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COMMISSION ON ARCHIVES AND HISTORY

A RESOLUTION TO DESIGNATE THE SITE OF WAPLES MEMORIAL UNITED METHODIST CHURCH A UNITED METHODIST HISTORIC SITE

Whereas, in the year 1875, the Methodist Episcopal Church, South was founded in Denison, Texas. The city of Denison was founded in 1872 as the Terminus for the Missouri, Kansas and Texas railroad. Originally the church was located in a red light district, known as Skiddy Street with the mission: to help spread Christianity throughout the fledgling city; and

Whereas, Southern Methodism has its first entrance into Denison's history in 1873 when a Mr. Ball came to Denison to take a census to learn how many of the citizens were Methodists. Mr. Ball found 40 citizens who were of the Methodist denomination; and

Whereas, Reverend Alexander Jamison was sent by Bishop Wiley to Denison to represent the missionary board of the Methodist Episcopal Church to organize a church in Denison; and

Whereas, in March 1875 the Southern Methodists began to seek bids for the erection of a house of worship that was located at 430 Skiddy Street. The mission began under the leadership of Reverend Z. Parker and was a mission project of the North Texas Conference of the Methodist Episcopal Church, South. The church was a one-room frame style building with a bell tower. The Mission Church continued until 1881 when it was granted an official charter; and

Whereas, the Skiddy Church had gained such a following within the city that it was no longer deemed a mission and became a true church of Denison with its first pastor, Reverend C. I. McWhister; and

Whereas, in order for the mission to become a church in the Methodist Episcopal Conference, the church building as purchased by the North Texas Conference at a sum of \$200; and

Whereas, around 1887 Mr. and Mrs. E. B. Waples, in memory of whom the church is named, became members of the young congregation. Mr. Waples and his wife were strict members of the Methodist Episcopal Church, South, and were regarded by the citizens of the Denison as "two of the most upright and valuable members of the community;" and

Whereas, the present church edifice was built in 1965 under the pastorate of Reverend Walter L. Underwood. The old church edifice was removed from the lot and the present building sits on the site of the former red brick building. The stained glass that can be found throughout the sanctuary and Madden Chapel was created, designed, and fabricated by the internationally famous artist Gabriel Loire of Chartres, France. At present the Waples Memorial United Methodist Church plant encompasses nearly an entire block in the historic area of Denison. The church serves as an important cultural site that is located along the newly designated Arts and Cultural District by the Texas Commission on the Arts; therefore

Be It Resolved, that the North Texas Annual Conference of the United Methodist Church designate the site of Waples Memorial United Methodist Church of Denison, Texas an 'Historic Site' of the North Texas Conference and register the site with the General Commission of Archives and history of the United Methodist Church.

Adopted June 4, 2013

CONFERENCE COMMUNICATIONS REPORT

The Communications Team of the North Texas Annual Conference was very productive this annual conference year. Our media outreach extended across the annual conference and beyond to the mission field. Our overall goal was empowerment of the United Methodists of North Texas with compelling media that impacted the mission field to make more disciples for Jesus Christ.

We conducted secondary research using surveys to get a clear understanding of the communication needs of the leadership around the conference. There were two rounds of research, one with leaders and laity in the church. The second was with local church communication leaders in the conference. In response, we empowered the United Methodists of North Texas by conducting “Church Media Transformation” workshops in three districts. A total of 300 lay persons were trained in communication strategy, social media, and internet marketing, advertising and print media.

We created compelling media products in the form of “New Vision New Voices”—the North Texas edition of the “United Methodist Reporter” newspaper. Twice per month this publication presented activities and events from our annual conference. This newspaper entered a national media competition sponsored by United Methodist Communications, and won two awards for “best journalism” and “best design.”

We also created compelling media in the form of our video newscast, “NTC News”, which went on the road this year and taped editions in Little Elm, Texas, Oklahoma, and Tampa, Florida, the site of the 2012 General Conference. “NTC News” was formatted for viewing on the web and on smart phones, giving North Texas United Methodists the ability to share the good news of our conference with others in two mediums. A total of five editions were produced this year, and are stored on the annual conference website.

We reached out to North Texas United Methodists and beyond to the mission field with our Advent, Easter and *Summer of Family Fun* advertising campaigns. These campaigns were partnered with several established communication entities such as *Radio Disney*, *The Dallas Morning News*, *Google* and *Facebook*. The campaigns brought the secular audience to our website and provided information about Advent and Easter events in our churches. There was an enthusiastic response by our churches. Over 150 churches were involved with the Advent campaign, and 180 churches involved with the Easter campaign. Late in the summer, we hosted the first annual *Bishop’s Family Fun Day* at Main Event Entertainment centers. The event was held at the Lewisville and Plano locations and we invited hundreds of church members to share in a day of fun. The event was publicized internally and through our media partners, which attracted families from the mission field to spend the day with our church congregations. This event created a non-threatening introduction of “seekers” to church leaders from all across North Texas.

Our most deliberate outreach to the mission field was our re-designed website which features a section for those persons who are not United Methodists, and may not be Christians. We offer invitational, non-judgmental information to persons who are searching and seeking God and assistance with critical issues of life. The re-designed website also features enhanced displays of the four ministry centers and offers easier access to information about our annual conference.

We intentionally reach into the annual conference by revising our marketing strategies with the United Methodist Reporter Newspaper. Wendy Campbell joined the Communications Team to enable us to touch more persons in the conference in unique ways and increase circulation.

The Communications team made two international visits this year: the World Methodist Conference in Durban, South Africa and the Annual Conference of Liberia, West Africa. These events were transmitted back to North Texas via video and articles on our website. Additionally while in Liberia, we conducted training sessions with the Communications Team there.

Upon the arrival of Bishop Michael McKee, the Communications Team met with him and developed a communications strategy to introduce him to the annual conference and the secular media in print, video and social media. Introductory videos and articles were written and produced facilitating a smooth entry into the annual conference. Bishop McKee maintains a strong social media presence with an active Facebook page.

The Communications Team includes Wil Murphy—media strategist, Linda Johnson—UMR associate editor, Patrick Steil—webmaster, Wendy Campbell—UMR coordinator, Rosalinda Luna—administrative assistant.

Submitted by Dr. Sheron C. Patterson, Communications Officer

CORE LEADERSHIP TEAM

The Core Leadership Team oversees the implementation of the decisions of the Annual Conference, working through the four Centers in accordance with the mission and strategic priorities. The Team has the responsibility for planning, setting goals and coordinating actions to address the priorities of the strategic plan. It holds the Center Directors and conference groups accountable for fruitfulness in these priorities.

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

Conference Lay Leader—Linda Parks

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

Three at-large members appointed by the Bishop—Levy Laguardia, Ruth Robinson, Rachel Baughman

One District Superintendent—Frank Alegria

Center Directors—Jodi Smith, Keith Boone, Jim Ozier, Larry George

Also attending: Sheron Patterson, Director of Conference Communications and Pam Liston, Conference Chancellor

One of the highlights this year for the Team was our initial meeting held at “Union” Coffee House in Dallas, a new church start led by Rev. Michael Baughman. The Team was able to hear and see firsthand the exciting things happening. In addition to the business of the Team the returning members welcomed and became acquainted with Bishop McKee and the new members.

The Core Leadership Team continues to build on a strong beginning in making progress toward reaching the strategic goals and acknowledges there is still much to be done. Vision, goals and actions from the four Centers are heard for possible approval by the members of the Team. These reports from the various Centers can be found in the body of this conference workbook.

The core values of Faithful Integrity, Joyful Commitment, and Loving Service adopted by the Core Leadership Team continue to guide their work.

CENTER FOR LEADERSHIP DEVELOPMENT

Dr. Keith Payne Boone—Center Director and Rev. Aleze Fulbright—Associate Center Director

The Center for Leadership Development (CLD) exists to assist clergy and laity in recognizing 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, it essentially conveys whatever or whomever is placed at the center of our heart, mind, soul, and body which informs 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. Billy Echols-Richter, Navolia Bryant, Jana Jones, Rev. David Lessner, Stephen 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 only provide a glimpse of this year's past achievements. 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*).

Faith Formation supports all age-level ministries, which include Children, Youth and CCYM, Camping and Retreat, along with Campus Ministries.

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 158 congregations have over 7,000 volunteers and staff members MinistrySafe trained and compliant. For more information about MinistrySafe: (<http://www.ntcleadingfromthecenter.org/ministry-safe>)

Youth/CCYM: Conference Council on Youth Ministries (CCYM) conceived, planned and led three District Mission Days in the Fall of 2012, collecting donations for thrift stores, packing food, and completing neighborhood cleanup across the North Texas Conference. Two (2) Midwinter Retreats were held at Bridgeport Camp with over 315 participants combined. CCYM chose the theme of

“Faith: Just Do It” challenging youth to live out their faith in daily action. Through family groups, dynamic preaching, campfires, group activities and inspiring music, participants were led into closer relationship with God and practical faith.

Youth Annual Conference (YAC) hosted 110 youth and adults from around the Conference to elect new CCYM delegates, deliberate legislation and participate in leadership development. This year’s theme of “Compassion: Make it a Habit” was lived out during the weekend through spotlight mission organizations, planning regional compassion projects, and interactive worship services with Bishop McKee challenging youth to notice the needs around them and respond in love. Snack Shacks at MidWinters and YAC funds were raised to support ZOE Ministry and Project Transformation through the Youth Service Fund (YSF). This year YAC legislation from last year was enacted to ensure only fair-trade chocolate was sold for YSF fundraising.

During this past year, NTC and Prosper UMC member, Maddie Chumley was elected as the South Central Jurisdiction Youth Representative to the Division on Ministry with Young People and then named Co-Chair, seating her as the youngest member on the General Board of Discipleship. CCYM members are attending Annual Conference both as delegates and observers. For the second year of continuing a Shepherding program, that pairs youth participants with adults to mentor and answer questions about the Annual Conference process. Six (6) North Texas Conference youth will attend the Texas Youth Academy this summer for two 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 will work alongside the *Calling the Heart* campaign to guide youth and young adults discerning their future as lay or clergy serving in or outside of the church in their careers. Members intentionally engage in leadership development as a group, converse with youth from other Conferences to expand their vision of possibilities for Conference level youth ministry and engage in evaluation and envisioning 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 Living, Leading and Developing Fruitfulness.

Future Dates and Events for Youth

MidWinter 2014—“Don’t say no way, Just say Yahweh!”

January 24–25 and February 7–8

Big Youth Leadership Event—Dallas—**Fall 2014**

Adult Youth Worker Volunteer Training—Custer Road UMC—**August 17, 2013**

Camp Bible (3rd–5th grade students)—Bridgeport Camp—**September 28-29, 2013**

Bishop’s Rally (5th–7th grade students)—FUMC Plano—**February 16, 2014**

Children, Youth, and Youth Leaders are encouraged to connect with others in the Conference. If you or your church would like more information about Youth and CCYM programs or events, please contact the Conference Youth Coordinator, Kelly Carpenter at youth@ntcumc.org and visit www.ntcouth.org.

Children, Youth and SEEK Camping at Bridgeport: Children, Youth and SEEK Camps experienced another great year in 2012. All Children’s, Junior High and Senior High Camps had

a unified theme and curriculum for the third year, which creates a better camping experience and more efficient planning on the parts of the Camp Directors.

Below are the overall 2012 highlights from Children, Youth and SEEK Camps:

Total Campers participating: 1,637

Children's Camp Sessions had 741 campers.

Senior High Camps had 218 campers, which is up from previous years.

Junior High Camps saw an increase with over 335 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 Camping and Retreat 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. Throughout the year there has been an increase in the diversity of students who attend; students that are religiously and ethnically diverse who have a place to worship and attend Bible studies. The students have been tasked with understanding their faith by answering the questions, “Why is my faith important? Why would I want others to know about my faith? Why does it matter?” www.dentonwesley.org

Texas A&M Commerce—GROWING DEEPER... REACHING FARTHER... CONNECTING TOGETHER...outlines the 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, Reach Farther to serve the world, and Connect Together as sisters and brothers. Throughout the year, an on-campus movement was created by The Crew. These moments help students and staff, make people laugh, and make people's day. In addition, The Crew participates in local missions and help agencies and individuals in need. www.commerceswesley.org

Midwestern State University—MSU Wesley Foundation continues to build relationships with students and disciple them to become principled Christian leaders. During the Spring semester, MSU Wesley completed a seven-week Lenten study entitled “24 Hours That Changed the World” by Adam Hamilton. Additionally, they are faithful in discipling those who are un-churched through discussion and Bible Study with a primary base of students from Asia, mainly China. MSU Wesley

is also equipping their students to become principled Christian leaders by enhancing their spiritual experience through personal and communal worship within the context of the local church. These students are excited to attend worship at different United Methodist churches in Wichita Falls, where the seeds planted will hopefully produce faith decisions to become members of the Church. www.uumcwf.org

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 student facing their everyday problems.

Southern Methodist University—The SMU Wesley Foundation officially became a campus ministry of the North Texas Conference in the summer of 2012 by a unanimous vote at the South Central Jurisdictional Conference. This ministry has a long history of making principled Christian leaders, and the previous year was one of excitement, growth, and service. The SMU Wesley community gathers every week for "The Well" on Wednesday nights in the Perkins Chapel for worship, Biblical teaching, prayer, and weekly communion. There have been a range of topics dealing with the identity of Christ, God's love for us, finding God in the midst of the desert, and loving the unlovable. Additionally, under the leadership of two student interns, a new ministry has formed for Freshman at SMU called "Freshley." This ministry is a place where first year students can gather for fellowship and truly growing deeper in their relationships with God and with one another. This ministry will continue in the future to foster Christian community one Freshman class at a time. www.smuwesley.com

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 provided training to the skilled teams of clergy and laity. These teams also were deployed to engage congregations that were in crisis or in conflict to assist in healing, reconciliation and transformation.

Intentional Interim Ministry (IIM) calls for a pioneering spirit to care for the special needs of congregations. Interim ministers are experienced clergypersons, committed to the Wesleyan Way and the UMC, and have proven effective and fruitful 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.

This past year five Intentional Interim Ministry placements were appointed by the Bishop and Cabinet in among the corps of twenty-three IIMs either trained or progressing toward endorsement. IIMs are vetted by the Bishop and NTC Cabinet, trained and certified through an accreditation process, and may be deployed across conference boundaries.

Some of the contexts for IIM serving 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.

For more information on IIM training or considering time away for a sabbatical, renewal or study leave but don't know where to turn—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 50 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 feedback, provide resources for online training, and enhance a life-long growth. Marks of Fruitfulness is an integrated online self-evaluation and performance program that allows clergy, the SPRC/PPRC, District Superintendent, an assessment to offer formative feedback to nurture, support and help assist the leadership development of clergy from ordination to retirement (and beyond). The Marks of Fruitfulness evaluation is now one of four mandatory end-of-year reports that clergy and S/PPRC will complete by December 15.

Leading Ahead as the Center for Leadership plans to continue building on the work of the past, while also finding ways of Living, Leading, and Developing Fruitfulness throughout the North Texas Conference, both for laity and clergy. Additionally, with the recent ruling from the Judicial Council, the Center for Leadership Development has gained two additional teams to continue the working of developing principled Christian leaders for the Church and the World.

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.

BOARD OF ORDAINED MINISTRY REPORT

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 fruitful leaders for professional ministry into the mission field to achieve the mission of the church. We strive to build lifelong fruitful leaders for North Texas. Clergy fruitfulness is developed over a lifetime through living our discipleship, growing in leadership of our congregations and developing missional effectiveness.

The Board of Ordained Ministry is charged by *The Book of Discipline* with carrying out many critical tasks and, through its various 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 Fruitfulness, 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 of candidates for commissioning and ordination.

Some exciting highlights for the work of the Board of Ordained Ministry this year include:

Creating a culture of call. A group has met to dream new ways of creating 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. We participate in God's activity of calling persons to ministry and help them fulfill that call through recruitment and nurture. This activity begins in the local church and we encourage laity and clergy to create a culture of call in your congregation.

Candidacy Process. One of our top priorities this quadrennium is to partner with the four District Committees on Ministry and continue to refine our process for entering ministry so that it is clearer, simpler and easier to navigate. This year we have made several steps to aid this endeavor. Working more closely will enable us to reach our goals in the upcoming year.

Group Mentoring. The process to become a certified candidate will help persons discern how God is calling them. A new process for certification begins with group candidacy mentoring for certification. A new candidacy retreat will introduce inquiring candidates the process of entering ministry, begin the process with trained mentors and develop relationships with other called individuals along the way.

Board of Ministry Website. The North Texas Conference Board of Ministry website (www.ntcumcbom.org) is currently under reconstruction and promises to be more engaging, helpful and easier to use. Please refer all interested persons to this website for up to date information on the process of entering ministry in North Texas.

Pathways to Ministry. 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.

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

CENTER FOR NEW CHURCH DEVELOPMENT AND CONGREGATIONAL TRANSFORMATION

“Year of Buzz!”

It’s been a year of great buzz for The Center for New Church Development and Congregational Transformation! What we are about is 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

“**Turn Around Tours**” is one of the creative ways we’ve highlighted learning from each other. 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.”

For instance, in April, 35 clergy and laity learned from Plymouth Park (one of our most successful ‘turn-around’ churches due to finding ways to minister to the changing mission field) and enjoyed light breakfast; then traveled to The Village (an African American new church start that overcame a shaky beginning to experience great growth) for lunch; then went on to “The Woods” (a successful merger of two struggling churches into a new vibrant congregation in Grand Prairie) for dessert.

As you can imagine, the ‘bus-talk’ was filled with buzz as people processed and planned to implement what they were learning into their own congregational life.

We plan to organize similar tours 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.

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

- “How To Start A New Worship Service”, hosted by Christ Church in Plano. Again, learning from ‘best practices’ of our own churches that have successfully started new worship services. The Vital Congregations research project by the General Board of Discipleship demonstrates that starting a new worship service to reach new people is one of the key elements to becoming a Vital Congregation.
- “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” training...in two locations (Oak Cliff and Christ Foundry) over 50 Hispanic Laity have been trained to start new churches as bi-vocational pastors and key laity.
- “SBC21”....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 make this Conference-wide in the coming years.

The Healthy Church Initiative is creating more buzz in the Conference than anything else...and is the best process available to create more Vital Congregations.

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, and started last year with 3 pilot groups, (1 clergy and 2 laity). In September of 2013 we will expand to 24 congregations in the larger church component... and we will begin with a similar number in January in the **Small Church Initiative**.

Participation is completely optional. If a Congregation begins the journey it can take it 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.

Chartered! Few things have created more buzz than the chartering of The Village UMC...our first new church to charter since 2004!

NEW CHURCH STARTS

In an effort to “create new places for new people,” we have continued to plant new churches and faith communities. Currently, we have 18 new church starts now averaging over 2100 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 were planted by our existing churches in 2012, and 3 more Mother churches are planning to plant a daughter church 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) Pastor: Jill Jackson-Sears
 Oak Cliff UMC—Oak Cliff (formerly “Connexion”) Pastor: Edgar Bazan
 The Village—DeSoto (Daughter of St Luke “Community”) Pastor: Derek Jacobs
- 2009—Falls Chapel—Wichita Falls (Restart with new name) Pastor: Louis Pearce
 FUMC Krum—Krum (Restart and relocation) Pastor: Christy Thomas
 New Beginnings—Grand Prairie Pastor: Perry Crenshaw (closed)
- 2010—Crossway—Aubrey (Daughter church of Grace Avenue) Pastor: Chris Yost
 St Andrew Frisco—Frisco (Extension campus of St Andrew) Pastor: Edlen Cowley
 Munger Place—Dallas (Extension campus of Highland Park) Pastor: Andrew Forrest
 Nuevo Dia—Dallas (A New Day Community) Leader: Shellie Ross
 FaithBridge—Rockwall Pastor: Frank Rahm (closed)
- 2011—Living Life Church—Allen (Daughter church of FUMC Allen) Pastor: Abe Smith
 Korean North Central—The Colony (Daughter of Korean Central) Pastor: Nakhoon Cho
 Melissa UMC—Melissa (Daughter church of FUMC McKinney) Pastor: Alan Hitt
 The Journey—Wylie/Sachse (Daughter of FUMC Rowlett) Pastor: Chris Everson
- 2012—Connections—Paris (Extension Campus 1st Paris) Pastor: Kathy French
 Key Memorial Hispanic, Sherman (‘Church Within A Church’) Pastor: William Del Valle
 Union Coffee Shop ministry (Anchored by UPUMC) Pastor: Mike Baughman
- 2013—Christ Church, Princeton (daughter of Christ Church Plano) Pastor: Clay Horton
 Prosper Extension Campus (daughter of Prosper UMC) Pastor: Chris Schoolcraft
 Grand Prairie Hispanic (Church Within-a-Church, Grand Prairie 1st)

CENTER FOR MISSIONAL OUTREACH ADVISORY BOARD REPORT

The Center for Missional Outreach has spent the last two years listening to members of our Conference, working with non-profits inside of and out-of our churches and discerning a vision to move our Center forward with eyes wide open to where God is already at work. The last Conference year has been spent nurturing a relationship with four new areas of connection with 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 assigned to the work of the Center to address the empowerment of local churches and the North Texas Conference for the causes of 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.

The Advisory Board for the Center for Missional Outreach has discerned a wider vision of 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 are targeting 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. Our role in the coming year will be to find ways of being in communion with these areas in order to build partnerships with other non-profits outside of our strong North Texas United Methodist Churches to build cohesive unions to affect positive change with those affected

by asset poverty. Additionally, churches who fall outside of these zip codes will be able to connect with the Center for Missional Outreach to discover areas in the neighborhoods our churches sit affected by extreme asset poverty.

We are asking for you to join us as we move forward with this vision. May God bless our local churches and our Conference in moving forward to making a difference in people's lives.

Submitted by Andy Stoker, chair of the Advisory Board

BRIDGEPORT CAMP & CONFERENCE CENTER

2012 was a year of vision and planning at Bridgeport Camp and Conference Center (BCCC). The vision was to update and modernize the most dated facilities to provide more inviting cabins and more functional meeting spaces. The process is just beginning, but so far, new carpet and paint have been added in two of the main meeting spaces and renovations to South Village cabins have begun. We have appreciated the donations and the Mission Work done at our facility by multiple church groups in our Conference that have aided in these improvements.

2012 was an equally eventful year for reservations at our facility. 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 1650 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

2012 was an incredible year for the Prothro Center. Our total number of "user days" reached an all-time high, and we continued to add beautiful, new areas around the lakefront. Our beach has become one of the greatest spots on Lake Texoma. With the addition of a flagstone patio, guests are really taking advantage of the relaxing sunsets, late night bonfires, and even mixing in some much needed "play-time."

Numerous North Texas Conference programs found their way to The Prothro Center this year. We hosted our annual S.E.E.K. Camps, Rural Ministry, Clergy Spouse Retreat, NTC Licensing School, Clergy Women Retreat, NTC District Committee, The Extended Cabinet, NTC UMW, NTC Anti-Racism, and The Board of Ordination. We also accommodate the annual Julian C. Hyer International Lions Camp, Royal Family Kid Camp, and Texas A&M Commerce Student Leadership Summit. With the remodel of our Oasis and Renewal Cabins, they have become perfect

getaway spots for pastors or anyone else looking to grow spiritually or as a family. They are located right next to our new beach area and a great place for kids.

If you have “liked” our facebook page, (The Prothro Center at Lake Texoma) then you know just how amazing our food service has been. We posted many mouth watering photos of our homemade meals, and the response continues to be overwhelmingly positive!

We take so much pride in every aspect of The Prothro Center. It’s home to us, and our goal is to make it feel the same way to you. We look forward to seeing you in 2013.

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

BOARD OF PENSION AND HEALTH BENEFITS REPORT

Overview

The North Texas Conference Board of Pension and Health Benefits had a very busy year preparing for this annual conference.

First, the Board received the exciting news that we would receive a 1.1 million dollar rebate on our health insurance premiums due to excellent claims experience in 2010 and 2011. This is one of the highest rebates any conference has ever received. The Board voted to rebate the premiums to the individuals or the entities that paid them through a premium holiday. Retirees received a two month premium holiday at the end of 2012. Active participants received a one month holiday in 2012 and a second holiday in 2013. Since the churches normally pay the health insurance premium, generally the local church received the benefit of the premium holiday for the active clergy.

Secondly, the Board learned the current medical insurance program for our retirees would soon be coming to an end. A subcommittee formed to study the options, and recommended we move into the Extend Health Connector system and fund an HRA for our retirees in lieu of the direct premium payment system we had before. Workshops were held throughout the conference in April to introduce the Extend Health program to our retirees. The information was well received. We believe our retirees will be well served by the program. A more detailed description of this plan is included below.

Third, the board reviewed the work of the Retiree Medical Funding Plan team and determined we would be able to not raise apportionments and still meet the funding goal for the past service liability by 2021 as planned. In addition, the board reviewed the Comprehensive Funding Plan now required by legislation passed at General Conference 2012. Both of these reports are included below in more detail.

Finally, in response to legislation passed at General Conference 2012, the board assigned subcommittees to study and make recommendations related to setting the Pre-82 Service Rate and Clergy Participation in the CRSP pension plan for clergy serving in appointments in the local church at less than full time. Those recommendations can be found in the legislative items of this workbook.

Extend Health

After careful consideration by the Board of Pension and Health Benefits and the Council on Finance and Administration, the North Texas Conference will partner with Extend Health to provide as the connector for our retiree's health insurance.

Background:

The North Texas Conference has offered assistance to their retirees to help pay for their medical insurance for at least 30 years. Many conferences are opting out of this benefit for their retirees just as many corporations are. We would like to continue to provide assistance to our retirees. We currently offer one plan through the General Board of Pension and Health Benefits. It is a one size fits all plan. Last year, there were 21 conferences in the plan. As of Jan. 1, 2013, that number has dropped to 10 conferences. This plan is becoming increasingly expensive and will be financially unsustainable by 2015. The Board of Pension and Health Benefits proposes moving our retiree medical insurance program to one of the nation's largest connector programs known as Extend Health. Through Extend Health, each retiree will have multiple plans from which to choose. The clergyperson can choose one plan that works best for his or her situation and the spouse can select a separate plan. Extend Health provides counselors who will guide the retiree into the Medicare supplemental insurance program that is best suited to their needs. There is no cost to the retiree for the services of this counselor.

Under Extend Health, we project an average annual out of pocket savings to each retiree of approximately \$1,100 per year per retiree depending on the plan they choose, their current age and the status of their health. The premiums range from \$0 to just above \$300 per month for the top of the line plan. The average premium of the plan most like our current plan is around \$240 per person. We are currently paying \$420 per person. The conference currently pays $\frac{1}{2}$ of the premium for the retiree Medicare supplement plan provided through Health Flex. Under Extend Health, the conference would contribute \$1,260 per year to an HRA on behalf of each employee. Surveys of the programs available show this to be $\frac{1}{2}$ of the average premium if a retiree were to choose the program most similar to our current offering. Economies of scale allow for significant savings for both the retiree and the conference. In addition, the retirees have more options for choosing a plan that fits their needs.

Update on Retiree Medical Funding Plan

The North Texas Annual Conference started addressing the Retiree Medical Liability in 2000, with the first formal plan introduced in 2002. This plan was updated in 2006, 2008, and now in 2013. The conference's foundational assumption is that, unlike some companies and some Annual Conferences, the North Texas Conference will continue to provide a health insurance benefit for eligible retirees. We believe that this is a part of the covenant relationship between the conference and its clergy. Once again, a study group formed in the fall of 2012 to review our current progress towards fully funding this program. Under the leadership of Jerry Pinkerton, the study group presented their recommendation that we continue with our current apportionment funding plan.

We have used conservative assumptions by actuarial standards to determine this liability. The following assumptions are taken from the most recent Towers and Watson actuarial report for our retiree medical liabilities. There is always a two year lag in the hard data, which is used to project two years out. Therefore, a 2010 actuarial study determines the 2012 liability.

Key actuarial assumptions				
Valuation date	12/31/10	12/31/08	12/31/06	12/31/04
Discount rate	5.50%	6.00%	6.00%	5.75%
Valuation year medical trend	9.00%	10.00%	12.00%	12.00%
Ultimate medical trend	5.00%	5.00%	5.00%	5.00%
Ultimate medical trend reached fiscal year	2019	2019	2014	2012
Above extracted from Actuarial Reports of December 31, 2010 and December 31, 2006.				

The following assumptions will affect this year's updated plan

- Extend Health could shorten the funding timeline. Our current retiree health plan has become too expensive for both the conference and the participant. The General Board will no longer offer a retiree supplemental health insurance program beginning in 2015. Extend Health is the largest provider in the nation of this service, offering as many as 19 different options to the retirees in our system. Instead of a one size fits all health plan, counselors will guide each participant through a decision making process as to which plan suits them best. Both the conference and the participant will benefit from cost savings. The conference currently pays ½ of each participant's retirement health insurance.
- Prefunding of the Pre-82 Service Rate increases will lengthen the funding timeline. GC 2012 legislation requires each Annual Conference to fully fund any increases in the PSR rate (Past Service Rate). We historically give our retirees a raise each year based on 1% of the CAC (Conference Average Compensation). This results in basically the equivalent of a COLA (Cost of Living Adjustment).
- The market downturn of 2008 greatly lengthened the funding timeline.
- Recent market trends have shortened the funding timeline, but we are not back to 2008 levels.
- Adjusting the assumption of projected clergy to a flat replacement rate will shorten the funding period. We have assumed an increase in the number of clergy serving in the North Texas Conference every year since the funding plan started. We assumed 5 new clergy per year. Historically, the number of active participants in the plan has decreased each year. We have kept the number of participants flat for these projections, believing this to be a conservative approach. The following chart shows the current trend.

Retirement Analysis Information Comparison

	31-Dec-10	31-Dec-08	31-Dec-06	1-Jan-05
EPBO (net Conference cost)	33,947,669	29,595,035	25,236,966	24,171,658
Participant counts				
Active participants	445	443	446	449
Active dependents*	356	354	357	359
	<hr/>	<hr/>	<hr/>	<hr/>
	801	797	803	808
	<hr/>	<hr/>	<hr/>	<hr/>
Retired participants & survivors	179	184	186	189
Dependents—retiree participants	63	75	80	80
	<hr/>	<hr/>	<hr/>	<hr/>
	242	259	266	269
	<hr/>	<hr/>	<hr/>	<hr/>
Total	1,043	1,056	1,069	1,077

* Based on 80% of active participants assumed to be married at retirement.

The Board of Pension and Health Benefits recommends maintaining the same funding level, based on this study. We will still meet the mandated funding deadline for the Pre-82 liabilities by 2021. The funding of the medical liabilities will be somewhere between 2019 and 2025 based on the various factors that affect the timeline mentioned above. Almost all projections point to a slightly longer timeline than the last valuation offered, but they all fall within the mandated timelines.

There are many variables to consider in setting the apportionment level for funding these liabilities. A change in any one of them will change the projected funding completion date. The good news is based on these assumptions, we can continue with our current funding plan without raising apportionments or hosting a capital campaign. Although there will continue to be premium changes as needed and occasional plan design changes, the North Texas Conference—unlike many corporations and some annual conferences—should be able to continue to provide health insurance benefits for our eligible retired clergy and spouses. Furthermore, while results will vary to the extent that actual experience differs from the assumptions, we expect the conference will no longer have an unfunded pension or medical liability within the next ten years and will hopefully be able to terminate the apportionment for the past service funding of the Post-Retiree Medical liabilities altogether.

Going forward, the Retiree Medical funding plan will no longer be a separate study to be presented at annual conference every four years. Instead, it will be revisited annually as the 2012 General Conference passed legislation requiring an annual Comprehensive Funding Plan covering:

1. CRSP DB and DC
2. MPP
3. Pre-82
4. Retiree Medical Liabilities
5. Active Health Insurance
6. CPP
7. Part-time clergy pension
8. UM PIP

This Comprehensive Funding plan must be presented to the Annual Conference every year beginning with the 2014 plan.

North Texas Annual Conference 2014 COMPREHENSIVE BENEFIT FUNDING PLAN

The North Texas annual conference has the following benefit obligations:

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

The total liability for CRSP DB annuities as of 1/1/2012 is \$737 million, the total plan assets are \$744 million, and the current funded ratio for the plan is 101%.

The North Texas Conference's portion of the total liability is 1.37%, and the conference has elected to include 50%+ for FTC eligibility for 2014. As a result, the required contribution due as of 12/31/14 is \$1,537,952.

It is anticipated that the amount will be funded from Future Incoming Money totaling \$1,537,952.

The total account and/or future incoming money covers the required contribution.

Additional comments concerning CRSP-DB: BOPHB is recommending inclusion of 50%+ in the CRSP plan for North Texas.

The contribution for 2012 CRSP DC is anticipated to be \$643,619 and will be funded by Direct Bill the Local Churches.

It is anticipated that increases for future years will be 2.50% (anticipated increase %). This increase is anticipated because expected average pastoral compensation increases based on last 20 years.

Ministerial Pension Plan (MPP)

The total liability for MPP annuities as of 1/1/2012 is \$2.538 billion, the total plan assets are \$2.639 billion, and the current funded ratio for the plan is 104%. The conference's % of the total liability is .96%. There is no required contribution for 2014.

Future MPP annuitants have a total account balance of \$4.324 billion as of 1/1/2012. The conference's portion of this account balance at 1/1/12 is \$58.076 million or 1.34% of the total.

Supplement One to the Clergy Retirement Security Program (Pre-82)

For 2013, the PSR is \$732.00. For 2014, the conference is increasing its PSR to \$743.00. On average, the conference expects future increases to be approximately 4%. The rationale for our expectation is:

Continue PSR at 1% of CAC, which has historically averaged just under 3.5%
for the past 20 years.

We have changed our estimate of future increases to the PSR for the following reason(s): Aligned expected increase to align with historical increases from last 20 years.

Key assumptions: 7.0% discount rate, using the RP2000 mortality table with AA generational projection.

The conferences does not intend to increase its contingent annuitant percentage from 70%.

Funding Plan Liability as of 1/1/2012	\$27,265,915
Plan Assets as of 1/1/2012	\$19,869,187

The current funded status is \$(7,396,728) with a 73% funded ratio.

It is anticipated that the amount will be funded from Paid from Reserves in the Retiree Medical Account at GBOPHB.

Sources of Future Incoming Money:

	Amount of New Money	Number of Years to be Paid	Present Value of New Money
Apportionments	\$356,254	8	\$2,127,299
Apportionments	\$290,983	8	\$1,859,520

Non-Plan Account Information:

	Current Value	Other Liabilites Against ThisAccount	Value Available for Pre82
Retiree Medical Account at GBOPHB	\$16,719,458	\$13,674,764	\$3,044,694
Deposit Account at GBOPHB	\$2,326,351	(\$163,190)	\$2,489,542

Comments: MAF • Comments;

The Total Balance is positive, all liabilities have been accounted for.

Post-Retirement Medical Benefit Program

The Post Retiree Medical Plan currently offered and anticipated for 2014 can be described as:
Other

A more detailed description of this plan is: Extend Health with HRA

Strategic plan for funding obligation is as follows: Continued funding through apportionments at \$784,000 per year for past year liability. We began funding the Past Service Retiree Medical obligation in 2002. We also apportion \$213,000 per year for new entrants.

The conference intends to retain the plan on an ongoing basis. The following is based on the most recent actuarial valuation dated as of 12/31/2010, prepared by Towers Watson.

Total value of assets assigned to the PRM program is: \$13,874,345 The source of additional funds to pay for this program is: Apportionments.

The most recent PRM valuation showed the following liabilities:

Accumulated Post Retirement Obligation (APBO) (net conference cost)	\$25,015,675
Expected Post Retirement Obligation (EPBO) (net conference cost)	\$33,947,669
Service Cost (SC) (net conference cost)	\$900,787

Key assumptions: 5.50% discount rate, 7.0% return on assets, 8.50% trend rate, ultimately going to 5.0% trend rate in the year 2019.

Source for paying for obligations: Apportionments

Additional comments around PRM: Valuation report combines Retirees and Surviving Spouses.

Active Health Benefit Program

The North Texas conference offers the following active health program to its participants: HealthFlex.

During the calendar year 2012, the total cost for the active health program was \$6,152,461. The active health program was funded from Direct Bill. Future increases are expected in the range of 4.50%.

Rationale for anticipated increases to this obligation: Expected Health Cost Increases

Additional comments concerning this obligation: Health Flex Conference

Comprehensive Protection Plan

Currently (for 2012), the North Texas Conference has an annual required contribution to the Comprehensive Protection Plan of \$590,908.

The anticipated increase in obligation for future years will be approximately 2.5% per year. This expected increase is due to: COLA.

It is anticipated the unfunded obligation will be funded as follows: Apportionments

Additional Comments concerning this obligation: Based on Effective COLA rate published by SSA

Other Conference Benefit Obligations to Clergy and Staff

The North Texas conference has the following other benefit obligations

Section A. Other Benefit Obligations

Currently (for 2012), the North Texas Conference has an annual estimated contribution of \$52,603. This benefit obligation can be described as UMPIP.

The anticipated increase in obligation for future years will be approximately 2.0% per year. This expected increase is due to: Budgeted salary increase. This will be funded by: Apportioned

Section B. Other Benefit Obligations

The North Texas Conference has a benefit obligation that can be described as Endowment for Emergency Fund for Retiree Medical Expenses

For this obligation the annual estimated contribution is Averages \$2,000 per year in payouts This obligation is funded: 1.27 million endowment at GBOPHB

The anticipated increase in obligation for future years will be approximately .0% per year. This expected increase is due to: NA

Additional Comments concerning this obligation: The Perkins Family funded this endowment in 1948 with \$100,000. It has grown to over 1.2 million. Emergency requests for aid are made from this fund. Requests are for one time assistance, usually one per year in the \$500 range.

Section C. Other Benefit Obligations

The North Texas Conference has a benefit obligation that can be described as DB Life Insurance. For this obligation the annual estimated contribution is \$24,000/year premium. This obligation is funded: Apportionments

The anticipated increase in obligation for future years will be approximately .0% per year. This expected increase is due to: We will probably stop this plan by 12/31/2013.

Additional Comments concerning this obligation: The term life insurance was set up at least 21+ years ago, before CPP. It provides a \$10,000 death benefit to active clergy.


This funding plan incorporates, to the best of our understanding, the conference’s obligations and funding of the following benefits provided to clergy and laity. Signatures included below are: Conference Benefit Officer (or equivalent), Conference Treasurer (if separate) and the Conference Board of Pension Chair, and others as appropriate.

- x CRSP DB
- x CRSP DC
- x MPP Annuities
- x MPP Future Annuities
- x Pre 1982
- x Post-Retirement Medical

- x Active Health
- x CPP
- x Other Obligations Section A
- x Other Obligations Section B
- x Other Obligations Section C
- Other Obligations Section D
- Other Obligations Section E

[Signature] Chair BOA/B, 4/4/13
 Signature, Conference Title, date

[Signature] Treasurer, 4/4/2013
 Signature, Conference Title, date



General Board Pension and Health Benefits
 Caring For Those Who Serve

Opinion on North Texas Comprehensive Benefit Funding Plan

This Funding Plan meets the standards for a Pre-82 funding plan as established by the General Board, and the requirements for a favorable opinion of a Funding Plan.

Note: The statement above and any written opinion provided by the General Board do not imply any representation as to the ability or probability of the applicable Conference to fulfill the obligations included in the Funding Plan.

General Board of Pension and Health Benefits
General Board of Pension and Health Benefits

Glenview, Illinois
 4/12/20

BOARD OF PENSION AND HEALTH BENEFITS

HEALTH BENEFITS POLICIES

June 2013

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 Extend Health for retired participants.

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

ELIGIBILITY

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

1. Ordained elders and deacons and commissioned persons on track to become elders or deacons (including those with full conference membership, provisional membership and associate membership), and local pastors appointed full-time to local churches within the conference and their eligible dependents.
2. Clergy serving as district superintendents and conference staff.
3. Clergy from other United Methodist annual conferences and ordained ministers from other denominations employed full-time and under episcopal appointment to a local church or charge of the North Texas Annual Conference under the provisions of Paragraphs 346.1 or 346.2 of the *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 full-time 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 Express Scripts 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 in-network or out-of-network. There is also a Pastoral Consultation Hotline for clergy available for both active and retired clergy at no charge. The number is 800-842-2869.

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

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 other clergy to age 65; \$5,000 for clergy age 65 to 70; \$1,000 for clergy over age 70. 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 through Ceridian. 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 an Extend Health 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 Extend Health 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 Extend Health 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.

Extend Health is available only to those with Medicare Part A and B benefits. Therefore, to qualify for Extend Health 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 2013 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 2013 Ministerial Compensation Report turned in at Charge Conference) must be below \$63,867 (the 2013 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
\$63,867 and above	100%	\$9,156	\$0
\$63,866–60,674	95%	8,698	458
\$60,673–57,480	90%	8,240	916
\$57,479–54,287	85%	7,783	1,373
\$54,286–51,094	80%	7,325	1,831
\$51,093–47,900	75%	6,867	2,289
\$47,899–44,707	70%	6,409	2,747
\$44,706–41,514	65%	5,951	3,205
\$41,513–38,320	60%	5,494	3,662
\$38,319 and below		5,494	3,662

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
\$63,867 and above	100%	\$8,232	\$0	\$12,792	\$0
\$63,866–60,674	95%	7,820	412	12,152	640
\$60,673–57,480	90%	7,409	823	11,513	1,279
\$57,479–54,287	85%	6,997	1,235	10,873	1,919
\$54,286–51,094	80%	6,586	1,646	10,234	2,558
\$51,093–47,900	75%	6,174	2,058	9,594	3,198
\$47,899–44,707	70%	5,762	2,470	8,954	3,838
\$44,706–41,514	65%	5,351	2,881	8,315	4,477
\$41,513–38,320	60%	4,939	3,293	7,675	5,117
\$38,319 and below		4,939	3,293	7,675	5,117

6. If the pastor's Total Compensation for Health Insurance Supplement Eligibility is above \$63,867 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 Extend Health 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 Extend Health. For those enrolling in the insurance supplement plan through Extend Health, 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 Extend Health, 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:

EXTEND HEALTH 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 EXTEND HEALTH 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 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 Extend Health or the active conference health plan.**

Spouses of clergy at time of retirement are eligible for Extend Health (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 Extend Health 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 Extend Health Funding Scale. Anyone retiring on or after January 1, 2014 will receive funding through appropriately reduced conference health insurance premiums based on the Extend Health 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 Extend Health 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 Extend Health Scale in effect on the date of retirement.

6. CLERGY WHO OPTED OUT OF SOCIAL SECURITY

Extend Health is available only to those with Medicare Part A and B benefits. Therefore, to qualify for Extend Health 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 Extend Health. The level of funding will correspond to the years of service attained at the effective date of retirement.

8. MEDICAL LEAVE (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 Extend Health 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 Extend Health 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 Extend Health 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.

Extend Health is available only to those with Medicare Part A and B benefits. Therefore, to qualify for Extend Health 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 Extend Health eligibility described in 1. above will receive HRA funding according to their years of service at time of retirement.

10. Surviving spouses of deceased retired clergy are eligible for coverage as long as the participant was a covered participant at the time of death. The health plans available to surviving spouses are

the same as those available to retiree participants and conference funding of the HRA is the same as for the retiree.

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

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

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

ADMINISTRATIVE PROCEDURES

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

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

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

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

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

The North Texas Conference makes health insurance available to clergy who have retired under the 20-year rule and to some clergy who are appointed to extension ministry positions. (Special arrangements for health coverage can be made in some cases for those appointed under ¶344.1b,

and ¶344.1d.) The premiums must be paid by the individual one month in advance and are due on the 20th of every month. Accounts are past due if not received by the 20th and if two payments are due on the 20th of any month, a letter will be sent to the individual with notification of insurance cancellation. In addition, an attempt will be made to schedule a meeting with the participant and a member of the conference staff to explain the termination of coverage. Any account that is two payments past due will be terminated if payment has not been received in the conference office by the end of the month. The termination date will be retroactive to the first of the month of unpaid premium. (For example: The premium for February is billed on January 1 and is due by January 20. The premium for March is billed on February 1 and is due by February 20. If neither February nor March premium is paid by February 20, the insurance will be terminated retroactive to February 1.)

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

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

This Health Benefits policy statement will be effective July 1, 2013.

INSURANCE ADVISORY COMMITTEE REPORT

An Update on the Conference Wide Property and Liability Insurance Program

At the 2006 Annual Conference session, the North Texas Annual Conference voted to enter into a mandatory conference wide property and liability insurance program. There were a number of reasons for making this decision, but the two most compelling factors were: 1) the recognition that nearly 40% of our churches were underinsured, and 2) the awareness that liability insurance claims have the potential for ascending liability, resulting in exposure of all the churches located in the conference to claims against any one church. Some other conferences were experiencing ascending liability claims of as much as 12 million dollars for large judgments such as an underinsured auto accident involving youth or senior citizens. This kind of judgment would require a special assessment to the churches and a loss of this magnitude would potentially double the current apportionment.

Since engaging Dallas based insurance agency McQueary, Henry, Bowles, and Troy of Dallas (MHBT) last April, the insurance advisory committee required onsite visits at each church to confirm adequate insurance and to provide loss control reports. Part of this year's fee to MHBT was contingent upon evidence that every site had been visited and a loss control report filed with the local church. In the coming year, the goal of MHBT and the Insurance Advisory Committee includes reviewing those reports that had critical items requiring immediate attention and following up with the local churches to confirm the issues were addressed appropriately. The goal is twofold:

1) making our churches and ministry programs safer; and 2) looking for ways to reduce the premium.

Over the last six years, claims from our churches exceeded industry standards by more than double.

Just as a poor driving record means increased insurance rates for the driver, poor claims experience means higher premiums for various lines of insurance. Some of the claims made were due to maintenance or failure to take appropriate safety measures. Unfortunately, the majority of the claims were due to hail losses. Dallas and Wichita counties have been hit particularly hard over the last six years. Sometimes these storm systems run in cycles, and hopefully, we will move out of this cycle soon because it is currently difficult to find insurance companies that will write policies for churches in these two counties without astronomical deductibles.

2012 was a particularly bad year for storms. Texas is ranked as the number one state in hail storm losses by State Farm. The following chart shows the 20 costliest storm losses in Texas since 1970. In 2012, the Dallas area experienced 2 storms landing in the top 10 storms of the past 40 plus years. The cost of the claims paid to all entities for the April 3 and June 16 hail storms exceeded the cost of the Bastrop Wildfires.

<u>COSTLIEST TEXAS STORMS</u>				
Insured Losses—Actual Dollars				
1950–Present				
RANK	COST	STORM	DATE	LOCATION
1	\$12 billion	Hurricane Ike	Sept. 13, 2008	Galveston Island
2	\$3.5 billion	Tropical Storm Allison	8-Jun-01	Houston
3	\$2.8 billion	Hurricane Rita	Sept. 24, 2005	Sabine Pass
4	\$1.1 billion	Hail Storm	5-May-95	North Texas
5	\$890 million	Hailstorm	13-Jun-12	DFW
6	\$885 million	Hail Storm	5-Apr-03	North Texas
7	\$795 million	Hurricane Alicia	Aug. 18, 1983	Galveston
8	\$775 million	Tornado/Hail	3-Apr-12	DFW
9	\$750 million	Hailstorm	28-Apr-92	Ft. Worth-Waco
10	\$500 million	Hurricane Dolly	23-Jul-08	Port Mansfield

11	\$445 million	Tornado	28-Mar-00	Ft. Worth
12	\$425 million	Hail Storm	28-Apr-95	DFW airport
13	\$400 million	Tornado/Hail	24-Apr-94	Lancaster/Desoto
14	\$360 million	Bastrop Wild Fire**	Sept. 3, 2011	Bastrop County
15	\$310 million	Hurricane Celia *	Aug. 3, 1970	Corpus Christi
16	\$291 million	Flooding	Oct. 1994	SE Texas
17	\$260 million	Hail/Wind	29-Mar-12	McAllen
18	\$211 million	Flooding	Oct. 1998	SE Texas
19	\$210 million	Tornado	10-Apr-79	Wichita Falls
20	\$188 million	Hail/Winds	8-May-81	Palo Pinto to Dallas
21	\$175 million	Hail Storm	21-Jun-04	Amarillo
<p>Figures were by compiled by the Insurance Council of Texas and verified by the Property Claim Services of the Insurance Services Office (ISO) and the National Oceanic and Atmospheric Administration (NOAA).</p> <p>* NFIP has no flood dollar amounts for storms prior to 1978.</p> <p>**Bastrop Wild Fire due to extreme drought</p>				

The Insurance Advisory Committee met with MHBT monthly over the past year to review current loss experience and to explore ways to reduce premiums in the long run. While no one can stop the hail storms from occurring, this team has looked at ways to make the losses manageable for our churches. While most policies are now charging 2% to 5% of building values for hail storm losses, the insurance advisory team has created a way to hold our deductibles at levels that are fixed, ranging from \$1,000 for the smallest churches and missional programs to a maximum of \$10,000 for the largest churches. Had we remained in our former insurance program where our deductibles increased to 2% of building value, our churches would have paid out \$1,405,611 for these hail losses this past year. Under the new program, our churches paid a total of \$74,260 out of pocket. The Conference administered Deductible Gap fund paid an additional \$632,000 for these deductibles. If we were no longer in a conference wide program, each church would need to internally budget for the larger 2% deductible now required by virtually every provider of wind and hail insurance in the state of Texas. The remainder was absorbed by the insurance company. While no insurance program is perfect, our current program is providing coverage with affordable deductibles for every church and ministry in the conference across all line of property and liability insurance.

We did see another large increase in premiums in 2012 due primarily to the hail storm losses. Every insurance company that has covered us has paid out more in claims than they have charged in premiums over the last six years. This year's negotiations included the conference shouldering more of the total burden of the deductible, but we are working to not increase the required outlay for any given church as we are well aware most churches would be unable to raise the needed cash to cover a 2% deductible on a hail loss. We continue to work on methods to reduce claims and provide a means of protecting our churches in the event of catastrophic losses so they can be about the ministry God has for them.

In addition to focusing on the property side of our insurance needs, the committee has negotiated critical coverage to our auto, worker's comp, general liability, foreign travel, and crime bonds. The insurance advisory committee is made up of seven individuals with extensive experience in property and liability insurance. They come from seven different churches of various sizes. They work hard on behalf of all of the churches of the North Texas Conference, negotiating your premiums, your coverage, and loss control initiatives. Sometimes, they even assist on an occasional claim, helping negotiate between all the parties as needed on your behalf. They volunteer their time and their talent, and are a great example of the strength of a connectional system.

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

REMITTANCES

	2011 RECEIPTS	2012 RECEIPTS
APPORTIONMENTS		
World Service	\$1,770,112.83	\$1,714,515.96
Ministerial Education	600,864.34	589,509.48
Black College Fund	240,636.87	235,384.97
Africa University Fund	56,937.95	52,754.80
Interdenominational Cooperation Fund	47,309.05	45,598.08
General Administration Fund	195,549.42	199,413.87
Episcopal Fund	515,593.27	539,217.20
Lydia Patterson Institute	62,994.86	64,475.82
Mt. Sequoyah	14,337.06	14,193.76
Jurisdictional Administration Fund	29,791.10	29,743.25
SMU Campus Ministry	7,860.83	7,865.24
Leadership Development	1,260,620.92	1,265,269.83
New Church Development & Congregational Transformation	785,101.43	808,954.75
Missional Outreach	674,778.34	678,912.55
Connectional Resources	1,437,560.91	1,463,081.97
Area and Conference Administration	496,875.30	558,133.33
Board of Pension & Health Benefits	2,066,070.46	2,118,520.39
District Superintendents Fund	526,869.10	535,437.59
District Administration Fund	<u>599,293.79</u>	<u>615,593.27</u>
TOTAL APPORTIONMENTS	11,389,157.83	11,536,576.11

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

REMITTANCES

	2011 RECEIPTS	2012 RECEIPTS
TARGETED CAUSES		
Second Mile Apportionment Fund	25,473.38	50,382.87
GENERAL ADVANCE SPECIALS		
National Missions	1,500.00	
Gulfside Assembly	5,569.00	
UMCOR		
UMCOR Undesignated Gifts	50,288.96	32,966.03
UMCOR Relief Supplies	1,874.23	88.20
Heifer International	5,972.00	5,595.00
Domestic Disaster Response	107,511.19	175,624.64
International Disaster Response	223,408.08	4,994.71
World Hunger & Poverty	581.00	4,015.00
Global Aids Fund	282.00	2,950.50
Nothing But Nets	8,849.12	18,207.42
Zoe Ministry-Rwanda	5,359.75	6,900.00
Haiti Advance Project	<u>5,520.32</u>	<u>21,864.24</u>
Total UMCOR	416,715.65	273,205.74
World Missions		
Regional Africa	9,429.53	9,645.00
Cameroon	430.00	4,364.90
Congo		2,000.00
Kenya	19,445.00	19,042.72
Liberia	400.00	1,680.00
China	1,000.00	3,000.00
Southeast Asia	2,000.00	100.00
Czech Republic	4,000.00	2,000.00
Ukraine	30.00	
Russia	2,772.00	3,174.26
Spain	2,500.00	2,500.00
Latin America and the Caribbean	4,600.00	10,095.90
Brazil	2,000.00	5,000.00
Chile	2,500.00	
Honduras	592.75	
Mexico	500.00	
Middle East	250.00	3,300.00
Panama	<u>0.00</u>	<u>6,567.00</u>

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

REMITTANCES

	2011 RECEIPTS	2012 RECEIPTS
Total World Missions	52,449.28	72,469.78
TOTAL GENERAL ADVANCE SPECIALS	469,164.93	345,675.52
YOUTH SERVICE FUND	1,458.29	1,687.60
GENERAL CONFERENCE OFFERINGS		
One Great Hour of Sharing	16,838.98	15,045.38
World Communion	6,453.19	6,597.76
UM Student Day	1,184.08	4,065.46
Human Relations Day	2,307.45	2,449.82
Peace With Justice	3,232.29	4,345.12
Native American Ministries	<u>1,544.76</u>	<u>2,854.61</u>
TOTAL GENERAL CONFERENCE OFFERINGS	31,560.75	35,358.15
ANNUAL CONFERENCE OFFERINGS		
Golden Cross	9,211.35	10,832.73
Methodist Mission Home	15,904.58	18,534.28
Methodist Home Waco	<u>72,297.31</u>	<u>49,571.43</u>
TOTAL ANNUAL CONFERENCE OFFERINGS	97,413.24	78,938.44
JURISDICTIONAL FAIR SHARE GOAL		
Lydia Patterson Endowment	89.00	727.30
Lydia Patterson Special/Scholarship	<u>10,572.59</u>	<u>5,753.20</u>
TOTAL JURISDICTIONAL FAIR SHARE GOAL	10,661.59	6,480.50
CONFERENCE ADVANCE SPECIALS		
Bethlehem Center	15,706.00	6,457.00
C. C. Young Home	3,590.50	4,816.00
Methodism Breadbasket	1,695.00	1,416.00
One Man's Treasure Clothes Closet	2,500.00	2,500.00
Bridgeport Camp & Retreat Center	109.00	
Project Transformation	9,139.50	12,317.32
Wesley Rankin Community Center	17,821.37	8,916.52
NTX Food Bank	3,000.00	

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

REMITTANCES

	2011 RECEIPTS	2012 RECEIPTS
Seek Camp-Children		100.00
Seek Camp		250.00
Wesley Village Retirement Home	<u>845.41</u>	<u>300.00</u>
TOTAL CONFERENCE ADVANCE SPECIALS	54,406.78	37,072.84
OTHER BENEVOLENCES	<u>390,922.69</u>	<u>194,671.08</u>
TOTAL NON-APPORTIONED FUNDS	1,081,061.65	750,267.00
TOTAL APPORTIONED FUNDS	<u>11,389,157.83</u>	<u>11,536,576.11</u>
TOTAL ALL CAUSES	\$12,470,219.48	\$12,286,843.11



Independent Auditor's Report

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

Report on Financial Statements

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, 2012 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, 2012, 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.

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Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Combined Schedule of Apportionments Received: Budget to Actual on page 20 and the Office of the Bishop Statement of Activity and Changes in Net Assets on page 21 are presented for purposes of additional analysis and are 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.

A handwritten signature in cursive script that reads "Thomas Stephen & Company, LLP". The signature is written in black ink on a light-colored background.

THOMAS STEPHEN & COMPANY, LLP

Dallas, Texas
July 19, 2013

North Texas Annual Conference of The United Methodist Church
Statement of Financial Position
December 31, 2012

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Assets:				
Current assets				
Cash	\$ 443,420	\$ -	\$ -	\$ 443,420
Accounts receivable	1,968,011	-	-	1,968,011
Investments	26,144,576	276,198	-	26,420,774
Prepaid expenses	626,446	-	-	626,446
Other assets	202,320	-	1,467,265	1,669,585
Inventory	3,723	-	-	3,723
Total current assets	<u>29,388,496</u>	<u>276,198</u>	<u>1,467,265</u>	<u>31,131,959</u>
Property and equipment				
Land held for resale	12,500	1,634,614	-	1,647,114
Building held for resale	772,776	-	-	772,776
Automobiles	68,309	-	-	68,309
Furniture and fixtures	569,146	-	-	569,146
Buildings	7,068,163	-	-	7,068,163
Capital improvements	457,978	-	-	457,978
Parsonages	1,225,791	-	-	1,225,791
Land	787,951	-	-	787,951
Less: (accumulated depreciation)	<u>(2,822,353)</u>	<u>-</u>	<u>-</u>	<u>(2,822,353)</u>
Net property and equipment	<u>8,140,261</u>	<u>1,634,614</u>	<u>-</u>	<u>9,774,875</u>
Total assets	<u>\$ 37,528,757</u>	<u>\$ 1,910,812</u>	<u>\$ 1,467,265</u>	<u>\$ 40,906,834</u>
Liabilities and net assets:				
Current liabilities				
Due to program liability	\$ 1,484,010	\$ -	\$ -	\$ 1,484,010
Accrued liabilities	505,395	-	-	505,395
Performance dividend payable	436,556	-	-	436,556
Notes payable - current portion	192,122	-	-	192,122
Unfunded postemployment benefits, due in one year	<u>789,021</u>	<u>-</u>	<u>-</u>	<u>789,021</u>
Total current liabilities	<u>3,407,104</u>	<u>-</u>	<u>-</u>	<u>3,407,104</u>
Non-current liabilities				
Notes payable - non-current portion	4,064,439	-	-	4,064,439
Unfunded postemployment benefits, due in more than one year	<u>27,773,670</u>	<u>-</u>	<u>-</u>	<u>27,773,670</u>
Total non-current liabilities	<u>31,838,109</u>	<u>-</u>	<u>-</u>	<u>31,838,109</u>
Total liabilities	<u>35,245,213</u>	<u>-</u>	<u>-</u>	<u>35,245,213</u>

See accompanying notes.

North Texas Annual Conference of The United Methodist Church
Statement of Financial Position (continued)
December 31, 2012

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Net assets				
Unrestricted undesignated:				
Conference reserves	\$ 810,666	\$ -	\$ -	\$ 810,666
Center for new church development	374,393	-	-	374,393
Center for leadership development	106,439	-	-	106,439
Center for missional outreach	235,331	-	-	235,331
Center for connectional resources	489,380	-	-	489,380
Episcopal office - area	14,375	-	-	14,375
Episcopal office-GCFA	11,250	-	-	11,250
Communications	77,478	-	-	77,478
District superintendents fund	115,067	-	-	115,067
District funds	377,787	-	-	377,787
Pension	(905)	-	-	(905)
Ministerial education fund	203,822	-	-	203,822
Unrestricted designated:				
Bridgeport reserves	(70,905)	-	-	(70,905)
Camping reserves	2,428,595	-	-	2,428,595
Communication/robertson awards	1,729	-	-	1,729
District reserves	2,146,634	-	-	2,146,634
Episcopal fund	125,186	-	-	125,186
Episcopal residence equity	166,821	-	-	166,821
Health insurance reserves	1,558,416	-	-	1,558,416
Jumpstart - leadership development	237,165	-	-	237,165
Leadership dev pass through	110,975	-	-	110,975
Legal fund	14,353	-	-	14,353
Missional outreach	204,167	-	-	204,167
New church starts	565,521	-	-	565,521
Pension reserves	2,847,501	-	-	2,847,501
Property insurance reserves	255,466	-	-	255,466
PACT ownership reserves	188,589	-	-	188,589
Prothro reserves	93,246	-	-	93,246
Retiree medical	(12,056,072)	-	-	(12,056,072)
Trustees	651,075	-	-	651,075
Temporarily restricted				
Catastrophic umbrella trust	-	276,198	-	276,198
Creating congregations land fund	-	1,634,614	-	1,634,614
Permanently restricted				
Perkins fund	-	-	1,403,197	1,403,197
Nannie findlay bean trust	-	-	64,068	64,068
Total net assets	<u>2,283,544</u>	<u>1,910,812</u>	<u>1,467,265</u>	<u>5,661,621</u>
Total net assets & liabilities	<u>\$ 37,528,757</u>	<u>\$ 1,910,812</u>	<u>\$ 1,467,265</u>	<u>\$ 40,906,834</u>

See accompanying notes.

North Texas Annual Conference of The United Methodist Church
Statement of Financial Activities
December 31, 2012

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Operating activities:				
Revenues & support				
Apportioned programs administered at other levels				
General conference	\$ 3,229,017	\$ -	\$ -	\$ 3,229,017
Jurisdictional conference	116,278	-	-	116,278
Apportioned conference program				
Ministerial education fund-NTC	147,377	-	-	147,377
Center for connectional resources	1,463,082	-	-	1,463,082
Center for new church development	808,955	-	-	808,955
Center for missional outreach	678,913	-	-	678,913
Center for leadership development	1,265,270	-	-	1,265,270
Board of pension & health benefits	2,118,520	-	-	2,118,520
Communications	461,203	-	-	461,203
Episcopal office - area admin	96,930	-	-	96,930
District superintendents fund	535,438	-	-	535,438
District administration fund	615,593	-	-	615,593
Net assets released from unrestricted designated	417,503	-	-	417,503
Non-apportioned conference benevolence				
General advance gifts	378,348	-	-	378,348
Conference benevolences	263,069	-	-	263,069
Bridgeport camp-non apportioned	901,600	-	-	901,600
Prothro camp-non apportioned	580,512	-	-	580,512
Health insurance income	6,039,749	-	-	6,039,749
Pension income	3,160,573	-	-	3,160,573
Property insurance income	4,975,628	-	-	4,975,628
Episcopal office-GCFA	77,300	-	-	77,300
Episcopal residence fund	17,460	-	-	17,460
Trustees	5,339	-	-	5,339
Other income	674,852	-	-	674,852
Interest and dividends	76,514	-	-	76,514
Total revenue & support	<u>29,105,023</u>	<u>-</u>	<u>-</u>	<u>29,105,023</u>
Expenses:				
Apportioned programs administered at other levels				
General conference	3,229,017	-	-	3,229,017
Jurisdictional conference	116,278	-	-	116,278
Apportioned conference program				
Ministerial education fund-NTC	233,975	-	-	233,975
Center for connectional resources	1,290,458	-	-	1,290,458
Center for new church dev and cong trans	1,414,811	-	-	1,414,811
Center for missional outreach	583,465	-	-	583,465
Center for leadership development	832,683	-	-	832,683
Campus ministries fund	412,764	-	-	412,764
Board of pension & health benefits	2,256,893	-	-	2,256,893
Communications	431,679	-	-	431,679
Episcopal office - area admin	71,571	-	-	71,571
District superintendents fund	522,218	-	-	522,218
District administration fund	549,846	-	-	549,846
Non-apportioned conference benevolence				
General advance gifts and missions	378,348	-	-	378,348
Conference benevolences	263,069	-	-	263,069
Bridgeport camp-non apportioned	1,047,860	-	-	1,047,860
Prothro camp-non apportioned	561,111	-	-	561,111
Health insurance expenses	6,152,461	-	-	6,152,461
Pension expenses	3,804,316	-	-	3,804,316
Property insurance	5,096,815	-	-	5,096,815
Episcopal office-GCFA	78,052	-	-	78,052
Trustees	58,927	-	-	58,927
Other expenses	721,917	-	-	721,917
Depreciation	280,080	-	-	280,080
Total expenses	<u>30,388,614</u>	<u>-</u>	<u>-</u>	<u>30,388,614</u>

See accompanying notes.

North Texas Annual Conference of The United Methodist Church
Statement of Financial Activities (continued)
December 31, 2012

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Net assets released from temporary restrictions	68,945	(68,945)	-	-
Decrease in net assets from operating activities	(1,214,646)	(68,945)	-	(1,283,591)
Non-operating activities				
Actuarial losses	(2,047,016)	-	-	(2,047,016)
Realized losses on Investments	(3,221)	-	-	(3,221)
Unrealized gains on investments	2,017,681	-	135,326	2,153,007
Increase (decrease) in net assets from non-operating activities	(32,556)	-	135,326	102,770
Total increase (decrease) in net assets	(1,247,202)	(68,945)	135,326	(1,180,821)
Net assets at beginning of the year	3,530,746	1,979,757	1,331,939	6,842,442
Net assets at the end of the year	<u>\$ 2,283,544</u>	<u>\$ 1,910,812</u>	<u>\$ 1,467,265</u>	<u>\$ 5,661,621</u>

North Texas Annual Conference of The United Methodist Church
Statement of Cash Flows
December 31, 2012

Cash flow from operating activities:	
Change in net assets	\$ (1,180,821)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities	
Depreciation	280,080
Decrease in accounts receivable	309,996
Increase in other assets	(101,489)
Increase in prepaid assets	(626,446)
Increase in inventory	(3,723)
Increase in accounts payable	891,519
Increase in postretirement benefits liability	<u>3,547,016</u>
Net cash provided by operating activities	<u>3,116,132</u>
Cash flow from investing activities:	
Purchase of investments	(2,643,941)
Withdrawal of investments	1,976,433
Unrealized gain on investments	<u>(2,123,879)</u>
Net cash used in investing activities	<u>(2,791,387)</u>
Cash flow from financing activities:	
Principal payments on notes payable	<u>(188,899)</u>
Net cash used in financing activities	<u>(188,899)</u>
Net increase in cash and cash equivalents	135,846
Cash and cash equivalents, at beginning of year	<u>307,574</u>
Cash and cash equivalents, at end of year	<u><u>\$ 443,420</u></u>
Supplemental disclosures	
Cash paid for interest	<u><u>\$ 109,840</u></u>

See accompanying notes.

North Texas Annual Conference of The United Methodist Church
Notes to Financial Statements
December 31, 2012

1. Nature of Organization

Organization and Nature of Activities

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 295 member churches. 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 assumption 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 Presentation

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.

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.

North Texas Annual Conference of The United Methodist Church
Notes to Financial Statements
December 31, 2012

2. Summary of Significant Accounting Policies (continued)

Use of Estimates

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

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.

Buildings, Improvements 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.

Concentration of Credit Risk

During the year, and at December 31, 2012 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, 2012, the financial instruments were stated at their fair value.

North Texas Annual Conference of The United Methodist Church
Notes to Financial Statements
December 31, 2012

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.

North Texas Annual Conference of The United Methodist Church
Notes to Financial Statements
December 31, 2012

3. Investments (continued)

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.

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 certificates of deposit, short term and 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, 2012.

	Level 1	Level 2	Level 3	Total
TMF short term investments	\$ -	\$ -	\$ 1,361,629	\$ 1,361,629
TMF certificates of deposit	-	-	351,658	351,658
GBOPHB short term investment fund	-	2,117,036	-	2,117,036
GBOPHB deposit account	-	569,768	-	569,768
GBOPHB retiree health account	-	16,506,619	-	16,506,619
GBOPHB superannuate fund	-	123,268	-	123,268
TMF long term investments	-	-	5,390,796	5,390,796
Total	<u>\$ -</u>	<u>\$ 19,316,691</u>	<u>\$ 7,104,083</u>	<u>\$ 26,420,774</u>

North Texas Annual Conference of The United Methodist Church
Notes to Financial Statements
December 31, 2012

3. Investments (continued)

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

	TMF Long Term Investments
January 1, 2012	\$ 7,778,725
Interest income	76,928
Additions	1,225,639
Withdrawals	(1,976,433)
Other expenses	(776)
December 31, 2012	\$ 7,104,083

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 2013, the Conference collected \$1,966,011 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 2012 apportionment and other remittances from local churches.

Amounts disbursed in January 2013, 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 \$1,484,010 as of December 31, 2012.

5. Building, Improvements 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, 2012:

Description	Useful Life	Cost
Land	N/A	\$ 787,951
Auto	5	68,309
Furniture and Fixtures	5	569,146
Buildings, Parsonages and Capital Improvements	30	8,751,931
Total		10,177,338
Less: Accumulated Depreciation		(2,822,353)
Net Building, Improvements and Equipment		\$ 7,354,985

North Texas Annual Conference of The United Methodist Church
Notes to Financial Statements
December 31, 2012

5. Building, Improvements and Equipment (continued)

Additionally, the conference has land and buildings valued at \$1,647,114 and \$772,776, respectively, that are held for resale at December 31, 2012.

6. Multiemployer Pension Plans

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

The risks of participating in these multiemployer defined benefit pension plans are different from single-employer plans because: (a) assets contributed to the multiemployer plan by one employer may be used to provide benefits to employees of other participating employers, (b) if a participating employer stops contributing to the plan, the unfunded obligations of the plan may be required to be borne by the remaining participating employers, and (c) if the Conference chooses to stop participating in one of its multiemployer plans, it may be required to pay a withdrawal liability to the plan. The Conference has no plans to withdraw from its multiemployer pension plans.

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

Pre-1982 Plan:

The Conference participates in the Pre-1982 Plan (“Pre-82”) which is a multi-employer defined benefit pension plan administered by the General Board of Pension and Health Benefits (“GBOPHB”). The fund covers 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 \$500,618 for 2012. An actuarial report is available from the GBOPHB that shows the funding requirements and funded status of the all the conferences for the Pre-82. In 2012, Pre-82 assets are expected to be overfunded by approximately \$301,730,411.

North Texas Annual Conference of The United Methodist Church
Notes to Financial Statements
December 31, 2012

6. Multiemployer Pension Plans (continued)

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 2012, and no payment will be required for 2013 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, 2012. 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, 2012 were \$52,603. These amounts are included in program disbursements in the statements 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 Annual Conference of The United Methodist Church
Notes to Financial Statements
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6. Multiemployer Pension Plans (continued)

Clergy Retirement Security Program (continued)

Total contributions to the CRSP for the years ended December 31, 2012 were as follows:

Defined contribution plan, funded from the Conference	\$	643,619
Defined benefit plan, funded from the Conference		<u>2,027,812</u>
Total contributions	\$	<u>2,671,431</u>

The Conference expects the annual contributions for all of the plans above to be approximately \$4 million a year. 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.

Subsequent to year end, 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 Retirement 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 contributory, whereby the retiree contributions can be adjusted for increases in the cost of health care. The plan is unfunded. Actuarial reports are currently obtained every two years.

The annual measurement date is December 31. The following table presents the Plan's funded status. At December 31, 2012, there were no plan assets for postretirement healthcare benefits.

Obligations and Funded Status

Accumulated postretirement benefit obligation (APBO)		
at December 31, 2012		
Gross APBO	\$	72,880,915
Retiree contributions		<u>(44,318,224)</u>
Net APBO		<u>28,562,691</u>
Benefit payments		872,343
Fair value of plan assets at December 31, 2012		-
Net unfunded status of the plan	\$	<u>(28,562,691)</u>

North Texas Annual Conference of The United Methodist Church
Notes to Financial Statements
December 31, 2012

7. Post Retirement Benefit Plan (continued)

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 positions consist of:

Noncurrent assets	\$	-
Current liabilities		789,021
Noncurrent liabilities		<u>27,773,670</u>
		<u>28,562,691</u>

Amounts recognized in the statement of activities consist of:

Net periodic benefit cost	\$	<u>1,966,512</u>
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Assumptions

The following weighted average assumptions were used in accounting for the plan as of December 31:

Weighted-average assumptions used to
determine benefit obligations at
December 31, 2012

Discount rate	3.75%
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Weighted average assumptions used to
determine net periodic benefit cost for
the year ended December 31, 2012

Discount rate	4.25%
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North Texas Annual Conference of The United Methodist Church
Notes to Financial Statements
December 31, 2012

7. Post Retirement Benefit Plan (continued)

Cash Flows

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

Year	Total Cost	Retiree Contributions	Net Conference Cost
2013	\$ 1,718,639	\$ 929,618	\$ 789,021
2014	1,997,024	1,105,230	891,794
2015	2,234,281	1,259,555	974,726
2016	2,493,095	1,426,119	1,066,976
2017	2,705,042	1,577,690	1,127,352
2018-2062	228,877,843	145,778,942	83,098,811
Total	<u>\$ 240,025,924</u>	<u>\$ 152,077,154</u>	<u>\$ 87,948,680</u>

As of December 31, 2012 the Conference has approximately \$18,820,388 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, 2012 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.

9. Note Payable

Notes payable as of December 31, 2012 are as follows:

Lender	2012
Texas Methodist Foundation	
\$91,137 note payable bears interest at a variable rate, currently one and a forty percent (1.40%) per annum; amortized over 30 years.	\$ 74,921

North Texas Annual Conference of The United Methodist Church
Notes to Financial Statements
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9. Notes Payable (continued)

Lender	2012
Texas Methodist Foundation \$349,037 note payable bears interest at a variable rate, currently five percent (5.00%) per annum; amortized over 30 years.	\$ 348,703
Texas Methodist Foundation \$480,145 note payable bears interest at a variable rate, currently three and a seventy five percent (3.75%) per annum; amortized over 30 years.	479,653
Texas Methodist Foundation \$57,000 note payable bears interest at a variable rate, currently six percent (6.00%) per annum; amortized over 17 years.	42,527
Texas Methodist Foundation \$320,000 note payable bears interest at a variable rate, currently currently four and a twenty five percent (4.25%) per annum; amortize over 30 years.	142,184
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, currently one and a ninety percent (1.90%) per annum; amortized over 20 years.	3,168,573
	\$4,256,561

Future principal amounts due as of December 31, 2012 are as follows:

2013	\$ 192,122
2014	196,020
2015	200,006
2016	204,081
2017	198,274
Thereafter	3,266,058
	\$ 4,256,561

North Texas Annual Conference of The United Methodist Church
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December 31, 2012

10. 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 the 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.

11. Subsequent Events

Subsequent events have been evaluated through July 19, 2013, the date the financial statements were available to be issued.

C. C. YOUNG MEMORIAL HOME

C. C. Young has just celebrated its 90th anniversary year!

Chartered in 1922, C. C. Young's humble beginnings were the vision and mission of Reverend Christopher Conley Young who was the pastor at Tyler Street Methodist church in Dallas. Reverend Young finished his sermon one Sunday, stepped down to greet new members and met an elderly woman of 85, who had no money, no relatives, and no place to go, asked for his help in finding her a place to live. Reverend Young was so moved by her plight that he resigned his pastorate with the blessing of the North Texas Conference. For the next five years, he undertook the task of establishing a home for aged women by raising funds and raising interest in building a place for aging women in need. The Conference was so moved by his unwavering dedication to this cause that they carried out his plans and changed the name to the C. C. Young Memorial Home, the first Methodist facility for the elderly in Texas.

Since its charter in 1922, C. C. Young has seen many changes and has evolved into a premier retirement community offering a constellation of services to older men and women in the Dallas community. Even with all the change that each year brings, C. C. Young continues its mission to work with others to transform complementary service responses to the aged. Through collaboration, C. C. Young works to intensify and broaden the programs and services so that each individual may flourish in *body, mind and spirit*.

The current location on a 20-acre wooded campus across from beautiful White Rock Lake continues to transform. Most recently, the opening of the newest residential living building, The Overlook, has changed the landscape of the C. C. Young campus. Census performance has exceeded bond holders' expectations and requirements and C. C. Young is a very near sustainable ongoing residency. The focal point of the campus is now the Central Park, right in front of The Overlook, which houses a water fountain purchased with funds donated by Asbury resident, William Huber, and a meditation labyrinth built with generous donations from the Charles C. Blaylock Memorial Fund. In 2013, we anticipate installation of a one-of-a-kind memorial walk where residents and family members will be able to remember and honor their loved ones by purchasing engraved bricks for the walkway. Most recently, another generous donation from Nancy Ann and Ray Hunt will provide funding for a stone water feature in the Central Park. All combined, the campus is alive and well, ebbing and flowing with today's changing world.

In trying to meet today's ever-changing economic climate and the demand of the current marketplace, C. C. Young is looking toward the future to stay relevant. In today's world, senior residents and their families expect to be supported by technology and to keep current with new trends in the marketplace. As such, C. C. Young has upgraded our technology platform as follows:

- Answers on Demand Clinical and Financial Enterprise System, which integrates all facets of the organization and is Electronic Health Record compliant.
- A Cisco VOIP phone system supports both residents and employees.
- Campus-wide Wi-Fi.
- Cisco network infrastructure.
- Laserfiche document management.

In 2012, C. C. Young hosted many special events on and off campus. Here are a very few examples:

- [A fundraiser: The Celebrate Age Dinner at Hunt Oil honoring Dr. Don R. Benton.](#) Dr. Benton continues to be an inspiration to the staff and residents of C. C. Young. He

currently holds the position of Director of Pastoral Care and he is the Chairman of the Body, Mind and Spirit Foundation Board. His sense of community and his passion for the mission and vision of Christopher Conley Young provide inspiration and support for all. All proceeds for this evening benefited our Benevolence Program which was created to support those Seniors who have outlived their financial resources.

- **A fundraiser: The C. C. Young Classic Golf Tournament.** This inaugural event was held at Bent Tree Country Club and featured former Dallas Cowboy, Mel Renfro. It was a glorious day with outstanding participation and support from the community and the C. C. Young sponsors. All proceeds benefited the Benevolence Program.
- **A fundraiser: Wrap It Up Luncheon.** This inaugural luncheon launched our Body, Mind, Spirit Connection which is a group of C. C. Young supporters banding together to support the Benevolence Program.
- **The Spirit Is Ageless Art Contest:** Held each year at The Point, Center for Arts and Education, last year's art contest was another successful effort with outstanding support from the residents and local community.
- **Veteran's Month:** C. C. Young honors and appreciates all our Veterans, many of whom are residents. Each November, our art gallery displays photos of current and former residents who served in the military. We host a Veteran's Day celebration complete with color guard and taps.

C. C. Young would like to thank the North Texas Conference of United Methodist Churches for devoting their time and talents to the residents at C. C. Young. Because of your support, our campus and programs continue to flourish.

We look forward to 2013 as we move into the next ninety years!

DALLAS BETHLEHEM CENTER

Location, Location, Location

The North Texas Conference of United Methodist Churches is being called to change the lives of its neighbors in South Dallas by Bishop McKee. Dallas Bethlehem Center (DBC) is located in the geographical and spiritual heart of 75215. For 67 years, DBC has been in mission to this community.

After suspending services in 2011, the restructured Board worked with local leaders to create a new strategy and vision. This vision is to impact the community with readiness tools and programs for school and life that leverage the 15,000 sq. ft. building asset, longstanding community relationship, and place of mission for United Methodists of the North Texas Conference.

Program partners were recruited as the experts in the fields most essential to changing lives in our service area of 75210 and 75215 of South Dallas. Our new program partners include:

- **Child Care Group:** Early childhood education in-house for fifty-six (56) 0–3 year old infants and toddlers. CCG's Born to Learn program will encompass other families in the community with its home-visit programming and training. (June 2013)

- **Champions of Hope:** 1-on-1 Christ-centered mentoring with over 150 fourth graders through high school. (February 2013)
- **Community Garden:** An ancillary program to organize community members in the growing, using, and selling of produce grown at DBC or in their own yards. (Spring 2013)
- **Zan W. Holmes, Jr. Community Life Center:** In conjunction with St. Luke “Community” United Methodist Church, a Back to Work program of the Texas Workforce Commission to offer ESL, GED, Adult education, Microsoft training as classes form; Methodism Bread Basket distribution site; Boy Scout Troup leadership.
- **Dallas Police Athletic League (PAL):** A youth crime prevention program that utilizes educational, athletic and recreational activities to create trust and understanding between police officers and youth. (active)
- **Community Partners:** A volunteer driven program in DBC’s computer lab to help neighbors access State of Texas resources they are eligible to receive.

By leveraging partnerships and volunteers, DBC has reduced its staff from 11 to 3, now focused on program partners, facility upkeep, volunteers and UMC/UMW relationships. DBC has made it a top priority to be the “base-camp” for United Methodists seeking to positively impact South Dallas.

For information about how your church can become a covenant partner with DBC, call Fran Lobpries, Executive Director at 214.428.5171 or email to admin@DallasBethlehemCenter.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 2012:

- Golden Cross funds were used to purchase prescriptions for 191 patients at a cost of \$25,437.
- Through the MedAssist program, 1,262 prescriptions were written for free medications provided by pharmaceutical companies at no cost. The retail pharmacy market value of these free medications is \$553,846.
- Golden Cross funded 997 supplies and devices given to patients to assist with the management of chronic illnesses. Supplies include glucometers, diabetes test strips, blood pressure cuffs, and syringes.
- The Golden Cross social worker provided 347 referrals to patients for services not offered at the Golden Cross Academic Clinic. These services include home health services, referrals for social services, assistance with durable medical equipment, and food assistance.

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.

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.

Julie Yarbrough, Chair

North Texas Conference Commitments

In 2012 North Texas Conference churches, Sunday school classes, UMWs and generous individuals contributed a total of \$68,114.53 to Golden Cross. The following churches met the Golden Cross founders’ original goal of \$1 per member per church:

Axe Memorial United Methodist Church
 Cockrell Hill United Methodist Church
 First United Methodist Church, Denton
 First United Methodist Church, Irving
 First United Methodist Church, Whitesboro
 Forestburg United Methodist Church
 Highland Park United Methodist Church
 Immanuel Korean Fellowship United Methodist Church
 Lone Star United Methodist Church

Preston Hollow United Methodist Church
 Salem-Kinsler United Methodist Church
 St. Andrew United Methodist Church
 Tira United Methodist Church
 Umphress Road United Methodist Church
 Walnut Hill United Methodist Church
 Warren United Methodist Church
 White Rock United Methodist Church

LYDIA PATTERSON INSTITUTE

In the late 1800’s a Methodist woman named Lydia Patterson answered God’s call to ministry with the children of immigrant families crossing the US-Mexico border and settling in South El Paso, Texas. In October, 1913, the Methodist Church opened the doors of a school in memory of this woman, Lydia Patterson Institute. In 2013, one hundred years later, we celebrate the thousands of lives that have been touched and changed through the love of Christ and the vision of one Methodist lay woman. We rejoice in the celebration of 100 years of educating thousands of students, forming leaders for the church, breaking the cycle of poverty in countless families, and bringing Jesus Christ to generations of young men and women. Numerous activities are planned in celebration of Lydia Patterson’s 100th Anniversary throughout the year, but the most thankful celebration is that of proudly claiming the definition of a true ministry of the United Methodist Church.

In the last few years, Lydia Patterson has seen the pain in the faces of students caught in the rage of drug wars, murder, and instability in their home town. Lydia Patterson has served as their safe haven in a world of violence. By the grace of God, this past year has begun to see a more peaceful neighboring city of Juarez, Mexico. In a U.S. report, Juarez has dropped from being the most dangerous city in the world to number 19 in a list of 50. El Paso, on the other hand, has once more been rated as the 3rd safest city in the country.

As a result, our enrollment is back up to 430 students with a goal of 500 for the next school year. Parents are regaining their confidence, and many are returning to work. The need to continue to help these families more than ever, is evident. The number of scholarship students increased three-fold. We are grateful to the number of churches and friends that have stepped up and supported us with scholarship funds and apportionments for continued operations.

Last May, we graduated 81 students, all of which are in college today. The graduating class received \$1.3 million in scholarships from United Methodist colleges and universities. Ninety-five percent of our graduating students are going to college.

In 1913, when Mr. Patterson gave \$75,000 to the Methodist church to build Lydia Patterson, he asked that boys be trained to lead the Hispanic churches springing up along the Rio Grande. The school opened its Ministerial Program. Many of the pastors leading churches in the Rio Grande Conference received their training here, including an Episcopal bishop. Today, Lydia Patterson trains young men and women through its Student Lay Ministry Program. Students serve in internships in local churches while at Lydia Patterson and while attending college. Many have chosen to pursue their calling by moving on to seminary.

Lydia Patterson is looking forward to its second 100 years. In preparation, it is engaged in a capital campaign to renovate its campus and equip it with the latest state of the art technology. Classrooms are being renovated. Student services will be enriched with a new media and research center and computer and science labs. New dining and fine arts facilities will be built, including a new chapel where students will be able to worship together.

The board of trustees has pledged its total commitment to the campaign. One-hundred percent of the faculty and staff have pledged to the campaign and students, alumni and parents are equally committed. The El Paso community has joined the South Central Jurisdiction and will be remembered as the creators of the legacy of the second one hundred years of “La Lydia”.

Our appreciation goes out to every member of this conference, the Bishop and all those who join us to prepare for the next 100 years and to continue to make a difference as we change lives and form disciples for Jesus Christ for the transformation of the world.

Socorro de Anda, President

METHODIST CHILDREN’S HOME

Greetings from Methodist Children’s Home (MCH) and the more than 1,400 children we serve thanks to the support of our many benefactors and friends, including those 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.

Our friends and benefactors can be confident that we are working to find the highest and best use of the resources entrusted to us so that MCH can continue to effectively serve children from what we call the “hard places in life.” I am proud of the commitment, dedication and contributions of our staff, Board of Directors and volunteers. Our benefactors help make this work possible through their gifts, service and prayers.

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 continues to work hard to accomplish goals produced by our strategic plan. I invite you to visit our website at www.methodistchildrenshome.org to view our five-year 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 the young people in our care. This is happening every day through residential programs in Waco and Waxahachie and at our Boys Ranch, as well as through our Family Outreach office in Dallas and recent partnership with Oak Cliff United Methodist Church.

Our recent collaboration with Texas Christian University's Institute of Child Development continues to place MCH on the cutting edge of childcare as we learn new ways to serve children who have experienced trauma. These proven and tested techniques are impacting children, youth and their families in positive ways. Our vision is to take what we learn and begin making it available to pastors, youth ministers and concerned family members in the local church. The lessons we are learning coupled with our commitment to offer spiritual development opportunities to 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 20 high school seniors in May 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.
- Increase the impact in the Dallas area through the work of our Family Outreach Office. Staff members in our Family Outreach locations provide MCH foster care and in-home services, such as the Partnership in Parenting Program, Grandparents as Parents Program, and a new program entitled Family Solutions. Our website has a full listing of our 11 Family Outreach offices and how to contact them for assistance or answers to community and church needs.
- Expand our competitive athletics and Ag Science/FFA programs. This included the addition of a football field on our Waco campus and increased participation of young ladies from the Waco campus in FFA projects at the Boys Ranch.
- Recognize the great work of 83 staff members with employee service awards. All honorees had at least three years of service, and nine employees celebrated 20 or more years with our ministry, including one who was honored for 40 years.
- 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 Rev. Dr. Ouida Lee of Dallas who recently completed her service on the Board of Directors, and to Mr. Scott Wallace of Dallas who currently serves on the Board. We look forward to the service of Rev. Marie Mitchell of Duncanville and Mrs. Amy Barley of Celina as new members of our Board.

These individuals, along with our other Board members, 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 promote an offering, contact Trey Oakley, MCH Vice President for Development, at 1111 Herring Avenue, Waco, Texas 76708 or by phone at (254) 750-1213 or (800) 853-1272. I also encourage you to visit our website to download stories, identify resources to help

educate your congregation on our ministry, and view our transparent listing of financial resources and services delivered.

Thank you for your continued trust and support of our ministry. May God bless you and Methodist Children's Home.

Tim Brown, President

MOUNT SEQUOYAH CONFERENCE AND RETREAT CENTER

150 N Skyline Drive, Fayetteville, Arkansas 72701
479.443.4531 OFFICE |800.760.8126 TOLL FREE www.mountsequoyah.org

“Renewal” is the new mantra on the Mountain! Just as the United Methodist Church is taking its rightful place in the worldwide awakening of the Body of Christ so too is the Mount Sequoyah Conference and Retreat Center. The year 2012 marked the inaugural year for our transition from a facility that simply emphasizes Christian hospitality to a Premier United Methodist Conference and Resort Center that provides Relevant Training and Networking for United Methodist clergy and laity, *21st century Functionality and Amenities* in event and lodging facilities, a *Captivating Environment* with walking trails and botanical gardens, and *Purposeful Ownership* driving honor and esteem for our institution.

As we embrace God's Purpose for Mount Sequoyah in the 21st century, we continue to seek, welcome and gather visitors and guests from every generation, race, gender and religion. On the Mountain our guests enjoy an environment where they are both functionally and spiritually connect with God and nature. They come to Mount Sequoyah for lodging, business meetings, educational events, family reunions, weddings, recreation and spiritual growth. The 13,000 guests we served in our United Methodist Environment in 2012 included College Students, United Methodists, Corporate Leaders, Veterans, University Parents, Bikers, Educators and Families. Every guest, without exception, is surrounded by the icons and spiritual disciplines of our faith and with the hospitality we extend, they are introduced to United Methodist's practices and principles, most notably John Wesley's three simple rules...Do No Harm. Do Good. Stay in Love With God.

Mount Sequoyah Center ended the year with a substantial net income for the first time since 2006 and we want to thank the North Texas Conference for the part you are playing in our success. In addition to the apportionments you offered, United Methodist utilization of the facilities provided \$170,000 of our \$1.5M revenue in 2012 with \$7,000 coming directly from the Texas Conferences from such groups as Memorial Drive UMC and Texas participants in Small Church Institute. Finally, the state of Texas provided another \$18,000 from 3 university groups, 1 veteran, and 70 university parents. And that's not all. The North Texas Conference is also providing us with tremendous leadership and council from Reverend Eric Folkerth and Bishop Max Whitfield who are active, contributing members of the Mount Sequoyah Board of Trustees.

For many years the Texas Conferences have sent tremendous volunteers to Mount Sequoyah bringing time, energy and a plethora of skills to groom and maintain the Mountain. We are eternally thankful for all you have done and want to impress upon you that if you haven't been to the Mountain lately (or ever), now's the time to engage. With a recently approved \$300,000 matching grant from The United Methodist Foundation of Arkansas, our fundraising efforts have begun and we are moving forward to repurpose and renew the Mountain. The new vision for

Mount Sequoyah is real and achievable and you will want to be a part of reclaiming the Texas ownership in this phenomenal institution.

PERKINS SCHOOL OF THEOLOGY

SOUTHERN METHODIST UNIVERSITY

Perkins received positive evaluations from all three of our accrediting bodies during the past year: The Association of Theological Schools, Southern Association of Colleges and Schools, and University Senate of The United Methodist Church.

New faculty and staff members are strengthening our mission of preparing women and men for faithful leadership in Christian ministry. D. Max Whitfield was named Bishop in Residence for 2012–2016 while Dr. Brad R. Braxton joined our faculty as Lois Craddock Perkins Professor of Homiletics and Dr. James Kang Hoon Lee joined our faculty as assistant professor of the History of Early Christianity. Dr. Arlene Sánchez Walsh, associate professor in the Graduate School of Theology at Azusa Pacific University, was 2012-2013 visiting professor. Dr. Mark W. Stamm, Christian Worship, and Dr. Rebekah Miles, Ethics and Practical Theology, were promoted to full professor. Rev. Connie Nelson was selected as director of Public Affairs and Alumni Relations, and Dr. Rebecca Frank Bruff became director of our Center for Religious Leadership. Dr. Ruben Habito, professor of World Religions and Spirituality, was named Interim Coordinator of the Spiritual Formation and Spiritual Direction programs, an administrative transition shifting these important responsibilities to a highly qualified full-time faculty member. Searches for new faculty members in the fields of History of Christianity and Christian Theology have resulted in candidates with exceptional promise, and we anticipate filling those positions for the start of the 2013–2014 academic year.

Our 2012 entering class has a median age of 29—the first time in nearly a decade that the median age has been under 30. Among all Perkins students, more than two-thirds are United Methodist and more than one-third are persons of color. The Doctor of Ministry program continues to grow with new cohorts of students from southern Asia taking classes in Singapore and in Dallas. Our Ph.D. program, one of only two highly rated doctoral programs among the 15 at SMU, includes two Latino Ph.D. students supported through a grant from the Luce Foundation to Perkins' Center for the Study of Latino/a Christianity and Religions.

To be sure, Perkins is not immune from the challenges faced by schools of theology and seminaries across the United States. However, we are 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.

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 (formerly Methodist Mission Home). Our new name reflects our expanded

mission over 118 years. Providence Place is a home for young people with disabilities learning to be independent. It is a home for young women considering adoption—we are a leader in adoption services. 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.

Quick Facts

Founded: 1895, San Antonio

Campus Headquarters: 6487 Whitby, San Antonio, TX 78240

Website: www.provplace.org

2012 FY Budget: \$4.1 million

Providence Place Ministry

Now, to share the adoption of our new name—Providence Place. When God calls us, we need to be open to his message and listen. For 3 years, our Board has questioned the need to consider a new name to align with our expanded services and reach out to a broader segment of people in our communities across Texas. We have been seeking opportunities to appeal to younger, more diverse people in need of our services, people looking to volunteer, and people seeking to make a financial contribution.

In June 2011 Strategic Planning, the Board decided to listen to God's call and explore our options for a new brand. After selecting a brand professional, the Board Brand Committee and Leadership Brand Team developed consensus about a brand character statement that clearly defined our values, attributes and services. From this, the brand professionals identified about 70 names, winnowed down to 25, and ultimately presented 5 finalists for consideration by the Board and Leadership Team. These 5 names, plus Methodist Mission Home, were emailed in a research survey to test approval scores. Many of you likely participated in our survey.

The research results were presented to our Board in June 2012 with the recommendation for our new name. Providence Place received the majority of votes from a variety of audiences, and the Board unanimously approved the adoption of our new name, Providence Place, for rollout on March 1, 2013.

As the Board and Leadership Team celebrate our decision, we recognize our ongoing commitment to communicate openly and clearly. In our 118 year history, we have been called to meet the changing needs of God's people. Since 1895, our name has transitioned 7 times. We acknowledge this decision has challenged us to step outside our comfort zone. Yet, in reflection on our heritage and history—God led Madame Volino to be a disciple and transform her brothel into the San Antonio Rescue Mission. Once again, God has given us a new name!

We will always be grateful for our Methodist foundation and we thank you for your open hearts, open minds and generous contributions that enable Providence Place to continue Giving God's Children a Faith, a Family, a Future.

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. Remember Providence Place in your Will or Charitable Estate Plan. Contact Development Office @ 210-696-2410 for more information.
- Volunteer as a Providence Place Ambassador to assist us with outreach in your church and community. Contact Development Coordinator for details @ 210-696-2410
- Visit us on Facebook and Twitter www.facebook.com/provplaceofficial and www.twitter.com/provplace and “like us” and 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 Directors from the North Texas Annual Conference: Dr. William J. Bryan, Dr. Tom Hudspeth, Rev. Katherine Lyle, Louise Taylor, Dr. Joan Gray LaBarr.

Jennifer Sample, President & CEO Kent Leighton, Chair, Board of Directors

Oklahoma City University
2501 North Blackwelder
Oklahoma City, OK 73106

Saint Paul School of Theology

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

www.spst.edu

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 Kansas City and in Oklahoma City.

During the 2012–2013 academic year, 196 students from 12 annual conferences and 9 countries were enrolled in degree programs at Saint Paul School of Theology on both campuses. The Course of Study School at Saint Paul served 236 students at the Kansas City, Missouri, Springfield, Missouri, and Oklahoma City, Oklahoma locations.

In November 2012, the Saint Paul School of Theology Board of Trustees voted to enter into an Agreement for Building Occupancy and Commitment to Collaborate between Saint Paul School of Theology/Kansas City and the United Methodist Church of the Resurrection. The agreement concluded a period of study and represents the seminary’s vision to create a nationally recognized, vibrant, innovative locus of theological education aimed at preparing leaders for congregations

and faith communities in the changing culture and emerging field of mission. It seeks to provide learning in the practice of ministry for both clergy and laity that is characterized by excellence. The Kansas City campus will move to Leawood, KS in the fall of 2013. The Oklahoma campus will remain at Oklahoma City University.

Saint Paul at OCU began its 5th year in September. Two new faculty members have been added in Oklahoma. Bishop Steven Charleston was appointed as Visiting Professor of Native American Ministries, a position funded by a grant from the Henry Luce Foundation. Dr. Stan Basler, DMin '00, joined the faculty in January 2013 as Visiting Professor of Restorative Justice and Prison Ministry.

Twenty-four master's degree students and three doctoral students graduated from the Kansas City campus in May 2012. Six master of divinity students graduated at the 2nd Commencement Convocation in Oklahoma in August 2012. The first graduates of the Seminary Lite program in Oklahoma also received certificates.

The 3rd Saint Paul Korean Doctor of Ministry cohort began this winter. This program is a partnership with Hyupsung University in Seoul, Korea.

Saint Paul School of Theology will host *A Seminary Celebration: Looking Back, Looking Forward* on April 25–26, 2013 on its Kansas City Truman Road Campus. The event will celebrate the past, present, and future of the seminary. Activities will include a retirement luncheon honoring Dr. Sondra Matthaiei MRE '69, the installation of Dr. Harold Washington as Vice President of Academic Affairs and Dean, the Cleaver Lecture on Justice featuring Michelle Alexander, author of *The New Jim Crow*, a prayer breakfast, and closing worship service in Kresge Chapel.

The class of 1963 will be the 50 year honor class at the 52nd Commencement Convocation on May 17 for the Kansas City campus. Dr. Sondra Matthaiei '69, retiring Professor of Christian Religious Education, will be the speaker. UMC Arkansas Bishop Gary Mueller will speak at the 3rd Commencement for the Oklahoma City campus.

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

SOUTHERN METHODIST UNIVERSITY

This is an exciting time at SMU, 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 2012 enrollment was 10,893, including 6,249 undergraduates and 4,644 graduate students. Ethnic minority students made up 24.7 percent of total enrollment and 27 percent of undergraduate enrollment. A record number of 1,282 international students came from 89 foreign countries.
- SMU consistently ranks in the top one-fourth of the "best national universities" in *U.S. News & World Report* rankings. In the 2013 report, SMU ranks 58 among 280 national universities, an increase of four points from the previous year.

- SMU's external awards for research and sponsored projects have increased significantly. During 2011–12, SMU received \$22.4 million for research and sponsored projects throughout the U.S. and worldwide on six continents.
- SMU Unbridled: The Second Century Campaign, launched in 2008, is the largest fund-raising effort in the University's history, with a goal of \$750 million. At campaign midpoint in 2012, gifts totaling \$664.8 million are providing funds for 231 scholarships; 23 endowed academic positions; 17 academic program endowments, including support for two schools and one academic department; and 16 new or renovated facilities.
- SMU's Residential Commons Complex, currently under construction, includes five new residence halls and a dining facility. Completion in 2014 will enable SMU to implement a residency requirement for sophomores along with first-year students. The halls will include classrooms and faculty accommodations.
- A new general education curriculum for undergraduates, implemented in fall 2012, is designed to prepare students for the demands of an increasingly interconnected global society, with emphasis on ethics and engaged learning programs. Undergraduate students participate in scholarly research, civic engagement, professional internships and creative activity related to education goals.
- The George W. Bush Presidential Center, opening at SMU in April 2013, consists of the Library, Museum and independent Institute. The Center will be a valuable source of research materials and is already sponsoring programs for scholars, students and visitors. Current Bush Institute programming includes a leadership development program for Egyptian women.
- Thomas B. Fomby, professor of economics in Dedman College of Humanities and Sciences, and Marcia K. Armstrong, associate dean for master's programs in Cox School of Business, have been elected to the Economic Advisory Committee of the United Methodist General Council on Finance and Administration.

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

The 2012–2013 academic year marks my last year to serve as president of Southwestern University. In February 2013, we announced the appointment of Dr. Edward B. Burger to be the 15th president of Southwestern University. Dr. Burger is currently the Francis Christopher Oakley Third Century Professor of Mathematics at Williams College and has a national reputation for educational innovation and leadership. He will assume the presidency of Southwestern July 1.

The Southwestern University Board of Trustees also is under new leadership, with the appointment in 2012 of Dr. Robert W. Karr, a former pharmaceutical company executive and biotechnology entrepreneur, to serve as chair. He succeeds Merriman Morton, an Austin banker and Southwestern graduate who served as board chair from 2006–2012. Dr. Karr graduated from Southwestern in

1971 with a degree in biology and received his medical degree from The University of Texas Medical Branch in Galveston.

It has been a privilege for me to serve as president of my alma mater for the past 13 years. As I wrap up my tenure at Southwestern, I am focused on two goals: bringing *Thinking Ahead: The Southwestern Campaign* to a successful conclusion and having Southwestern's accreditation reaffirmed by the Southern Association of Colleges and Schools Commission on Colleges.

The *Thinking Ahead* campaign was launched publicly in April 2006 with an initial goal of \$125 million to support initiatives for students, faculty, diversity enrichment, and enhancing the living/learning environment on campus. In October 2012, our Board of Trustees voted to extend the campaign until June 2015 and increase the campaign goal to \$150 million to include \$24 million for a new science center.

As of February 2013, the campaign had raised more than \$141 million. The 2011-2012 fiscal year was the third best fundraising year ever in Southwestern's history, with gifts and pledges totaling nearly \$19 million.

Thanks to a recent \$1 million challenge grant from the J.E. and L.E. Mabee Foundation, we hope to have raised \$8 million for our new science center by December 2013. This will enable us to start phase one of the project sometime in late 2013 and have some much-needed new space available for the 2015–2016 academic year.

Southwestern took a major step toward the successful reaffirmation of its accreditation from the Southern Association of Colleges and Schools Commission on Colleges when it hosted a site visit for representatives from the commission in late October 2012. We were particularly excited to share with the commission the plans for our new Quality Enhancement Plan (QEP), which is a required component of the reaffirmation process. Our QEP topic of interdisciplinary teaching and learning draws upon elements of the Paideia program that Southwestern started in 2002, but—unlike the original Paideia program—will be available to all students and will be at the center of Southwestern's academic program. Once the new QEP is implemented, "Paideia" will refer to this new academic experience at Southwestern that is interdisciplinary, integrative and intentional.

Beginning in the fall of 2014, new students at Southwestern will be introduced to "clusters" of courses that are organized around a theme or problem. Students will choose three of these interconnected courses to meet some of their general education requirement and serve as their "Paideia Cluster." In their junior or senior year, students will take a fourth course that is team-taught and will be known as the "Paideia Seminar."

This fall, we will be offering pilot courses in three "clusters". One of those is entitled, Global Health. A committee of faculty, staff, and students has been meeting every other week to develop the new QEP and a director for the program is expected to be named later this year.

Southwestern must meet more than 90 principles of accreditation for reaffirmation, and we are confident that we will receive a reaffirmation of our accreditation in June 2013.

Much of 2012 was spent implementing several other new initiatives that were announced in 2011. In August 2012, Dr. Pamela McQuesten joined Southwestern as our first Chief Information Officer. Dr. McQuesten is working to integrate the operations of our A. Frank Smith Library Center and our Information Technology Services department to ensure that our students and faculty have access to the best information possible in this new digital age. Several recent grants from the Andrew W. Mellon Foundation are assisting us in this effort.

In February 2012, we announced the hiring of our new head football coach, Joe Austin. Coach Austin is leading an effort to bring football back to Southwestern for the first time in more than 60 years. He has completed hiring the rest of his coaching staff and is busy recruiting students who will begin play in fall 2013. In 2012, we also hired our first varsity women's lacrosse coach, Matthew Grosso. Both these initiatives are designed to enhance our student life experience as well as increase enrollment, and we are already seeing results.

Our enrollment in Fall 2012 was the highest ever, with just over 1,400 students.

In 2012, Dave Voskuil was appointed vice president for enrollment services after having served in an interim capacity since July 2011.

In January 2013, we had the highest number ever of transfer students enrolling at Southwestern. Several of these students came to Southwestern as part of a new program being funded by the Jack Kent Cooke Foundation. The program provides support to groups of students who transfer to Southwestern from Austin Community College.

In November 2012, I announced the appointment of Dr. Michael Douglas to help us explore the possibility of a new master's degree program in translational medicine with The Methodist Hospital Research Institute in Houston. Dr. Douglas also is serving as the executive director of the Texas Life-Sciences Collaboration Center, of which Southwestern is a founding member.

Faculty Appointments

We welcomed two new tenure-track faculty members for the 2012–13 academic year: Erin Crockett, assistant professor of psychology, and Valerie Renegar, associate professor of communication studies. Professor Crockett received her undergraduate degree from Southwestern in 2005 and served as a visiting professor in 2011–2012.

In March 2012, art professor Mary Visser was named to the Herman Brown Chair, one of two “rotating” Brown Chairs at Southwestern, and Eric Selbin, a professor of political science whose research focuses on theories of revolution and Latin American politics, was re-appointed to another five-year term as University Scholar.

Dirk Early, professor of economics, and Emily Niemeyer, professor of chemistry, will assume their appointments as the Hugh Roy and Lillie Cullen Chair in Economics and the Herbert and Kate Dishman Chair in Science, respectively in the 2013–14 Academic Year.

Academics

The quality of the education we provide at Southwestern was validated in May 2012, when we learned that we were one of 47 colleges nationwide selected to participate in a \$50 million science education initiative sponsored by the Howard Hughes Medical Institute. Over the next four years, we will receive \$1.3 million to transform the curriculum in all our natural science departments. Chemistry professors Emily Niemeyer and Maha Foote are the co-directors of this exciting new initiative, and a 2012 Southwestern graduate, Alexis Kropf, is serving as the program coordinator. The new “HHMI-Southwestern Inquiry Initiative” was formally launched in January 2013.

Accolades

Southwestern received numerous accolades in 2012. In August 2012, we were one of 40 colleges selected to appear in an updated version of the book *Colleges That Change Lives*. Also in August, Southwestern placed in the top 100 colleges and universities in the United States on a list of America's Top Colleges published by *Forbes* magazine and was second in Texas, behind only Rice University. The *Forbes* ranking looks at colleges the way a consumer might look at them, with an

emphasis on factors such as teaching quality, four-year graduation rate, success after graduation, and the amount of debt that students have when they graduate.

In September 2012, we were included in a “Road Trip” feature in *U.S. News & World Report’s* annual education issue. Southwestern also is one of the colleges profiled in the 2013 edition of the Princeton Review’s flagship college guide, *The Best 377 Colleges*.

Southwestern also continues to be recognized for its involvement in the community. In 2012, one of our students was named Volunteer of the Year by the Boys & Girls Club of Georgetown for her work in revitalizing the club’s garden program. One of our local City Council members thought so highly of one of our students that she appointed him to serve on a special committee being formed to consider and evaluate proposed amendments to the Georgetown City Charter. The student ended up being selected to chair the committee. Jimmy Smith, a kinesiology professor who devotes countless hours to dog rescue efforts, received our 2012 William Carrington Finch Award, which includes a \$5,000 prize.

Our Office of Civic Engagement was expanded in 2012 to include a second full-time staff person. *Washington Monthly*, which rates schools based on their contribution to the public good, ranked Southwestern 45th among liberal arts colleges in 2012.

In August 2012, Southwestern received word from the U.S. Department of Education that our Upward Bound program will be funded for another five years. This program serves 50 students from high schools in Georgetown, Jarrell, and Granger. This grant is worth \$1.25 million.

In 2012, Southwestern also began partnering with Revolution K12 to offer free or reduced-cost college prep courses for area high school students and their parents. This was just the latest in our ongoing implementation of lifelong learning initiatives.

Faculty Achievements

Southwestern University faculty members also earned a variety of honors in 2012. For example:

- Five Southwestern faculty members published books in 2012: Herbert Genzmer, visiting assistant professor of German, published a novel titled *The Perfect Game*; Terri Johnson, assistant dean for multicultural affairs, published a book of poetry titled *Never Journey Alone: Even a Strong Woman Cries*; Alison Marr, assistant professor of mathematics, co-authored a new edition of a textbook titled *Magic Graphs*; Francis Mathieu, assistant professor of French, published a book titled *The Art of Aestheticizing Precepts: Rhetorical Exemplarity in the French Early Modern Novel*; and Eric Selbin, professor of political science and University Scholar, had his book titled *Revolution, Rebellion, Resistance—The Power of Story* published in German and Spanish.
- Shana Bernstein, associate professor of history, was one of 25 scholars selected to serve as Distinguished Lecturers for the Organization of American Historians in 2012–2013.
- Lois Ferrari, a music professor at Southwestern who also serves as music director of the [Austin Civic Orchestra](#), was named 1st runner-up for the [2012 American Prize in Conducting-Community Orchestra Division](#). Fumiko Futamura, assistant professor of mathematics, received a \$69,432 grant from the National Science Foundation that will enable her to finish a textbook she is working on about projective geometry and its connection to perspective drawing.
- Mary Grace Neville, associate professor of business and holder of the John Shearn Chair in Business, received a Fulbright Award to spend the fall 2012 semester teaching at Ashesi University in Ghana.

- Barbara Boucher Owens, who retired from our computer science faculty in 2012, was one of six computer science educators nationwide to be named Distinguished Educators by the Association for Computing Machinery, a 100,000-member professional computing organization. The award recognizes ACM members who have achieved significant accomplishments or have made a significant impact on the field of computing, computer science, and/or information technology.
- In November 2012, five 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 2012-2013 Exemplary Teaching Award from the Board of Higher Education and Ministry of the United Methodist Church.
- A paper published in 2012 found that Southwestern University was tied for second among all the institutions in the country when it comes to publishing papers about the teaching of sociology. This is due to research conducted by Ed Kain, a professor of sociology and University Scholar.

Student Achievements

Southwestern students also have earned a variety of honors in the past year. For example:

- Senior education major Kelsey Welden was one of three students selected statewide to receive a scholarship from the Texas Association of School Personnel Administrators (TASPA) for the 2012-2013 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.
- Southwestern students Ann Bransford, Lauren Gieseke, Lucero Pina and Jay Scheinman have been 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.
- Senior mathematics major Yvette Niyomugaba won an Outstanding Presentation Award for the poster she presented at the Mathematical Association of America's Joint Mathematics Meetings held in January.
- Jessica Olson, a junior with a double major in environmental studies and feminist studies, was selected to be a youth delegate to the 18th Conference of the Parties (COP18) of the United Nations Framework Convention on Climate Change that was held in Doha, Qatar, from Nov. 26–Dec. 7.
- A team of four Southwestern students earned an invitation to participate in the Best -Strategy Invitational (BSI), a global competition among the highest-performing teams in a competition known as the Business Strategy Game.
- Three Southwestern students received the highly competitive Benjamin Gilman International Scholarships from the U.S. Department of State to study abroad in 2012 and a fourth student received a Gilman International Scholarship to study abroad during the spring 2013 semester.
- Two Southwestern students were selected to participate in summer research programs for undergraduates sponsored by the National Science Foundation.
- 2012 graduates Rory Jones and Lauren Raddell were awarded Fulbright English Teaching Assistantships in Europe for the 2012-13 academic year.
- 2012 graduate Kristen McCollum received the 2012 Odum Award for best undergraduate research paper from the Southern Sociological Society. This was the fifth time in the past seven years that a Southwestern sociology major has won the Odum Award.

Athletics

Our student-athletes and coaches continue to bring recognition to Southwestern, both on the field and in the classroom. Here are some of their accomplishments in 2012:

- Senior volleyball player Rachel Thibodeau was named the Southern Collegiate Athletic Conference Player of the Year and First Team All-SCAC. This is the second consecutive year she has earned a spot on the First Team.
- Senior soccer player Evan Perkins became the first player in Southwestern history to be selected as a Third Team Scholar All-America selection. To be nominated for this honor, a student-athlete must have at least a 3.30 cumulative grade point average throughout his or her career and start more than 50 percent of all games. Perkins was also an NSCAA All-West Region selection, All-SCAC First Team and SCAC Co-Offensive Player-of-the-Year, and CoSIDA Academic All-District First Team.
- Glenn Schwab, our head athletic trainer, was named the Division III Head Athletic Trainer of the Year by the National Athletic Trainers Association.
- Our 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.
- Men's and Women's Cross Country and Track & Field Coach and former Olympian Francie Larrieu Smith was inducted into the Running Specialty Hall of Fame.
- 54 Southwestern student-athletes were named to the SCAC's Academic Honor Roll for the fall 2012 semester. To qualify for this honor, student-athletes must maintain a minimum grade-point average of 3.25 for the term.
- In November 2012, the Southwestern men's golf team was ranked 20th in the nation and the women's team was ranked 12th in the Golf World/WGCA Coaches Poll.

Campus Construction Projects

In 2012, Southwestern completed the first phase of renovation of its historic Roy and Lillie Cullen Building. This phase of the renovation involved replacement of all the building's 467 windows, replacement of the elevator, replacement of the building's mechanical and electrical systems, and reconfiguration of the second floor. The next phase of the renovation will involve the reconfiguration of the third floor of the building for classroom space as well as a small conference center. A \$3 million gift pledge from the Cullen Trust for Higher Education will enable Southwestern to complete this phase of the renovation.

Construction is under way on a new field house, practice fields and track for our athletics teams. We also are expanding our current athletic facility to include a new baseball locker room.

Speakers and Symposia

Southwestern brought a wide range of speakers to campus in 2012. *New York Times* columnist Tom Friedman delivered our 2012 Shilling Lecture and African-American playwright Suzan-Lori Parks delivered our 2012 Writer's Voice lecture. Notre Dame President Rev. John Jenkins, and Allan Boesak, an important figure in South Africa's anti-apartheid movement, came to campus for our Willson Lecture Series.

In October 2012, some of the most popular calligraphers from around the world came to Southwestern as the university hosted the 8th international conference of the American Society of Shufa Calligraphy Educators.

In January 2013, Southwestern also hosted some of the country's leading experts on human sexuality for its 35th annual Brown Symposium. Other speakers who will be coming to Southwestern in 2013 include world-renowned primatologist Jane Goodall and novelist T. C. Boyle.

In Conclusion

Jane and I thank you again for having had this opportunity to serve The United Methodist Church in our ministry at Southwestern. We, and Southwestern, continue to seek your prayers.

Faithfully yours,
Jake B. Schrum, President

TEXAS METHODIST FOUNDATION

Once again, the Texas Methodist Foundation experienced significant growth during 2012, increasing our assets and continuing to reflect on how best to provide what we believe are essential components of congregational vitality: 1) financial and capital resources; 2) strong clergy and lay leadership; and 3) a clear sense of purpose, including an ongoing process for discerning that purpose.

As a result of those discussions, we launched a new approach to resourcing congregations. We established a group of Area Consultants who function as the primary point of engagement between individual congregations (clergy and laity) and TMF in each of the six annual conferences we serve. John Thornburg represents TMF in the North Texas Conference. John and the other consultants proactively connect congregations to resources—through TMF or other resource providers—that are relevant to their unique goals for missional growth in their congregations and communities.

In this way, we are more effectively partnering with congregations in a learning process that assists them in gaining clarity about their unique identity and mission field; engaging in holy conversations to discern God's call for them; and developing disciple-making strategies for living into that call. An important aspect of this new concept is to be a conduit for sharing these learnings and connecting congregations with one another, so they can better address practical challenges and more creatively seize opportunities for serving.

During 2012, TMF acquired and assumed a majority of the assets and liabilities of the Central Texas Methodist Foundation (CTMF), effective February 16, 2012, and welcomed the churches, investors, donors, and others previously associated with CTMF into the TMF family.

We ended 2012 with \$419.6 million in assets under management, a \$35.6 million increase from 2011. The significance of our growth, 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.

The Texas Methodist Foundation, located in Austin, serves United Methodist individuals, churches and agencies within the conferences in Texas. We appreciate the opportunity to report some of the ways we served United Methodists last year.

We are pleased to report the assistance we provided in 2012:

Within the North Texas Conference:

- Loans from the Foundation to churches in the North Texas Conference totaled \$88.4 million.
- Churches and related agencies within the North Texas Conference had \$49.5 million invested with the Foundation's Methodist Loan Fund.

Throughout the state:

- As of December 31, 2012, total assets under management by the Foundation were approximately \$419.6 million.
- Methodist Loan Fund investments grew overall, including new Individual Fund accounts of \$13.8 million. Methodist Loan Fund investments support the Foundation's loan program which currently funds 450 loans to United Methodist churches and agencies. Our loan balance ended 2012 at \$323,167,941.
- During 2012, our Leadership Ministry continued to support and develop leaders through *Learning Communities* for the sake of the transformation this learning can provide. These communities provide safe space for wrestling with issues facing the church and the challenges of leading through change; they offer opportunities for new learnings, as well as the encouragement and nurture of peers who share the journey. Current groups include: large church pastors, the SCJ Bishops Conclave, church musicians, new District Superintendents, returning District Superintendents, Assistants to the Bishops and Conference Directors, Executive Associates, and the President's Advisory Council comprised of lay persons in leadership throughout the state. The Leadership Ministry also provided opportunities for *Learning Projects*, which allow groups to explore particular adaptive questions impacting the church today with the intent that these conversations will affect positive change in the church. Some questions addressed in 2012 include: "How can the church be more relevant to young adults who are more connected to the culture than the church?"; "What would it mean for congregations and clergy to effectively minister to and with 2nd, 3rd, and 4th generation Hispanic persons living within the mission field of an annual conference?"; and "How do lead pastors offer courageous vision that meets the needs of the mission field?" TMF's Leadership Ministry is committed to providing platforms for clergy and lay leaders to address the critical issues facing the church today as it seeks to live out the mission of making disciples.
- Grants made by the Foundation during 2012 totaled \$1,295,834. Of that amount \$459,725 came from donor-advised funds. These grants benefited a variety of programs managed by local churches, community outreach centers, and conference ministries. During 2012, the Foundation's Grants Ministry continued to give priority to programs that address the root causes of poverty as it affects children.
- The Foundation distributed approximately \$770,000 from permanent endowments, predominantly to United Methodist causes in Texas.
- Our Stewardship staff consulted on 7 capital campaigns and Miracle Sundays, resulting in pledges totaling more than \$2.4 million to support the missions of United Methodist congregations across the state. They made more than 294 consultation visits to churches offering counsel and guidance in areas of specific need related to funding ministry. Stewardship staff also conducted 9 annual and year-round stewardship workshops in local churches and 10 district and conference level workshops.
- In addition to assisting many churches across Texas in establishing or growing permanent endowment funds, endowment services helped create and support endowment leadership groups in various regions of the state. These groups provide a community of learning for endowment committee members from various local churches to share ideas and best practices for helping their churches fulfill their mission.

Tom Locke, President

TEXAS UNITED METHODIST COLLEGE ASSOCIATION

Deepest gratitude is expressed to the churches of the North Texas Conference for their support of scholarships for deserving students. In behalf of all the TUMCA scholarship recipients, a heartfelt “thank you” is expressed to every congregation for the vital difference their giving is making in the lives of grateful students.

It is important to TUMCA to communicate clearly to our supporting churches that their giving is restricted for scholarships for United Methodist students from Texas. No funds can be used for bricks and mortar!

Giving to TUMCA has remained strong. We rejoice in the continued strength of giving and in the fact that TUMCA’s ministry is valued by our supporting congregations. TUMCA continues to work with local churches to facilitate “thank you witness/reports” to the congregations from their own students who have received TUMCA scholarship funds.

TUMCA is pleased to welcome Dr. Edward B. Burger, newly selected president of Southwestern University, into the family of United Methodist university presidents in Texas. Dr. Burger will assume the presidency of Southwestern University on July 1, 2013.

Dr. Jake Schrum, the outgoing president of Southwestern University, has made a stellar contribution to United Methodist higher education in Texas and across the nation. He has been a valued member of the TUMCA Board of Directors. He embodies insights that are historical and visionary. TUMCA is grateful for his faithful service to our mission.

Great appreciation is expressed to the Presidents of all our TUMCA schools, and to the Bishops of Texas for their support and encouragement.

On a personal note, it is very fulfilling to serve as TUMCA’S president. My commitment to the role of United Methodist higher education is stronger than ever. The blessing of this ministry is multiplied each time I hear one of our TUMCA scholarship recipients give their witness to the pivotal help that their scholarship is making in their educational journey. Many of these students are first generation college students.

TUMCA anticipates another year of strong support from our churches, and another year to give welcomed scholarships to our students.

The 2012–13 TUMCA scholarship recipients for the North Texas Conference are listed below.

MCMURRY UNIVERSITY

Hope Daugherty	First UMC, Mabank
Timothy Thompson	First UMC, Cedar Hill

SOUTHERN METHODIST UNIVERSITY

Rachel Gardner	St. Andrew, Plano
Hye Won Kim	Wesley Korean UMC, Carrollton
Kelly Mathison	Custer Road UMC, Plano
Hannah Ha-eu Park	First Korean UMC, Richardson

Jordan Spencer	Suncreek UMC, Allen
Clint Wyatt	Highland Park UMC, Dallas
Brett Wyatt	Highland Park UMC, Dallas

SOUTHWESTERN UNIVERSITY

Stephen Holloway	St. Stephen UMC, Mesquite
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TEXAS WESLEYAN

Nicholas Franda	Christ UMC, Plano
Diane Hary	Custer Road UMC, Plano

Dan E. Solomon, President

TEXAS WESLEYAN UNIVERSITY

University Administration

◆ The Board of Trustees approved the University's strategic plan, which can be read in full at txwes.edu/strategicplan. Texas Wesleyan's mission and vision call the university to empower students to thrive as leaders in the world community. With these responsibilities in mind, and understanding students' need for career advancement through pre-professional preparation and quality graduate professional programs, the *2020 Strategic Goals, Objectives, and Measures* plan underscores the importance of personalized attention, civic responsibility, critical thinking and analytical reasoning, community leadership, intellectual curiosity, gifted faculty, spiritual sensitivity, and affordability.

This plan employs these ideals as a road map through 2020, helping to set and identify the strategic priorities of the university. The goals of the strategic plan are:

- **Academic Distinction:** Developing high-quality academic pre-professional undergraduate and graduate professional programs.
- **Student Experience:** Enrolling and retaining motivated undergraduate and graduate students and developing successful community and professional leaders.
- **Campus Enhancement:** Fostering a secure and attractive physical environment that supports high-quality academic endeavors and vibrant student life.
- **Financial Vitality:** Advancing financial strength that supports academic excellence and affordability for students.
- **Marketing & Branding:** Establishing Texas Wesleyan's role in the community as a leader in pre-professional undergraduate liberal arts and graduate professional programs.

President Frederick G. Slabach led the development of the strategic plan upon his appointment to office in 2011. One year later, on January 27, 2012, President Slabach was formally inducted as the 20th President of Texas Wesleyan University. At the inauguration, four distinguished guests received honorary doctorate degrees:

- Madeleine K. Albright, former U.S. secretary of state and chair of Albright Capital Management LLC, doctor of humane letters
- James S. DuBose, founder of Fort Worth Mortgage and chairman emeritus of the Colonial family of companies, doctor of business
- Dee J. Kelly, founding partner of Kelly Hart & Hallman LLP and founding chair of the Dean's Advisory Council for Texas Wesleyan School of Law, doctor of laws

- Edgar H. Schollmaier, former president and chief executive of Alcon Laboratories and namesake of the Ed and Rae Schollmaier Science and Technology Center, doctor of science

For details of the investiture ceremony, see “Events,” below.

After an initial announcement in June, Texas Wesleyan’s Board of Trustees and Texas A&M’s Board of Regents approved a letter of intent for the University and Texas A&M University to begin a strategic partnership that would provide premier legal education in the Dallas-Fort Worth Metroplex for decades to come. Under the proposed multi-million dollar agreement, the Texas Wesleyan School of Law would be known as the Texas A&M University School of Law at Texas Wesleyan University.

The unique strengths of Texas Wesleyan and Texas A&M would allow for development of highly collaborative and successful academic programming. Programs such as a joint law school JD/Texas Wesleyan MBA and a 3+3 program, delivering a Texas Wesleyan undergraduate degree followed by a law school JD degree in six years, would have a lasting impact on the students who come to learn on each campus.

This strategic partnership delivers lasting benefits, including:

- Texas Wesleyan would achieve its goal of developing its law school into a first tier academic entity
- Texas Wesleyan would be able to focus on the truly transformative efforts already underway to revitalize our home in East Fort Worth
- Fort Worth and surrounding counties would be able to provide citizens with what could be one of the most prestigious law schools in the nation
- Texas A&M University would achieve its goal of developing one of the highest quality legal education programs in America without starting an additional law school in Texas

The formal steps are progressing as expected and should be completed in August, 2013.

◆ The Office of Marketing & Communications and the Office of Enrollment and Student Services completed a market-based research project with the Noel-Levitz consulting firm. The study provided meaningful data that was used to develop a powerful brand position for Texas Wesleyan’s integrated marketing and communications plan.

Concurrent with the project, unified graphic standards were developed for the University. The “Smaller. Smarter.” creative approach and a mass-market campaign were developed in consultation with two local advertising agencies. The resulting identity brings much needed consistency to the university’s disparate units, colleges, and divisions. The marketing strategy is based on a believable and distinctive message strategy that is fundamental to successfully developing a strong brand. The Noel-Levitz research and the university strategic plan provided the basis for this strategy.

Coupled with the message strategy is an equally important first-class look and feel, as rich in appearance as the message is in relevance. Texas Wesleyan’s signature art mark has been modernized, creating a more contemporary look and feel. This new visual identity will elevate the appearance of all Texas Wesleyan materials and help build market place awareness.

The athletics department has reinforced the new branding in their uniforms, championship ring designs, and practice jerseys. New branding is also evident on the walls of buildings and on lamp posts all around campus.

On Sept. 15, Texas Wesleyan launched the largest marketing campaign in the institution's history. The campaign blankets targeted television programming that reaches the target demographic. Billboards at 30 strategic locations throughout the DFW market, Internet radio, and theatre ads are also driving exposure. The campaign is currently repeating in the spring of 2013.

Perhaps most importantly, the launch of an admissions-first homepage and website strategy has been highly regarded as a major move forward in engaging prospective students and increasing applications. The launch of the new admissions website was quickly followed by the launch of the "Smaller. Smarter." marketing campaign site. The entire website now hosts videos supporting our message pillars because this audience prefers to learn by seeing and hearing than by reading.

An electronic email campaign and companion targeted direct mail components of our new recruiting strategy have also been implemented into admissions marketing.

Marketing efforts have been enhanced by the hiring of a university videographer. Videos are posted to either our website or to Texas Wesleyan's Facebook page and all are available on YouTube. YouTube has become the second largest search engine in the world behind Google, and it is important for Texas Wesleyan to have a strong presence on a site that is a key resource for both prospective and current students.

Recognition of the effectiveness of campaign, based only on the fall semester, is most encouraging. The University earned five awards in the 2012 Collegiate Advertising Awards and four awards in the 28th Annual Educational Advertising Awards competitions. More importantly, applications for enrollment increased dramatically during and following the fall marketing campaign, a trend that continues.

Campus

◆ Included in the 2020 strategic plan is the Rosedale Renaissance Project, a \$6.5 million multifaceted project designed to leverage more than \$32 million in private and public funding for the benefit of Southeast Fort Worth and Texas Wesleyan University.

The four main components of the project are East Rosedale Street improvements, a United Methodist Church Central Texas Conference Service Center (to be located across from campus), a "front door" entryway to Texas Wesleyan, and a Business Incubator Center.

Better Streets.

◆The \$15.5 million first phase of the East Rosedale Street Improvements Project calls for the reconstruction and rehabilitation of the stretch between U.S. 287 and Miller Avenue. A portion of that (\$1.875 million) involves significant renovation and enhancements to four blocks adjacent to the University.

Construction will begin in spring 2013 and will include many major improvements: promenadestyle sidewalks, extensive landscaping, street lights and benches, curb extensions, additional stoplights, and pedestrian crossing areas. Two new roundabouts on streets leading to the University will add aesthetic appeal and additional landscaping opportunities. At the Mitchell location, a public art installation will be at the center of the roundabout.

Methodist Conference Center and Bishop's Office.

◆The new \$3 million Central Texas Conference Service Center will be a 15,000-square-foot office building on the south side of the 3200 block of East Rosedale. The University will be the sole owner of the property, with the Central Texas Conference of the United Methodist Church as the sole tenant. The building will house the Central Texas Conference Center for Mission Support, the Center for Evangelism and Church Growth, the Center for Leadership, and the Office of the Bishop.

This partnership benefits not only the community as a whole, but also Texas Wesleyan students. Through interaction and partnership with faculty, the Central Texas Conference Service Center will advise preministerial students in preparing for seminary studies, as well as advising other students for careers in lay ministries.

The Center for Mission Support trains pastors and laity to minister to the economically disadvantaged. Helping each conference church have a vital congregation is the primary focus of the Center for Evangelism and Church Growth. With the Center for Leadership, the conference will have improved facilities to train both clergy and laity for significant leadership positions in local churches and the conference overall.

A “front door” for Texas Wesleyan. Creating an inviting “front door” main entrance to the campus will provide a clear direction for visitors and prospective students. Oftentimes, those who are new to campus will drive by without realizing that they were supposed to turn to get to the University.

Located at the intersection of East Rosedale and Vaughn streets, the new campus entryway will create a classic look that would include a clock tower – plus a horseshoe-shaped drive, expanded parking, stone monument signs, landscaped medians, and additional lighting.

This \$1.3 million project offers an exciting opportunity to work in tandem with local entities through a private–public partnership that allows the University to take advantage of considerable cost savings because the work is scheduled to be completed in tandem with the Rosedale Street improvements.

A business incubator center. This project entails a \$400,000 renovation of a historic building located on the south side of Rosedale. The renovated building will house a new Business Incubator Center, which will be managed by the University's School of Business Administration faculty. Texas Wesleyan students would have the opportunity to work as interns and provide business consultation services to assist area entrepreneurs in creating and growing their businesses.

Students

◆ The Wesleyan Chamber Singers collaborated with Fort Worth Sister Cities in a historic trip to China. Twenty-eight choir members, accompanied by Dr. John Fisher, chair of the music department, and Dr. Jerome Bierschenk, director of choral activities joined a delegation from Fort Worth to celebrate the official signing of Guiyang, China as Fort Worth's eighth Sister City. The Wesleyan Chamber Singers sang at both the official Sister Cities signing during the day and at a special 45-minute concert that evening. The evening concert featured the Wesleyan Chamber Singers performing with the Guiyang Symphony in the Grand Theatre of Guiyang.

The trip is the result of an invitation from Mayor Li Zaiyong of Guiyang, Guizhou Province, China. Mayor Li extended the invitation on Oct. 17, 2011, after the Wesleyan Chamber Singers sang for the official signing of Guiyang as Fort Worth's eighth sister city. State Senator Jane Nelson and City Councilman Dennis Shingleton led the delegation of 71 Fort Worth Ambassadors.

In a trip they will never forget, the students visited Tiananmen Square, the Forbidden City, and a portion of the Great Wall, before a farewell banquet and return to the United States.

Events

◆ The events for the Presidential Inauguration in January were produced internally by Texas Wesleyan faculty and staff.

The week began with a reception for the President hosted by the Texas Wesleyan School of Law. Luncheons, an inauguration concert, and a faculty scholars' reception were among the events that followed.

The inaugural gala was held at the Omni Fort Worth Hotel on the eve of the inauguration ceremony.

Dr. Louella Baker Martin HON '03 and Nicholas Martin served as honorary hosts. Guests heard remarks from Lou Martin, former U.S. Secretary of State Madeleine K. Albright, President Frederick G. Slabach and his brother, Don Slabach.

On the day of the investiture, students, faculty, and staff were invited to a question-and-answer session with the president and Madeleine K. Albright, followed by a book-signing event where the former Secretary of State could interact with the crowd.

Nearly 1,200 spectators attended the investiture ceremony which featured former U.S. Secretary of State Madeleine K. Albright as keynote speaker. All staging and design elements were produced and built by members of Texas Wesleyan's theatre department. All music was produced, directed, and performed by members of Texas Wesleyan's music department. Along with dignitaries from throughout the nation, more than 150 alumni attended.

A special web site (txwes.edu/inauguration) was developed specifically for the inauguration, and includes a thorough overview of the event, transcripts of the keynote address and the president's speech, as well as video of the entire inaugural ceremony. Coverage was also included in a special edition of the *Wesleyan* magazine.

◆ On April 11, the 2012 edition of University College Day (UCD) featured 65 presentations from nearly 200 students and 25 faculty members. For more than 20 years, UCD has offered a forum for students, staff and faculty members at Texas Wesleyan to share their scholarly and creative endeavors. This special day of presentations engenders a shared sense of belonging within the Wesleyan community. The theme was "Follow your Path. Reach for the Stars."

◆ In a months-long celebration of reading, Texas Wesleyan University led The Big Read: Fort Worth Reads Together initiative.

Civic leaders and nearly 100 spectators were on hand for The Big Read kickoff, which was celebrated at the Tarrant Area Food Bank on Feb. 29. Texas Wesleyan President Frederick G. Slabach spoke at the event and expressed his enthusiasm for the project and its impact throughout the community.

The event marked the beginning of events that continued into late May – all related to *The Grapes of Wrath* by John Steinbeck. Last summer, Texas Wesleyan University was awarded an \$11,700 grant to participate in The Big Read, an initiative of the National Endowment for the Arts (NEA) designed to restore reading to the center of American culture. Texas Wesleyan is one of four grant recipients in Texas.

Texas Wesleyan's community partners included the Fort Worth Public Library, City of Fort Worth, Fort Worth, Fort Worth Independent School District, Tarrant Area Food Bank, Friends of the Fort Worth Library, Texas Christian University, Tarrant County College, National Cowgirl Museum and Hall of Fame, The Reading Connection, Stage West Allied Theater Group, Dallas Model A Club, and Barnes & Noble. Other partners include area high schools and media outlets.

◆ Each fall, Texas Wesleyan University, the Fort Worth Business Press, and the Fort Worth Chamber of Commerce sponsor the Fort Worth Business Hall of Fame, which benefits Texas Wesleyan's Thomas H. Law scholarship program to support business students. This year, Nolan Ryan, chief executive officer and president of the Texas Rangers baseball team, was honored as Business Executive of the Year.

This year's scholarship recipient is Jessica Carpenter, a junior at Texas Wesleyan University. She is on the Dean's List and is currently pursuing her Bachelor's degree in General Business Administration.

Texas Wesleyan University Head Baseball Coach Mike Jeffcoat spoke at the induction ceremony. Jeffcoat was a Texas Ranger from 1986 to 1992 and played alongside Nolan Ryan for four seasons. Now in his twelfth year at Texas Wesleyan, Coach Jeffcoat has led the Rams to seven 30-win seasons in the last eight years. His teams have appeared in five consecutive conference championship games. And he's produced 50 All-Conference selections and three All-Americans.

Recognition

◆ In January, the Association of American Law Schools (AALS) House of Representatives voted favorably on the recommendation of the AALS Executive Committee to admit the Texas Wesleyan University School of Law to full membership. Full membership in AALS is an external validation of the high quality of the law school.

◆ For the third consecutive year, *U.S. News & World Report* ranked Texas Wesleyan University in the #1 tier of regional universities in the West. *U.S. News & World Report* also ranked the Texas Wesleyan School of Law a "Best Law School" and Texas Wesleyan's pioneering graduate nurse anesthesia program a "Best Grad School."

The U.S. News rankings help prospective students choose a college based on relative quality and value. The West tier includes such institutions as Trinity University in San Antonio, Texas; Santa Clara University in Silicon Valley, California; and, Gonzaga University in Spokane, Washington.

Athletics

◆ The Texas Wesleyan Athletic Department's outstanding coaching staff currently includes four coaches who hold school records for wins in their respective sports. Mike Jeffcoat has won 354 in 11 seasons heading into the 2013 baseball campaign. Shannon Gower has notched 199 wins in eight seasons as head softball coach. Women's soccer coach Josh Gibbs holds 82 victories in seven seasons. In three seasons as the school's first and only head men and women's cross country and track coach Nat Amare has led the Rams to five Red River Athletic Conference Championships.

◆ Last season men's golfer Nathan Anderson, a junior from Burleson, TX, received the Jack Nicklaus Award. Anderson is the first Texas Wesleyan player to receive the honor which has recognized the top individual players at the NCAA Division I, II, III, NAIA, and NJCAA levels since 1988. Anderson was the runner-up at the 2012 NAIA National Championship, while setting a school record with a 72.08 scoring average in his first season at Texas Wesleyan.

The Texas Wesleyan men's golf team is currently ranked number one in the nation in both the NAIA Coaches' Poll and the *Golf World*/Nike Coaches' Poll. The Rams won three out of four tournaments in the fall semester including the program's 200th all-time victory.

◆ The Texas Wesleyan University softball team won both the Red River Athletic Conference regular season and tournament championships in 2012. The team made its first appearance in the NAIA National Tournament since 1983. Right-handed pitcher Alexis Beltran is back for her junior year after going 14-0 in conference play and pitching all 23 innings of the conference tournament a year ago.

◆ The Texas Wesleyan University men and women's soccer teams both reached the Red River Athletic Conference Championship game in 2012, marking the first time that both squads reached the final in the same season since 2005. The Rams featured a pair of All-Conference performers in Clay Lawson (Sr., San Antonio, TX) and Dejan Milosevic (Sr., Belgrade, Serbia) and advanced to the NAIA National Tournament. The Lady Rams placed four players on the All-Conference team in Paige Wheaton (So., Crowley, TX), Leah Valtman (Jr., Grapevine, TX), Brianna Wilson (So., Arlington, TX), and Shrareh Asadi (Fr., Arlington, TX). Wheaton was also an Honorable Mention NAIA All-American Selection.

◆ The Texas Wesleyan University men and women's cross country teams both won Red River Athletic Conference Championships in the fall of 2012. Jessica Davis (Jr., Dallas, TX) paced the field for the Lady Rams for a second consecutive season. Davis also led the women's track and field team to a conference championship last spring.

◆ The Texas Wesleyan men's basketball team was ranked in 59 consecutive NAIA National Coaches' Polls. What was the nation's longest active streak began on January 3, 2008, and came to an end on January 8, 2013, when the Rams finally fell out of the top-25.

◆ Mike Jeffcoat's baseball team went 33-21 last season. The Rams have posted eight consecutive seasons of at least 30 wins.

◆ In September, the board of trustees approved Texas Wesleyan University's decision to join the Sooner Athletic Conference in the fall of 2013. Texas Wesleyan will be competing in one of the premier conferences in the NAIA.

The decision was constructed on the supposition that SAC membership will lead to an improved balance of academics and athletics for our students. Because Texas Wesleyan is located in close proximity to most SAC conference schools, our student-athletes will be able to spend less time on the road and devote more time in the classroom.

Plus, the SAC is a highly visible conference within the NAIA and is recognized for its strength at the national level. While Texas Wesleyan has been extremely successful in the RRAC—winning many conference championships and qualifying multiple teams for national competition—our athletics program is up to the challenge of competing in one of the most prestigious conferences in the NAIA.

Two of our RRAC rivals, Northwood University and Southwestern Assemblies of God University, are also joining the SAC next year in order to compete in a more concentrated geographic area (five of the seven current SAC schools are located in the Oklahoma City area).

◆ In 2012, the Texas Wesleyan's table tennis team won the Collegiate National Championship for the ninth consecutive year. Team members have the highest grade point average of all Texas

Wesleyan student-athletes. In April, 30 members of Texas Wesleyan's music department performed in China during the ceremonies celebrating Guiyang as Fort Worth's eighth sister city. During the presentation, Guiyang Mayor Li Zaiyong was made an honorary member of Texas Wesleyan's table tennis team. Mayor Zaiyong joins Warren Buffet, Chairman and CEO of Berkshire Hathaway, as the only two honorary members of the nine-time National Champions.

UMR COMMUNICATIONS

1221 Profit Drive, Dallas, TX 75247 214-630-6495

UMR Communications, Inc. (UMRC) is related by covenant to seven United Methodist Annual Conferences: Central Texas, New Mexico, North Texas, Texas, Northwest Texas, Rio Grande and Southwest Texas. This covenantal relationship, similar to that of church-founded hospitals and homes, acknowledges the previous ownership of the organization by these annual conferences and its United Methodist heritage.

UMRC is a not-for-profit ministry, financially independent, deriving income from fees paid by clients for services, along with grants and bequests from donors. While we have strong connections to the United Methodist Church, we receive no financial support from the Church.

The Board of Directors of UMRC consists of members who have gifts, graces and talents in fields from administration, to finance, to sales, to technology, to church scholars, to business including clergy and laypersons. All are committed to seeing UMRC continue to serve the Church. The day-to-day operations are led by our President and CEO who is assisted by a management team representing production, sales, news, finance and fulfillment operations.

UMRC has continued to be flexible and adaptable as we work to meet the continuing challenges facing many faith-based organizations. We've met financial challenges related to the difficult economic times the churches, conferences, boards and agencies that are our customers have experienced. Serving these groups and the larger Church by providing the communication services and telling the stories of mission and ministry of the United Methodist Church has been and will continue to be our mission.

The United Methodist Reporter, our flagship publication, continues to win awards for the coverage of the UMC, for the design of the newspaper, and for individual stories and issues produced by our staff. The *Reporter* carries on its historic purpose to provide a combination of local church, conference and national news in one publication. We help enable the connection so important to the Church.

Besides the *Reporter*, UMR has capabilities to produce materials such as brochures, posters, postcards, booklets, supplements and other printed materials. Our staff offers a yearly training event for church and conference-level communicators and is available to assist as churches seek to communicate with their congregations and the greater community.

We anticipate new opportunities for growth in service to the Church. We ask you to keep us in your prayers, to give us feedback, to let us serve you through the ministry of communications as we work together to spread the word of God and the mission of the church.

Alan Heath, President and CEO
UMR Communications

WESLEY THEOLOGICAL SEMINARY

www.wesleyseminary.edu

As a new residence hall rises on the home campus, Wesley is building an institution that fosters vital churches for the next generation. We have developed a vision for what the church of the future should be, and have become a new kind of seminary. More than a good graduate school, we have become like a research university dedicated to serving the church.

The Lewis Center for Church Leadership continues to expand its programs and the readership of the premier online resource for churches: *Leading Ideas*. Through the Center, we are administering three new programs funded by grants from the Lilly Endowment. One enables us to continue our Lewis Fellows program, an intensive post-seminary leadership training initiative for young clergy. Another will reach pastors, five to ten years beyond seminary. They will engage with thought leaders in Washington, D.C. on the subjects of courage, doing good well, generosity and well-being to help expand their field of vision and lead their churches to engage more effectively in their communities. The third program takes a hard look at the economic challenges facing future ministers. We will conduct research into our graduates' debt, analyze information about current compensation packages, and review the consequences of debt on the well-being of graduates. We will review our own economic and funding strategies and improve institutional practices while creating educational programs that better prepare future pastoral leaders as managers of personal and congregational finance.

Our extension campus in downtown Washington, D.C. at Mount Vernon Square is developing as a center for missional churches as we help churches turn inside out in mission evangelism, community transformation and public theology. Our work there is spiritually and physically centered on an intentional living community of students and of faculty and church partners ministering in the shadow of Capitol Hill. We are engaging in hands-on learning/serving experiences in urban communities through our Urban Fellows and Missional Fellows programs.

The biggest new development is the Heal the Sick Initiative (HTS) developed in partnership with three hospital systems and the White House Office of Faith-Based Initiatives. In HTS, Wesley will be the catalyst and educational partner in the development of a pilot program of parish-based health care in the Baltimore-Washington-Northern Virginia Region modeled after several successful programs nationwide. The HTS will prepare ministry leaders to support their congregations in the development of health ministries which include care and support for their members' overall well-being, as well as care for their neighbors, particularly the poor.

Wesley is actively recruiting the kind of students who want to be Disciples of Jesus Christ and transform the world at all levels of ordained and lay ministry. We have continued to increase financial aid while holding down the cost of tuition. We launched a new 36-hour Master of Arts degree in the fall which uses a flexible curriculum to enable students to acquire a basic theological education. Wesley has entered into two dynamic partnerships this year. The first is with the Center for Discipleship at Southwestern College in Winfield, KS, and makes unique lay study courses developed by Wesley in its Wesley Ministry Network available to the public on a large scale. And, Wesley is now partnered with Pfeiffer University and Union Presbyterian Seminary to make it possible for United Methodist students to complete their Master of Divinity degrees at Union Presbyterian Seminary's Charlotte, NC campus.

Meanwhile, Wesley has become a truly global seminary so that we may serve the church where it is growing the most and that we might benefit from the spiritual vision and vitality of global Christianity. We completed the final two class terms of a Doctor of Ministry (D.Min.) program for

14 West African leaders engaged in educating persons for pastoral ministry in Liberia, Nigeria, Sierra Leone and Cameroon. And we began our sixth Global Asian D.Min. track. In addition, there are currently 22 international students from around the globe studying in Master's degree programs. And, we have established new relationships in China and India.

The coming year will bring more exciting changes to Wesley as we continue our efforts to develop strong and dynamic leaders for the church and the world.

Rev. Dr. David McAllister-Wilson, President