent

The Clergy Effectiveness Initiative will make a full report and recommendations to the Annual Conference.

Sincerely,

Jan Davis and David Tyson, Chairs, Clergy Effectiveness Initiative

BISHOP'S INITIATIVE: ADVANCING WOMEN'S LEADERSHIP

The central theme of Jesus' teaching is love for God and neighbor. He embodied this message in his life, and charged women as well as men to use their talents significantly to lead others into the fullness of God's love.

In light of the example of our Lord, the Women's Initiative Task Force was appointed in the Fall of 2013 by Bishop Michael McKee and charged with the following:

First, to examine the present situation regarding the promotion and support of female clergy in the North Texas Conference;

And, second, accordingly, to make recommendations based on those findings which will help correct inequities that exist regarding the promotion of female clergy, to thus empower the entire Church in bringing into reality the fullness of the Reign of God, as charged by Jesus.

In effect, we as a Conference are tasked with effecting change in our Church's system, as well as bringing about a more profound witness to the prevailing culture at large about what a positive, Gospel-affirming effect women in ministry can and do have. In doing so, we envision the end result of our collective efforts as having a profound IMPACT not only on the Church, making it stronger and better, but also on the culture at large where the affirmation of women is concerned.

Thus, while there is a clear practical charge in our efforts, the predominant need, and thereby the urgency, goes to the clear theological purpose of the Church itself, which is to transform the world through the faithful and inclusive witness of Christian discipleship. When all of God's children are not allowed to fully live out the calling that God alone has placed upon their lives and hearts, we as Church fail in our efforts to honor the Gospel, and both we and the culture in which we live are poorer and weaker because of it.

When half of our number are limited in their ability to lead as pastors based entirely on misperceptions, misinformation and misinterpretation of Scripture because of gender, we as Church fail in our commitment to Christ himself.

It is our hope and prayer that what we have discovered regarding women's leadership in the North Texas Conference may be enhanced on the positive side, and corrected on the negative side, so that full realization of the calling to discipleship for ALL God's children—male, female, clergy, lay, young, old, and of every race—may come to pass, starting at this time, and in this place.

Here is what we know:

1. Women were approved for ordination to pastoral ministry in full connection in the United Methodist Church in 1956. In the ensuing 58 long and tenuous years, women now account for over 40 percent of full-time appointed clergy in the North Texas Conference.
2. Of those appointments, on the average, our statistics reflect the same as the secular world regarding equal pay: women clergy in the NTC earn 77 cents to every dollar earned by male clergy counterparts.
3. We know that while women are increasingly represented leading churches whose worship attendance is at 450 or below, at present there is only one woman pastoring a church with between 450 and 900 in worship attendance in the Conference. (This statistic has not changed since 1994, when the first woman was appointed to pastor a church that large; currently, there are nine men appointed in the same position.)
4. There are NO women as Senior Pastors in churches with over 900 in worship attendance, compared to 14 men in that position.
5. We know anecdotally that while the experience of Anglo clergywomen has been one of limited progress, the experience of our clergy sisters of color has not been the same.
6. While there has been no way to formulate attrition rates for women clergy in the NTC, national statistics for the UMC can help understand that pressing issue. According to the Anna Howard Shaw Center at Boston University, women have a ten percent higher chance of leaving ministry than men, and currently list the following three reasons (which have not changed since the Shaw Center first began studies of female clergy retention in the mid-1990's):

*Lack of support for women from the hierarchical system of the UMC;

- *Rejection by congregations and parishioners, based on gender;
- *Conflict of family care vs. pastoral responsibilities.

We must as a Conference ask ourselves, ultimately, three questions regarding this issue, all related to equity, fairness, and the inclusiveness of the Gospel:

*What do we expect at the primary level of the local church to correct biblical misinterpretations regarding the abilities and calling of women in pastoral leadership, thus supporting our United Methodist theological understanding of the inclusiveness of the Gospel?

*What can we do as a Conference to identify, train and support women in their calling to the pastorate?

*What is the best way to communicate these expectations to one another, and by our witness, to the culture at large?

There is a card which we have devised to help in the areas of education, integration and communication available through the Center for Leadership Development. We are making additional copies available to local churches. As well, we plan to have a link to be able to download this through the NTC website.

The expectations for the local church include:

*Ensuring gender diversity is lived out and taught through all educational and discipleship efforts, and that gender inclusive witness, starting with language, is taught and modeled. In doing so, we will prepare our members to articulate our United Methodist identity in the world and ‘undo’ some of the misperceptions that exist because we have not done so effectively thus far.

Our recommendations to the Bishop, Cabinet, and through their leadership to the North Texas Conference at large include:

*Formulation of directed training for local church lay leadership, especially Staff-Parish Relations Committees, in their role to help us achieve this biblical vision;

*Ensuring gender diversity continues in all areas of Conference leadership;

*Developing formal training for women facing potentially difficult appointments, followed by formal mentoring throughout their pastorates;

*Working directly with the Board of Ministry and Clergy Effectiveness Task Force to ensure NTC has the most dynamic, diverse and powerful leaders it can possibly have;

*Most importantly, developing a structure for implementation, funding and accountability for these recommendations.

In addition, given that education and communication is so crucial to all of these efforts, we recommend the development of a specific plan on the local level for all NTC churches, and Conference-wide, to share the stories of women in leadership that will empower both our sons and daughters to fully embrace diverse leadership. This recommendation is particularly acute in all areas of social media.

We charge that sooner rather than later, this must be a settled issue in the Conference, no matter the cultural circumstance at the local level. We as United Methodists have the ability, both in our connection to one another, and in our clear theological identity which affirms and supports the calling of women, to lead this cultural and systemic change.

We MUST DO THIS so that our young male clergy no longer have to lament, appropriately, “Why are we still talking about this? We thought this was a done deal.”

We MUST DO THIS so that our young female clergy no longer have to lament, appropriately, “What is the future for me in the United Methodist Church? Is there one? Or must I go elsewhere to live out my calling to Christ?”

We believe that God imagines—and expects—full utilization of gifts and graces for every person. Our vision is that this part of the Kingdom will come—and soon. Moreover, we know that we are accountable as individuals, as clergy, and as Church, if it does not.

Together, we look forward to a not-too-distant future where our Task Force Vision Statement IS the reality:

Dynamic, diverse, powerful leadership ignites unstoppable growth for the transformation of the world!

Respectfully submitted on this the 2nd of June, 2014 by:

Shaunna Black, Rev. Dr. Stan Copeland, Whitney Dowd, Rev. Matt Gaston, Rev. Lisa Greenwood, Rev. Dr. Joan LaBarr, Liz Lancaster, Rev. Dr. Ouida Lee, Dr. Tom Talbert, Rev. Rebecca Walker, Rev. Rodney Whitfield, Rev. Marti Soper, NTC Leadership Center Director, Rev. Dr. Anna Hosemann-Butler, Chair

Year of Social Media Outreach COMMUNICATIONS

The Communications Department of the North Texas Annual Conference experienced a very productive and exciting year; especially in the area of social media. We continued to simultaneously build strategies for reaching inside and outside of the North Texas Annual Conference by using numerous platforms such as social media, video, newspaper, and radio. We reconstructed our messages understanding that in our current world, many persons receive their information on their phones as well as their personal computers. Therefore we placed intentionality on digital media.

We partnered with Speakeasy, a social media firm, in order to use digital ministry to build our churches and deepen our faith. Through our social media platforms of Facebook, Twitter, Google, Instagram and Pinterest we invited and encouraged the NTC members to spread their faith online. Speakeasy provided content to our platforms and led two projects—the Easter Pinterest Project and the Christmas Conversations.

There were three coordinated advertising campaigns that leveraged the strength of the Annual Conference and North Texas media to reach the mission field. In cooperation with Radio Disney, *The Dallas Morning News*, *The Denton Record Chronicle* and *The Sulphur Springs News Telegram*, those three campaigns were, *Come Worship With Us This Easter*, *Family Fun 2014* and *Have A Christmas Conversation*.

Bishop Michael McKee increased his use of videos to remain in contact with the NTC. Through seasonal and topical videos, Bishop McKee's impact was felt all over North Texas. One of the best received videos was his *Charge Conference* video. It was appreciated by lay and clergy, and due to popular demand was translated into additional languages.

Bishop McKee is very attune to social media. He tweets on a regular basis and has numerous followers. The Bishop also maintains his Facebook page and communicates with members of the NTC here.

The Annual Conference website, northtexasumc.org, continues to be the central news gathering site for many persons. The site contains updated photos of all clergy and churches as well as the electronic version of the Conference newspaper. A revolving screen gives visitors current information of events. The website hosted the three advertising campaigns; Easter, Christmas and Summer Family Fun.

The CONNECTION newspaper sprang to life in June 2013 after the unexpected end of the national *United Methodist Reporter*. The conference newspaper had been the *North Texas Reporter*, a Conference biweekly edition of the *United Methodist Reporter*, with 4 pages of NTC news in the front section, for many years. The last issue of the *North Texas Reporter* was published at the time of our Annual Conference 2013.

Issue No. 1 of the new *CONNECTION* was published in June of 2013. Our conference newspaper is now an 8–12 page, full color monthly publication printed on heavier, whiter paper. The *CONNECTION* includes more news and information in an upgraded format. Each issue of the *CONNECTION* includes feature stories and profiles of those involved in innovative ministries and missions around the Conference, the Bishop's Message, insight from Lay Leaders, reports and announcements from the four Districts and the four Conference Centers.

Strong relationships were built with local church communicators in two events that created a network, facilitated discussion and exposed them to new communications trends. Classes were provided to teach skills such as "How to attract new members via social media" and "Developing a comprehensive social media plan for your church". A Facebook page was developed to connect the local church communicators on an ongoing basis.

Looking ahead, a video production facility in the Ministry Center called, "the Green Room" will be available soon to help local churches use video to get their message out to the mission field. The room includes camera, lights and screens.

The Communications Team is composed of Wil Murphy—Advertising and Video, Patrick Steil—Webmaster, Linda Johnson—Associate Editor of The NTC Connection, Wendy Campbell—Newspaper Subscription Manager and Rosalinda Luna—Administrative Assistant.

Dr. Sheron C. Patterson—Communications Director

CORE LEADERSHIP TEAM

The Core Leadership Team (CLT) had three inspiring and information packed meetings this year as they heard about the work being done by the Conference through the Centers, various task forces and initiative groups. The CLT members engaged in healthy discussion, dreamed big dreams and shared strategizes for producing "fruit" in priorities being set by the Conference. These reports

from the various Centers including the task forces can be found in the body of this conference workbook.

At the January meeting, the Core Leadership Team spent a considerable amount of time reviewing and discussing the Financial Advisory Consulting Team (FACT) report and primary recommendations. The strengths and challenges before the Annual Conference from the report were shared by the Bishop while the CLT group asked questions and provided feedback. The FACT report plus additional information is available on the North Texas Conference web site.

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

Conference Lay Leader—Linda Parks

Lay member elected by each district—Alfred White-North Central, Lisa Tichenor-Metro, Clay Johnson-East, and Anne Aaron-Northwest

Three at-large members appointed by the Bishop—Valarie Englert, Ruth Robinson, Andy Lewis

One District Superintendent—Cammy Gaston

Center Directors—Jodi Smith, Marti Soper, Jim Ozier, Larry George

Also attending: Sheron Patterson, Director of Conference Communications

Enthusiasm and excitement continued to build through the year as the CLT members began sharing and coming together as a listening and visioning body for the Annual Conference.

CENTER FOR LEADERSHIP DEVELOPMENT

Rev. Marti Soper-Center Director and Rev. Aleze Fulbright-Associate Center Director

The Center for Leadership Development (CLD) exists to assist clergy and laity in building capacity to respond to God's call of Living Discipleship Fruitfulness, Leading Congregational Fruitfulness and Developing Missional Fruitfulness to live out our mission "to make disciples of Jesus Christ for the transformation of the world."

"Leading from the Center" is the CLD's moniker because leadership is derived from our center; whatever or whomever is placed at the center of our heart, mind, soul, and body will inform the way we lead. We affirm that Christ Jesus is the Center for developing principled Christian leaders. From its inception the CLD has formed teams comprised of laity and clergy to dialogue, vision, and implement disciple-making ministries to transform individuals, local churches, and communities. These collaborative teams (platforms); *Faith Formation*, *CART (Congregational Assessment, Response and Transformation)*, *Intentional Interim Ministry*, *Mentoring/Coaching/Lifelong Learning*, and *Covenant Partnerships* advance the cause of Christ through leadership development.

CLD Advisory Committee guides the work of the CLD Staff giving direct feedback, visioning, planning, and working on procedures and protocols. Members of the CLD Advisory Committee include: Rev. Mary Beth Hardesty-Crouch, Navolia Bryant, Jana Jones, Rev. David Lessner, David Farish, Rev. Edgar Bazan, Dale Cherry, Rev. Lisa Greenwood, Rev. Carol Sparks, and the CLD Staff.

The highlights below do not encompass the fullness of the Center's work, but provide a glimpse of this year's work. For more information about the Center for Leadership Development, visit the website and join the mailing list (www.ntcleadingfromthecenter.org) or join the Facebook Page (*NTC Center for Leadership Development*).

MinistrySafe: MinistrySafe Abuse and Prevention Systems provide Sexual Abuse Awareness Training to reduce the risk of sexual abuse in congregations. MinistrySafe was presented through legislation and adopted by a vote at the 2012 Annual Conference, which made MinistrySafe the North Texas Conference's official resource, and that all congregations would be compliant by January 1, 2013. The Center for Leadership Development meticulously communicated MinistrySafe throughout the Conference via various communication means and partnered with MinistrySafe to create five training sessions strategically placed throughout the Conference to ensure people were aware, equipped, and empowered to begin the process of implementation and communication in their local settings. To date, over 165 congregations have over 8,500 volunteers and staff members MinistrySafe trained and compliant. For more information about MinistrySafe: (<http://www.ntcleadingfromthecenter.org/ministry-safe>)

Conference Children, Youth and Young Adult Ministry: Children's Ministers from across the Conference planned and led Camp Bible for 3rd–5th graders to journey through the Bible during an overnight stay at Bridgeport Camp, held each September. The NTC partnered with FUMC Plano to host the Bishop's Rally for 5th–7th graders and Confirmants with over 600 participants this year! Bishop's Rally creates a unique opportunity to bridge the gap from Children to Youth Ministry and have an encounter with our Bishop designed specifically for 5th–7th graders. This event will happen again on 2/15/15 at FUMC Plano.

The Youth Ministry of North Texas continues to be led by our Conference Council on Youth Ministry. In addition, we partner with Custer Road UMC to host a FREE Volunteer training in Children and Youth Ministry in August. The NTC is partnering with Highland Park UMC to host an ALL Conference ALL Youth event October 26, 2014 also featuring a Youth'15 (National Youth Gathering) Tour Stop.

Young Adults in North Texas continue to meet weekly for fellowship and the friendly competition of Intramurals led and hosted by FUMC Richardson. Young Adult Ministries worked together on several occasion this year in local mission projects, trips and faith development experiences.

As the Center for Leadership expanded the role of Conference Children, Youth and Young Adult ministry to full-time in February, we are exploring several possibilities for events and trainings to equip our staff and lay people to better serve in each of these areas. To find more information on all these efforts go to www.ntcyouth.org or email kelly@ntcumc.org.

Conference Council on Youth Ministry (CCYM): This past year, CCYM has taken upon itself to explore and experiment with reforming District Youth Councils and events. Our Metro District has an active District Council on Youth Ministries and *all four* Districts held events and service projects this year. Two Midwinter Retreats were led by CCYM members at Bridgeport Camp with over 400 participants combined. CCYM chose the theme of “Don't Say No-way, Just say YAHWEH” challenging youth to claim their faith and be equipped to tell their faith story. Through family groups, dynamic preaching, campfires, group activities and inspiring music, participants were led into closer relationship with God and talking about God. Through Snack Shacks and sunglass sales at MidWinters and District events, funds were raised to support Daraja (Refugee assistance in Dallas) and the Global Youth Service Fund. We continued to uphold previous Youth Annual Conference legislation to only sell fair-trade chocolate for YSF fundraising.

During this past year, NTC and Prosper UMC member, Maddie Chumley continued her role as the SCJ youth representative to the Division on Ministry with Young People and co-chair; seating her as the youngest member on the General Board of Discipleship. Maddie also serves as the legislative coordinator and one of the chairpersons for the Global Young People's Convocation and Legislative Assembly (GYPC_LA) this quadrennium. The NTC will have 3 delegates to GYPC-

LA in addition to Maddie this summer. Kelly Carpenter is leading the South Central Jurisdiction Delegation to GYPC-LA.

CCYM members are attending Annual Conference both as delegates and observers, many choosing to take exams they were otherwise exempt from or other penalties for being absent from school. Four North Texas Conference youth will attend the Texas Youth Academy this summer for 2 weeks of study, worship, community and service.

The vision for the future of CCYM is to foster young and diverse leaders for the future of our church. CCYM Members and Officers will use several new Discipleship accountability and Leadership training tools this year in order to be more effective young leaders, expand their vision of possibilities for Conference level youth ministry and engage in evaluation and visioning of their purpose, function and potential. CCYM will continue to ask how and initiate change so that each of its members, meetings and events are making disciples for the transformation of the world.

2014–2015 Children, Youth, Young Adult Dates and Events

FREE Adult, Children, and Youth Worker Volunteer Training—Custer Road UMC—**August 16 2014**

Camp Bible (3rd–5th grade students)—Bridgeport Camp—**September 27–28, 2014**

ONE Leadership Event (Middle and High School Youth)—Highland Park UMC—**October 25, 2014**

MidWinter Retreats (Middle and High School Youth) 2015—Bridgeport Camp—**January 23–25 and February 6–8**

Bishop's Rally (5th–7th grade students)—FUMC Plano—**February 15, 2015**

Children's Ministry Training—TBD—**April 2015**

Children, Youth, Youth Leaders, and Young Adults are encouraged to connect with others in the Conference. Please visit www.ntcyouth.org for additional information.

Children, Youth and SEEK Camping at Bridgeport: Children, Youth and SEEK Camps experienced another great year in 2013. All Children's, Junior High and Senior High Camps had a unified theme and curriculum for the fourth year, which creates a better camping experience and more efficient planning on the parts of the Camp Directors.

Below are the overall 2013 highlights from Children, Youth and SEEK Camps:

Total Campers participating: 1,238

Children's Camp Sessions had 744 campers

Senior High Camps had 203 campers

Junior High Camps had 291 campers

SEEK Camps stayed steady with enrollment

Project Transformation camp also stayed steady with a full camp.

For more information about the great opportunities at Bridgeport Camp and Conference Center, please contact Executive Director Beau Taft at info@bridgeportcamp.com or visit www.bridgeportcamp.com.

Campus Ministry: The work of Campus Ministry is celebrated within the Conference as they strive to develop younger, more diverse, principled Christian leaders and disciples of Jesus Christ who transform the world. In 2012, the Annual Conference adopted the Comprehensive Plan for

Campus Ministry, which envisions over the next quadrennium the Conference, Campus Ministries, and Congregations will work in partnership to emphasize the shared investment in the lives of students on university campuses, and the impact that can affect the future of the United Methodist Church. This plan outlines faithful accountability and stewardship, tangible development goals, and strategic growth plans as we strive to Live, Lead, and Develop Fruitfulness on campuses and in the lives of young adults throughout the North Texas Conference. For additional information regarding the Comprehensive Plan for Campus Ministry, please visit: <http://www.ntcleadingfromthecenter.org/campus-ministry>.

Denton Wesley (UNT/TWU)—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. Denton Wesley has partnered with the Tarrant Area Food Bank to open a “College Food Pantry”. The Shiloh Grocery Assistance Program is open every other Friday, with the hopes of expanding to offer more items. This program addresses the growing need of providing sustainable meal options for college students that are low to no-income and often find themselves without adequate housing options. To learn more about the Denton Wesley, please visit: www.dentonwesley.org.

Texas A&M Commerce—GROWING DEEPER in Christ... REACHING FARTHER to serve the world... CONNECTING TOGETHER as sisters and brothers...outlines the CORE ministry and discipleship of the students who are caught up in God’s grace through the Wesleyan. The Wesleyan Core is “a group of students at the heart of the Wesleyan, living out our calling in God and following in the footsteps of Jesus Christ through the people and ministries of the Wesleyan. Wesleyan Campus Ministry seeks to join together to Grow Deeper in Christ through Retreats, Worship and Bible Study; Reach Farther to serve the world through Local Outreach, Mission Trips, and Acts of Kindness; and Connect Together as sisters and brothers with Free Lunches, Coffee House, and a Sabbath Meal.” For more information about the Wesleyan, please visit: www.commercewesley.org.

Midwestern State University—MSU Wesley Foundation has had a new energy and excitement on the campus of Midwestern State University under the leadership of Sarah Medley. The Wesley is now “Finding the Passion” which has provided opportunities to build relationships with students through the Free Lunch Thursdays and disciple them to become principled Christian leaders through weekly Bible Study. There has been a recommitment within the Wichita Falls area to support the Wesley, and this is evident every Thursday when over 100–120 students enjoy the nourishment of good food, and the expression of God’s grace. For more information about the MSU Wesley, please email Sarah Medley at: sdmedley@live.com.

Paris Junior College—Wesley Campus Ministry is demonstrating the service of Christ through the act of providing hot lunches to the students on the campus of Paris Junior College. The students come to the center with their joys and concerns and with their need for a welcoming, safe place to explore their hunger for a non-threatening invitation to Christian growth. The ministry continues to serve at the Paris Downtown Food Pantry by stocking shelves as a means of giving back to the community and experiencing the joy of developing a servant’s heart. There is great excitement around the social gathering called “Java Jive” on Wednesday afternoons. This is an informal fellowship and conversation time with students about their lives and the difficulties of working, attending school, and for some, raising families. These conversations are an attempt to bring biblical applications and share hope to students facing their everyday problems.

Southern Methodist University Wesley Foundation—The SMU Wesley Foundation is definitely providing plenty of opportunities for students to grow deeper in their faith. This includes weekly

worship, multiple Bible studies and small group opportunities, retreats, personal mentoring and one to one discipleship as well as a systematic program for our student leaders to grow in spiritual formation. The SMU Wesley is developing principled Christian leaders by student leaders meeting regularly to plan events for worship, discipleship, prayer, community, and outreach for the ministry. They are constantly seeking to think and pray outside of the box for how to better serve the mission field called Southern Methodist University and beyond. The students actively pray to ask God for vision of the campus ministry and then take risks to set goals that accomplish that vision. For more information about SMU Wesley Foundation, please visit: www.smuwesley.com.

Wesley Foundation at University of Texas at Dallas—The Wesley@UTD started in the Fall of 2013 and has great opportunities for fruitfulness on the campus of UTD. The campus has a growing and diverse student population with various religious affiliations. By developing a United Methodist campus ministry on this campus, it will enhance the opportunity for students to experience faith from the Wesleyan tradition. In partnership with Arapaho UMC, Patrick Hoffman, Intern Pastor at Arapaho UMC, began meeting with a small group of UTD students to begin the process of forming the campus ministry. He states this is an opportunity to talk about grace to those who are Hindu, Atheist, or those who grew up in the church that have questions. Arden Wells, one of the student leaders, believes the mission of the UTD-Wesley will be to provide progressive biblical theology, inclusivity, community, and missions. Additionally, the CLD has identified Brittany Burrows as the Campus Ministry Connector to work in collaboration with Arapaho UMC to continue building fellowship, discipleship, and mission. She is excited and envisions the UTD-Wesley to be a place for students to grow in their understanding of vocation, for each student to discern their unique call to ministry, and an opportunity to live out their calls by serving the campus ministry. To learn more about the Wesley at UTD, please visit: www.utdwesley.org.

Congregational Assessment, Resource and Transformation (CART) Teams is a resource for District Superintendents, clergy and congregations of the NTC in the midst of crisis or conflict. Congregational Assessment, Response and Transformation (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. We are grateful to the leadership of Rev. Liz Greenwell in the work of the crisis CART teams and Lisa Hancock in the leadership of the Conflict CART teams. In March, Lisa led 30 participants from 18 churches in a training called “Healthy Leadership in an Anxious World—How to Lead in the Midst of Conflict.” In February, Liz led the Crisis CART members, all of whom are clergy or mental health professionals, in training to enhance their skills in resourcing congregations in the midst of crisis.

Intentional Interim Ministry (IIM) calls for a particular spirit and skill set to care for the needs of congregations during times of transition and in the absence of an appointed pastor. 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. IIM’s serve many contexts which include: Sabbatical, Renewal or Study Leave; District Superintendent Transitions; Conflict Management; Disability, Terminal Illness or Death of a Pastor; Clergy Misconduct; Transformation and/or Cultural Context.

This past year six Intentional Interim Ministry placements were appointed by the Bishop and Cabinet. There are currently twenty-six certified Intentional Interim Ministers who are trained for deployment in the North Texas Conference.

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

Mentoring, Coaching, Consulting and Life-Long Learning is needed to provide both laity and clergy to engage in continuing education for ministry, professional development, and spiritual formation and growth in order to lead the church in fulfilling the mission of making disciples for Jesus Christ.

Clergy Fruitfulness Initiative (CFI): The Clergy Fruitfulness Initiative undergirds the life-long journey of developing clergy leadership and their spiritual growth. Starting with those in their 5th year following ordination (full connection membership) and every 5 years proceeding, clergypersons will join with their classmates in a time of reflection and renewal, resourcing and realignment, and recognition and celebration. Since its launch in 2011, over 80 clergypersons in the 5–30 years of service range have participated in the CFI process of reflection, resourcing and recognizing.

Marks of Fruitfulness: An online assessment system to increase awareness and performance through evaluation. The Marks of Fruitfulness is an online assessment program that allows clergy, the SPRC/PPRC, and the District Superintendent, to offer formative feedback to nurture, support and help assist the leadership development of clergy from ordination through retirement. The CLD will provide learning resources over a three-year cycle, focusing one year each on Living, Leading and Developing.

Aging to Saging—Empowering the Ministry of Older Adults: The Center for Leadership Development approved a grant in the amount of \$6000 provided by the Sam Taylor Trust, a joint fund shared by the General Board of Discipleship and the General Board of Higher Education and Ministry. This grant was used to implement 3 workshops which trained 48 participants in a spiritual growth and leadership program designed to empower the spiritual growth of older adults developed by Rabbi Zalman Schacter-Shalomi in his book, *From Age-ing to Sage-ing: A Profound New Vision for Growing Older*. We are grateful for the leadership of Rev. Eston Williams in this endeavor.

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

Race and Religion: The NTC Committee on Religion and Race will function with passion, in the areas of training, resource development, evaluation, consultation, and strategic planning in the areas of diversity, cultural competency, racial justice, reconciliation and equity, and communicating/advocacy for change.

What's Next?—The Center for Leadership Development will continue to build on the foundational concepts of Living, Leading, and Developing Fruitfulness throughout the North Texas Conference

for both laity and clergy with the intention of developing principled Christian leaders for the Church and the world. Plans and conversations are ongoing regarding how the CLD can assist the work of the Healthy Church Initiative by providing leadership resources for prescriptions suggested by the HCI consultation teams. Work is underway to launch a pilot program in the Fall of 2014 for churches that are developing a **Discipleship Pathway**.

In addition, the CLD is exploring the best way to teach and promote **faith-rooted community organizing** as a tool for community transformation and leadership development. A pilot program in this area is being formulated for the conference year 2014–2015.

Lastly, the **Financial Advisory and Consulting Team (FACT) Report** identified nine dilemmas for the North Texas Conference that inhibits its progress towards making disciples for Jesus Christ for the transformation of the world. The CLD will provide leadership in resolving the following dilemma and implementing the recommendation:

FACT Dilemma—Inability to Articulate What It Means to Be a United Methodist in the North Texas Conference. There is a need for churches to separate themselves from the crowd of many different church communities and articulate and embrace their distinctiveness as United Methodists within this North Texas setting.

FACT Recommendation #1: Establish and maintain a permanent group to develop comprehensive training and educational strategies and standards for pastors and laity concerning United Methodism's unique beliefs and connectional ethos.

BOARD OF ORDAINED MINISTRY

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

*Living
Leading
Developing*

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

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

Recruitment. We strive to create a culture of call in our conference and effectively reach those God is nudging into licensed or ordained pastoral ministry. We are particularly focusing on reaching

young and diverse candidates for the mission field of North Texas. This activity begins in the local church and we encourage laity and clergy to create a culture of call in your congregation.

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

Pathways to Ministry Software. The “Pathways to Ministry” software is now being fully utilized by the Board for preparation and qualification interviews both for commissioning and ordination. This year local pastors, certified candidates, and district committees will be added to the site. Pathways to Ministry enables candidates for ministry, mentors and board members to track progress through a simplified process that is completely accessible online.

Lifelong clergy effectiveness. The work of the Board of Ordained Ministry encompasses lifelong clergy effectiveness. We are working collaboratively with the Bishop, the cabinet, the clergy effectiveness policy task force, our laity and the Center for Leadership Development to provide resources and tools for clergy formation.

The North Texas Conference Board of Ordained Ministry is extremely grateful for the leadership, support and help that Duane VanGiesen and Janet Thompson provide. Their expertise and hard work greatly enhance our work and effectiveness.

Respectfully submitted,
Jan Davis
Chair

**COMPENSATION OF CLERGY
APPOINTED BEYOND THE LOCAL CHURCH—2013**
(The 2012 *Book of Discipline*, ¶628)

	ANNUAL CASH SALARY	UTILITIES/OTHER HOUSING RELATED ALLOWANCE	OTHER CASH ALLOWANCE	TRAVEL ALLOWANCE
Shawn Bakker	119,000			
Cathy Bingman	65,000			
William J. Bryan	84,325	34,200		
Charles R. Carnahan	140,000			Vouchered
Jennifer Griffith Cobb	45,350	24,650		
Janet Collinsworth	0			
C. Megan Davidson	40,860	4,500	2,400	
C. David Grant	99,942			Vouchered
Joel B. Green	143,000			
Lisa Greenwood	133,000			
Justin Hancock	12,000			
Brian L. Hardesty-Crouch	16,630	12,000		
Terrance Heislen	34,000			
Virgie Holbrook	0			

	UTILITIES/OTHER			
	ANNUAL CASH SALARY	UTILITIES/OTHER HOUSING RELATED ALLOWANCE	OTHER CASH ALLOWANCE	TRAVEL ALLOWANCE
Larry M. James	105,000			
Leslie A. Janovec	104,108	27,794		
Ashleigh Joyner	63,240			
Dwight H. Judy	500	18,300	1,500	
Sheri S. (Hollingsworth) Lake	29,000			
Sarah Heaner Lancaster	26,400	34,800		1,200
William B. Lawrence	176,000	65,000		8,400
Alyce M. McKenzie	62,740	55,556		
Thomas R. McKnight	39,272	Vouchered		Vouchered
Timothy McLemore	47,248	12,000		
Carol Montgomery	44,235	12,000		
Connie Nelson	83,835			
Beatriz Pacheco	60,000			
Lydia Pellikan	45,760			
JamesPaul Qazilbash	48,500	23,400		
Stephen Rankin	96,000			
Kathryn Self Ransdell	42,018	29,000	1,250	
Caesar Rentie	70,000			
Joerg Rieger	68,000	50,000		1,500
Kristie Rosset	25,000			
Jennifer Beth Scott	55,000			
Sarah Squires	61,800			
Mark W. Stamm	97,600			1,500
Gary Stephens	32,000			
John Thornburg	93,000			
Patricia Piron Thresher	34,000			
Harry S. Wright, Jr.	72,000			
Joseph R. Zinser	60,000			

CENTER FOR MISSIONAL OUTREACH

ZIP CODE CONNECTION

At Annual Conference 2013, the Advisory Board for the Center for Missional Outreach introduced a wider vision for the elimination of extreme asset poverty within the bounds of the North Texas Conference by Conference year 2025. [Asset poverty is defined as families who do not have “savings or other assets to cover basic expenses.”] We have targeted two zip codes in the North Texas Conference as the most extreme asset poor within our Conference bounds: 75215 (southern Dallas) and 75426 (most of Red River County). These two areas, one urban and the other rural, represent a microcosm of our conference. To that end, on September 1, 2013, Dr. Lynn Parsons joined the staff for the Center for Missional Outreach. Dr. Parsons has found ways of being in communion with these two areas by building partnerships with other non-profits and with our vital North Texas United Methodist churches to build cohesive unions to effect positive change with those living in extreme asset poverty.

Our mission is to **eradicate poverty in two zip codes**—75215 and 75426—by 2025. 75215 is in a densely-populated urban area in south Dallas. 75426 is in a sparsely-populated rural area of northeast Texas with the town of Clarksville in its center. See Table 1.

Table 1: Comparisons of Data* about 75215 and 75426

	75215	75426
Geographic Location	South Dallas—8.41 square miles bound by Interstate 30 to the north; Cullum Boulevard and S. 2nd Avenue to the east; the Trinity River to the south; and S. Lamar Street to the West.	Northeast Texas, Red River County—326.91 square miles bound by the Red River and Oklahoma to the north; Clarksville, the center of 75426, is 31 miles east of Paris, TX, 63 miles west of Texarkana, and 8 miles from the southern edge of 75426
Number of people	15,231 people 6,237 households (<i>people living in the same housing regardless of relationship</i>) 3,136 families (<i>people living in the same housing who are related</i>) 1,811 people per square mile	5,374 people 2,279 households (<i>people living in the same housing regardless of relationship</i>) 1,475 families (<i>people living in the same housing who are related</i>) 16 people per square mile
Income level	\$23,550 = Federal Poverty Level (FPL) for a family of four \$23,322 = median household income in 75215 \$38,540 = mean (average) household income in 75215 27.8% of families are below poverty level	\$23,550 = Federal Poverty Level (FPL) for a family of four \$32,605 = median household income in 75426 \$40,306 = mean (average) household income in 75426 18.2% of families are below poverty level
Race/Ethnicity and Age	79% African-American 12% Hispanic 7% White 39 = median age 21% age 17 or under 14% age 65 or older	32% African-America 8% Hispanic 58% White 45 = median age 21% age 17 or under 22% age 65 or older
Education	9% of adults less than 9th grade 35% HS graduate or GED 13% Bachelor's degree or higher	14% of adults less than 9th grade 39% HS graduate or GED 6% Bachelor's degree or higher
Employment	49% of age 16+ not in the labor force 44% in the labor force <u>and</u> employed 7% in the labor force but <u>not</u> employed (4% in Texas)	47% of age 16+ not in the labor force 48% in the labor force <u>and</u> employed 5% in the labor force but <u>not</u> employed (4% in Texas)
Housing	7738 housing units 37% occupied by owners 63% occupied by renters 72% of housing 40+ years old	2824 housing units 68% occupied by owners 32% occupied by renters 49% of housing 40+ years old
Transportation	20% of owner households have no vehicle available 37% of renter households have no vehicle available 2% of workers walk to work 20 % take public transportation to work	2% of owner households have no vehicle available 20% of renter households have no vehicle available 4% of workers walk to work <1% take public transportation to work

* As reported by Mission Insite, a national church demographic service

We will know we have accomplished our mission when our neighbors in these communities become so self-sufficient that they no longer need our partnership and can in turn become effective partners in transforming other communities. We will do this through transformational support for improvements in education, health care, employment, wages, personal finance, neighborhood development, racial equity, and political power, beginning with the education and transformation of our own churches and structures.

We are committed to transforming the community in each zip code—helping the neighbors who live there leverage their assets to create a productive and sustainable future for themselves and for their children. We are not focused solely or even primarily on urban economic development if a primary outcome might be uprooting or replacing the current neighbors.

A major next step in the action plan for 2014 will be the clarification and evaluation of metrics and possible targets for measuring the impact of our mission. Possible metrics and targets—to be developed in cooperation with the University of Texas at Dallas and to be considered by neighbors and community leaders—are identified in Table 2.

Table 2: Possible Metrics and Targets for Measuring the Impact of Our Mission

Metric	Possible target
Median household income	2 X the Federal Poverty Level
Rate of extreme asset poverty*	0%
Community networks	All neighbors participate in at least one neighborhood or community group
Rating and learning outcomes of neighborhood schools	Above average state rating; no achievement gaps for any student group; high graduation level
Access and acquisition of health care	All neighbors insured; high quality services within 30 miles of each resident
Unemployment rate	Below the state average
Median wage	Sufficient to provide income 2 X FPL
Individual/family financial stability	United Way Dallas metrics
Housing stability	All neighbors can access affordable, livable housing
Religiosity**	% of neighbors with no religious preference decreases
Aspirational fusion**	% of households with “Hope for Tomorrow” increases
Systemic racial equity	Racial equity present in all areas above plus law enforcement and criminal justice
Political power	Neighborhood equitably represented in the city, county, state, and nation

* *Households in extreme asset poverty are those that have zero or negative net worth. A household with negative net worth owes more than it owns; its household debt is greater than its financial assets; it has no financial cushion to help weather a financial crisis.*

** *As measured and reported by Mission Insite, a national church demographic service.*

Our end goal is to eradicate poverty in two zip codes by 2025. In order to move toward that goal, we propose three strategies for the 2014 calendar year that will help us clarify the needs and discern how we can best accomplish it. The strategies are consistent with we have learned within the context of our understanding of ministry with the poor.

- **Convene** neighbors and churches, organizations, and individuals currently working in the zip codes that are aligned with our mission; **and assess** how we can support existing services and what additional initiatives should be developed.
- **Educate** our congregations—and the public in general—**about poverty**, and what is needed to help individuals and families move out of poverty permanently; and about **racism**, especially the inequitable opportunities and impacts resulting from institutional and structural racism.
- **Leverage** the political and economic **influence of our members** and the **collective power of the neighbors** to advocate for changes in the systems that currently discourage or prevent families from moving out of poverty permanently.

COMMITTEES AND AGENCY AFFILIATIONS

Additionally during the last Conference year, the Center for Missional Outreach has worked to support a nurturing relationship with four disciplinarily required boards and committees: **Board of Church and Society, Board of Global Ministries, Committee on Christian Unity and Interreligious Concerns, and Committee on Ethnic Local Church Concerns**. With this inclusion, we have over 50 persons committed to the work of the Center in addressing the empowerment of local churches and the North Texas Conference in eliminating poverty and eradicating deadly disease. This has been a powerful inclusion, and one that has helped to frame a wider dream for our Conference to embrace.

MISSIONAL OUTREACH FUNDING AND VOLUNTEER OPPORTUNITIES REPORT

Below are some of the North Texas Conference achievements related to Missional Outreach and Giving:

The conference **Board of Church and Society** awarded three grants for their 2014 Peace with Justice grant cycle:

1. Button Memorial United Methodist Church, given for their Kids-Eat-Free feeding program. Award amount: \$1,000.00
2. FUMC Lewisville, given to fund their New Hope Learning Center, a new ministry of the church. Award amount: \$1,000.00
3. Carrollton church collaboration by Holy Covenant UMC, FUMC Carrollton and Aldersgate UMC, given an award to start Little Free Libraries in neighborhoods where literacy rates are low. Award amount: \$500.00

Our Conference Board of Global Ministries was delighted to announce that the North Texas Conference received a “Giving Award” for 2013 from the General Board of Global Ministries for the highest increase in church participation in designated giving in the South Central Jurisdiction!

We congratulate the Connections Band, which reached a major milestone in their fundraising efforts for mission and in April officially passed the \$250,000 mark in total funds raised! www.connectionsband.com

The Dallas-area Amigos Days project hit their goal of 400 homes completed in 17 years of service, and many of you have been a part of the success story. Many thanks to volunteer leader Ann Meyer!

Eleven basic and advanced emergency response classes were held since last July, using UMCOR curriculum to teach early responders how to respond to natural or man-made disasters with useful skills. The North Texas Conference has trained several hundred volunteers since 2009.

UMCOR gifts through April were received from the following churches in response to tornadoes in the U.S., a typhoon in the Philippines, One Great Hour of Sharing, and undesignated giving: Bells, Buckingham, Calvary, Cockrell Hill, Collinsville, Community, Cornerstone, Decatur, Denton First, DeSoto, Elmwood/El Buen Samaritano, Faith Corinth, Faith Richardson, Forney, Grace Dallas, Honey Grove McKenzie, Holy Covenant, Kaufman, Kessler Park, Key Memorial, Lake Cities, McKinney First, Morris Memorial, Mount Vernon, Northaven, Petrolia, Rowlett, Seagoville, Sherman First, Stony, Trinity Denton, Umphress Road, Walnut Hill, Waples, Whaley, Whitesboro, and Wylie. For ideas, information, or assistance, please contact our UMCOR representative Kathryn Strempeke (kathryn.strempeke@wylieumc.org).

Another avenue of North Texas global mission involvement was missionary support. Serving in more than 60 countries around the world, over 300 United Methodist missionaries come from many places and backgrounds, service in dramatically different locales and cultures, and engage in a range of activities and professions, including pastors, educators, congregational and leadership developers, regional coordinators for UMCOR, agriculturalists, health coordinators, and doctors. Missionaries from Mozambique itinerated in our area earlier this year, and we look forward to hosting friends from Cameroon, Panama, and Peru in the fall. To learn more about covenant partnerships with missionaries and/or to schedule a visit from mission personnel, please contact NTC Secretary of Global Ministries Serena Eckert, (Serena@TryFaith.org).

The North Texas Area hosted one of the General Board of Global Ministries' national "Ministry WITH the Poor" Roundtables in November 2013. Practitioners and conference leaders nationwide participated in Dallas for two days and discussed best practices.

Our conference **Board of Global Ministries** also cooperated with United Methodist Communications' *Rethink Church* in sponsoring a "Change the World" event on May 17, partnering with Warren UMC, FUMC Dallas, Dallas Bethlehem Center, Crossroads Community Services, City Square, Dallas Life Foundation, Clean Up South Dallas, Inc., and Texas Federation of Garden Clubs. The event not only focused on hands-on improvement activities but also featured learning opportunities and focus groups organized by the **Board of Church and Society**.

We are asking for you to join us as we move forward with the vision of making disciples of Jesus Christ for the transformation of the world. May God bless our local churches and our Conference in making a sustainable difference in our neighbors' lives.

Submitted by

Dr. Andy Stoker, chair of the Advisory Board

Dr. Larry George, director of the Center

Dr. Lynn Parsons, director of the Zip Code Connection

Rev. Marji Bishir, associate director of the Center

CENTER FOR NEW CHURCH DEVELOPMENT AND CONGREGATIONAL TRANSFORMATION

“Impact”

It has been and continues to be a year of impact for The Center for New Church Development and Congregational Transformation! What we are about is making an impact in the Conference and in our community by creatively working to increase the number of Vital Congregations within the North Texas Conference. Our priorities remain the same—1) starting new faith communities, and 2) transforming existing congregations.

TRANSFORMING EXISTING CONGREGATIONS

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

Now used by 29 annual conferences (and all the Texas conferences), the HCI is based on training our own clergy and laity to mutually coach and mentor congregations. This approach involves laity in all levels of leadership and participation, and it has a component designed especially for small membership churches.

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

Participation is completely optional. If a congregation begins the journey, it can proceed to whatever level it feels it needs. If it goes all the way to the “Weekend Consultation” and follow-up coaching, the entire process takes about 3 years.

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

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

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

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

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

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

“Turn Around Tours” is one of the creative ways we’ve highlighted learning from each other and experiencing first-hand the impact our churches are making in their respective communities. We resurrected the old ‘progressive dinner’ of years gone by, and turned it into an inspirational learning tool. Participants travel by bus to three congregations....each highlighting a success story in widely divergent settings. At each stop we enjoy ‘appetizer’, or ‘lunch’ or ‘dessert.’ And 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.

NEW CHURCH STARTS

The impact of starting “New Places for New People” is now being felt throughout the Conference! We have continued to plant new churches and faith communities. Currently, we have 19 new church starts now averaging over 2400 in worship each Sunday! However, our objective is not to just get more people into our churches; it is to get our churches into our mission field! To that end, we are excited that 3 new congregations (2 Hispanic and 1 Anglo) were planted by our existing churches in 2013.

Each of the new church pastors are trained through the New Church Leadership Institute, and assessed by our Conference Assessment Team before they are appointed by the Bishop. They also attend New Church “Boot Camp” and each one is assigned a personal trained coach to give the new start and the pastor the best possible advantage to succeed.

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

2008—The Woods—Grand Prairie (Vital Merger) Planter: Jill Jackson-Sears
Oak Cliff UMC—Oak Cliff (formerly “Connexion”) Planter: Edgar Bazan
The Village—DeSoto (Daughter of St Luke “Community”) Planter: Derek Jacobs

2009—Falls Chapel—Wichita Falls (Restart with new name) Planter: Louis Pearce
FUMC Krum—Krum (Restart and relocation) Planter: Christy Thomas
New Beginnings—Grand Prairie Planter: Perry Crenshaw (closed)

2010—Crossway—Aubrey (Daughter church of Grace Avenue) Planter: Chris Yost
St. Andrew Frisco—Frisco (Extension campus of St. Andrew) Planter: Edlen Cowley
Munger Place—Dallas (Extension campus of Highland Park) Planter: Andrew Forrest
Nuevo Dia—Dallas (A New Day Community) Leader Shellie Ross
FaithBridge—Rockwall Planter: Frank Rahm (closed)

2011—Living Life Church—Allen (Daughter church of FUMC Allen) Planter: Abe Smith
Korean North Central—The Colony (Daughter of Korean Central) Planter: Nakhoon Cho
Melissa UMC—Melissa (Daughter church of FUMC McKinney) Planter: Alan Hitt
The Journey—Wylie/Sachse (Daughter of FUMC Rowlett) Planter: Chris Everson; suspended

2012—Connections—Paris (Extension Campus 1st Paris) Planter: Kathy French

“Oasis Fellowship” (Daughter church of Grace UMC, Dallas) Planter: Mary Miriti
Union Coffee Shop ministry (Anchored by UPUMC) Planter: 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

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

BRIDGEPORT CAMP & CONFERENCE CENTER

2013 was a year of vision and planning at Bridgeport Camp and Conference Center (BCCC). We created an Advisory Board to help with our plan for moving BCCC forward as we seek ways to address our capacity issues in both our cabins and meeting spaces, as well as to help create ideas for how to better utilize the facilities we do have.

2013 was an equally eventful year for reservations at our facility. We set a new record this year for our non-summer events with 72 events held from January to June before camps start, then starting again in August until the end of the year. Conference groups made up the majority of events, but we had great turnout from groups outside our conference as well. Some of these groups include university retreats, family reunions, local school events, weddings, and sports banquets.

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

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

THE PROTHRO CENTER AT LAKE TEXOMA

2013 marked another fantastic year for The Prothro Center! As we continue to see familiar faces, we have developed new ways to find the space for new groups, weddings, families, couples, and even individuals.

With the remodel of our small family cabins, The Prothro Center now provides superb spots for individual families to get away for the week/weekend and enjoy comfort, lake, togetherness, and a safe environment. We've created a huge stir with our new beach area, hike and bike trails, and creativity to bring guests closer to Lake Texoma.

North Texas Conference programs, such as the annual S.E.E.K. Camps, Rural Ministry, Clergy Spouse Retreat, NTC Licensing School, Clergy Women Retreat, NTC District Committee, NTC

UMW, NTC Anti-Racism, and The Board of Ordination, continue to utilize our services. We also accommodated the annual JCH Lions Camp, Royal Family Kid Camp, staff retreats, quilting workshops, women's/men's retreats, family reunions, college functions, along with many other events.

I'm so proud of this staff and everything that this place has become. The pictures that you see are beautiful, but can never do it full justice. I invite you to come take a look and see what all the buzz is about.

Cliff Dyer, Executive Director
The Prothro Center at Lake Texoma
903-786-2141 www.prothrocenter.org

BOARD OF PENSION AND HEALTH BENEFITS 2015 COMPREHENSIVE FUNDING PLAN

The 2012 *Book of Discipline* ¶ 1506.6 requires that each annual conference develop, adopt and implement a formal comprehensive funding plan for funding all of its benefit obligations. The funding plan shall be submitted annually to the General Board of Pension and Health benefits for review and be approved annually by the annual conference, following the receipt and inclusion of a favorable written opinion from the General Board of Pension and Health Benefits (GBOPHB). This summary document is only a portion of the information contained in the actual signed funding plan. As such, it might not contain all the information required for a comprehensive view of the benefit obligations of the conference. You may request the full contents of the 2015 comprehensive benefit funding plan from your conference benefit office.

Following is the summary of the Comprehensive Benefit Funding Plan (CBFP) that received a favorable written opinion from GBOPHB for the 2015 conference benefit obligations:

Clergy Retirement Security Program (CRSP) Defined Benefit (DB) and Defined Benefit Contribution (DC)

Plan Overview: The Clergy Retirement Security Program (CRSP) is an Internal Revenue Code section 403(b) retirement program providing lifetime income and account flexibility designed for those who serve as clergy of The United Methodist Church. The plan is designed to provide participants with one portion of their overall retirement portfolio. CRSP replaced the Ministerial Pension Plan (MPP) effective January 1, 2007, which replaced the Pre-82 for service rendered prior to January 1, 1982.

CRSP consists of both a defined benefit (DB) plan, which provides a monthly benefit at retirement based upon years of credited service to the Church, and a defined contribution (DC) plan, which provides a retirement account balance established and funded by annual conferences. The Clergy Retirement Security Program (CRSP-DB) annuities total liability as of January 1, 2013 is \$923.7 million, while total plan assets are \$978.5 million resulting in a current plan funded ratio of 106%. The North Texas Conference portion of the liability is 1.38% and the 2015 contribution is \$1,567,801. The conference anticipates that the amount will be funded by: Direct Billing. Additionally, General Conference 2012 approved a change to CRSP that provides each annual conference the discretion to determine whether to cover three-quarter and/or half-time clergy. The North Texas Annual Conference has elected to cover clergy serving 50%+ under CRSP effective January 1, 2014.

Effective January 1, 2014 CRSP-DC plan was reduced from a 3% to a 2% of plan compensation non-matching contribution. Clergy will have the opportunity to earn up to an additional 1% CRSP DC contribution by contributing at least 1% of their plan compensation to UMPIP, therefore if a participant contributes at least 1% of plan compensation to UMPIP, the individual will receive a contribution of 3%, which is unchanged from 2013 and prior. The 2013 CRSP-DC contribution was \$659,700 and was funded by: Direct Bill of the Local Churches. It is anticipated that increases for future years will average 2.50%, due to the expected average pastoral compensation increases based on last 20 years.

Ministerial Pension Plan (MPP)

Plan Overview: The Ministerial Pension Plan (MPP) provides clergy with a pension for their years of ministry with The United Methodist Church from 1982 through 2006. MPP is an Internal Revenue Code section 403(b) retirement plan. Effective January 1, 2014, exactly 65% of the account balance must be annuitized when it is to be distributed. The remainder may be rolled over to UMPIP, another qualified plan or IRA, or paid in a lump sum.

The Ministerial Pension Plan (MPP) annuities total liability as of January 1, 2013 is \$2.7 billion, while total plan assets are \$3.0 billion resulting in a current plan funded ratio of 109% and no required contribution for 2015. The North Texas Conference's portion of the total liability is .97%. Future MPP annuitants have a total account balance of \$4.4 billion and the North Texas Conference's portion of that balance is \$60.17 million or 1.37% of the total.

Pre-1982 Plan

Plan Overview: Supplement One to the Clergy Retirement Security Program (CRSP), also known as the Pre-82 Plan, provides clergy with a pension for their years of ministry with The United Methodist Church prior to 1982. The Pre-82 Plan was replaced by MPP effective January 1, 1982. When participants enter a Retired relationship with your Conference, and does not terminate, the minimum benefit payable to them is based on two factors: 1) years of Service with pension credit and 2) Conference pension rate. Years of Service with pension credit are approved by each Conference on the recommendation of the Conference Board of Pension in accordance with plan provisions and *The Book of Discipline*. The pension rate, also called the past service rate PSR, is the dollar amount chosen by the Conference as the amount payable for each approved year of Service with pension credit. Typically, the pension rate changes from year to year. The number of years of Service with pension credit is multiplied by the PSR, and the product is the minimum annual benefit payable to those eligible for Pre-82 Plan benefits. In certain situations the benefit received from the Pre-82 plan, may vary based on the applicability of what is referred to as Defined Benefit Service Money (DBSM), which is the defined contribution feature of the Pre-1982 Plan. At the time that a participant retires, the DBSM account is converted to a life based benefit. At that point the participant's benefit is the greater of the PSR benefit or DBSM benefit. As the conference increases the PSR, the participant's benefit is recalculated; however the DBSM based benefit does not change.

The 2015 Past Service Rate (PSR) recommended to the North Texas Annual Conference will be \$754.00 representing a 1.48% increase from the 2014 rate. The conference expects future increases to be approximately 2.50%, which is based on the average COLA rate as published in Public Law 106-554 which is stated at 2.5%.

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

Based on the final actuarial valuations from the General Board of Pension and Health Benefits as of January 1, 2013 for 2015, the portion of the Pre-82 liability attributable to the North Texas Conference and funded status is, as of 1/1/2013, as follows:

Funding Plan Liability	\$25,563,027
Assets in the Plan	\$20,430,124
Funded status	\$(5,132,903) represented by a 80% funded ratio
Funded Status as of 12/31/2014	\$(4,884,387)

The funded ratio is recalculated each year based on economic and demographic changes. These changes create the possibility that Pre-82 contributions may be required at a future date (even after 2021).

In addition to the assets in the Plan it is anticipated that amount will be funded through the following funding sources:

Non plan assets designated for retiring Pre-82 obligations	\$6,670,832
Present value of incoming new money	\$2,296,671

Defined benefit plan liabilities (Pre-82, MPP and CRSP-DB) continue until the last benefit is paid to participants and their surviving spouses irrespective of the funding level of the plan. That is, even if the assets in the plan are larger than the liabilities in the plan, the conference still has a liability (obligation) with the plan.

Active Health Benefit Program

Plan Overview: The North Texas Conference offers an Insurance program to the active participants.

During the 2013 year, the total cost of the program was \$5,904,818 and was funded by Direct Bill. The projected average increase for future years is expected to be 5%, due to expected Health Cost Increases.

Post-Retirement Medical Benefit Program (PRM)

Plan Overview: The North Texas Conference post-retiree medical plan currently offered is a OneExchange plan with an HRA.

The current annual cost is anticipated to be \$213,000 with the funding sources to be apportionments. On a longer term basis the North Texas Conference intends to continue funding through apportionments at \$213,000 per year for new entrants.

Based on the most recent PRM valuation dated 12/31/2013, following is the funded position of the post-retiree medical benefits:

Accumulated Post Retirement Obligation (APBO) or net conference cost	\$10,103,622
Expected Post Retirement Obligation (EPBO) or net conference cost	\$12,583,832
Service Cost (SC) or net conference cost	\$323,987
Assets designated for PRM	\$0

These values are based on 4.65% long term discount rate, 7.00% long-term expected return, and a current increase trend of 7.50% decreasing to 5.00% by 2019.

Comprehensive Protection Plan (CPP)

Plan Overview: The Comprehensive Protection Plan (CPP) provides death, long-term disability and other welfare benefits for eligible clergy of The United Methodist Church and their families and is an Internal Revenue Code 414(e) “church plan” funded by plan sponsor insurance premiums. Generally, you are eligible to participate in CPP if your conference or salary-paying unit sponsors the plan and you satisfy the eligibility requirements which include full-time episcopal appointment and plan compensation equal to or greater than 60% of the Denominational Average Compensation or the Conference Average Compensation whichever is less. The North Texas Annual Conference has elected to make CPP-eligible clergy, who are appointed at least full time, have mandatory participation, while those on full-time medical leave, family, and sabbatical leave or are attending school have optional participation under special arrangements at their own expense.

Currently (for 2013) the North Texas Conference has a required contribution to the Comprehensive Protection Plan of \$610,254, which is anticipated to be funded by Apportionments. The anticipated average increase in future years is expected to be 2.50% per year due to expected increases in COLA.

United Methodist Personal Investment Plan (UMPIP) for Lay and Clergy

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

Conference office lay employees working an average of 20 hours per week or more are eligible for a pension contribution of 6% of salary. Lay employees are encouraged to contribute personal funds toward their retirement through payroll deductions to the UMPIP. The estimated contribution for the North Texas Conference is anticipated to be \$46,882 and funded through apportionments.

Other Conference Defined Contribution Type Obligations

Plan Overview: The North Texas Conference currently offers an Endowment for Emergency Fund for Retiree Medical Expenses plan made available to retired clergy with demonstrated need. The distribution for 2013 was \$2,000 with the funding sources to be: 1.56 million endowment at GBOPHB.

Plan Overview: The North Texas Conference currently offers Life Insurance made available to clergy and lay employees participating in the Conference Health Insurance program. The contribution for 2013 was \$28,713 with the funding sources to be through apportionments. The anticipated average increase in future years is expected to be 2.5% per year due to expected cost increases.

Conclusion:

The 2015 Comprehensive Benefit Funding Plan and the above outlined Summary document incorporates to the best of our understanding, the North Texas Conference's obligations and funding requirements of the benefits provided to the Clergy and Laity of the North Texas Conference.

BOARD OF PENSION AND HEALTH BENEFITS

HEALTH BENEFITS POLICIES

June 2014

INTRODUCTION

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

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

ELIGIBILITY

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

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

the provisions of Paragraph 344.1a(2), 344.1a(3), 344.1a(4) and 344.1b, only if they are listed specifically in the annual GBOPHB adoption agreement.

5. Clergy appointed to Leave of Absence or Sabbatical (eligible for one year only).

6. Lay persons who are full-time (at least 30 hours per week) employees of the annual conference and their eligible dependents.

7. Full-time (at least 30 hours per week) lay employees and their eligible dependents of local churches or connectional agencies in the North Texas Annual Conference which offer the conference group insurance program to all of their fulltime lay employees, if the church has a sub-adoption agreement with the GBOPHB and meets the 75% participation rule.

8. Retired clergy members of the conference immediately eligible to receive pension from the GBOPHB at the beginning of the month following the month in which the retired relation takes place, and who had a minimum of five (5) continuous and consecutive years of active participation in the North Texas Annual Conference group health program at the time of retirement, and their respective dependents. Retired Clergy can retain future rights to conference funding if at the time of retirement coverage was declined because the clergy had other employer sponsored group health insurance.

9. Disabled clergy members (appointed under ¶357 *2012 Book of Discipline*) of the conference (who were enrolled in HealthFlex at the time of their disability) immediately eligible to receive disability benefits from the GBOPHB at the beginning of the month following the month in which the disability leave with disability benefits takes place, as granted by the Division of Conference Relations, and their respective dependents.

10. Retired lay employees of the conference or a local church within the conference at the beginning of the month following the month in which the retired relation takes place, and who had a minimum of five (5) consecutive years of active participation in the North Texas Annual Conference group health plan at the time of retirement, and their respective dependents, if the church selects that category in the sub-adoption agreement with GBOPHB.

11. Disabled lay employees of the conference or a local church within the conference (who were enrolled in HealthFlex at the time of their disability) at the beginning of the month following the month in which the disability leave takes place as granted by the GBOPHB, and their respective dependents.

12. Surviving 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 and a Consumer Driven Health Plan (CDHP) 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 Catamaran 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 both PPO and CDHP plans. A participant must call UBH at 1-800-788-5614 before receiving inpatient or outpatient treatment either innetwork or outofnetwork. There is also a Pastoral Consultation Hotline for clergy available for both active and retired clergy at no charge. The number is 800-842-2869.

Vision benefits are available through Vision Service Plan (VSP). A basic vision examination is provided and discounts for eyeglasses and contact lenses are available.

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

Medical Reimbursement Accounts (MRA) and Dependent Care Accounts (DCA) are also available to active participants. A participant may select annual MRA/DCA amounts between \$300 and \$2,500 to be deducted by the salary paying unit on a monthly basis as a salary reduction. This money may be used for medical expenses which are not covered by the plan such as deductibles, co-pays, dental, vision and other qualified costs. The DCA may be used to pay for qualified child or parent daycare expenses (maximum annual amount is \$5,000). Forms to be used to submit claims are available at www.gbophb.org or in the conference Center for Connectional Resources.

CONFERENCE FUNDING POLICIES FOR ACTIVE HEALTH BENEFITS

1. The entire 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.

2. The premium for the appointee's spouse and dependents is the responsibility of the appointee. An optional agreement may be made between the church or salary paying unit and the appointee for the church or salary paying unit to pay the family premium.

3. The Conference will pay the premium for lay employees of the annual conference. The premium for dependents is the responsibility of the employee.

4. Responsibility for the premium for eligible lay employees of local churches or institutions within the connectional structure will be determined by the employer and the employee.

5. The Conference pays the active premium for disabled clergy members of the conference who were appointed to a local church or as district superintendent or to the conference staff and were enrolled in HealthFlex at the time of disability. Approval by the Division of Conference Relations and eligibility to receive disability benefits from the General Board of Pension and Health Benefits is also required. Payment begins the month following the month in which the disability leave with disability benefits takes place. The premium for dependents is the responsibility of the 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 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.

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 2014 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 2014 Ministerial Compensation Report turned in at Charge Conference) must be below \$65,186 (the 2014 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
\$65,186 and above	100%	\$9,612	\$ 0
\$65,185–61,927	95%	9,131	481
\$61,926–58,667	90%	8,651	961
\$58,666–55,408	85%	8,170	1,442
\$55,407–52,149	80%	7,690	1,922
\$52,148–48,890	75%	7,209	2,403
\$48,889–45,630	70%	6,728	2,884
\$45,629–42,371	65%	6,248	3,364
\$42,370–39,112	60%	5,767	3,845
\$39,111 and below		5,767	3,845

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
\$65,186 and above	100%	\$8,652	\$ 0	\$13,440	\$ 0
\$65,185–61,927	95%	8,219	433	12,768	672
\$61,926–58,667	90%	7,787	865	12,096	1,344
\$58,666–55,408	85%	7,354	1,298	11,424	2,016
\$55,407–52,149	80%	6,922	1,730	10,752	2,688
\$52,148–48,890	75%	6,489	2,163	10,080	3,360
\$48,889–45,630	70%	6,056	2,596	9,408	4,032
\$45,629–42,371	65%	5,624	3,028	8,736	4,704
\$42,370–39,112	60%	5,191	3,461	8,064	5,376
\$39,111 and below		5,191	3,461	8,064	5,376

6. If the pastor's Total Compensation for Health Insurance Supplement Eligibility is above \$65,186 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 1-1-2014

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

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

ELIGIBILITY FOR ONEEXCHANGE AND CONFERENCE FUNDING FOR RETIREES

1. RETIREES, SPOUSES, SURVIVING SPOUSES

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

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

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

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

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

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

2. CLERGY COUPLES IN RETIREMENT

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

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

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

3. PRE-65 RETIREES/SPOUSES/SURVIVING SPOUSES

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

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

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

5. RETIREES APPOINTED FULL TIME TO A LOCAL CHURCH

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

6. CLERGY WHO OPTED OUT OF SOCIAL SECURITY

OneExchange is available only to those with Medicare 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 (§358.3 *2012 Discipline*)

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

8. DISABILITY (§357 *2012 Discipline*)

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

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

OneExchange is available only to those with Medicare 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 2012 Discipline)

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

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

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

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

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

ADMINISTRATIVE PROCEDURES

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

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

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

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

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

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

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

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

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

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

REMITTANCES

	2012 RECEIPTS	2013 RECEIPTS
APPORTIONMENTS		
World Service	1,714,515.96	1,639,010.13
Ministerial Education	589,509.48	577,293.90
Black College Fund	235,384.97	232,405.52
Africa University Fund	52,754.80	53,090.25
Interdenominational Cooperation Fund	45,598.08	46,393.79
General Administration Fund	199,413.87	202,840.61
Episcopal Fund	539,217.20	503,014.80
Lydia Patterson Institute	64,475.82	67,232.07
Mt. Sequoyah	14,193.76	16,840.93
Jurisdictional Administration Fund	29,743.25	32,985.39
SMU Campus Ministry	7,865.24	8,692.07
Leadership Development	1,265,269.83	1,273,072.97
New Church Development & Congregational Trans	808,954.75	801,570.25
Missional Outreach	678,912.55	594,019.20
Connectional Resources	1,463,081.97	1,477,077.23
Area and Conference Administration	558,133.33	502,781.73
Board of Pension & Health Benefits	2,118,520.39	2,069,404.73
District Superintendents Fund	535,437.59	542,747.08
District Administration Fund	<u>615,593.27</u>	<u>635,087.83</u>
TOTAL APPORTIONMENTS	11,536,576.11	11,275,560.48

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

REMITTANCES

	2012 RECEIPTS	2013 RECEIPTS
TARGETED CAUSES		
Second Mile Apportionment Fund	50,382.87	27,872.48
GENERAL ADVANCE SPECIALS		
UMCOR		
UMCOR Undesignated Gifts	32,966.03	37,033.35
UMCOR Relief Supplies	188.20	894.12
Heifer International	5,595.00	6,035.00
Domestic Disaster Response	175,624.64	379,190.46
International Disaster Response	4,994.71	90,018.05
World Hunger & Poverty	4,015.00	6,288.00
Global Aids Fund	2,950.50	
Nothing But Nets	18,207.42	2,802.00
Zoe Ministry-Rwanda	6,900.00	3,126.95
Haiti Advance Project	<u>21,864.24</u>	<u>15,688.00</u>
Total UMCOR	273,205.74	541,075.93
World Missions		
Regional Africa	9,645.00	6,489.59
Cameroon	4,364.90	3,853.33
Congo	2,000.00	1,670.00
Kenya	19,042.72	10,665.00
Liberia	1,680.00	
China	3,000.00	
Southeast Asia	100.00	
Czech Republic	2,000.00	3,000.00
Russia	3,174.26	20.55
Spain	2,500.00	2,500.00
Latin America and the Caribbean	10,095.90	7,579.00
Brazil	5,000.00	1,000.00
Middle East	3,300.00	2,500.00
Panama	<u>6,567.00</u>	<u>4,536.61</u>
Total World Missions	72,469.78	43,814.08
TOTAL GENERAL ADVANCE SPECIALS	345,675.52	584,890.01
YOUTH SERVICE FUND	1,687.60	1,180.71

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

REMITTANCES

	2012 RECEIPTS	2013 RECEIPTS
GENERAL CONFERENCE OFFERINGS		
One Great Hour of Sharing	15,045.38	24,140.35
World Communion	6,597.76	6,262.64
UM Student Day	4,065.46	1,998.23
Human Relations Day	2,449.82	1,913.81
Peace With Justice	4,345.12	3,025.03
Native American Ministries	<u>2,854.61</u>	<u>2,463.19</u>
TOTAL GENERAL CONFERENCE OFFERINGS	35,358.15	39,803.25
ANNUAL CONFERENCE OFFERINGS		
Golden Cross	10,832.73	11,295.61
Providence Place—San Antonio	18,534.28	21,480.31
Methodist Home Waco	<u>49,571.43</u>	<u>59,552.80</u>
TOTAL ANNUAL CONFERENCE OFFERINGS	78,938.44	92,328.72
JURISDICTIONAL FAIR SHARE GOAL		
Lydia Patterson Endowment	727.30	1,166.16
Lydia Patterson Special/Scholarship	<u>5,753.20</u>	<u>1,000.00</u>
TOTAL JURISDICTIONAL FAIR SHARE GOAL	6,480.50	2,166.16
CONFERENCE ADVANCE SPECIALS		
Bethlehem Center	6,457.00	8,196.00
C. C. Young Home	4,816.00	6,396.75
Methodism Breadbasket	1,416.00	1,000.00
One Man's Treasure Clothes Closet	2,500.00	2,500.00
Project Transformation	12,317.32	6,666.00
Wesley Rankin Community Center	8,916.52	15,411.50
NTX Food Bank		332.90
Seek Camp-Children	100.00	
Seek Camp	250.00	
Wesley Village Retirement Home	<u>300.00</u>	<u>716.16</u>
TOTAL CONFERENCE ADVANCE SPECIALS	37,072.84	41,219.31
OTHER BENEVOLENCES	<u>194,671.08</u>	<u>76,895.39</u>
TOTAL NONAPPORTIONED FUNDS	750,267.00	866,356.03
TOTAL APPORTIONED FUNDS	<u>11,536,576.11</u>	<u>11,275,560.48</u>
TOTAL ALL CAUSES	12,286,843.11	12,141,916.51

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

Plano, Texas

Financial Statements
December 31, 2013

NORTH TEXAS CONFERENCE OF THE UNITED METHODIST CHURCH
Financial Statements
December 31, 2013

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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 Annual Conference of the United Methodist Church

We have audited the accompanying financial statements of The North Texas Annual Conference of the United Methodist Church (a nonprofit organization), which comprise the statement of financial position as of December 31, 2013 and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The North Texas Annual Conference of the United Methodist Church as of December 31, 2013, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Ratliff & Associates, P.C.

July 25, 2014

NORTH TEXAS CONFERENCE OF THE UNITED METHODIST CHURCHStatement of Financial Position
For the Year Ended December 31, 2013**ASSETS**

Current Assets	
Cash	\$ 330,847
Accounts receivable	1,584,080
Investments	29,916,953
Prepaid expenses	<u>775,447</u>
Total Current Assets	<u>32,607,327</u>
Property and Equipment, net of depreciation	<u>6,545,562</u>
Other Assets	
Land and buildings held for resale	1,506,450
Endowment and other investments	<u>2,084,539</u>
Total Other Assets	<u>3,590,989</u>
Total Assets	\$ <u>42,743,878</u>

LIABILITIES AND NET ASSETS

Current Liabilities	
Notes payable, current portion	\$ 213,223
Due to program liability	96,061
Accounts payable and accrued liabilities	118,070
Unfunded post-employment benefits, due in one year	<u>323,987</u>
Total Current Liabilities	<u>751,341</u>
Non-current Liabilities	
Notes payable, non-current portion	3,627,327
Unfunded post-employment benefits, due in more than one year	<u>9,779,635</u>
Total Non-current Liabilities	<u>13,406,962</u>
Total Liabilities	<u>14,158,303</u>
Net Assets	
Unrestricted net assets	25,703,782
Temporarily restricted net assets	1,258,212
Permanently restricted net assets	<u>1,623,581</u>
Total Net Assets	<u>28,585,575</u>
Total Liabilities and Net Assets	<u>42,743,878</u>

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

NORTH TEXAS CONFERENCE OF THE UNITED METHODIST CHURCH

Statement of Financial Activities For the Year Ended December 31, 2013

Change in Unrestricted Net Assets

Revenues and support	
Apportionment receipts	\$ 8,040,085
Program and event fees	1,450,709
Property insurance receipts	5,344,686
Health insurance receipts	5,665,989
Pension receipts	2,489,181
Investment income	3,090,865
Other income	883,387
Temporarily restricted net assets released	<u>652,600</u>

Total unrestricted receipts 27,617,502

Program expenses

New church development	1,097,868
Leadership development	1,375,820
Missional outreach	789,772
Conference services	
Property insurance	3,823,483
Health insurance	5,801,515
Pension expense	3,245,092
Retiree insurance	695,216
Episcopal office	133,482
District expenses	1,120,173
Camp and conference expenses	<u>1,568,607</u>

Total program expenses 19,651,028

Supporting Expense

Connectional	1,793,624
Communications	<u>392,235</u>

Total supporting expense 2,185,859

Total expenses 21,836,887

Excess revenues over expenses 5,780,615

Other income (expense)

Actuarial gain on retiree medical	18,459,069
Loss from asset impairment	<u>(832,708)</u>

Increase in Unrestricted Net Assets 23,406,976

Change in Temporarily Restricted Net Assets

Net assets released (652,600)

Change in Permanently Restricted Net Assets

Investment gains	237,641
Contributions	13,262
Grants paid from current income	<u>(81,325)</u>

Change in Permanently Restricted Net Assets 169,578

Increase in Net Assets 22,923,954

Net assets, beginning of year 5,661,621

Net assets, end of year \$ 28,585,575

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

NORTH TEXAS CONFERENCE OF THE UNITED METHODIST CHURCHStatement of Cash Flows
For the Year Ended December 31, 2013**Cash Flows from Operating Activities**

Change in net assets	\$ 22,923,954
Adjustments to reconcile change in net assets to net cash provided by operating activities	
Depreciation	257,582
Change in unfunded post-employment benefits	(18,459,069)
Loss from sales of assets	66,794
Loss from write-down of assets	832,708
Contributions to endowment	(13,262)
Investment earnings reinvested	(3,566,147)
Other	83,118
Decrease (increase) in operating assets	
Accounts receivable	383,931
Prepaid assets	(149,001)
Inventory	3,723
Increase (decrease) in operating liabilities	
Due to program liability	(1,387,949)
Accounts payable and accrued liabilities	(318,486)
Performance dividend payable	(505,395)

Net Cash Provided by Operating Activities 152,501

Cash Flows from Investing Activities

Purchase of investments	(4,553,500)
Withdrawal of investments	4,125,396
Proceeds from sales of assets	512,039
Purchase of fixed assets	(8,616)

Net Cash Provided by Investing Activities 75,319

Cash Flows from Financing Activities

Contributions to endowment	13,262
Principal payment on notes payable	(353,655)

Net Cash Utilized by Financing Activities (340,393)

Net Decrease in Cash and Cash Equivalents (112,573)

Cash and cash equivalents at beginning of year 443,420

Cash and cash equivalents at end of year \$ 330,847

Supplemental Disclosure

Non-cash investing and financing activities	
Real estate donation with mortgage debt	\$ 419,268

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

NORTH TEXAS CONFERENCE OF THE UNITED METHODIST CHURCH

Notes to Financial Statements

December 31, 2013

1—Nature of Organization

The North Texas Annual Conference of The United Methodist Church (the “Conference”) is the administrative headquarters of the North Texas United Methodist regional districts. The Conference represents approximately 297 member churches and fellowships. The Conference provides various services for its member churches including administration of health benefits and retirement plans available to member clergy and Conference lay employees and collection of funds for remittance to various regional, national and global benevolences.

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

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

2—Summary of Significant Accounting Policies

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

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

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

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

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

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

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

NORTH TEXAS CONFERENCE OF THE UNITED METHODIST CHURCH

Notes to Financial Statements

December 31, 2013

2—Summary of Significant Accounting Policies (continued)

Accounts Receivable—As a significant dollar amount of member church apportionments 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 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 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 other income on the Statement of Activities as part of the change in unrestricted net assets unless the use of the assets received is limited by donor-imposed restriction. Investments fees and other investment activities expenses are netted within the investment income. These expenses are not material to these financial statements.

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

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

Concentration of Credit Risk—During the year and at December 31, 2013, the Conference had funds which exceeded the FDIC insured limit on deposit with a commercial bank. In an effort to minimize risk the Conference maintains its accounts with a large regional bank.

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

Financial Instruments—A financial instrument is cash or other evidence of ownership or conveyance of rights to receive cash or other financial instruments from another party. The Conference’s financial instruments include cash and investments. As of December 31, 2013, the financial instruments were stated at their fair value.

Income Tax Status—The Conference is a nonprofit organization that is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code as other than a private foundation, except on net income derived from unrelated business activities. For the year ended December 31, 2013, the Conference has not conducted unrelated business activities that are material to the financial statements taken as a whole. Accordingly, no provision for income taxes is included in the financial statements. The Conference believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements.

NORTH TEXAS CONFERENCE OF THE UNITED METHODIST CHURCH

Notes to Financial Statements

December 31, 2013

3—Investments

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

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

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

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

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

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

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

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 assets 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.

NORTH TEXAS CONFERENCE OF THE UNITED METHODIST CHURCH

Notes to Financial Statements

December 31, 2013

3—Investments (continued)

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

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

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

The following table sets forth, by level within the fair value hierarchy, the Conference's investments at fair value at December 31, 2013.

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
TMF short-term investments	\$ 1,514,115	\$ -	\$ -	\$ 1,514,115
TMF certificates of deposit	196,601	-	-	196,601
GBOPHB deposit account		2,461,256		2,461,256
GBOPHB retiree health account		20,189,051		20,189,051
GBOPHB superannuate fund		103,755		103,755
TMF long-term investments			5,452,175	5,452,175
Total	<u>\$ 1,710,716</u>	<u>\$ 22,754,062</u>	<u>\$ 5,452,175</u>	<u>\$ 22,216,253</u>

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

	<u>TMF Long-term Investments</u>
January 1, 2013	\$ 5,390,796
Interest income	44,792
Additions	16,587
December 31, 2013	<u>\$ 5,452,175</u>

Land and Buildings Held for Resale includes foreclosed properties carried at fair values. These properties are valued using significant unobservable inputs (Level 3). During 2013, impairment losses on these properties were \$832,708 and are reported in other income (loss) in the Statement of Activities.

NORTH TEXAS CONFERENCE OF THE UNITED METHODIST CHURCH

Notes to Financial Statements

December 31, 2013

4—Accounts Receivable Flow Through and Accounts Payable Flow Through

During the year, church treasurers pay designated amounts to the Conference to fund various Conference programs and other programs administered at different levels of the church. Amounts due to programs administered by other levels of the church are treated as a flow-in of funds, and in turn as a flow-out of funds. When these amounts are received, they are disbursed by the Conference to the various organizations.

In January 2014, the Conference collected \$911,053 from the churches within the North Texas Conference. This support was collected by the local churches in the previous year and was accrued by the North Texas Conference as part of the 2013 apportionment and other remittances from local churches.

Amounts disbursed in January 2014, which relate to expenditures of the previous calendar years, have been accrued to match with the accrued collections discussed above. The total accrued expenditures were \$96,061 as of December 31, 2013.

5—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 consisted of the following at December 31, 2013:

<u>Description</u>	<u>Useful Life</u>	<u>Cost</u>
Land	N/A	\$ 747,951
Buildings, parsonages and capital improvements	30	8,052,569
Furniture and fixtures	5	599,495
Autos	5	46,587
Total		9,446,602
Less: accumulated depreciation		(2,901,040)
Net Building, Improvements and Equipment		<u>\$ 6,545,562</u>

Additionally, the conference has land valued at \$1,647,114 and buildings valued at \$511,936, respectively that are held for resale at December 31, 2013.

6—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.

NORTH TEXAS CONFERENCE OF THE UNITED METHODIST CHURCH

Notes to Financial Statements

December 31, 2013

6—Multi-employer Pension Plans (continued)

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

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

The Board of Pensions of the Conference acts as trustee responsible for deposits with the GBOPHB. All assets of the plan are available to pay all benefits of the plan, regardless of the conference from which the contributions came or under which benefits were accrued. However, each conference controls certain benefit provisions of the plan and may choose to fund this plan using different funding methodologies. In the past, the Conference has chosen to fund the plan using the full actuarial allocation and is underfunded. Therefore, contributions required to be made to this plan totaled \$610,253 for 2013. An actuarial report is available from the GBOPHB that shows the funding requirements and funded status of all the conferences for the Pre-82. In 2013, Pre-82 assets are expected to be overfunded by approximately \$127,309,095.

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

No payment was required in 2013, and no payment will be required for 2014 although future payments towards the plan are possible. This plan was replaced by the CRSP described below.

Comprehensive Protection Plan—In addition to the Pre-82 Plan, certain ministerial employees are provided disability and death benefits as well as certain minimum benefits related to pension coverage through participation in the Comprehensive Protection Plan (“CPP”). The CPP is a multi-employer defined benefit pension plan administered by the GBOPHB. There were no contributions to the plan for the year ended December 31, 2013. The GBOPHB has allowed conferences to defer CPP payments from 2011–2013 in order to fund the Pre-82 Plan.

United Methodist Personal Investment Plan—Effective January 1, 2006, the Cumulative Pension and Benefit Fund and the Personal Investment Plan were merged to form the United Methodist Personal Investment Plan (“UMPIP”). Conference clergy members, lay employees, and local church personnel are eligible to participate in this multi-employer defined contribution plan administered by the GBOPHB which currently allows an employer contribution of up to 12%. The Conference contributes 6% of all eligible lay participants’ compensation. Total contributions to the plan for the years ended December 31, 2013 were \$46,882. These amounts are included in program disbursement in the Statement of Activities.

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

NORTH TEXAS CONFERENCE OF THE UNITED METHODIST CHURCH
Notes to Financial Statements
December 31, 2013

6—Multi-employer Pension Plans (continued)

Clergy Retirement Security Program (continued)

The contributions to the CRSP for the years ended December 31, 2013, were as follows:

Defined contribution plan, funded from the Conference	\$ 659,691
Defined benefit plan, funded from the Conference	<u>2,041,388</u>
Total contributions	<u>\$ 2,701,079</u>

The Conference expects the annual contributions for all of the plans above to be approximately \$3.6 million a year beginning in 2014. The total costs for the above benefit plans are generally billed to the churches of the Conference; however, any shortfalls are obligations of the Conference.

During 2013, the General Conference approved a petition to establish a new retirement plan that incorporates characteristics of both a defined benefit and defined contribution plan. The plan will be effective in 2014 and is expected to significantly reduce retirement plan expenses in future periods.

7—Post Employment Benefit Plan

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

The annual measurement date is December 31. The following table presents the Plan's funded status. At December 31, 2013, there were no plan assets for postretirement healthcare benefits.

Obligations and Funded Status

Accumulated postretirement benefit obligation (APBO) at December 31, 2013:

Gros APBO	\$ 10,103,622
Fair value of plan assets at December 31, 2013	<u>-</u>
Net unfunded status of the plan	<u>\$ 10,103,622</u>

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

Amounts Recognized in the Financial Statements

Amounts recognized in the Statement of Financial Position consist of:

Noncurrent assets	\$ -
Current liabilities	323,987
Noncurrent liabilities	<u>3,779,635</u>
	<u>\$ 4,103,622</u>

Net periodic benefit cost recognized in the Statement of Activities is \$1,538,395.

NORTH TEXAS CONFERENCE OF THE UNITED METHODIST CHURCH

Notes to Financial Statements

December 31, 2013

7—Post Employment Benefit Plan (continued)Amounts Recognized in the Financial Statements (continued)

In 2013, the Conference received notification that the existing retiree medical health insurance program would cease to exist by the end of 2014. The Conference voted to continue to provide the equivalent benefit of the cost of the supplemental retiree medical health insurance premiums. The Conference selected Extend Health to administer this program. The plan offered through Extend Health required the Conference to amend its plan to use a Health Reimbursement Account for delivery of the benefit. The Plan amendments reduced the APBO by \$13,039,602. Actuarial gains, net expected benefit payments less service and interest cost reduced APBO by \$5,419,467 and is reported in other income in the Statement of Activities.

Assumptions

The weighted average discount rate assumption to determine benefit obligations at December 31, 2013, in accounting for the plan was 4.65%.

Cash Flows

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

<u>Year</u>	<u>Cost</u>
2014	\$ 503,954
2015	528,508
2016	564,547
2017	580,550
2018	603,546
2019–2063	25,778,678
Total	\$ 28,559,783

As of December 31, 2013, the Conference had approximately \$20,189,052 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.

8—Federal Income Tax

The Conference is an organization exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and has not been classified as a private foundation by the Internal Revenue Service. While the Conference is generally exempt from income tax, it is subject to tax on unrelated trade or business income and on excess lobbying expenses. For the year ended December 31, 2013 the Conference did not have tax for unrelated trade or business income nor excess lobbying expenses. Generally, the three prior tax years remain subject to examination by the federal and state authorities.

NORTH TEXAS CONFERENCE OF THE UNITED METHODIST CHURCH
Notes to Financial Statements
December 31, 2013

9—Note Payable

Notes payable as of December 31, 2013, are as follows:

Lender

Texas Methodist Foundation	
\$91,137 note payable bears interest at a variable rate, 1.40% per annum at December 31, 2013; amortized over 30 years, secured by real estate	\$ 58,357
Texas Methodist Foundation	
\$450,000 note payable bears interest at a variable rate, 5.00% per annum at December 31, 2013; amortized over 30 years, secured by real estate	348,273
Texas Methodist Foundation	
\$450,000 note payable bears interest at a variable rate, 3.75% per annum at December 31, 2013; amortized over 12 years, secured by real estate	419,268
Texas Methodist Foundation	
\$4,100,000 note payable secured by real estate purchased for construction of a new conference center and improvements; bears interest at a variable rate, 1.80% at December 31, 2013; amortized over 20 years	<u>3,014,652</u>
	<u>\$ 3,840,550</u>

Interest expense during 2013 amounted to \$102,754.

Future principle amounts due as of December 31, 2013, are as follows:

2014	\$ 213,223
2015	566,015
2016	222,369
2017	216,924
2018	214,251
Thereafter	<u>2,407,768</u>
Total	<u>\$ 3,840,550</u>

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.

NORTH TEXAS CONFERENCE OF THE UNITED METHODIST CHURCH

Notes to Financial Statements

December 31, 2013

10- Endowment Investments (continued)

As of December 31, 2013 the permanent endowment of the Conference consisted of the following endowment investments:

Nannie F. Bean Trust	\$ 64,068
Perkins Fund	<u>1,559,513</u>
Total	<u>\$ 1,623,581</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 BBGM maintains. 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 board-designated 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 permanent endowment fund to grow at an average of 5% annually. This is consistent with the Conference's objective to maintain the purchasing power of the endowment assets as well as to provide additional real growth through investment return.

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

Changes in endowment net assets for the years ended December 31, 2013 were as follows:

	<u>Unrestricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment investments, December 31, 2012	\$ -	\$ 1,467,265	\$ 1,467,265
Investment income	-	40,523	40,523
Net appreciation	-	197,118	197,118
Grants paid	<u>-</u>	<u>(81,325)</u>	<u>(81,325)</u>
Endowment investments, December 31, 2013	<u>\$ -</u>	<u>\$ 1,623,581</u>	<u>\$ 1,623,581</u>

Endowment investments are reported in Endowment and Other Investments in the Statement of Financial Position.

11—Other income

Contributions	\$ 76,102
Gains on sales of assets	363,274
Rental income	15,650
Other income	<u>428,361</u>
Total other income	<u>\$ 883,387</u>

12—Net Assets

Unrestricted net assets:	
Balance, beginning of year	\$ 2,296,806
Increase in unrestricted net assets	<u>23,406,976</u>
Balance, end of year	<u>\$ 25,703,782</u>
Temporarily restricted net assets:	
Balance, beginning of year	\$ 1,910,812
Decrease in temporarily restricted net assets	<u>(652,600)</u>
Balance, end of year	<u>\$ 1,258,212</u>
Permanently restricted net assets:	
Balance, beginning of year	\$ 1,454,003
Increase in permanently restricted net assets	<u>169,578</u>
Balance, end of year	<u>\$ 1,623,581</u>

13—Contingencies

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

14—Subsequent Events

Subsequent events have been evaluated through the report date, the date the financial statements were available to be issued.

SUPPLEMENTAL INFORMATION



Ratliff & Associates, P.C.
Certified Public Accountants

INDEPENDENT AUDITOR'S
REPORT ON SUPPLEMENTAL INFORMATION

We have audited the financial statements of the North Texas Annual Conference of the United Methodist Church as of and for the year ended December 31, 2013, and our report thereon dated July 25, 2014, which expressed an unmodified opinion of those financial statements, appears on page 1. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Supplemental Statement of Revenues and Expenses on page 19 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 25, 2014

NORTH TEXAS CONFERENCE OF THE UNITED METHODIST CHURCH
Supplemental Statement of Revenues and Expenses
For the Year Ended December 31, 2013

Page 18

	Balance 12/31/2012	Collections	Disbursements	Transfers	Balance 12/31/2013
Unrestricted net assets					
General Conference	\$ 810,666	\$ 3,147,140	\$ (3,147,140)	\$ (28,569)	\$ 782,097
Jurisdictional conference	-	123,825	(123,825)	-	-
GBGM advances	-	584,890	(584,890)	-	-
Other benevolences	-	193,246	(193,246)	-	-
Apportioned conference programs					
Center for new church development	939,914	864,820	(1,097,866)	84,194	791,062
Center for leadership development	622,320	1,559,789	(1,375,821)	(173,229)	633,059
Center for missional outreach	439,498	710,863	(593,043)	(76,113)	481,205
Center for connectional resources	3,637,012	3,890,142	(1,373,805)	(373,096)	5,780,253
Retiree medical	16,506,619	5,665,990	(6,436,918)	2,120,954	17,856,645
Post retirement benefits	(27,201,542)	2,489,181	(3,229,184)	19,573,225	(8,368,320)
Property insurance	1,041,793	5,605,197	(4,331,607)	107,338	2,422,721
Non-apportioned programs					
Episcopal office—area admin.	317,633	188,061	(133,482)	(16,225)	355,987
Communications	79,207	407,719	(392,237)	(19,628)	75,061
District superintendents	115,067	543,845	(504,195)	(38,422)	116,295
East district	420,974	172,083	(137,531)	(19,839)	435,687
Metro district	1,295,707	240,557	(162,422)	(148,896)	1,224,946
North central district	664,650	187,514	(129,243)	(22,800)	700,121
Northwest district	143,091	203,448	(186,783)	(22,410)	137,346
Bridgeport camp (non-apportioned)	(70,905)	731,816	(856,895)	105,620	(90,364)
Bridgeport camp property	794,684	-	(14,359)	-	780,325
Prothro Camp center	1,633,910	-	(131,562)	-	1,502,348
Prothro Center	93,246	490,130	(565,790)	69,722	87,308
Total unrestricted net assets	2,283,544	28,000,256	(25,701,844)	21,121,826	25,703,782
Temporarily restricted net assets					
Creating congregation	1,634,614	-	-	(652,600)	982,014
Cut Trust	276,198	-	-	-	276,198
Total temporarily restricted net assets	1,910,812	-	-	(652,600)	1,258,212
Permanently restricted net assets					
Perkins Fund	1,403,197	237,641	(81,325)	-	1,559,513
Nannie Findlay Bean Trust	64,068	-	-	-	64,068
Total permanently restricted net assets	1,467,265	237,641	(81,325)	-	1,623,581
Net Assets at End of Year	\$ 5,661,621	\$ 28,237,897	\$ (25,783,169)	\$ 20,469,226	\$ 28,585,575

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

AFRICA UNIVERSITY

The North Texas Conference's very generous investment in the Africa University Fund apportionment is a God-send that brings miracles to life on our campus every day. We are deeply grateful to you for being consistently supportive of the Africa University Fund (AUF).

In 2013, local congregations in the North Texas Conference invested 96% of their asking in the AUF, falling short of 100% by \$2,124.

The university community—students, faculty, staff and trustees, thank you and celebrate your ongoing investment in changing lives for the better.

Leadership and Service: In August, three 2013 graduates were commissioned as young adult missionaries by the General Board of Global Ministries, pushing the total number of Africa University alumni serving internationally as mission interns to seven in just two years. Thank you for helping to shape Africa University as a ministry through which young people discern their call and gifts, and become equipped for impactful service.

“The church has a tremendous role to play in the transformation of the world,” said Jacques Kazemb, an AU graduate and mission intern who worked in outreach to at-risk children and youth in Brazil. “Through a project like the *Shade and Fresh Water Project* in Brazil, the Methodist Church is contributing to a positive change in many children's lives.”

Kazemb has returned to his home country, the Democratic Republic of Congo, with a plan to start a similar initiative for marginalized children and youth.

In Mozambique, where recent political violence has laid waste to homes, displaced thousands and claimed many lives, two Africa University graduates are in the forefront of caring for the victims and healing the rifts behind the conflict. Rev. Joao Sambo coordinates humanitarian relief in the Mozambique Conference and Rev. Anastacio Chembeze is mediating talks between the parties to the conflict to help them resolve their differences peacefully.

Student Enrollment: Sustained by the generosity of local congregations throughout the connection, Africa University's enrollment grew to 1,480 full-time students from 25 African countries in 2013. Females now account for 53% of the student body.

Scholarships and Financial Aid: Sacrificial giving by individuals and churches enabled Africa University to distribute more than \$1.8 million in scholarships and financial aid to its students. The university launched the Girl Child Scholarship Fund in order to assist more African women in accessing higher education.

Resource Generation: Through new initiatives that include a “\$50 million Campaign for Endowment” and outreach to increase financial contributions from its alumni and others in Africa, the institution is working towards greater sustainability.

Disciple-Making: More than 450 students were awarded degree certificates in June 2013. There are close to 5,000 Africa University graduates currently at work in communities across sub-Saharan Africa and beyond. Every day, these graduates manifest the promise and power of the Gospel to bring light and hope to a troubled world. They are health workers, teachers, pastors, agriculturalists, peace-makers, business professionals and more—whose contributions are the substance of a future with hope.

Africa University is relying on you, as members of the North Texas Conference, to maintain your commitment to this visionary effort. We are counting on your generosity and prayers.

- Please set a 100% investment in the AUF as your goal for 2014.
- Encourage your local church to go that second mile and become an annual scholarship donor.
- Consider leading an effort to have your district set up an endowed scholarship which can support one student a year in perpetuity.
- Take advantage of our new Dream Insurance program, which allows individuals to donate all or a portion of the proceeds of an affordable Term Life Insurance plan to Africa University.
- Remember to include Africa University in your will.
- Please pray without ceasing for the ongoing success of this important effort to equip disciples to contribute to a rich, impactful and vibrant future for their nations and for our global church.

Thank you and God bless you.

Submitted by:

Mr. James H. Salley
Associate Vice Chancellor for Institutional Advancement
Africa University Development Office
P O Box 340007
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**Together, we are changing Africa: Learning here. Living here. Leading here.
Serving God. All the time. Everywhere.**

C. C. YOUNG

Following the organization's 90th anniversary celebrated in 2012, C. C. Young continues to thrive.

Most recently, The Blanton/Assisted Living was renovated and nine (9) new residences were created. Each of the hallways was painted and re-carpeted throughout the building. The entire first floor including lobby, dining room, kitchen, multi-purpose room, bathrooms, and family gathering rooms have been completely redesigned and redecorated to create a more efficient and welcoming, open concept throughout the building. Additional renovation is also expected later this year for The Asbury/Independent Living ground floor dining room and living spaces. Both upgrades were carefully planned and budgeted to recoup the investment quickly. The Blanton renovations have been well received and as a result, The Blanton is now full with a waiting list.

Major enhancements to the Central Park are underway and will provide a new, dramatic focal point for the campus. Thanks to the generosity of Nancy Ann and Ray Hunt, when completed, the Central Park will provide another venue for our residents, families and staff to gather and enjoy the outdoors. Features include a 10' x 30' water wall featuring the Methodist cross and flame as well

as a memory walk with pavers, benches and trees which can commemorate and honor those who have passed before us. Plans also include an outdoor pavilion which will seat approximately 100. The pavilion will provide another venue to celebrate arts and education on campus.

Starting in 2014, special attention is focused on Lawther Point Health Center. With new staff (Administrator of Licensed Services, Medical Director, Director of Nursing, three (3) Assistant Directors of Nursing), and a variety of other staff changes, the culture is changing to more efficient, compassionate, person-directed care.

The entire senior living and senior care industry is evolving to a hospitality culture and the C. C. Young community is no exception. For most of 2013, the management staff focused on structure and staffing, campus initiatives and Independent Living. At the same time, strategic planning is underway to assess the organization's direction for the next 15-20 years so that we can continue Reverend C. C. Young's mission and ministry. Reverend Young gave his life striving to find a way to help those seniors who had nowhere else to turn. We rely on the generosity of our friends in the North Texas Conference of United Methodist Churches as well as new friends to support our benevolence program. This year's fundraising events and groups include:

2013 Celebrate Age Dinner honoring Jerry Farrington with Servant Leader Award. Jerry is a C. C. Young Foundation board member and former President and CEO of Texas Utilities, Inc. He is a continuing inspiration to all who know him.

2013 C. C. Young Classic Golf Tournament featuring celebrity guest, Dallas native, Don January. This year also featured a patron event at the home of Faye Briggs.

2013 "Wrap It Up" Luncheon and Style Show by Betty Reiter. This year's luncheon at The Mansion also featured C. C. Young resident, Orville Rogers, who is a world-class runner and record holder in his age bracket of 96 years.

2013 Spirit is Ageless Art Contest and Show held annually at The Point. Every year, this event celebrates creativity in those 55 and better, residents and community partners alike.

C. C. Young Auxiliary—founded in 1925, this organization celebrates its 90th anniversary in 2015! Friends and partners over these many years, this organization is comprised of women from area United Methodist Churches and has provided hundreds of thousands of dollars in financial support over the years as well as their unending time and talent to support C. C. Young.

Body, Mind and Spirit Connection—founded in 2012, this is a new organization which is also providing financial support to our benevolence program.

For information as to how you can serve and support C. C. Young's mission of benevolence, contact Sharon Ballew at 214-841-2909 or sballew@ccyoung.org. To volunteer your time and make a difference in our seniors' lives, contact Victoria Jones at 214-841-2864 or vjones@ccyoung.org.

GOLDEN CROSS

Mission Statement: *"Golden Cross is a faith-based program of Methodist Health System and the North Texas Conference of the United Methodist Church. Its purpose is to provide health care*

to persons who cannot afford it.” (Revised, November 2005) The mission of Golden Cross is to revolutionize the delivery of health care for the neediest members of the North Texas community.

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

Golden Cross does not own any real estate or other physical assets. It is a program-based ministry that provides healthcare delivery to those who are indigent, uninsured, and underserved.

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

Guided by the original mission of health care ministry, the Board of the Golden Cross Division of Methodist Health System Foundation is charged with governing and directing the outreach of Golden Cross. The Golden Cross Board is comprised of dedicated clergy and lay members of congregations throughout the North Texas Conference.

Expansion of Golden Cross Ministry: As the needs of the community have changed in recent years, so, too, has the Golden Cross ministry. Through resourceful initiatives, administered primarily through the Golden Cross Academic Clinic of Methodist Dallas Medical Center, the program has expanded to serve thousands of North Texas residents.

Med Assist: In 2006 the Golden Cross Board agreed to allocate all available investment income to the development of a prescription medication program—called MedAssist—which provides qualified patients with medications at no cost.

The MedAssist program, administered by healthcare professionals funded through Golden Cross, provided significant services to its patients in 2013:

- Golden Cross funds were used to purchase prescriptions for 191 patients at a cost of \$25,437.
- Through the MedAssist program, 1,508 prescriptions were written for free medications provided by pharmaceutical companies at no cost. The retail pharmacy market value of these free medications is \$697,709.
- Golden Cross funded \$26,402 worth of medical supplies and equipment, the highest amount in the MedAssist Program history. These funds provided glucometers, diabetic syringes, diabetic test strips, blood pressure monitors and scales to patients in an effort to assist with the management of chronic illnesses.
- A pharmacy technician and clinical nurse educator worked cooperatively with a social worker to administer the MedAssist Program at the Golden Cross Academic Clinic. Chief among the new services offered was the implementation of free group chronic disease management education classes provided by the clinical nurse educator. Patients receive

education in four rotating sessions including diet, activity/exercise, stress management, and medication adherence.

Golden Cross also provides social services, nutrition services, and education programs to help patients remain well and active in the workplace and the community. Short-term counseling services are provided as needed to help patients learn better ways to cope with chronic illness.

Oversight: The Golden Cross Board reviews its program support annually in order to determine highest priority and best use of available funds. The Board takes seriously its responsibility to successfully manage the sacred trust of donors. Golden Cross needs the support of the entire North Texas Conference to realize its mission. Each church is encouraged to maintain or commit to a pledge of one dollar (\$1.00) per member per year.

The Future: The goal and mission of Golden Cross is to grow and strengthen its ministries in the visionary spirit of its founders. Exciting cooperative opportunities to expand the capabilities of the Golden Cross ministry into underserved geographic areas of the North Texas Conference are in development.

The Golden Cross Division Board at their winter 2014 meeting discussed with Bishop Michael McKee, Dr. Andy Stoker, Lynn Parsons and Dr. Larry George the developing vision for the Zip Code Connection.

Call for More Information: To access these services, please call the Golden Cross Academic Clinic at 214-947-6700. To donate, or for more information, please visit Foundation.MethodistHealthSystem.org/Golden-Cross.

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

David Neal, Chairman

North Texas Conference Commitments

In 2013 North Texas Conference churches, Sunday school classes, UMWs and generous individuals contributed a total of \$90,632 to Golden Cross. The following churches met the Golden Cross founders’ original goal of \$1 per member per church:

Axe Memorial United Methodist Church
 Birthright United Methodist Church, Sulphur Springs
 Christ United Methodist Church
 Cochran Chapel United Methodist Church
 First United Methodist Church, Irving
 Forestburg United Methodist Church
 Highland Park United Methodist Church
 Kessler Park United Methodist Church
 Lone Star United Methodist Church
 Lovers Lane United Methodist Church
 Salem-Kinser United Methodist Church, Greenville
 St. Andrew United Methodist Church
 Tira United Methodist Church
 Umphress Road United Methodist Church

Walnut Hill United Methodist Church
Webb Chapel United Methodist Church
White Rock United Methodist Church

LYDIA PATTERSON INSTITUTE

Lydia Patterson Institute opened its doors for the first time to the school year 1913–14, making 2013–14, the 100th session. We celebrate the time passed, and with it we celebrate the thousands of young men and women that have walked our halls. We celebrate the hundreds of young men who began their journey in ministry here and have dedicated their lives to the church. We celebrate the teachers, nurses, engineers, doctors and lawyers and many other professionals whose seeds were planted here. Most importantly, we celebrate Mrs. Lydia Patterson. Unfortunately, Mrs. Patterson lived a rather short life. In that life, she accepted her calling to ministry with the children of South El Paso, and her legacy lives on. Her love and inspiration for the welfare of those in need has lived for 100 years. This is made evident today in the number of teachers, staff members, and administrators who have dedicated their lives to changing those of the students. The incredible dedication of the staff is manifested in their years of service; 12 over 10 years; 5 over 20 years; 6 over 30 years; and Miss Cristina Woo who has served for 42 years. Mrs. Patterson did not know at the time, but her calling made for the calling of thousands of others who followed. She placed the first stone and, in the last one hundred years, a temple was built. In this temple, thousands have worshiped, thousands have been educated, and thousands have made a better life.

Today, the Student Lay Ministry Program is placing interns throughout the country. Some are in seminary and others are already leading churches. Ninety-seven percent of graduates are going to college. The 2013 graduating class received \$1.6 million in scholarships from United Methodist colleges and universities alone. Every student, past and present, begins to change his or her life the moment they step inside the walls of this temple.

The spiritual temple at Lydia Patterson remains intact, but the physical buildings have become worn and tired. In preparation for the next 100 years, a capital campaign for renovation and a strategic plan for the latest state of the art technology in the classroom, labs, media and research and spiritual development centers is in place. The new chapel will provide the place where all the students, faculty and staff can worship together, and as a multi-purpose facility, will be shared with our community.

The cities of El Paso and Juarez have joined us in this venture, and have committed to a large portion of this capital campaign. The board of trustees, faculty, and staff have pledged 100%, and the students and alumni are equally dedicated to the success of this campaign.

Lastly, we celebrate those who have made and continue to make this ministry, our friends and supporters. They are the foundation of our work. They are our leaders, mentors and inspiration. We have seen their commitment once more as we prepare for the next 100 years. We wish to thank those who have already stepped up and joined us by giving or pledging to the capital campaign. With the love of God, the love and prayers of those in ministry with us, and in memory of Mrs. Lydia Patterson, we will reach our goal and be prepared to carry her legacy for another 100 years. Socorro Brito de Anda, President

METHODIST CHILDREN'S HOME

Greetings from Methodist Children's Home (MCH) and the children, youth and families we serve from the North Texas Annual Conference. The historic partnership between MCH and United Methodist churches in Texas and New Mexico has offered hope to thousands of children, youth and families from the hard places in life.

I am honored to report to you that MCH continues to be in compliance with and, in many cases, to be exceeding the best practice standards established by two national accrediting organizations. MCH works hard to accomplish goals produced by our strategic plan. I invite each member of the annual conference to visit our website at www.methodistchildrenshome.org to view our strategic plan or call MCH at (800) 853-1272 to have a copy mailed for your review. The priorities and goals of our strategic plan enable our ministry to explore ways to increase our impact on children and families across Texas and New Mexico.

Guided by our core values of Christian Principles, Relationships, Responsibility, Growth, Service and Hope, MCH is committed to providing the services, programs and talented individuals needed to positively impact the lives of children and youth in our care. This is happening every day through residential programs on our historic Waco campus and Boys Ranch, as well as through 12 MCH Family Outreach offices, including Dallas and a partnership with Oak Cliff UMC in the North Texas Annual Conference.

The reasons children and youth arrive in our care are unique to each individual. They range from extreme trauma or a sudden change in the family structure to school issues or poor choices in a difficult and ever-changing world. Our collaboration with Texas Christian University's Institute of Child Development to incorporate Trust-Based Relational Intervention (TBRI) in our work places MCH on the cutting edge of child care as we learn new ways to serve children who have experienced trauma. These proven and tested techniques and methods of interacting with children are impacting families in positive ways. Our vision is to take what we learn with TBRI and begin making it available to pastors, youth ministers and concerned family members in the local church. The lessons we are learning, coupled with spiritual development opportunities for all children in our care, makes MCH a unique ministry of the United Methodist Church.

In addition to the accomplishments listed above, your support also empowered MCH to:

- Graduate 25 high school seniors in 2013. Thanks to our many friends, we were able to allocate more than \$500,000 for MCH alumni to pursue a college or advanced degree, certificate at a trade school or job-related training that will help them improve their families and communities. This year we had more than 40 seniors on track for graduation at the time this report was submitted to the Conference.
- Increase the impact in the Dallas area through the work of our Family Outreach program. Staff in our outreach locations provide MCH foster care, in-home services—such as Partnership in Parenting—Grandparents as Parents Program, and a new program called Family Solutions. Our website has a full listing of our 12 outreach offices and how to contact them for assistance or answers to community and church needs.
- Receive a national award for innovative education through our on-campus University of Texas charter school and state recognition for the quality of activities offered to youth through our recreation program.

- Recognize the great work of 70 staff members with employee service awards. All honorees had at least three years of service, and 12 employees celebrated 15 or more years with our ministry, including two 30-year honorees.
- Participate in several mission trips and community service projects. These projects provided opportunities for MCH youth to show Christ's love by sharing their time and talents to help meet needs across Texas.

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. We are grateful to Mr. Scott Wallace of Dallas, who recently completed his service on the Board of Directors, and to the following individuals from the North Texas Annual Conference who currently serve on the MCH Board of Directors:

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

These individuals, along with our other Board members, MCH Commissioners and benefactors, enable our ministry to achieve its mission. On behalf of Methodist Children's Home, thank you for sharing our story in your churches and communities. If you would like to schedule a speaker, arrange a tour or request resources to help promote an offering, contact our development office by e-mail at development@mchforhope.org, by phone at (254) 750-1213 or (800) 853-1272, or by mail at 1111 Herring Avenue, Waco, Texas 76708. I also encourage you to visit our website at www.methodistchildrenshome.org to download stories; identify resources to help educate your congregation on our ministry; view a transparent listing of our financial resources and services delivered; find out how you can refer a child for placement; or learn more about a call to serve our ministry as a homeparent or foster parent.

As we enter our 124th 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 and Methodist Children's Home.

Tim Brown
President/CEO

METHODIST HEALTH SYSTEM

Guided by the founding principles of life, learning and compassion, Dallas-based Methodist Health System (Methodist) provides quality, integrated care to improve and save the lives of individuals and families throughout North Texas. Seven hospitals, including four, general acute-care hospitals, and 25 Methodist Family Health Centers are part of the nonprofit Methodist Health System, which is affiliated by covenant with the North Texas Conference of The United Methodist Church.

In fiscal year 2013, Methodist provided more than \$132 million in non-reimbursed charity care, as well as a number of other community benefits in far exceeding its requirements as a nonprofit health system. Methodist is an organizational cornerstone of voluntarism that brings together hundreds of individuals in its service area who donate many thousands of hours to serve those in need of health care services.

Among the most critical services Methodist provides for those in need is The Golden Cross ministry at Methodist Dallas Medical Center. The Golden Cross ministry has been a doorway to health care access for thousands of lower income residents in Methodist's service area,

particularly in Southwest Dallas County. The MedAssist Program, offered through the Golden Cross Academic Clinic, provides working poor and indigent patients access to free medications, nutrition counseling, diabetes and other chronic disease management supplies, and counseling.

Patients also greatly benefit from Methodist's Accountable Care Organization and wellness initiatives. These programs demonstrate Methodist's dedication to transforming health care delivery through high-quality, well-coordinated care, honoring a nearly century-long legacy while creating a vision of advancing health care for the future.

The Methodist vision can be traced back to 1924 when a group of Methodist ministers and civic leaders devoted themselves to bringing compassionate quality health care to the growing city of Dallas. Today, Methodist provides exceptional clinical services including four medical residency programs, a Level II trauma center, multi-organ transplantation, nationally-rated high-risk neonatal intensive care, neurosurgery, gastroenterology, and cardiology among others. Recognized by *Modern Healthcare* as one of the fastest-growing health systems in America, Methodist continues to add facilities and services to enhance patient care along the entire continuum.

Methodist's general acute-care hospitals include:

Methodist Dallas Medical Center is a 515-bed level II trauma hospital located on a campus near downtown Dallas. It provides primary, secondary, and tertiary care and serves as a teaching and referral center for the Methodist Health System. It is also home to the Methodist Dallas Transplant Institute which has performed more than 3,000 procedures since its founding in 1981, including the world's first heart/kidney/pancreas transplant.

Methodist Dallas is one of only three adult trauma centers located in Dallas County to serve the North Texas region. Along with high-level trauma and emergency care, the hospital is also a health care "safety net" for the community. Methodist Dallas treats more than 66,000 emergency patients, including 1,900 trauma patients, annually. Because of the growing demand for emergency, trauma, and critical care services at Methodist Dallas, Methodist will open the \$123 million Charles A. Sammons Tower in July 2014. The new six-story, 248,000-square-foot expansion will allow Methodist to serve 90,000 emergency and trauma patients annually.

Methodist Charlton Medical Center is a 285-bed, general acute-care and teaching hospital that serves the communities of southwest Dallas. It houses one of only three family practice residency programs in the Dallas-Fort Worth area. Methodist Charlton recently added a new 72-bed patient tower which was part of an extensive \$116-million expansion project that included a new physician office building, a 411-space parking garage, and renovations to several existing departments. Methodist Charlton is the largest medical facility serving the thriving Best Southwest communities of DeSoto, Cedar Hill, Duncanville, Lancaster, and other Southern Dallas County communities.

The 168-bed **Methodist Mansfield Medical Center** opened in December 2006 and offers high-quality care to the growing city of Mansfield and the many surrounding communities. The hospital recently completed an expansion which included a 36-bed medical/surgical unit, additional surgical suites, and a renovated and enlarged emergency department. In March 2014, Methodist Mansfield broke ground on a new \$118-million patient care tower that will open in the fall of 2015. The 110,000-square-foot tower includes an additional 118 beds, 34,000 square feet of additional surgical suites, cardiology and gastroenterology services, and 64,000 square feet of additional support services including lab, pharmacy, materials management, biomed, and sterile processing.

In October 2011, **Methodist Richardson Medical Center** was born when Methodist Health System acquired Richardson Regional Medical Center, a community-owned hospital serving

Richardson, Texas since 1966. Today, Methodist Richardson is comprised of two campuses: Methodist Richardson Medical Center is a new \$120-million, 125-licensed bed hospital which opened April 14, 2014, at the southeast corner of Renner Road and President George Bush Turnpike. The former hospital is now the Methodist Richardson Medical Center—Campus for Continuing Care located at Campbell Road. Following renovation, it will offer continued use of two medical plazas and physician offices, a full-service emergency department, and an expanded behavioral health and addiction recovery unit.

In fiscal year 2013, Methodist hospitals:

- Treated 215,418 emergency department patients
- Delivered 7,589 babies
- Treated and discharged 54,155 patients
- Treated 465,674 outpatients.

Methodist also strives to meet the needs of its communities through collaborative efforts and partnerships. In 2008, the Methodist Rehabilitation Hospital opened with 40 beds next to the Methodist Charlton campus. It is jointly owned with Centerre Health and allows Methodist to provide a wider variety of rehabilitative services for those suffering from stroke, orthopedic conditions, brain injury, and other neurological defects.

A collaborative effort between Methodist and area physicians led to the February 2010 opening of the 16-bed Methodist McKinney Hospital which serves Collin County and surrounding communities. Methodist Hospital for Surgery in Addison is a joint venture partnership with another physician group. This facility opened in December 2010 and has qualified as a center of excellence for spine and orthopedic surgery.

With the growing need for access to primary care physicians, Methodist committed itself to answering this call. As an integral part of its long-term growth, Methodist invested in the placement of Methodist Family Health Centers and physician medical groups at strategic locations throughout its service areas. Today, 25 Methodist Family Health Center offer extended family care and general medical services across North Texas.

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

MOUNT SEQUOYAH CENTER

150 N Skyline Drive, Fayetteville, Arkansas 72701
479.443.4531 OFFICE | 800.760.8126 TOLL FREE

www.mountsequoyah.org

The Mountain ministry is alive and growing! The renewal of our beloved Mountain is well underway and the results are amazing! In 2013 we welcomed almost 20,000 guests from every walk of life to our United Methodist Mountain and provided the radical Christian Hospitality we are known for. We ministered to young and old, believers and non-believers alike, in an environment where the presence of the Holy Spirit is so real it is almost tangible.

Our outreach ministry grew in the summer of 2013 when we launched the only “Christian” swim team in Northwest Arkansas. We are the Mount Sequoyah Marlins and our T-shirts (donated by Rev. Pearce of Wichita Falls, TX) declare our mantra, “*be strong and courageous*” Joshua 1:9. Last year our Marlins learned about being good stewards of the resources God provides us as they swam their way to the regional championship under the coaching of Anita Parisi (former All-American swimmer for Rice University). As their season ended they planted a tree on the Mountain as a reminder that we steward all that God gives us with love and adoration for Him.

In addition to our swim team, Mount Sequoyah Center partnered with Central United Methodist Church to host the Mountain’s first ever Kanakuk Day Kamp. Over 100 children attended the week-long Christian day camp and we were able to provide more than 25 scholarships for under-represented children to attend the camp as well. The camp was an amazing success and we are scheduled to host two weeks of day camp this year.

The Mountain has always ministered to United Methodists across the jurisdiction and in 2013 we launched our “At The Cross” program series with a Senior Adult Fall Retreat in October. Participants from seven different conferences came together for fun and fellowship with daily devotionals, music and entertainment, and a couple of excursions featuring a train ride through the beautiful Boston mountain range and a trip to the premier American Art Museum, Crystal Bridges.

As the occupancy on the Mountain grows, so grows our ability to support United Methodist Missions and events with discounted lodging and meeting facilities. In 2013, Mount Sequoyah Center extended \$30,000 in discounts to United Methodist groups who came to the Mountain for educational events, group retreats, and personal retreats. As we grow we will continue to support our missions with our goal being to one day operate in a way that allows us to provide grants to United Methodist Missions across the jurisdiction.

We want to thank all the United Methodists, Jurisdictional Conferences, and Foundations who are so generously supporting our efforts to remodel the Center. Your contributions have allowed us to remodel the New Mexico, Oklahoma, and Oaks cottages, as well as the Sunset house and the Bailey Center. In 2014 we will remodel the Louisiana, Fayetteville, and Missouri cottages and we hope to also prepare Galloway House to provide a contemplative setting for pastors who need to rest and relax. Thank you again for your prayers and support and we look forward to seeing you on the Mountain soon.

Kindest Regards,
Abby G. Foster, CEO

PERKINS SCHOOL OF THEOLOGY

SOUTHERN METHODIST UNIVERSITY

Perkins celebrates our vital connections with the North Texas Annual Conference in many significant ways.

- Eighty-three students affiliated with the North Texas Conference are enrolled at Perkins, including four Ph.D., six D.Min., four C.M.M., one M.S.M., 17 M.T.S., four non-degree and 47 M.Div. students.
- A total of 18 Perkins students have been placed as interns within the North Texas Conference this year.

- Students from the North Texas Conference who qualified for Perkins Annual Conference Endowment (PACE) grants this academic year received \$1,500 each in need-based aid.
- Perkins celebrates the distinguished accomplishments and service of many alumni/ae in the Texas Conference, including SMU Trustee and Dallas Area Bishop Michael McKee (M.Th. '78).

Perkins enjoyed a record spring 2014 enrollment of 24 new students, in addition to 81 new students who enrolled in fall 2013. Among all Perkins students, approximately two-thirds are United Methodist and more than one-third are ethnic minority students. Our gender balance between male and female students in Master's degree programs remains almost exactly 50%. The Doctor of Ministry program continues to grow with students from southern Asia taking classes in Singapore and Dallas. Our Ph.D. program includes two Latino Ph.D. students supported through a grant from the Luce Foundation to Perkins' Center for the Study of Latino/Christianity and Religions.

Rev. Jeannie Treviño-Teddlie was honored for faithful service as director of the Mexican American Program and UM Regional Course of Study School from 2002 until her retirement in 2013. Dr. Philip Wingeier-Rayo, currently professor of Religion at Pfeiffer University in North Carolina, has been named new director of the Mexican American and Hispanic-Latino/a Church Ministries Program, effective June 1, 2014. Dr. Wingeier-Rayo also will be nominated to serve as director of the regional Course of Study School, and will hold the title "Professor of Christian Mission and Intercultural Studies."

Perkins was excited to welcome two new faculty members in fall 2013: Tamara Lewis (Ph.D., Vanderbilt, 2014), instructor, History of Christianity; and Natalia Marandiuc (Ph.D., Yale, 2013), assistant professor of Christian Theology.

Perkins recently received two significant grants from the Lilly Endowment. A \$500,000 grant will support our newly established Center for Preaching Excellence, with Alyce McKenzie, Le Van Professor of Preaching and Worship, serving as director. A second grant of \$249,981 will support research to study the indebtedness of theological students and help improve the economic well-being of future ministers.

Perkins is blessed with gifted faculty and staff members, inspiring students, beautiful facilities, and vibrant ministries. We thank our many colleagues, friends, and alumni/ae across the connection for continuing generous support, including referrals of prospective students.

Perkins particularly appreciates our relationship with the North Texas Conference. We ask for your continued prayers and support as we continue our vital mission of preparing women and men for faithful leadership in Christian ministry.

Grace and Peace,

William B. Lawrence
Dean and Professor of American Church History

PROVIDENCE PLACE

(Formerly Methodist Mission Home)
San Antonio, Texas

We thank you, the North Texas Annual Conference, for your partnership in the ministry of Providence Place. We are a home full of love that provides support and guidance to young women dealing with unexpected pregnancies, couples considering adoption, and young adults with disabilities seeking to gain their own personal level of independence. We are also home to an innovative family of nonprofits on one campus, sharing resources and expertise—a vibrant community where people who have lived on the fringes and felt excluded are warmly welcomed. “Partnership” truly means serving our neighbors together as we are changing lives and reshaping futures for Jesus Christ. We sincerely value your partnership.

One by one, thousands have been welcomed faithfully at Providence Place. For over 119 years we have sheltered and empowered God’s children, from the vulnerable and confused pregnant teen who wants a loving home for her unborn child, to the youth with disabilities seeking to learn how to make their own home in the world. With your help, our work has given God’s Children a Faith, a Family, a Future.

Quick Facts

Founded: 1895, San Antonio

Campus Headquarters: 6487 Whitby, San Antonio, TX 78240

Website: www.provplace.org

2014 FY Budget: \$4.1 million

Providence Place Ministry

Today, the mission of Providence Place is to provide a community where God’s children transition to build their faith, family, and bright futures. We offer hope to individuals facing challenging circumstances, so they may lead enriched, rewarding and satisfying lives. Through professional guidance and compassionate support, teens and young women facing unplanned pregnancies and families considering adoption make mutually beneficial decisions. Through transitional education, including life skills and vocational training, young adults with disabilities develop confidence and competence to reach their personal level of independent living. Providence Place fulfills its mission through the following programs:

- **Action Adoption** has placed more than 6,000 children into loving homes through domestic, older child, and international adoptions. We provide counseling for birth parents and adoptive families throughout the adoption process. Our maternity services include campus housing for pregnant teens and young women considering adoption. Post-adoption counseling is available for birth parents, adoptive families, and adoptive children. Providence Place provides adoption education to teach teens and the professionals who work with at-risk youth about the alternatives to parenting—adoption and voluntary foster care.
- **The Center for Higher Independence (CHI)** is for students ages 18 and older with multiple disabilities for whom college is not always the next step. Established in 1974, CHI was founded as a transitional education center for people who were deaf and hard of hearing. Today, our services have expanded to accommodate diverse disabilities, including high functioning MR, autism, Asperger’s, cerebral palsy, and learning

disorders. CHI has assisted hundreds of young adults with disabilities in learning the vocational and life skills to achieve their personal best.

- **Ectopia** (a word comprised from *Ectropy* which denotes energy & order and *Utopia*, a perfect community) is a self-supporting collaboration of nonprofit agencies on the Providence Place campus with a core mission of helping women and children, as well as adults with disabilities. We are collaborating with compatible nonprofits to share resources—putting our buildings and campus to new use, and generating efficiencies and new ideas.

How WE Can Help YOU Serve *Your* Neighbors?

- Adoption counseling for birth parents
- Counseling for adoptive families considering domestic, international or older child adoptions
- Post Adoption Services—Search/Reunion, Medical Information
- Guidance in developing a Walk With Jesus (an Emmaus-like experience for adults with special needs)
- Transition planning for families and youth with special needs ages 16 and older
- Training on adoption for teens and professionals who work with at-risk youth

How YOU Can Help PROVIDENCE PLACE Serve *Our* Neighbors

- *Providence Place does not receive apportionments.* Support our Annual Church Offering in your church by designating one Sunday to help promote our ministry. We provide brochures and envelopes at your request.
- Make a gift without writing a check by logging on to www.Provplace.org and giving online, or send a gift via text or email by texting or emailing to provplace@mogiv.com and just enter the dollar amount you would like to give on the subject line.
- Remember you can also include Providence Place in your Will or Charitable Estate Plan. Contact Development Office @ 210-696-2410 for more information.
- Volunteer at our campus. Enlist your church or community group for an outreach volunteer event with Providence Place. To obtain more details contact our Development Coordinator @ 210-696-2410.
- Visit us on Facebook and Twitter www.facebook.com/provplaceofficial and www.twitter.com/provplace and “like us” to help us spread the good news.
- Pray that we may continue Giving God’s Children a Faith, a Family a Future.

Please accept our sincere appreciation to Bishop Michael McKee and the members of the North Texas Annual Conference for your continued generosity toward our ministry. **Providence Place Board of Directors from the North Texas Annual Conference: Rev. Richard Edwards, Rev. Tom Hudspeth, Rev. Bill Avera, Joan LaBarr, Louise Taylor.**

Oklahoma City University
2501 North Blackwelder
Oklahoma City, OK 73106

**SAINT PAUL SCHOOL
OF THEOLOGY**
www.spst.edu

Kansas City Campus
5123 East Truman Road
Kansas City, MO 64127

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

During the 2013–2014 academic year, 201 students from 23 annual conferences and 4 countries were enrolled in degree programs at Saint Paul School of Theology on both campuses. The Course of Study School at Saint Paul served 216 students the Overland Park, Kansas, Springfield, Missouri, and Oklahoma City, Oklahoma locations.

Twenty master's degree students and twenty-three doctoral students graduated from the Kansas City campus in May 2013. Six master of divinity students graduated at the 3rd Commencement Convocation in Oklahoma in August 2013. Laity from the Seminary Lite program in Oklahoma also received certificates.

Saint Paul at Oklahoma City University (OCU) began its 6th year in September. Dr. Amy Oden came to the Oklahoma City campus as Professor of Early Church History and Spirituality. The Association of Theological Schools authorized the campus to offer all courses leading to the Master of Divinity, Master of Arts in Christian Ministry, Master of Arts (Theological Studies), and Doctor of Ministry Degrees. They also lifted the residency requirement to complete one-third of the courses on the Kansas City campus. This is a major step in the development of Saint Paul at OCU as the campus increases offerings that will prepare people for ministry in today's world. The success of Saint Paul in Oklahoma City has been a collaborative effort, strengthened by the support of the Oklahoma Conference of The United Methodist Church and United Methodist-related Oklahoma City University.

The seminary sold its Truman Road campus in Kansas City, Missouri to Guadalupe Centers, Inc. Guadalupe Centers, Inc. is the longest continuously operating organization serving Latinos in the United States. Its mission is to improve the quality of life for individuals in the Latino communities of Greater Kansas City. They provide early childhood, secondary, preparatory and adult educational programs; facilitate access to health and social services for all ages; promote and provide Latino cultural enrichment events; and sponsor social activities that engage diverse communities.

Students and faculty began classes on the Greater Kansas City (GKC) campus located in the East Wing of United Methodist Church of the Resurrection, Leawood, Kansas, in September. Classes continue to be video-linked with the Oklahoma City campus. The seminary's main staff and faculty offices are located in the Fox Hill Office area under a mile away from the classroom location.

Saint Paul will launch three new masters' curricula in the fall of 2014. For the MDiv students, the new curriculum marks a return to a more praxis-based, integrated curriculum. The curriculum is grounded in spiritual formation with numerous practicums that focus on particular practices of ministry and faculty-led small groups to integrate seminary studies with vocational formation. Students will reflect upon their work during two intentional assessments mid-way through the degree and near the end of their studies.

The degree programs will require fewer hours which will mean less debt for Saint Paul graduates. The MDiv will require 79 credit hours for the degree rather than the 90 credit hours now required. The Masters of Arts in Christian Ministry and Masters of Arts (Theological Studies) will also be completed in fewer hours--54 credit hours for the MACM vs. 60 now and 49 for the MA(TS) vs. 60 now.

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

SOUTHERN METHODIST UNIVERSITY

SMU is commemorating a major historic milestone as the University celebrates the centennial of its founding in 1911 by the Methodist Episcopal Church, South, and its opening in 1915. Highlights of recent and current developments follow:

- SMU's total fall 2013 enrollment was 10,929, including 6,357 undergraduates and 4,572 graduate students. The average SAT score for first-year students rose from 1144 in 1999 to 1302 in fall 2013. Enrollment continues to increase in ethnic, socio-economic and geographic diversity. Ethnic minority students made up 25 percent of total enrollment and 27.5 percent of undergraduate enrollment in fall 2013. Approximately 50 percent of students came from outside of Texas. A record international enrollment of 1,445 students represented 97 foreign countries, with the largest numbers coming from China, India and Saudi Arabia.
- SMU consistently ranks in the top one-fourth of the "best national universities" in *U.S. News & World Report* rankings. In the 2014 report, SMU ranks 60th among 281 national universities.
- The Carnegie Foundation for the Advancement of Teaching classifies SMU as a "high research activity" university. During 2012-13, SMU received \$19.9 million in external funding for research and sponsored projects throughout the U.S. and worldwide. Current research subjects include natural hazards, water quality, cyber security and treatments for cancer, neurodegenerative diseases and diabetes.
- Because of the early success of SMU Unbridled: The Second Century Campaign, the campaign goal was raised from \$750 million to \$1 billion. To date, SMU has received more than \$844 million in gifts and pledges for scholarships, academic programs, endowed faculty positions and campus improvements and facilities.
- Campaign gifts are helping to fund renovations of existing facilities and new construction on the campus. Moody Coliseum reopened in December 2013 after extensive renovation and expansion. A new data center and a tennis complex with indoor and outdoor courts will be completed in 2014.
- SMU's new Residential Commons complex, scheduled to open in fall 2014, consists of five new residence halls, a dining facility and parking garage. The complex will enable SMU to implement a residency requirement for sophomores along with first-year students. The new halls will include classrooms and accommodations for live-in faculty. Six other SMU residence halls are being modified as Residential Commons.
- The year 2013 was designated as the Year of the Library, marking the 100th anniversary of the beginning of SMU's library collections, which recently passed the four-million-volume mark. Major renovations are planned for Fondren Library Center and Bridwell Library of Perkins School of Theology.
- The George W. Bush Presidential Center, consisting of Library, Museum and independent Institute, was dedicated at SMU in April 2013, with all five living U.S. presidents participating. The event drew more than 10,000 invited guests, including several former heads of state and other dignitaries. Since the Center's opening, the number of visitors to the Museum has exceeded expectations, with more than 200,000

thus far. In partnership with the Bush Library and Museum, SMU's DeGolyer Library exhibited George Washington's personal copy of the Acts of Congress in July. Under sponsorship of the Bush Institute, symposia have been conducted on subjects that promote economic growth, education reform, global health and human freedom. With an initial focus on women in the Middle East and Africa, the Institute's Women's Initiative sponsored leadership training for groups of Egyptian women. Dr. Eric Bing, a renowned expert on global health issues, is the first to hold concurrent appointments as a new SMU faculty member and senior fellow of the Bush Institute.

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

R. Gerald Turner, President
Southern Methodist University

SOUTHWESTERN UNIVERSITY

TEXAS' FIRST INSTITUTION OF HIGHER LEARNING

When I accepted the offer to become president of Southwestern University in February 2013, I knew it was a special place. But what I have found since I began work here last July has far exceeded my expectations.

In our faculty, I have found a creative, forward-thinking group of individuals who have enormous dedication to our students and who are very open to new ideas for teaching and learning.

In our staff, I have found a very talented group of individuals who play a valuable role in providing exceptional student support service and life-changing experiences for our students.

In our students, I have found a diverse group of young people who are engaged in the classroom, on the playing field, in the arts and in the community.

And in our alumni, I have found individuals of all ages who continue to value the education they received at Southwestern as well as the relationships they formed when they were here.

I also have been overwhelmed by the support the Georgetown community has shown for Southwestern, and I am delighted to be working with a Board of Trustees that is committed to making Southwestern one of the country's premier liberal arts colleges.

The presidential transition was only one of many important events for Southwestern University in 2013. A long-planned trip to Italy over Spring Break 2013 turned into a once-in-a-lifetime experience for members of the SU Chorale as the group arrived in Rome right after the selection of a new pope. The Chorale was the first choir to sing mass in St. Peter's Basilica after the election of Pope Francis I.

Thanks in large part to the work of my predecessor, Jake B. Schrum (who is now president of Emory and Henry College in Virginia), the University concluded its \$150 million *Thinking Ahead* campaign two years ahead of schedule. Funds raised through the campaign have dramatically changed Southwestern—both academically and physically.

In June, Southwestern learned that the Southern Association of Colleges and Schools Commission on Colleges (SACSCOC) had reaffirmed its accreditation for another ten years, culminating a reaccreditation process that took several years and literally hundreds of pages of documentation.

In August, Southwestern welcomed a record number of students, with overall enrollment hitting 1,536. Much of this was due in part to the addition of football, which attracted nearly 100 new students.

Faculty Appointments

We also welcomed four new tenure-track faculty members for the 2013-14 academic year: Katherine Grooms, assistant professor of economics; Patrick Van Hom, assistant professor of economics; Michael Gesinski; assistant professor of chemistry; and Jessica Hower, assistant professor of history.

Two faculty members were named to endowed chairs in 2013: Dirk Early, professor of economics and associate dean of the Brown College of Arts and Sciences, was named to the Hugh Roy and Lillie Cullen Chair in Economics; and Emily Niemeyer, professor of chemistry, was named to the Herbert and Kate Dishman Chair in Science.

My longtime friend and fellow math professor Suzanne Buchele left Southwestern at the end of 2013 to return to Ghana as a missionary after having previously been there on a Fulbright Award in 2006–2008. Her missionary work will involve teaching one course a semester at Ashesi University and serving as the university's associate provost. Her husband will return to his work with a Methodist church in Ghana and serve the spiritual needs of the Ashesi community.

Academics

2013 brought the roll out of two exciting new academic programs at Southwestern.

In January 2013, we formally launched our HHMI-Southwestern Inquiry Initiative, which is being funded with a four-year, \$1.3 million grant from the Howard Hughes Medical Institute. The purpose of this initiative is to make the University's science and math classes more engaging and enriching for students through a technique known as inquirybased learning, or student-centered learning. We were honored that one of our faculty members who has been leading this initiative was featured in the *Chronicle of Higher Education* in September 2013.

HHMI funding also allowed us to expand our summer science research program for students. In the summer of 2013, 31 students or recent graduates conducted research on campus through a new student-faculty collaborative research program called SCOPE.

In August 2013, we began offering classes in our first three "Paideia clusters." Paideia clusters are groups of classes in various disciplines that are connected with a common theme. Beginning in the fall of 2014, all new students at Southwestern will be required to take three courses from a Paideia cluster of their choice to meet some of their general education requirements. The first three Paideia clusters focus on gender, global public health, and the Mediterranean region. Six additional Paideia clusters are being developed for fall 2014.

In February 2014 we announced that Sherry Adrian, associate professor of education and holder of Dishman Endowed Professorship for Special Education, will serve as director of

our Paideia program for the next three years. Professor Adrian has been involved with this program since the beginning.

In 2013, Southwestern announced a new minor in race and ethnicity studies, which incorporates classes from 14 disciplines.

In 2013, Southwestern received a \$700,000 grant from The Andrew W. Mellon Foundation that will be used to help its students and faculty members exploit digital technologies and explore new approaches to learning and teaching. In response to student requests, our library is now available to students 24-hours-a-day when classes are in session.

Accolades

Southwestern received numerous accolades in 2013. Most noteworthy of these was the fact that we were ranked #1 in Texas and #7 in the country for Best Career/Job Placement Services in the 2014 edition of *The Best 378 Colleges*, which is published by The Princeton Review. Southwestern also was included in Kiplinger's 2014 list of the 100 top values in liberal arts colleges and was included in the 2014 *Guide to Military Friendly Schools*®.

Southwestern was one of only 113 schools in the country that were named to the President's Higher Education Community Service Honor Roll with Distinction for 2013. And *Washington Monthly*, which rates schools based on their contribution to the public good, ranked Southwestern 43rd among liberal arts colleges in 2013.

We were also proud that The United Way of Williamson County selected Southwestern as its Volunteer Partner of the Year for 2013.

Faculty Achievements

Southwestern University faculty members also earned a variety of honors in 2013. For example:

- Seven Southwestern faculty members published books in 2013: Michael Cooper, professor of music, published the *Historical Dictionary of Romantic Music*; Alison Kafer, associate professor of feminist studies, published a book titled *Feminist, Queer, Crip*; Ed Kain, professor of sociology, co-authored a book titled *Applying for a Faculty Position in a Teaching-Oriented Institution*; Thorn McClendon, professor of history, co-authored a book titled *The South Africa Reader: History, Culture, Politics*; Sandi Nenga, associate professor of sociology, co-authored *Sociological Studies of Children and Youth: Youth Engagement: The Civic-Political Lives of Children and Youth, Vol. 16*; Michael Saenger, associate professor of English, published a book titled *Shakespeare and the French Borders of English*; and Eric Selbin, professor of political science and University Scholar, had his book titled *Revolution, Rebellion, Resistance-The Power of Story* published in Arabic.
- Emily Niemeyer, professor of chemistry, was one of six women who were named Outstanding Texas Women in STEM by Girlstart, an organization that offers after-school programming to encourage girls in grades 4-8 to pursue careers in science, technology, engineering and math (STEM).
- Former President Jake B. Schrum received the 2013 Frank L. Ashmore Award for Service to CASE and the Advancement Profession given by the Council for Advancement and Support of Education (CASE).
- Retired chemistry professor Robert Soulen was named a Fellow of the American

Chemical Society.

- Kiyoshi Tamagawa, professor of music, received the 2013 Award for Outstanding Collegiate Teaching Achievement from the Texas Music Teachers Association.
- In November 2013, eight Southwestern faculty members received awards from the Sam Taylor Fellowship Fund, which provides monetary awards for the continuing education and development of full-time faculty members of United Methodist colleges and universities in Texas.
- Ben Pierce, a professor of biology and holder of the Lillian Nelson Pratt Chair in Biology, was selected to receive the 2013–2014 Exemplary Teaching Award from the Board of Higher Education and Ministry of the United Methodist Church.
- Five faculty members were selected to be Southwestern's first Community Engaged Learning Fellows. The Community Engaged Learning Fellows Program is designed to help faculty members learn how to incorporate community-engaged learning into their classrooms and provides a \$1,400 faculty development award that faculty members can use for professional development, course development, and research. Faculty members who were selected as 2013–2014 Fellows were: Sherry Adrian, associate professor of education; Barbara Anthony, assistant professor of mathematics; Kathleen Juhl, professor of theatre; Joshua Long, assistant professor of environmental studies; and Maria Todd, associate professor of biology. In fall 2013, 12 courses at Southwestern had a component that involved community-engaged learning.

Student Achievements

Southwestern students also earned a variety of honors and awards in 2013. For example:

- 2013 graduates Colin Berr and Priscilla Hernandez received \$8,000 scholarships through the Sumners Scholarship Program to participate in programs in Washington, D.C., in summer 2013. Berr attended an Institute on Economics and International Affairs, and Hernandez participated in an Institute on Philanthropy and Voluntary Service.
- Southwestern students Ann Bransford, Lauren Gieseke, Lucero Pina, and Jay Scheinman were selected to receive Hatton W. Sumners Scholarships beginning in the fall of 2013. The scholarships are for \$5,000 per semester and are awarded to students based on their academic history, extracurricular activities, and leadership experience.
- Susana Contreras and Nathan Tuttle were chosen to participate in the American Sociological Association's 2013 Honors Program. The program selects "exceptional sociology students from throughout the country and the world" to participate in the American Sociological Association's annual meeting. A third Southwestern student, Megan Robinson, was also selected to participate in the program after winning second place in the 2013 competition for best undergraduate paper sponsored by Alpha Kappa Delta, the international honorary association in sociology.
- Sarah Dorer and Samantha Sada received a Student Research Award from Psi Chi, the national psychology honor society, for a paper they presented at the Southwestern Psychological Association conference held in April 2013.
- Three Southwestern students- Antonio Lopez, Jessica Parada, and Alan Ramos received the highly competitive Benjamin Gilman International Scholarships from the U.S. Department of State to study abroad in the summer of 2013.
- 2013 graduate Alejandra Benitez received a fellowship to spend the 2013–2014 academic year teaching in France.

- Sophomore Adrienne Dodd was awarded a Critical Language Scholarship from the U.S. Department of State to spend the summer of 2013 studying at Xiamen University in Xiamen, China.
- Senior Paige Duggins was selected to receive the 2014 Academic Internship Student Achievement Award from the Cooperative Education and Internship Association (CEIA). Duggins is the fourth Southwestern student to receive this national award in the past eight years. No other school has had more than two students receive this award.
- Senior education major Katie Elder was one of three students selected statewide to receive a scholarship from the Texas Association of School Personnel Administrators (TASPA) for the 2013-2014 school year. The scholarship honors the best teacher candidates in the state. Southwestern teacher education students have been awarded TASPA scholarships for the past 14 years, consistently besting students from other programs in the state.
- Senior physics major Vicente Estrada-Carpenter won the award for best undergraduate poster at the 2013 Fall Meeting of the Texas Section of the American Physical Society.
- 2013 graduate Kira McEntire tied for first place in the undergraduate competition for best oral presentation at the 116th Annual Meeting of the Texas Academy of Science.
- Jessica Olson, a senior with a double major in environmental studies and feminist studies, was selected to be a youth delegate to the United Nations Framework Convention on Climate Change for the second year in a row. Olson also received a national award from the Sierra Club in September 2013.
- First-year student Sabrina Rangel was selected to participate in the prestigious Kemper Scholars Program, which prepares students at liberal arts colleges for leadership positions, especially in the fields of administration and business.
- 2013 graduate Katherine Tanner received a Rotary Global Grant to begin her graduate studies at Royal Holloway, which is part of the University of London.

Athletics

2013 was a historic year at Southwestern in terms of athletics. The Pirates fielded a football team for the first time in 63 years. Although the team ended the season without a win, several players earned individual accolades.

Other accolades earned by Southwestern athletes and coaches in 2013 included the following:

- Kinesiology major Katelyn Bartell was recognized by the Texas Chapter of the American College of Sports Medicine as its 2013 Undergraduate Scholar, the highest honor for undergraduates in the chapter.
- Chelsea Leeder was the only player in the Southern Collegiate Athletic Conference (SCAC) to earn a spot on the D3hoops.com All-Region First Team for the South Region.
- 2013 graduate Rachel Thibodeau was selected to receive a prestigious NCAA Postgraduate Scholarship. Thibodeau was the only student-athlete in the SCAC to receive the scholarship in 2013.
- Senior psychology major Lindsay Jakszta was named to the National Soccer Coaches Association of America Women's All-Scholar Region Team.
- The men's golf team was selected to participate in the NCAA Division III championship for the first time in its history. The women's golf team also played

in the NCAA tournament, and golf coach Dan Ruyle was named the SCAC women's Coach of the Year for the fourth time since 2007.

- The men's swimming coaching staff, led by head coach Jon Duncan, was named the 2013 SCAC Men's Staff of the Year during the SCAC Championships.
- The softball team won the SCAC championship and coach Angela Froboese was named SCAC Coach of the Year for fourth time in five years. Softball players Christina Crandall, Abigail O'Connor, Karen Ramirez and Caroline Young were named All-America Scholar Athletes by the National Fastpitch Coaches Association.
- Daniel Tuttle earned the most individual points at the SCAC Track and Field Championship and was named the SCAC Men's Track and Field Athlete of the Year.
- Seniors Matthew Nickell, Daniel Poole, and Steven Resnik and were named to the NCAA Division III Men's All-West Region Soccer Team.
- Sixty-nine students from Southwestern made the SCAC's Student-Athlete Academic Honor Roll for the fall 2013 semester, placing Southwestern second behind only Trinity University.

Campus Construction Projects

In 2013, Southwestern completed construction of a new field house, practice fields, and track for our athletics teams. We also completed a new baseball locker room.

This spring, we plan to begin construction on Phase I of our new science center, which will be available for the 2015–2016 academic year.

Speakers and Symposia

Southwestern brought a wide range of speakers to campus in 2013. World-renown primatologist Jane Goodall delivered our 2013 Shilling Lecture, and novelist T. C. Boyle delivered our 2013 Writer's Voice lecture. In February 2014, Southwestern is hosting some of the country's leading experts on health care for its 36th annual Brown Symposium. NPR host Scott Simon will be delivering our 2014 Shilling Lecture in conjunction with our presidential inauguration March 25.

In Conclusion

I would like to take this opportunity to personally invite you to attend my inauguration and the Shilling Lecture on March 25. Details of the inauguration's activities for the week can be found at www.southwestern.edu/inauguration.

Respectfully submitted,
Dr. Edward Burger
President and Professor

TEXAS METHODIST FOUNDATION

Once again, the Texas Methodist Foundation ended 2013, our 75th year of existence, as a stronger organization than we began the year. This trajectory has repeated itself annually for many years and is a pattern we intend to continue. The gains of 2013 are based, in part, on the following highlights:

Financial:

- Our **undesigned endowment** grew during the year by approximately \$3 million, ending the year with an endowment of \$27.5 million. The relationship between our loan portfolio and our endowment has never been healthier and, in fact, exceeds guidelines established by our board. Additionally, this endowment growth diversifies and enhances our operating income stream by generating additional revenue for operations.
- Not included in the amount above, **endowment dedicated to our Leadership Ministry** now totals an additional \$4.5 million.
- Our **loan quality** remains very high and liquidity is considered adequate.

Staffing:

- Both our depth and breadth of **leadership and staff effectiveness** expanded greatly during the year. Throughout 2013, Curtis Vick was deeply involved in leading the implementation of our strategic direction, with Candy Gross now supervising the operations area. Additionally, the 2013 hiring of Bob Dupuy as General Counsel and head of our Charitable Services ministry, and the hiring of Justin Gould to lead our fundraising efforts for the Leadership Ministry were major steps for us.
- During 2013, the position of **Area Representative** continued to be developed as a major component of our strategic direction. This staff includes Don Psencik in the Texas Conference, John Thornburg in North Texas, Dick Young in Northwest Texas, Eric McKinney in Central Texas, and Melvin Amerson with statewide responsibilities. A search for new Southwest Texas representation is currently being conducted. These area representatives have three primary responsibilities: 1) to serve as a primary relationship for TMF with congregations in the assigned area; 2) to determine how TMF can help develop cultures of purpose and generosity within those congregations; and 3) to connect congregations with needed resources offered either by TMF or others. A significant 2013 development is our receipt of a **\$1 million grant** from the Lilly Endowment to assist us in this work.

Grants ministry

During 2013, our staff and board grants committee underwent an intentional process of reviewing and revising our grants program to reflect a new direction for that ministry consistent with our strategic direction.

Envisioning our future

In addition to continuing to refine and implement our strategic direction, we have begun analyzing our brand in the marketplace, developed a new tagline, and formalized an initiative for envisioning and accomplishing our goals for the next five years.

The significance of these highlights and our growth, both in financial gains and in growth in human and intellectual capital, however, lies, ultimately, in the lives changed in local congregations across the state where our services helped enable ministry. The measure of success for our services – investments, loans, stewardship ministry, leadership ministry, and charitable services, including gift planning, church endowments, and grants—is in how effective they are at helping individuals and congregations fulfill God’s purposes, as together we work to make Christ’s love visible in the world.

Tom Locke, President

TEXAS UNITED METHODIST COLLEGE ASSOCIATION

The Texas United Methodist College Association embodies Jesus' admonition to "love God with our mind" and Charles Wesley's entreaty "let us unite the pair as oft' disjoined, knowledge and vital piety".

From the founding of Kingswood School by John Wesley, it has been unthinkable for Methodists to fail to be a "college-related church" with multiple "church-related colleges". And, as John Wesley "scholarshipped" the students at Kingswood School, so do we, in the present age, provide scholarships to United Methodist students in the state of Texas to attend one of our United Methodist schools. When we invest in Christian higher education, we provide a "win/win/win" for our students, the church and our universities.

TUMCA ended one of its better fiscal years on January 31, 2014. The contributions of local congregations increased over last year by 5%, which permitted an increased distribution to each of the four TUMCA schools. With respect to all Annual Conferences in Texas, four of the five experienced increases and one remained about the same.

In the fall of 2013 newspaper articles were prepared for each of the Annual Conference newsletters. In addition to publicizing the work of TUMCA, each conference newsletter article contained the names of TUMCA scholarship recipients, the university where they are enrolled, and their local congregation.

Also in the fall of 2013, as is our pattern, letters were sent to every congregation of each TUMCA scholarship recipient informing the congregation that one of their own had received a TUMCA scholarship and asking each pastor to make it possible for their TUMCA scholar to bring a three minute "thank you" witness to the congregation. Students also received similar letters, including talking points. The "thank you" initiative is dependent upon scholarship award names provided to the TUMCA office by each of our four schools.

The pastors of our TUMCA scholars are asked to report to the TUMCA office following a student witness. A typical response is reflected in a letter from a pastor: "The congregation was very happy for Allie and grateful to TUMCA for supporting her. They were glad to know their apportionment funds were helping her. We gave a copy of your newsletter article to everyone in attendance."

The TUMCA office also receives letters and notes from our scholarship recipients. One wrote, "I wanted to let you know how appreciative I am for the TUMCA scholarship. I will be the first in my family to graduate from college". Another student wrote, "The TUMCA scholarship has allowed me to attend this great school where I have grown intellectually and spiritually. I am involved in several campus clubs, chapel, honor society, work at a job and am on track to graduate with *highest honors!* After graduation I hope to pursue a career in a non-profit to help those who need it most in our world. Again, thank you for this wonderful gift. I will pay it forward."

Not to be outdone, a parent's letter expressed gratitude, noting that his son has maintained a 4.0 grade point, which the congregation applauded.

The TUMCA office has received letters from our scholarship recipients enrolled in each of our four schools. Their gratitude is overwhelming and many of their stories are quite compelling.

Listed below are the TUMCA scholarship recipients from the North Texas Conference.

Dan E. Solomon, President, Texas United Methodist College Association

North Texas TUMCA Scholars 2013–14

Name	University	Home Church
Alexandra Hawkins	McMurry University	Antelope UMC—Loving
John Rentfro	McMurry University	Lovers Lane UMC—Dallas
Jeremy White	McMurry University	St. Luke Community UMC—Dallas
Stephen Holloway	Southwestern University	St. Stephen UMC—Mesquite
Hye Won Kim	Southern Methodist University	Wesley Korean UMC—Carrollton
Kelly Mathison	Southern Methodist University	Custer Road UMC—Plano
Justin Paek	Southern Methodist University	First Korean UMC—Richardson
Jordan Spencer	Southern Methodist University	Suncreek UMC—Allen
Dianne Hary	Texas Wesleyan University	Custer Road UMC—Plano

TEXAS WESLEYAN UNIVERSITY

Texas Wesleyan University has seen rapid, positive transformation in the last year. From campus improvements, to a multimillion-dollar renovation project, to the University's smartest incoming class—Texas Wesleyan is moving forward as a leader in critical thinking and education.

Major Highlights:

- For the fourth consecutive year, Texas Wesleyan University ranks in the No. 1 tier of regional universities in the west by *U.S. News & World Report*.
- In November, Texas Wesleyan broke ground on the Rosedale Renaissance. The Renaissance is a \$6.5 million project designed to leverage more than \$32 million in private and public funding for the benefit of the Polytechnic neighborhood and Texas Wesleyan. There are four key components to the revitalization, including streetscape improvements, a new campus entryway, business accelerator center and The United Methodist Church Central Texas Conference Service Center, which will also be home to the bishop's offices.
- Texas Wesleyan is undergoing a campus update. More than 30 projects are underway that include new sidewalks, landscaping and parking. These projects complement the Rosedale Renaissance project.
- For the second consecutive year, the University's marketing and communications team garnered national recognition for integrated marketing projects that build on the University's "Smaller. Smarter." message. Texas Wesleyan won four Collegiate Advertising Award medals, including two golds.
- The Welch Foundation approved a grant to Texas Wesleyan University's chemistry faculty in the amount of \$30,000 from June 1, 2014 to May 31, 2015 for chemistry research. The grant gives students an opportunity to study chemistry outside of the structured way.
- In November, The Ben Hogan Foundation and Texas Wesleyan University partnered to form the Ben Hogan Foundation Mentor Scholarship, which will be awarded annually to a candidate from The First Tee of Fort Worth to cover the full cost of tuition, fees and books.

To learn more about Texas Wesleyan, visit txwes.edu or follow us on Facebook at [facebook.com/TexasWesleyan](https://www.facebook.com/TexasWesleyan).

WESLEY-RANKIN COMMUNITY CENTER

Wesley-Rankin Community Center, a United Methodist Mission Agency, is actively walking a journey of transformation together with the community of West Dallas. Transformation through education drives all programming as a way of providing tools and skills for individuals to become active and effective agents of change in their community, their schools, their homes, and their own lives.

Take a look at how the community is responding and the real impact that is taking place:

- **The new Wesley-Rankin Community School** has been established through a unique partnership with Lumin Education (formerly East Dallas Community Schools) to provide West Dallas children with early childhood education for more than 300 children from birth through third grade. An estimated 2,500 children currently have no access to early childhood programs and arrive at Kindergarten “not ready to learn” due to thousands of less words in their vocabulary, no understanding of basic math concepts, and a physical lack of core strength to support sitting at a desk. Third grade academic success is the strongest predictor of high school graduation. Currently, less than 50% of West Dallas children will graduate. The Wesley-Rankin Community School will work to reflect the current Lumin statistics which track a 95% graduation rate for students who complete the program through third grade.
- **A Capital Campaign** will launch in order to develop a campus to accommodate the significant growth in current programming, as well as the new school enrollment. Buildings and campus grounds do not support current program needs, nor updated standards for safety and ease of use. Wesley-Rankin will depend on generous donors and partners to build a new campus to meet the needs of a changing community.
- **Afterschool Programs** have grown from 12 to 46 to 125 children over the last three years. Activities include science experiments on-site with The Perot Museum of Nature and Science, Reasoning Mind computer-based math curriculum, The Dallas Opera children’s workshops, and many other enrichment experiences. Tracking of academic progress indicates one of the reasons children in distressed communities fail to thrive is a lack of enrichment activities that work to connect concepts with a child’s world. Wesley-Rankin supports homework completion along with enrichment activities and personal tutoring that combine to impact grades and academic success. Grades are tracked for each child to see progress in math, science, and reading.
- **B3X Summer Camp** has grown in the past 3 years from 75 to 155 to 210 campers in 2013. B3X (Beakers, Base Ten, and the Beat) focuses on science, math, and music & arts enrichment activities. Success is measured in ‘first time ever’ learning experiences as reported by campers. In 2011, the top ‘first time ever’ experience was seeing an airplane up close. In 2012, the most reported ‘first time ever’ experience was building and launching a rocket. In 2013, the top experiences included playing a violin, playing in a 180 person drum circle, and creating a glass mosaic. Each year, Trietsch UMC hosts the campers daily for one week, providing music and drama activities, creating long-term relationships that transform lives.
- **The Academy** adult education program provides six-week learning modules for parents on topics of healthy cooking, financial literacy, community leadership, crime and drug prevention, parenting, and a variety of topics determined by the community as important

topics of study. Certificates are presented at the close of each session. Recognizing that adults impact the home and model education for their children, The Academy works with a Community Leadership Team to determine learning module topics and to interface with local schools to promote parent engagement. The Leadership Team works with local school leaders to positively impact academic environments and parent engagement.

- **The Senior Program** is Wesley-Rankin's longest running program providing daily fellowship, nutrition, and educational programs for senior citizens. A family environment with caring friends, monthly birthday parties, field trips, and special events support the basic physical and emotional health of senior in our community. Volunteers and staff work to provide hot meals to 50-100 seniors per day, totaling nearly 1,000 meals per month.

The annual agency budget is just more than \$700,000 supported by local churches, individuals, foundations, and corporations. The staff of seven full-time and two part-time professionals works with volunteers to provide services. In 2013, 628 volunteers provided more than 5,000 volunteer hours to support this mission. Wesley-Rankin is blessed to be among strategic ministries serving the under-served in our conference.