Texas Annual Conference of the United Methodist Church

2014 Pre-Conference Journal
Dear Member of the Texas Annual Conference,

May God’s grace be with you as you prepare for our 2014 Annual Conference. I encourage you to attend the pre-conference meetings where you will have an opportunity to share and discuss items on this year’s agenda. A schedule of the meetings can be found on the conference Web site at www.txcumc.org.

As you may remember, our conference voted in 2012 to adopt a Four-Year Focus on Invest in the Young, Grow Vibrant Churches and Create Transforming Lay and Clergy Leaders. Each conference since we have been studying together each of these areas of focus. In 2013, we were challenged by presenters to seek new ways to reach young people.

This year we will be learning to grow vibrant churches. Rev. Sue Nilson Kibbey, Director of Connectional and Missional Church Initiatives of the West Ohio Conference of the UMC and author of Ultimately Responsible: When You’re in Charge of Igniting a Ministry will be sharing her message of church revitalization. Rev. Olu Brown, lead pastor of Impact Church of downtown Atlanta, one of the fastest growing new church starts in America, will also be joining us. Rev. Brown, a former pastor of the TAC, will share his experience in starting a church “from the ground up.” These outstanding speakers will be scheduled among a series of inspiring worship services.

We know that one facet of a vibrant church is vibrant worship. This year, we’ll be learning about a variety of worship styles. I am looking forward to worshipping with you in services that will be led by local churches from throughout the conference. You will be provided with a worship resource book to facilitate excellent worship in your home church.

Bless you for this commitment you are making to our beloved church and I ask for your prayers that this conference will be a time of learning and spiritual growth for all of us to the glory of God.

Grace and peace,

Bishop Janice Riggle Huie
Preliminary Reports 2014
Texas Annual Conference
To be held at Hilton Americas-Houston
May 25-28, 2014

Janice Riggle Huie, Bishop

ALL CLERGY & LAY REGISTRATION
Sunday, May 25  2:00 – 6:00 pm
Monday, May 26  8:00 am – 6:00 pm
Hilton Americas-Houston - Fourth Floor

Meeting of the Laity
Monday, May 26, 10:00 am
Hilton Americas-Houston – Ballroom of the Americas
Second Floor

Meeting of the Clergy
Monday, May 26, 10:00 am
Hilton Americas-Houston – Grand Ballroom
Fourth Floor

Service of Remembrance
Monday, May 26, 7:00 pm
Hilton Americas-Houston – Grand Ballroom
Fourth Floor
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ANNUAL CONFERENCE PRELIMINARY ANNOUNCEMENTS

Please note that these are the announcements as of our publication date. The conference agenda at registration will contain changes and/or additions.

Accessibility for Handicapped Participants at TAC hopes to assist persons with special needs during this Annual Conference. To request assistance, please contact the chair of our Committee on Disability Concerns – Greg Edwards, cell number (409) 550-3056.

The Cokesbury Store will again join us for where you can buy merchandise directly, order church, be sized for robes, or just browse the They will be located in the Hotel Americas on the third floor, room 335.

The Cross Connection is the e-newspaper of the Texas Annual Conference The Cross Connection and the United Methodist Reporter are sources of local, national and international religious news. For subscription information contact the Communications Department, 713-521-9383 or by email: acanik@txcumc.org.

Our TAC Display Fair showcases many of our ministries throughout the conference. You will be surprised and amazed by the various areas of ministry and mission that our TAC churches are involved in. Please come and stroll through the second and third floor Pre-Function Areas to view what our churches have done, are doing, and are planning for the future in ministries.

Have you lost something? Did you find something? If either case pertains to you, please go to the Information Center on the fourth floor and you find our Lost and Found. May what you lost is found, or maybe what you found is lost? Go check on your items before you forget about them.
Grab N Go Breakfast, Lunch and Snacks are available for your convenience at the “Grab N Go” counter on the second floor of the Hilton Americas. The Hotel will offer food throughout each day of conference. You can purchase your food and go and have a seat at the tables in the snack area, or take your meal over to Discovery Green and eat in the fresh air.

Did you know that you can get Information for free at the Texas Annual Conference. Our United Methodist Service Center is closed during the Annual Conference, but our Information Center is open for business. They will be glad to help you find an event or what the closest restroom facilities are. Just look for the flags with Information Center on the fourth floor of the Hilton Americas, in front of the Grand Ballroom. You can’t miss it!!

Please turn off your cell phone during Conference hours! LOL or LMAO on a bright little is both distracting and annoying. Talking on your phone while the Bishop is talking will get you in trouble with everyone around. This is not the time, nor the place to talk to Aunt Sue and find out how she’s doing. Be considerate of those around you and turn your cell phone off. Thank you for your consideration!
DIRECTIONS AND MAP TO THE HILTON AMERICAS-HOUSTON

DIRECTIONS FROM I-45 NORTH:
Take I-45 South to McKinney St., merging onto McKinney St. right onto LaBranch. Go down 2 blocks to Dallas and turn left on Dallas. Go down 3 blocks and the hotel will be on the right.

DIRECTIONS FROM I-45 SOUTH:
Take I-45 North to downtown/Scott Street split, exit on to Pease Street. Turn right on to Austin Street, continue to Dallas Street. Turn right on to Dallas Street and go down 3 blocks and the hotel will be on the right.
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<td>Artisans $-$$</td>
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<td>French Electric Cuisine Lunch &amp; Dinner</td>
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<td>The Downtown Aquarium $$</td>
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These are the new rules from the Document entitled “Bound for Greater Things” and adopted at the Texas Annual Conference 2006
Updated at Texas Annual Conference 2013

TEXAS CONFERENCE STANDING RULES

SECTION 1: GENERAL
I. The Texas Annual Conference (Conference) establishes Rules by which it operated (Rules) and its Model for Ministry under authority of paragraph 609 of The Book of Discipline of the United Methodist Church, 2012 (BOD or Discipline)
II. The Model for Ministry and Rules describe Conference Ministries and the procedures by which they operate.
III. Any conflict between the Model for Ministry and Rules and The Book of Discipline of the United Methodist Church shall be decided in favor of The Book of Discipline.

SECTION 2: OFFICERS
I. The Officers of the Texas Annual Conference shall be the Bishop, Assistant to the Bishop, Secretary, Fiscal Officer, Statistician, and Lay Leader. (BOD 603.9a)
II. The Secretary and the Statistician shall be elected at the last session of each quadrennium to serve during the next quadrennium. (BOD 603.7) The minutes of each business session shall be kept on file at Conference headquarters.
III. A Chancellor shall be nominated by the Bishop and elected by the Conference (BOD 603.8)
IV. The Treasurer/Director of Administration shall be elected by the Conference, on nomination of the Conference Council on Finance and Administration, at the first session of the Conference after the quadrennial session of the General Conference. Upon vacancy, the Conference Council on Finance and Administration shall fill the position until the next session of the Texas Annual Conference. (BOD 619)

SECTION 3: MODEL FOR MINISTRY IN THE TEXAS ANNUAL CONFERENCE
I. Conference Core Leadership Team
A. A Conference Core Leadership Team will be responsible for implementing decisions approved by the Annual Conference in accordance with Conference Mission, Vision, and Core Beliefs. The Core Leadership Team will:
   1. Create a culture of accountability within the Conference by conducting an ongoing process of strategic planning, goal setting, and annual reporting to the Annual Conference.
B. The Conference Core Leadership Team will be comprised of:
   1. Voting Members
      a. One member from each of the nine Districts
      b. Three At-Large Members
      c. One Cabinet Member
      d. The Conference Lay Leader(s)
   2. Ex-Officio Membership (non-voting)
      a. The Director of the Center for Congregational Excellence
      b. The Director of the Center for Clergy Excellence
      c. The Director of the Center for Missional Excellence
      d. The Director of the Center for Connectional Resources
      e. The Conference Director of Communications
f. The Bishop or the Assistant to the Bishop who will preside over the Conference Core Leadership Team

II. Conference Ministry Centers
   A. There will be four (4) Conference Ministry Centers
      1. The Center for Congregational Excellence
      2. The Center for Clergy Excellence
      3. The Center for Missional Excellence
      4. The Center for Connectional Resources
   B. The Center for Congregational Excellence – The purpose of this center is to connect and equip local congregations and new church start leaders with tools and resources to engage in the practice of congregational revitalization, transformation, and vitality in communities they serve.
   C. The Center for Clergy Excellence – The purpose of this center is to create an environment of support and accountability that continuously moves clergy of the Annual Conference toward excellence.
   D. The Center for Missional Excellence – The purpose of this center is to provide and equip leaders who carry out ministries of mercy, justice, and wholeness to all persons inside and outside the church.
   E. The Center of Connectional Resources – The purpose of this center is to provide fiscal oversight, property management, and archives and records to undergird the mission and ministry of the Texas Annual Conference.

SECTION 4: NOMINATIONS

I. The Nominations Committee – The Nominations Committee for the Texas Annual Conference of the UMC shall consist of the Assistant to the Bishop, the Dean of the Cabinet, and one representative from each of the nine (9) districts. The District Representatives shall consist of 3 clergy, 3 lay men and 3 lay women. The Nominations Committee will reflect the diversity of the Texas Annual Conference with regard to ethnicity, age, gender, geography, and church size. The Ex-Officio members with voice and vote shall consist of the Directors of the Centers and the Conference Lay Leader. The chair of the Nominations Committee will be the Assistant to the Bishop.

II. Quadrennium Nominations
   A. At the Annual Conference session one year prior to each new quadrennium, the Assistant to the Bishop will distribute a listing and description of all positions on teams, boards, agencies, committees, commissions and councils which are subject to election by the Annual Conference to all clergy and lay delegates to Annual Conference. The Nominations Committee will hold a workshop during Annual Conference to discuss the Nominations process. The delegates shall take the listing and description back to their local churches and districts for discussion.
   B. Persons interested in being considered for nomination to any TAC positions shall fill out a biographical profile including church, district, conference and spiritual gifts and turn these into the local church pastors and District Superintendents for comments and endorsement. Completed profiles with endorsements should be sent into the office of the Assistant to the Bishop prior to November 1 of the year prior to the new quadrennium. District Superintendents, Center Directors, and the Core Leadership Team and District Leadership Teams may also make nominations.
   C. The Assistant to the Bishop will prepare a profile book for the Nominations Committee by January 1. The Nominations Committee will meet prior to
January 15. The Nominations Committee will make nominations from the pool of names in the Profile Book. The Nominations Committee will strive to make each Board, Agency, Commission, Committee, and Team as inclusive as possible with regard to ethnicity, age, gender, and church size. The report of the Nominations Committee will be reviewed by the Commission on Religion and Race for inclusivity as specified in the current Book of Discipline of the United Methodist Church. The Commission on Religion and Race will report any recommendations back to the Nominations Committee by March 1. All persons nominated by the Nominating Committee will be notified by email or letter and indicate whether they accept or decline the nomination. The Nominations Committee will continue to meet until nominations are finalized. Nominations from the pool in the Profile Book will be completed by March 15 and will be published in the Pre-Conference Journal. Some nominations may need to be made after the March 15 deadline and these will be presented at Annual Conference.

D. The aggregate membership of all Ministry Teams, Boards, Divisions, Commissions, Committees will consist of ½ clergy and ½ laity unless otherwise restricted by the current Book of Discipline of the United Methodist Church.

E. Persons may be nominated for unfilled positions by completing the biographical profile and submitting it to the Nominations Committee at their District Pre-Conference Meeting.

F. Persons may be nominated from the floor of the Annual Conference. The nominator will indicate which person from the Nominating Committee’s report is to be replaced by the nominee. Substitute nominations should be in the same category of inclusivity as the person in the Nominations Committee’s report.

G. Persons shall not serve more than two consecutive quadrenniums on the same Ministry Team, Board, Division, Commission, and Committee except in the case of persons elected to complete a vacancy occurring during a quadrennium who will be allowed to serve two consecutive full quadrenniums. No persons shall be eligible to serve on more than one Ministry Team, Board, Division, Commission, or Committee at the same time.

H. The Chairperson of any Ministry Team, Board, Division, Commission, or Committee shall not serve more than one full quadrennium except in the case of person filling an unexpired term of not over two years.

I. During the quadrennium, annual assessments will be conducted of the leadership of all Ministry Teams, Boards, Divisions, Commissions, and Committees for attendance, effectiveness, and evidences of fruitfulness. Based on these assessments, the Center Leaders may request the Core Leadership Team to recommend remedial action or replacement of leadership.

J. All Nomination Rules of the Texas Annual Conference are subject to any applicable provisions of the current Book of Discipline of the United Methodist Church.

K. The Board of Ordained Ministry of the Texas Annual Conference will be subject to Paragraph 634 of the current Book of Discipline of the United Methodist Church with the exception of the term limit which will be two quadrenniums.

L. Persons elected will begin serving at the close of Annual Conference.

III. Nominations Between Quadrenniums
A. Vacancies in elected positions occurring between sessions of Annual Conference will be filled on a temporary basis by a vote of the Core Leadership Team.
Nominations for the Core Leadership Team to consider for vacancies will be made by the Nominations Committee.

B. Vacancies will be permanently filled by the process listed in Section II.

IV. District Nominations – The Districts shall use a process similar to the Conference process subject to the current Book of Discipline of the United Methodist Church.

[For 2007 the Core Leadership Team will nominate the 2007-2008 Nominating Committee from a pool of names submitted by the process outlined in Section II, C. After 2008 the Nominations Committee nominations will follow the same guidelines as the rest of the Committees being nominated.]

SECTION 5: PROCEDURES OF THE ANNUAL CONFERENCE

I. Pre-Conference Journal

A. The Assistant to the Bishop shall be responsible for producing a Pre-Conference Journal. Contents of the Pre-Conference Journal shall include those materials necessary for the business of the Annual Conference to be conducted. It shall be mailed at least 25 days before the Annual Conference begins.

B. Chairpersons are responsible for providing reports and materials to the Assistant to the Bishop on the schedule prescribed by the Assistant to the Bishop.

II. Resolutions and Proposals (Resolutions are related to issues. Proposals are related to structures and rules.)

A. Resolutions for consideration by the Annual Conference shall be sent to the Assistant to the Bishop on or before January 15 prior to the Annual Conference session. The Assistant to the Bishop will refer resolutions to the appropriate Center of Excellence. The Center will study the resolution and offer any changes to the presenting entity. The final resolution will be distributed to the Districts with a list of speakers for and against the resolution for discussion. Comments from the District discussions are to be forwarded to the Center responsible for the resolution. The Center will vote concurrence or non-concurrence and provide a written report back to the entity responsible for the resolution. The entity responsible for the resolution can withdraw the resolution from consideration by the Annual Conference or send the resolution, along with the Center's written report on to the Assistant to the Bishop for inclusion in the Pre-Conference Journal.

B. Proposals will be referred to the Core Leadership Team for consideration and action. The Core Leadership Team may also distribute the final proposal to the Districts for discussion as set forth for resolutions in Section 5: II. A.

C. All discussions regarding the resolutions/proposals, whether in the Center or the Districts, will be conducted in a spirit of Holy Conversations with all sides of the issues being presented and listened to in a spirit of Christian love and respect. Persons making presentations will not be interrogated or cross-examined. Persons present will not participate in applause or partisan or disparaging sounds (boos or hurrahs). No personal attacks will be allowed.

D. Resolutions and proposals included in the Pre-Conference Journal shall be discussed in Pre-Conference Delegate Meetings prior to Annual Conference. The Center and the entity responsible for the resolution/proposal shall provide a speaker for and a speaker against the resolution/proposal. All discussions surrounding the resolutions/proposals will be made in the spirit
of Holy Conversations as set forth in Section 5: II. C. A non-binding vote will be taken at each Pre-Conference Delegate Meeting to determine concurrence or non-concurrence with the resolution/proposal, and the results will be reported to the Annual Conference.

E. Resolutions and proposals included in the Pre-Conference Journal will be placed on the Agenda of the Annual Conference, provided that the requirement in Section 5: II. D. has been fulfilled. All resolutions/proposals may be included in the presentations, questions, and answers in the workshops will be made in the spirit of Holy Conversations as set forth in Section 5: II. C. above.

F. When the resolutions/proposals come to the floor of Annual Conference, there may be one predetermined speaker for and one predetermined speaker against the resolution/proposal. Predetermined speakers are allowed a maximum of 5 minutes. An additional 6 minutes will be allowed for alternating comments, no longer than 60 seconds each, for and against the resolution/proposal. All comments will be made in the spirit of Holy Conversations as set forth in Section 5: II.C. above. A minute of silent prayer will precede the vote on each resolution/proposal.

G. Proposals and resolutions not in the Pre-Conference Journal, except for Resolutions of Thanks, may be brought up at Annual Conference provided that:
   1. They have been turned into the Assistant to the Bishop at least 21 days prior to the Annual Conference session and have been reviewed by the appropriate Center or the Core Leadership Team with a recommendation of the entity responsible for the resolution/proposal follow the provision of Section 5: II.F.

III. Conference Session Procedures

A. The Assistant to the Bishop shall prepare an Agenda of all reports and proposals for distribution on the opening day of each Annual Conference.

B. No report, paper, or proposal shall be considered until three (3) copies have been given to the Secretary.

C. The Conference Rules may be suspended by a two-thirds (2/3) majority of the Annual Conference members present and voting. The Rules may be changed by three-fourths (3/4) majority of the Annual Conference members present and voting.

D. All items that do not require Annual Conference action will be placed on the consent calendar. If the consent calendar is not a part of the Pre-Conference Journal, it will be presented on the first day of Annual Conference and, after laying on the table for 24 hours, will be acted on by motion of the Assistant to the Bishop. Anyone may make a motion that an item be removed from the consent calendar.

E. Speeches in favor of or in opposition to a motion, will be limited to three (3) minutes each.

IV. Conference Journal

A. The Assistant to the Bishop shall be editor of the Conference Journal.

B. The Conference Journal shall include at a minimum:
   1. Items required by BOD 606.3a
   2. Year-end statement of receipts and expenditures by all Conference bodies
   3. List of appointments with and without annuity claim
SECTION 6: DISTRICTS
I. Each District will determine an organizational structure that is consistent with the Conference vision and mission, and responsible to specific needs and priorities of the District.

SECTION 7: CONFERENCE STAFF
I. Conference staff positions will be determined by the Bishop, the Cabinet, and the Core Leadership Team.
II. Compensation of the Conference staff positions shall not exceed that of a District Superintendent.
III. Salaries of District Superintendents shall be adjusted annually by the percentage change in the average (mean) base salary of all full-time senior pastors serving in the Texas Annual Conference. This adjustment shall begin in 2005, using the 2004 compensation level as the initial base.

SECTION 8: FINANCIAL PROCEDURES OF THE ANNUAL CONFERENCE
I. Each year, the Conference Council on Finance and Administration (CF&A) shall prepare and recommend a budget for the next calendar year, under appropriate headings, for Conference action.
II. At least 48 hours before presenting its recommended budget to the Annual Conference, the CF&A shall notify the Director of any Center of Excellence, of any change in the recommended budget request for that body.
III. CF&A shall recommend to the Annual Conference for its action and determination methods or formulae by which all approved budgets shall be apportioned to the churches. All Conference delegates must be informed in writing of the financial consequences of any proposed change in the apportionment method before a vote is taken.
IV. The Treasurer of each church or charge shall remit to the Conference Fiscal Officer all receipts for Conference connectional causes, the District Superintendents’ Fund, the Episcopal Fund, the Conference Claimants’ Fund, and Health Insurance at least monthly.
V. The Conference Fiscal Officer shall distribute monthly or quarterly a report of budgeted funds available to the credit of agencies in proportion to receipts.
VI. All proposals with financial implications shall be referred to the CF&A before any action is taken by the Annual Conference, including any disbursements from any Reserve Funds held on behalf of the Annual Conference.
VII. At the end of each fiscal year, all unspent budgeted funds remaining in the Annual Conference budget shall be deposited in the Operating Reserve Fund, except: unspent budgeted funds for New Church Starts, Church Revitalization, the reserves for Pensions, and the reserves for Health Benefits, shall be deposited in separate reserve funds and made available for future expenditures for these designated purposes.
VIII. Annually, the CF&A shall report for Conference approval a list of special days without offering and a list of special days with offering, including Conference Advance Specials. No appeal shall be made to churches of the Texas Annual Conference without CF&A approval except as provided in The Book of Discipline.
IX. By November 1, District Superintendents shall supply District Auditors apportioned amounts for causes reported in statistical
Tables, including all salaries set for the current calendar year. These shall be the official figures for such tables. District Superintendents shall send a copy of these figures to the Conference Statistician.

X. Copies of all financial records and minutes of all meetings related to Centers of Excellence shall be sent to the office of the Assistant to the Bishop in hard copy or suitable electronic form.

XI. At the request of anyone receiving a salary from the Conference, the Conference Fiscal Officer is authorized to withhold a designated portion of salary annuities, allowances, and/or other benefits, pursuant to Internal Revenue Service regulations.

XII. The CF&A of the Texas Annual Conference, consistent with BOD 613.8, shall have limited authority to modify a budget approved by the Annual Conference between its sessions but only in accordance with the following procedures.
1. Budget modifications are limited to instances in which budgeted expenditures are inadequate to meet emerging missional needs or unforeseen circumstances.
2. Departments, councils, boards, commissions, or any other organization seeking modification in an approved budget must make a specific request to CF&A for change, including the affected line items and amounts, the rationale for the change, and the consequences of the change.
3. CF&A shall establish a Budget Review Committee consisting of the Treasurer of the Texas Annual Conference, the President of CF&A, the Vice President of CF&A, the Secretary of CF&A, and one additional voting member of CF&A. Three members of this Committee shall constitute a quorum.
4. The Budget Review Committee shall have the authority to approve a request for budget modification that either a) does not result in an increase in total budgeted expenditures and does not require expenditures from the Contingency Fund, or b) requires expenditures from the Contingency Fund of no more than $5,000 per request.
5. Approval of a modification that requires expenditures from the Contingency Fund of over $5,000 must be approved by the full CF&A.
6. The CF&A shall always honor the intent of designated funds by recommending that designated funds are spent for their intended purposes.
7. Minutes of Budget Review Committee meetings shall be presented at the subsequent CF&A meeting, and all modifications to the budget shall be noted and explained in the CF&A report to the Annual Conference.

SECTION 9: PLAN OF EQUALIZATION
I. The Plan of Equalization shall follow BOD 602.

SECTION 10: ADDITIONAL PROCEDURES
I. Clergy and Laity Candidate Profile Booklet – Eligible clergy members and eligible laity willing to be considered for election as a delegate to General or Jurisdictional Conferences are requested to complete a candidate profile sheet for inclusion in a candidate profile booklet which shall be mailed with the Pre-Conference Journal. Eligible persons willing to be considered must agree to attend must agree to attend delegation meetings, to prepare themselves by studying all assigned materials, and to make the necessary preparations to be effective delegates. If any eligible person who is not included in the booklet receives a vote on any ballot, then the individual will be assigned a number to be included in the remainder of the balloting process.
II. Rule for the Payment of MPP and CPP Arrearages – Each month the Director of Center of Clergy Excellence shall send to each District and affected pastor notification of arrearages for MPP and CPP. Upon receipt of the report, the District Superintendent shall contact the minister and the treasurer of the reported charge
to assure timely payment of the arrearage by the church. If a local church does not make payment of MPP and CPP arrearages within 60 days of notification, the District Superintendent shall meet with the local church to discuss the realignment of the charge. Districts may choose to establish a reserve fund to assist in timely payment of MPP and CPP. It remains the responsibility of the local church to reimburse funds to the District within the time established by the District. Until reimbursement is made by the church, realignment of the charge remains under consideration.

III. Overview of Texas Annual Conference Assessment Process

**Purpose:** To establish, review, and measure progress toward achievement of Goals, Objectives, and Evidence of Fruitfulness. The Assessment Process ensures aligned planning and good stewardship at the Conference, Center of Excellence, District, ministry, church, and clergy levels, to achieve the Conference Mission, Vision, and Core Beliefs. Results of reviews and measures contribute to subsequent plans as successes to be replicated, risks to be recognized, problems to be addressed, and challenges to be met. Assessment results allow us to celebrate victories and identify opportunities for improvement.

**Process:** The Annual Conference and each Center, District, ministry, church, and clergy member—including the Bishop, Center Directors and District Superintendents—establishes Goals and Objectives consistent with and contributing to our Mission, Vision, Core Beliefs, and Measures of Fruitfulness.

The Core Leadership Team supports the Annual Conference in overseeing the Assessment Process. Before Annual Conference, the Core Leadership Team reviews prior year’s results and recommends Conference-level Goals, Objectives, and Evidence of Fruitfulness measures for the coming year. At the beginning and end of the yearly planning cycle, the Core Leadership Team reviews Center and District Goals, Objectives and Evidence of Fruitfulness; and reviews progress quarterly.

Each Center and District develops annual Goals, Objectives, and Evidence of Fruitfulness, consulting with each other to optimize support to churches and clergy and avoid gaps and duplications between or across Centers and Districts. Ministry teams recommend Goals and Objectives based on input from programs and ministries within the team. Centers approve ministry goals and objectives and review progress. Ministry teams annually assess results of their programs and ministries. Each clergy member develops annual Goals and Objectives for each charge and for herself/himself.

The Conference will provide more detailed information about the Assessment Process to all affected groups and persons.

IV. Policy Recommendations*

A Vacation Policy for pastors was unanimously approved by the Conference Board of Ordained Ministry and was adopted by the Texas Annual Conference. This policy is recommended for all those serving full-time appointments within the bounds of the Texas Conference.

<table>
<thead>
<tr>
<th>Conference Relations</th>
<th>Time of Service</th>
<th>Vacation Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full Time Local Pastors in Process, Attending 4-Wk Course of Study</td>
<td></td>
<td>2 weeks paid</td>
</tr>
<tr>
<td>Full Time Pastors 5 years or less</td>
<td></td>
<td>2 weeks paid</td>
</tr>
<tr>
<td>Full Time Pastors (Associate Members, Probationary Members, Full Members)</td>
<td>10 years or less</td>
<td>3 weeks paid</td>
</tr>
<tr>
<td>---</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>Full Time Pastors (Associate Members, Probationary Members, Full Members)</td>
<td>Over 10 years</td>
<td>4 weeks paid</td>
</tr>
</tbody>
</table>

NOTES: Years of service refer to years of service in an Annual Conference of the United Methodist Church, not to years of service in the local church to which the pastor is appointed. Time used for Continuing Education, as defined in ¶351 of the 2012 *Book of Discipline*, and according to the rules set by the Conference Board of Ordained Ministry, shall not be considered as vacation time or used in lieu of vacation time. This policy is to be printed each year in the Texas Conference Journal.

*This policy was not included in the 2006 and 2007 Texas Conference Journals. The original policy was voted into effect at the Texas Annual Conference 1991, as stated on pg. 143-144 of the Daily Proceedings in the 1991 Texas Conference Journal and was amended at the Texas Annual Conference 1992, as stated on pg. 145 of the Daily Proceedings in the 1992 Texas Conference Journal.

**ORGANIZATIONS RELATED TO THE TEXAS ANNUAL CONFERENCE**

**Entities Owned by the Texas Annual Conference**  
Houston Methodist Hospital (formerly Methodist Hospital System)  
Lakeview Methodist Conference Center

**Affiliated Entities within the Texas Annual Conference**  
Heartspring Methodist Foundation  
Houston International Seafarer’s Center  
Methodist Retirement Communities  
Shalom Mobile Health Ministry  
UM Army  
Wesley Community Center  
Wiley College

**Affiliated Entities within the State of Texas**  
Methodist Children’s Home  
Providence Place (formerly Methodist Mission Home)  
Texas Methodist Foundation  
Texas United Methodist College Association

**Entities within the South Central Jurisdiction**  
Lydia Patterson Institute  
Mount Sequoyah
REGISTRATION INFORMATION

CLERGY & LAITY REGISTRATION
Sunday, May 25  2:00 – 6:00 pm  Hilton Americas-Houston
             Fourth Floor
Monday, May 26  8:00 am – 6:00 pm  Hilton Americas-Houston
                    Fourth Floor

Registration for Clergy, Clergy Spouses & Laity: If you have pre-registered on-line before the May 10th deadline, all you need to do is approach the registration area, look for the sign that corresponds to your district and pick up your nametag, and a conference agenda.

Attendees Not Pre-Registered On-line: This is for anyone who HAS NOT PRE-REGISTERED ON-LINE, regardless of clergy or laity, delegate or guest. If you have not pre-registered on-line, please proceed to the sign that corresponds to your district. You will be asked to fill out a “Non-Registered” form with your name, church, district, and personal email address. The Administrative Assistant for your district will approve your status and the form will be given to the Printing Assistants who will print your nametag. Your nametag should be ready within a few minutes.

Alternate Delegate Not Pre-Registered On-line: IF YOU ARE NOT THE ELECTED “DELEGATE” FOR YOUR CHURCH, YOU MUST PRESENT A LETTER FROM YOUR PASTOR CONFIRMING THAT YOU ARE THE REPLACEMENT DELEGATE. Without this letter of confirmation, you will not be given voting rights. Please have your confirmation letter in hand so that you can have your vote counted for your church.

VERY IMPORTANT!! – PLEASE NOTE: For any not pre-registered on-line, registration will close on Monday, May 26th at 6:00 pm, there will not be on-site registration. You must have pre-registered on-line in order to pick-up a pre-printed nametag at the Information Center. No nametags will be made after Monday at 6:00 pm.
The following is a general outline of the agenda for Annual Conference 2014. It is not intended to be the complete agenda, but is a rough outline of the worship and business. Please note that this is the agenda as of the publication date of the Pre-Conference Journal in February 2014. THE AGENDA WILL CHANGE. For updates, please visit our website, www.txcumc.org. At registration, participants will receive an updated agenda, or you may check with our new TAC APP, that will carry the agenda.

All events on in the Hilton Americas-Houston unless otherwise noted.

**Opening of Annual Conference**
**Sunday, May 25, 2014**
- 2:00-6:00 pm Early Registration 4th Floor
- 7:00 pm Opening Celebration Lanier Grand Ballroom

**First Day of Annual Conference**
**Monday, May 26, 2014**
- 8:00 am-6:00 pm Registration 4th Floor
- 8:30 am Early Morning Worship Lanier Grand Ballroom
- 9:00 am Business Session I Lanier Grand Ballroom
- 9:45 am Break
- 10:00 am Clergy Session Ballroom of the Americas•ABC
- 10:00 am Laity Session Lanier Grand Ballroom
- 11:30 am Lunch Break
- 1:30 pm Business Session II Lanier Grand Ballroom
- 3:00 pm Break
- 3:15 pm Order of the Day-Sue Nilson Kibbey Lanier Grand Ballroom
- 4:15 pm Business Session III Lanier Grand Ballroom
- 5:00 pm Dinner Break
- 7:00 pm Service of Remembrance Lanier Grand Ballroom

**Second Day of Annual Conference**
**Tuesday, May 27, 2014**
- 8:30 am Early Morning Worship Lanier Grand Ballroom
- 9:00 am Business Session IV Lanier Grand Ballroom
- 10:00 am Break
- 10:15 am Order of the Day-Olu Brown Lanier Grand Ballroom
- 11:15 am Service for Retirees Lanier Grand Ballroom
- 12:00 pm Lunch Break
- 2:00 pm Business Session V Lanier Grand Ballroom
<table>
<thead>
<tr>
<th>Time</th>
<th>Event</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>3:00 pm</td>
<td>Break</td>
<td></td>
</tr>
<tr>
<td>3:15 pm</td>
<td>Order of the Day-Sue Nilson Kibbey</td>
<td>Lanier Grand Ballroom</td>
</tr>
<tr>
<td>4:30 pm</td>
<td>Dinner Break</td>
<td></td>
</tr>
<tr>
<td>7:00 pm</td>
<td>Service of Ordination &amp; Commissioning</td>
<td>Lanier Grand Ballroom</td>
</tr>
</tbody>
</table>

**Last Day of Annual Conference**  
**Wednesday, May 28, 2014**

<table>
<thead>
<tr>
<th>Time</th>
<th>Event</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>8:30 am</td>
<td>Early Morning Worship</td>
<td>Lanier Grand Ballroom</td>
</tr>
<tr>
<td>9:00 am</td>
<td>Business Session VI</td>
<td>Lanier Grand Ballroom</td>
</tr>
<tr>
<td>10:15 am</td>
<td>Break</td>
<td></td>
</tr>
<tr>
<td>10:30 am</td>
<td>Service of Sending Forth &amp;</td>
<td>Lanier Grand Ballroom</td>
</tr>
<tr>
<td></td>
<td>The Celebration of Appointments</td>
<td></td>
</tr>
<tr>
<td>11:30 am</td>
<td>Business Session VII (if needed)</td>
<td>Lanier Grand Ballroom</td>
</tr>
<tr>
<td>12:30 pm</td>
<td>Adjourn</td>
<td></td>
</tr>
</tbody>
</table>
This is the schedule for meals, meeting and special events as of our publication date in March. Room numbers are subject to change, please get a copy of the Official Agenda at Registration or check our website at [www.txcumc.org](http://www.txcumc.org)

### Saturday, May 24

<table>
<thead>
<tr>
<th>Time</th>
<th>Event</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>6:00 pm</td>
<td>Cabinet Dinner</td>
<td>Skyline</td>
</tr>
</tbody>
</table>

### Sunday, May 25

### Monday, May 26

<table>
<thead>
<tr>
<th>Time</th>
<th>Event</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>7:00 am</td>
<td>Native Americas Ministries Breakfast</td>
<td>TBA</td>
</tr>
<tr>
<td>7:00 am</td>
<td>Rural Church Breakfast</td>
<td>TBA</td>
</tr>
<tr>
<td>7:30 am</td>
<td>Fellowship of Associate Members &amp; Local Pastors</td>
<td>TBA</td>
</tr>
<tr>
<td>7:30 am</td>
<td>Restorative Justice Breakfast</td>
<td>TBA</td>
</tr>
<tr>
<td>10:00 am</td>
<td>Providence Place Come &amp; Go Reception</td>
<td>TBA</td>
</tr>
<tr>
<td>11:40 am</td>
<td>Clergy Spouse’s Luncheon</td>
<td>TBA</td>
</tr>
<tr>
<td>11:30 am</td>
<td>Confessing Movement Luncheon</td>
<td>TBA</td>
</tr>
<tr>
<td>11:30 am</td>
<td>Hispanic Ministry Luncheon</td>
<td>TBA</td>
</tr>
<tr>
<td>12:30 pm</td>
<td>Duke Divinity Alumni Lunch</td>
<td>TBA</td>
</tr>
<tr>
<td>5:00 pm</td>
<td>Friends of Wesley Foundation Dinner</td>
<td>Fuddrucker’s</td>
</tr>
<tr>
<td>5:15 pm</td>
<td>Breaking the Silence Dinner</td>
<td>TBA</td>
</tr>
<tr>
<td>5:30 pm</td>
<td>TAC Awards Banquet</td>
<td>TBA</td>
</tr>
<tr>
<td>8:00 pm</td>
<td>Young Clergy &amp; Lay Fellowship</td>
<td>TBA</td>
</tr>
</tbody>
</table>

### Tuesday, May 27

<table>
<thead>
<tr>
<th>Time</th>
<th>Event</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>7:00 am</td>
<td>Clergy Women’s Breakfast</td>
<td>TBA</td>
</tr>
<tr>
<td>7:30 am</td>
<td>Church &amp; Society /Religion &amp; Race Breakfast</td>
<td>TBA</td>
</tr>
<tr>
<td>9:30 am</td>
<td>TACCOR Staff Meeting &amp; Snack</td>
<td>TBA</td>
</tr>
<tr>
<td>11:30 pm</td>
<td>Celebration Women’s Ministry Luncheon</td>
<td>TBA</td>
</tr>
<tr>
<td>12:00 pm</td>
<td>Austin Presbyterian Theological Seminary Luncheon</td>
<td>TBA</td>
</tr>
<tr>
<td>12:00 pm</td>
<td>Black Methodists for Church Renewal Luncheon</td>
<td>TBA</td>
</tr>
<tr>
<td>12:00 pm</td>
<td>Friends of Asbury Seminary Luncheon</td>
<td>Houston, First UMC</td>
</tr>
<tr>
<td>12:00 pm</td>
<td>Methodist Children’s Home Lunch</td>
<td>TBA</td>
</tr>
<tr>
<td>12:00 pm</td>
<td>Retiree Luncheon</td>
<td>TBA</td>
</tr>
<tr>
<td>12:15 pm</td>
<td>Laity Luncheon</td>
<td>TBA</td>
</tr>
<tr>
<td>12:15 pm</td>
<td>TCCEF Luncheon</td>
<td>TBA</td>
</tr>
</tbody>
</table>
Visit our displays of ministries and missions on the second and third floors. Second Floor (H2) includes Booths 1-20, Third Floor (H3) includes Booths 21-40. Enjoy!

<table>
<thead>
<tr>
<th>NAME OF DISPLAY</th>
<th>BOOTH #</th>
</tr>
</thead>
<tbody>
<tr>
<td>Homelessness</td>
<td>H2-01</td>
</tr>
<tr>
<td>Human Trafficking</td>
<td>H2-02</td>
</tr>
<tr>
<td>Immigration/JFON</td>
<td>H2-03</td>
</tr>
<tr>
<td>Adoption/Foster Care</td>
<td>H2-04</td>
</tr>
<tr>
<td>reVision</td>
<td>H2-05</td>
</tr>
<tr>
<td>Poverty Initiative</td>
<td>H2-06</td>
</tr>
<tr>
<td>Mental Health Initiative</td>
<td>H2-07</td>
</tr>
<tr>
<td>Food Banks</td>
<td>H2-08</td>
</tr>
<tr>
<td>Local Schools</td>
<td>H2-09</td>
</tr>
<tr>
<td>Missions Committee</td>
<td>H2-10</td>
</tr>
<tr>
<td>Zoe Ministry</td>
<td>H2-11</td>
</tr>
<tr>
<td>Hispanic Ministry</td>
<td>H2-12</td>
</tr>
<tr>
<td>Restorative Justice Ministry</td>
<td>H2-13</td>
</tr>
<tr>
<td>SPIM-Social Principles Implementation Ministries</td>
<td>H2-14</td>
</tr>
<tr>
<td>Texas Impact</td>
<td>H2-15</td>
</tr>
<tr>
<td>Peace with Justice</td>
<td>H2-16</td>
</tr>
<tr>
<td>TACCOR-Committee on Relief</td>
<td>H2-17</td>
</tr>
<tr>
<td>Native American Ministries</td>
<td>H2-18</td>
</tr>
<tr>
<td>Golden Cross Ministry</td>
<td>H2-19</td>
</tr>
<tr>
<td>Celebration Women’s Ministry</td>
<td>H2-20</td>
</tr>
<tr>
<td>Walking Program</td>
<td>H3-21</td>
</tr>
<tr>
<td>Wellness Program</td>
<td>H3-22</td>
</tr>
<tr>
<td>Extension Ministries by Clergy Excellence</td>
<td>H3-23</td>
</tr>
<tr>
<td>Recruitment Development Support by Clergy Excellence</td>
<td>H3-24</td>
</tr>
<tr>
<td>Intentional Interim Ministry</td>
<td>H3-25</td>
</tr>
<tr>
<td>United Methodist Women</td>
<td>H3-26</td>
</tr>
<tr>
<td>Choir Clinic</td>
<td>H3-27</td>
</tr>
<tr>
<td>U.M. ARMY</td>
<td>H3-28</td>
</tr>
<tr>
<td>SMU – Perkins School of Theology</td>
<td>H3-29</td>
</tr>
<tr>
<td>The Foundry’s Hispanic/Anishinabe Ministry</td>
<td>H3-30</td>
</tr>
<tr>
<td>Youth &amp; Young Adults</td>
<td>H3-31</td>
</tr>
<tr>
<td>Lakeview Conference Center</td>
<td>H3-32</td>
</tr>
<tr>
<td>TAC Cemetery Association</td>
<td>H3-33</td>
</tr>
</tbody>
</table>
The following is a list of rooms that have been assigned for the entirety of the TAC 2014.  

*It does not include special events.*

<table>
<thead>
<tr>
<th>Group Assigned</th>
<th>Hilton Americas-Houston Room #</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bishop’s Office</td>
<td>Room 433</td>
</tr>
<tr>
<td>Bishop’s Administrative Assistant</td>
<td>Room 433</td>
</tr>
<tr>
<td>Cabinet Meeting Room</td>
<td>Room 331</td>
</tr>
<tr>
<td>Clergy Candidates Meeting Room</td>
<td>Hilton-Room 337B</td>
</tr>
<tr>
<td>Childcare</td>
<td>Rooms 342-346</td>
</tr>
<tr>
<td>Clergy Spouse’s Hospitality Rooms</td>
<td>Room 334</td>
</tr>
<tr>
<td>Cokesbury Book Store</td>
<td>Rooms 335 AB</td>
</tr>
<tr>
<td>Core Leadership Team Meeting Room</td>
<td>Room 331</td>
</tr>
<tr>
<td>COSROW Monitor Meeting Room</td>
<td>Room 332</td>
</tr>
<tr>
<td>Grab N Go Breakfast, Snacks &amp; Lunch</td>
<td>2nd Floor</td>
</tr>
<tr>
<td>Hotel Check-In</td>
<td>1st Floor</td>
</tr>
<tr>
<td>Information Technology</td>
<td>Room 337A</td>
</tr>
<tr>
<td>Prayer Room sponsored by Celebration Women’s Ministry</td>
<td>Room 430</td>
</tr>
<tr>
<td>Conference Registration</td>
<td>4th Floor</td>
</tr>
<tr>
<td>Teller Meeting Room</td>
<td>Room 326</td>
</tr>
<tr>
<td>Two-Twenty Media Room</td>
<td>4th Floor - Backstage</td>
</tr>
<tr>
<td>Worship Planning Team</td>
<td>Rooms 336 AB</td>
</tr>
<tr>
<td>Worship Rehearsal &amp; Staging Room</td>
<td>Room 335 C</td>
</tr>
</tbody>
</table>
The Consent Calendar will be presented as a resolution in which the reports listed can be approved in one motion, rather than separate motions for each item. Any item can be pulled off the Consent Calendar by a request made when the resolution is presented.

<table>
<thead>
<tr>
<th>Ministries</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assistant to the Bishop</td>
<td>38</td>
</tr>
<tr>
<td>Communications</td>
<td>38-39</td>
</tr>
<tr>
<td>Conference Lay Leader</td>
<td>40-41</td>
</tr>
<tr>
<td><strong>Center for Clergy Excellence</strong></td>
<td></td>
</tr>
<tr>
<td>Clergy Excellence Director</td>
<td>43</td>
</tr>
<tr>
<td>Clergy Accountability Ministries</td>
<td>43-44</td>
</tr>
<tr>
<td>Birkman Personality &amp; Leadership Style Assessment Task Force</td>
<td>46-47</td>
</tr>
<tr>
<td>Clergy Development &amp; Spiritual Formation</td>
<td>47-48</td>
</tr>
<tr>
<td>Clergy Recruitment</td>
<td>48-49</td>
</tr>
<tr>
<td>Extension Ministries</td>
<td>50-51</td>
</tr>
<tr>
<td>Intentional Interim Ministry</td>
<td>51-52</td>
</tr>
<tr>
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RESOLUTIONS BEFORE THE ANNUAL CONFERENCE

Resolution to the 2014 Texas Annual Conference
Submitted by Randolph H. Scott, Lay Delegate,
Bering Memorial United Methodist Church

1. RESOLUTION REGARDING USE OF LANGUAGE

As per the resolutions below, the Texas Annual Conference proposes that an amendment be made in Paragraphs 161F and footnote 3 of paragraph 310.2(d) regarding the use of “incompatibility” in describing homosexual practice. This resolution comes with the support of the Texas Annual Conference Social Principles Implementation Ministry (SPIM) Committee, requesting that this resolution 1, parts 1.A and 1.B, be approved by the 2014 Texas Annual Conference for submission by this Conference to the 2016 General Conference. SPIM is authorized to edit this resolution in all of its parts prior to submission to the 2016 General Conference for the purpose of conforming it to General Conference formatting requirements if needed.

1.A A RESOLUTION CALLING ON THE TEXAS ANNUAL CONFERENCE TO PETITION GENERAL CONFERENCE TO REMOVE THE CONDEMNATORY LANGUAGE ON HOMOSEXUALITY FROM THE BOOK OF DISCIPLINE

Whereas, a fully welcoming UMC is a testament to God’s gift of persons of all sexual orientations and gender identities.

Whereas, a fully welcoming UMC allow all Methodists to use their prayers, presence, gifts, service and witness to further Christ’s mission.

Whereas, the current position of the UMC is in direct opposition to a basic Wesleyan tenet that we are to “Do no harm” because individuals, families, and the church have been hurt continuously by the current stance of the UMC.

Whereas, the current language in the Book of Discipline is judgmental, condemnatory and is in conflict with the present state of scientific knowledge and the work of the Holy Spirit in our society.

Whereas, most importantly, this language stands in direct conflict with Christ’s teaching of God’s universal love.

Therefore be it resolved, that the members of the Texas Annual Conference United Methodist Church join together to move the United Methodist Church to a position of welcome and acceptance and leave the judgment to God, and be it further resolved that we recommend amending the Book of Discipline, ¶161F as follows:

F) Human Sexuality—We affirm that sexuality is God’s good gift to all persons. We call everyone to responsible stewardship of this sacred gift.

Although all persons are sexual beings whether or not they are married, sexual relations are affirmed only with the covenant of monogamous, heterosexual marriage.
We deplore all forms of the commercialization, abuse, and exploitation of sex. We call for strict global enforcement of laws prohibiting the sexual exploitation of children and for adequate protection, guidance, and counseling for abused children. All persons, regardless of age, gender, marital status, or sexual orientation, are entitled to have their human and civil rights ensured and to be protected against violence. The Church should support the family in providing age-appropriate education regarding sexuality to children, youth, and adults.

We affirm that all persons are individuals of sacred worth, created in the image of God. All persons need the ministry of the Church in their struggles for human fulfillment, as well as the spiritual and emotional care of a fellowship that enables reconciling relationships with God, with others, and with self. The United Methodist Church does not condone the practice of homosexuality and consider this practice incompatible with Christian teaching. We affirm that God’s grace is available to all. We will seek to live together in Christian community, welcoming, forgiving, and loving one another, as Christ has loved and accepted us. We implore families and churches not to reject or condemn lesbian and gay members and friends. We commit ourselves to be in ministry for and with all persons.

1.B A RESOLUTION CALLING ON THE TEXAS ANNUAL CONFERENCE TO PETITION THE GENERAL CONFERENCE TO REMOVE DISCRIMINATORY LANGUAGE ABOUT HOMOSEXUALITY FROM THE BOOK OF DISCIPLINE

Whereas, clergy are required to uphold the highest standards of holy living in the church and in the world.

Whereas, clergy of all sexual orientations and gender identities are fully capable of fulfilling these standards. The same expectations of Christian conduct apply regardless of sexual orientation or gender identity of the clergy person.

Therefore, be it resolved that:

The members of the Texas Annual Conference of the United Methodist Church recommend a change in the Book of Discipline to amend footnote 3 ¶310.2 (d) [on page 228 of the 2012 BOD] as follows:

The General Conference has made it clear in the “Doctrinal Standards and Our Theological Task” (Part II of the Discipline) that Scripture, tradition, experience, and reason are our guidelines. “United Methodists share with other Christians the conviction that Scripture is the primary source and criterion for Christian doctrine.” In the Social Principles, the General Conference has said that “we do not condone the practice of homosexuality and consider this practice incompatible with Christian teaching.” Furthermore, the Social Principles state that “we affirm the sanctity of the marriage covenant that is expressed in love, mutual support, personal commitment, and shared fidelity between two persons, between a man and a woman. We believe that God’s blessing rests upon such marriage, whether or not there are children of the union. We reject social norms that assume different standards for women than for men in marriage.” Also, “we affirm the integrity of single persons, and we reject all social practices that discriminate or social attitudes that are prejudicial against persons because they are single.”

Resolution to the 2014 Texas Annual Conference
Submitted by Randolph H. Scott, Lay Delegate,
Bering Memorial United Methodist Church
2. RESOLUTION REGARDING STANDARDS AND CONDUCT FOR ORDAINED CLERGY

As per the resolutions below, the Texas Annual Conference proposes that amendments be made in Paragraphs 304.3, 2702.1, and Footnote 3 of ¶310.2(d), removing the category of sexual orientation or practice as an impediment for ordination and service within The United Methodist Church.

This resolution comes with the support of the Texas Annual Conference Social Principles Implementation Ministry (SPIM) Committee, requesting that this resolution 2, Parts 2.A, 2.B, and 2.C be approved by the 2014 Texas Annual Conference for submission by this Conference to the 2016 General Conference. SPIM is authorized to edit this resolution in all of its parts prior to submission to the 2016 General Conference for the purpose of conforming it to General Conference formatting requirements if needed.

2.A A RESOLUTION CALLING ON THE TEXAS ANNUAL CONFERENCE TO PETITION THE GENERAL CONFERENCE TO UPDATE THE MORAL STANDARDS OF CLERGY IN THE BOOK OF DISCIPLINE

Whereas, clergy are required to uphold the highest standards of holy living in the church and in the world.

Whereas, clergy of all sexual orientations and gender identities are fully capable of fulfilling these standards. The same expectations of Christian conduct apply regardless of sexual orientation or gender identity of the clergy person.

Therefore, be it resolved that the members of the Texas Annual Conference of the United Methodist Church recommend a change in the Book of Discipline to amend footnote 3 ¶310.2(d) [on page 226 of the 2012 BOD] as follows:

The General Conference, in response to expressions throughout the Church regarding homosexuality and ordination, reaffirms the present language of the Discipline regarding the character and commitment of persons seeking ordination and affirms its high standards.

2.B A RESOLUTION CALLING ON THE TEXAS ANNUAL CONFERENCE TO PETITION THE GENERAL CONFERENCE TO UPDATE THE BOOK OF DISCIPLINE TO END DISCRIMINATION IN CHARGEABLE OFFENSES OF CLERGY

Whereas, the United Methodist Church repeatedly expresses concern about the recruitment of superior clergy candidates, especially young persons.

Whereas, the United Methodist Church affirms that God’s grace is available to all. We seek to live together in Christian community, welcoming, forgiving and loving one another as Christ has loved and accepted us.

Therefore, be it resolved that:

The members of the Texas Annual Conference of the United Methodist Church recommend a change in the Book of Discipline to amend ¶2702.1 of the Book of Discipline as follows:

A bishop, clergy member of an annual conference (¶369), local pastor, clergy on honorable or administrative location, or diaconal minister may be tried when charged (subject to the statute of limitations in ¶2702.4)* with one or more of the following offenses: (a) immorality including but not limited to, not being celibate in singleness or not faithful in a heterosexual marriage (b) practices declared by The United Methodist Church to be incompatible with Christian teachings, including but not limited to: being a self-avowed practicing homosexual; or conducting ceremonies which celebrate homosexual unions; or performing same-sex wedding ceremonies; (c) crimes;...
2.C A RESOLUTION CALLING THE TEXAS ANNUAL CONFERENCE TO PETITION THE GENERAL CONFERENCE TO END DISCRIMINATION AGAINST HOMOSEXUAL CLERGY IN THE BOOK OF DISCIPLINE

Whereas, independent of sexual orientation or gender identity and independent of partnered status, clergy are called to maintain the highest standards of holy living. Whereas, the Book of Discipline, ¶304.3, this paragraph, presents a barrier to keeping qualified clergy of all sexual orientations and gender identities from serving our church.

Whereas, in times of need for a rebirth of the United Methodist Church, we are forcing these very talented and gifted individuals to other denominations. Individuals of all sexual orientations and gender identities are fully competent to carry out the duties of ordained clergy in the UMC.

Therefore, be it resolved that the members of the Texas Annual Conference of the United Methodist Church recommend a change in the Book of Discipline to amend ¶304.3 as follows:

3. While persons set apart by the Church for ordained ministry are subject to all the frailties of the human condition and the pressures of society, they are required to maintain the highest standards of holy living in the world. The practice of homosexuality is incompatible with Christian teaching. Therefore self-avowed practicing homosexuals are not to be certified as candidates, ordained as ministers, or appointed to serve in the United Methodist Church.

Resolution to the 2014 Texas Annual Conference
Submitted by Randolph H. Scott, Lay Delegate,
Bering Memorial United Methodist Church

3. RESOLUTION REGARDING USE OF CHURCH FUNDS

As per the resolutions below, the Texas Annual Conference proposes that amendments be made in Paragraphs 613.19 and 806.9 regarding the use of United Methodist funds.

This resolution comes with the support of the Texas Annual Conference Social Principles Implementation Ministry (SPIM) Committee, requesting that this resolution 3, Parts 3.A and 3.B be approved by the 2014 Texas Annual Conference for submission by this Conference to the 2016 General Conference. SPIM is authorized to edit this resolution in all of its parts prior to submission to the 2016 General Conference for the purpose of conforming it to General Conference formatting requirements if needed.

3.A A RESOLUTION CALLING ON THE TEXAS ANNUAL CONFERENCE TO PETITION THE GENERAL CONFERENCE TO END DISCRIMINATION AND CONFUSION CONCERNING FUNDING OF UNITED METHODIST ORGANIZATIONS

Whereas, holy conferencing and education are valued processes of United Methodists.

Whereas, the current paragraph in the Book of Discipline creates confusion and impairs holy conferencing regarding our relationship with our homosexual brothers and sisters.

Whereas, the requested deletion frees duly elected, employed, or appointed annual conference boards, agencies, commissions, and councils to resource the church as is their charge.
Therefore, be it resolved that the members of the Texas Annual Conference of the United Methodist Church recommend a change in the *Book of Discipline* to amend ¶613 deleting ¶613.19 as follows:

19. To ensure that no annual conference board, agency, committee, commission, or council shall give United Methodist funds to any gay caucus or group, or otherwise use such funds to promote the acceptance of homosexuality or violate the expressed commitment of the UMC “not to reject or condemn lesbian and gay members and friends” (¶161.F). The council shall have the right to stop such expenditures. This restriction shall not limit the Church’s ministry in response to the HIV epidemic, nor shall it preclude funding for dialogs or educational events where the Church’s official position is fairly and equally represented.

3.B A RESOLUTION CALLING ON THE TEXAS ANNUAL CONFERENCE TO PETITION GENERAL CONFERENCE TO END DISCRIMINATION AND CONFUSION CONCERNING FUNDING OF UNITED METHODIST ORGANIZATIONS

Whereas, holy conferencing and education are valued processes of United Methodists.  
Whereas, this current paragraph in the *Book of Discipline* creates confusion and impairs holy conferencing regarding our relationship with our homosexual brothers and sisters.  
Whereas, this deletion from the *Book of Discipline* frees duly elected, employed, or appointed annual conference boards, agencies, commissions, and councils to resource the church as is their charge.  
Therefore, be it resolved that the members of the Texas Annual Conference of the United Methodist Church recommend a change in the *Book of Discipline* to amend ¶806 by deleting ¶806.9 as follows:

9. It shall be responsible for ensuring that no board, agency, committee, commission, or council shall give United Methodist funds to any gay caucus or group, or otherwise use such funds to promote the acceptance of homosexuality or violate the expressed commitment of The United Methodist Church “not to reject or condemn lesbian and gay members and friends” (¶161.F). The council shall have the right to stop such expenditures. It shall not limit the Church’s ministry in response to the HIV epidemic.

4. RESOLUTION REGARDING MARRIAGE AND MARRIAGE CEREMONIES

As per the resolutions below, the Texas Annual Conference proposes that amendments be made in Paragraphs 161B, 341.6, and 162J, regarding marriage, civil unions, marriage ceremonies and the rights attenuating thereto.

This resolution comes with the support of the Texas Annual Conference Social Principles Implementation Ministry (SPIM) Committee, requesting that this resolution 4, Parts 4.A, 4.B and 4.C be approved by the 2014 Texas Annual Conference for submission by this Conference to the 2016 General Conference. SPIM is authorized to edit this resolution in all of its parts prior to submission to the 2016 General Conference for the purpose of conforming it to General Conference formatting requirements if needed.

4.A A RESOLUTION CALLING ON THE TEXAS ANNUAL CONFERENCE TO PETITION GENERAL CONFERENCE TO REMOVE THE RESTRICTIVE LANGUAGE ON MARRIAGE FROM THE BOOK OF DISCIPLINE
Whereas, the current position of the UMC is in direct opposition to a basic Wesleyan tenet that we are to “Do no harm” because many individuals, families, and the church have been hurt continuously by the current stance of the UMC.

Whereas, the current language in the Book of Discipline is in conflict with the present state of scientific knowledge and societal acceptance. Such language puts United Methodism at odds with the positions of other denominations with which we are most closely related.

Whereas, as Methodists, “We commit ourselves to be in ministry for and with all persons.” ¶161F

Therefore be it resolved that the members of the Texas Annual Conference United Methodist Church join together to move the United Methodist Church to one of acceptance and inclusion and leave the judgment to God, and further be it resolved that we recommend a change to the Book of Discipline amending ¶161B as follows:

B) Marriage---We affirm the sanctity of the marriage covenant that is expressed in love, mutual support, personal commitment, and shared fidelity between two persons a man and a woman. We believe that God’s blessing rests upon such marriage, whether or not there are children of the union. We reject social norms that assume different standards for women than for men in marriage. We support laws in civil society that define marriage as a union of one man and one woman.

4.B A RESOLUTION CALLING ON THE TEXAS ANNUAL CONFERENCE TO PETITION THE GENERAL CONFERENCE TO CHANGE THE BOOK OF DISCIPLINE TO OFFER THE BLESSINGS OF MARRIAGE TO HOMOSEXUAL COUPLES

Whereas, homosexual families bring blessings to our churches.

Whereas, United Methodist clergy have conducted union services for families in their congregations since our denomination’s formation. United Methodist clergy need to be allowed to conduct union services in our congregations.

Whereas, the current Book of Discipline prohibition of same-sex weddings presents a double standard which impedes pastoral care.

Whereas, this discrimination undercuts evangelism to all God’s children and our efforts to recruit and maintain qualified clergy.

Whereas, the United Methodist Church risks ignoring the work of the Holy Spirit in American society as the civil society moves to full acceptance of its citizens.

Whereas, it is clear that Jesus Christ sincerely reached out to embrace all of humanity, even those marginalized by society, the UMC clearly states: “We commit ourselves to be in ministry for and with all persons.” ¶161F (2012 BOD)

Whereas, a basic tenet of John Wesley is “Do no harm,” and this position of the UMC does harm to the individuals, families, and the church.

Whereas, the UMC needs to affirm the Christian bonds of love and commitment between adults as they build their lives and families together.

Therefore, be it resolved that the members of the Texas Annual Conference of the United Methodist Church recommend a change in the Book of Discipline to amend ¶341 by deleting ¶341.6 as follows:

6. Ceremonies that celebrate homosexual unions shall not be conducted by our ministers and shall not be conducted in our churches.
4.C A RESOLUTION CALLING ON THE TEXAS ANNUAL CONFERENCE TO PETITION THE GENERAL CONFERENCE TO UPDATE THE EQUAL RIGHTS IN THE BOOK OF DISCIPLINE

Whereas, it is now time for the United Methodist Church to fully embrace and accept members of the denomination regardless of sexual orientation or gender identity.

Whereas, from the experience at Bering Memorial United Methodist Church, Houston, Texas, our members, independent of sexual orientation or gender identity, are shouldering the responsibilities and obligations in our congregation, performing all the functions of any other member, and contributing to the betterment of this congregation in the church and their personal lives.

Whereas, the UMC needs to stand with all of our members in obtaining and sustaining their civil legal standing and equality in current society and within the church regardless of their sexual orientation or gender identity.

Therefore, be it resolved that the members of the Texas Annual Conference of the United Methodist Church recommend a change in the Book of Discipline to amend ¶162J as follows:

*Equal Rights regardless of Sexual Orientation*—Certain basic human rights and civil liberties are due all persons. We are committed to supporting those rights and liberties for all persons, regardless of sexual orientation. We see a clear issue of simple justice in protecting the rightful claims where people have shared material resources, pensions, guardian relationships, mutual powers of attorney, civil marriage, civil unions, and other such lawful claims typically attendant to contractual relationships that involve shared contributions, responsibilities, and liabilities, and equal protection before the law. Moreover, we support efforts to stop violence and other forms of coercion against all persons, regardless of sexual orientation.
When you reach the middle of a Quadrennial, it’s tempting to think that momentum slows and that energy for ministry dissipates. But there are many factors which suggest that such is not the case in the Texas Annual Conference.

First of all, the conversations you hear in local churches, across districts, and among the multiple leadership groups and teams all suggest that laity and clergy are aware of the challenges and opportunities before the church. This is evidenced in the overwhelming response of congregations to become involved in schools. It’s also noted in the increased numbers of local churches engaged in the Vibrant Church Initiative.

A second indicator of vitality in the Texas Annual Conference can be observed in the steps to refocus ministry efforts. We’ve observed the reorganization of priorities in the Center for Missional Excellence, new opportunities for youth ministry through retreats and camping, continued progress in new church starts, and numerous supportive events that nurture clergy. These are but a few developments that point to the qualitative experiences across the conference.

Finally, I want to affirm the on-going efforts to identify, refine, and improve upon the communication resources of the annual conference. Consistent stories which emphasize the three foci are found in every “Cross Connection,” with coverage embracing the entire breadth and width of our conference. A new website was unveiled this year, and it transitioned to a more focused content. Staff availability to help local churches and districts find ways to “tell their story” has been a continuous priority.

Energy, vitality, responsiveness, on-going creativity and development all mark this past year of ministry in the Texas Annual Conference. We’ve also had our struggles, conflicts, and times of disagreement. Within it all, we continue to share the spirit of Jesus Christ, who calls us in unique ways as United Methodists to be the church, live the faith, and share our witness with the world.

Lay leaders and Clergy members of the Communications Advisory Committee met several times during the year to collectively brainstorm on opportunities ranging from a new website launch to the development of a set of social media guidelines for the conference and member congregations.

**Specific 2013 Accomplishments under Communications**

- Website launch of streamlined and updated site for TAC
  
  Following an extensive time of review and solicitation of feedback from staff, clergy, laity and committee members, TAC Communications launched a completely new website with simpler navigation, more photos and consolidated resource information. Communications also keeps an ongoing dialogue with district offices to encourage
webmasters to keep the sites updated and consistent with the conference brand in message and appearance.

- **Development of a TAC App**
  Prior to Annual Conference 2014 a TAC app will be available that will include a church and clergy directory, news, calendar and during annual conference a schedule of conference events.

- **Communication Resources**
  Communications Director Paula Arnold addressed several groups to provide insight, resources and tips related to Conference Communication and best practices. Groups included District Lay Leadership attendees, the Deacon Retreat, Christian Educators, District Admin Training, and Local Pastor Licensing School. Associate Director April Canik conducted two workshops at the Texas Ministry Conference on “Best Practices in Church Communication.”

- **Digital Journal**
  Communications moved to primarily digital format for the Annual Conference Journal, providing print-only versions of the full journal to the Discipline-required recipients, at a savings of $25,000.00.

- **Video/Design support**
  TAC Communications provided video services to several congregations and special events celebrating key anniversaries or other milestones and helped produce brochures for numerous Conference initiatives.

- **Newsletter Results**
  *Cross Connection* received a Third Place award at the UMAC Awards. The *Cross Connection* newsletter expanded subscriptions from 12,840 subscribers in 2012 to 14,408 in 2013, and consistently has a 50% open rate which is considerably higher open rate than the industry standard.

- **Media Relations**
  TAC Communications provided media support for several press conferences and local congregation stories as needed.

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**Nominations Committee**

Rev. B.T. Williamson, Chair

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**Core Leadership Team**

Jamison Doehring ........................................... Russell Hall
Tim Holland ................................................. Steve Woody

**Nominating Committee**

Olivia Wilson .............................................. Kevin King
John Warren ..............................................

**Clergy Accountability**

Virginia Hall ..............................................

**Clergy Development & Spiritual Formation Ministries**

Vickie Keys ..............................................

**Clergy Recruitment Ministries**

Danny Yang .............................................. Zayda Rodriguez
Conference Lay Leader’s Report
Mrs. Stephanie Griffin, Conference Lay Leader

This year I participated, once again, in Bishop Huie’s annual trek across the Texas Conference where I observed local churches that were identifying needs in their communities and reaching out to make connections in a way that would share the light of Christ. Light is a key component when you are going to make a color more vibrant. So it stands to reason, that the light of Christ is a key component when you want to bring vitality and life to local churches.

1) Investing in the young; 2) Growing vibrant, fruitful, Missional congregations; and 3) Forming transforming lay and clergy leadership; has remained the main emphasis throughout the Texas Conference. The large percentage of local churches across the conference that are connected with schools in their community is a testament to laity’s dedication to make a
difference in the lives of children and their families. Not since “Nothing But Nets” have we had such a unified response.

The Vibrant Church Initiative (VCI) is another opportunity for local churches to evaluate the mission field around them and determine how they are meeting the needs in the community. It is as Bishop Huie put it, “an opportunity to take a long hard look in the mirror.” There is a group of congregations across the conference that is in their second year of VCI and has moved on to Phase 3, there is another group in Phase 2, and more just starting the process with Phase 1. What we have learned about vibrant, growing, churches is that it is a process not a program. To remain vibrant we must keep moving, changing, and trying new things. Vibrant churches never get comfortable but instead push to find where the mission field is changing.

Leah Taylor with a core group of strong lay and clergy leaders have developed an 11 week study designed to move laity beyond the structure of the church and encourage each one to take God’s love boldly into the world. This process of reading, praying, and growing evolved out of “Generative Solutions.” It is one of the ways we will address “forming transforming lay leadership. This year District Leadership Teams met with the Core Leadership Team to exchange ideas and share best practices.

The laity of the Texas Conference carrying the light of Christ within each heart brings vibrancy to their communities, the conference, and world. When laity reach out and focus on what unites us we build bridges that will connect others to Jesus.

Core Leadership Team

Core Leadership Team (CLT) serves to implement the decisions of the Texas Annual Conference (TAC) and to coordinate the alignment of ministries for the purpose of achieving the vision and mission of the TAC. There have been several important projects that engaged the creative energies of CLT this year.

We assisted in clarifying the relationship between Lakeview Conference Center and the TAC. This consideration included discussions regarding ownership, by-laws, and future funding procedures. Reports back on this matter will be forthcoming at our gathering in May.

Bishop Andrew Doyle of the Episcopal Diocese of Texas shared a workshop on emerging trends in ministry from an ecumenical perspective. His presentation to the CLT highlighted what he referred to as a VUCA world – Volatile, Uncertain, Changing, and Active. Also, he outlined future directions that are vital for ministry within the state of Texas.

The Fall Gathering of CLT and District Leadership Teams (DLT) focused on the alignment of ministry from the TAC’s Strategic Assessment. The specific tasks delegated to DLTs from the 2012 Annual Conference were reviewed. Table conversation was shared among the various districts, with best practices and qualitative stories being the content of discussion. District participation was outstanding, based on the presence of leadership from across the entire conference. Reports of congregational participation in schools highlighted the day.

This year’s theme centering on Growing Vibrant Churches compliments the Bishop’s itineration from last fall. We look forward to learning opportunities at this year’s Annual Conference, along with the movement into our third foci – “Developing Lay & Clergy Leadership.”

There are several recommendations that CLT brings to the annual conference regarding Rules and Structure. They follow this report.
Conference Rules & Structure  
Texas Conference Standing Rules

Section 5: Procedures of the Annual Conference  
III. Conference Session Procedures  
D. All items that do not require Annual Conference action will be placed on the consent calendar. If the consent calendar is not a part of the Pre-Conference Journal, it will be presented on the first day of Annual Conference and, after lying on the table for 24 hours, will be acted on by motion of the Assistant to the Bishop. Anyone may make a motion that an item be removed from the consent calendar. The item may be placed on the Agenda by a majority vote of the Annual Conference members present and voting.

Section 10: Additional Procedures  
II. Rule for the Payment of MPP and CPP Arrearages – Each month the Director of the Center of Clergy Excellence shall send to each District and affected pastor notification of arrearages for MPP and CPP. Upon receipt of the report, the District Superintendent shall contact the minister and the treasurer of the reported charge to assure timely payment of the arrearage by the church. If a local church does not make payment of MPP and CPP arrearages within 60 days of notification, the District Superintendent shall meet with the local church to discuss the realignment of the charge. Districts may choose to establish a reserve fund to assist in timely payment of MPP and CPP. It remains the responsibility of the local church to reimburse funds to the District within the time established by the District. Until reimbursement is made by the church, realignment of the charge remains under consideration.

III. Overview of Texas Annual Conference Assessment Process  
Paragraph 2 under Process: The Core Leadership Team supports the Annual Conference in overseeing the Assessment Process. Before Annual Conference, the Core Leadership Team reviews prior year’s results and recommends Conference-level Goals, Objectives, and Evidence of Fruitfulness measures for the coming year. At the beginning and end of the yearly planning cycle, Annually the Core Leadership Team reviews Center and District Goals, Objectives and Evidence of Fruitfulness; and reviews progress quarterly.

ORGANIZATIONS RELATED TO THE TEXAS ANNUAL CONFERENCE

Entities Owned by the Texas Annual Conference
Lakeview Methodist Conference Center

Affiliated Entities within the Texas Annual Conference
Houston International Seafarer’s Center
Shalom Mobile Health Ministry
Lakeview Conference Center
Since its formation in 2006, the Center for Clergy Excellence has led the recruitment, development, accountability, and support of the clergy of the Texas Annual Conference. During this quadrennium, we have worked to concentrate our efforts in the three focus areas for the Annual Conference: Cultivating Growing, Fruitful Congregations; Forming Transforming Lay and Clergy Leaders; and Investing in the Young.

Our specific charge by the Strategic Assessment Team includes four directives:

- Continue the strategy of recruiting young, gifted, diverse clergy.
- Provide educational opportunities for clergy throughout their career.
- Engage the Generative Solutions Proposal from Leadership Education at Duke Divinity School to develop new models for lay/clergy leadership development (in conjunction with Center for Congregational Excellence).
- Work with the Board of Ordained Ministry to focus on rebalancing the age of clergy serving within the Texas Annual Conference. The purpose is to prepare outstanding, passionate, diverse leadership for the next generation, as well as to address the challenge created by a disproportionate percentage of clergy retiring over the next 10-15 years.

You will find specific information addressing these directives in the Clergy Recruitment, Clergy Development, and Board of Ordained Ministry reports. While these areas directly address the specific directives of the Strategic Assessment Team, we have encouraged all ministry areas under the Center for Clergy Excellence to keep the three conference focus areas as their priority as they plan and fulfill their individual ministries.

As you will see in the reports that follow, all of our work is driven by our mission to serve the clergy and clergy families of the Texas Annual Conference. We strongly believe that passionate, educated, thriving clergy provide growing, fruitful congregations and communities with leadership that transforms. We thank you for your support, and we ask that you continue to pray for the staff and many volunteers who make it happen.

Clergy Accountability seeks to better the quality of pastoral experience through maximum support, continued education and covenantal accountability to the end that our Texas Annual Conference clergy may be transformed. Holistically healthy pastors, young and
old, make for growing, vibrant congregations and satisfaction within the calling to the ministry of Jesus Christ.

The energies of the committee have been directed this past year toward the launch of a survey among all active clergy persons in order to measure morale in the Texas Annual Conference. This survey was the result of many minds that designed and implemented the survey in such a way as to gain maximum information. The resulting data will help guide the TAC to best assist the clergy, their families and the congregations they serve.

The Sexual Ethics and Birkman sub-committees have been quite active in the past year as is evidenced by their separate reports. The members of the Clergy Accountability Committee and its sub-committees consider it a privilege to serve in the ways in which we have been called.

Sexual Ethics Committee
Rev. Preston Greenwaldt, Chair

The Texas Annual Conference Sexual Ethics Committee is charged with the task to train and help clergy and lay leaders achieve the highest ideals of Christian integrity in all aspects of their ministry. We are especially committed to providing safe, respectful and nurturing environments in keeping with God’s sacred trust. The Sexual Ethics Policy is the catalyst to assure that our Clergy and Lay Leaders can be transformed & grow without the fear of abuse or reprimand. Educating all persons in leadership roles will assure that our churches will be in the position to grow spiritually without barriers.

A new Sexual Ethics Policy was adopted by the Texas Annual Conference in May 2013. Now the policy needs to be communicated with all the churches and clergy. In order to make this happen, online training was debuted in the Spring of 2014 covering the Sexual Ethics and Bullying Policies. This will be followed by additional in-person training modules.

The Texas Annual Conference takes the issue of Sexual Ethics seriously so that children, youth and adults may safely gather and worship in our churches.

Texas Annual Conference
POLICY for RESPONSE TEAMS
Proposed by Texas Annual Conference Committee on Sexual Ethics, Spring 2014

Introduction. As a connectional people, United Methodists recognize the value of support and accountability beyond the local congregation. In times of congregational trauma, conflict, and crisis, our connectional structure can be used to greatest advantage. As Paul reminds us, “If one member suffers, all suffer together...for we are the body of Christ and individually members of it.” (1 Corinthians 12:26-27) Therefore, the Texas Annual Conference supports a conference-level Response Team ministry for congregational intervention, healing, and support.

Description and Purpose of a Response Team. The purpose of a Response Team is to assist congregational leadership in bringing a congregation through a time of crisis, with the aim of improving long-term congregational health and vitality. According to The Book of Resolutions 2012,

Response Teams are called into a situation of trauma in order to promote the possibility of healing for the congregation and the individuals involved. Response Team ministry provides a way for judicatory leaders to enable effective assessment, intervention, training and resourcing of congregations experiencing events affecting congregational health by enlisting a group of persons with training, expertise, and resources in specific areas of ministry. Members may be paid or unpaid. The Response Team is not called to any judicial or Disciplinary processes for legal resolution of a situation. The Response Team is called into action by the bishop or bishop’s designee, often a district superintendent, and is accountable to the bishop. (BOR 2012, pp. 132-3)
A Response Team is comprised of trained individuals who have expertise in conflict transformation, trauma and recovery, group facilitation, ministerial misconduct issues, pastoral care, psychology, counseling, and other areas of specialization who can offer congregational intervention, healing, and support for a limited duration. Response Teams are meant to help affected congregations so that they may experience God’s healing grace and once again focus upon their mission to make disciples of Jesus Christ for the transformation of the world to the glory of God.

**Rationale.** Trauma within a congregation, whether due to natural disaster, grief, conflict, ministerial misconduct, or other crisis, can be a defining moment in the life of a faith community. Whether this moment proves a positive “learning point” or a negative dysfunction within a congregational system depends largely on how well the congregation is able to communicate with each other, pray, and recognize God’s grace in the midst of difficulties. Turning crisis into opportunity for learning, healing, and growing often requires the assistance of experts from outside the congregation.

**The Role of the Response Team.** The role of the Response Team sent to a local congregation includes but is not limited to the following: • Creating a safe atmosphere where congregational healing can take place • Striving to be a non-anxious presence and an advocate for Shalom • Offering leadership in large and small groups that facilitates dialogue and encourages healthy group process • Listening and responding with support to concerns, distress and questions • Educating about power dynamics and professional boundaries • Leading appropriate worshipful experiences and providing personal devotional materials • Working with the congregation to develop specific procedures/processes for use in future crisis situations • Being available to meet with individuals and staff as needed over a period of weeks or months • Empowering the congregation to continue their own healing process • Evaluating and reporting to the Bishop/Cabinet • Identifying ways to continue support of the congregation and the pastor(s) that follow • The Response Team does not perform any investigative function, nor does it offer disciplinary, judicial, legal counsel or opinion • The Response Team will focus on healing but is not a substitute for professional counseling.

**Responsibilities of Response Teams.**
1. Response Teams will maintain confidentiality in their work with individuals and local churches.
2. Response Teams will coordinate their work with the district superintendent and strive to work with the Pastor/Staff Parrish Relations Committee of the local church.
3. Response Teams will convene meetings and hold worship services as appropriate and needed in the local church, including: • With staff members of the local church • With the church council • With the members of the local church in at least one church-wide informational meeting • With individuals and small groups, offering opportunities for discussion, one-on-one meetings, worship, and healing resources whenever possible.
4. Response Teams may provide templates for written communication tools, such as a letter to the congregation.
5. Response Team members will have basic training and orientation to this policy and should earn continuing education credits related to their responsibility.

**Leadership of Response Teams.** 1. There will be a Conference Coordinator of Response Teams. 2. Each Response Team will be led by a Convener who may be lay or clergy. 3. Each Response Team may include at least one member who is licensed in psychotherapy. 4. Each Response Team should include lay and clergy members. 5. All members of a Response Team who are deployed must complete training as specified by the Center for Clergy Excellence.

**Responsibilities of the Coordinator of Response Teams** 1. The Conference Coordinator of Response Teams will be amenable to the Bishop and Cabinet. 2. The Conference Coordinator of Response Teams will convene all Response Teams, considering the importance of appropriate
cultural concerns such as geographic, racial, gender, ethnic, language, lay and clergy composition and the need for professional counseling skills in the formation of the team. 3. The Conference Coordinator will name the Convener of each Response Team. 4. The Convener will consult with the Conference Coordinator regularly. 5. The Conference Coordinator will work with the Center for Clergy Excellence to provide basic training and continuing education for Response Team members. 6. The Conference Coordinator will serve as an ex officio member of the Conference Committee on Sexual Ethics. 7. The Conference Coordinator will attend denominational training for Response Teams. 8. The Conference Coordinator will develop networking opportunities with all recruited and trained Response Team members. 9. The Conference Coordinator will develop and provide a template for Response Team reports to the bishop and cabinet at the conclusion of an assignment. 10. The Conference Coordinator will maintain a directory of Response Team members including a brief profile and photograph of each member.

**Responsibilities of the Convener of a Response Team** 1. The Convener of a Response Team will contact all members assigned to the Team prior to beginning work with a local church. 2. The Convener will meet with the Pastor/Staff Parrish Relations Committee, prior to or upon the arrival of the other Response Team members. 3. The Convener will provide contact information for the Response Team.

**Deployment of Response Teams** 1. Response Teams are deployed by and are accountable to the Bishop and Cabinet of the Annual Conference. 2. A Response Team will be deployed for six weeks to six months, with extensions to be negotiated. 3. Response Team members will be deployed within a driving distance of no more than 75 miles, if at all possible.

**Training and Support for Response Teams** 1. Basic training for Response Teams will be provided by the Center for Clergy Excellence. 2. All persons trained and available for deployment on Response Teams will meet bi-annually for continuing education and collegial support.

**Compensation** 1. Response Team members, committee members, resource persons and other volunteers serve without compensation. 2. The Conference Coordinator of Response Teams will be contracted for administration and coordination of Response Teams for the whole Conference. 3. Team trainers and long-term, specialized counselors may be compensated, at negotiated rates.

**Birkman Personality and Leadership Style Assessment Task Force**

Rev. Peter Cammarano, Chair

The Birkman Personality and Leadership Assessment Taskforce provides conference clergy and lay leadership with the opportunity to experience the Birkman personality and leadership assessment to help them better understand themselves and the people with which they work. The taskforce helps to equip clergy and leaders in the development of their own leadership skills so that they might be the most effective and fruitful leaders in equipping their congregations to make disciples of Jesus Christ for the transformation of the world. The Birkman assessment does not measure skills, and therefore is not a tool for annual assessment. Personality traits do not generally change over time, and are neither positive nor negative. However, becoming aware of professional strengths, needs, and preferred work styles can help clergypersons understand how they might react under stress and learn how to order their lives such that their needs are met in healthy ways. Acknowledging others’ differing strengths, needs, and preferred work styles can help clergypersons collaborate with colleagues to equip congregations to make disciples of Jesus Christ for the transformation of the world. The Taskforce believes that healthy leaders are a vital ingredient to vibrant, growing congregations changing lives and re-shaping futures for Jesus Christ. The Taskforce does this through faith forming relationships and connectional ministry.
In specifics, the Taskforce places a priority on providing the Birkman Assessments to Developing Connectional Ministry (DCM) groups and Professional Disciplines (PD) Clergy Peer Groups first and all costs for these groups are covered by Center for Clergy Excellence funds. In 2013-14, Residency groups were served. All members of the cabinet are given individual coaching based upon their Birkman profile. And 64 persons in total have experienced initial Birkman sessions in 2013-2014.

The Birkman is available to church staffs and ministry teams as an opportunity to maximize their effectiveness, build focus in goal setting and team dynamics, and to be good stewards of time, talent, and gifts.

Our goals and objectives for 2014 are to continue the implementation and roll out of Birkman services to clergy and lay leaders in the annual conference. We will maintain our coaching team, and provide Birkman coaching to all Residency groups at their June retreat and orientation. We are exploring ways to make the Birkman more accessible to clergy and to integrate their Birkman profile into their day to day ministry.

Birkman assessments are available to Texas Annual Conference clergypersons, church staffs, and District and Conference staffs for $75.00. However, assessments are not offered without orientation (30 minutes or less, by phone or in person) prior to taking the assessment and coaching (2 hours minimum for individuals, in person; or 4 hours minimum for groups, in person) following the assessment. Coaching is offered free of charge by pairs of trained volunteer lay and clergy coaches for clergy peer groups with a minimum of five and a maximum of 15 members. Coaching may be available for individual clergy, church staffs, and District and Conference staffs. However, in these cases, coaching fees will be negotiated on a coach by coach basis.

The Center for Clergy Excellence was created in 2006 to foster an environment of support and accountability that promotes clergy excellence. The purpose of the Clergy Development & Spiritual Formation Ministries Team is to continue developing and improving systems that help clergy grow in their theological understanding and effective leadership, as well as their spiritual, emotional, and physical well-being. In an effort to advance the Texas Annual Conference Model for Ministry, our work relates to the quadrennial focus on forming Transforming Clergy Leaders who will lead congregations in fruitful ministry.

In particular, we have begun to address the directive to “provide educational opportunities for clergy throughout their career.” In the second year of the quadrennium, our team is working to further develop a program that will provide clergy with leadership and spiritual formation opportunities from a wide variety of sources. In doing so, we hope to create continuous opportunities for single day and/or year-long experiences.

Four people, two clergy and two laity from our annual conference applied and were accepted to engage in a two year Academy for Spiritual Formation offered through General Board of Discipleship.

Ongoing areas of work for this ministry area include the following:

**Clergy Gathering**

The Clergy Development and Spiritual Formation Team continues to host The Clergy Gathering in September. In 2013 there was an overwhelming consensus from clergy that Rev. Frank Thomas’ invitations to a time of confession, reflection and worship were both relevant and powerful.
Itinerancy and Relocation

The Clergy Development and Spiritual Formation will again present Itinerancy and Relocation Events at the following locations:

- **May 10, 2014 - FUMC Conroe**
- **May 17, 2014 – Gregg ton UMC - Longview**

The following topics are covered in each event: Leaving Well, Parsonage Guidelines/Standards, Moving Guidelines, Compensation and Benefit Changes, and Starting Well.

Additionally, Rev. Michelle Hall will continue to coordinate with the Board of Ordained Ministry residency program and licensing school to facilitate a smooth transition for clergy who are new to the TAC.

Clergy Recruitment

Rev. Elizabeth Duffin, Chair

The Clergy Recruitment Team is charged with the task of recruiting gifted, young, diverse clergy for fruitful ministry in the Texas Annual Conference. Toward this end, Clergy Recruitment has launched many significant initiatives over the past eight years. This year’s theme of Annual Conference is growing vibrant churches, and we see our work as helping to support and resource young adults in our conference, along with recruiting clergy into the conference who can lead vibrant churches.

Our goal last year was to increase diversity in all of our programs. We have seen great fruit from these labors, and are continuing to work on bringing the most talented and diverse pool of clergy possible to lead churches in East and Southeast Texas.

We are continuing our work tracking young people who have participated in one or more Clergy Recruitment programs. Our hope is that participants will stay connected with the TAC as they continue discerning a call to ministry, participating in programs at later stages of development, and serving as leaders for programs in which they have already participated.

Following are more details about the individual programs overseen by the Clergy Recruitment Team:

Local Congregations

mycalltx.com – This website and its social networking component (Facebook) allow us to communicate and connect with a broad audience of young people who are actively researching what steps are required to become clergy.

Youth

Camp and UM ARMY Coordination—We are exploring and testing new ways to connect with youth during these powerful and often pivotal experiences, in order to expose them to opportunities for service and discernment. We are collaborating with Lakeview's TAP program, as well as the Executive Director of UM ARMY Texas, to provide resources that will better support and guide students who have expressed a call to ministry.

Imagine What's NEXT – GBHEM hosts this event on the off years of Exploration. This year’s event will be in Denver, Colorado, November 7-9. The event targets young people and encourages them to “Imagine What NEXT is.”

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**College**

**Exploration** – Young people came together from across the connection in Denver, Colorado November 15-17. We sent and sponsored 15 students from the Texas Annual Conference. Twelve of the fifteen students expressed a call to ordained ministry.

**Pastoral Intern Project** – In 2013, 13 college students spent their summer catching a glimpse of the life and work of a pastor. They also got to test their own gifts and passions for ministry while preaching, teaching, offering pastoral care and leadership in congregations throughout the TAC. Six of the thirteen interns are moving forward as they have discerned a call to ordained ministry.

**Candidacy**

**Candidacy Summit** – We continue to support the BOM by hosting the annual Candidacy Summit event. We had 53 participants in 2013. The summit for 2014 will be held at Camp Allen July 24-26.

We are excited that as we move forward we will be offering literature in both English and Spanish.

**Seminary**

**Seminary Ambassadors** – District Superintendents and young clergy visited several seminaries in 2013 and spring 2014 to meet with students from the TAC and to recruit other students without a firm conference affiliation.

**Provisional Elders**

**Ambassador Endowment** – In 2013 four commissioned elders were granted a combined total of $85,516.43 for non-reimbursed seminary tuition, books, and fees. Funds for grants continue to be provided by individual donors and foundation grants.

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**Clergy Support**

**Board of Ordained Ministry**

**Rev. Carol Bruse, Chair**

It is my privilege to continue serving along with an extraordinary Conference Board of Ordained Ministry, nine excellent District Committees on Ordained Ministry, and Candidacy Manager Shanda Levingston; in coordination with the Center for Clergy Excellence and its staff and committee leaders, and with our Bishop and Cabinet.

As many of you will recall, during the 2012 Texas Annual Conference, the Conference Strategic Assessment Team recommendations included this directive for the Center of Clergy Excellence:

Work with the Board of Ordained Ministry to focus on rebalancing the age of clergy serving within the Texas Annual Conference. The purpose is to prepare outstanding, passionate, diverse leadership for the next generation, as well as to address the challenge created by a disproportionate percentage of clergy retiring over the next 10-15 years.

In response to that mandate, during our October 2013 Board meeting, we had planned to set minimum standards for incoming candidates for ordained and licensed ministry. In order to invite you to review the proposed standards in advance, we posted a copy on the BOM page.
of the Texas Annual Conference website in fall 2012. However, during the spring of 2013, after they gained national attention, many clergy voiced strong opposition to the proposed standards.

In response to this strong opposition, we sent an online survey to all lay and clergy members of (delegates to) the Texas Annual Conference during summer 2013, in order to invite further response. Although many of you were in favor of clear standards for incoming clergypersons, so many were strongly opposed to the proposed standards, we decided to withdraw them.

However, although that first proposal or “solution” was deemed inadequate, the “problem” remains.

During the Clergy Gathering in September, I was given the opportunity to explain this “problem” graphically. I shared the charts following. Chart 1 shows the current (2012 numbers) age distribution of Elders in the Texas Annual Conference. Chart 2 shows what an ideal, “balanced” age distribution of Elders would look like (10 clergypersons in each age group; such that as 10 Elders retire each year, 10 new Provisional Elders are commissioned). Chart 3 shows the two charts together, highlighting our need for younger Elders if we are to “rebalance” the age of our clergy in order to provide adequate clergy leadership for the future.

During that Clergy Gathering, I stressed that, as pastors, just as it is our privilege to receive people in our offices and at our altar railings feeling a call to ministry, it is also our responsibility to guide them into the types of ministry for which they are gifted and into types of ministries in which they are needed by the church. Right now, at this point in time, the Texas Annual Conference needs lots of gifted young Elders. We need a few older Elders, as well. And we need lots of gifted Licensed Local Pastors and Certified Lay Ministers of all ages.

After considering the responses to our summer survey, along with the ideas generated by clergy who attended the fall Clergy Gathering, a task force created by the Board, chaired by Dr. Jonathan Bynum, created alternate solutions to address this problem: Discernment Tools for District Superintendents, Pastors, and Pastor-Staff Parish Relations Committees. It is our hope and prayer these new tools will help all of us help candidates understand their gifts and the various ministry options available to them in the Texas Annual Conference. Then, we can help candidates make informed decisions about where they might be best suited to serve.

During the Clergy Session at Annual Conference 2014, we look forward to sharing these new discernment tools with you.

Meanwhile, along with my wonderful faithful colleagues on the Board of Ordained Ministry, I will continue to strive to oversee the enlistment, recruitment, candidacy, mentoring, theological education, examination, and recommendation of clergy leaders on behalf of the Texas Annual Conference. Frankly, it’s a daunting task. However, it’s a task we take very seriously because we understand that the future of our Conference will largely depend upon which clergy leaders we recruit, nurture, and recommend.

Thank you in advance for your support, encouragement, and prayers!

Extension Ministries

Dr. Gerald DeSobe, Chair

The impact of the clergy of the Texas Annual Conference who are appointed to Extension ministries is ever present in our local communities and worldwide. Over 100 clergy of the conference serve in Extension ministry appointments throughout the United States and abroad. Though their positions of college presidents, hospital chaplains, district superintendents, campus ministers, seminary faculty, missionaries, armed forces chaplains, pastoral counselors, foundation directors and in many other important ministries, allow them to help churches, clergy and lay leaders and the youth in the communities where they serve.

Each year Bishop Huie hosts an annual meeting for those clergy who are appointed as Extension ministers. The theme this year was “THE CHURCH’S ONE FOUNDATION”. We
examined the Vision of the Annual Conference and our role in it. Many of us were very familiar with the vision of the institution where we serve but are less clear about our own Conference. This gathering was a wonderful opportunity for us to connect with one another and be renewed through Bible study and worship. Dr. Ted Campbell, professor at Perkins School of Theology, led the Bible Study focusing on 'Visions & Dreams in Ministry'.

"I know I speak for all those appointed to Extension Ministries that it is a privilege to be clergy members of the Texas Annual Conference and to represent the ministry of the conference in ways that best utilize the gifts and graces we have been given for ministry. We are most grateful for the support the Conference gives us in the work we perform as we seek to do God’s work in our local communities and in our world."

**Intentional Interim Ministry**

**Dr. Suzan Carter, Program Director**

Intentional Interim Ministry advances the Texas Annual Conference Vision and Mission by growing fruitful churches and creating transforming leaders. The ministry supports the growth of fruitful churches by equipping pastors who are able to meet special congregational needs and by giving congregations the tools they need to self-assess and set goals. The ministry creates transforming leaders, especially clergy leaders, by offering educational opportunities and training seminars.

The 92-hour Intentional Interim Ministry Training Seminar (IIMTS) prepares experienced, effective clergy for specialized ministry. The training seminar includes classes on systems theory, conflict management, self-care, preaching, and conducting ¶213 assessments as well as the IIM process and the congregation’s Formative Tasks. Over 500 clergy have received this training nationwide, more than 60 in the Texas Conference. Because the most common comment from participants is “I wish I had this training twenty years ago,” the training seminar is now open to retired and active clergy -- elders, deacons and local pastors – with their District Superintendent’s recommendation. Commitment to serve as an intentional interim minister is not required. Participants find the training is valuable in any ministry setting.

The Intentional Interim Ministry program also sponsors continuing education events which are open to all clergy. In the past year Roy Oswald presented helpful information on “Managing Polarities” to a group of IIMs and Response Team members. Sue Carter taught a unit on “Calming an Anxious System,” Mary Tumulty gave a refresher on “Emotional Intelligence 2.0,” and Darrell Coats brought a wealth of information on managing conflict. Lovett Weems was the guest speaker at the 2013 TIIMSA (Transition/Intentional Interim Ministry Specialists Association) Gathering. His topic, “Leading Change,” struck a chord with many in attendance. The 2014 TIIMSA Gathering (held April 29 – May 1, 2014, at St Paul United Methodist, Houston) will be open to all interested parties. Dr. Peter Steinke is leading a discussion entitled “New World + Old Church = ?.” Workshops led by TIIMS from across the country will round out the two day training event.

The goal of Intentional Interim Ministry is not only to create transforming clergy but to grow fruitful congregations as well. Intentional Interim Ministers empower congregations to make disciples of Jesus Christ for the transformation of the world by leading congregations through several formative tasks. Congregations are encouraged to analyze their history and reconnect with their unique identity – their gifts and grace for ministry. Their unique context for ministry is explored and a missional direction is chosen by the church. IIMs help the church to identify and train the congregational leaders who will take the body into their preferred future, all the while strengthening their connection to district and conference resources. Like the apostle Paul, the purpose and focus of the Intentional Interim Ministry is that Christ be formed in the Body, the Church and we labor toward that end.

The Texas Conference continues to be the denominational leader in the training and deployment of Intentional interim ministers and willingly shares its knowledge and experience
of this new ministry with other conferences. The North Texas Conference has been building an IIM program after the TAC model since 2010. Conversations and training have begun for the Arkansas conference as well. Our goal for 2014-15 is to continue to reach out to other conferences in the jurisdiction, extending a helping hand to any interested in the development of intentional interim ministry. We will also facilitate the expansion of interim ministry within the Texas Conference by adding a new training opportunity. Longview FUMC will host the next IIMTS beginning in August 2014. This will be in addition to the October seminar held annually at St. Paul UMC in Houston.

The Commission on Equitable Compensation (COEC) is charged by the 2012 Book of Discipline (¶ 625) to: support full-time clergy serving as pastors in the charges of the annual conference by:

a. recommending conference standards for pastoral support;

b. administering funds to be used in base compensation supplementation; and

c. providing counsel and advisory material on pastoral support to District Superintendents and committees on pastor-parish relations.

The elimination of exceptions to COEC guidelines, stricter enforcement of the 5-year rule for equitable support, adjustments of pastoral appointments, and realignment of charges should continue to reduce the financial burden of our Conference to ensure equitable compensation for all of our pastors.

However, the anticipated rising costs of relocations, the inability of many charges to make significant progress in being self-sufficient in their clergy support, and the necessity to reduce apportionment loads on local congregations require that the COEC continues to take necessary steps to work with the Cabinet, the Conference Centers, the District Offices, and the Local Church Charges to reduce equitable support costs and bring greater fiscal responsibility to our support of clergy throughout the Annual Conference. Our goal is vibrant growing fruitful congregations served by transforming clergy leaders. COEC funds should be used to help churches fill a short-term need to a healthier more vibrant place, so God may be glorified.

The Notes Are Important

COEC wants this report to be user-friendly. Thus, we’ve attempted to give you the information you need in an easily read format. The Notes in the body of the report and at the end of the report are important and could pertain to you! Please read them.

What Makes Up Your Salary

“Salary” means all compensation paid by a charge as lined out on the Total Compensation Worksheet (completed at Charge Conference) PLUS any other compensation/assistance from denominational sources:

\[
\text{SALARY} = \text{Total Compensation} + \text{Other Denominational Compensation}
\]

Minimum Salary (MS)

Equitable Compensation (EC) is based on what is known as “minimum salary” (MS). The minimum salary for each clergyperson category currently is based on a percentage of the Denomination Average Compensation (DAC) from the year 2015 for that category. The DAC figure is based on the Denominational Average Compensation (DAC) of $66,259 for 2015 as set by the General Council of Finance and Administration (GCFA).

The Equitable Compensation and Texas Annual Conference Minimum Salaries for
2010 – 2014 as voted on by the Texas Annual Conference in 2015;

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Minimum Salary consists of the following:

1. Total cash salary
2. Housing-related allowances and utilities (includes utilities paid FOR the pastor)
3. Accountable reimbursements (does not include utilities paid FOR the pastor)

**Note:** Minimum salary does NOT include parsonage value or housing allowance in lieu of a parsonage.

All churches/charges receiving equitable compensation are required to provide an annual salary increase of 2.5% with the understanding that the above mentioned salaries are the starting point for equitable compensation and minimum Conference salaries until such time as the CAC and DAC more accurately reflect each other. (Voted on and approved at the 2009 Texas Annual Conference)

**EC Is Available For a Maximum of Five Years**

EC is designed to help charges grow through the benefit of having the appropriate pastoral staffing even though they might not initially be able to afford it. The goal is to enable charges to grow in ministry and mission so that they can, after a maximum of five years, afford to pay the full MS for their clergyperson without any assistance.

Although an exception to this five-year rule may be granted by a unanimous vote of COEC and the Cabinet, in the past few years, these exceptions have become so many that they are depleting COEC funds for the assistance of charges/churches who meet all requirements. In order to properly steward its resources, COEC will hold more steadily to the five-year maximum.

**WHEN to Request EC for a Charge**

For clergypersons to receive EC in a timely fashion, the pastor should submit the request to the DS and the DS should deliver the request to COEC as soon as possible.

**HOW to Send EC Requests**

COEC will accept only District Endorsed EC requests; the EC request must be processed through the electronic compensation administration system. The district endorsed requests may be forwarded by mail, email or fax to the Chair of the COEC or duly designated alternate.

Unfortunately, the trend of faxing and emailing information not using the prescribed EC Request Form has led to requests that are inconsistent in format and lacking needed information, requiring them to be sent back and thus further delaying the disbursement of EC funds to those who need them. Therefore, COEC will work solely from an approved EC Request Form approved by the appropriate District Superintendent.

**HOW to Request An Exception to COEC Standards**

Because of the need to properly steward EC funds, COEC is committed to closely follow its standards for qualifying charges to receive EC. However, a charge may request special consideration by delivering to COEC the following items (in addition to your standard required EC request materials) no later than January 15th:

1. A written request by the DS and pastor that describes why a waiver of COEC standards is justified.
2. A letter written by the pastor of the charge and co-signed by the Administrative Board/Council chairperson, that details the reasons the charge needs special consideration, specifically addressing the areas of deficiency, such as non-payment of required apportionments, salary under the minimum required, and so on.
3. An annual financial statement that clearly reports the offerings of the church(es) and all the assets of the charge, including all money held in any financial institution for any purpose.

4. A copy of the church(es)' year-end statistical report/audit.

**EC Grant for Pastor's Portion of the Conference Health Insurance Program**

Clergypersons who serve EC charges can apply, through their DS, for a grant from EC that pays the clergyperson portion of the Conference Health Insurance Program. The DS must forward the application to the Chair of COEC (by no later than January 15th), with detailed reasons for the request. All applications must be approved by COEC before any grants can be awarded.

**Note:** Requests for Health Insurance grants MUST be made separately from EC requests. In other words, being granted EC funds do not automatically guarantee a Health Insurance grant.

**Additional EC Assistance for FTs and FLPs Serving More than Two Churches in a Charge.**

FTs and FLPs whose charges consist of more than two churches may receive an additional $400 per church per year up to a maximum of $800. The DS must forward to COEC (by no later than January 15th), information about the number of churches in the charge beyond the two.

**Note:** Requests for this additional assistance MUST be made separately from standard EC requests. In other words, being granted EC funds does not automatically guarantee additional assistance for charges consisting of more than two churches.

**One Round-Trip-Per-Week Commuter Allowances for SLPs, USPs, RPs, PLPs and LPAs**

SLPs/USPs, RPs, and PLPs are eligible to receive a commuter allowance for ONE round trip per week (equal to 20 cents per mile) from their school (or residence for RPs or PLPs) to the parsonage or the logical center of the parish, up to a maximum of 300 miles per week.

**Note:** Associate Pastors are NOT eligible for a commuter allowance. To be considered for a Commuter Allowance, you must fill in the commuter mileage on the Other Items page of the electronic Compensation Administration System and apply through your DS.

The DS must forward the application to the Chair of COEC (by no later than January 15th), with exact information about the mileage and locations driven between. All applications must be approved by COEC before any allowances can be awarded.

**Note:** Requests for Commuter Allowances MUST be input into the electronic Compensation Administration System and will be considered along with EC requests. In other words, being granted EC funds does not automatically guarantee a Commuter Allowance.

**Clergy Relocation Committee Guidelines and Moving Policy**

Effective for moves related to appointments starting on and after January 1, 2004, the Texas Annual Conference (TAC) has implemented a Moving Policy. This Moving Policy applies to appointments where the clergy person will have the Conference Status of FE, PE, AM, PM, or FL (unless the clergy is also attending seminary); it also applies when a member of the clergy retires, dies or is appointed to Medical Leave. Clergy appointed to an Extension Ministry under the provisions of ¶ 344.1.a.1 are eligible. Procedures and Guidelines may be found on the Conference Website – www.txcumc.org under Forms > Relocation Information.

The COEC understands that some pastors will be moving from appointments with housing allowance to a parsonage and vice versa. The COEC believes that in light of the fact that the individual church/charge has the sole responsibility of determining whether a pastor receives a parsonage or a housing allowance, if the pastor has not moved their personal belongings under the conference move guideline by 120 days after the effective move date, they will forfeit all claims on the conference moving funds and will be totally and completely responsible for the costs of moving their property to the new appointment. Under EXTREME
circumstances, a waiver can be issued but it must be voted by the COEC and approved by the Cabinet and Bishop.

**Housing and Parsonage Standards for the Texas Annual Conference.**

The church today demands the clergy to be not only a preacher, as was the early circuit rider, but a resident pastor and responsible citizen in the community. In order to meet these felt needs, and to call men and women to a dedicated ministry, the church must provide living conditions that will establish an adequate base from which to operate.

It is the privilege and responsibility of the members of each congregation to provide a physical setting which will give the parsonage family the comfort and convenience so that the energies of the pastor may be more concentrated on his or her task and willing service in the Church of God. It is the responsibility of the parsonage family to provide cleaning and care of the parsonage, which will protect the interior facilities and amenities such as paint and floor coverings.

Because the parsonage, like the church building, reflects upon the congregation and pastor, it should be in such condition that all concerned can be justifiably proud of it. In view of this, we make the following recommendations regarding parsonage Standards for this Annual Conference.

1. **Size of Building and Living Areas.** The new or remodeled parsonage should be large enough to accommodate the pastor's family. It should provide adequate space for the entertainment of guests. It should be remembered in selecting a parsonage that the present parsonage family is not the only one who will live in that parsonage and that the house should be adaptable for a variety of family sizes and situations. We recommend the following minimum standards:
   a. 1800 square feet of living space
   b. 3 bedrooms and 2 bathrooms
   c. Adequate major appliances (stove, refrigerator, washer, dryer)
   d. Hot and cold running water in bathrooms, kitchen, and laundry
   e. Adequate heating and air conditioning
   f. Adequate closet and storage space
   g. Adequate garage or carport space with outdoor storage area

2. **Health and Safety**
   a. Proper sewer disposal according to the standards of local and/or State Department of Health
   b. Fire extinguisher in kitchen with yearly inspection
   c. Provide smoke detectors for kitchen, living, and bedroom area

3. **Furnishings**
   a. Window covering, drapes, curtains, and blinds should be provided to insure adequate privacy.
   b. If the parsonage family is expected to maintain the lawn, the church should provide a mower, lawn tools, and hoses.

4. **Miscellaneous**
   a. Discovering Needs: The Chairperson of the Pastor Parish Committee, the Pastor and the Chairperson of the Trustees or Parsonage Committee should inspect the parsonage at least once a year using the standards identified in Paragraph 262.2ff of the 1996 Discipline to discover needed repairs, improvements, and decorations. The Committee or Trustees should assume the initiative since it is their responsibility to maintain the parsonage in good condition, and since prompt attention lessens total cost of maintenance. An
evaluation form will be provided by the Conference Commission on Equitable Compensation to the District Superintendents and be included in the Charge Conference packets.

It needs to be remembered that the parsonage is the PASTOR’S HOME and inspection should be scheduled in plenty of time to meet the convenience of the parsonage family.

b. Insurance: The Trustees should be certain that the church owned house and contents are insured for at least 80% of replacement cost against fire, wind, and other hazards. Public liability insurance should be carried on parsonage property. Tenant homeowners insurance is available for all ministers who desire to cover personal possessions and liability.

IT IS THE SOLE RESPONSIBILITY OF THE PASTOR TO INSURE PERSONAL PROPERTY BELONGING TO THE PASTOR AND FAMILY.

Parsonage Record Book: It is recommended that each church establish a Parsonage Record Book containing an inventory of parsonage furnishings owned by the church, any warranties on items purchased for the parsonage, a service and repair record with dates of repair or service copies of the annual inspection and moving day checklist, and any other receipts, printed materials, or pertinent information.

A copy of these standards shall be distributed at Charge Conference by the District Superintendent to each church with a copy of the Evaluation forms. The PPR Committee, Trustees or Parsonage Committee shall conduct a review of the parsonage and how it related to these standards (below average, average, meet standards, needs immediate attention) and submits their findings at each Charge Conference. Action should be taken as soon as possible to bring each parsonage within an acceptable range based on these minimal standards.

**Churches having exhausted Equitable Compensation under the 5 year rule**

<table>
<thead>
<tr>
<th>District</th>
<th>GCFA</th>
<th>Church</th>
<th>EQ Count</th>
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<td>LONE STAR</td>
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<td>MURCHISON, FIRST</td>
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Churches having received EC more than 5 years

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<td>CARROLL SPRINGS</td>
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<td>NEW COMMUNITY</td>
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</table>

2015 Budget for Commission on Equitable Compensation

Meeting Expense $700
Total COEC Administrative Expenses for 2014 $700

Key For Abbreviations Used in this Report:

FT = Full-Time Conference Member—a clergyperson voted into active relationship to the Annual Conference (AC), who serves full-time as a pastor in a given appointment. An FT may be an elder in full connection, a probationary member (PM), or an associate member (AM). However, probationary members serving student pastorates while attending seminary will be considered as Seminary Student Local Pastors (SLP) for COEC purposes.

PT = Part-Time Conference Member—a clergyperson not living at a charge and/or one who receives earnings from other employment.
**FLP** = Full-Time Local Pastor—a clergyperson classified as a full-time local pastor by recommendation of a district committee on ordained ministry (DCOM) and serving as a pastor of a charge, under Episcopal appointment. A full-time deacon serving as the senior pastor of a charge under itinerate appointment may also qualify as a full-time local pastor.

**PLP** = Part-Time Local Pastor—a clergyperson classified as a part-time local pastor by recommendation of a DCOM and serving as a pastor of a charge, under Episcopal appointment. A full-time deacon serving as the senior pastor of a charge under itinerate appointment may also qualify as a full-time local pastor.

**RP** = Retired Pastor

**SLP** = Seminary Student Local Pastor—a clergyperson serving a pastoral appointment while enrolled in a seminary approved by the UMC’s University Senate. (A seminary load of 12+ hours automatically results in a clergyperson being classified as an SLP.)

**USP** = Undergraduate Student Local Pastor—a clergyperson serving a pastoral appointment while enrolled in undergraduate school.

**LPA** = Lay Person Assigned—any lay person sent by a DS to a local church to provide ministry in any capacity.

**BOM** = Conference Board of Ordained Ministry

**COEC** = Commission on Equitable Compensation

**CRC** = Clergy Relocation Committee

**DCOM** = District Committee on Ordained Ministry

**DS** = District Superintendent

**EC** = Equitable Compensation

**MS** = Minimum Salary

**IMPORTANT INFORMATION**

*Note:* In consultation with the PT and the BOM, the Cabinet determines whether the location of a PT’s residence (including whether a parsonage meeting the Conference standard is available to the charge), and the extent of outside employment categorizes the PT as serving 25%, 50%, or 75% of full-time service. PTs at 25% of fulltime service are NOT eligible for EC.

*Note:* COEC does not reclassify SLPs or USPs who terminate their enrollment in the middle of a conference year. Any change in classification must be started by the DS as acted on by the DCOM. Any change of benefits due to being reclassified must be done when the clergyperson no longer meets the criteria set out in the 2008 Discipline for classification as a student.

*Note:* The total of church-related compensation/assistance CANNOT be more than any offered EC.

*Note:* For an FT in good standing, the Minimum Salary will not fall below the 78%.

*Note:* SLPs and USPs will be paid in the amount needed to increase total income to EC plus the appropriate commuter allowance. Thus, the commuter allowance will be adjusted to the extent that the SLP’s/USP’s income exceeds EC.

*Note:* To calculate commuter allowance for PLPs, the maximum EC is considered to be $8000.

*Note:* On December 31, 2008, we underwent the final of four stages of transition of clergy ownership of parsonage furniture with the transition of dining area furniture to the clergy. Please contact the Chair of the COEC or your District Administrative Assistant with any questions or clarifications concerning this transition.

**Qualification to receive Equitable Compensation**

The following conditions must be met before a Church/Charge qualifies for Equitable Compensation support:

1) The Church/Charge has a minimum of 75 in attendance at principal weekly service(s).
2) The Church/Charge has a minimum of 1 adult profession of faith annually.
3) The Church/Charge has a minimum operating budget of $75,000 annually.
4) The Church/Charge has a minimum of 50% apportionment payout the previous year.
5) The Church/Charge submits to the Commission on Equitable Compensation complete financial reports for the 5 previous years.

6) The Church/Charge must maintain clergy pension and insurance requirements. Arrearages will constitute a breach of the covenant with the clergyperson appointed and will cause the Church/Charge to no longer be eligible to receive equitable compensation support.

7) The Church/Charge submits a comprehensive plan to the Commission on Equitable Compensation detailing how they will use the EQ support to be at a salary level above minimum support in the 60 months of EQ support.

8) The Church/Charge shall inform the Commission on Equitable Compensation in writing when they become aware that their level of salary support is not sufficient to meet their ongoing obligation to the appointed clergy.

9) The Church/Charge shall become disqualified from receiving Equitable Compensation support should any of the above not be met.

10) Clergy appointed to Church/Charge receiving equitable compensation support MUST report in writing to the Commission on Equitable Compensation failure of the Church/Charge to provide salary support within 30 days of arrearage.

Nothing shall prevent or interfere with Clergy being appointed to positions requiring equitable support should extraordinary need arise and no church/charge meets these requirements. Nothing shall prevent or interfere with qualified clergy receiving Disciplinary mandated equitable support. (This policy was adopted @TAC 2012)
This report is divided into the following sections:

1. Review of 2013 results
   A. Financial results
   B. Investment results

2. Changes for 2014
   A. 250 GHB participants take advantage of new 4 tier rating
   B. Day of Wellness continues – 2014 Dates
   C. Changes to Wellness program
   D. Retiree Medicare eligible over 65 update
   E. Post-employment health care liability recalculated
   F. Retiree Medical to continue to be paid out of Pension Unrestricted Reserve (PUR) in 2014
   G. Creation of Rate Stabilization Reserve
   H. Health care Reform changes (included in open enrollment materials)
   I. Addition of a Hearing Aid Benefit effective 9/1/2014
   J. New incentive for Diabetics enrolled in Disease Management program.
   K. 2 new Houston Methodist Hospital facilities added to Houston Methodist hospital contract
   L. Addition of a prescription drug out of pocket effective August 1, 2014
   M. Adoption benefit increased

3. 2015 recommendations
   A. Benefit changes effective 1/1/2015
   B. Change in pre-92 retiree subsidy
   C. Change in out of net-work expense
   D. High deductible plan rate changes

4. Annual Conference support
   A. Supporting the Vision and Mission of the Texas Annual Conference
   B. Goals and objectives
   C. Action items requiring a vote

5. Health Care Reform update
6. Health Care Financial Reserve definition and recommendation
7. Endowment Fund report (Mr. Jerry Massey, Chairman)
8. Forecast for 2013 and 2014

1. Review of 2013 results
   A. Financial Results

   Following are the savings from the various PPOs and cost savings strategies pursued by the Group Health Benefits Committee. These results include claims by the self-insured plan only.
Gross PPO medical/Drug expenses during 2012 $19,147,549
Medicare savings* ($823,221)
PPO Savings ($6,918,711)
Stop loss recoveries (through 12/31/2013) ($113,644)
Methodist Hospital Contract Savings ($3,544,458)
Total Savings ($11,400,034)
Actual (net) PPO claim costs paid by Group Health Benefits $7,747,515

*Medicare savings no longer reported for retirees due to their being covered by fully insured contracts

In other words, if it was not for the cost savings strategies pursued by the Group Health Benefits Committee, the 2013 medical plan would cost over $19,000,000 instead of $7,747,515 (a savings of $11,400,034).

In addition, The Houston Methodist Hospital wrote off an additional $294,245 in PPO deductibles and out of pocket expenses during 2013 for members of the Group Health Benefits PPO plan; A 9.9% increase in write offs compared to 2012.-ETMC wrote off over $43,608. Both write offs save Clergy money by eliminating a bill that clergy would otherwise have to pay.

B. Investment results

Following are the investment returns earned during 2013 for the various Group Health Benefit reserves and investments:

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<th>% Stocks</th>
<th>January 1, 2013 Balance</th>
<th>2013 Earnings</th>
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<td>General Bd. Of Pensions 50%</td>
<td>$11,259,584*</td>
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<td>Joint Reserve 50%</td>
<td>$1,762,005</td>
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<tr>
<td>Post Retirement Liability 100%</td>
<td>$858,226</td>
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<tr>
<td>Total</td>
<td>$13,879,815</td>
<td>1,604,563</td>
<td>11.6%</td>
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*The General Board of Pensions ending balance includes $2,181,388 of Texas Methodist Foundation investments which were transferred to the General Board during 2013 when the Texas Methodist Foundation investment account was closed at the direction of the investment committee.

The investment committee maintains an asset allocation of 50% equities and 50% bonds for both Pension and GHB reserves. The anticipated return for this asset allocation for budget purposes is 4%.

The Endowment Fund balance is reported in the Endowment Fund report.

2. Changes for 2014

A. GHB participants take advantage of new 4 tier rating

With the new 4 tier rating system approved at Annual Conference 2013 more than 250 clergy are paying lower rates with savings that exceed $350,000.

B. Day of wellness - 2014 Dates

Following are the tentative dates in 2014 to attend a Day of Wellness with Houston Methodist Hospital. Final dates will be published in the clergy newsletter.

June 26th – East, maybe Baytown
August 7th – Friday (Longview)
C. Changes to the Wellness Program

1. Addition of new A La Carte incentive for those in Walking Program

   The Group Health Benefits committee has implemented an A La Carte rebate program where participants enrolled in the Walking Program can receive up to $300 (reimbursed at the rate of 50%) for qualified purchases made between January 1, 2014 and September 30, 2014. (Enrollment in the walking program is still open to group health participants).

   Qualified purchases include any item or service that is helping participants maintain their health (see TAC WEB site for a list of eligible items and rules regarding filing of claims).

   In addition to being eligible for the A La Carte rebate program, those who join the Walking program are also eligible for the following incentives in 2014 and which will continue annually until repealed by the GHB committee.

   

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<td>Requirements to earn annual incentives</td>
<td>Meet goals in all 4 quarters in 2014</td>
<td>Meet goals in all 4 quarters in 2015</td>
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</table>

2. Existing Wellness program incentives

   In addition to the above incentives, the existing Wellness program incentives will continue to be paid until terminated by the Group Health committee. Participants of the Group Health Benefit plan will be able to use the walking program to leverage their Wellness incentives by participating in both programs while also taking advantage of the A La Carte incentive.

3. $400 Wellness Maintenance benefit

   The Group Health Benefits committee has approved continuing to reward those enrolled in group health who maintain a BMI of 25 or less by continuing to provide a $400 annual maintenance incentive which will continue until repealed by the GHB committee. The qualifications for this payment are:

   - Have to submit an incentive form along with a physician confirmation form (available on the WEB site)
   - Have a BMI of 25 or less
   - Been at least 6 months from the last incentive payment
   - Had a physical in the last 12 months
   - The incentive request must be received by December 31st of the year for which the incentive is being requested. For example the 2014 incentive must be requested by 12/31/2014.

4. Pregnancy incentive benefit modified

   The Pregnancy Incentive benefit has been amended to eliminate the need for the participant to lose 5% and 10% of their first trimester weight. Participants now only need to
return to their first trimester weight to earn the $2,000 incentive. This change is being made retroactive to January 1, 2008.

D. Retiree Medicare eligible over 65 update

Health Care Reform has the potential to change the way Medicare is provided and administered. While the GHB committee has yet to receive the 2015 renewals, the Center for Clergy Excellence will communicate the changes (if any) to all retirees via a letter as has been done in the past. The GHB committee asks that retirees pay particular attention to the renewal offerings since the committee anticipates the insurance companies may make changes to the plans currently being offered.

The GHB committee anticipates that Retiree/Surviving Spouse Group Health Plan Participants will continue to have three options available regarding their Group Health Benefits Plan:

1. The current Humana Medicare Advantage PPO plan which has been available since January 1, 2011, this plan has no annual deductible. While the benefits are generous, it does require that providers bill HUMANA.

2. A fully insured United Health Care plan which covers most benefits after a $500 deductible. This is a fully insured Medicare supplement which can be used with any provider. This plan replaced the Medicare eligible age 65 and over Boon-Chapman PPO plan, which was discontinued effective January 1, 2012.

3. A taxable stipend of $190 per month single or $380 family, which can be applied toward the cost of an individual policy which the retiree purchases. The stipend option was approved at the 2011 Annual Conference and offers the greatest degree of flexibility for retirees. Those retirees who are not eligible for Medicare are automatically defaulted into the stipend program.

Following are the 2014 over 65 retiree personal contribution rates. The 2015 rates will be announced during open enrollment.

<table>
<thead>
<tr>
<th></th>
<th>UnitedHealthCare Senior Supplement</th>
<th>HUMANA Medicare Advantage PPO Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Single</td>
<td>Family</td>
</tr>
<tr>
<td>2014 participant cost</td>
<td>$192.65</td>
<td>$385.30</td>
</tr>
</tbody>
</table>

Regarding the above rates, for those who retired prior to 1992; retirees deduct $55 per month and surviving spouses deduct $41.25 per month for the Board of Pensions subsidy.

E. Post-Employment Health Care Liability re-calculated

The Group Health Benefit plan was converted to a monthly capped contribution toward the cost of two fully insured plans or the monthly stipend check. As of December 31, 2013 the estimated liability is $21,426,466.

While there is no legal requirement to fund this liability, the General Board of Pensions does require that when an auditor determines that the liability exists, the value of the liability be actuarially determined and reflected in the financials for the Conference.

F. Retiree medical to continue to be paid out of Pension Unrestricted Reserve (PUR) in 2014

The reimbursement in 2014 will be based on a flat rate contribution of $190 per over 65 single retiree and $380 per family coverage (one family has a $703 subsidy due to multiple dependents eligible for Medicare), regardless of whether the retiree is with the UnitedhealthCare plan, the Humana Medicare advantage plan or the cash stipend. The 2014 retiree medical expense is forecasted to be $1,091,436.
The Group Health Benefits Committee annually provides the Board of Pensions with an estimate of the cost for the next year which will allow the Board of Pensions to decide whether to continue the practice of funding retiree costs out of the Pension Unrestricted Reserves.

G. Creation of Rate Stabilization Reserve

Due to good claims experience and higher than expected investment income, the Group Health Benefits Committee recommends the establishment of a Rate Stabilization reserve for the $870,023 that plan performance exceeded projected costs needed in 2014. (See Explanation of Group Health Benefit Reserves later in this report).

This reserve would provide stability to group health collections by being able to offset increases (in full or in part) when future costs are projected to rise. This would provide a level of stability to clergy and churches since the rate stabilization reserve could be used to fund cost increases as opposed to raising church or clergy contribution rates.

An investment account will be created to house the Rate Stabilization Reserve. The creation of the Rate Stabilization Reserve will be in conjunction with the consolidation of the Group Health Reserve and the Group Health & Pension Unrestricted Reserve. The consolidated Reserve will be identified as the Group Health Reserve.

H. Health Care reform changes (included in open enrollment materials)

a. The maximum benefit on essential health benefits is increased to unlimited.
b. Chiropractic services are increased to 35 per calendar year
c. The new employee waiting period for laity is now 90 days from date of hire.
d. The pre-existing condition limitation has been removed.
e. The $100,000 limitation on Bariatric surgery has been removed.
f. Clinical trials will be covered for qualified individuals
g. The $700 deductible plan family out of pocket limit is $12,700

I. Addition of a Hearing Aid Benefit

Effective September 1, 2014 active clergy who are participants of the group health benefit program will be eligible to obtain a hearing aid once every 3 years with a $250 co-pay on the first $2,500 and 10% co-insurance on any amount above $2,500. The benefit will be provided on a direct reimbursement basis (clergy pays the cost and submits the paid receipt to Boon Chapman. Additional information will be mailed to all participants during the month of June, 2014.

J. New incentive for Diabetics enrolled in Disease Management program

A new $150 incentive has been approved by the Group Health committee for diabetics enrolled in the Disease Management program. The incentive is payable if the participant meets the following qualifications and is in addition to any other incentives. This incentive, like all other Disease Management incentives is authorized by the Disease Management nurse.

- A1C test every 3 or 6 months
- Yearly lipid panel
- Yearly micro albumin urine test
- Yearly comprehensive foot exam
- Yearly dilated eye exam
- Monitor glucose at home

K. Two new Houston Methodist Hospital facilities added to Houston Methodist Hospital contract

The Houston Methodist Hospital management has announced the addition of two new facilities. The contracts for both hospitals were finalized February 1, 2014 and the goal is to have both available to Group Health participants effective August 1, 2014 when the Methodist Hospital contracts are updated. The deductible and coinsurance write off in addition to the most favored nation’s contract will apply the same as other facilities in the Houston Methodist Hospital network.
St. Catherines will be a long term care facility.
St. John’s will be a full service hospital.

L. Addition of a out of pocket expense limit on prescription drug program effective August 1, 2014

Effective August 1, 2014 there will be a cap on the total expense (deductible, co-pay and co-insurance) that group health participants must pay. The new out of pocket limit will be $2,000 for a single employee and $4,000 for the employee and dependents. It is expected that this change will be implemented without the need for participants to do anything other than use their Script Care card.

M. Adoption benefit increased

Effective January 1, 2014 the Adoption policy (#145) has been amended to provide a maximum benefit of $5,000. This change is retroactive to for adoptions finalized between January 1, 2012 and December 31, 2013. See the TAC WEB site for additional details and reimbursement form.

3. 2015 recommendations

A. Benefit Changes effective 1/1/2015

The following changes will be implemented in the $700 deductible medical plan effective 1/1/2015 to meet Health care Reform parameters.

1. The $700 deductible plan for single enrollees will now have a $4,200 out of pocket expense limitation (an increase from $3,700).
2. The $700 deductible plan for those with dependents will have a $8,700 out of pocket expense limitation (deceased from $12,700).

These changes will be implemented without the need for participants to do anything other than use their Boon Chapman & Script Care ID card.

B. Change in Pre-92 retiree subsidy

The Group Health Benefit Committee and Board of Pensions have approved an increase in the Board of Pensions Pre-92 subsidy starting in 2015. The new monthly subsidy will be as indicated below:

| Pre-92 Retiree | $75.00 per month |
| Contingent Annuitant | $55.00 per month |

C. Change in out of network expense

Effective January 1, 2015, increase the out of network out of pocket maximum under the PPO ($700 deductible & High Deductible) from the current $43,700 to $47,700 which compensates the group health plan for the discounts lost when participants go out of network. (PPO discount savings to the group health benefit plan are identified in section 1 – Financial Results, of this report).

D. High deductible plan adjustments

Any adjustments to the high deductible plan to stay in compliance with federal regulations for 2015 will be announced during open enrollment.

4. Annual Conference Support

A. Supporting the Vision and Mission of the Texas Annual Conference

The Group Health Benefits committee supports the Vision and Mission of the Texas Annual Conference by providing outstanding Health and Wellness programs for Clergy which helps empower Clergy to make disciples for Jesus Christ for the transformation of the world to the glory of God. This strategy allows clergy to Invest in the Young, Grow Fruitful Churches and Create Transforming Lay and Clergy Leaders.

In 2013 the Group Health plan shifted to a 4 tiered rating structure which allowed more than 250 Clergy to reduce their cost for health care by covering only the dependents they wanted to cover. In addition, a walking program was implemented to help Clergy stay healthy
(including incentives and challenges) and the Mental Health EPO was expanded from 10 visits per calendar year to 25 to make sure all Clergy receive the mental health coverage they need.

Additionally, using a percentage of compensation as the clergy contribution rate allows younger lower paid clergy to pay a lower rate for their health care coverage.

B. Goals and Objectives for 2014 & 2015

The goal of the Group Health Committee is to provide high quality medical coverage while utilizing various discount arrangements that exist in the market place so that Clergy are provided with high quality medical care at the lowest price to prevent stripping precious resources from the churches. In addition, Wellness programs designed to improve Clergy health and simultaneously lower group health costs will be continued. Both of these objectives are being pursued while making sure that TAC remains compliant with Health Care Reform requirements. Additionally, a rate stabilization reserve is being established (if approved) which will allow the GHB committee to maintain current rates as opposed to raising church and personal contribution rates when faced with higher projected costs.

C. Action items requiring a vote:

1. Acceptance of this report and the budget forecasts that are included.
2. Increase in pre-92 retiree group health subsidy to $75 for retirees and $55 for contingent annuitants effective 1/1/2015.
3. Capping prescription drug out of pocket expenses for the $700 deductible plan as of 8/1/2014 at $2,000 for a employee only coverage and $4,000 for those with dependents.
4. Effective January 1, 2015, increasing the employee out of pocket expense limitation from $3,700 to $4,200 and lowering the family out of pocket from $12,700 to $8,700 (including deductible, medical co-pays).
5. Approve Hearing Aid benefit effective September 1, 2014.
6. Increase in the out of net-work expense limitation effective January 1, 2015 to $47,700 (from $43,700)
7. Increase the adoption benefit to $5,000.
8. Approve the following changes to the Wellness program (Incentives paid out Group Health reserve and not current collections):
   a. Implement new A La Carte incentive for those enrolled in the Walking program.
   b. Continue existing Wellness incentives until terminated by the GHB committee.
   c. Continue the $400 Maintenance Incentive until terminated by the GHB committee,
   d. Modify the pregnancy incentive benefit to eliminate the 5% and 10% requirement and combine all incentives into returning to first trimester weight.
   e. New incentive for Diabetics enrolled in Disease Management program
9. Recommendation to create a rate stabilization reserve in the amount of $870,023 to offset future rate increases.

5. Health Care Reform Update

The Group Health Benefits Committee continues to monitor the Health Care reform situation to make sure TAC is in compliance with this evolving federal law. Any additional changes required by Health Care Reform will be approved by the Group Health Benefits committee and communicated to the churches and participants.

The Group Health Committee has evaluated (and will continue to evaluate) the potential of Health Care Reform and the availability of Exchanges for the provision of Clergy health care. To date the committee has determined that moving to the Exchanges for the Clergy group would be detrimental and would result in higher cost (plans on the Exchanges start with $2,000 deductibles) and would void the Conference’s special arrangements with Houston Methodist Hospital (most favored nation contract, write off of deductible and co-insurance). In addition,
Houston Methodist hospital has extremely limited availability through the Exchange networks (they participate in only two of the exchange networks) resulting in Clergy not being able to utilize Houston Methodist Hospital even if they wanted to.

The committee would like to thank all of the churches and their staff for their assistance in implementing Health Care Reform requirements to date.

5. Health Care Reserve

Explanation of Group Health Benefit reserves

The Group Health Benefits Committee has several reserves which they manage because they operate a self-insured medical plan. These reserves allow the committee to earn investment income which can be used to offset rate increases. The following explains the purpose of the various reserves and provides a mechanism for the disposition of reserves that exceed stated amounts. These reserves include the following:

<table>
<thead>
<tr>
<th>Description</th>
<th>12/31/2013 Value</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Reserve</strong> includes operating accounts - cash ($143,694), Receivables ($631,490), Payables (-$71,463) and does not include the reserve for unfunded post-retirement medical costs ($1,152,475)</td>
<td>$17,894,743</td>
</tr>
<tr>
<td><strong>Less Termination reserve</strong> – That part of the total reserve accrued to pay claims that have been incurred but which have yet to be paid by Boon Chapman or Script Care and billed to the Group Health Benefits plan. The amount of the termination reserve is calculated each year and indicated on a separate line in the budget forecast. Currently this reserve is 25% of forecasted medical claims and 5% of forecasted prescription drug claims.</td>
<td>($1,750,351)</td>
</tr>
<tr>
<td><strong>Less Endowment Fund</strong> – A trust fund (the trustees are the members of the Group Health Benefits Committee) which has been set aside to defer the cost of health care in the future.</td>
<td>($1,754,605)</td>
</tr>
<tr>
<td><strong>Actual reserve</strong> (Total Reserve less the termination reserve and Endowment Fund) – The Group Health Benefits Committee has determined it needs an amount equal to 75% - 100% of the projected Group Health Benefits budgeted cost for the year following the current year, set aside for negative events that may occur and adversely affect the group health benefit plan. Such events can include, but are not limited to, dramatic increases in medical utilization or cost, negative investment returns, an unusually high number of high cost claims, etc. 2015 projected group health cost is $13,649,266 (used to determine any excess in 2015)</td>
<td>14,389,787</td>
</tr>
</tbody>
</table>

Recommendation – Since the 12/31/2013 actual reserve of $14,389,787 exceeds the projected 2014 costs of $13,519,764 (taken from GHB Report to 2013 Annual Conference) by $870,023, the Group Health Benefits
All reserves are invested according to the Investment Policy Statement (IPS) under the supervision of the investment committee. The Group Health Benefits Committee has complete discretion regarding how these funds will be utilized. The Group Health Benefits Committee is a sub-committee of the Board of Pensions which according to the Discipline has overall responsibility for the funding (in conjunction with CF & A) and provision of both pension and health care benefits to clergy.

The Group Health Benefits Plan has a self-insured PPO, a self-insured prescription drug plan and a fully insured Medicare Advantage plan, a fully insured Medicare Supplement and a self-funded stipend which covers clergy, laity, retirees and surviving spouses who meet the eligibility requirements. The Group Health Benefits Plan is not a form of entitlement and it should be noted that the Group Health Benefits Committee under the direction of and subject to the approval of the Board of Pensions, with the concurrence of Annual Conference, reserves the right to amend or possibly eliminate both the active and retiree plan of benefits.

On behalf of the Group Health Benefits committee, I would like to thank Rev. Gail Ford Smith, Director, Center for Clergy Excellence; Mark Hellums, Controller, Pension and Group Health Benefits; Barbara Kilby, Benefits Administrator / HIPAA Privacy Officer; Nancy Slade, Executive Assistant; and Patty Oliver, Pensions Accounts Receivable / Pensions and Patricia Goforth-Rakes, Account Receivable / Enrollment Specialist; for providing outstanding dedication and skillful application of their talents in this difficult and changing field. Personally I would like to thank each of the Group Health Benefits Committee members (past and present) for their work in crafting the solutions we have identified to date and enduring long and challenging committee meetings.

I would also like to thank American United Life, Boon Chapman, Script Care, and HUMANA, for the outstanding service they have provided our participants. In addition, I would like to thank Mr. Ted Carlson of Carlson’s Consulting, the Texas Annual Conference’s Group Health & Pensions consultant, for his work throughout the year.

**Endowment Fund Report.**

*Mr. Jerry Massey, Chairman*

The Investment Committee continued to use Smith Barney in 2013 to invest the assets of the Endowment Fund. As a conclusion of investing in dividend paying stocks, the fund gained $314,415 and has a current value (as of 12/31/2013) of $1,754,605.
During 2013 $300,000 of Miller Howard profits were invested with O'Shaughnessy Asset Management which focuses on European dividend paying stocks. Following is the breakdown of investments as of 12/31/2013:

<table>
<thead>
<tr>
<th></th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Miller Howard</td>
<td>$1,430,600</td>
</tr>
<tr>
<td>O'Shaughnessy</td>
<td>$324,005</td>
</tr>
<tr>
<td>Total</td>
<td>$1,754,605</td>
</tr>
</tbody>
</table>

For 2013 the endowment fund earned a 21.8% return.
All invested funds reflect the Social Investment Guidelines as provided for by the General Board of Pensions and follows the Investment Policy Statement adopted by both the Group Health Benefits Committee and the Board of Pensions.
### Income

<table>
<thead>
<tr>
<th>Source</th>
<th>Actual 2013</th>
<th>Forecast 2014</th>
<th>Forecast 2015</th>
<th>Assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clergy</td>
<td>3,370,252</td>
<td>2,946,872</td>
<td>3,038,225</td>
<td>1. Clergy salary increased 3.1% in 14 &amp; 15</td>
</tr>
<tr>
<td>Ext. Ministries</td>
<td>260,146</td>
<td>264,000</td>
<td>272,184</td>
<td></td>
</tr>
<tr>
<td>Retirees PPO / Insured</td>
<td>30,101</td>
<td>30,101</td>
<td>30,101</td>
<td>2. Retirees – Assumes continuation of fully insured plans</td>
</tr>
<tr>
<td>UHC Insured</td>
<td>516,323</td>
<td>499,349</td>
<td>568,782</td>
<td></td>
</tr>
<tr>
<td>Medicare Advantage</td>
<td>405,576</td>
<td>381,444</td>
<td>613,242</td>
<td></td>
</tr>
<tr>
<td>Church @ 7.2 in 2013 &amp; 7.8% in 2014 &amp; 2015</td>
<td>2,843,676</td>
<td>3,383,432</td>
<td>3,488,318</td>
<td>3. Apportionment reduced $300,000 in 2014 &amp; 2015</td>
</tr>
<tr>
<td>Apportionment</td>
<td>3,278,057</td>
<td>3,278,057</td>
<td>3,278,057</td>
<td></td>
</tr>
<tr>
<td>Lay Billing</td>
<td>228,946</td>
<td>228,946</td>
<td>228,946</td>
<td></td>
</tr>
<tr>
<td>Dental and Vision</td>
<td>157,597</td>
<td>159,335</td>
<td>183,235</td>
<td></td>
</tr>
<tr>
<td>BOP Reimbursements (c) (i)</td>
<td>1,055,091</td>
<td>1,114,536</td>
<td>1,122,636</td>
<td>4. Reimbursement - Includes rebates, stop loss, and PBX rebates</td>
</tr>
<tr>
<td>Incentives paid from reserves</td>
<td>180,800</td>
<td>132,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reimbursements</td>
<td>334,363</td>
<td>178,000</td>
<td>178,000</td>
<td></td>
</tr>
<tr>
<td>Other (stale chks, donations)</td>
<td>127</td>
<td></td>
<td></td>
<td>5. Investment returns assume 4% return in 2014 &amp; 2015</td>
</tr>
<tr>
<td>TOTAL INCOME</td>
<td>12,480,255</td>
<td>12,644,872</td>
<td>13,133,727</td>
<td></td>
</tr>
</tbody>
</table>

### Expenses

<table>
<thead>
<tr>
<th>Source</th>
<th>Actual 2013</th>
<th>Forecast 2014</th>
<th>Forecast 2015</th>
<th>Assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retiree / Stipend</td>
<td>29,620</td>
<td>45,600</td>
<td>45,600</td>
<td>6. Retiree costs cap TAC liability at $190 single &amp; $380 family for over 65</td>
</tr>
<tr>
<td>UHC Insured plan</td>
<td>1,003,655</td>
<td>991,829</td>
<td>1,061,262</td>
<td></td>
</tr>
<tr>
<td>Medicare Advantage</td>
<td>927,414</td>
<td>926,364</td>
<td>1,158,162</td>
<td></td>
</tr>
<tr>
<td>Medical Claims (net) (e) (g)</td>
<td>6,713,553</td>
<td>7,025,098</td>
<td>7,551,981</td>
<td>7. Medical inflation 7.5% in 2014 &amp; 2015</td>
</tr>
<tr>
<td>5% Margin for Error</td>
<td>351,255</td>
<td>377,599</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Prescriptions</td>
<td>1,439,252</td>
<td>1,727,858</td>
<td>1,865,169</td>
<td></td>
</tr>
<tr>
<td>Life, A.D &amp; D</td>
<td>54,650</td>
<td>54,650</td>
<td>54,650</td>
<td></td>
</tr>
<tr>
<td>EAP</td>
<td>19,200</td>
<td>37,000</td>
<td>37,000</td>
<td></td>
</tr>
<tr>
<td>Stop loss</td>
<td>511,792</td>
<td>501,102</td>
<td>601,322</td>
<td></td>
</tr>
<tr>
<td>Claims Administration</td>
<td>525,189</td>
<td>627,650</td>
<td>627,650</td>
<td></td>
</tr>
<tr>
<td>Program Sponsorship (d)</td>
<td>15,000</td>
<td>15,000</td>
<td>15,000</td>
<td>8. Prescriptions trended at 6.5% .</td>
</tr>
<tr>
<td>Dis. Mgmt./Wellness</td>
<td>78,532</td>
<td>142,000</td>
<td>92,000</td>
<td></td>
</tr>
<tr>
<td>Day of Wellness particp. cost</td>
<td>16,100</td>
<td>12,250</td>
<td>7,000</td>
<td>9. Stop loss – Actual in 2014 &amp; 20% increase .</td>
</tr>
<tr>
<td>Virgin Health Miles Cost</td>
<td>26,645</td>
<td>38,800</td>
<td>40,000</td>
<td>in 2015.</td>
</tr>
<tr>
<td>Dental &amp; Vision</td>
<td>159,335</td>
<td>159,335</td>
<td>183,235</td>
<td>10. Office Admin - Funded by PUR</td>
</tr>
<tr>
<td>Hearing Aid Benefit</td>
<td>0</td>
<td>13,131</td>
<td>52,524</td>
<td>11. Health Care Reform taxes $63 PMPY in 2014 and $41.28 PMPY in 2015</td>
</tr>
<tr>
<td>Description</td>
<td>2013</td>
<td>2014</td>
<td>2015</td>
<td></td>
</tr>
<tr>
<td>----------------------------------</td>
<td>------</td>
<td>--------</td>
<td>--------</td>
<td></td>
</tr>
<tr>
<td>Adoption Expense</td>
<td>0</td>
<td>4,600</td>
<td>4,600</td>
<td></td>
</tr>
<tr>
<td>Health Care Reform Taxes</td>
<td>0</td>
<td>78,000</td>
<td>51,936</td>
<td></td>
</tr>
<tr>
<td>Miscellaneous expense</td>
<td>16,267</td>
<td>2,000</td>
<td>2,000</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL EXPENSE</strong></td>
<td>11,536,204</td>
<td>12,753,523</td>
<td>13,828,691</td>
<td></td>
</tr>
<tr>
<td>Surplus (Deficit) (j)</td>
<td>944,051</td>
<td>(108,651)</td>
<td>(694,964)</td>
<td></td>
</tr>
<tr>
<td>Investment Results</td>
<td>1,310,411</td>
<td>617,757</td>
<td>642,455</td>
<td></td>
</tr>
<tr>
<td>Reserve (h) (k)</td>
<td>16,140,138</td>
<td>16,468,444</td>
<td>16,283,935</td>
<td></td>
</tr>
<tr>
<td>Endowment fund (f)</td>
<td>1,754,605</td>
<td>1,824,789</td>
<td>1,897,781</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL RESERVE</strong></td>
<td>17,894,743</td>
<td>18,293,233</td>
<td>18,181,715</td>
<td></td>
</tr>
<tr>
<td>Less termination reserve</td>
<td>1,750,351</td>
<td>1,842,668</td>
<td>1,981,254</td>
<td></td>
</tr>
<tr>
<td>Reserve &amp; Endowment</td>
<td>16,144,392</td>
<td>16,450,565</td>
<td>16,200,462</td>
<td></td>
</tr>
<tr>
<td><strong>Post Retirement Liability</strong></td>
<td>(21,426,466)</td>
<td>(21,426,466)</td>
<td>(21,426,466)</td>
<td></td>
</tr>
<tr>
<td>Funding (l)</td>
<td>1,152,475</td>
<td>$1,198,574</td>
<td>$1,246,517</td>
<td></td>
</tr>
<tr>
<td>Net GHB Value / Assets</td>
<td>(5,884,204)</td>
<td>($5,602,116)</td>
<td>($5,877,268)</td>
<td></td>
</tr>
</tbody>
</table>

**Notes to Budget Forecast**

a. The above projection is based on the December 31, 2013 financial statements from Group Health Benefits.
b. The addition of a controller in the Center for Clergy Excellence has significantly improved financial reporting.
c. Projection assumes Board of Pensions funds retiree medical costs as indicated.
d. 2013 program sponsorship expenses includes donations of $10,000 Krist Samaratin and $5,000 Golden Cross.
e. 2013 - 2015 claims include cost for Health Care Reform required changes.
g. 2014 & 2015 claims projection includes savings from PPO contract with Aetna.
h. Includes investments ($15,436,417), cash ($143,694), receivables ($631,490), Payables (-$71,463) less Post Retirement funding ($1,152,475) and less Endowment Fund ($1,754,605).
i. One retired family has a $703 subsidy because multiple dependents are on Medicare.
j. Includes Board of Pensions transfer in the amount of $27,060.
k. Includes reduction for incentive payments transferred from reserve of $151,800 in 2013 and $245,100 in 2014.
l. Post retirement liability funding earnings accrue to Post Retirement account.
The Independent Auditor’s Report for Group Health Benefits is not available at the time of print. It will be sent electronically to delegates prior to the delegate meetings.
The Texas Conference Board of Pensions brings this report to the 2014 Annual Conference in full and appreciative recognition of the sacrificial giving, careful planning and dedicated stewardship of predecessor Annual Conferences and Conference Boards of Pensions. We owe a debt of gratitude to our laity and to our clergy who have established the pension infrastructure on which the Texas Conference now stands. We are grateful as we make this report for the work they have done and for the opportunity to continue to work on the pension programs of the Texas Annual Conference and the United Methodist Church which helps grow transforming clergy that lead vibrant growing congregations.

The Board of Pensions supports the Vision and Mission of the Texas Annual Conference by funding and administering the outstanding retirement benefit programs for Clergy which helps empower Clergy to make disciples for Jesus Christ for the transformation of the world to the glory of God. This strategy allows clergy to Invest in the Young, Grow Fruitful Churches and Create Transforming Lay and Clergy Leaders.

Report items requiring a vote include the following:

- Acceptance of this report and the budget forecasts for 2015
- Basic Recommendations for 2015:
  - 1. Conference Board Funds
  - 2. Pension Fund Apportionments
  - 3. Funding Pensions for Past Service Rate
  - 4. CRSP Funding Pensions for Current Service
- Continuation of funding the Pre-92 retiree Group Health Benefits subsidy provided to retirees who retired prior to 1992.
- Reimbursement of over 65 retiree medical expense in 2015; expense projected to total $1,091,436 in 2015.
- Increase in the UMPIP non-matching contribution to 3% up from the existing 2% (effective date of 1-1-15) for CRSP participants.

The report is divided into the following sections:

**Section I** Basic Recommendations to be acted on by this conference
- 1. Conference Board Funds
- 2. Pension Fund Apportionments
- 3. Funding Pensions for Past Service Rate
- 4. CRSP Funding Pensions for Current Service

**Section II** Conference Board of Pensions Assets

**Section III** Pre-1982 Years of Service

**Section IV** Housing Resolution

**Section V** Comprehensive Protection Plan Summary

**Section VI** Adoption Agreement – Clergy Retirement Security Program (CRSP)

**Section VII** Electronic Funds Transfer

**Section VIII** The Sustentation Fund

**Section IX** Intentional Interim Ministers

**Section X** 2014 Update from the Board of Pensions
- 1. Pre-92 Retiree Subsidy
- 2. Retiree Medical Expenses
- 3. Clergy Benefits Academy
- 4. Increase in UMPIP non-matching Contribution
Section I. Basic Recommendations

1. Conference Board – 2015 Budget
   a. Administrative Funds
      1) Meeting Expense                           $250
      2) Office Expense                           0
   b. Program Funds
      1) Retiree Luncheon                        9,000
      2) Pre-Retirement Seminar                  3,000
      3) Retired Ministers Retreat               600
      4) Commemorative Plaques                   2,000
      5) Retiree Video                           9,000
      6) Promotion & Interpretation
         (Benefits Tour)                         0
      7) Board Members & D.S.'s.
         Education & Development                0
   
   Budget Total                             $23,600

2. Pension Fund Apportionment – 2015 Budget
   a. 2014 Apportionment for Pension Fund: $700,000
      Conference Claimant Apportionment Request amounts since 1991 are as follows:
      - 1991 through 1998: $1,425,000
      - 1999 through 2004: $1,400,000
      - 2005: $1,500,000
      - 2006 through 2007: $1,400,000
      - 2008 through 2012: $900,000
      - 2013 through 2014: $700,000
      The request for the year 2015 is $700,000. The 2015 pension apportionment request of $700,000 represents a 22% reduction in pension apportionment funding from the 2012 level of $900,000 and a 50% reduction in pension apportionment funding from the 2007 level of $1,400,000. The apportionment reductions have been enabled due to the implementation of successful investment policies on the part of the Conference Board of Pensions (i.e. investment earnings in the Pension Unrestricted Reserve) since 2007.
   b. That all pastors and local churches be reminded of ¶639.4.a of The 2012 Book of Discipline: When the apportionment of the pastoral charges for the pension and benefit program of the Annual Conference has been determined, payments made thereon by each pastoral charge shall be exactly proportionate to payments made
on the General Board of Pensions and Health Benefits Plan Compensation of the ordained minister or clergy serving it.

c. That the apportionment for Pension Fund shall be spread among the churches on the prevailing decimal basis for all apportionments and that remittances are made to the office of the Conference Treasurer.

3. Funding Pensions for Past Service Rate

Past Service is that service rendered prior to January 1, 1982, by clergy members and Full-Time Local Pastors which has been approved for pension credit. Funding for pensions for past service is provided through income from gifts, earnings on pension reserves, a stabilization fund and Pension Fund Apportionments. In the 2012 actuarial reports for 2014 provided by the General Board of Pensions regarding the Pre-82 Defined Benefit Pension plan, it was noted that the Texas Annual Conference had the highest past service rate of all 56 Conferences participating in the plan. The average Past Service Rate for the 58 Conferences was $633.00 compared to TAC’s 2013 rate of $832.00. In addition, the $832.00 did not include the Pre-92 Group Health Benefits subsidy which is unique to TAC. Since 2000, the PSR for the Texas Conference has increased at annualized rate 3.75%. In comparison, the annualized rate of inflation in the U.S. is 2.42%.

BE IT RESOLVED:

1) That the 2015 Past Service Rate for approved service rendered by ordained Ministers and Full-Time Local Pastors be set at $840.00 (reflects a 1% increase from the 2014 rate of $832.00).

2) That the rate for Surviving Spouses be set at 75% of the Past Service Rate.

3) That the 2015 Past Service Rate becomes effective January 1, 2015.

4. CRSP Funding Pensions for Current Service

Current Service is that service rendered on and after January 1, 2015, by clergy. Funding for pensions for current service is the responsibility of the salary-paying unit to which the appointment is made. The funding for pensions and a reserve fund is through the Clergy Retirement Security Program (CRSP) administered by the General Board of Pensions.

WHEREAS, the United Methodist Church began in 2007 a new pension program for all years of service beginning January 1, 2007,

THEREFORE, BE IT RESOLVED,

That we affirm the action taken at 2006 session of the Texas Annual Conference which placed the church contribution for each clergy participant according to the following CRSP Funding Plan:

A) Defined Benefit (DB) a/

    i. Projected Total Cost to Texas Annual Conference (TAC) would be:
    
    $2,842,393 (Total DB)

    ii. Plan Compensation of Eligible Participant ÷ Total TAC Plan Compensation = “Decimal”

    iii. Funding for Eligible Participant = “Total DB $” x “Decimal”

B) Defined Contribution (DC)

    1. 2% x Plan Compensation of Eligible Participant
    2. UMPIP – 1% x Plan Compensation of Eligible Participant

C) Comprehensive Protection Plan (CPP)

    3% x Plan Compensation of Eligible Participant
    (not to exceed an annual contribution of $3,975.54)
D) Reserve Fund
   \[0.25\% \times \text{Plan Compensation of Eligible Participants}\]
E) Sustentation Fund
   \[0.75\% \times \text{Plan Compensation of Eligible Participant}\]

a/ Eligible participants of 530.75 assume CRSP eligibility for 75% appointment and
above in 2015.

NOTE:
1) The "contribution base" (Plan Compensation) of a clergyperson's salary consists of:
   1. taxable cash salary
   2. housing related allowances and utilities
   3. salary-reduction contributions to Internal Revenue Code section
      125 or 403(b) plans, and
   4. when a parsonage is provided, 25% of the sum of 1, 2 and 3; or
      housing allowance in lieu of a parsonage

2) The Denominational Average Compensation in 2015 will be $66,259. Thus, the
   maximum CPP contribution by any Texas Conference participant will be 3% of twice
   the DAC or $3,975.54.

3) The minimum level for participating in CPP at the normal 3% level is a contribution
   base equal to 60% of the Denominational Average Compensation. In 2015 this 60%
   will be $39,755.40. Thus, a cash salary of $31,804.32 will be necessary to reach this
   60% requirement since $31,804.32 plus 25% ($7,951.08) for housing = $39,755.40.

4) By special arrangement, ministers on leave of absence and ministerial members or
   full-time local pastors with a contribution base of less than 60% of the
   Denominational Average Compensation in 2015 may participate in CPP by payment
   of 4.4% of the Denominational Average Compensation, or $2,915.40, annually,
   $242.95 monthly. Participants under these special arrangements receive death
   benefit and disability protection.

Section II. Conference Board of Pensions Assets

<table>
<thead>
<tr>
<th></th>
<th>2013 Investment Earnings</th>
<th>Balance as of 12/31/13</th>
<th>2012 Investment Earnings</th>
<th>Balance as of 12/31/12</th>
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</thead>
<tbody>
<tr>
<td>Deposit Account</td>
<td>($1,112)</td>
<td>$120,816</td>
<td>$2,635</td>
<td>$212,220</td>
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<td>Corpus-Retirement</td>
<td>1,091,789</td>
<td>7,485,768</td>
<td>773,480</td>
<td>6,393,978</td>
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<tr>
<td>Endowment</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Superannuate</td>
<td>23,356</td>
<td>160,136</td>
<td>16,546</td>
<td>136,780</td>
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<tr>
<td>Endowment</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Heartspiring &amp; CDs</td>
<td>11,105</td>
<td>220,649</td>
<td>16,323</td>
<td>255,704</td>
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<tr>
<td>Pension Unrestricted</td>
<td>4,771,770</td>
<td>42,800,315</td>
<td>4,421,859</td>
<td>39,458,061</td>
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<tr>
<td>Reserve</td>
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<td></td>
</tr>
<tr>
<td>Total</td>
<td>$5,896,908</td>
<td>$50,787,684</td>
<td>$5,230,843</td>
<td>$46,456,743</td>
</tr>
</tbody>
</table>
Notes to table of assets:

1. The Board of Pensions received royalties from oil and gas leases in 2013 and 2012 in the amount of $27,063 and $33,092 respectively which were deposited in the Heartspring account.

2. 2013 balance column does not reflect cash of $442,608 or apportionment receivable of $140,084. 2012 balance column does not reflect cash of $490,420 or apportionment receivable of $197,294.

3. Interest earned on operating cash ($74 in 2013 and $380 in 2012) is excluded from the disclosed investment earnings of $5,896,908 in 2013 and $5,230,843 in 2012.

4. All Conference Board of Pension assets are invested in accordance with the Investment Policy Statement for the Board of Pensions and Group Health Benefits.

Section III. Pre-1982 Years of Service

Supplement One to the Clergy Retirement Security Program (CRSP), also known as the Pre-82 Plan, provides clergy with a pension for their years of ministry with The United Methodist Church prior to 1982. The plan is designed to provide participants with one piece of their overall retirement portfolio. The Pre-82 Plan was replaced by MPP effective January 1, 1982. Page 24 of the CRSP Summary Plan Description contains an overview of the Pre-82 Plan.

Section IV. Housing Resolution

RESOLUTIONS RELATING TO RENTAL/HOUSING ALLOWANCES FOR RETIRED OR DISABLED MINISTERS

The Texas Annual Conference (the “Conference”) adopts the following resolutions relating to rental/housing allowances for retired or disabled clergypersons of the Conference:

WHEREAS, the religious denomination known as The United Methodist Church (the “Church”), of which this Conference is a part, has in the past functioned and continues to function through ministers of the gospel (within the meaning of Internal Revenue Code section 107) who were or are duly ordained, commissioned, or licensed ministers of the Church (“Clergypersons”);

WHEREAS, the practice of the Church and of this Conference was and is to provide active Clergypersons with a parsonage or a rental/housing allowance as part of their gross compensation;

WHEREAS, pensions or other amounts paid to retired and disabled Clergypersons are considered to be deferred compensation and are paid to retired and disabled Clergypersons in consideration of previous active service; and

WHEREAS, the Internal Revenue Service has recognized the Conference (or its predecessors) as the appropriate organization to designate a rental/housing allowance for Clergypersons who are or were members of this Conference and are eligible to receive such deferred compensation;

NOW, THEREFORE, BE IT RESOLVED:

THAT an amount equal to **100% of the pension or disability payments** received from plans authorized under The Book of Discipline of The United Methodist Church (the “Discipline”), which includes all such payments from the General Board of Pension and Health Benefits (“GBOPHB”), during the year 2014 by each retired or disabled Clergyperson who is or was a member of the Conference, or its predecessors, be and hereby is designated as a rental/housing allowance for each such Clergyperson; and

THAT the pension or disability payments to which this rental/housing allowance applies will be any pension or disability payments from plans, annuities, or funds authorized under the Discipline, including such payments from the GBOPHB and from a commercial annuity company that provides an annuity arising from benefits accrued under a GBOPHB plan, annuity, or fund
authorized under the *Discipline*, that result from any service a Clergyperson rendered to this Conference or that an active, retired or disabled Clergyperson of this Conference rendered to any local church, annual conference of the Church, general agency of the Church, other institution of the Church, former denomination that is now a part of the Church, or any other employer that employed the Clergyperson to perform services related to the ministry of the Church, or its predecessors, and that elected to make contributions to, or accrue a benefit under, such a plan, annuity, or fund for such retired or disabled Clergyperson's pension or disability as part of his or her gross compensation.

NOTE: The rental/housing allowance that may be excluded from a Clergyperson’s gross income in any year for federal income tax purposes is limited under Internal Revenue Code section 107(2) and regulations there under to the least of:

1. the amount of the rental/housing allowance designated by the Clergyperson’s employer or other appropriate body of the Church (such as this Conference in the foregoing resolutions) for such year;
2. the amount actually expended by the Clergyperson to rent or provide a home in such year; or
3. the fair rental value of the home, including furnishings and appurtenances (such as a garage), plus the cost of utilities in such year.

The housing/rental allowance exclusion is available only to clergy, not to surviving spouses, but the death of a minister during the year does not invalidate the exclusion for the entire year. The exclusion is still available for the part of the year the minister was alive.

Since neither the General Board of Pensions nor the Texas Annual Conference gives legal tax advice, each minister should consult with his or her own attorney, CPA, or other tax advisor.

**Section V. Comprehensive Protection Plan Summary**

The current Comprehensive Protection Plan Adoption Agreement was signed by the Texas Conference in 2007 to be effective in 2008. It shall be effective until amended by the Conference and agreed to by the Administrator in accordance with the provisions of the Comprehensive Protection Plan. Every year the benefits are outlined by the General Board of Pensions and included in the Board of Pensions report. **2014 Benefit Amounts for the Comprehensive Protection Plan can be found in Addendum A to this report.**

**Section VI. Adoption Agreement – Clergy Retirement Security Program (CRSP)**

The Clergy Retirement Security Program (CRSP) Adoption Agreement was adopted by the Texas Conference as defined in the Clergy Retirement Security Program Plan Document, and agreed to by the General Board of Pension and Health Benefits for the Plan Year commencing January 1, 2007. It shall be effective until amended by the Conference and agreed to by the Board in accordance with the provisions of the Clergy Retirement Security Program. Previous Adoption Agreements shall remain in effect for the Plan Years to which they apply.

**Section VII. Electronic Funds Transfer**

An important aspect of the CRSP pension structure is that each Annual Conference is responsible for all pensions-related billing and collections, beginning January 1, 2007. The Board of Pensions, therefore, requires that the Texas Annual Conference utilize Electronic Funds Transfer for pension collections. The Board of Pensions has negotiated an Electronic Funds Transfer (EFT) agreement with Whitney Bank, the banking institution for the Texas Annual Conference.

**Section VIII. The Sustentation Fund**

1. **Statement of Intent**

The Sustentation Fund of the Texas Annual Conference is a fund representing a tangible expression of a collegial relationship among clergy under appointment in the conference to provide transitional aid. The Sustentation Fund will provide temporary financial assistance
to clergy who are placed on Medical Leave, Leave of Absence, Emergency Assistance, and to assist local congregations in times of clergy transition. Sustentation Fund payments shall be the responsibility of each local congregation, shall be part of the benefit program through the Conference Board of Pensions, and shall not exceed 0.75% of each clergy’s total compensation.

2. Eligibility for Membership
Clergy under appointment who participate in the General Board of Pensions program administered by the Texas Annual Conference are eligible.

A. Structure
1. The Joint Committee on Medical Leave (formerly Incapacity Leave) is to be considered as the Sustentation Fund Committee and shall be the supervising agency for the Sustentation Fund. The chair of the committee shall call meetings at least annually in which the operations of the Sustentation Fund shall be reviewed and reported to the Executive Session of the Texas Annual Conference.
2. The Conference Benefits Officer (CBO) of the Texas Annual Conference shall have direct responsibility for the administration of the Sustentation Fund.
3. The Conference Benefits Officer (CBO) of the Texas Annual Conference shall be the custodian of the permanent records of the Sustentation Fund.
4. The Fiscal Officer of the Texas Annual Conference shall manage all resources of the Sustentation Fund by deposit, investment, and dispersal of all funds.

B. Disclaimer
The Sustentation Fund shall not accept responsibility nor does its existence constitute responsibility by the Texas Annual Conference or any of its agencies for any resources beyond the benefits specifically identified in these guidelines which cannot, do not, and will not be extended beyond the range of (12) months length from the beginning of such benefits.

This limitation on the payment of premiums for Group Health Benefits for clergy Medical Leave shall not apply. On recommendation of the Cabinet, and at the determination of the Sustentation Fund Committee based on available resources, assistance in the payment of Group Health Benefits may be extended beyond the original twelve (12) month period.

C. Benefits
The Sustentation Fund is limited to providing cash benefits for the following purposes:
1. For payment of required CPP contributions for CPP participants who are on Medical Leave and on Leave of Absence when payment of CPP is authorized by the Cabinet.
2. Group Health Benefits
   (a) For assistance in payment of Group Health Benefits premiums for persons on Medical Leave. This assistance will be based on the following schedule:
      First 12 months on Medical Leave
      100% of Single Coverage premiums, 70% of Family Coverage
      Second 12 Months on Medical Leave
      75% of Single Coverage premiums, 60% of Family Coverage premiums
      Third 12 Months and Thereafter
      60% of Single Coverage premiums, 50% of Family Coverage premiums
   (b) For assistance in payment of Group Health Benefits premiums for persons on Leave of Absence as requested by the Cabinet. This assistance during the Leave of Absence will be based on the following schedule:
      First 3 Months of Single Coverage premiums
      100% of Single Coverage premiums, 70% of Family Coverage premiums
Second 3 Months Period
75% of Single Coverage premiums, 60% of Family Coverage premiums

Third and Fourth 3 Months Period
60% of Single Coverage Premiums, 50% of Family Coverage premiums

3. For payment of benefits to persons re-entering General Ministry on recommendation from and requisition by the Committee on Conference Relations and the Cabinet with concurrence by Sustentation Fund Committee. Pre-approved items will include, but may not be limited to such services as vocational assessment, counseling, temporary housing, medical insurance protection and shall not exceed $15,000 per year.

4. For Emergency Assistance as defined by the Cabinet in concurrence with the Sustentation Fund Committee.

5. For providing interim clergy support to local congregations.

D. Funding and Budgeting

1. The Sustentation Fund shall be funded by contribution of the salary paying unit on behalf of each eligible participant of the Texas Annual Conference on an amount equal to 0.75% of Plan Compensation, which is the basis of the calculation of Pensions through the General Board of Pension and Health Benefits.

2. When the Sustentation Fund was established in 2006, funds were allocated according to the following percentages: Interim Clergy Support (50%), Group Health Benefits Support for clergy on Medical Leave (25%), and Emergency Relief (25%). An increase in Group Health Benefits costs for clergy on Medical Leave caused that portion of the Sustentation Fund to run a deficit, while the other portions of the fund had a surplus. To address this imbalance, the Board of Pensions eliminated the percentage allocations of the Sustentation Fund effective January 1, 2011, and this action was approved at the 2011 Annual Conference. Since the Group Health Benefits Committee had funded the $201,203 shortfall for Group Health Benefits expenses for clergy on Medical Leave, the Board of Pensions approved reimbursing Group Health for these expenses which pertained to the Sustentation Fund.

E. The Process of Collection of Sustentation Fund Resources

1. The Center for Clergy Excellence shall bill each local congregation with eligible clergy serving under appointment.

2. Contributions to the Sustentation Fund shall be in accord with the established procedures of the Texas Annual Conference for pension billing.

<table>
<thead>
<tr>
<th>REVIEW – Sustentation Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance Forward January 1, 2013</td>
</tr>
<tr>
<td>2013 Receipts</td>
</tr>
<tr>
<td>Total</td>
</tr>
<tr>
<td>Disbursements*</td>
</tr>
<tr>
<td>Balance December 31, 2013</td>
</tr>
</tbody>
</table>

*Note: 2013 Sustentation Fund Disbursements by category:
1. Interim Clergy – $83,571.15
2. Group Health (for Clergy on Medical Leave) – $65,902.72
3. Emergency Relief – $65,491.78
4. Emergency Compensation – $20,119.68

Section IX. Intentional Interim Ministers

A. Settings for Intentional Interim Ministers

1. Short Term (generally three to six months, but up to a year)
a. Sabbaticals of up to six months in length  
b. Health issues  
c. Ministerial transitions, such as retirement, transfers, appointments to ministry of Superintendency  

2. Long Term (generally one to three years)  
a. Death of a Pastor  
b. Ending of the appointment of a beloved or long-tenured pastor  
c. Traumatic departure of a Pastor  
d. Unhealthy or conflicted congregation  
e. Other factors that contribute to a disruption in congregational life  

B. Compensation  
1. A covenant for compensation will be signed at the initial meeting with the Pastor-Staff Parish Relations Committee.  
2. The District Superintendent and the Center for Clergy Excellence will negotiate the compensation package and prepare the covenant to be signed.  
3. Short Term Interim Ministers will be compensated at a level no less than the Conference Equitable Compensation.  
4. Long Term Interim Ministers shall be compensated at a minimum level no less than the local congregation’s pastoral compensation, but not less than the Conference Average Compensation.  
   a. If the local congregation’s pastoral compensation is below the Conference Average Compensation, then the Sustentation Fund of the Texas Annual Conference will provide funding for the difference.  
   b. Benefits provided to clergy under appointment in the Texas Annual Conference shall also be provided to the IIM.  
5. Housing will be considered as part of the compensation package, negotiated and included in the covenant.  

Section X. 2014 Update from the Board of Pensions  
1. Pre-92 Retiree Subsidy  
   The Board of Pensions approved continuing the pre-92 retiree Group Health Benefits subsidy that is provided to retirees who retired prior to 1992. Currently there are 20 Clergy and 20 Surviving Spouses. Starting in 2015, the new monthly subsidy will be as indicated below:  
   • Pre-92 Retiree $75.00 per month  
   • Contingent Annuitant $55.00 per month  
   The financial obligation for the Pre-92 Retiree Subsidy is an estimated $31,200 in 2015.  
2. Retiree Medical Expenses  
   Over 65 retiree medical expenses are projected to be $1,091,436 to the Texas Annual Conference in 2015. The Board of Pensions shall reimburse Group Health Benefits $190/month for each Medicare primary covered participant out of the Pension Unrestricted Reserve in 2015 as explained in the Group Health Benefits report. The Board of Pensions will review annually a request to continue such funding and decide based on current economic conditions whether to continue it.  

WHEREAS, the United Methodist Church cares deeply about those who have served the Conference in the past and are in retirement,  
WHEREAS, the 2015 cost to provide health care to over 65 retirees is estimated to cost $1,091,436,  
WHEREAS, the Board of Pensions through the Group Health Benefits Committee wishes to prevent an increase in health care cost to the churches by funding the over 65 retiree expense out of the Pension Unrestricted Reserve,
THEREFORE, BE IT RESOLVED, in 2015 that the Pension Unrestricted Reserve shall provide to Group Health Benefits a monthly payment of $190 for each Medicare primary covered participant.

3. Clergy Benefits Academy

In 2014, the Board of Pensions is hosting a Clergy Benefits Academy for the Texas Annual Conference. The General Board of Pension and Health Benefits (General Board) of The United Methodist Church will be conducting the academy. This event is an opportunity to learn about the many benefit issues that affect your life and ministry. The Clergy Benefits Academy is for all ages and stages of ministry - early-career clergy, mid-career clergy, ready-to-retire clergy, district superintendents, clergy in extension ministries and spouses. The academy will be held Monday, September 29 through Wednesday, October 1, 2014. Details, including the time and location of the event, will be forthcoming in the months leading up to the event.

4. Increase in UMPIP non-matching Contribution

In 2014, the UMPIP contribution was increased to 2% (up from 1% in 2013). The increase was enacted as a partial offset to the CRSP benefit reductions associated with the modified CRSP design that went into effect 1-1-14.

In 2015, the Board of Pensions is instituting an additional non-matching UMPIP contribution of 1% on top of the already existing 2% contribution to eligible CRSP participant UMPIP accounts. The increase in the contribution will be effective 1-1-15. As a result, the non-matching contribution for 2015 will be 3%. The funding sources for the non-matching contribution will remain the same. The UMPIP non-matching contribution will continue to be funded as follows:

Non-matching contribution to UMPIP in 2015 of 3%
- 2% paid from pension reserves
- 1% paid by churches

5. Comprehensive Funding Plan

Beginning in 2013, annual conferences are required to submit a Comprehensive Funding Plan to the General Board of Pension and Health Benefits (GBOPHB). A Comprehensive Funding Plan is a formal funding plan that describes how a conference will pay for benefit programs, including those obligations that are dependent on the conference continuing its current benefit programs. The intent of the funding plan is to align benefit design expectations with Conference funding patterns. The plan to be submitted in 2014 will address benefit obligations for plan year 2015.

The development of a Comprehensive Funding Plan stems from the necessity to determine financial viability at the denominational level where benefit plan liabilities are concerned. Long-term financial obligations for the Church were discussed by the Council of Bishops, attendees of the Financial Leadership Forum, and the Sustainability Advisory Board. The GBOPHB has been tasked with compiling conference information regarding funding for long-term obligations for clergy and staff across the denomination.

The timeline requires each conference to obtain a favorable opinion letter from the GBOPHB and approval from its respective Annual Conference ahead of the plan’s effective date (i.e. 1-1-15). As of the date of the Board of Pensions 2014 Pre-Conference Journal Report, the Comprehensive Funding Plan for the Texas Conference is presently in draft status. The Comprehensive Funding Plan for the Texas Conference will be submitted to the GBOPHB prior to April 1, 2014. The expectation is the receipt of a favorable opinion letter from the GBOPHB ahead of 2014 Annual Conference. The opinion letter will be included in the 2014 Annual Conference journal. In the interim, outlined below is a comprehensive view of the net reserve position for the Texas Conference Board of Pensions and Group Health Benefits. Actual reserve positions are stated as of 12-31-13 and projected net reserve positions are reflected for 12-31-14:
<table>
<thead>
<tr>
<th></th>
<th>Actual 12-31-13</th>
<th>Projected 12-31-14</th>
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</thead>
<tbody>
<tr>
<td><strong>Board of Pensions</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total reserves</td>
<td>$51,228,420</td>
<td>$50,412,300</td>
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<tr>
<td>Less: Permanent endowment funds</td>
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</tr>
<tr>
<td><em>(limited to spending only 95% of investment earnings)</em></td>
<td>$7,645,904</td>
<td>$7,951,740</td>
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<tr>
<td>Net value of Pension general reserves <em>(1)</em></td>
<td>$43,582,516</td>
<td>$42,460,560</td>
</tr>
</tbody>
</table>

| **Group Health Benefits**      |                |                   |
| Total reserves                 | $17,894,743    | $18,438,234       |
| Less: Termination reserve      | -1,750,351     | -1,835,417        |
| Less: Endowment fund           | -1,754,605     | -1,824,789        |
| Actual reserve to cover annual claims cost | $14,389,787 | $14,778,027       |

| **Retiree medical**            |                |                   |
| Postretirement medical liability| ($21,426,466) | ($21,372,932)     |
| Postretirement medical assets   | 1,152,475      | 1,198,574         |
| Retiree medical funded status   | ($20,273,991)  | ($20,174,358)     |
| Net value of Group Health general reserves *(2)* | ($5,884,204) | ($5,396,331) |

| **TOTAL RESERVE – Pension & GHB (1+2)** | $37,698,312 | $37,064,229 |

| **Board of Pension Reserve Requirements *(3)** |                |                   |
| 100% of subsequent year operational costs a/ | ($8,950,900)  | ($9,418,095)     |
| 20% market decline in reserve balance *(similar to actual decline in 2008)* | ($10,245,684) | ($10,082,460) |

| **Group Health Benefits Reserve Requirements *(4)** |                |                   |
| 100% of subsequent year operational costs | ($12,608,522) | ($13,649,265) |

| **Comprehensive (BOP and GHB) Reserve Requirements (3+4)** | ($31,805,106) | ($33,149,820) |

| **TOTAL RESERVE O/(U) Comprehensive Reserve Requirements** | $5,893,206 | $3,914,409 |

a/ The cost of funding the following programs are included within the Board of Pension annual operational costs and assumed to be funded each year from its general reserves:
2014

- Pre-92 Retiree Subsidy - $23,100
- Retiree Medical Subsidy - $1,091,436

2015

- Pre-92 Retiree Subsidy - $31,200
- Retiree Medical Subsidy - $1,091,436

The Board of Pensions is responsible for making sure there are adequate funds available so medical and pension benefits can be provided with no disruption. The previous table identifies the various claims on current reserves which includes 3 retirement plans and a self funded medical plan. The recommendation for the future is that when investment earnings on the Board of Pensions reserves exceed 7%, then the earnings in excess of 7% in 2014 or thereafter be distributed at the discretion of the Board of Pensions with the approval of the Texas Annual Conference. Section X.7 in the report contains an example of how this would work.

7. Review of Pension “Unrestricted Reserve”

Included in the Board of Pensions Report to Annual Conference 2014 is the review of the Pension “Unrestricted Reserve” updated for actual 2013 experience. Included in this review is an overview of the resolutions relating to the administration and use of reserve funds as well as the distribution of incremental invest returns in subsequent plan years. The standing resolutions are as follows:

WHEREAS, the 2007 resolution provided for a review of the “Unrestricted Reserve” to be reported to Annual Conference in 2012,

WHEREAS, the Quadrennial review process determined a need to clarify the purposes and oversight of the “Unrestricted Reserve” for future generations,

THEREFORE, BE IT RESOLVED:

That the “Unrestricted Reserve” be administered by the Board of Pensions including the approval of any use of funds;

That the “Unrestricted Reserve” be used as the account whereby “excess” pension funds (pension receipts less pension disbursements) are invested;

That investment returns in excess of 7.0% in 2014 or thereafter be distributed at the discretion of the Board of Pensions with the approval of the Texas Annual Conference;

That the “Unrestricted Reserve” be used to provide the following:

- Funding to meet increased costs of any defined benefit pension plan due to unfunded liabilities;
- Funding to meet the costs of retiree benefit obligations;
- Funding for pension related initiatives as approved annually by the Annual Conference;
- Funding to meet the costs of Conference Benefits Administration with the amount to be approved annually by the Annual Conference*

*Effective June 1, 2010, Conference Benefits Administration was approved to be funded via the Pension “Unrestricted Reserve.” This change was made to allow better utilization of current reserves and prevent future cost increases being passed on to the local congregations.
Status of Reserves (12/31/2013):

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net assets available for plan benefits (1-1-07)</td>
<td>$33,108,433</td>
</tr>
<tr>
<td>Receipts</td>
<td>53,380,242</td>
</tr>
<tr>
<td>Disbursements</td>
<td>(50,159,848)</td>
</tr>
<tr>
<td>Investment Income</td>
<td>17,210,863</td>
</tr>
<tr>
<td>Transfer of funds</td>
<td>2,311,269</td>
</tr>
<tr>
<td>Net assets available for plan benefits (12-31-13)</td>
<td>$51,228,421</td>
</tr>
<tr>
<td>Compounded Time Weighted Return</td>
<td>48.18%</td>
</tr>
<tr>
<td>Annualized Rate of Return</td>
<td>5.78%</td>
</tr>
</tbody>
</table>

Example of incremental investment returns in 2014 and amount subject to distribution in subsequent plan year:

<table>
<thead>
<tr>
<th>Board of Pensions – Projected Change in Reserves</th>
<th>Projected 2014 (4.0% return)</th>
<th>Projected 2014 (10.0% return)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net assets available for plan benefits (BOY)</td>
<td>$51,228,420</td>
<td>$51,228,420</td>
</tr>
<tr>
<td>(a) Receipts</td>
<td>6,103,173</td>
<td>6,103,173</td>
</tr>
<tr>
<td>(b) Disbursements</td>
<td>(7,836,364)</td>
<td>(7,836,364)</td>
</tr>
<tr>
<td>(c) Transfer of funds to GHB</td>
<td>(1,114,536)</td>
<td>(1,114,536)</td>
</tr>
<tr>
<td>Operating performance (a+b+c)</td>
<td>(2,847,727)</td>
<td>(2,847,727)</td>
</tr>
<tr>
<td>Investment income</td>
<td>2,031,607</td>
<td>5,078,868</td>
</tr>
<tr>
<td>Net assets available for plan benefits (EOY)</td>
<td>$50,412,300</td>
<td>$53,459,561</td>
</tr>
<tr>
<td>Increase / (decrease) in reserves</td>
<td>($816,120)</td>
<td>$2,231,141</td>
</tr>
<tr>
<td>Amount to be distribute in subsequent year:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Actual Return (a)</td>
<td>$2,031,607</td>
<td>$5,078,868</td>
</tr>
<tr>
<td>Level of return based on 7.0% (b)</td>
<td>$3,555,238</td>
<td>$3,555,238</td>
</tr>
<tr>
<td>Incremental investment income (a-b)</td>
<td>N/A</td>
<td>$1,523,631</td>
</tr>
<tr>
<td>Investment income subject to distribution</td>
<td>N/A</td>
<td>$1,523,631</td>
</tr>
</tbody>
</table>
The Board of Pensions is authorized, once their respective reports are accepted by Annual Conference, to spend up to the total amount budgeted as an expense in the approved budget and a portion of their reserve to cover any operational shortfall until such time as Annual Conference approves a revised budget for that year. Any increases in the amount billed to salary paying units by the Board of Pensions committee will only be changed with Annual Conference approval.

Addendums to Report

Addendum A  2014 Benefit Amounts for the Comprehensive Protection Plan
Addendum B  2013 Board of Pensions Performance vs. Budget
Addendum C  2014 Board of Pensions Budget
Addendum D  2015 Board of Pensions Forecast
Addendum E  Review of Pension “Unrestricted Reserve”

***************

On behalf of the Board of Pensions, I would like to thank Rev. Gail Ford Smith, Director, Center for Clergy Excellence; Mark Hellums, Controller, Pension and Group Health Benefits; Barbara Kilby, Benefits Administrator / HIPAA Privacy Officer; Nancy Slade, Executive Assistant; Patricia Goforth-Rakes, Group Health Benefits Assistant; and Patty Oliver, Pensions Benefits Assistant; for providing outstanding dedication and skillful application of their talents in this difficult and changing field. I would also like to thank each of the members of the Board of Pensions for their work in crafting the solutions we have identified to date.
2014 Benefits Amounts for the Comprehensive Protection Plan

The 2014 Denominational Average Compensation (DAC) is $65,186.

The following information generally describes the benefit amounts payable under the Comprehensive Protection Plan (CPP) to eligible participants and their beneficiaries. For more information about the terms and conditions of CPP, please see the CPP Summary Plan Description (SPD) available at www.gbophb.org/TheWell/Root/CPP/3097.pdf. Although all efforts have been made to ensure the accuracy of this document, in the event of a discrepancy between this document and the SPD or CPP plan document, the SPD and plan document always govern.

Active Participant Death Benefits—payable upon the death of an eligible active CPP participant in 2014

1. Participant: $50,000, payable in 12 monthly installments or one lump sum
2. Spouse of active participant: 20% of DAC in the year of death ($13,037.20 if death occurs in 2014)
3. Surviving spouse of active participant: 15% of DAC in the year of death ($9,777.90 if death occurs in 2014)
4. Child of active participant: 10% of DAC in the year of death ($6,518.60 if death occurs in 2014)
5. Annual surviving spouse annuity benefit of $13,037.20, less the annuity benefit payable from the Clergy Retirement Security Program (CRSP) and other Church-related sources
6. Annual surviving child benefit of $6,518.60, payable in 12 monthly installments
7. Annual surviving child educational benefit up to $13,037.20, payable in equal installments

Retired Participant Death Benefits

<table>
<thead>
<tr>
<th>Plan Provision</th>
<th>Clergy Who Retire Before January 1, 2013</th>
<th>Clergy Who Retire January 1, 2013 or Later</th>
</tr>
</thead>
<tbody>
<tr>
<td>Death of retired participant</td>
<td>30% of DAC in the year of death (for 2014: $19,555.80)</td>
<td>$20,000</td>
</tr>
<tr>
<td>Death of retiree’s spouse</td>
<td>20% of DAC in the year of death (for 2014: $13,037.20)</td>
<td>$15,000</td>
</tr>
<tr>
<td>Death of retiree’s surviving spouse</td>
<td>15% of DAC in the year of death (for 2014: $9,777.90)</td>
<td>$10,000</td>
</tr>
<tr>
<td>Death of retiree’s child</td>
<td>10% of DAC in the year of death (for 2014: $5,518.60)</td>
<td>$5,000</td>
</tr>
<tr>
<td>Annual surviving child benefit</td>
<td>10% of DAC (for 2014: $5,518.60)</td>
<td>10% of DAC (for 2014: $5,518.60)</td>
</tr>
<tr>
<td>Payable in 12 monthly installments 1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Annual surviving child educational benefit</td>
<td>20% of DAC (for 2014: $13,037.20)</td>
<td>20% of DAC (for 2014: $13,037.20)</td>
</tr>
<tr>
<td>Payable in installments</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1 Ages 17 and younger. Benefits are paid through the month in which the child attains age 18.
2 Ages 18 through 24 and attending school full-time. Half of the annual benefit may be paid if the child is attending a secondary school or post-secondary school. The remaining half is paid if the child is attending a post-secondary school. If the child enters a post-secondary institution of higher learning prior to age 18, the post-secondary educational benefit may become effective at that time.
3 To be eligible for death benefits in retirement, a clergyperson must have been covered in CPP for a requisite number of years, e.g., seven of the last 10 years before retirement, as described in the SPD.
4 Benefit available at this level for eligible retirees who retired before January 1, 2013, regardless of date of death.
5 Benefit available at this level for eligible retirees who retired on or after January 1, 2013, regardless of date of death.
6 Age 18 and younger, age 19 and older if dependent upon the participant or upon surviving spouse of the participant due to behavioral or physical condition that existed prior to age 19, or age 24 and younger and receiving surviving child benefit.
Disability Benefits

The disability benefit equals 70% of plan compensation for the plan year in which the first payment is effective, with plan compensation capped at 200% of the DAC. The disability benefit is reduced by any disability benefits payable under the Social Security Act.¹

Participants receiving CPP disability benefits may also be eligible to receive retirement plan contributions to either CRSP or the United Methodist Personal Investment Plan (UMPIP).² If eligible, CPP will contribute a nonmatching contribution of up to 2% of plan compensation (as defined by CRSP and UMPIP), in monthly installments, to the participant’s CRSP defined contribution or UMPIP account. In addition, participants may be eligible for matching contribution based on participant contributions to UMPIP, up to 1% of plan compensation.

¹ Other reductions may apply in accordance with the terms of the SPD, as determined by the General Board of Pensions and Health Benefits.

² Please see the CRSP SPD (www.gbophb/TheWell/Root/CRSP/2480.pdf) and UMPIP SPD (www.gbophb.org/TheWell/Root/UMPIP/3502.pdf) for additional information on eligibility as a disabled participant.
**Addendum B**

TEXAS ANNUAL CONFERENCE OF THE UNITED METHODIST CHURCH
BOARD OF PENSIONS

Statements of Changes in Net Assets Available for Plan Benefits
For the 12-month YTD period ending December 2013

<table>
<thead>
<tr>
<th></th>
<th>Actual YTD December 2013</th>
<th>Budget YTD December 2013</th>
<th>Actual B / (W) Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating Income</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CRSP receipts</td>
<td>$ 6,822,464</td>
<td>$ 6,948,661</td>
<td>$(126,197)</td>
</tr>
<tr>
<td>Apportionments</td>
<td>637,209</td>
<td>630,000</td>
<td>7,209</td>
</tr>
<tr>
<td>Other receipts and service charges</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Royalties / Distributions</td>
<td>77,186</td>
<td>45,000</td>
<td>32,186</td>
</tr>
<tr>
<td>Total income</td>
<td>7,536,859</td>
<td>7,623,661</td>
<td>(86,802)</td>
</tr>
<tr>
<td><strong>Operating expenses</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Retirement benefits funded</td>
<td>7,308,067 a/</td>
<td>7,195,639</td>
<td>(112,428)</td>
</tr>
<tr>
<td>Retiree Life Insurance (UNUM)</td>
<td>47,392</td>
<td>50,000</td>
<td>2,608</td>
</tr>
<tr>
<td>County Taxes</td>
<td>1,909</td>
<td>2,500</td>
<td>591</td>
</tr>
<tr>
<td>Administrative expense</td>
<td>582,839</td>
<td>599,000</td>
<td>16,161</td>
</tr>
<tr>
<td>Sustentation funding</td>
<td>207,498</td>
<td>214,465</td>
<td>6,967</td>
</tr>
<tr>
<td>Total expenses</td>
<td>8,147,705</td>
<td>8,061,604</td>
<td>(86,101)</td>
</tr>
<tr>
<td>Operating income over expense</td>
<td>(610,846)</td>
<td>(437,943)</td>
<td>(172,903)</td>
</tr>
<tr>
<td><strong>Investment income (loss):</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment income on reserves</td>
<td>4,781,836</td>
<td>1,597,440</td>
<td>3,184,396</td>
</tr>
<tr>
<td>Investment income on permanent endowment</td>
<td>1,115,145</td>
<td>261,230</td>
<td>853,915</td>
</tr>
<tr>
<td>Net investment income (loss)</td>
<td>5,896,981 b/</td>
<td>1,858,670</td>
<td>4,038,311</td>
</tr>
<tr>
<td><strong>Transfer from / (to) Group Health Benefits</strong></td>
<td>(1,055,091) c/</td>
<td>(1,055,091)</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>46,997,376</td>
<td>46,997,376</td>
<td></td>
</tr>
<tr>
<td>--------------------------</td>
<td>------------</td>
<td>------------</td>
<td></td>
</tr>
<tr>
<td>Beginning Reserve Fund</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Change in Reserve Fund</td>
<td>4,231,044</td>
<td>365,636</td>
<td>3,865,408</td>
</tr>
<tr>
<td>Ending Reserve Fund</td>
<td>$ 51,228,420</td>
<td>$ 47,363,012</td>
<td>$ 3,865,408</td>
</tr>
</tbody>
</table>

a/ In addition to DC, CPP and UMMP payments made through December 2013, comprehends 12 months of DB expense accrual based on 2013 funding commitment of $4.536M to the General Board of Pensions.

b/ Pension investments produced YTD return of approximately 12.69% thus producing a gain (increase in reserves) of $5.897M through December 2013 YTD. The 12.69% is based on a culmination of the 12 month return (as reported by each manager) divided by the aggregate portfolio market value as of 1-1-13. The return does not constitute a “true” weighted average return for the year.

c/ Reflects the following transfers / (receipts) of cash to / (from) the GHB operating account:
- $25,575 for Pre-92 Retiree Subsidy ((23 x $55.00) + (21 x $41.25)) x 12 months
- $1,029,516 for Retiree Group Health costs in 2013; Pension reserve to fund cost of the subsidy provided to retiree. Cost components are as follows:
  - 174 single retirees x $190
  - 139 retiree couples x $360
  - 1 retiree couple x $683
  - 3 single retirees receiving the cash stipend of $190
  - 4 retiree couples receiving the cash stipend of $360
<table>
<thead>
<tr>
<th>Operating Income a/</th>
<th>2014 Budget</th>
<th>Comments:</th>
</tr>
</thead>
<tbody>
<tr>
<td>CRSP receipts</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- DB</td>
<td>2,839,352.16</td>
<td></td>
</tr>
<tr>
<td>- DC</td>
<td>835,103.58</td>
<td></td>
</tr>
<tr>
<td>- UMPIP</td>
<td>417,551.79</td>
<td>13.0% of CAC in 2014 - $41.755M</td>
</tr>
<tr>
<td>- CPP</td>
<td>918,613.93</td>
<td>(529.25 FTE x $78,895)</td>
</tr>
<tr>
<td>- Reserve Fund</td>
<td>104,387.95</td>
<td></td>
</tr>
<tr>
<td>- Sustentation Fund</td>
<td>313,163.84</td>
<td></td>
</tr>
<tr>
<td>TOTAL CRSP</td>
<td>5,428,173.24</td>
<td></td>
</tr>
<tr>
<td>Apportionments</td>
<td>630,000.00</td>
<td></td>
</tr>
<tr>
<td>Royalties received</td>
<td>45,000.00</td>
<td></td>
</tr>
<tr>
<td>TOTAL INCOME</td>
<td>6,103,173.24</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Operating expenses</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Retirement benefits funded</td>
<td></td>
<td>CRSP-DB and Pre-82 funding</td>
</tr>
<tr>
<td>- DB b/</td>
<td>3,757,732.50</td>
<td>2.0% of CAC in 2014</td>
</tr>
<tr>
<td>- DC</td>
<td>835,103.58</td>
<td>1.0% of CAC in 2014</td>
</tr>
<tr>
<td>- DC Match</td>
<td>417,551.79</td>
<td>2.0% of CAC in 2014</td>
</tr>
<tr>
<td>- UMPIP</td>
<td>835,103.58</td>
<td></td>
</tr>
<tr>
<td>- CPP</td>
<td>918,613.93</td>
<td></td>
</tr>
<tr>
<td>TOTAL BENEFITS FUNDED</td>
<td>6,764,105.37</td>
<td></td>
</tr>
<tr>
<td>UNUM</td>
<td>50,000.00</td>
<td></td>
</tr>
<tr>
<td>County Taxes</td>
<td>2,500.00</td>
<td></td>
</tr>
<tr>
<td>Administration Expense c/</td>
<td>606,595.00</td>
<td>0.75% of CAC in 2014</td>
</tr>
<tr>
<td>Program Sponsorship d/</td>
<td>100,000.00</td>
<td></td>
</tr>
<tr>
<td>Sustentation Fund</td>
<td>313,163.84</td>
<td></td>
</tr>
<tr>
<td>TOTAL EXPENSE</td>
<td>7,836,364.21</td>
<td></td>
</tr>
<tr>
<td>Operating Income Over Expense</td>
<td>(1,733,190.97)</td>
<td></td>
</tr>
<tr>
<td>Investment income (loss):</td>
<td>2,031,607.36</td>
<td>Projected 4.0% return on $50.787M</td>
</tr>
<tr>
<td>Transfer from / (to) Group Health Benefits e/</td>
<td>(1,114,536.00)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Amount</td>
<td></td>
</tr>
<tr>
<td>--------------------------------</td>
<td>------------</td>
<td></td>
</tr>
<tr>
<td>Beginning Reserve Fund</td>
<td>51,228,420.00</td>
<td></td>
</tr>
<tr>
<td>Change in Reserve Fund</td>
<td>(816,119.61)</td>
<td></td>
</tr>
<tr>
<td><strong>Ending Reserve Fund</strong></td>
<td>50,412,300.39</td>
<td></td>
</tr>
</tbody>
</table>

**2014 Forecast Details**

*a/ Based on FTE of 529.25 and CAC of $78,895 for 2014. Assumes collection percentage of 13.0% versus a complete 13.8% in 2014. The components are comprised as follows:
- DB 6.8%
- DC 2.0%
- UMPIP 1.0%
- CPP 2.2%
- Reserve Fund 0.25%
- Sustentation Fund 0.75%

*b/ Comprised of the following funding commitments for DB plans: CRSP DB of $2.709M, Pre-1982 Plan of $0.769M and advance contribution of $0.280M (Pre-82) for 2015 due to 1% PSR increase (increase from 2014 to 2015 of 1%).

c/ Includes the following expenses: Salary and benefit expense for Pension and Group Health Benefits administration; travel and conference related expenses; Blackbaud G/L, A/R and A/P financial reporting modules; legal fees; auditor fees; actuarial services fees; office supplies; copy services; FedEx costs and wireless access fees.

d/ Clergy Benefits Academy to educate importance of adequate retirement savings.

e/ Reflects the following transfers of cash to the GHB operating account from Pension operating account:
- $23,100 for Pre-92 Retiree Subsidy (20 retirees @ $55.00 / 20 surviving spouses @ $41.25).
- $1,091,436 for Retiree Group Health costs in 2014; Pension reserve to fund cost of the subsidy provided to retiree. Cost components are as follows:
  - 241 covered lives in Humana x $190
  - 1 covered life in Humana x $323
  - 216 covered lives in UHC x $190
  - 20 covered lives in the Stipend program x $190
<table>
<thead>
<tr>
<th></th>
<th>2015 Forecast</th>
<th>Comments:</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating Income</strong> a/</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CRSP receipts</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- DB</td>
<td>2,881,036.26</td>
<td></td>
</tr>
<tr>
<td>- DC</td>
<td>847,363.61</td>
<td></td>
</tr>
<tr>
<td>- UMPIP</td>
<td>423,681.80</td>
<td>13.0% of CAC in 2015 - $42.368M</td>
</tr>
<tr>
<td>- CPP</td>
<td>932,099.97</td>
<td>(530.75 FTE x $79,827)</td>
</tr>
<tr>
<td>- Reserve Fund</td>
<td>105,920.45</td>
<td></td>
</tr>
<tr>
<td>- Sustentation Fund</td>
<td>317,761.35</td>
<td></td>
</tr>
<tr>
<td>TOTAL CRSP</td>
<td>5,507,863.43</td>
<td></td>
</tr>
<tr>
<td>Apportionments</td>
<td>630,000.00</td>
<td></td>
</tr>
<tr>
<td>Royalties received</td>
<td>45,000.00</td>
<td></td>
</tr>
<tr>
<td>TOTAL INCOME</td>
<td>6,182,863.43</td>
<td></td>
</tr>
</tbody>
</table>

| **Operating expenses**         |               |                                               |
| Retirement benefits funded    |               |                                               |
| - DB b/                        | 3,816,214.50  | CRSP-DB and Pre-82 funding                   |
| - DC                           | 847,363.61    | 2.0% of CAC in 2015                         |
| - DC Match                     | 423,681.80    | 1.0% of CAC in 2015                         |
| - UMPIP                        | 1,271,045.41  | 3.0% of CAC in 2015                         |
| - CPP                          | 932,099.97    |                                               |
| TOTAL BENEFITS FUNDED          | 7,290,405.28  |                                               |
| UNUM                           | 50,000.00     |                                               |
| County Taxes                   | 2,500.00      |                                               |
| Administration Expense c/      | 624,792.85    |                                               |
| Program Training d/            | 10,000.00     |                                               |
| Sustentation Fund              | 317,761.35    | 0.75% of CAC in 2015                         |
| TOTAL EXPENSE                  | 8,295,459.48  |                                               |

| Operating Income Over Expense  | (2,112,596.05)|                                               |

| Investment income (loss):      | 2,040,222.84  | Projected 4.0% return on $51.003M             |

| Transfer from / (to) Group Health Benefits e/ | (1,122,636.00) |                                               |
Beginning Reserve Fund  50,412,300.39
Change in Reserve Fund  (1,195,009.21)
Ending Reserve Fund  49,217,291.18

2014 Forecast Details

a/ Based on FTE of 530.75 and CAC of $79,827 for 2015. Assumes collection percentage of 13.0% in 2015. The components are comprised as follows:
- DB 6.8%
- DC 2.0%
- UMPIP 1.0%
- CPP 2.2%
- Reserve Fund 0.25%
- Sustentation Fund 0.75%

b/ Comprised of the following funding commitments for DB plans: CRSP DB of $2.842M, Pre-1982 Plan of $0.694M and advance contribution of $0.280M (Pre-82) for 2016 due to 1% PSR increase (increase from 2015 to 2016 of 1%).

c/ Includes the following expenses: Salary and benefit expense for Pension and Group Health Benefits administration; travel and conference related expenses; Blackbaud G/L, A/R and A/P financial reporting modules; legal fees; auditor fees; actuarial services fees; office supplies; copy services; FedEx costs and wireless access fees.

d/ Costs for sponsoring clergy training in retirement and health initiatives.

e/ Reflects the following transfers of cash to the GHB operating account from Pension operating account:
- $31,200 for Pre-92 Retiree Subsidy (20 retirees @ $75.00 / 20 surviving spouses @ $55.00).
- $1,091,436 for Retiree Group Health costs in 2015; Pension reserve to fund cost of the subsidy provided to retiree. Cost components are as follows:
  - 241 covered lives in Humana x $190
  - 1 covered life in Humana x $323
  - 216 covered lives in UHC x $190
  - 20 covered lives in the Stipend program x $190
  - 4 retiree couples receiving the cash stipend of $380
Addendum E -
Review of Pension "Unrestricted Reserve"

EXHIBIT I - Total Net Assets Available for Plan Benefits

<table>
<thead>
<tr>
<th></th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net assets available for plan benefits (BOY)</td>
<td>$33,108,433</td>
<td>$37,329,430</td>
<td>$29,222,478</td>
<td>$36,848,246</td>
<td>$43,864,981</td>
<td>$41,785,041</td>
<td>$46,997,376</td>
</tr>
<tr>
<td>Receipts</td>
<td>8,015,921</td>
<td>7,739,953</td>
<td>7,336,000</td>
<td>7,534,214</td>
<td>7,560,549</td>
<td>7,656,747</td>
<td>7,536,859</td>
</tr>
<tr>
<td>Disbursements</td>
<td>(6,895,467)</td>
<td>(6,712,716)</td>
<td>(6,534,817)</td>
<td>(5,992,504)</td>
<td>(8,974,051)</td>
<td>(6,902,588)</td>
<td>(8,147,705)</td>
</tr>
<tr>
<td>Investment income</td>
<td>2,825,513</td>
<td>(8,859,897)</td>
<td>7,234,585</td>
<td>5,348,521</td>
<td>(466,063)</td>
<td>5,231,221</td>
<td>5,896,981</td>
</tr>
<tr>
<td>Transfer of funds</td>
<td>275,030</td>
<td>(274,292)</td>
<td>(410,000)</td>
<td>126,504</td>
<td>(200,375)</td>
<td>(773,045)</td>
<td>(1,055,091)</td>
</tr>
<tr>
<td>Net assets available for plan benefits (EOY)</td>
<td>$37,329,430</td>
<td>$29,222,478</td>
<td>$36,848,246</td>
<td>$43,864,981</td>
<td>$41,785,041</td>
<td>$46,997,376</td>
<td>$51,228,420</td>
</tr>
</tbody>
</table>

Weighted Return

| Weighted Return | 8.37% | -23.47% | 24.61% | 14.22% | -1.08% | 12.59% | 12.76% |

Net assets residing in PUR (EOY)

| Net assets residing in PUR (EOY) | $171,310  | $1,886,739 | $29,916,711 | $35,627,510 | $34,011,203 | $39,458,061 | $42,800,315 |

% of net assets

| % of net assets | 0.46% | a/ | 6.46% | 81.19% | 81.22% | 81.40% | 83.96% | 83.55% b/ |

a/ Pension Unrestricted Reserve contained less than 1.0% of total plan assets as of the close of 2007.
b/ As of the close of 12/31/13, over 83% of total plan assets were invested in the Pension Unrestricted Reserve.

<table>
<thead>
<tr>
<th>Board of Pensions - Aggregate growth in reserves</th>
<th>1/1/07 to 12/31/13</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net assets available for plan benefits - 1/1/07</td>
<td>$33,108,433</td>
</tr>
<tr>
<td>Receipts</td>
<td>5,380,243</td>
</tr>
<tr>
<td>Disbursements</td>
<td>(50,159,848)</td>
</tr>
<tr>
<td>Investment income</td>
<td>17,210,861</td>
</tr>
<tr>
<td>Transfer of funds</td>
<td>(2,311,269)</td>
</tr>
<tr>
<td>Net assets available for plan benefits - 12/31/13</td>
<td>$51,228,420</td>
</tr>
</tbody>
</table>

Compounded Time Weighted Return

| Compounded Time Weighted Return | 48.18% |

Annualized Rate of Return

| Annualized Rate of Return | 5.78% |

Investment returns have accounted for $17.2M of the $18.3M growth in reserves since the close of 2006.
### EXHIBIT II - Total Net Assets Available for Plan Benefits (reserve / account detail)

<table>
<thead>
<tr>
<th></th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>(A) Deposit Account (funds reside with GiroP)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Receipts</td>
<td>8,015,921</td>
<td>6,322,534</td>
<td>5,759,033</td>
<td>2,888,476</td>
<td>2,171,830</td>
<td>2,569,747</td>
<td>3,827,894</td>
</tr>
<tr>
<td>- Disbursements</td>
<td>(6,464,969)</td>
<td>(6,498,322)</td>
<td>(6,313,749)</td>
<td>(2,375,215)</td>
<td>(2,535,579)</td>
<td>(2,647,525)</td>
<td>(3,918,185)</td>
</tr>
<tr>
<td>- Investment income</td>
<td>2,154,950</td>
<td>(6,898,203)</td>
<td>(436,342)</td>
<td>3,409</td>
<td>548</td>
<td>2,634</td>
<td>(1,112)</td>
</tr>
<tr>
<td>- Transfer of funds</td>
<td>(170,188)</td>
<td>448,445</td>
<td>(20,360,171)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Net assets available for plan benefits (EOY)</td>
<td>$28,610,670</td>
<td>$21,985,124</td>
<td>$633,895</td>
<td>$650,565</td>
<td>$287,364</td>
<td>$212,220</td>
<td>$120,817</td>
</tr>
<tr>
<td><strong>(B) Pension Unrestricted Reserve a/</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net assets available for plan benefits (BOY)</td>
<td>-</td>
<td>$171,310</td>
<td>$1,886,739</td>
<td>$29,916,711</td>
<td>$35,627,510</td>
<td>$34,011,203</td>
<td>$39,458,061</td>
</tr>
<tr>
<td>- Receipts</td>
<td>-</td>
<td>1,417,419</td>
<td>1,576,967</td>
<td>1,069,728</td>
<td>665,000</td>
<td>1,025,000</td>
<td>200,000</td>
</tr>
<tr>
<td>- Disbursements</td>
<td>-</td>
<td>(77,625)</td>
<td>-</td>
<td>-</td>
<td>(1,866,604)</td>
<td>-</td>
<td>(600,000)</td>
</tr>
<tr>
<td>- Investment income</td>
<td>1,122</td>
<td>(266,454)</td>
<td>6,384,880</td>
<td>4,476,856</td>
<td>(414,703)</td>
<td>4,421,858</td>
<td>4,771,770</td>
</tr>
<tr>
<td>- Transfer of funds</td>
<td>170,188</td>
<td>642,089</td>
<td>20,068,125</td>
<td>164,215</td>
<td>-</td>
<td>-</td>
<td>(1,029,516)</td>
</tr>
<tr>
<td>Net assets available for plan benefits (EOY)</td>
<td>171,310</td>
<td>$1,886,739</td>
<td>$29,916,711</td>
<td>$35,627,510</td>
<td>$34,011,203</td>
<td>$39,458,061</td>
<td>$42,800,312</td>
</tr>
<tr>
<td><strong>(C) Other Accounts (ST Investments, Retirement trust, Joint reserve, Retiree medical, cash, A/R, A/P, etc.)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net assets available for plan benefits (BOY)</td>
<td>$2,162,506</td>
<td>$2,183,987</td>
<td>$1,473,959</td>
<td>$570,946</td>
<td>$1,024,166</td>
<td>$1,745,742</td>
<td>$796,337</td>
</tr>
<tr>
<td>- Receipts</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>- Disbursements</td>
<td>(430,498)</td>
<td>(136,769)</td>
<td>(231,068)</td>
<td>(3,617,389)</td>
<td>(3,777,625)</td>
<td>(4,255,063)</td>
<td>(3,629,520)</td>
</tr>
<tr>
<td>- Investment income</td>
<td>176,949</td>
<td>(298,967)</td>
<td>72,807</td>
<td>32,210</td>
<td>(24,143)</td>
<td>16,703</td>
<td>13,178</td>
</tr>
<tr>
<td>- Transfer of funds</td>
<td>275,030</td>
<td>(274,292)</td>
<td>(754,752)</td>
<td>(37,712)</td>
<td>(200,375)</td>
<td>(773,045)</td>
<td>(25,575)</td>
</tr>
<tr>
<td>Net assets available for plan benefits (EOY)</td>
<td>$2,183,987</td>
<td>$1,473,959</td>
<td>$570,946</td>
<td>$1,024,166</td>
<td>$1,745,742</td>
<td>$796,337</td>
<td>$661,385</td>
</tr>
<tr>
<td><strong>(D) Designated Endowment Reserves</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net assets available for plan benefits (BOY)</td>
<td>$5,870,971</td>
<td>$6,363,463</td>
<td>$3,876,656</td>
<td>$5,726,694</td>
<td>$6,572,740</td>
<td>$5,740,732</td>
<td>$6,530,758</td>
</tr>
<tr>
<td>- Receipts</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>- Disbursements</td>
<td>(492,492)</td>
<td>(1,396,271)</td>
<td>1,213,240</td>
<td>836,046</td>
<td>(27,765)</td>
<td>790,026</td>
<td>1,115,145</td>
</tr>
<tr>
<td>- Investment income</td>
<td>-</td>
<td>(1,090,534)</td>
<td>636,798</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>- Transfer of funds</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
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<td>$3,876,656</td>
<td>$5,726,694</td>
<td>$6,572,740</td>
<td>$5,740,732</td>
<td>$6,530,758</td>
<td>$7,645,903</td>
</tr>
<tr>
<td><strong>(A+B+C+D) Total net assets available for plan benefits (EOY)</strong></td>
<td>37,329,430</td>
<td>29,222,478</td>
<td>36,848,246</td>
<td>43,864,981</td>
<td>41,785,041</td>
<td>46,993,376</td>
<td>51,228,420</td>
</tr>
</tbody>
</table>

a/ Pension Unrestricted Reserve created in August 2007.
### EXHIBIT III - Detail of Inflows and Uses of Funds Residing in Pension Unrestricted Reserve

<table>
<thead>
<tr>
<th>Pension Unrestricted Reserve</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net assets available for plan benefits (BOY)</td>
<td>-</td>
<td>$ 171,310</td>
<td>$ 1,886,739</td>
<td>$ 29,936,711</td>
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<td>665,000</td>
<td>1,025,000</td>
<td>200,000</td>
</tr>
<tr>
<td>- Disbursements</td>
<td>-</td>
<td>(77,625)</td>
<td>-</td>
<td>-</td>
<td>(1,866,604)</td>
<td>-</td>
<td>(600,000)</td>
</tr>
<tr>
<td>- Investment income</td>
<td>1,122</td>
<td>(365,453)</td>
<td>6,384,880</td>
<td>4,478,580</td>
<td>(414,703)</td>
<td>4,421,858</td>
<td>4,771,770</td>
</tr>
<tr>
<td>- Transfer of funds</td>
<td>170,188</td>
<td>642,089</td>
<td>20,008,125</td>
<td>164,215</td>
<td>-</td>
<td>(3,029,516)</td>
<td></td>
</tr>
<tr>
<td>Net assets available for plan benefits (EOY)</td>
<td>$ 171,310</td>
<td>$ 1,886,739</td>
<td>$ 29,936,711</td>
<td>$ 35,627,510</td>
<td>$ 34,011,203</td>
<td>$ 39,458,061</td>
<td>$ 42,800,315</td>
</tr>
</tbody>
</table>

**Detail of flows:**

**2007**
- Reserve created; initial funding of $170K from Deposit Account

**2008**
- $1,417M apportionment deposit
- $78K disbursement to cover pre-92 retiree subsidy
- Investment losses of $266K
- Transfer of funds detail:
  * Inflows: 95% of 2006 and 2007 investment earnings from Corpus Retirement Endowment total $644K and $446K respectively
  * Outflows: transfer back to Deposit Account initial funding amount of $170K and $278K to fund 2008 operations

**2009**
- $1.577M in receipts comprised of 2009 apportionment plus CRSP collections
- Investment gains of $6.385M
- Transfer of funds detail:
  * Inflows: $20.365M from Deposit Account; $118K from Superannuate Endowment Fund
  * Outflows: $410K to Pension and GHB Joint Reserve Account to fund ERIP lump-sum distributions

**2010**
- $1.070M in receipts comprised 2010 apportionment plus CRSP collections
- Investment gains of 4.477M
- Transfer of funds detail:
  * Inflows: $9.164M represents receipt from GHB of $164,215 for sustentation deficit funding

**2011**
- Receipts of $865K comprised of the following: $385K and $500K moved from cash bank account in May and December respectively
- Investment losses of $415K
- Transfer of funds detail:
  * Outflows: $1.867M of reserve was used in order to meet Texas Conference’s year-end DB funding commitment of $6.458M

**2012**
- Investment gains of 4.422M
- Receipts of $1.025M comprised of the following: $450K, $150K, $225K and $200K moved from cash bank account in February, August, November and December respectively.
- Investment gain of $4.772M
- Receipts of $200K represents cash moved from operating bank account in April.
- Disbursement of $600K represents portion of reserve used to assist meeting Texas Conference’s year-end DB funding commitment of $4.536M.
- Transferred $1.030M to GHB Plan to pay for the retiree medical subsidy costs incurred in 2013
Texas Annual Conference of the United Methodist Church  
Board of Pensions  
Houston, TX  
Audited Financial Statements  
December 31, 2013

The Independent Auditor’s Report for the Board of Pensions was sent electronically to delegates prior to the delegate meetings. The audit reports are in the Journal Section-J.
The driving force for the Center for Congregational Excellence is the adopted focuses from the 2012 Annual Conference. Our goal to cultivate growing, vibrant, missional congregations is reflected in the work of the congregations currently involved in the Vibrant Church Initiative (VCI) process. The initial phase of the process provides a means to develop transforming lay and clergy leaders. At year end, nine congregations not only completed the leadership development, but eight of the nine chose to continue with the consultation process. All eight are now implementing the direction set by the consultation. The early signs of VCI have been very positive. Already, there has been a definite change on their outlook on ministry. As one elderly member from one of the first groups said, “I thought you were trying to sell us another program. I am so proud my church is evolving. I can already see the difference”.

As we move into 2014, five churches in the northwest district will enter into the consultation phase, with an additional group beginning the leadership process in the spring. Requests to enter into the Vibrant Church Initiative process continue to come into the Center for Congregational Excellence with plans for additional groups to begin in fall of 2014.

The ever growing populations of Texas and in particular the Houston metro area continue the need for new faith communities. To achieve new faith communities, churches who believe they have the capacity for mothering new church starts or second campuses are in need. There is also still the challenge to create self-sustaining Hispanic congregations.

As this Center continues to Invest in the Young, our ministries in the area of youth continue to be successful in helping youth find their place in our conference. The districts continue to do a great job in the summer youth camps. The 6th grade fall mid-winter and other mid-winter events in the spring are engaging our youth in Holy Conversations. Our youth serving on the Conference Youth Council (CYA) and other activities such as TYA (Texas Youth Academy) are given opportunities to show their leadership skills.

The Center for Congregational Excellence continues to have challenges ahead of us; however, success in meeting the needs of our congregations continues to shine.

The Extravagant Generosity Committee was tasked with providing resources to medium and small-sized churches to help these congregations grow in the spiritual discipline of giving. By strengthening churches in this area we believe that congregations will have stronger leaders and more resources for ministry.

In 2013 we developed a 60 minute training session that helps equip and empower lay leaders and pastors to talk about money and faith in their churches. Drawing upon the best current data available, as well as resources from Heartspring and the Texas Methodist Foundation, we completed this task in December. We have also recruited gifted clergy in the Northern, Central and Southern regions of the Conference to be willing to make this
presentation to any district, quadrant or congregation that seeks help in the area of financial stewardship.

In 2014 we have begun presenting this program at District Leadership Events. It was debuted at the Central South District Leadership event in January, and is also to be presented in the Northwest District.

This year we will continue to promote this presentation, and increase the network of pastors and laity who can be on site to help local congregations.

I want to thank Carla Leavelle of Heartspring Foundation, Don Pensick of the Texas Methodist Foundation, C.J. Taylor of Heartspring, Steve Turner of Heartspring, Don Waddleton of the Center for Congregational Excellence, and Tommy Williams of St. Paul's UMC, for their guidance and support in this project.

The Passionate Worship Committee of the Texas Annual Conference continues to lead in its calling to resource and guide churches who desire its help in working through worship in the local church. From providing workshops in District Training events to working hand in hand with pastors and congregations, to providing support for conference wide initiatives, the members of this committee are always willing to step up when asked.

The Passionate Worship Committee proudly supports the work and ministry of the Texas Conference Choir Clinic each summer. We provide financial support to bring in outstanding worship leaders from around the country to lead and guide camp participants. These worship leaders also provide information, teaching and guided workshops to pastors from around the conference through TCCC’s clergy focus day. We will continue to provide this support in 2014.

In 2014, the Passionate Worship Committee will work closely with the Texas Annual Conference Worship Planning Team to implement a bold initiative. Each worship service of the Annual Conference will be outlined in the Conference Worship Guide. Each Guide will include a page of information for each service to help any church return home and use any element of any worship service at Annual Conference in their home church. The worship service information is being provided by the Annual Conference Worship Planning Team, but hands on guidance to any church is being offered by the Passionate Worship Committee throughout the year. The Passionate Worship Committee will work with any church to adapt what was done at Annual Conference worship to fit in a local setting. What a great way for us to learn and grow in worship together as a connected church.

Also in 2014, The Passionate Worship Committee has committed to partner with the General Board of Global Ministries to bring to our conference their Global Praise Event. This program will allow a group of churches to get hands on training, experience and feedback in bringing a multi-cultural approach to worship in their local church. Interested churches will be invited to apply to attend. Those selected to attend will be provided with top notch instruction in implementing multi-cultural worship in their local setting. We are pleased as a committee to be meeting our calling to resource churches in this valuable and needed area of focus.

All leaders of any church in the Texas Annual Conference are encouraged to contact the Passionate Worship Committee if there is any need in the area of worship. No need is too great or too small. Our committee consists of persons who have years of experience in all aspects of worship, including but not limited to, music and the arts for all ages, audio and video needs, advanced worship planning, multi-cultural worship and many more areas. We are here to serve our conference.
The Faith-Forming Relationships & Spiritual Formation Team wants to help churches connect this year. We want to help grow fruitful churches by helping them to connect their congregations to God, God’s Word, and God’s people. This can happen through resources of curriculum, people, and training events. We strive to find creative and modern resources for staff and laity to use to strengthen the discipleship groups in their church.

The Christian Educators Fellowship (CEF) is designed to provide resources, training, and networking to staff and laity. CEF meets monthly on the second Wednesday of the month at noon. There are speakers at each meeting that have relevance for those working in children’s, youth, and adult ministries. There is a time for networking during lunch at each meeting. Cost is $12 per meeting. CEF also provides scholarships for those attending Certification classes and National CEF conferences. CEF also hosts a study retreat each year as a way for Christian Educators to get away from their busy schedules for a few days and to hear a great speaker too. The 2014 study retreat was on a cruise! Pastors are also welcome to attend CEF. The Faith-Forming Relationships & Spiritual Formation Team sponsors the CEF 5 Stars of Christian Education Award. This award helps churches to meet attainable goals for their Christian education programs. Find out more information about CEF at www.TCCEF.org.

You can find the Faith-Forming Relationships & Spiritual Formation page on the conference website under the Congregational Excellence link. Contact Jeff Hobbs, Jeff@fumcbryan.org, if you have any resource requests or suggestions for the team.

Radical Hospitality has continued to evaluate and reward churches for their work in evangelism through recognition of the Copeland Award at the Texas Annual Conference Awards banquet. Realizing that every church has resources to be the hands and feet of Jesus, welcoming persons into faith communities and nurturing them into relationship with Jesus Christ. Through a partnership with the General Board of Discipleship a special opportunity for clergy and lay persons was offered in December 2013 at Lakeview. Entitled "Living and Dying Baptismally" participants were encouraged to return to their congregations with renewed effort to live into the Baptismal covenant.

In the last year the Lay Leadership Development Team imagined and created a new opportunity for learning to lead in a way that reflects a lay person's highest calling. On January 25, 2014, the first class of Laity Unleashed was kicked off with a full day retreat. The class will meet for eleven weeks, wrapping up just before Easter. Laity Unleashed is an intensive experience for the lay person who yearns to live out God's call in an extraordinary way. It is designed to facilitate the discovery of that powerful place where spiritual gifts and the needs of
the world intersect. The aim is to help each participant discern, acknowledge and follow God’s call.

There are twelve participants in the Laity Unleashed pilot program. The scriptural and spiritual aspects of the classes are lead by Rev. Nancy Kellond. The leadership and strategy portions are lead by Debbie Moffett, a retired CEO, who is a member of Memorial Drive United Methodist Church in Houston.

Laity Unleashed is intended to move the lay person beyond the structure of the church and encourage each participant to take God’s love boldly into the world. It is a journey of self-discovery that each lay person will travel and experience differently. Once the initial class is complete, the Lay Leadership Development Team will review the results and make any necessary changes before offering the experience in other locations in the Texas Annual Conference.

The Texas Annual Conference Board of Laity is comprised of the Conference Lay Leader and the Districts Lay Leaders of the nine Districts of the Texas Annual Conference. The board is committed to promoting the role of the laity within the local congregations; and cultivating lay leadership that works in partnership with the clergy to fulfill the mission of the Texas Annual Conference in new and creative ways. In 2013 the District Leadership Teams along with the District Lay Leaders and District Superintendents have offered Lay Leadership Training Events across the Annual Conference that have not only provided training for church leadership but encouraged laity to live their faith beyond the church in the communities where they live and work. Each district has provided training for laity to explore their gifts and opportunities for service. The Generative Solutions Project under the leadership of Leah Taylor has evolved into “Laity Unleashed,” an 11 week study built around clergy and lay-led weekly sessions committed to enabling each participant to find his or her highest calling. The Board of Laity has been heavily involved in planning the Lay Session for Annual Conference this year along with reinstating the Laity Luncheon. We are committed to encouraging laity to live their faith in every aspect of life.

In 2013 Deadwood United Methodist Church was recognized as the Small Membership Church of the Year for the Texas Annual Conference. Deadwood UMC is located near Carthage in deep East Texas. Under the leadership of its pastor Mervin Scott and the church’s commitment to prayer the congregation was led to reach out into the area and has experienced significant growth for God’s Kingdom.

The Small Membership Church Ministry plans a retreat at Lakeview Conference Center in May of 2014, to learn new ways of reaching one’s community for Christ. The retreat will be led by Rev. Diana Northcutt, Director of Small Membership Church Ministry for the Oklahoma Annual Conference of the United Methodist Church.

The Small Membership Church Committee of the Texas Annual Conference will continue to seek to strengthen the ministries of small membership churches throughout the Annual Conference.
The Conference Youth Council (CYC) continues to grow and find its voice. This year’s meetings have been held in person, and also by utilizing internet gathering space. They have also continued to generate ideas for the growth of CYC at large and for the individual member’s leadership development. Our CYC leadership is full of passionate, bright students representing the Texas Annual Conference. Patrick Golden, CYC president, has been selected by his peers in the Jurisdiction to attend Global Youth Convocation in The Philippines this summer. This fall CYC helped to vision and then lead The Big Event (6th Grade Midwinter event each fall) and visioned the 2014 Midwinter events, praying about and deciding the theme, daily scripture and over-all focus. Evidence of Growing Fruitful Congregations is found in some unexpected places throughout the conference—from youth texting one another a morning prayer, to gathering together in downtown Houston to spend time with unhoused persons. The leadership of students is changing the face of the church by extending worship and fellowship outside of historical and perceived boundaries of the church building and building the broader congregation of the Church Universal. The Youth Worker Connection (YWC) is a movement of Youth Workers in the Texas Annual Conference focusing on the fellowship, spiritual care and continued education of those who work full time and volunteer part time with youth. YWC events have included fellowship meals, lunch and learns (continuing education over lunch), volunteer training, a Youth Worker retreat and informal gatherings at events such as the Perkins School of Youth Ministry and the National Youth Workers Convention. Now entering its sixth year, the Texas Youth Academy continues to provide a distinctly Wesleyan intentional community living and robust seminary-level education for rising high school juniors and seniors. The 2014 class will be the sixth group of young people to participate in the academy. Past participants have been serving in the CPIP program, as counselors for the Confirmation Retreat and in leadership in high school youth groups, classrooms and college Wesley programs and campus ministries across Texas and the United States.
the academy and are diverse; ranging from creative writing to print making to group song writing.

On Saturday we teach Sabbath through its practice, taking a day of rest as a community. TYA is also patterned by service projects and reflection on missional engagement with the world around us. A constant service project held yearly is attending the Church Under the Bridge in Austin, Texas on Sunday morning. The academy experience aims to continue to build upon Wesleyan principals learned through confirmation bolstering the work of local congregations in training and empowering young leaders. The TYA community invites you to come and see.

Young Adult Ministry Council
Rev. Thera Freeman, Director

Many young adults in the conference continue to gather together in our traditional church spaces through Sunday School and Sunday morning worship gatherings. Many other young adults are gathering outside the traditional bounds of Sunday morning worship gatherings to meet in coffee shops, in apartment complex common spaces, on Google+ and in shared meals. Millennials are on the forefront of re-finding fellowship, spiritual sustenance and Christian community through mutual hospitality in one another’s homes and favorite businesses. These, mostly informal, gatherings tend to happen around shared food and conversation, deepening discipleship and mutual prayer. The ancient practices of The Way (early followers of Christ) and the Acts 2 church are reemerging in subtle yet profound ways. The answer to a "younger church" does not lie in a programmatic fix-all but a shift in thought. Getting young adults for the sake of having young adults in church will be a flash-in-the-pan shift in numbers. We continue to pray and struggle to realize the in-breaking of the Kingdom of God as young persons of the Church.

United Methodist Women
Ms. Mattie Ordaz, President

Texas Conference United Methodist Women had a successful and productive 2013. Our theme “Love in Action” was accomplished through an informative district officer training, a soul stirring Spiritual Growth Retreat, and a celebratory fall festival and good business meeting.

As the result of a Young Women’s Forum, held in May of 2013, young women (ages 30-40) have been elected into leadership roles encouraging a new look of United Methodist Women. Some examples of new opportunities for gaining young women are: new meeting times, networking with other women throughout the districts and meetings targeting young girls between the ages 7-15. The young women who attended the “Limitless Redefine Tomorrow” conference will attend the United Methodist Women’s Assembly in Louisville, Kentucky April, 2014.

Some of the members of the Texas Conference United Methodist Women Executive Committee met with Sarah Wilke, publisher of the Upper Room, Ann Konan President of the World Federation of Methodist and Uniting Methodist, Judy Sieaba of the Northern Illinois Conference and Bishop Huie. The World Federation plans to hold their general meeting in Houston in 2016 working with the United Methodist Women in the Texas Conference in the area of hospitality.
Many programs were done throughout the Texas Conference promoting Spiritual Growth, Social Action and Membership Nurture and Outreach with two new units formed in 2013.

United Methodist Women continue turning faith, hope and love into action on behalf of women, children and youth around the world.

The year 2013 marked 105 years of United Methodist Men’s ministry. Since its formation in 1908 until today, the purpose of United Methodist Men is to declare the centrality of Jesus Christ in the lives of men. We do not declare to worship, but to follow Jesus Christ as he has commanded his disciples to do.

The Texas Annual Conference of United Methodist Men has been blessed to have men of God who have answered the call to minister to the men of the Church. These men have dedicated their lives to make followers of Jesus Christ by example and deed. Gil Hanke, General Secretary of the General Conference of United Methodist Men, Dan Ramsey, President of the National Association of Conference Presidents, Kenneth Tielke, President of the South Central Jurisdiction of United Methodist Men and many others that serve without want of recognition. The level of dedication shown by these men to bring men into a relationship with Jesus Christ is no doubt inspired by the men who brought them to Jesus Christ.

The purpose of the Texas Annual Conference United Methodist Men for 2014 remains the same as that of the men who formed this ministry 105 years ago, “To declare the centrality of Christ in the lives of men and in all their relationships”. To achieve this goal and continue the ministry the leadership of the Texas Annual Conference United Methodist Men will focus on the following areas.

- To work in partnership with the Clergy of the conference at all levels, Conference, District and Local to organize and involve the men of the conference in ministry.
- To organize and charter a United Methodist Men’s group in as many churches in the conference as possible.
- To organize and train leadership in every district of the conference by working with District Superintendents, District Lay Leaders and local clergy to identify the men of their district who display leadership abilities.
- To encourage all men of the conference to become EMS (Evangelism-Mission-Spiritual Life) partners so that they may have a direct role in the support of men’s ministry on the local and national level.
- To continue to support Scouting programs at all levels in the conference based on the principles of “Service to God and Country” and to have a Scouting Coordinator in every district in the conference.
- To train and equip men of the conference to become Men’s Ministry Specialists to provide guidance and leadership to the men of the conference.
- To continue to invite and encourage the men of the conference to become involved and attend the Spring Retreat at Lakeview Conference Center and the Fall Conference held throughout the Texas Annual Conference.
- To seek men of all ages to be involved in the ministry of Jesus Christ throughout the conference.
In their 2012 strategic assessment, the Core Leadership Team charged the Annual Conference to “Continue to implement New Church Starts based upon the guidelines provided in the report by Jim Griffith.” The charge to accomplish this was given to the Center for Congregational Excellence and the District Superintendents. Griffith recommends that the Director of New Church Starts “involve themselves, either in an advisory capacity – or something more official, with the Bishop and Cabinet in the selection of the new start pastor to a specific project.”

Thus one of the three central tasks of The Center for Congregational Excellence is new church development (church revitalization and youth/young adults being the others)--creating new congregations and worshipping communities. Starting new churches, however, is not about reversing membership and worship decline. Statistics of worship and membership decline within the denomination are certainly on our minds and readily available. For instance, between 2011 and 2012, the denomination saw a reduction of at least 87,319 U.S. members. The U.S. church also saw, on average, at least 50,895 fewer people in worship each week.

The drive to start these congregations and communities flows from our belief that the entire world is God’s and the entire world needs God. It is with this belief that The United Methodist Church offers the world the richness of Christ through emphasis on holiness of heart and life. Starting new churches is about reaching people with the good news of Jesus Christ and discipling them in faith. Increases in membership and worship attendance are not the aim of starting new churches, but rather a happy consequence of a fruitful new church movement.

The Texas Annual Conference faces three major constraints for the future of church planting: funding, property, and entrepreneurial leadership. A recent report published by Path 1 identifies these as obstacles that are common throughout the jurisdiction. The Director of New Church Starts is working in each of these areas to help meet the challenges being faced for the future of planting new congregations.

A strategic plan for 2013-2016 has been developed to help guide the Cabinet and Annual Conference for the work ahead. This plan, by its very nature, is a living document, which will be updated yearly with rolling goals. These goals are redefined as new possibilities arise and others are placed on hold. Additionally, over the past year, locations for new congregations have been identified throughout the Annual Conference and the Director of New Church Starts is partnering with each District in looking toward future new faith communities.
The Center for Connectional Resources works collaboratively to develop and maintain the fiscal affairs of the Texas Annual Conference of the United Methodist Church. Through the Council on Finance and Administration, administrative policies, financial management and structural guidelines are implemented. With the guidance of the Conference Board of Trustees real property management and all related interest of the church are properly secured. We are grateful and appreciative for the commitment, which all of our pastors and congregations show in supporting the connectional system. To the Service center staff we give thanks to God for your loyalty and dedication. We are very appreciative to every person who has volunteered for service in their respective ministry areas.

The Texas Conference Committee for Archives and History has the primary duty to preserve the records of the Texas Annual conference. The Archives and History Committee makes several contributions to the goals and programs of the Annual Conference and they are listed below:

1. We strive to maintain the records of the Annual Conference, so that studies, comparisons, and plans based on past events can be successfully made.
2. These records can help to educate the young in the history of our church’s work and witness. They need to know the foundation on which today’s church rests.
3. In 2013, we worked with local churches in writing local histories. Some of these we assisted in getting recognition as Methodist Historic sites.
4. In 2014, our goal is to raise the funds to build, for the first time, a permanent facility to house the collection of records and historical materials of the Texas Annual Conference.

The Board of Trustees of the Texas Annual Conference, incorporated under the laws of the State of Texas, submits the following report of its activities on behalf of the Texas Annual Conference for the Conference year 2013-2014.

Your Conference Board of Trustees (BOT) have concerns and responsibilities regarding all properties owned by the Texas Annual Conference (TAC) plus any local church properties within the Conference that have been declared discontinued or abandoned. In addition the BOT may be involved in Annual Conference resolutions as requested.

The TAC BOT works to advance the Conference Vision and Mission through the sale of property, reinvesting those funds in the mission and ministry of TAC. In addition, the BOT
works to have appropriate insurance on all properties owned by TAC, working to reduce liability risks. BOT strives to meet the maintenance needs of TAC owned property.

- The business activities of the BOT responsibilities are conducted in a Christian spirit-led manner with accountability for its actions.

The following properties were listed for sale during the 2013-2014 conference year:
- No new properties Listed

- The following properties were sold in 2013-2014 with the TAC of the UMC reserving mineral rights:
  - Crockett Place UMC – Net proceeds of $142,657 allocated to Archives and History for Center
  - Rice Wesley Foundation Parsonage – Net proceeds of $569,839 allocated to UH Wesley Foundation
  - Mayes Chapel UMC – Proceeds of $4000 to Trustees Account

- The following items were transferred in 2013-2014:
  - TAC interest in Rocky Mountain Baptist Church transferred to Rocky Mountain Baptist Church.

- The following Property Item Still(s) Pending
  - Long’s Chapel UMC

Other Trustee Actions in 2013-2014
- Tyler Jr. College Wesley Foundation – TAC BOT authorized the sale of the Wesley Foundation property at Tyler Jr. College to Tyler Jr. College with proceeds going to the Tyler Jr. College Wesley Foundation for future facilities. The BOT also approved the lease of property from Tyler Jr. College for use by the Wesley Foundation.

TAC Entities Relationship Proposal –
I. Owned by the TAC:
- None

II. Affiliated in accordance with Articles of Incorporation and By-laws within TAC bounds:
  A. Heartspring Methodist Foundation
  B. Methodist Retirement Communities
  C. The Methodist Hospital System
  D. U.M. Army
  E. Wiley College
  F. Wesley Community Center
  G. Lakeview Methodist Conference Center

III. Affiliated in accordance with institutional Articles of Incorporation and By-laws outside the bounds of TAC:
  A. Gulfside Assembly
  B. Lydia Patterson Institute
  C. Methodist Children’s Home
  D. Mount Sequoyah
  E. Providence Place (formerly Methodist Mission Home)
  F. Southern Methodist University
  G. Southwestern University
  H. Texas Wesleyan University
  I. Texas Methodist Foundation
**BOD ¶ 2517, Health and Welfare Ministries and Agencies** – ¶ 2517 requires the BOT to report on the relationship of Health and Welfare Agencies within the bounds of the Annual Conference to the General Board on Finance and Administration (GCFA). There are two in TAC: Methodist Retirement Communities (MRC) and Houston Methodist Hospital. TAC BOT has received a letter from MRC saying they are related to, but totally independent of TAC. We have sent the required report to GCFA.

Oil Leases – An oil lease in Rusk County was executed. Additional leases are in negotiation in Panola and Brazos Counties.

Disaster Recovery Mission Depot – TAC BOT directed a task force consisting of David Wilson (chair), Brenda Porter, David Turner, Mark McClanahan and Kevin Benedict to oversee the affordability of this project.

**ACTION ITEMS**

I. Archives and History – The TAC Committee on Archives and History reconsidered a previous decision and has requested the new Archival Center be included on the Mission Depot Conroe Property. The TAC BOT endorses this request.

II. Minimum Insurance Standards – The TAC BOT brings to the 2014 Annual Conference a proposed policy for minimum insurance standards for local churches (see policy below). This policy is based on recommendations from the General Council on Finance Administration. After approving this proposal the TAC BOT forwarded the proposal to the Cabinet for their endorsement. Having received this endorsement brings the proposal to the TAC at this time.

Disaster Recovery Mission Depot – In an effort to have better knowledge of what property is owned by TAC and what deed considerations are on said property TAC BOT developed a Deed Records Policy. Following BOT approval, forwarded the policy to the cabinet for endorsement. Having received endorsement from the cabinet, the BOT submits this proposal for adoption.

Texas Annual Conference Minimum Insurance Requirements:
The Book of Discipline 2012 Par. 2533.2 requires local church trustees to annually review and report on the adequacy of local church property and liability insurance coverage “to ensure that the church, its properties, and its personnel are properly protected against risks.” Since 1797, the Book of Discipline has provided that the property and assets of local churches are held in trust for the benefit of the denomination. Inadequate insurance puts local church property and assets at risk, including the denomination’s trust interest therein. Therefore, Texas Annual Conference, for the conference and denomination’s trust interest, have adopted the following minimum insurance requirements for local churches:

**COMMERCIAL PACKAGE POLICY**, to include the following minimum limits:
- Buildings, Organs & Contents Insured to Replacement Value, “All Risk” Coverage
- Fine Arts $25,000
- Comprehensive General Liability Occurrence $1,000,000 Aggregate $3,000,000
- Pastoral Counseling Liability Occurrence $1,000,000 Aggregate $3,000,000
- Hired and Non Owned Auto Liability Occurrence $1,000,000 Aggregate $3,000,000
- Employee Benefits Liability (EBL) Occurrence $1,000,000 Aggregate $1,000,000
- Medical Payments $10,000
- Sexual Misconduct Liability Occurrence $1,000,000 Aggregate $2,000,000
- Crime / Employee Dishonesty Occurrence $25,000
DIRECTORS & OFFICERS (D&O) POLICY, including the following minimum liability limits:

- Directors’ & Officers $1,000,000
- Employment Practices Liability (EPL) $1,000,000 (including Sexual Harassment)

WORKERS’ COMPENSATION POLICY, including supply clergy

- Bodily Injury by Accident Each accident $1,000,000
- Bodily Injury by Disease Policy limit $1,000,000

UMBRELLA POLICY (Excess Liability) – An Umbrella policy is suggested but not required.

This excess policy must extend over Commercial General Liability, Pastoral Counseling, Employee Benefits Liability, Owned Auto, Hired & Non-Owned Auto and Workers Compensation. A higher per occurrence limit may be appropriate based on specific risk characteristics such as church size and/or scope of operations and

- Per Occurrence Limit $1,000,000 (minimum) Aggregate $1,000,000

The Texas Annual Conference directs the District Trustees of the nine districts to audit the Trustees reports of the local churches in their district to insure adherence to these standards. If local congregations, for financial reasons, believe it cannot afford to meet these standards the local church in question is to work with district and/or conference trustees to secure a provider at an acceptable rate to obtain the required coverage.

Texas Annual Conference Deed Record Policy:

III. Since 1797, the Book of Discipline has provided that the property and assets of local churches are held in trust for the benefit of the denomination. When local churches close and the property is declared abandoned, it is the responsibility of the Board of Trustees of the Annual Conference to dispose of said property.

Complications to this process often arise when extensive searches become necessary to find and obtain titles and deeds of the real property. With growing numbers of public records finding these records continues to become more difficult.

Therefore the Texas Annual Conference directs local congregations to submit copies of the deeds and titles of real properties owned by said congregations to their district offices. The District Trustees of the nine districts are instructed to collect this documentation as well as create and maintain files in their district offices of said property deeds and titles. These files shall be complete for all congregations and districts by June 1, 2015. Once complete the District BOT shall forward copies of all deeds to the Center for Connectional Resources.

Conference Statistician’s Report
Mrs. Peggy Miller, Statistician

The following preliminary statistics were taken from 2013 Report Day:
Final statistics will appear in Journal 2013

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<tr>
<th>TOTAL FULL MEMBERS</th>
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| **AVERAGE WORSHIP ATTENDANCE** | 104,375 |
| **PERSONS BAPTIZED (ALL AGES)** | 2,731 |
| **TOTAL ENROLLED IN CONFIRMATION** | 2,680 |
| **TOTAL CHRISTIAN FORMATION GROUPS** | 153,224 |
| **AVERAGE SUNDAY SCHOOL ATTENDANCE** | 40,149 |

| **ASIAN** | 2,052 |
| **AFRICAN AMERICAN/BLACK** | 46,114 |
| **HISPANIC** | 5,858 |
| **NATIVE AMERICAN** | 213 |
| **PACIFIC ISLANDER** | 312 |
| **WHITE** | 229,674 |
| **MULTI-RACIAL** | 1,721 |

| **FEMALE MEMBERS** | 163,177 |
| **MALE MEMBERS** | 122,767 |

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<th><strong>Years</strong></th>
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<th><strong>Years</strong></th>
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Our primary task of managing the fiscal affairs of the conference is naturally challenged by many factors related to financial sustainability within our churches and communities. The ministry of Financial Administration continues to bring both excitement and suspense. Excitement demonstrated in amazement, over the depth of commitment which pastors and congregations have for this wonderful church. Suspense in that you can never underestimate the depth and distance of the individuals sacrifice to build the Kingdom of God on this earth. There were 559 congregations which paid 100% of their apportionment commitment. We commend all of our 670 congregations that participated in benevolent giving in various aspects of changing lives and shaping futures in order that Jesus Christ may be made known. A special word of recognition to our new church starts who have entered the apportionment commitment at the 100% level.

We celebrate with the West District who managed to pay 100% of their proportionate amount. Our total apportionment payout for the entire conference was 89.47%. From the funds received we were able to pay the General Church apportionments at 93%, which includes 100% paid to World Service. Jurisdictional apportionments paid at 81% and Jurisdictional apportionments at 81%.

**2015 BUDGET**

The proposed Texas Conference budget for 2014 is printed in the Pre-Conference Journal. The CFA will meet in May to refine the proposed budget if necessary. The Budget presented at Annual Conference will reflect those adjustments and any additional adjustments from Annual Conference actions.

**SPECIAL DAYS WITH OFFERINGS**

The Council recommends the observance in 2015 of the following Special Days, and encourages each church to take an appropriate offering:

- **Human Relations Day** January 18, 2015
- **Wesley Community Center** February 15, 2015
- **One Great Hour of Sharing** March 15, 2015
- **Golden Cross Sunday** April 19, 2015
- **Methodist Retirement Services** May 10, 2015
- **Peace with Justice Sunday** May 31, 2015
- **Christian Education Sunday** August 23, 2015
- **World Communion Sunday** October 4, 2015
- **United Methodist Student Day** November 29, 2015

**TRAVEL REIMBURSEMENT**

In 2014, automobile travel shall be reimbursed at .26 cents per mile for one person, .29 cents per mile for two persons riding in the same car, and .31 cents per mile for three persons riding in the same car for members of Councils, Boards, Commissions, and Committees on Conference business. Travel expense other than by automobile shall be vouchered for no more than the least expensive air fare available or the conference mileage allowance, whichever is least. Reimbursements for lodging shall be accompanied by appropriate receipt. Reimbursement for meals purchased for additional persons requires a receipt. We strongly urge travel pools to all meetings so as to conserve travel expense funds.

**PASTOR'S REPORT TO THE ANNUAL CONFERENCE**

We recommended that the **deadline for MAILING and PAYING ONLINE** the 2014 apportionment payments and benevolent gifts to the Conference Treasurer be **Wednesday, December 10, 2014**. After that date, monies collected for apportionments and benevolences
shall be placed in the hands of the District Auditor or the District Secretary when the pastor’s report is turned in at the District Report Day.

**JANUARY 2014 REPORT DAY is set for January 6 and 7, 2015**

**BONDING.** The Treasurer of the Texas Annual Conference is bonded in the amount of $1,000,000. This fidelity bond is provided by the General Council on Finance and Administration at no cost to the Annual Conference. In accordance with Par. 258.4b of the **2012 Book of Discipline**, the local churches should have their treasurers adequately bonded.

**THE CONFERENCE OPERATING RESERVE**

The Operating Reserve Fund has been established to ensure the financial support of all councils, boards, commissions, committees or causes participating in the budget of the conference without the necessity of borrowing funds.

In keeping with the recommendations of the General Council on Finance and Administration, the Reserve Fund should be maintained at a level equal to ten (10) percent of the Annual Conference budget, and the CF&A so recommends.

**ANNUAL AUDIT**

The books of the Texas Annual Conference, including the Conference Treasurer, have been audited by the firm of Ratliff and Associates, Certified Public Accountants. A copy of the audit of 2013 business is printed herein.

All groups and organizations which receive funds from the Texas Annual Conference are required by the **Discipline (Par. 617.2, 2012 Book of Discipline)** to file annually a copy of their audit with the Council on Finance and Administration not less than 30 days prior to the session of the Annual Conference.

It is recommended that each District Committee on Finance work with the District Superintendent in providing an annual audit of all District funds and that a copy of the same be forwarded to the Conference Council on Finance and Administration for record (Par. 617.2, **2012 Book of Discipline**).

Local church Committees on Finance are reminded that Par. 258.4d (**2012 Book of Discipline**) requires an annual audit of the financial records of the local church and all its organizations and shall report the same to the Charge Conference.

**INVESTMENT OF CONFERENCE FUNDS**

The Conference Treasurer shall execute the policies established by the Conference Council on Finance and Administration, and in consultation with the Conference Investment Coordinating Committee, with regard to the investment of funds and the regulation of cash flow.

a. All funds shall be invested following the Guidelines of the General Council on Finance and Administration wherever they may be relevant or applicable.

b. The objectives for the investment of conference funds shall include:

   (1) The preservation of the principal value of the investment

   (2) The investment should provide a reasonable rate of return

   (3) The investment should be invested, so far, as is practical, with those agencies whose management policies are consistent with the Social Creed of the United Methodist Church.

c. The Treasurer shall report annually to the Conference Council on Finance and Administration the location and amounts of invested funds, and the earnings gained.

**UTILIZATION OF INTEREST EARNINGS**

It shall be the policy of the Council for yearly interest earnings, together with unspent balances from the Texas Conference Administration Fund and Conference Benevolences, to be directed as follows:
a. that adequate funds be placed in the Operating Reserve to maintain the recommended balance of ten percent of the current Conference Apportionment Budget, and that

b. the remainder to be applied to the Annual Conference’s apportionment to the General Church, after accounting for all remittances from the local churches and other sources, up to a total amount representing 100% of the total General Church apportionments, and that

c. an amount necessary to maintain a balance of $50,000 in the Methodist Center Capital Fund for major repairs to the United Methodist Center in Houston, and that

d. an amount not larger than $10,000 annually to achieve and maintain a balance of $50,000 in the Conference Litigation Fund as recommended by GCF&A, and that

e. the remainder be placed in the Methodist Building Depreciation Reserve Fund.

**Extravagant Generosity Task Force**

*Ms. Stacie Hawkins, Chair*

**Task Force members include:** Stacie Hawkins, Elnora Nunnally, Paula Ryburn, Elijah Stansell, Deborah Vaughn, and Donald Waddleton

This group has had the pleasure of continuing the conversation about making changes in the present funding system, as outlined in the document "Final Report and Recommendations of the Task Force on Extravagant Generosity". We applaud the success other annual conferences were able to recognize; however, in our discussion, several obstacles to implementation, omitted from the proposal, have been identified, namely:

1. **Limited Fiscal office staff, impacting**
   a. Production of "Extravagant Generosity Booklet"
   b. Separation of duties
   c. Required dual reporting
   d. Budgeting process

2. **Limited Communication office staff**
   a. Promotions and publications should be handled in the communication office, not the fiscal office, and they have inadequate staff, as well.

3. **Emerging Leaders Initiative ($15m Endowment)**
   a. Texas Youth Academy
   b. College Pastoral Internship Program
   c. Ambassadors’ Endowment Grant
   d. Advancing Pastoral Leadership

4. **Timeline**
   a. The budget development timeline begins 1 ½ years ahead of the budget’s implementation. To move forward with the proposal at this time, would indicate the earliest implementation would take place is 2017.

5. **Episcopal Leadership Change (2016)**
   a. Strategic Focus/Mission
   b. The proposal discussed how the Detroit Annual Conference Episcopal Leadership played a huge part in the success of the strategy. TAC would benefit by waiting to see what type of support can be gained by the new Episcopal leader.
So, after much discussion and consideration, we recommend postponement of the proposed recommendations, until the above mentioned obstacles have been addressed.
TEXAS ANNUAL CONFERENCE
OF THE UNITED METHODIST CHURCH
Council on Finance and Administration
Houston, Texas

Financial Statements

December 31, 2013 and 2012
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<td>Statement of Receipts, Disbursements, and Changes in Net Assets - Modified Cash Basis</td>
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<td>13-18</td>
</tr>
</tbody>
</table>
Ratliff & Associates, P.C.
Certified Public Accountants
INDEPENDENT AUDITOR’S REPORT

To the Council on Finance and Administration,
Texas Annual Conference of the United Methodist Church:

We have audited the accompanying financial statements of the Council on Finance and Administration of the Texas Annual Conference of the United Methodist Church (the “Council”), a Texas nonprofit organization, which comprise the statements of assets, liabilities and net assets—modified cash basis as of December 31, 2013 and 2012, and the related statements of cash receipts, disbursements and changes in net assets—modified cash basis for the year ended December 31, 2013, and the related notes to the financial statements.

Management’s Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 2; this includes determining that the modified cash basis of accounting is an acceptable basis for preparation of the financial statements in the circumstances. Management is also responsible for 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 error or fraud.

Auditor’s Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatements of the financial statements, whether due to error or fraud. 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 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 assets, liabilities and net assets—modified cash basis of the Council as of December 31, 2013 and 2012, and the cash receipts, disbursements and changes in net assets—modified cash basis for the year ended December 31, 2013, in accordance with the basis of accounting as described in Note 2.

Basis of Accounting

We draw attention to Note 2 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

February 28, 2014

Ratliff & Associates, P.C.

3221 Collinsworth St., Suite 122 • Fort Worth, TX 76107 • www.ratliffcpas.com
(817) 332-3222 • Fax (817) 406-7174


<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$2,615,509</td>
<td>$1,738,744</td>
</tr>
<tr>
<td>Accounts receivable - affiliates</td>
<td>3,670,709</td>
<td>4,596,227</td>
</tr>
<tr>
<td>Investments</td>
<td>11,933,200</td>
<td>10,883,428</td>
</tr>
<tr>
<td>Endowment investments</td>
<td>4,459,363</td>
<td>3,949,816</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>$22,678,781</td>
<td>$19,603,345</td>
</tr>
<tr>
<td><strong>Liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payroll withholdings</td>
<td>$6,461</td>
<td>$12,163</td>
</tr>
<tr>
<td>Accounts payable - affiliates</td>
<td>2,024,843</td>
<td>1,670,791</td>
</tr>
<tr>
<td>Notes payable</td>
<td>933,477</td>
<td>1,521,146</td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td>2,964,781</td>
<td>3,204,100</td>
</tr>
<tr>
<td><strong>Net Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unrestricted net assets</td>
<td>14,956,168</td>
<td>12,177,821</td>
</tr>
<tr>
<td>Temporarily restricted net assets</td>
<td>2,810,185</td>
<td>2,933,475</td>
</tr>
<tr>
<td>Permanently restricted net assets</td>
<td>1,947,647</td>
<td>1,287,949</td>
</tr>
<tr>
<td><strong>Total net assets</strong></td>
<td>19,714,000</td>
<td>16,399,245</td>
</tr>
<tr>
<td><strong>Total Liabilities and Net Assets</strong></td>
<td>$22,678,781</td>
<td>$19,603,345</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these financial statements.
<table>
<thead>
<tr>
<th>Receipts</th>
<th>Unrestricted</th>
<th>Temporarily Restricted</th>
<th>Permanently Restricted</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Apportioned receipts</td>
<td>$22,346,830</td>
<td>$</td>
<td>$</td>
<td>$22,346,830</td>
</tr>
<tr>
<td>Other income and receipts</td>
<td>2,561,808</td>
<td>471,930</td>
<td>659,698</td>
<td>3,693,436</td>
</tr>
<tr>
<td>Transfers from other funds</td>
<td>61,087</td>
<td>164,720</td>
<td>-</td>
<td>225,807</td>
</tr>
<tr>
<td>Total receipts</td>
<td>24,969,725</td>
<td>636,650</td>
<td>659,698</td>
<td>26,266,073</td>
</tr>
</tbody>
</table>

| Disbursements            |              |                       |                        |           |
| Cash disbursements       | 22,026,658   | 698,853               | -                      | 22,725,511 |
| Transfers to other funds | 164,720      | 61,087                | -                      | 225,807   |
| Total disbursements      | 22,191,378   | 759,940               | -                      | 22,951,318 |
| Net changes in net assets| 2,778,347    | (123,290)             | 659,698                | 3,214,755 |

| Net Assets               |              |                       |                        |           |
| Beginning balances       | 12,177,821   | 2,953,475             | 1,287,949              | 16,399,245 |
| Ending balances          | $14,956,168  | $2,810,185            | $1,947,647             | $19,714,000 |

The accompanying notes are an integral part of these financial statements.
TEXAS ANNUAL CONFERENCE OF THE UNITED METHODIST CHURCH
COUNCIL ON FINANCE AND ADMINISTRATION
Notes to Financial Statements
December 31, 2013 and 2012

1 - Nature of Organization

The Texas Annual Conference (the “Conference”) is the fundamental body of the United Methodist Church. The purpose of the Annual Conference is to make disciples for Jesus Christ by equipping its local churches for ministry and by providing a connection for ministry beyond the local church. The Council on Finance and Administration (the “Council”) is an agency of the Conference. The purpose of the Council is to develop, maintain, and administer a comprehensive and coordinated plan of fiscal and administrative policies, procedures and management services for the Conference. The Council recommends to the Conference the methods or formulas by which the approved budgeted amounts for support of clergy, administration, ministries, missions, jurisdictional, and the general church are to be apportioned to the churches.

The responsibilities of the Council include the following:

1. Recommend the Conference budget and apportionment formulas;
2. Develop policies governing the investment of Conference funds;
3. Recommend budgetary transfers and changes;
4. Recommend conditions and maximum amounts of borrowings;
5. Supervise the Conference treasurer;
6. Designate depositaries;
7. Engage a certified public accountant to audit the accounts of the Conference treasurer within 120 days of year-end; and
8. Provide for fidelity bonding of the Conference treasurer.

2 - Summary of Significant Accounting Policies

A summary of the Council’s significant accounting policies consistently applied in the preparation of the accompanying financial statements follows:

Basis of Accounting - The financial statements of the Council are presented on the modified cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles. Revenues are recognized when received rather than when earned, expenses are recognized when paid rather than when the obligation is incurred. The Council holds its year-end books open until Church reporting day. Apportionments and receipts which Churches within the Conference remit to the Council to close their fiscal year and which are received in January are recorded as accounts receivables. Amounts distributed by the Council to other agencies and conferences based on the fiscal budget are reflected as payables. The financial statements are a summary of the cash activity, as modified, of the Council.

The Council reports information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, or permanently restricted net assets. Unrestricted net assets bear no donor limitations. The use of these funds is determined by the Council.

Temporarily restricted net assets represent unexpended amounts which are restricted by donors for a specific purpose or time period. When a donor restriction expires, a stipulated time restriction ends, or purpose restriction is accomplished, temporarily restricted net assets are classified as disbursements or reclassified to other net asset categories.

Permanently restricted net assets represent amounts restricted by donors to be maintained in perpetuity, permanently restricted for use designated by the donor, the income from which may be used for restricted or unrestricted purposes.
2 - Summary of Significant Accounting Policies (continued)

Concentration of Credit Risk - Financial instruments that potentially subject the Council to credit risk include cash on deposit with a financial institution exceeding $250,000 at various times during the year. The U.S. Federal Deposit Insurance Corporation insures amounts for up to $250,000. The Council has directed the bank sweep excess deposits into overnight Treasury Bills to mitigate this risk.

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

Investments - All investments are measured at fair value based upon the exit price model. Funds are managed by the Heartsprig Foundation and the Texas Methodist Foundation ("TMF"). The underlying investments are in short-term money market funds, fixed income, equities, energy and TMF Methodist Loan funds and are subject to market risk. Dividends, interest, realized and unrealized gains and losses are included in other income on the Statement of Cash Receipts, Disbursement, and Changes in Net Assets - Modified Cash Basis as part of the change in unrestricted net assets unless the use of the assets received is limited by donor-imposed restriction. Investments fees and other investment activities expenses are netted within the investment income. These expenses are not material to these financial statements. See further investments details in the Investments note disclosure.

Fair value hierarchy is used to disclose the inputs to fair value measurement for investments. This hierarchy prioritizes the inputs into three broad levels. A financial asset or liability's classification within the hierarchy is determined based on the lowest level input that is significant to the fair value measurement. Long and short term money market funds, equity investments and energy are Level 1 inputs, which are based upon quoted prices in active markets for identical assets. TMF Methodist loan funds are Level 2 inputs, which are significant other observable inputs.

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

Income Tax Status - The Conference is a nonprofit organization that is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code as other than a private foundation, except on net income derived from unrelated business activities. For the years ended December 31, 2013 and 2012, the Council has not conducted unrelated business activities that are material to the financial statements taken as a whole. Accordingly, no provision for income taxes is included in the financial statements. The Council believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements.

3 - Investments

Total investments at December 31 are as follows:

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investments</td>
<td>$11,933,200</td>
<td>$10,883,428</td>
</tr>
<tr>
<td>Endowment investments</td>
<td>4,459,563</td>
<td>3,949,816</td>
</tr>
<tr>
<td><strong>Total Investments</strong></td>
<td><strong>$16,392,563</strong></td>
<td><strong>$14,833,244</strong></td>
</tr>
</tbody>
</table>
3 - Investments (continued)

Investments are composed of the following:

<table>
<thead>
<tr>
<th>Investment Type</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Short-term money market funds</td>
<td>$2,032,127</td>
<td>$1,750,283</td>
</tr>
<tr>
<td>Fixed Income</td>
<td>10,155,037</td>
<td>8,574,535</td>
</tr>
<tr>
<td>Equity securities</td>
<td>500,511</td>
<td>379,382</td>
</tr>
<tr>
<td>Energy</td>
<td>122,484</td>
<td>94,549</td>
</tr>
<tr>
<td>TMF Methodist loan funds</td>
<td>3,582,404</td>
<td>4,034,495</td>
</tr>
<tr>
<td><strong>Total investments</strong></td>
<td><strong>$16,392,563</strong></td>
<td><strong>$14,833,244</strong></td>
</tr>
</tbody>
</table>

Investment income from these investments for the year ended December 31, 2013, consisted of realized and unrealized gains totaling $213,599, which are included in other income on the Statement of Cash Receipts, Disbursement, and Changes in Net Assets – Modified Cash Basis.

4 - Notes Payable

Notes payable at December 31, 2013, consists of two notes payable to Heartspring Methodist Foundation ("HMF") with balances of $913,599 (the Lon Morris note) and $19,878 (the Shalom Ministries note). Balances at December 31, 2012 were $1,026,260 and $74,631, respectively.

Notes payable at December 31, 2012, also included a mortgage note payable to TMF with a balance of $420,255. The mortgage note payable to TMF in the original amount of $1,200,000 is secured by deed of trust on the Methodist Center located at 5215 Main Street, Houston, Texas. Interest accrues at the Methodist Loan Fund rate plus one-half percent (1.35% at December 31, 2013). Interest expense for 2013 was $666. The note was paid in full in January 2013.

In 2011 the Conference was guarantor with HMF on a loan to Lon Morris College in the amount of $1,000,000 and was guarantor with Whitney Bank on a loan to Shalom Health Ministries in the amount of $210,000. In 2012, the Council assumed their guaranteed portion of the notes from Shalom Ministries and Lon Morris College. Both notes are with HMF and are unsecured. The beginning balance of the Shalom Ministries note was $74,631. The loan accrues interest at a variable rate (3.75% at December 31, 2013). Accrued interest was not material to the financial statements and, therefore, has not been recorded. Interest expense for 2013 was $247. Extra principal payments not required under the loan agreement totaled $54,753 in 2013. The note was paid in full in February 2014.

The beginning balance of the Lon Morris College note was $1,026,260. The Lon Morris College note accrues interest at a variable rate (2.5% at December 31, 2013). Accrued interest was not material to the financial statements and, therefore, has not been recorded. Interest expense for 2013 was $24,341. Monthly payments are adjusted annually to coincide with the current interest rate. The loan has a 20-year term with monthly payments of principal and interest and matures in 2033. The first payment was due in 2013. Extra principal payments not required under the loan agreement totaled $71,723 in 2013.
4 - Notes Payable (continued)

Estimated principal reductions for the next five years and thereafter are as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>$60,950</td>
</tr>
<tr>
<td>2015</td>
<td>42,110</td>
</tr>
<tr>
<td>2016</td>
<td>43,175</td>
</tr>
<tr>
<td>2017</td>
<td>44,267</td>
</tr>
<tr>
<td>2018</td>
<td>45,386</td>
</tr>
<tr>
<td>Thereafter</td>
<td>697,589</td>
</tr>
</tbody>
</table>

$ 933,477

5 - Commitments & Contingencies

In 2012, the Conference approved plans for the construction of the Disaster Relief Warehouse with a total estimated cost of $1.9 million. The warehouse will be financed via the Katrina and TAC Depot funds and administered by the Council. Also in 2012, the Conference approved plans for the construction of the Conference Archives Building with a total estimated cost of $300,000. The facility will be financed via the TAC Archive Building fund and administered by the Council. In 2013, these two projects were combined. In 2012, approximately $250,000 was disbursed for the purchase of the building site. In 2013, approximately $10,000 was disbursed for surveys and other preparatory needs. Future commitments remaining under contract as of the date of this report approximate $20,000. The Council anticipates construction to begin in 2014 and estimates completion in 2015.

From time to time, the Council commits to funding for new church starts, which includes costs for building construction and renovation. Future commitments for the next three years are as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>$280,833</td>
</tr>
<tr>
<td>2015</td>
<td>202,500</td>
</tr>
<tr>
<td>2016</td>
<td>165,000</td>
</tr>
</tbody>
</table>

$ 588,333

6 - Related Party Transactions

As separate agencies of the Conference, the Board of Pensions ("Pensions") and Group Health Benefits Plan ("the Plan") occupy office space owned by the Conference. All facility expenses are paid by the Council. For the year ended December 31, 2013, expenses paid by Pensions to the Council for both Pensions' and the Plan's employee wages and related benefits amounted to $491,269.

In addition, Pensions is responsible for receiving the apportionments and benefit plan collections from churches and Conference agencies. The Council administers these funds to Pensions one month in arrears. Outstanding disbursements from cash at December 31, 2013 and 2012, include amounts disbursed to Pensions from the Council totaling $140,084 and $197,294, respectively.
TExAS ANNUAL CONFERENCE OF THE UNITED METHODIST CHURCH
COUNCIL ON FINANCE AND ADMINISTRATION
Notes to Financial Statements
December 31, 2013 and 2012

7 - Temporarily Restricted Net Assets

Temporarily restricted net assets represent donor-restricted contributions which are purpose or time restricted. Balances as of December 31, 2013 and 2012, are as follows:

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lilly Grant</td>
<td>$ 1,533,220</td>
<td>$ 1,672,338</td>
</tr>
<tr>
<td>Scholarships Fund</td>
<td>587,045</td>
<td>461,030</td>
</tr>
<tr>
<td>St. Andrews Fund</td>
<td>477,008</td>
<td>222,154</td>
</tr>
<tr>
<td>Clergy Spouses Fund</td>
<td>49,881</td>
<td>49,123</td>
</tr>
<tr>
<td>Cote D'Ivoire Funds</td>
<td>-</td>
<td>97,634</td>
</tr>
<tr>
<td>Tax Payment Escrow</td>
<td>-</td>
<td>34,679</td>
</tr>
<tr>
<td>Other</td>
<td>163,021</td>
<td>396,517</td>
</tr>
<tr>
<td>Total</td>
<td>$ 2,810,185</td>
<td>$ 2,933,475</td>
</tr>
</tbody>
</table>

8 - Permanently Restricted Net Assets

Permanently restricted net assets represent donor-restricted contributions which are to be maintained in perpetuity. Balances as of December 31, 2013 and 2012, are as follows:

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mission Endowment</td>
<td>$ 1,063,037</td>
<td>$ 1,057,385</td>
</tr>
<tr>
<td>Emerging Leaders Permanent Endowment</td>
<td>631,427</td>
<td>-</td>
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<td>37,555</td>
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<tr>
<td>Total</td>
<td>$ 1,947,647</td>
<td>$ 1,287,949</td>
</tr>
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</table>

9 - Endowment Investments

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

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

Endowment investments include the Congregation Excellence Endowment and the TAC Emerging Leaders Endowment, both of which are board-designated funds and therefore are part of unrestricted net assets.

<table>
<thead>
<tr>
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<th>Board Designated</th>
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<td>Total investment return</td>
<td>14,569</td>
<td>33,769</td>
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<td>Endowment investments, December 31, 2013</td>
<td>$2,511,716</td>
<td>$1,947,647</td>
<td>$4,459,363</td>
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</tbody>
</table>

Return Objectives and Risk Parameters - The Conference has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Conference must hold in perpetuity or for a donor-specified period(s) as well as board-designated funds. Under this policy, as approved by the Council, endowment assets are invested in a manner that is intended to produce results that exceed the price and yield results of a benchmark consisting of the S&P 500 and the Barclays Capital Aggregate Bond Index, or other recognized market indexes, while assuming moderate level of investment risk. The Conference expects its endowment funds, over time, to provide an average rate of return of approximately 2% annually. Actual returns in any given year may vary from this amount.

Strategies Employed for Achieving Objectives - To satisfy its long-term rate-of-return objectives, the Conference relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Conference’s net assets are invested in a diversified asset allocation consisting of equity-based investments, fixed income-based investments, and alternative assets. Allocations may be adjusted as market conditions warrant, within the parameters of the Conference’s Investment Policy Statement, as amended from time to time.

Spending Policy and How the Investment Objectives Relate to the Spending Policy - The Conference has adopted a distribution policy consistent with TUPMIFA. In establishing this policy, the Conference considered the long-term expected return on its endowment. Accordingly, over the long term, the Conference expects the current spending policy to allow its endowment to grow at a rate that is greater than that of inflation. This is consistent with the Conference's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return. The Conference has the right to recommend against expenditure of earnings or gains in any given year due to factors such as financial market conditions or poor investment performance. Permanently restricted net assets represent funds to be invested in perpetuity subject to the Conference policy and interpretation of TUPMIFA, and the income from endowment investments may be spent in accordance with the donor's restriction, if any. The Missions Endowment must reach a minimum of $5,000,000 before distributions can be made.
9 - Endowment Investments (continued)

Funds with Deficiencies - From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or TUPMIFA requires the Conference to retain as a fund of perpetual duration. In accordance with GAAP, deficiencies of this nature are determined on an individual account basis. The Conference reported no fund deficiencies in net assets at December 31, 2013 or 2012.

10 - Subsequent Events

The Council has evaluated subsequent events through the report date, which is the date the financial statements were available to be issued.
INDEPENDENT AUDITOR'S REPORT ON
SUPPLEMENTARY INFORMATION

To the Council on Finance and Administration,
Texas Annual Conference of the United Methodist Church:

We have audited the statements of assets, liabilities and net assets — modified cash basis, of the Council on Finance and Administration of the Texas Annual Conference of the United Methodist Church as of December 31, 2013 and 2012, and the statement of cash receipts, disbursements and changes in net assets — modified cash basis for the year ended December 31, 2013, and our report thereon dated February 28, 2014, which expressed an unmodified opinion on those financial statements appears on page one. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Supplementary Information, Statement of Cash Receipts and Disbursements - All Funds, for the year ended December 31, 2013, included herein on pages thirteen to eighteen, is presented for the purpose of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Ratliff & Associates, P.C.

February 28, 2014
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<tr>
<th>Fund Title</th>
<th>Beginning Balance</th>
<th>Receipts</th>
<th>Grants and Other Income</th>
<th>Transfers from Other Funds</th>
<th>Transfers to Other Funds</th>
<th>Disbursements</th>
<th>Year End Transfers</th>
<th>Ending Balance</th>
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<td>(50,000)</td>
<td>(310,365)</td>
<td>(20,955)</td>
<td>174,881</td>
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| Center for Connectional Resources | | | | | | | | |
| Conference Fiscal Office | 542,919 | 924 | - | - | - | (614,143) | - | 79,353 |
| Informational Technology | - | 211,654 | 1,771 | - | - | (186,410) | - | (27,413) |
| Clergy Per Diem | - | 7,211 | - | - | - | (1,770) | - | (5,471) |
| Debt Reduction | - | 135,270 | - | - | - | (44,145) | - | 91,125 |
| Media Campaign | 99,410 | - | - | - | - | - | - | 99,410 |
| Conference Stewardship | - | 2,121 | - | - | - | (800) | - | (1,321) |
| Benevolence Interpretation | - | 1,990 | - | - | - | - | - | (1,990) |
| Area Residence | 34,205 | 12,724 | 7,000 | - | - | (13,000) | - | 38,735 |
| Area Residence Reserve | 21,811 | 2,544 | 3,000 | - | - | (15,095) | - | 27,185 |
| Bishop's Office Fund | - | 34,780 | - | - | - | (35,590) | - | 720 |
| Bishop's Area Fund | - | - | - | - | - | (12,000) | - | 1,820 |
| Contingency Fund | 544,388 | 681,215 | - | - | - | (974,963) | - | (299,405) |
| Conference Financial Audit | - | - | - | - | - | (81,255) | - | 665 |
| Gulfside Assembly | - | 12,724 | - | - | - | (12,724) | - | - |
| Texas Conference Retirement | 6,130 | 425 | - | - | - | (2,567) | - | 3,998 |
| Lakeview Special Gifts | - | - | - | - | - | (2,567) | - | 3,998 |
| Lydia Patterson | 10,145 | 3,915 | - | - | - | (10,145) | - | 3,915 |
| Higher Education and Campus Ministries | 161,779 | 1,109,291 | 633,385 | - | - | (1,118,482) | 40,715 | 626,988 |
| Archives & History Committee | - | 14,315 | 142,657 | - | - | (12,129) | - | 144,843 |
| Safe Sanctuary | 108,212 | 7,684 | - | - | - | (77,627) | - | 30,585 |
| Clergy Move Expense | 161,250 | 176,302 | - | - | - | (324,977) | - | 16,835 |
| Board of Trustees | 39,488 | 18,793 | - | - | - | (58,241) | - | - |
| Service Center Reserve | 30,854 | - | 70,000 | - | - | - | - | 100,854 |
| Total Center for Connectional Resources | 1,147,468 | 3,136,807 | 887,530 | 70,000 | (919,108) | (2,400,036) | (203,517) | 1,218,736 |

<p>| District Superintendent's Fund | - | 1,210,802 | 16,008 | - | - | (1,885,064) | - | (46,006) |</p>
<table>
<thead>
<tr>
<th>Fund Title</th>
<th>Beginning Balance</th>
<th>Receipts</th>
<th>Grants and Other Income</th>
<th>Transfers from Other Funds</th>
<th>Transfers to Other Funds</th>
<th>Disbursements</th>
<th>Year End Transfer</th>
<th>Ending Balance</th>
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<tr>
<td>Houston International Seafarer</td>
<td>22,226</td>
<td>-</td>
<td>118</td>
<td>-</td>
<td>-</td>
<td>(117)</td>
<td>-</td>
<td>22,344</td>
</tr>
<tr>
<td>Seminary Scholarships</td>
<td>117</td>
<td></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Taf Payment Escrow</td>
<td>34,679</td>
<td></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(34,679)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Wexel Fund</td>
<td>1,291</td>
<td></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(1,291)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Methodist Hospital 910 Relief</td>
<td>55,200</td>
<td></td>
<td>100,000</td>
<td>- (25,000)</td>
<td>(20,000)</td>
<td>-</td>
<td>100,200</td>
<td>-</td>
</tr>
<tr>
<td>Lily Grant</td>
<td>1,672,138</td>
<td></td>
<td>72,183</td>
<td>-</td>
<td>(216,201)</td>
<td>-</td>
<td>1,333,220</td>
<td>-</td>
</tr>
<tr>
<td>Core 20th Century Funds</td>
<td>97,634</td>
<td></td>
<td>586</td>
<td>-</td>
<td>(98,220)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>St. Andrews Fund</td>
<td>223,154</td>
<td></td>
<td>113,124</td>
<td>164,720</td>
<td>(22,000)</td>
<td>-</td>
<td>477,008</td>
<td>-</td>
</tr>
<tr>
<td>TAC Archives Building Fund</td>
<td>5,000</td>
<td></td>
<td>20,881</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>30,887</td>
<td>-</td>
</tr>
<tr>
<td>Scholarship Funds</td>
<td>461,009</td>
<td></td>
<td>134,923</td>
<td>-</td>
<td>-</td>
<td>(8,010)</td>
<td>-</td>
<td>587,945</td>
</tr>
<tr>
<td>Clergy Spouses</td>
<td>49,121</td>
<td></td>
<td>13,796</td>
<td>-</td>
<td>(33,038)</td>
<td>-</td>
<td>40,881</td>
<td>-</td>
</tr>
<tr>
<td>Other Restricted Funds</td>
<td>314,077</td>
<td></td>
<td>5,007</td>
<td>-</td>
<td>(319,184)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Missions Endowment</td>
<td>1,957,381</td>
<td></td>
<td>5,652</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1,963,037</td>
<td>-</td>
</tr>
<tr>
<td>Ambassadors Endowment</td>
<td>1,134</td>
<td></td>
<td>(28)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1,106</td>
<td>-</td>
</tr>
<tr>
<td>Cemetery Permanent Care Endowment Fund</td>
<td>37,553</td>
<td></td>
<td>(427)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>37,128</td>
<td>-</td>
</tr>
<tr>
<td>Emerging Leaders Permanent Endowment</td>
<td>191,875</td>
<td></td>
<td>631,427</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>631,427</td>
<td>-</td>
</tr>
<tr>
<td>Rady Williams Emerging Leaders Endowment</td>
<td>191,875</td>
<td></td>
<td>23,074</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>214,949</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Restricted</strong></td>
<td>4,221,426</td>
<td></td>
<td>1,311,628</td>
<td>164,720</td>
<td>(25,000)</td>
<td>(998,833)</td>
<td>(36,047)</td>
<td>4,797,832</td>
</tr>
<tr>
<td><strong>Total All Funds</strong></td>
<td>$16,399,245</td>
<td>$22,346,830</td>
<td>$3,693,436</td>
<td>$2,353,498</td>
<td>($2,228,408)</td>
<td>($22,056,658)</td>
<td>$36,047</td>
<td>$19,714,900</td>
</tr>
</tbody>
</table>
## Comparative Giving 2013 Report

### TEXAS ANNUAL CONFERENCE COMPARATIVE GIVING FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2013

<table>
<thead>
<tr>
<th>Fund Name</th>
<th>Receipts Year Ended</th>
<th>Year Ended</th>
<th>% Received</th>
<th>Receipts Year Ended</th>
<th>Year Ended</th>
<th>% Received</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>World Service</strong></td>
<td>$3,424,146.00</td>
<td>$2,897,639.08</td>
<td>84.62%</td>
<td>$3,346,344.00</td>
<td>$2,963,172.02</td>
<td>88.55%</td>
</tr>
<tr>
<td><strong>Ministerial Education</strong></td>
<td>$1,156,765.00</td>
<td>$921,948.80</td>
<td>79.70%</td>
<td>$1,148,865.00</td>
<td>$952,371.74</td>
<td>82.90%</td>
</tr>
<tr>
<td><strong>Black College Fund</strong></td>
<td>$461,409.00</td>
<td>$403,669.40</td>
<td>87.49%</td>
<td>$458,240.00</td>
<td>$372,364.37</td>
<td>81.26%</td>
</tr>
<tr>
<td><strong>Africa UM University</strong></td>
<td>$103,252.00</td>
<td>$86,804.48</td>
<td>84.07%</td>
<td>$102,565.00</td>
<td>$84,085.76</td>
<td>81.98%</td>
</tr>
<tr>
<td><strong>Interdenominational Cooperative</strong></td>
<td>$90,140.00</td>
<td>$70,762.59</td>
<td>78.50%</td>
<td>$89,811.00</td>
<td>$73,076.79</td>
<td>81.37%</td>
</tr>
<tr>
<td><strong>General ADM Fund</strong></td>
<td>$373,639.00</td>
<td>$304,759.07</td>
<td>81.57%</td>
<td>$403,785.00</td>
<td>$335,662.74</td>
<td>83.13%</td>
</tr>
<tr>
<td><strong>Jurisdictional Apportionment</strong></td>
<td>$217,843.00</td>
<td>$175,626.27</td>
<td>80.62%</td>
<td>$249,012.00</td>
<td>$202,449.06</td>
<td>81.30%</td>
</tr>
<tr>
<td><strong>CTR for Congregation Excellence</strong></td>
<td>$711,152.00</td>
<td>$641,148.13</td>
<td>90.16%</td>
<td>$917,155.00</td>
<td>$805,513.04</td>
<td>87.83%</td>
</tr>
<tr>
<td><strong>New Church Transform Development</strong></td>
<td>$1,822,565.00</td>
<td>$1,491,811.59</td>
<td>81.85%</td>
<td>$1,830,892.00</td>
<td>$1,691,134.66</td>
<td>92.37%</td>
</tr>
<tr>
<td><strong>Center for Clergy Excellence</strong></td>
<td>$932,378.00</td>
<td>$794,099.08</td>
<td>85.17%</td>
<td>$1,041,777.00</td>
<td>$921,974.78</td>
<td>88.59%</td>
</tr>
<tr>
<td><strong>CTR for Missional Excellence</strong></td>
<td>$1,532,482.00</td>
<td>$1,250,557.49</td>
<td>81.60%</td>
<td>$1,838,952.00</td>
<td>$1,611,728.88</td>
<td>87.64%</td>
</tr>
<tr>
<td><strong>CTR for Connectional Resources</strong></td>
<td>$3,712,343.00</td>
<td>$3,016,443.20</td>
<td>81.25%</td>
<td>$3,570,851.00</td>
<td>$3,060,878.85</td>
<td>85.72%</td>
</tr>
<tr>
<td><strong>Pensions (Conf. Claimants)</strong></td>
<td>$886,657.00</td>
<td>$785,429.85</td>
<td>88.58%</td>
<td>$692,770.00</td>
<td>$637,224.54</td>
<td>91.98%</td>
</tr>
<tr>
<td><strong>District Superintendents</strong></td>
<td>$1,882,753.00</td>
<td>$1,735,211.57</td>
<td>92.16%</td>
<td>$1,891,370.00</td>
<td>$1,710,263.07</td>
<td>90.42%</td>
</tr>
<tr>
<td><strong>Episcopal Fund</strong></td>
<td>$961,026.00</td>
<td>$843,557.81</td>
<td>87.78%</td>
<td>$969,727.00</td>
<td>$877,430.95</td>
<td>90.48%</td>
</tr>
<tr>
<td><strong>Equitable Compensation</strong></td>
<td>$211,861.00</td>
<td>$183,615.93</td>
<td>86.67%</td>
<td>$207,902.00</td>
<td>$190,122.22</td>
<td>91.45%</td>
</tr>
<tr>
<td><strong>Medical Benefits Program</strong></td>
<td>$3,614,046.00</td>
<td>$3,366,194.90</td>
<td>93.14%</td>
<td>$3,333,700.00</td>
<td>$3,278,129.95</td>
<td>98.33%</td>
</tr>
<tr>
<td><strong>Total Apportionments:</strong></td>
<td><strong>$22,094,457.00</strong></td>
<td><strong>$18,969,279.24</strong></td>
<td><strong>85.86%</strong></td>
<td><strong>$22,092,718.00</strong></td>
<td><strong>$19,767,582.42</strong></td>
<td><strong>89.48%</strong></td>
</tr>
</tbody>
</table>

### Fair Share Goals

<table>
<thead>
<tr>
<th>Fund Name</th>
<th>Receipts Year Ended</th>
<th>Year Ended</th>
<th>% Received</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Rio Grande Conference</strong></td>
<td>$24,627.00</td>
<td>$8,934.64</td>
<td>36.28%</td>
</tr>
<tr>
<td><strong>Oklahoma Indian Mission</strong></td>
<td>$11,869.00</td>
<td>$4,460.10</td>
<td>37.58%</td>
</tr>
<tr>
<td><strong>Conference Advance Special</strong></td>
<td>$39,409.00</td>
<td>$13,822.16</td>
<td>35.07%</td>
</tr>
<tr>
<td><strong>Lon Morris College</strong></td>
<td>$236,452.00</td>
<td>$74,063.02</td>
<td>31.32%</td>
</tr>
<tr>
<td><strong>Partners in Mission</strong></td>
<td>$73,886.00</td>
<td>$26,195.83</td>
<td>35.45%</td>
</tr>
<tr>
<td><strong>Lakeview Summer Camp Scholarship</strong></td>
<td>$344,801.00</td>
<td>$109,261.68</td>
<td>31.69%</td>
</tr>
<tr>
<td><strong>Texas Methodist College Scholarship</strong></td>
<td>$295,551.00</td>
<td>$89,596.83</td>
<td>30.32%</td>
</tr>
<tr>
<td><strong>Total Fair Share Goals:</strong></td>
<td><strong>$1,026,595.00</strong></td>
<td><strong>$326,334.26</strong></td>
<td><strong>31.79%</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Fund Name</th>
<th>Receipts Year Ended</th>
<th>Year Ended</th>
<th>% Received</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>RIO GRANDE CONFERENCE</strong></td>
<td>$24,627.00</td>
<td>$8,934.64</td>
<td>36.28%</td>
</tr>
<tr>
<td><strong>OKLAHOMA INDIAN MISSION</strong></td>
<td>$11,869.00</td>
<td>$4,460.10</td>
<td>37.58%</td>
</tr>
<tr>
<td><strong>CONFERENCE ADVANCE SPECIAL</strong></td>
<td>$39,409.00</td>
<td>$13,822.16</td>
<td>35.07%</td>
</tr>
<tr>
<td><strong>LON MORRIS COLLEGE</strong></td>
<td>$236,452.00</td>
<td>$74,063.02</td>
<td>31.32%</td>
</tr>
<tr>
<td><strong>PARTNERS IN MISSION</strong></td>
<td>$73,886.00</td>
<td>$26,195.83</td>
<td>35.45%</td>
</tr>
<tr>
<td><strong>LAKEVIEW SUMMER CAMP SCHOLARSHIP</strong></td>
<td>$344,801.00</td>
<td>$109,261.68</td>
<td>31.69%</td>
</tr>
<tr>
<td><strong>TEXAS METHODIST COLLEGE SCHOLARSHIP</strong></td>
<td>$295,551.00</td>
<td>$89,596.83</td>
<td>30.32%</td>
</tr>
<tr>
<td><strong>Total Fair Share Goals:</strong></td>
<td><strong>$1,026,595.00</strong></td>
<td><strong>$326,334.26</strong></td>
<td><strong>31.79%</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Fund Name</th>
<th>Receipts Year Ended</th>
<th>Year Ended</th>
<th>% Received</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Achievements:</strong></td>
<td><strong>$22,092,718.00</strong></td>
<td><strong>$19,767,582.42</strong></td>
<td><strong>89.48%</strong></td>
</tr>
</tbody>
</table>
### Non-Apportionments

<table>
<thead>
<tr>
<th>Description</th>
<th>Receipts Year Ended Dec. 31, 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>NATIONAL ADVANCE SPECIALS</td>
<td>$- $</td>
</tr>
<tr>
<td>WORLD AD SPEC W/DESIGNATION</td>
<td>$216,178.20 $139,437.59</td>
</tr>
<tr>
<td>UM COMMITTEE ON RELIEF</td>
<td>$263,679.97 $453,930.13</td>
</tr>
<tr>
<td>WESLEY COMMUNITY CENTER</td>
<td>$3,076.00 $3,795.00</td>
</tr>
<tr>
<td>CHRISTIAN EDUCATION SUNDAY</td>
<td>$570.83 $594.91</td>
</tr>
<tr>
<td>GOLDEN CROSS</td>
<td>$26,694.19 $21,155.15</td>
</tr>
<tr>
<td>METHODIST HOME -WACO</td>
<td>$41,640.51 $39,197.33</td>
</tr>
<tr>
<td>PROVIDENCE PLACE (formerly Methodist Home-San Antonio)</td>
<td>$33,313.96 $20,495.05</td>
</tr>
<tr>
<td>METHODIST RETIREMENT SERVICES</td>
<td>$17,761.53 $15,759.41</td>
</tr>
<tr>
<td>LON MORRIS SCHOLARSHIP</td>
<td>$1,750.88 $-</td>
</tr>
<tr>
<td>WILEY COLLEGE SCHOLARSHIP</td>
<td>$5.00 $454.00</td>
</tr>
<tr>
<td>YOUTH SERVICE FUND</td>
<td>$582.00 $389.00</td>
</tr>
<tr>
<td>HUMAN RELATIONS DAY</td>
<td>$5,482.14 $8,063.81</td>
</tr>
<tr>
<td>ONE GREAT HOUR OF SHARING</td>
<td>$35,303.75 $39,206.24</td>
</tr>
<tr>
<td>PEACE WITH JUSTICE SUNDAY</td>
<td>$6,934.74 $5,247.33</td>
</tr>
<tr>
<td>NATIVE AMERICAN SUNDAY</td>
<td>$6,662.86 $7,715.06</td>
</tr>
<tr>
<td>WORLD COMMUNION SUNDAY</td>
<td>$15,140.05 $14,587.28</td>
</tr>
<tr>
<td>UM STUDENT DAY</td>
<td>$7,153.19 $5,609.30</td>
</tr>
<tr>
<td>LYDIA PATTERSON ENDOWMENT FUND</td>
<td>$9,934.00 $3,915.15</td>
</tr>
<tr>
<td>RUSSIAN INITIATIVE</td>
<td>$2,000.00 $-</td>
</tr>
<tr>
<td>LAKEVIEW SPECIAL GIFTS</td>
<td>$458.00 $40,526.00</td>
</tr>
<tr>
<td>NOTHING BUT NETS</td>
<td>$16,880.78 $4,895.25</td>
</tr>
<tr>
<td>OTHER BENEVOLENCES</td>
<td>$216,869.71 $146,113.36</td>
</tr>
<tr>
<td><strong>TOTAL NON-APPORTIONMENT ITEMS:</strong></td>
<td><strong>$928,072.29 $971,086.35</strong></td>
</tr>
<tr>
<td><strong>GRAND TOTALS:</strong></td>
<td><strong>$20,223,685.79 $21,031,463.03</strong></td>
</tr>
</tbody>
</table>
# 2014 Budget

## General Church Apportionments

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>World Service</td>
<td>$3,355,241</td>
<td>$3,428,178</td>
<td>$72,937</td>
<td>2.17%</td>
</tr>
<tr>
<td>Episcopal Fund</td>
<td>$979,724</td>
<td>$1,020,185</td>
<td>$40,461</td>
<td>4.05%</td>
</tr>
<tr>
<td>Interdenominational Cooperative Fund</td>
<td>$98,044</td>
<td>$92,080</td>
<td>$2,045</td>
<td>2.23%</td>
</tr>
<tr>
<td>General Administration Fund</td>
<td>$404,814</td>
<td>$413,799</td>
<td>$8,985</td>
<td>2.19%</td>
</tr>
<tr>
<td>Ministerial Education Fund</td>
<td>$1,151,906</td>
<td>$1,176,922</td>
<td>$25,016</td>
<td>2.17%</td>
</tr>
<tr>
<td>Black College Fund</td>
<td>$459,483</td>
<td>$469,480</td>
<td>$10,007</td>
<td>2.18%</td>
</tr>
<tr>
<td>Africa U.M. University</td>
<td>$102,860</td>
<td>$105,054</td>
<td>$2,194</td>
<td>2.17%</td>
</tr>
<tr>
<td>Total-General Church</td>
<td>$6,544,112</td>
<td>$6,713,727</td>
<td>$169,615</td>
<td>2.59%</td>
</tr>
</tbody>
</table>

## Jurisdictional Apportionments

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Jurisdictional Administration Fund</td>
<td>$64,374</td>
<td>$64,374</td>
<td>-</td>
<td>0.00%</td>
</tr>
<tr>
<td>ML. Sequoyah (Operation &amp; Building)</td>
<td>$32,866</td>
<td>$32,866</td>
<td>-</td>
<td>0.00%</td>
</tr>
<tr>
<td>Lydia Patterson Institute</td>
<td>$137,448</td>
<td>$137,448</td>
<td>-</td>
<td>0.00%</td>
</tr>
<tr>
<td>S.M.U. Wesley</td>
<td>$12,698</td>
<td>$8,466</td>
<td>(4,232)</td>
<td>-33.33%</td>
</tr>
<tr>
<td>Total-Jurisdictional</td>
<td>$247,887</td>
<td>$243,154</td>
<td>(4,733)</td>
<td>-1.71%</td>
</tr>
</tbody>
</table>

## Center for Congregational Excellence

### Ministry Support

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Staff &amp; Office Support</td>
<td>$659,832</td>
<td>$845,680</td>
<td>$185,848</td>
<td>28.17%</td>
</tr>
<tr>
<td><strong>Sub-Total</strong></td>
<td>$659,832</td>
<td>$845,680</td>
<td>$185,848</td>
<td>28.17%</td>
</tr>
</tbody>
</table>

### Extravagant Generosity Ministry Team

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Meeting and Administrative Expense</td>
<td>$300</td>
<td>$500</td>
<td>$200</td>
<td>66.67%</td>
</tr>
<tr>
<td>Equipping Events</td>
<td>$1,200</td>
<td>$1,500</td>
<td>$300</td>
<td>25.00%</td>
</tr>
<tr>
<td><strong>Sub-Total</strong></td>
<td>$1,500</td>
<td>$2,000</td>
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### Passionate Worship Ministry Team

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### Faith-Forming Relationships Ministry Team

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### Radical Hospitality & Evangelistic Ministry Team

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### Age-Level and Camping Ministry Team

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**Texas Annual Conference of the United Methodist Church**

**Budget**

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<tr>
<td><strong>Youth Intern Academy</strong></td>
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<tr>
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<td>Congregational Transformation Dev. Funds</td>
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2 of 4
## Texas Annual Conference of the United Methodist Church Budget

### Center for Missional Excellence

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<tbody>
<tr>
<td>Staff &amp; Office Support</td>
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<td>$323,342</td>
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<td><strong>Sub-Total</strong></td>
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### Sending

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<td>Admin., Meetings</td>
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<td>Bolivia</td>
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### Social Principles Implementation Team

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### Restorative Justice

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### Mercy Ministries

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<tr>
<td><strong>Sub-Total</strong></td>
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### Total-Missional Excellence

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### Center for Connectional Resources

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<td>Treasurer’s Office</td>
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3 of 4
# Texas Annual Conference of the United Methodist Church Budget

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<td>Area Residence Reserve</td>
<td>$ 3,000</td>
<td>$ 3,000</td>
<td>-</td>
<td>0.00%</td>
</tr>
<tr>
<td>Bishop's Office Fund</td>
<td>$ 41,000</td>
<td>$ 41,000</td>
<td>-</td>
<td>0.00%</td>
</tr>
<tr>
<td>Bishop's Area Fund</td>
<td>$ 12,000</td>
<td>$ 12,000</td>
<td>-</td>
<td>0.00%</td>
</tr>
<tr>
<td>Contingency Fund</td>
<td>$ 376,000</td>
<td>$ 376,000</td>
<td>-</td>
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<tr>
<td>Conference Financial Audit</td>
<td>$ 15,350</td>
<td>$ 15,350</td>
<td>-</td>
<td>0.00%</td>
</tr>
<tr>
<td>Gulfside Assembly</td>
<td>$ 15,000</td>
<td>$ 15,000</td>
<td>-</td>
<td>0.00%</td>
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<tr>
<td>Conference Cemetery</td>
<td>$ 500</td>
<td>$ 500</td>
<td>-</td>
<td>0.00%</td>
</tr>
<tr>
<td>Lakeview Capital</td>
<td>$ 150,000</td>
<td>- $ (150,000)</td>
<td>-100.00%</td>
<td></td>
</tr>
<tr>
<td>Lydia Patterson</td>
<td>- $</td>
<td>- $</td>
<td>-</td>
<td>0.00%</td>
</tr>
<tr>
<td>Wiley College</td>
<td>- $</td>
<td>- $</td>
<td>-</td>
<td>0.00%</td>
</tr>
<tr>
<td>Perkins</td>
<td>- $</td>
<td>- $</td>
<td>-</td>
<td>0.00%</td>
</tr>
<tr>
<td>Archives &amp; History</td>
<td>$ 16,875</td>
<td>$ 16,875</td>
<td>-</td>
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<tr>
<td>Safe Sanctuary</td>
<td>$ 9,000</td>
<td>$ 9,000</td>
<td>-</td>
<td>0.00%</td>
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<tr>
<td>Clergy Move Expense</td>
<td>$ 200,000</td>
<td>$ 200,000</td>
<td>-</td>
<td>0.00%</td>
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<tr>
<td>Board of Trustees</td>
<td>$ 35,250</td>
<td>$ 35,250</td>
<td>-</td>
<td>0.00%</td>
</tr>
<tr>
<td>Software Updates</td>
<td>$ 55,000</td>
<td>$ 40,500</td>
<td>-73.64%</td>
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<td><strong>Sub-Total</strong></td>
<td>$ 2,348,075</td>
<td>$ 1,866,572</td>
<td>(161,503)</td>
<td>-6.88%</td>
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<tr>
<td><strong>Campus Ministries</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Campus Ministries Support</td>
<td>$ 775,000</td>
<td>$ 796,250</td>
<td>23,250</td>
<td>3.00%</td>
</tr>
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<td>Campus Ministries Program</td>
<td>$ 520,000</td>
<td>$ 520,000</td>
<td>-</td>
<td>0.00%</td>
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<td>Campus Ministries Housing</td>
<td>$ 55,000</td>
<td>$ 55,000</td>
<td>-</td>
<td>0.00%</td>
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<td>Campus Ministries Capital</td>
<td>$ 33,000</td>
<td>$ 33,000</td>
<td>-</td>
<td>0.00%</td>
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<tr>
<td>Campus Ministries Administration</td>
<td>$ 25,000</td>
<td>$ 25,000</td>
<td>-</td>
<td>0.00%</td>
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<td><strong>Total Campus Ministries</strong></td>
<td>$ 1,488,000</td>
<td>$ 1,431,250</td>
<td>23,250</td>
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<td><strong>Total-Connectional Resources</strong></td>
<td>$ 3,756,075</td>
<td>$ 3,617,822</td>
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<td><strong>District Superintendent Fund</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>D.S. Support</td>
<td>$ 1,559,200</td>
<td>$ 1,559,200</td>
<td>-</td>
<td>0.00%</td>
</tr>
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<td>D.S. Reimbursements</td>
<td>$ 135,000</td>
<td>$ 135,000</td>
<td>-</td>
<td>0.00%</td>
</tr>
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<td>Cabinet Expense</td>
<td>$ 80,000</td>
<td>$ 80,000</td>
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<td>Continuing Education</td>
<td>$ 10,800</td>
<td>$ 10,800</td>
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<td><strong>Total District Superintendent Fund</strong></td>
<td>$ 1,785,000</td>
<td>$ 1,785,000</td>
<td>-</td>
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<td><strong>Total Budget</strong></td>
<td>$ 22,133,278</td>
<td>$ 22,311,690</td>
<td>178,412</td>
<td>0.81%</td>
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<td><strong>Fair Share Goals</strong></td>
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<td></td>
<td></td>
<td></td>
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<tr>
<td>Rio Grande Conference Salary Support</td>
<td>- $</td>
<td>- $</td>
<td>-</td>
<td>0.00%</td>
</tr>
<tr>
<td>OK Indian Mission Conference Support</td>
<td>$ 12,000</td>
<td>$ 12,000</td>
<td>-</td>
<td>0.00%</td>
</tr>
<tr>
<td>Conference Advance Special</td>
<td>$ 40,000</td>
<td>$ 40,000</td>
<td>-</td>
<td>0.00%</td>
</tr>
<tr>
<td>Partners in Mission</td>
<td>$ 65,000</td>
<td>- $ (65,000)</td>
<td>-100.00%</td>
<td></td>
</tr>
<tr>
<td>Lakeview Camping Scholarship</td>
<td>$ 200,000</td>
<td>$ 200,000</td>
<td>-</td>
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</tr>
<tr>
<td>Texas Methodist College Scholarships</td>
<td>$ 390,000</td>
<td>$ 390,000</td>
<td>-</td>
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<tr>
<td><strong>TOTAL FAIR SHARE GOALS</strong></td>
<td>$ 617,000</td>
<td>$ 552,000</td>
<td>(65,000)</td>
<td>-10.53%</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>$ 22,750,278</td>
<td>$ 22,863,690</td>
<td>113,412</td>
<td>0.50%</td>
</tr>
</tbody>
</table>
The Safe Sanctuary Committee supports and advances the vision and mission of the Texas Annual Conference by encouraging and assisting with the development and maintenance of a Safe Sanctuary policy for each church congregation. The goal of implementing a Safe Sanctuary policy in each church congregation is to provide a safe environment for children, youth, vulnerable adults, staff and ministry volunteers to grow as vibrant, transforming disciples of Jesus Christ.

The 2013 Safe Sanctuary Committee accomplishments include:

- Reviewed and combined the Conference and Lakeview Safe Sanctuary policies to meet state requirements;
- Assigned a Safe Sanctuary Committee member for each of the 9 districts of the TAC to work with the leadership of the District Superintendent to support and ensure the safe sanctuary policy of each church congregation as well as identify the Safe Sanctuary contact person.
- Provided a year of no cost for churches to complete background checks

These accomplishments will:

- Invest in the Young by promoting a healthy, safe church environment for youth to grow and develop as followers of Jesus Christ;
- Grow fruitful churches by promoting a healthy, safe environment for churches to develop and implement ministry programming which will build, improve and transform the church and community to the glory of God; and
- Empower leadership by promoting a healthy, safe environment for leaders to enthusiastically envision and move ahead to guide the church congregation to grow, change lives and reshape futures for Jesus Christ.

The Safe Sanctuary Committee goals and objectives for 2014/2015 include:

1) Introduce the Safe Sanctuary Committee member to their assigned District Superintendent to complete the process as outlined for the updated Conference Safe Sanctuary Policy which meets the state requirements
2) Update the Conference website
3) Roll out the Conference Safe Sanctuary on-line training program
4) Provide churches with certificates when they submit their Safe Sanctuary policy electronically to the District Superintendent and the Safe Sanctuary Consultant, Dan Ramsey at dbramseyjr@sbcglobal.net.
5) Two articles will be written each year in the “Cross Connection” to raise the awareness of the need for Safe Sanctuary.
This past year at Lakeview has been one of continued growth, improvements, and momentum as we seek to achieve our goals and mission defined by the Board of Directors.

There has been a significant increase in "camper nights" which is the means by which Lakeview monitors both our usage and establishes our budget. The growth came in particular due to the creation of new programs conducted by Lakeview, including Confirmation Camp, Home School Camp, and the hosting of the Chapelwood UMC Youth Choir Retreat. Traditional programs like District Camp, School of Missions, Choir Camp, and other Annual Conference sponsored events and retreats have remained strong. We likewise have seen growth in the number of independent spiritual development programs that are now utilizing Lakeview in times other than the summer months.

The Texas A&M University will hold their 58 consecutive Fish Camp at Lakeview this coming summer, with an anticipated increase (again!) of students participating. It is expected to approach 7,500 participants in a 22 day period, up from 6,800. A&M has initiated a goal of increasing their overall enrollment by 25,000 students by the year 2025. This will mean a continued increase in the growth and importance of Fish Camp to the university and consequently, the role of services provided by Lakeview. This is a critical income stream for Lakeview's present and future and a great partnership between the two institutions of the church and the university. At present, we are continuing conversations with Texas A&M University regarding various options for a multi-year contract and multi-year commitment. They have provided us with a Statement of Good Faith/Memorandum of Understanding to articulate their continued interest and commitment in hosting Fish Camp at Lakeview into the future. The A&M family will figure significantly in our new capital campaign.

The TAP ministry, (The Andrew's Program) is now serving in excess of 100 teens that have identified themselves as possible candidates to enter professional or ordained ministry. This program is growing and strongly focused on assuring that the youth from our United Methodist congregations are nurtured and tracked as they approach adulthood and the steps into formal education and discovery of their call to serve the church.

In 2013 the new maintenance shop was completed and named Sisk Shop in honor of long time Director of Maintenance, Jerry Sisk. The new 10,000 square food facility, plus storage barn for motorized equipment and renovation of the old lodge into a break room for staff, has allowed the demolition of the old maintenance facility and clearing of the land for the future site of our newest dorm and meeting center. These new cabins will increase from 300 to 384 the sleeping capacity, add a new auditorium that will accommodate 400 participants, and a very unique outdoor worship amphitheater that is shaded and in the central courtyard of this new complex. Construction of this facility will begin this spring.

Our Capital Campaign is in the silent phase of asking and formation and will launch the public phase June 1. The Conference Finance and Administration Committee has endorsed this program entitled FOR SUCH A TIME AS THIS, and will draw upon benevolent gifts from our entire constituency, grants from foundations, and corporate gifts. Our goal is $10 million for phase one which includes two sets of new dorms to replace Windham and Wesley camps, renovation of Roy Hall and Snack Shack facilities, extensive landscaping of the central oval/plaza, and a new high-end RV park to be located on the west side of Lake Wilson. Requisite infrastructure for water, sewage, and electricity is included in this phase.

Lakeview Conference Center
Rev. Matt Idom, Jr., Administrator

Mr. Don Strickland, President-Lakeview Board
It is with great pleasure that we announce the generous gift from the Permanent Endowment Fund of Moody Memorial First United Methodist Church. On the evening of Thursday, February 20, their board voted to gift Lakeview Methodist Conference Center with a grant of $6,500,000.00. Their generosity as well as their commitment and belief in the ministry of Lakeview is truly humbling and very exciting.

One area of concern expressed by the Lakeview board, and coming in the form of a request for an open dialog with the Annual Conference leadership, is the recent trend of conference programs being held at retreat centers and facilities other than Lakeview. When Mid Winter, 6th grade camp, retirees retreats, Board of Ministry sponsored events, our Cabinet, etc. meet in other locations, it eliminates that income stream from Lakeview and has a negative impact upon our operations, improvements, staffing, and positive growth. The Lakeview board takes very seriously our covenant relationship to place the ministry of the Annual Conference and the congregations as our primary mission and purpose for existence. The greatest investment that can be made by the TAC is to utilize Lakeview completely, frequently, and faithfully.

Simple but constant improvements are taking place. In January an area on the south side of Lake Lemons, between Fair Village and the main road, has been prepared for the planting of grass and opening of the shore line to provide visibility, lake access, and a park like setting for guests on that side of campus. New fences were constructed by the youth of Memorial Drive UMC this past summer, utilizing cedar post that were harvested from our campus. Nomad projects, volunteers giving of their time, and generous donations have allowed Lakeview to make significant improvements in many areas including cafeteria equipment, maintenance equipment, building face-lifts, lake management, and overall improvements. One area in particular we are seeking funding and help is in the lake management area with particular emphasis on weed control.

Lakeview is opening up our entire 1,300 acres to usage. Hiking, mountain biking, birding (we are now on the Texas Birding Trail!), fishing, tent camping are all in place and/or being developed. One area of emphasis is to develop a greater usage by Boy Scouts, Cub Scouts, and Girl Scouts. We have many projects that lend themselves to Eagle Scout projects and we are eager to connect with scouting leaders and scouts from the congregations of the Texas Annual Conference.

Our board of directors also approved the purchase of the last residence east of the Crooked Creek bridge on CR 1636 that was not owned by Lakeview. The acquisition 15 acres is a tremendous blessing. The price of $145,000 is below market value according to our Real Estate professionals. Owning this property will provide egress to the west side of Lake Wilson and direct access to the area where the proposed Destination RV Park is to be developed.

Our future is only limited by imagination. As Texas projects to increase its population by 30+ million people by 2050, the 1,316 acres of Lakeview will grow in significance and importance as a resource for ministry to the TAC and her congregations. The regional appeal to the metro-areas of Houston and Dallas, and the "smaller" communities of Lufkin, Beaumont, Longview, Tyler, Bryan/College Station, and all the cities and towns throughout central and east Texas, assures the need, importance, and viability of Lakeview as a center for young people to meet Christ, for the spiritual development of adults, and the healing gift of nature and beauty for all our guest.

Our new Board of Trustees members:

**Class of 2016 (New members)**

Rev. Carol Turner
Bob Lindsey
Rev. Allison Thompson
Jennifer Leonpacher
Rev. Tom Palmer (NT Annual Conference)
Marsha Oakes (Louisiana Annual Conference)
BY-LAWS
OF LAKEVIEW METHODIST CONFERENCE CENTER, INC.

ARTICLE I
GENERAL STATEMENT

SECTION A
Lakeview Methodist Conference Center, Inc., (the “Corporation” or "LMCC") is organized under and subject to the laws of the State of Texas as well as any applicable sections of the Book of Discipline of the United Methodist Church pertaining to corporations. Said Corporation may contract and be contracted with, sue and be sued, and transact all business in its corporate name. The title to all property owned or used in connection with the institution operated by said Corporation shall vest in said Corporation and may be sold, conveyed, or otherwise disposed of by said Corporation in the same manner provided by law for the sale, conveyance and disposition of property by a private, not-for-profit corporation operating in Texas. Lakeview Methodist Conference Center (LMCC) is related to the Texas Annual Conference (TAC) of the United Methodist Church through covenant and serves as the primary conference and camping center for the TAC.

SECTION B
Said Corporation is without capital stock, and no individual has any property interest of any kind or character in the assets of the same. All property owned by the Corporation shall be used exclusively for the purpose or purposes for which said Corporation was formed, as set forth in its charter and all amendments thereto.

SECTION C
This Corporation shall receive such funds as may be necessary for its operation and to carry on the purposes for which it is formed from voluntary subscriptions, donations, or voluntary offerings made by any group or individual that may desire to contribute to the same; and from conveyances, wills, annuities, gifts, fees for service and otherwise and the said Corporation shall administer the same in the same manner as provided for the administration of assets by private corporations under the laws of the State of Texas.

SECTION D
This Corporation shall conduct its business in such manner that it shall:

1. Recruit, employ, utilize, recompense, serve and promote without regard to race, color, sex, or handicapping condition;

2. Fulfill its duties and responsibilities in a manner which does not involve segregation or discrimination of any kind.

SECTION E
The principal office of the corporation is hereby fixed and located on the site of the Lakeview Methodist Conference Center ten (10) miles southwest of the City of Palestine in Anderson County, Texas. The above location shall continue to be the principal office of the corporation until otherwise ordered by the Board of Directors, and said Board of Directors shall have full power and authority to change and fix, from time to time, the location of the principal office of the corporation in said County of Anderson, Texas.
SECTION B

Section 1 – The Corporation shall be under the control and direction of a Board of Directors, who shall have and exercise all the powers and prerogatives granted to directors of non-profit corporations under the laws of the State of Texas and be responsible for its moral accountability.

Section 2 - Membership. The Board shall have a maximum of 24 elected and a minimum of 15 elected members with voice and vote. In addition to the elected members, Ex Officio members have voice and vote and are not counted in the establishment of a quorum. Honorary Members shall have voice with no vote and are not counted in the establishment of a quorum. The Board will be committed to ethnic, racial, and gender inclusiveness. The Board membership will reflect the composition of the service area. The Board will consist of:

1. Ex Officio Members (with voice and vote):
   a. The resident Bishop of Texas Annual Conference of the United Methodist Church (UMC) or his/her designee.
   b. The District Superintendent of the District in which the Lakeview Methodist Conference Center resides of the Texas Annual Conference, UMC.
   c. Chair of the Conference Committee on Camping Ministries of the Texas Annual Conference, UMC or the equivalent Committee designated by the Texas Annual Conference, UMC.
   d. The immediate Past Chairman of the Lakeview Methodist Conference Center (LMCC) Board of Directors.
   e. The President and Chief Executive Officer (President/CEO) of Lakeview.

2. Elected Members (with voice and vote):
   A minimum of 65% of voting members shall be members of the Texas Annual Conference. Additionally, the Corporation shall strive to elect Board members who have diverse representation, and the Corporation shall give significant consideration to electing:
   a. Lay and clergy representation from the Texas Annual Conference, UMC.
   b. Donors
   c. Representation from major constituent user groups
   d. Business/corporate leaders

Such elected Directors may be elected for two (2) terms of three (3) years. No person may serve more than six (6) years consecutively. A person may be re-elected to the Board after an absence of one full year except in that unusual situation in which a person has such special expertise or experience that the Board determines it would be in the best interest of Lakeview Methodist Conference Center to elect that person to additional terms waiving the one year absence from the Board.

Should there be a failure of the Board membership requirements as identified in this Section, provided that the Corporation is actively engaged in the process to identify and elect additional members of the Board to satisfy such membership requirements, the remaining Board members may proceed with the conduct of the Corporation’s business until such time that additional members are elected. The Ex-Officio members of the Board are not subject to the term limitations specified herein.

Nominations to the Lakeview Methodist Conference Center Board of Directors are subject to ratification by the Texas Annual Conference of the United Methodist Church. (If the Annual Conference does not ratify the Board approved nominations, the matter will be referred back to the Lakeview Board for further review and consideration.)

3. Honorary Members (with voice, no vote):
   HONORARY – In addition to the ex-officio and elected Directors, the Board of Directors may make provision for recognition of the faithful service of members of the Board of
Directors by electing them Honorary Members of the Board because of meritorious service to Lakeview Methodist Conference Center. Honorary members shall be entitled to voice but no vote. They are exempt from attendance requirements and not counted in the established quorum.

4. Two Fish Camp Representative (with voice, no vote):
   Texas A&M University Fish Camp shall have a designated representative to serve on the Board of Directors who will have voice, but no vote and will not be counted in the establishment of a quorum.

SECTION C

The Board of Directors shall meet three (3) times each year, at least one such meeting to be held at the office of the said Corporation in Anderson County, Texas in each instance upon written, printed, or electronic notice to be sent out by the President/CEO at least three weeks in advance of such meeting; provided that for good cause, any such meeting may be postponed at the discretion of the Chairperson with the concurrence of the Executive Committee and President/CEO. Special meetings of the Board of Directors may be held when necessary by call of the Chairperson by written, printed or electronic notice mailed at least ten (10) days before the date on which the meeting is to be held, in which notice the purpose of the meeting shall be stated; or in the absence of such ten (10) day notice, special meetings may be held with written waiver of notice by a number of members representing at least a quorum. For the purpose of this section, notice by electronic mail shall be deemed as sufficient to meet the required notice.

Directors may attend any called or regular meeting of the board of directors or any committee, via telephonic or conferencing technology which may be available.

The Board of Directors is expressly authorized by these bylaws to conduct meetings electronically; and, to call for e-votes of matters which need immediate board action. The actions taken at such electronic meetings shall be ratified at the next regularly scheduled meeting of the Board and entered into the minutes of the Corporation.

SECTION D

The Board of Directors shall, at their last meeting in the odd numbered years, elect the following Board Officers from among their membership: a Chairperson of the Board of Directors, a Vice Chair, a Treasurer, and a Secretary, and in addition to the Officers, the Board shall elect a Chairperson for each Committee required by or created under these bylaws. The newly elected Officers and Committee-Chairs shall take office upon conclusion of the meeting during which they were elected. The Governance Committee shall present a slate of officers, Directors and Committee chairs.

The term of office of the Board Officers shall be for three years. If the Board Officer's tenure as a Board Member should end during this period, he/she may continue as a member of the Board until the term of office ends. Vacancies which occur during the term, for any reason, may be filled by election at any Board Meeting for the unexpired term, and such terms shall begin upon election. Officers may succeed themselves for no more than (1) additional 3 year term.

SECTION E

A simple majority (one-half plus 1) of the Directors in office shall be necessary to constitute a quorum for the transaction of business. Any question coming before the Board of Directors shall be determined by a majority of those present and voting.

SECTION F

At all meetings of the Board of Directors the order of business shall be substantially as follows:

1. All such meetings shall be opened with prayer.
2. Introduction of visitors or new members of the Board.
3. The Secretary shall determine if there is a quorum present and secure names of those present.
4. Approval of the minutes of the preceding meeting and of any other unapproved minutes, including the minutes of the meetings of the Executive Committee.
5. Statement by the Chairperson as to the condition of the Corporation and the operation of the Agency.
6. Report of the President/CEO and action on any proposals submitted by him/her. At the last regular meeting of the year, the President/CEO Director shall submit a budget for the ensuing year.
7. Financial report by the Treasurer.
8. Reports of other officers and committees, including such statements by employees and members of staff as deemed advisable.
9. Election of Directors, when there is a vacancy.
10. Adjournment with prayer.

SECTION G
Any elected member of the Board of Directors who shall, without good cause and proper notification to the President/CEO prior to the date of the meeting, miss two (2) of three (3) meetings in a calendar year shall be considered to have resigned from the Board and his or her place will be considered vacant.

ARTICLE III
ADVISORY BOARD

SECTION A
The role of the Advisory Board is to advise and support the Corporation, including but not limited to 1) serving as a resource pool for wide-ranging advice and counsel, 2) supporting the mission and goals of LMCC, 3) providing financial support to the Corporation, and 4) providing introductions to other resources and individuals to further the objectives of the Corporation.

There will be one annual meeting of the Advisory Board typically held in conjunction with a specified meeting of the Board of Directors at the office of the Corporation in Anderson County, Texas, or at other such place as the Board of Directors or President/CEO authorizes.

ARTICLE IV
DUTIES AND POWERS OF OFFICERS AND PRESIDENT/CEO

SECTION A
The Chairperson of the Board shall preside at all meetings of the Board of Directors and the Executive Committee. The Chairperson shall be an ex officio member of all Committees required by or created under these bylaws. The Chairperson and/or the President/CEO shall have the authority to sign all conveyances of real estate, contracts, leases, and any other papers or instruments in writing requiring a signature, and shall perform such other duties as may be required by the Board of Directors.

SECTION B
The Board of Directors shall appoint a competent and qualified President/CEO who may be either lay or clergy. If ordained and a member of an Annual Conference of the UMC, the President/CEO shall be appointed by the Bishop and the Cabinet of the Conference in which he/she holds membership. The President/CEO shall be given the necessary authority and shall be held responsible for the administration of Lakeview Methodist Conference Center and all of its departments, subject only to the policies enacted by the Board of Directors and such orders as may be issued by them or the Executive Committee. The President/CEO shall be a voting ex-officio member of the Board of Directors. The President/CEO shall have a job description specifically outlining duties and responsibilities. The President/CEO shall be responsible for
administering the total program of work of the corporation and will prepare an annual budget for adoption by the Board of Directors. Included in that budget will be salary recommendations for all at-will employees of the Corporation, with the exception of the President/CEO. The Board of Directors shall annually review the compensation for the President/CEO and make adjustments as necessary. All other employees shall be hired, evaluated, promoted, reassigned, and dismissed by the President/CEO. Other employees of the Corporation may advise the Board of Directors as required by the President/CEO; however, they shall not be elected as voting members of the Board during their term of employment.

SECTION C
In the absence of the President/CEO, she/he may appoint an Acting President/CEO to act in her/his behalf. In the event of the President/CEO’s inability or refusal to act, the Board may name an Acting President/CEO to perform the duties of the President/CEO, who in such event shall exercise any and all of the above powers of the President/CEO. The Acting President/CEO shall also perform any other duties that may be required by the Board of Directors.

SECTION D
The Secretary shall attend all meetings of the Board of Directors and of the Executive Committee, and shall keep a full and accurate account and record of their proceedings in a special book to be kept for that purpose. The Secretary shall also keep the seal of the Corporation and shall affix the same to all contracts, conveyances of real estate, and such other instruments requiring the seal, or as may be directed by the Board of Directors. The Secretary shall also keep such other books and perform such other duties as may be required by the Board of Directors. The President/CEO’s Administrative Assistant will serve as staff support to the Board Secretary and perform work as requested.

SECTION E
It shall be the Treasurer’s responsibility to provide for the keeping of full and accurate accounts of the receipts and disbursements of the Corporation in books belonging to the Corporation. A report of the finances of the Corporation shall be made by the Treasurer whenever requested by the President/CEO, and a report of like character shall be submitted by the Treasurer at each meeting of the Board of Directors. The Treasurer shall perform all other duties incident to this office or that may be required by the Board of Directors. The Treasurer or anyone else handling funds of the Corporation may be required by the Board of Directors, at any time, to give such bond or security for the faithful performance of duties as the Board of Directors may designate. Staff support for the Treasurer shall be provided at the direction of the President/CEO.

SECTION F
All Corporate checks shall be executed by such signatures as shall be authorized by the Board of Directors.

ARTICLE V
EXECUTIVE COMMITTEE

SECTION A
The following members of the Board of Directors shall be members of the Executive Committee:

a. Board Officers:
   Chair
   Chair-Elect
   Secretary
   Treasurer
   Immediate Past Chair

b. At least two (2), but not more than four (4) other Directors
SECTION B

The Executive Committee shall meet three (3) times per year in conjunction with the three (3) regular Board Meetings, and at other such times as may be necessary to transact any and all business delegated to it by the Board, or to meet emergencies upon the call of either the President/CEO or the Chairperson of the Board. Such meetings shall be held at the office of the Corporation in Anderson County, Texas, or at such other place as the President/CEO or Chairperson authorizes a simple majority (one-half plus 1) shall constitute a quorum for meetings of the Executive Committee, and its decisions shall be upon a majority vote of those present and voting. All Executive Committee members will receive notice of Executive Committee Meetings. All Board Members are welcomed to attend. Meetings held by telephonic or video conferencing are permissible. For the purpose of this section, notice by electronic mail shall be deemed as sufficient to meet the required notice.

SECTION C

Furthermore, the Executive Committee shall have power to carry out all matters of routine business that may have been previously provided for in the legislation of the Board of Directors, but the Executive Committee shall not have the power to initiate policies or to adopt new rules and regulations except in the case of pressing emergencies, in which case a full report of the same shall be made to the next meeting of the Board of Directors and the action taken presented to the Board for review. Executive Committee minutes will be distributed to all Directors. The Executive Committee shall serve as the Strategic Planning Committee.

ARTICLE VI

OTHER COMMITTEES

SECTION A

The Board shall facilitate its governing function by establishing committees as provided herein. Such Committees shall carry out the responsibilities assigned by the Board and as provided in this Article and shall report to the Executive Committee and/or Board. Except as otherwise provided in these bylaws, the chairpersons of all committees are elected by the Board; and, committee members are appointed by the Chair of the Committee. In addition to the Executive Committee, the following Committees shall exist:

1. The Governance Committee, whose members shall be three (3) members of the Executive Committee, three additional members of the Board of Directors, not presently serving on the Executive Committee, and the President/CEO.

   The Governance Committee and its chairperson shall be appointed annually by the Chairperson of the Board of Directors in consultation with the President/CEO. Its purpose will be to nominate Directors, officers, committee chairs, appoint and remove Advisory Board members, and make board member Committee assignment recommendations to any committee which may from time to time be created, other than itself. Also, the Committee will be responsible for Board Orientation and Training. All Board members are encouraged to submit nominations to the Governance Committee.

   Meetings held by telephonic or video conferencing are permissible. For the purpose of this section, notice by electronic mail shall be deemed as sufficient to meet the required notice.

2. The Finance Committee

   The Finance Committee is responsible to oversee the financial management of the Agency.
Meetings held by telephonic or video conferencing are permissible. For the purpose of this section, notice by electronic mail shall be deemed as sufficient to meet the required notice.

3. The Strategic Planning Committee, whose members shall be the members of the Executive Committee

The Strategic Planning Committee will make recommendations and be responsible for creating a plan to reach our mission, vision and values. All Board members are encouraged to attend.

SECTION B

Other committees may be established from time to time by the Board without the necessity of the amendment of these By-Laws. Committee members need not be elected members of the Board of Directors in order to serve on these committees. Committee meetings held by telephonic or video conferencing are permissible. For the purpose of this section, notice by electronic mail shall be deemed as sufficient to meet the required notice.

ARTICLE VII

CORPORATE GOVERNANCE

SECTION A

The fiscal business year of the Corporation shall begin on the first day of January and end on the 31st day of December each calendar year.

SECTION B

The seal of the Corporation shall be a circular design with the words “Lakeview Methodist Conference Center” around the outer edge thereof, and with the words, "Palestine, Texas" in the center thereof.

SECTION C

All provisions contained in the Charter of this Corporation applicable to the operation and conduct of the business of the Corporation are embodied herein as fully as though copied herein in full; in the event there should ever be any conflict between the provisions of these by-laws and any provisions in the Charter, the provisions in the Charter shall prevail.

ARTICLE VIII

AMENDMENTS

SECTION A

These by-laws may be altered, amended, modified, repealed, and added to by a majority vote of the members of the Board of Directors present and voting at any regular meeting of the Corporation, or at any special meeting when called for that purpose, provided that a copy of any proposed changes in the by-laws shall be given, or sent to each member of the Board of Directors at least 10 days before they are adopted. Word usage and grammatical corrections which clarify and do not change the substance of the meaning may be made by the Board without the 10 day notice. For the purpose of this section, notice by electronic mail shall be deemed as sufficient to meet the required notice.

SECTION B

Such by-law amendments shall only be implemented following ratification by the Texas Annual Conference of the United Methodist Church. (If the Annual Conference does not ratify the Board approved amendments, the matter will be referred back to the Lakeview Board for further review.)

SECTION C
The by-laws are subject to annual review by the Board of Directors.

ARTICLE IX
INDEMNIFICATION OF DIRECTORS AND OFFICERS

The Corporation shall, to the fullest extent to which it is empowered to do so by the Texas Non-Profit Corporation Act or any other applicable laws as may from time to time be in effect, indemnify any person who was, is or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that he or she is or was a director, officer or trustee of the Corporation, or is or was serving at the request of the Corporation as agent or similar functionary of another foreign or domestic corporation, partnership, joint venture, trust or other enterprise, against all expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him or her in connection with such action, suit or proceeding. The Corporation's obligations under this section include, but are not limited to, the convening of any meeting, and the consideration of any matter thereby, required by statute in order to determine the eligibility of an officer, director, or trustee for indemnification.

Reasonable expenses incurred in defending a civil or criminal action, suit, or proceeding shall be paid by the Corporation in advance of the final disposition of such action, suit or proceeding upon receipt of (i) a written affirmation by the director, trustee, officer, employee or agent who may be entitled to such indemnification of his or her good faith belief that he or she has met the standard of conduct necessary for indemnification under the applicable statute, (ii) a written undertaking by or on behalf of the director, trustee, officer, employee, or agent who may be entitled to such indemnification, to repay such amount if it shall ultimately be determined that he or she is not entitled to be indemnified by the Corporation and (iii) a determination by the Board of Directors that the facts would not preclude indemnification as set forth in the Texas Non-Profit Corporation Act.

The Corporation's obligation to indemnify and to prepay expenses under this Article VIII shall arise, and all rights granted to Directors, officers, employees or agents hereunder shall vest, at the time of the occurrence of the transaction or event to which such action, suit or proceeding relates, or at the time that the action or conduct to which such action, suit or proceeding relates was first taken or engaged in (or omitted to be taken or engaged), regardless of when such action, suit or proceeding is first threatened, commenced or completed.

Notwithstanding any other provision of these By-Laws or the Articles of Incorporation of the Corporation, no action taken by the Corporation, either by amendment of the By-Laws or the Articles of Incorporation, or otherwise, shall diminish or adversely affect any rights to indemnification prepayment of expenses granted under this Article IX which shall have become vested as aforesaid prior to the date that such amendment or other corporate action is taken.

Further, if any provision of this Article IX shall be held to be invalid or unenforceable, the validity and enforceability of the remaining provisions shall not in any way be affected or impaired.

ARTICLE X
DISSOLUTION OF THE CORPORATION

After all liabilities and obligations of the Corporation in the process of winding up are paid, satisfied and discharged, the remaining property of the Corporation shall be distributed to the Texas Annual Conference of the United Methodist Church, a Texas nonprofit corporation, as defined in the Lakeview Articles of Incorporation.
These Bylaws were adopted at a duly called meeting of the Board of Directors of Lakeview Methodist Conference Center, Inc. on this the 25th day of November, 2013.

Texas Conference Cemetery
Rev. Matt Idom, Jr., Chair

The Texas Methodist Conference Cemetery exists to provide a final resting place for those clergy and their immediate family members who have served the Texas Annual Conference. Our goal is to offer affordable spaces cared for and maintained with love and dignity. With over seven hundred developed spaces, upkeep and maintenance is sometimes challenging. Support from the budget of the Texas Annual Conference and gifts by donors helps in allowing the Trustees to honor their commitment to the goal. A permanent care fund has been established with the ultimate goal of being able to maintain the entire property and maintenance. But the fund is young and still needs generous gifts to reach full funding.

Because of its proximity to the cemetery, the records of interment are maintained at Lakeview Methodist Conference Center. Any inquiries or information about burials in the cemetery can be directed to the Lakeview office. Spaces remain available at a cost of $200 per space. Graciously, Lakeview has assisted with various repairs and equipment needs that arise from time to time saving the cemetery in rental costs and operation fees, and for that help we give thanks.

The Trustees of the Texas Methodist Conference Cemetery met in late spring of this year to review the master plan for improvements to the cemetery. The next planned phase is a rework of the main entrance way and the secondary entrance way and the associated landscaping needs. Additionally, the trustees are tasked with electing officers. As this report precedes the meeting date, the final results of action are not available in this reporting. Other agenda items included general maintenance evaluation, needed repairs to existing structures, future projects of the master plan, and a review of policies.

Thank you for your continued prayers and support of OUR cemetery!

McMahan Chapel Trustees
Rev. Chuck Huffman, East District Superintendent

Established in 1833, McMahan Chapel is the “Mother Church of Texas Methodism” and the first Methodist Church with continuous worship services in the State of Texas. McMahan Chapel Day is always celebrated on the second Saturday of October and includes a worship service and lunch. During the 2013 celebration, a proclamation was presented from the Trustees to Mrs. Bobbie Thompson, recognizing her faithful service as Secretary/Treasurer for over 30 years. This year, McMahan Chapel Day will be held on October 11, 2014.

The Trustees are currently pursuing the purchase of the 3.04 acre roadside park from the Texas Department of Transportation. This park is located directly across Spur 35 from the Chapel and Events Center, and is adjacent to the McMahan Chapel Cemetery. The purchase of this property will give added appeal to groups wishing to visit the Chapel and will allow for possible expansion of the mission of McMahan Chapel. The Trustees are thankful to Mrs. Betty Oglesbee for her extensive work on this project.

Services at McMahan Chapel are held the first and third Sunday of every month at 2 pm, with a covered-dish lunch prior to the worship service. Rev. Bill Lanigan, pastor of McMahan Chapel invites everyone to attend.
If you would like to visit McMahan Chapel or bring a group for worship or a tour, please contact Rev. Bill Lanigan at 936-275-2246 or Carol Postell at 936-288-0477. The Fellowship Hall is available for small group gatherings, clinics and workshops. From San Augustine, travel about 10 miles east on Texas Highway 21. Turn right on Spur 35 and drive two miles to the chapel.

Check the websites of Texas Annual Conference at www.txcumc.org or the East District website at www.eastexasumc.org for updated details.

Committee on Episcopacy
Dr. Tom Pace, Chair

The Episcopal committee has worked to support Bishop Janice Riggle Huie as she has led our annual conference in the work of building vibrant, growing congregations, changing lives, and reshaping futures for Jesus Christ. In 2013, we

- Moved from annual meeting to twice yearly, in order to maintain stronger communication link between conference and Bishop. The Bishop has reflected with us on the progress of the annual conference in the three focal areas: Invest in the Young, Grow Fruitful Churches and Empower Leadership. We have provided feedback and support as she sets priorities.
- We created a first draft of a four year process to use every quadrennium, which will include an assessment of the Bishop's progress on goals each year, and a 360 evaluation in year 2.
- We adapted a 360 evaluation to use in this final quadrennium of our current bishop's term to identify our needs in episcopal leadership in upcoming quadrennium, and to continue the Texas Conference's progress in adapting to our changing ministry context.

In 2014, we will

- Continue to support Bishop Huie as she works to move us forward
- Work through the assessment of the annual conference needs in our next episcopal leader,
- Begin discussion of celebrating the retiring bishop's ministry, and of a welcome and on-boarding process for new bishop.

Committee on Episcopal Residence
Dr. Tom Pace, Chair

The Episcopal family has enjoyed the residence immensely. The Board of Trustees and the Council on Finance and Administration has all required insurance and maintenance up to required standards.

Board of Higher Education & Campus Ministry
Rev. Carmen Rickel, Chair

Campus Ministry continues to experience growth as well as new beginnings. The needs of students on our campuses are continually changing, therefore our Campus Ministers are rethinking how to best reach the students and to help them to become Disciples for Jesus Christ.
The Campus Ministry at Tyler Junior College entered into a new phase of campus ministry by opening a faith based dormitory. Upon opening the dormitory it was filled to capacity with a waiting list. In October the Texas Southern University (TSU) Wesley Foundation held their Grand Opening of their new facility. This provides the TSU Campus Ministry a broader opportunity for fellowship, discipleship ministries and spiritual formation.

Due to the overwhelmingly positive response to the first Best Practices Retreat for our Campus Ministers in 2013 a second Best Practices Retreat was held in January 2014 and was very successful. With growing cut backs and a need for more money to be fruitful in ministry, there is a growing need to find funding beyond conference apportionments. This year’s focus for the retreat was on fundraising. The Campus Ministers were able to receive valuable information from Rev. Melvin Amerson from The Texas Methodist Foundation (TMF) and Mr. Chris McCormick from the University of Texas (UT) Wesley Foundation.

The Excellence Document is utilized as a tool for setting standards and best practices for assisting campus ministries to assess and make recommendations appropriately. This provides BHECM with valuable information through which to evaluate the Campus Ministers and their fruitfulness. The Local Boards are continually being encouraged to become more involved with missions, visions and implementation of strategic strategies of Campus Ministries. Ownership and “Buy-in” of these strategies will help in garnering strength for these ministries. It is recommended that we have three types of members: Alumni of a Campus Ministry, Local Congregation members and Staff members of the University in which the Campus Ministry is located.

Looking forward to 2014-2015, BHECM will continue to be more visible at each Campus Ministry site. Each member of BHECM has agreed to make visits to Campus Ministries throughout the school year to assist in development and to lend support to the Campus Minister. Meetings will also be held periodically with each Campus Minister and their Board of Directors. The BHECM will serve as a liaison between the TAC and local Campus Ministries to help in discussions of the upcoming changes in Campus Ministry. BHECM will continue to have each Board evaluate their Campus Minister and for the Campus Ministers to evaluate their Board. This will help facilitate growth and identify areas of development which should take priority for a particular campus ministry.

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**CENTER FOR MISSIONAL EXCELLENCE**

Center for Missional Excellence  
Rev. Diane McGehee, Director

The church exists for the mission of God. That mission is that **ALL** might come to full salvation, in body, mind and spirit, in this present life as well as in the life to come, through the grace and love of God in Jesus Christ. The primary task of the Center for Missional Excellence is to equip leaders – lay and clergy - and local congregations to fulfill that mission through relational ministries of mercy, justice, outreach, and inclusive community-building so that all persons, both inside and outside of the church, find new ways to experience and extend mercy, justice and wholeness: spiritually, emotionally, intellectually, physically, financially, and socially. The Center for Missional Excellence carries out this primary task through 2 ministry arms: 1) the TAC Mission Committee which focuses on equipping local congregations to engage in empowering, relational outreach with local, national, and international communities; and 2) Social Principles Implementation Ministries (SPIM) which seeks to equip local congregations in
effectively addressing issues of justice and mercy impacting local, national, and international communities. Not only do we “provide fish” and “teach to fish” as needed, we also work to “unlock the gate to the fishing pond.” In this way, the Center for Missional Excellence serves as a resource to equip local congregations to make disciples of Jesus Christ for the transformation of the world to the glory of God through effective, relevant missional engagement with local, national and international communities.

Pursuant to the directives of the 2012 Annual Conference, the Center for Missional Excellence has tasked both of its ministry arms with aligning their work with the three foci adopted by the Annual Conference: Investing in the young; cultivating growing, fruitful, missional congregations; and forming transforming lay and clergy leaders. Also pursuant to the directives of the 2012 Annual Conference, the Center for Missional Excellence is working diligently to increase the diversity of participation in missional leadership and equip local congregations in reaching the growingly diverse community that God has gathered from the nations of the earth within the bounds of the Texas Annual Conference in our own neighborhoods. This directive has led the Center and the committees under its umbrella to focus on expanding our understanding of mission as a way of Christ-like daily living that is rooted deeply in scripture, prayer, and discipleship-building, out of which our work in the world arises in grace-filled relationships with all whom God places in the path of our lives. This is sacramental work that recognizes the dignity and worth of every single human being as made in the image of God and one for whom Christ died, and seeks to empower that image in all aspects of life.

Throughout the past annual conference year, the Center for Missional Excellence has worked to help congregations address global, national, conference-wide and local needs of those impacted by: our immigration laws (including raising funds to open Justice for Our Neighbor clinics (JFON) and interfaith work for immigration reform), human trafficking, homelessness, mental illness, incarceration, and global poverty. This work included a conference wide gift card campaign to support ministries working with the homeless and victims of human trafficking, supporting mentoring programs for youth impacted by the juvenile justice system through reVision, education regarding human trafficking, immigration reform, mental illness, the needs of school children and their families who are living in poverty, Hispanic ministries training, and helping launch ministries related to these needs. It also included addressing global poverty needs with the No More Malaria Campaign and empowering thousands of AIDS orphans in Africa through ZOE, which empowers these children through family and group community-building that allows these children to become self-sustaining family units within 3 years; relief responses to the victims of Typhoon Haiyan in the Philippines, the West, TX explosion, and the Oklahoma tornadoes. Further, we sent out mission teams to 8 states from Alaska to New Jersey and 9 countries. These teams worked on construction, medical and dental missions, taught vacation Bible school, helped provide water filters for clean water, and in other ways shared the love of Jesus Christ from our own backyard all the way through Central America to South America, the Caribbean to Kenya and Russia. Through the sewing ministry, men and women all over our conference donated handmade items: 269 baby caps, 159 blankets, 342 little girls’ dresses, 115 ties, 90 boys’ shorts, and more. These items were carried by volunteers to Haiti, Mexico, Bolivia, Costa Rica, Kenya, Four Corners and disaster sites in Oklahoma and Arkansas.

As you will read in the reports that follow, the committees within the Center for Missional Excellence have worked hard to provide effective training and avenues for reaching out to, and building relationships with, individuals and communities both locally and internationally, in witness to the Gospel of Jesus Christ, through ministries that address the whole person in body, mind, and spirit and offer redemption and acceptance into the family of God regardless of a person’s status in life or in the community. In this way, the Center seeks to
invite, empower, and support the missional life of every pastor, lay person, and congregation as vital to what it means to be a Christian in this world both in our own local communities and around the world, so that all come to a saving knowledge of Jesus Christ and participate in God's abundance for all people and all of creation.

TAC Missions Committee
Rev. Lindsay Kirkpatrick, Chair

The TAC Missions Committee was formed out of the realignment of the Center for Missional Excellence approved at the 2013 Annual Conference. This committee has been working diligently to invite conference-wide participation in an expanded vision of mission that starts with discipleship and from that place of deep formation in Christ, reaches out to the world in empowering life and community changing mission. The following 12 month vision outlines the focus of the TAC Missions Committee for the next year.

12 Month Vision for TAC Missions Committee

2013 Conference Mandates:
- Better coordination and communication between missional vision and engagement at local, district, and conference levels.
- The development of new programs, while allowing programs that are working well to continue
- Greater focus on empowerment rather than dependency models for mission
- Young and new voices to guide the development of new programs to help local congregations to engage missionally in their neighborhoods and beyond
- Coordinate the sending arm of the center with its justice and advocacy arm

Mission Statement of Committee:
To empower TAC local churches in missional living, both locally and globally, with a spiritual foundation and practical tools for participating in God’s mission of wholeness.

Our Tasks:
1) To define mission not in terms of events, but as a Christ-centered way of living, and to invite local churches into a dialogue about this understanding.
2) To inspire local churches to engage missionally, both locally and globally.
3) To equip local churches with tools and resources for engaging missionally, both locally and globally.

Plans:
1) At Annual Conference 2014, provide a space where churches can share their stories about what God is doing through them in their communities.
2) At Annual Conference 2014, provide booths with resources for helping churches meet the needs of their local and global communities, including among others, needs relating to homelessness, poverty, foster care and adoption, human trafficking, incarceration and re-entry, addiction, food security, employment, schools (including not only young children and youth, but also college students living in poverty and without family support), mental illness, ethnic ministries, immigration, street gang violence and the juvenile justice system, asset based community development, and reconciliation.
3) Conduct “Town Hall” meetings throughout the TAC that would function as a listening tour on mission in the conference. The purpose of these meetings is to identify, in conversation with local churches throughout the Conference, which tools would be most helpful for the committee to provide, as well as what local churches have offer to other churches throughout the TAC regarding missional living and practice; and identify the people and churches in each district who are or could be key leaders for mission.

4) Bring together the gathered responses and plan the formation of retreat weekends that would define, inspire, and equip our churches for expanded their missional living.

The TAC Missions Committee’s goal is to develop missional training and opportunities in holistic, life-transforming and empowering mission that is responsive to the missional mandate of God for the church, the needs and gifts discovered within our conference from the listening sessions, and the needs and gifts resident in our local, national and global communities.

Parish & Community Development
Rev. Rudy Rasmus, Chair

Purpose of Committee
The Parish and Community Development Team is to encourage the creation and support of vital community development activities and programs in collaboration with our local churches. Community Development is broadly defined in the following six focus areas: health, education, workforce development, economic development, community safety, and affordable housing. Toward that purpose the Team has set the following goals for the quadrennium.

1. The Parish and Community Development Team will collaborate with the Missional Excellence Team to provide annual training events and activities for churches focused on community development.

2. Provide timely information to churches through the conference website regarding other community development affinity groups, training events and activities that may be of interest to our churches seeking to engage in community development activities. Identify persons and churches that can consult with other interested churches regarding their successful community development activities and programs. Serve as the liaison and connector between those two.

Mercy Ministries
Rev. Andy Noel, Chair

In 2013 many congregations in the Texas Annual Conference responded to the challenge to invest in the young by implementing and extending mentoring programs with local public schools. One of the challenges faced in our communities is the growing gulf between the rich and the poor. Poverty is a major roadblock to the flourishing of our young. In many of our suburban communities the mindset and models of poverty are not well understood. Mercy Ministries saw a need to provide education in 2013 into the models of situational and generational poverty.

As an example of this initiative to Invest in the Young, Mercy Ministries in conjunction with Atascocita UMC sponsored a Ruby Payne workshop Bridges Out of Poverty. Registration
peaked at just shy of 60 with attendees coming from as far apart as Conroe to Crosby. We had both congregational and community groups in attendance.
In the workshop, we addressed a basic understanding of poverty through language, attitudes, preferences, knowledge, and the place and importance of relationships. We were given a novice understanding of poverty and some preliminary tools to help our churches and communities wrestle with what poverty looks like in each neighborhood.

Restorative Justice Ministries
Rev. Mark Pickett, Chair

Prior to 1990, the entire Texas state prison system was located in our conference. All 48 prisons were in or around Houston, Palestine and Huntsville. During the 1990's, in an effort to combat crime, more laws were passed by state legislatures to "get tough on crime". This resulted in more people being arrested, and longer sentences which created overcrowded prisons and logistical problems. The need for more prison beds caused an unparalleled building expansion so that there are now approximately 110 prisons though out the entire state.

There are approximately 152,000 incarcerated persons in Texas state prisons and state jails with approximately 10 – 12 thousand of them women. Over half of these people are incarcerated in our geographical conference area. These figures do not include people incarcerated in city or county jails, federal prisons, youth facilities or people on parole or probation. The numbers alone are staggering and cannot begin to account for the devastation that impacts the families of victims, nor the offenders’ families, especially the children.

Restorative Justice Ministry (RJM) is advancing the TAC Vision and Mission as outlined in the Social Principles. "Restorative Justice grows out of biblical authority which emphasizes a right relationship with God, self, and community. When such relationships are violated or broken through crime, opportunities are created to make things right. Most criminal justice systems around the world are retributive. In contrast, restorative justice seeks to hold the offender accountable to the victimized person, and to the disrupted community. Through God’s transforming power, restorative justice seeks to repair the damage, right the wrong, and bring healing to all involved including the victim, the offender, the families, and the community."

Christ Church in Sugarland, Kingwood First, St. John’s, Huntsville First, as well as many other UM churches, are involved in Kairos, Bridges to Life, Mentoring, Angel Tree and many other RJM programs and are discovering that, “The Church is transformed when it responds to the claims of discipleship by becoming an agent of healing and systemic change.”

- During the past year, two RJM workshops were held in the East and West districts.
- A record number of coats were collected and given to “new citizens” (ex-inmates) being released from prison, which is attributed to increased RJM awareness and participation of churches throughout the conference.
- When UM offenders were released from TDCJ and provided contact information, churches in the TAC and around the state were contacted and asked to call and welcome that individual back into the community and invite them to worship.
- In November, many United Methodists took part in “A Day of Remembrance” that began at Wesley Memorial UMC in Huntsville and ended at the Capt. Joe Byrd cemetery where flowers were placed on each of the three thousand inmate graves.
- An RJM breakfast was held at Annual Conference. Our speaker was Mr. Bill Kleiber, the Executive Director of The Restorative Justice Ministry Network of North America.
- Provide monthly meals to the Hospitality House in Huntsville for families who visit incarcerated loved ones on weekends.
Our goals for the coming year are:

- To continue to promote RJM awareness.
- Encourage each church to designate one Sunday per year as RJM Sunday, and provide them with resources to do so.
- To continue to assess what RJM ministries are currently being provided in the TAC.
- To become a resource for questions and guidance regarding RJM.
- To make available and share RJM resources throughout the TAC.
- To invite clergy and laity to become involved or more involved in the risk taking mission of RJM.
- To invite political involvement and legislative action so the state will become “smart” on crime as opposed to “being tough” on crime.
- To formulate an action plan to train TAC churches to become welcoming congregations for released offenders transitioning back into their communities.
- To include an RJM report in each district at the Annual District Charge Conference.
- Include in the RJM conference budget, funding to allow RJM conference chair and possibly RJM representatives to travel to RJM conferences in or out of state to network or receive training to expand and improve RJM in the TAC.
- Include in the RJM conference budget a line item designated to the Restorative Justice Ministries Network of Texas an annual amount of five thousand dollars. This ministry is an ecumenical ministry that is a vital resource to the TAC-RJM and is supported by the Episcopal diocese and churches of several different denominations.

Then they cried out to the LORD in their trouble, and he delivered them from their distress. Psalm 107: 7

He delivered them from their distress, their anxiety, their sorrow, their pain. This is how applicants to Golden Cross Ministry feel when we help them. They have been delivered. They are dealing with medical conditions and they are distressed by their circumstances. Many of them are unemployed due to illnesses. They are wondering how they can possibly receive the care they need without the money to pay the co-pay or for needed dental work or diagnostic tests. There are many different circumstances that bring them to us.

The donations received from churches for 2013 expenditures were $33,510.08. We are very grateful to be remembered. We dispersed assistance in amounts as little as $200 and no more than $3,000. There were no funds to offer in November and December though the requests continued to come in. We start off 2014 with a generous donation given by the Board of Pensions of $5,000 and many end of the year donations from churches.

This is a great ministry. When we contact facilities and doctor’s offices to say we will make payment for an applicant’s medical expense, they are amazed that the United Methodist
Church has a ministry such as this. They are impressed with your generosity and concern for others.

This ministry was founded by United Methodists in 1921. It can continue to be a viable ministry if your church will remember us with a communion or special offering in its honor during this year. It does not have to be a large amount. Many small gifts can add up to make a big difference. Our applicants are counting on you. We hope you will consider helping.

Social Principles Implementation Ministries (SPIM)
Rev. Scott Moore, Chair

Social Principles Implementation Ministries (SPIM) was created in the Conference reorganization process to help individuals and congregations to study, discuss, and embody the social holiness to which we are called as people of The United Methodist Church. The chief instrument for this teaching is The Social Principles of the United Methodist Church (¶¶160-166, The Book of Discipline 2012), a statement of the UMC's historic concern for social holiness among the faithful and within the culture of which the faithful are a part.

Under the leadership of the Wesley brothers and others in the Methodist Movement in Georgian England, the exhortation of St. Peter, “... as the one who called you is holy, be holy yourselves in all your conduct; for it is written, ‘You shall be holy, for I am holy.” (I Peter 1:15 Leviticus 11:44) has been always a part of the life of the people called Methodist. Unlike some traditions which see ecclesiastical authority and civil authority as two separate operations of God’s sovereignty, Wesleyans have not embraced such a separation, but have sought a synthesis of revelation and reason which seeks to make visible now, even if only partially, the coming Reign of God with its justice and mercy, its grace and forgiveness, its healing and renewal of life. This is to be sought through both personal and social holiness as the Church seeks to “leaven the loaf" of society

In 2013 the Center for Missional Excellence was reorganized into two separate but inextricably tied groups; the Missional Excellence Committee and the Social Principles Implementation Ministries Committee. SPIM exists to communicate between the District Leadership Teams and the Missional Excellence Committee and is responsible for planning and implementing ministries of justice, mercy, and advocacy in the Texas Annual Conference. The Committee consists of the chairs of Restorative Justice, Religion & Race, Commission on the Status and Role of Women, Native American Ministries, Hispanic Ministries, Peace with Justice, Church & Society, Black Methodists for Church Renewal, Disabilities Ministries, Mercy Ministries, and Christian Unity & Interreligious Concerns. SPIM helps educate and equip local congregations and leaders to address issues of justice, mercy, and social reform as part of their missional focus and work. In particular, the Texas Annual Conference has directed SPIM along with the Missional Excellence Committee to equip local congregations to engage effectively with the increasingly diverse community within the bounds of the Texas Annual Conference – a community which is now the most multi-ethnic community in the United States. God has literally, as in Acts 2, gathered the nations of the world within the bounds of the TAC and is calling us to respond by learning to speak in the literal and cultural languages of the nations God has so gathered.

In the following reports regarding the work areas of SPIM, we seek to summarize the efforts during 2013, 2014 and going forward, to assist individuals and congregations to grow in grace and holiness in their personal lives and in the life of the communities – local, regional, national, and international – in which they live.
In these reports you will see an emphasis on two areas of focus voted upon as missional emphases by the 2013 Texas Annual Conference: Immigration and Human Trafficking. You will also see efforts to address virtually every single Social Principle in one form or another. The work of SPIM is at the core of who we are as Wesleyans and as Texas United Methodists.

Asian Ministries
Dr. Frank Varro, Chair

Asian Ministries continues to represent ministry in our Conference to one of the fastest growing minority groups in the country and around the world. Our task is twofold:

- To support existing ministry in Asian fellowships and churches, and
- To raise up interest and new lay leadership in Asian communities within the Conference

To this end we are providing worship, Bible study, and prayer opportunities in several Asian fellowships and ministries in the Conference. Our committee is composed of lay and clergy representatives committed to promoting ministry and mission within the Asian communities of the Conference. We currently have one Vietnamese, four Korean, three Filipino, and two Chinese churches or fellowship groups, either on their own, or now presently shepherded by sponsoring churches, which form the network of our Asian Ministries in the Conference. We formed an additional Korean ministry this past year but the lay leader of this group moved out of the Conference. We plan to form additional Asian fellowship groups as international pastors and lay coordinators are able to be identified.

We are also providing ministry and mission to those in our communities that are transitioning into the dominant-culture, English-speaking churches that still need inclusion in culture-of-origin ministry opportunities. Churches with bi-cultural families found new opportunities for inclusion in this worship and small group setting. Asian fellowships and churches are being encouraged to assist in cross-cultural meetings, rallies, the sharing of a meal, and fellowship times, both social and spiritual get-togethers, with other Asian and non-Asian churches and fellowships.

We have helped sponsor annual international mission trips, including China, Vietnam and other Asian communities, providing Vacation Bible School, prayer and fasting meetings, special culture celebration rallies, and youth and worship rallies. Musical and dance groups as well as Children’s Choirs have been formed. Flyers, letters, and emails, which share ideas and promote individual programs and projects, are exchanged by churches of the same language and culture group, as well as those sent from the Asian committee to other Asian entities. Both individual and group training meetings have been conducted.

Many Asian churches and fellowships conduct their own individual programs. In addition to these, we’ve had intercultural exchanges, such as All-Asian and All-International get-togethers (including non-Asian and Asian alike). These were times of sharing a meal, intercultural exchange, and a multi-cultural, multi-national, as well as multi-generational worship time. We also plan to raise up lay leadership in at least one additional Asian fellowship group in each of the Korean, Vietnamese, and near East Asian communities.
Black Methodists for Church Renewal (BMCR) is the organized Black Caucus of The United Methodist Church. BMCR is recognized by the General Church as the legitimate Black Ethnic Caucus. Organized in 1968 and incorporated in 1969, BMCR serves as a platform from which Blacks speak to the General Church, a forum for Black Methodists where issues and problems can be defined and discussed, as well as outreach programs intended for Black Methodists. BMCR has member representation at the general, jurisdictional and local church level.

The BMCR (Houston Chapter - Texas Annual Conference Caucus) Officers for 2014 are:
- Ms. Juanita Jackson, Chairperson
- Rev. Ed Jones, Vice-Chairperson
- Mrs. Frankie Watson, Secretary
- Mrs. Rochelle Cebrun, Treasurer

Organized events of BMCR:
- Annual Martin Luther King Breakfast/Brunch Celebration (January 20, 2014). In observation of the Martin Luther King, Jr. holiday, the Houston Chapter uplifts causes that Dr. King stood for such as justice, peaceful coexistence, health and healthy living and other issues that plague marginalized and disenfranchised persons.
- Seven Last Words from the Cross (Good Friday Service, April 18, 2014) Riverside United Methodist Church
- Annual BMCR Clergy/Laity Luncheon during Annual Conference (May 27, 2014). The luncheon allows the organization to honor retiring clergy and acknowledge those being ordained. Additionally, it provides fellowship opportunity for clergy/laity throughout the conference.
- BMCR continually promotes confidence to our approximately 75-100 Youth and Children component, representing several TAC congregations. They participate in varied events throughout the year, in a Mass Choir, BMCR Mission projects, District Camps, Conference events (Collide and Mission projects), fun events and Youth HARAMBEE with youth from other conferences.

In 2013 Black Methodists for Church Renewal (BMCR) in collaboration with the Texas Conference Center for Congregational Excellence developed an initiative entitled “ACTIVATE.” June 15th was kick-off day. Eighty-nine representatives from 25 African-American congregations gathered for the first of a series of “ACTIVATE” workshops. Participants were enlightened, energized and equipped to activate strategies to become vibrant living churches! The new “ACTIVATE” initiative focused on three objectives, 1) define church identity, 2) identify community needs and opportunities, and 3) start the commitment to revitalize Black churches. During the high-energy, self-help, motivational seminar, pastors and laity excitedly explored suggestions and discussed strategies and ideas on how to ensure their church’s existence into the future.

Why is there a need for such a conversation? For some time, there have been concerns in the General Church and the Texas Conference about diminishing growth in Black churches. In 1998, “Black Methodists for Church Renewal (BMCR) Vision 2000 Celebration” initiative addressed this topic. In 2011, “The Summary Analysis of Black Church Study Based on Statistical Data” report showed that there was little church growth among black congregations from
2008-2011. Within Black Churches of the TAC only one Program Level church became a larger Corporate Level church, and eight Pastoral Level churches declined to smaller Family Level churches. The ACTIVATE task force efforts again addressed this vital issue.

The Board of Church and Society (BCS) is one of the nine Social Principle Implementation Ministries (SPIM) organized under the Center for Missional Excellence. Along with the conference committees on Religion and Race, Status and Role of Women, Christian Unity and Interreligious Concerns, Disabilities, Asian Ministries, Hispanic Ministries, and Native American Concerns, the BCS works in a supportive partnership to equip local congregations to carry out ministries of mercy, justice, and wholeness to all persons inside and outside the church, and to pursue implementation of the social principles of the UMC, justice concerns, and other policy statements on Christian social concerns of the Texas Annual Conference.

In the past year, the BCS has continued to advocate for issues within our society that call out to a caring church. Areas of focus for the past conference year has included equipping local congregations to more effectively and relationally address Human Trafficking, the need for Immigration Reform, including launching JFON clinics in 2014, homelessness, and mental illness. Effectively addressing the impact of massive incarceration within the TAC is an area on which BCS and the Center for Missional Excellence committees are also beginning to focus.

During the Annual Conference in 2013, a packet of information concerning ways to support Immigration Reform was given to conferees. The Immigration Task Force staffed the telephones so conferees could call their congress people and voice their concerns. Two seminars on Immigration Reform were held in the TAC to help raise awareness in the local congregations.

The Human Trafficking Task Force is currently working on creating a calendar of events concerning Human Trafficking awareness and prevention for access to local churches. This calendar will be designed to help congregations broadcast their events, as well as give some other church ideas and encouragement helpful to their ministry. While these efforts do not address all of the urgent needs that are evident in our hurting and broken world, they are an humble and important step by the members of the BCS to shed light on a few of those needs and to equip local congregations to better address them.

The Texas Conference Commission on Christian Unity and Interreligious Concerns is tasked with assisting local congregations and districts to work cooperatively with other expressions of the Christian community that we might witness to the unity of faith in all Christians for the transformation of the world. The Commission also seeks to encourage dialog with non-Christian religious communities, so that we might listen and learn more about their perspectives and work cooperatively where we share values.

The CUIC recognizes and commends those congregations who are in cooperative relationships with other denominations and religious faiths in efforts to address the particular
needs of their communities. Whether through support of a common agency or direct work on particular projects, great energy comes when we work side by side. We celebrate the congregation of St. John’s in Texas City, who, under the leadership of Rev. Mike Tyson worked with other denominations through United Faith Alliance to help individuals in poverty to become self-sustaining by actively supporting non-profit organizations in Texas City. We also lift up First UMC Conroe who hosted an ecumenical worship service celebrating the Week of Prayer for Christian Unity with five area congregations of four denominations. The Texas Annual Conference celebrated the Week of Prayer for Christian Unity in a worship service including eight Christian traditions on January 24, 2014. We look forward to being a contributing member of this worship again next year.

On April 25-27, 2014, Taize: A Pilgrimage of Trust, visited Houston sharing the unified message of peace and hope to young people of all Christian backgrounds. St. John the Divine Episcopal hosted the event. We look forward to other educational events in the future.

Commission on Religion & Race
Rev. Mark Welshimer, Chair

“The United Methodist Church proclaims the value of each person as a unique child of God and commits itself to the healing and wholeness of all persons. The United Methodist Church recognizes that the sin of racism has been destructive to its unity throughout its history. Racism continues to cause painful division and marginalization. The United Methodist Church shall confront and seek to eliminate racism, whether in organizations or in individuals, in every facet of its life and in society at large. The United Methodist Church shall work collaboratively with others to address concerns that threaten the cause of racial justice at all times and in all places.” (United Methodist Constitution, Article V)

One of the roles of CORR is to work with COSROW in monitoring Annual Conference sessions and meetings for inclusiveness. This training has been passed on to the members of the commission and others who participate in this task in reviewing nominations and Annual Conference sessions each year. The ministry of monitoring is to help measure our progress and/or our need for improvement as related to inclusiveness in our conference deliberations and decision making.

CORR also understands its task to include equipping local congregations to address issues that impact ethnic communities who do not have equal access to resources and structures controlled by the dominant culture. Consistent with the General Conference of the United Methodist Church’s resolution supporting care of the immigrant and in recognition of the growing and vulnerable Hispanic and multi-national community within the bounds of the TAC, CORR is working connectionally with the TAC Missions Committee, Church & Society, Hispanic Ministries and other SPIM committees to work for compassionate immigration reform which keeps families together and to open JFON clinics within the TAC. CORR also supported outreach to the homeless community within our conference and is planning to work with SPIM and the TAC Missions Committee to begin to more effectively address the unjust impact of incarceration within Texas on communities of color.
Committee on Disability Concerns  
Rev. Frank Guidry, Chair

The goal of the Committee on Disability Concerns is to help the Annual Conference and local congregations offer radical hospitality to persons with disabilities. “Disabilities” is a misnomer. The “Committee on Capability Concerns” would be a more appropriate name for the work we intend to do as a committee. Our work is to lift up what a person’s capabilities instead of focusing on what they cannot do, and/or to put the person in a position where they are able to overcome whatever has them labeled as disabled. With that in mind, we continue to work toward the following operational goals:
1. Have the Annual Conference designate a Sunday as an Annual Disability Awareness Sunday for the purpose of celebrating persons’ abilities in the midst of being labeled disabled and to receive an offering that can be used to resource districts, churches, and agencies with architectural and attitudinal accessibility.
2. Catalogue the various ministries within our Annual Conference to help our committee and others to be informed in the event they see the need for a similar ministry in their setting.
3. Coordinate a Conference wide assessment of how radical our hospitality is to persons labeled as disabled.

Committee on Native American Ministries  
(CONAM)  
Rev. Ross Hyde, Chair

WORSHIP – For many years our ongoing focus continues to be “Third Sunday Worship/Fellowship”. We provide an open worship service and dinner each month for Native Americans and their advocates from throughout the Houston metro area. Services are held at St. Mark’s UMC, Patterson St., Houston, and are led by invited Native American Clergy, Lay Speakers and song leaders. CONAM offers worship and fellowship in a culturally-focused, dynamic, spirit-filled evening together. We regularly attract 30-50 attendees, and include birth, marriage, new member and tribal recognitions celebrations. We continue to attract visitors and new attendees. We are looking at new ways this quadrennium, to not only strengthen this “Third Sunday Worship/Fellowship”, but to help other churches in the Conference to start their own.

Cultural Heritage Days – In the past we have done many things to bring the Native American Culture to those in our communities. This past year our attempt to lower the cost of our PowWow and to bring in a Celebration of Native American Cultures event has been a success. This has allowed us to better focus on Ministry and Mission with and for Native Americans. We presented our Celebration of Native American Cultures Days in April 12-14, 2013. Last year we had an attendance of over 600 for the entire event. The addition of the expanded time and arts and crafts classes and demonstrations in addition to our dance step training and PowWow was well received by all who attended. This coming year we are going to adapt to allow more activities for youth.

MISSION - CONAM missioners have served at home and in partnership with others:
• CONAM was able to participate once again in the Katy Folk Life Festival, by presenting information about Native Stories, dances, traditions ad everyday life of Native Americans. Participants were able to learn about the Native American Bean known as the Anasazi Bean and their history, this was open to all ages. This has been a well received and well attended event that has really strengthened Native American Ministries
CONAM was able to work with several Independent School district:
  - At Katy Independent School District helping those to understand the Native American Impact have had throughout history. Our special contribution involves the ethics and morality of and understanding and honoring the sacred practices of ancient cultures.
  - Riverside Indian School for Girls provided a monthly scholarship to help with small expenses during the 2013 and again in 2014 school year.

CONAM participated in any mission forum that they were invited to, by having a display and providing speakers where requested.

CONAM was an instrument part of the proclamation of Native American Month in Houston Texas

When we can, we continue to provide clothing and food for desperate Native Americans in our conference and beyond.

CONAM continues to look for areas that it can have an impact not only in the Native American culture but also in other area that come in contact with the Native American Culture

CONAM Officers and several advocates of CONAM, took a Mission trip to help individual in the Oklahoma Indian Mission Conference under the leadership of Rev. David Wilson, Superintendent of OIMC. This Mission trip helped those that were affected by the tornados surrounding the Cherokee Nation Reservation. We worked not only on Homes, Cookson Hill that helps several thousand individuals each year that are in poverty areas, but also helped to fix a church that received water damage to not only its fellowship hall but to its nursery.

CONAM this year hosted the First Native American Restorative Justice Training Event at Lakeview Conference Center in Palestine, TX. With the help of Golden Eagle Ministries Texas and several other organizations we were able to train volunteers to be able to go into the Department of Criminal Justice Systems to work with Native Americans that are incarcerated. The weekend included networking, team building, and grant writing education. We also partnered with TDCJ to plan the implementation of The First Annual Native American Camp Tour to share culture, tradition, education and spirituality with the more than 1600 Native Americans being housed in the Texas Prison System. Clint Morris, TDCJ Chaplaincy Supervisor was our motivational speaker for the event and was assisted by Major Jodi Hefner and Senior Warden Todd Foxworth of the Michael Unit during our Volunteer Training Certification which educated attendees on TDCJ guidelines and security. This training was followed by a tour of the Michael Unit. This training also prepared us and several other Conferences in the state of Texas, an avenue into join churches and inmates together and helping the inmate to keep from being a repeat offender. The 2014 schedule will start with a Native American Tour throughout the state Correctional Facilities that are recognized Native American facilities

MINISTRY - CONAM funds are supporting:

- A continued small scholarship for Native American student to help her attend a Community College in our area.

- CONAM created a cook book with recipes from several Native American individuals from throughout the United States. This creation of a Cook Book has helped to supplement the CONAM ministries and help in allowing others to experience Native American cuisine, along with history and stories throughout the book.

- CONAM during the 2013 Texas Annual Conference hosted a Native American Breakfast with Guest Speaker Boe Harris, Nakakakena (which means 'rattles with feet'), She provided
those in attendance a great adventure on what United Methodist Churches can do to support Native American Ministries, especially after 2012 General Conference.

- Local congregations that wish to further their ministries to include Native American Worship, Music, and Culture. These churches are helped in the areas that invest in our youth, help their leaders to become more effective and allow their church and worship to become more vibrant Disciples for Christ.

**MEMBERSHIP - Our activities and efforts continue to raise awareness of our UMC Social Principles especially as they relate to Native American ministry.** We are strongly endorsed and supported by the leadership of OIMC (Oklahoma Indian Missionary Conference) and the NACP (Native American Comprehensive Plan) of The United Methodist Church. We continue to assist Texas Annual Conference congregations with their Native American Awareness Sunday programs and to offer a Speakers Bureau for presentations at schools, civic groups and churches. We currently sponsor a Native American Lay Speaker in training. One of our members served as the Native American Chaplain for the Texas Department of Criminal Justice.

**FUTURE PLANS:** We look forward to a new year of challenge and change as we continue to develop and live into our role of transforming lives and making disciples within the Native American Community in the Texas Annual Conference and well beyond. Some of the Future plans for the upcoming four years are:

- Helping congregations to see the importance of Native Americans being included in their ministries and worship services.
- Creation of Training Material for all levels of ministry, especially for the leaders of churches and educational materials for the Youth. Some of this may be to work on material for Lay Servant Ministries.
- Helping to establish local CONAM affiliate Groups at District and church levels.
- Working on providing more speakers for Churches to allow them to present Native American Ministries to their leaders, youth, congregations, and communities.

We thank you for the commitment of sponsorship, space, financial support and participation that you have so generously provided.

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**COSROW monitored all sessions of the 2013 Texas Annual Conference.** We received assistance from other members of the conference to maintain a balance in our monitoring system. Our results were tallied by a statistician and there was only one area of concern, the lack of male representation in the Ordination Service, which was addressed in a timely manner. Our statistician redesigned our monitoring forms for clarity and better efficiency. The ideas were submitted to National COSROW for their evaluation. We have not gotten a response from National COSROW as of yet. We will, however, utilize the new forms for our 2014 TAC monitoring.

Brochures were displayed at our monitoring table and many Conference attendees expressed an interest in the area of Social Justice for women.

2013 afforded us the opportunity to identify topics of social injustice that are major concerns in our communities, city and our Conference. We discussed ways to increase awareness of human trafficking and offered suggestions in the “Cross Connection” to help individuals identify suspicious activity, websites which provide sources of information and...
suggestions to encourage Conference members to take an interest in this rapidly spreading social injustice that is detrimental to many children, women and men.

COSROW researched school projects to help churches get involved in our community schools. The “backpack buddies” program has a track record of success in some of our communities and we began work on a brochure to encourage churches to get involved with this mission that provides meals for children over the weekend. Establishing relationships with neighboring schools is another aspect that COSROW encourages which will provide a means to help children reach their potential by providing tutoring and aid for the teachers.

We are inviting CORR to join us for our next meeting.

For additional information about COSROW, please contact Chairperson, Rev. Hazel Jackson at Ashford UMC.

Committee on Hispanic Ministries
Rev. Arturo (Artie) Cadar, Chair

The TAC’s Committee on Hispanic Ministries continues to work closely with the Center for Missional Excellence to rethink and replant the go-to-mission-field strategy of Hispanic Ministries in the Texas Annual Conference.

In 2013, Hispanic clergy and churches came together to promote unity and to celebrate progress in conference-wide events such as the TAC’s Hispanic Ministries Luncheon and the Hispanic Churches Gathering. However, moving into 2014, the Committee on Hispanic Ministries and TAC Hispanic Ministries in general, continue to face many challenges around the areas of strategic planning, organizational structure, clergy development, community outreach, and availability of resources.

In 2013, the Center for Missional Excellence engaged four (4) Hispanic churches in a one year project with the Spiritual Leadership Institute (SLI), a training and coaching organization that focuses on developing spiritual leaders who model church communities that love, lead and learn together, creating environments that foster spiritual transformation, and establishing ministry processes that produce fruit inside and outside the walls of the church. The work that was done in 2013 with these 4 “incubator” churches significantly helped the leaders of these 4 churches to grow in leadership and spiritual formation, and to plan and execute the work of their respective churches through Ministry Action Plans (MAPS). These four SLI incubator churches will continue to work with SLI coaches in 2014 to ensure the successful implementation of their MAPS, thus increasing the possibilities of achieving ongoing success in their ministries and protecting the investment that has been made by the Conference in this project. The incubator churches that participated in this project in 2013 are: Cypress UMC, Fuente de Vida, Bryan First UMC, and ChristWay Community UMC.

In addition to supporting the SLI project initiative, the Committee on Hispanic Ministries will continue to work together with the Center for Missional Excellence, Hispanic clergy, and Hispanic Lay Leaders in the TAC, to achieve additional progress on existing initiatives such as the Conference-wide Hispanic Church Gatherings, the implementation of new strategies that provide existing and new Hispanic clergy a faster path to licensing and ordination, a well-defined outreach program for the local church in their respective communities, and a more visible and active presence of Hispanic Methodists in activities and events related to immigration reform, restorative justice, and the eradication of human trafficking and modern day slavery. To achieve this, the Center for Missional Excellence has formed a Hispanic Initiative Task Force (HIT Squad) where the Center for Missional Excellence Director, several pastors and a District Superintendent will start a new SLI Incubator Project in January of 2014.
Growth in Hispanic Ministries in 2014 will depend largely on the continued success of the four SLI Incubator Churches, the Conference’s intentional activities to plant new churches and repurpose churches in Hispanic communities, and the Committee on Hispanic Ministries’ ability to receive continued support from the conference, the districts, and key “mothering” churches that having realized that Hispanics are now the new majority in the Greater Houston area, are willing to partner with existing Hispanic churches and new church plants to bring the good news of the Gospel of Jesus Christ to those who are often found among the lost, the least, and the last.

The General Board of Church & Society is assigned to implement the Peace with Justice Program of the United Methodist Church to make shalom visible in people’s lives and communities. Correspondence generated by the national organization has covered the Global Kairos Response regarding Palestine and Israel’s occupation of the West Bank. A Peace with Justice Offering is gathered throughout the year that is split 50:50 between our Conference and the National Program. The National Program offers grants for UMC churches achieving at least one of the following objectives:

- Assist United Methodists in understanding and responding to violence and militarism, and in moving and leading nations and peoples to reconciliation, transformation, and redemption.
- Involve and develop principal leaders among United Methodists and enjoin the general public in efforts to end conflicts, human rights violations and violent aggression around the world;
- Promote just national and international policies and actions (governmental and non-governmental) seeking to address poverty and restore communities; or
- Support policies that promote systematic economic justice and the self-development of peoples, in particular to respond to the disproportionate effect of injustices on racial, indigenous and ethnic persons.

In the Texas Conference the Social Principles in Ministries committee kept the Peace with Justice members informed on gun violence, human trafficking, homelessness and immigration.

Rev. Diane McGehee hosted committee meetings throughout the year to prepare our implementation program for the Texas Annual Conference. A special presentation by on Juvenile Delinquency and the great work of Recovery Ministries inspired me to better understand the causes of youth incarceration and the need our community must meet to help our kids when they have been uprooted from their community connections which can keep them active in productive pursuits avoiding criminal activity.

Rev. Thera Freeman shared her excitement working with our Conference Youth Leaders and bringing our youth to practice the social justice teachings of Jesus Christ. Thera introduced us to her friend and colleague, Hannah Terry, a deacon in process who works with refugee communities in southwest Houston (she is affiliated with Westbury UMC). Thank God for youth and the young adults who work with them to change our world.

Thera and Hannah joined us at the Houston Peace and Justice Center’s Annual Peace Awards that recognized previous Cleveland Mayor and Ohio Representative Dennis Kucinich and Houston Chronicle reporter Lisa Falkenberg among others for their peace and justice efforts.
The Texas Annual Conference Peace with Justice Committee is working on ways to share the dangers of gun violence and ways we can organize and advocate to make our streets and schools safer for our students, children, youth and adults. The Committee has determined both that the devastation of gun violence appears to fall most heavily on our youth and that youth may offer the greatest need and potential for reducing gun violence. The past year has been a time of information gathering and discernment about how to both bring public focus on violence among our youth in general and from guns in particular and to move toward our Christian and United Methodist faith need and methods of reducing that violence. Rather than reinvent the wheel, we have spent time and effort reviewing what is already being done that might provide vehicles for UMC members to use to follow God’s call in these areas. The Presbyterian Church has already developed a great videotape on the impact of gun violence. There are volunteer juvenile programs targeting delinquents needing mentors in which our conference members can participate to move youth away from crime and violence. The Bishop’s emphasis on helping and adopting local schools provides a mentoring opportunity to help keep youth in school and away from a need for crime or gangs, implicitly reducing the use of violence and guns. The Committee reviewed the Southeast District’s prototype model for congregations wishing to become involved with a local school, particularly emphasizing joint venturing with already existing Communities in Schools and its efforts to reduce student dropouts through mentoring programs. (A copy of that model is available.)

Both the challenges and opportunities to do Christ’s work are great for us to take action to change our world.

Texas Annual Conference Committee on Relief (TACCOR)
Rev. Chris Norton, Chair
DeWitt Cox, TAC Disaster Response Coord.

In the year 2013, our Lord blessed us with a lack of natural disasters other than isolated incidents to which there are no reported residual effects that have not been addressed. Your disaster committee is continuing to work on mitigating past experiences and preparing for any new occurrences. Among those tasks was the introduction of an updated Disaster Response Plan, version 3.0 written to simplify articles of responsibility and expand recommendations to churches and their leaders. This plan also outlines policy, protocol and procedures for all TACCOR departments and their teams. Simply put, our mission is to provide a caring Christian presence to those who have been affected by disaster.

Outreach to Community Partners

In continuity with the precepts of this plan, TACCOR Board members initiated a new outreach with the objective to broaden our external partnership base. The results were realized in a newly formed Voluntary Organizations Active in Disaster (VOAD) for counties north of Houston. This community partnership with local government will provide collaboration between disaster management organizations, including its founders, TACCOR and the Southern Baptist Men, for the people of Walker County to draw on for relief and recovery. In 2014, we will continue to strive for building partnerships to the benefit of populations in others of our 56 counties and strengthen cooperation within those that currently exist.
Working within the church

The Plan calls on us to strengthen our partnerships within the Methodist church. In 2013, we established new lines of communications between TACCOR and our Partners in Missions committee. We began an outreach program establishing local points of contact within our churches to put resources more quickly within reach of survivors in the event of a response. 2014 will see an expansion of this bond as we develop Emotional & Spiritual support teams, Logistic resource transportation teams and Communication technology resource teams from the conference through the districts and into the congregations where help will be needed. Our partnership with UMCOR will evolve in 2014 with the introduction of their new Deputy General Secretary and Assistant General Secretary to the GBGM. We began this by placing two conference representatives in key roles in the Jurisdictional council of Disaster Response Coordinators. As a result, enhanced communications have begun to coordinate efforts within our South Central Jurisdictional Conferences. The goal is develop new avenues of resource sharing through training and support functions.

Mission Trips

Of course, no report would be complete without identifying the missions performed by our combined Early Response and Partners in Missions Reconstruction teams. We provide repeated assistance to the Oklahoma Spring Tornado response with a barrage of teams volunteering their services all summer long. Though plagued by events attempting to derail our service to survivors, including the theft of a tool trailer, these steadfast volunteers maintained and persevered. Our Logistics effort of positioning a shower trailer at a UMC in the tornadic alley of destruction brought refreshment to survivors and work crews alike. Even though our teams had to go out of conference to offer their service, they gained valuable experience in working together and to persevere through adversity.

Inventory

TACCOR carries over for 2013 a fleet of tool trailers, one per district. We began a campaign to keep these resources current, clean and roadworthy at all times. Logistics is underway upgrading and outfitting them to service residents in need of minor construction improvements in addition to the temporary measures needed by Early Response Teams. The Conference has entrusted to TACCOR a fleet of three shower trailers with the request that these also be maintained for immediate use when an incident should happen. In 2014 we intend to make these vehicles available for a wider set of uses for our churches and their PIM teams.

Collection of disaster kits

TACCOR has been the point of contact for the collection and shipment of kits as requested by UMCOR Depots. 2013 saw a reduced activity in this due to a reduction of disasters within the South Central Jurisdiction and the reduction of drop-off facilities willing to house the supplies for delivery. 2014 will see an expansion of TACCOR placed facilities for housing everything from Cleaning Kits to Health Kits to School Kits. Our website has video instruction for the assembly of these products needed by survivors of a disaster. We intend a campaign to fill these facilities for immediate use by churches in our Conference should their area be subject to a natural disaster.

Training and service of volunteer teams

TACCOR continued to train Early Response Teams in 2013 as it has since the inception of the ERT program. We teach those practices from the UMCOR perspective that only benefit survivors of a disaster and not cause farther harm. With the aid our new Communications
products, we have begun to assemble teams more efficiently for service. In 2014 we will be adding Spiritual and Emotional Care teams, Logistic supply teams and a Communication network using the latest advances in social media. We will navigate the new government regulations enacted to protect citizens of all races and creeds. Our efforts will greatly enhance our response timing and widen our ability to offer services that the Methodist Church is known for. We will seek to recover lives as well as residential structures for a complete healing of families disrupted by disaster.

A Call to Service

TACCOR is in need of volunteers in 2014. Our conference and district level teams have absences where dedicated volunteers should be serving. We need a Coordinator in each District to work with the DS and develop a small but vital contingency for their District. We have jobs for 27 volunteers and without everyone in place we have holes in the service that we might provide. We call on Laity and Pastors to represent the cultural and ethnical variety of our conference churches. Service to our mission is performed by those able to provide spiritual and organizational gifts as well as those with the physically demanding gifts that we are known for.

Conroe Expansion Task Force
The Conroe Expansion Task Force, composed of the following members, Bert Bagley (Chair), Kevin Benedict, Juanita Jackson, Richard Laster, Susan Massey, Debbie Moffett, Scott Moore, Paula Ryburn (Vice-Chair), and Doug Wintermute met throughout the fall of 2013 and through January 2014, examining the Conroe disaster response depot property and investigating ministry partnership possibilities in that location. The task force identified the following five areas of expansion for trustees, TACCOR, and the Center for Missional Excellence to further investigate at the appropriate time.

Base assumption(s):
1. As approved by 2011 Annual Conference, plans for the facility include storage of equipment and supplies acquired or needed for disaster recovery projects.
2. Maintenance, staffing and training related to use of stored trailers & equipment

Five areas of expansion to pursue:
1. UMCOR collection and distribution point, including volunteer coordination/reception
2. Host disaster response and mission teams from outside the TAC, including staging area and over-night accommodations, especially for hurricane response and UMCOR kit processing
3. Coordination with and support of regional food banks, with intent to be able to call upon them when there is a need in other areas of the TAC
4. Conference-wide missions – location for ministry launch, train-the-trainer, visiting missionaries, etc.
5. Partnering with existing Montgomery County social services to meet the needs of the under-served on the east side of Conroe, to increase the collective impact of these ministries.

This report was submitted to and accepted by the Core Leadership Team and the taskforce was dismissed as having completed the work appropriate at this time.
MISSION:
Gulfside Association, Inc. is an institution designed for and committed to the commemoration of the contribution and heritage of Blacks in the historical Wesleyan tradition. Gulfside Association, Inc. shall operate with an ecumenical spirit as an integrated auxiliary mission agency of The Southeastern and South Central Jurisdictions of The United Methodist Church. In carrying out its mission, Gulfside Association, Inc. advocates for justice issues, community, churches, pastors and laity in becoming healthy and effective communities and congregations; provides opportunities for missional involvement and serves as a place of leadership, development, hospitality, spiritual growth and renewal. Missional involvement at Gulfside Association, Inc. includes the use of volunteers, individuals, church groups and civic groups to provide various services to enhance the social and religious life of the communities.

Gulfside Association, Inc. is a multi-cultural conference, retreat and training center located in Waveland, Mississippi, founded by the first African American Bishop elected to the Methodist Episcopal Church in 1923, Bishop Robert E. Jones. Gulfside was built on the foundation of education and is related to the United Methodist Church. We envision a place for all God’s people, a caring community where all persons are transformed by the love of Christ. Gulfside provides facilities and programs that further the development of ministries to the whole person through education, spiritual nurture and family support.

MINISTRY STRUCTURE/PROGRAM:
1. This is achieved through the mission, vision and values of Gulfside Association.

   The Gulfside Association, Inc. Board of Directors completed a strategic planning process for the entire organization with the following results:
   a. What We Value
      i. We value our heritage and the legacy we create.
      ii. We value and practice Christian principles, spiritual development, renewal and re-creation.
      iii. We value human dignity and justice for all people.
   b. What We Envision
      i. We envision a caring community where all God’s people are transformed by the love of Christ.
   c. What We Do
      i. Gulfside provides facilities and programs that further the development of ministries to the whole person through education, spiritual nurture and family support for all ages.
   d. Our Motto
      i. We have the unmitigated gall to believe Gulfside is the Mecca on the Gulf.
   e. Our Scripture
      i. “We know that all things work together for good for those who love God and are called according to His purpose.” Romans 8:28

2. We achieve our ministry by the following programs:
a. Programs:

Gulfside Poverty Elimination Initiative

Rural, Urban and Small Church Ministry

Gulfside Reign of Wisdom (Ministry with Seniors)

Gulfside Community Development and Outreach

Gulfside Leadership Development Initiative

Gulfside Center on Race & Reconciliation

Gulfside Future is Bright (Ministry with Youth)

Convening and Hospitality

Gulfside is engaged in ministries of making Disciples for the transformation of the world.

b. Our Hope and Future is Being Invested in Youth & Young Adults

i. Fourteen (14) of our youth participated in the Harambee Leadership Development Program last year.

ii. We engage our youth in a mission/educational tour where they visit United Methodist colleges and universities. Along the way of the tour, a mission experience is provided.

iii. Seven (7) of Gulfside Association’s young adults participated in a seminar hosted by the General Board of Church and Society in Washington DC. They were made aware of various personal and social issues that impact society and how mentoring young people can help keep them on the course to success.

II. STEWARDSHIP REPORT FOR APPORTIONED MISSION SHARES:

1. How we spend our apportioned dollars:

a. Operations, training for the elimination of poverty, spiritual leadership development initiatives, youth and young adult programs, community development, outreach, post traumatic mental health issues after Hurricane Katrina effects/recovery and by marketing the Gulfside story, getting the word out.

2. Gulfside’s ministry outcomes are measured by:

   a. the response we receive in numbers to an event.

   b. getting the Gulfside story out is measured by the responses received, through emails, telephone calls of inquiry and if we are hearing from new people.

   c. If the ministry piece deals with finance or an appeal, it is measured by the number of responders also the amounts given or pledged.

3. Events Hosted on the Grounds at Gulfside:

   a. National Black Methodist for Church Renewal- One day event on the grounds: a walking tour, business session and worship service was held. 275 persons attended.

   b. National United Methodists for Rural Fellowship Executive Committee met in Waveland with Gulfside as the host with 20 people present for three (3) days.

   c. A prayer service for the healing of the Gulf Coast was held on the grounds, which included an ecumenical group of persons: Bishop Hope Morgan Ward, Waveland’s Mayor, folk from Louisiana, Georgia, North Carolina, Alabama, Florida, local news persons, MPR, WLOX-TV, Associated Press and the Rust College Choir. A total of 70 people were present.
d. Gulfside hosted the National leader, Mr. Scott Miller of “Move the Mountain/Circles©” - the poverty piece. 12 persons were in attendance.

e. Workshops are being conducted by Mollie M. Stewart with medium and small membership rural and urban churches.

4. Additional information:

a. The silent phase of the Capital Campaign has begun for the Ministry Center. Dates of completion for the Ministry Center are To Be Determined.

b. The Bishop Leontine T.C. Kelly Open Air Chapel is our current building project. Ground Breaking Ceremony for the Bishop T.C. Kelly building was on March 8, 2014. The Bishop Kelly family has agreed to let us use her name on this project and a contribution from the Kelly Foundation is being made toward it. Aggressive activities have begun for an Open Air Chapel on the grounds of the Gulfside property to be completed by the end of the year.

c. Insurance information: Gulfside is fully covered.

Apportioned mission shares come from gracious givers in the local churches, annual conferences and individuals. We respond to the conferences and local churches, and individuals by letters of appreciation and as we share the Gulfside stories about the projected future of Gulfside’s ministry. We especially say thanks to Bishop Janice Huie, Methodist Hospital and the entire Texas Annual Conference for your faithful generosity.

In the meantime, we continue to do ministry without buildings by: going to churches, displaying at events, sharing the marketing video, writing thank you and appeal letters to all who have given to Gulfside by maintaining old relationships and looking for new monies for the future. We want to assure our constituency that we are being good stewards of the resources they are sharing with us.

Heartspring Methodist Foundation
Rev. C.J. Taylor, President & CEO

Heartspring Methodist Foundation was created by the Texas Annual Conference in 1978 under the original name the United Methodist Foundation of the Texas Annual Conference. In 2009 after careful consideration the Foundation changed its name to Heartspring Methodist Foundation. Its mission is to provide financial and stewardship services to the churches, institutions and members of the Texas Conference. These services include investment management, charitable trust management, loans, grants, planned giving, consultation and education. Since 1990 the Foundation has been totally self-sustaining and receives no apportionment support from the Conference.

2013 was another stellar year for the Foundation with growth in virtually all of our programs and services. In 2014 we will begin a process of strategic planning in which we examine the needs of the Annual Conference and how we can best service those needs. 2014 also brings some staff changes. Barry Morris our CFO since 2003 has accepted the CFO position at the Northwestern United Methodist Foundation in Washington State. Dorena Moore has been promoted to the CFO position. Rev. Steve Turner our Development Officer is retiring effective July 1. His position as well as the position of Controller will be filled in at some point in 2014.

The Foundation’s staff currently consists of seven persons: Carla Leavelle - Operations Director, Dorena Moore – Chief Financial Officer, Rev. C.J. Taylor – President / CEO, Rev. Steve Turner, Development Officer / North Conference Office
Cheryl, Westbrook, Loan Officer and Krystol Wheeler, Director of Communications. Nine Trustees, seventeen Advisory Trustees and fourteen ex-officio members make up the governing board of the Foundation.

For more information about the Foundation call 713-533-3780 (Houston area) 903-758-8305 (Northeast Texas Area) or toll free 1-800-521-9617.

Heartspring Methodist Foundation Board of Trustees 2014

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OVERVIEW

Houston Methodist contributes to the mission and vision of the Texas Annual Conference through its own mission of healing and wholeness:

To provide high quality, cost-effective health care that delivers the best value to the people we serve in a spiritual environment of caring in association with internationally recognized teaching and research.

Congregations cannot be vibrant or growing without the physical health of members and clergy. Houston Methodist assists congregations by Leading Medicine not only in Houston and Texas, but throughout the world.

The Belief Statement affirms a like-minded commitment within the scope of the hospital’s own mission and vision:

Affiliated with the Texas Annual Conference of the United Methodist Church, Houston Methodist works closely with local church leaders to bring compassion and spirituality to all its endeavors and to help meet the health needs of the community. As it fulfills this purpose, the hospital participates in the redeeming activity of God that makes the world a better place for all humankind. Houston Methodist is based on the belief that God can heal through the lives, actions and words of persons, regardless of various religious perspectives.

Therefore, in all endeavors Houston Methodist strives to treat every patient it serves as a person of sacred worth and value, created by God.

Striving to provide quality health care, internationally recognized teaching and groundbreaking translational research to patients of all races, creeds, and religions in a spiritual environment of caring; Houston Methodist encompasses seven hospitals in the Houston area including Houston Methodist Hospital in the Texas Medical Center, Houston Methodist Sugar Land Hospital, Houston Methodist Willowbrook Hospital, Houston Methodist San Jacinto Hospital in Baytown, Houston Methodist West Hospital, and the newly acquired Houston Methodist St. John Hospital in Clear Lake and Houston Methodist St. Catherine Hospital. The system also includes The Houston Methodist Global Health Care Services, The Houston Methodist Research Institute, The Houston Methodist Specialty Physician Group, and a comprehensive residency program.

COMMUNITY SUPPORT

Cathy Easter, President and CEO Houston Methodist Global Health Care Services

In Houston Methodist, caring for our community means more than providing quality health care at our seven hospitals – it means supporting individuals and organizations that touch the lives of those who make up our community. All of our community benefits initiatives spring from the I CARE values championed by Methodist employees, from support staff and nurses to physicians and executives. Whether we are exhibiting our I CARE values through our I CARE In Action employee program or providing a Community Benefits Grant to our community partners, Methodist is committed to delivering the best value to the people we serve.

Methodist champions community organizations that provide outstanding health care to people of all backgrounds. Methodist contributes millions of dollars to community outreach through charity care, agency funding and numerous local initiatives. In 2012, Houston Methodist Community Benefits Program provided more than $8.2 million in agency funding and in-kind services that included labs, immunizations and diagnostic services.
tests. Total charity care and community benefits contributions in 2012 totaled to more than $704 million. Methodist continues to make strides in helping our community and patients.

We continue our meaningful relationship with the Denver Harbor Clinic, an eastside establishment serving the underserved. As part of our relationship, Methodist provides medical residents to see patients, increasing the number of those who can be treated at the clinic. In addition to Denver Harbor Clinic, Houston Methodist has extended its reach and will provide medical residents to San Jose Clinic and Legacy Health Services.

Community benefit programs provide peace of mind and help rebuild the lives of those who need it most by bringing a sense of compassion and human dignity to the art of healing. Methodist provides significant financial support to agencies like Legacy Health Services and El Centro de Corazon Community Clinic as well as donating millions of dollars to in-kind lab services, medical supplies and equipment, computers and accessories, office supplies, furniture and pharmaceutical items to assist those in need locally and throughout the world.

Community support goes beyond financial funding. Our employees reach out to help our neighbors by donating their time, talents and money to support many great community causes. Methodist’s I CARE In Action program allows Methodist employees time out of their normal work schedule to volunteer with community partners in an effort to promote social responsibility. Since the program’s launch in 2012, employees have contributed more than 2,000 volunteer hours to local charity organizations focused on supporting the uninsured and underserved.

The Methodist family is united to battle heart disease, cancer, stroke and other diseases by supporting organizations such as the United Way, American Heart Walk, American Cancer Society, American Diabetes Association, American Lung Association, National Multiple Sclerosis Society, Susan G. Komen Race For the Cure and many more. Employees volunteered at local health fairs around the city and also participated in other community activities, including community blood drives, immunization drives and events designed to raise money and awareness for conditions such as heart disease and breast cancer.

In 2007 The Methodist Neurological Institute launched a major five-year stroke awareness campaign called Taking Stride4Stroke: Community Stoke Awareness. In 2013, more than 2,800 Methodist employees, friends, and family united and together to raise funds for this great cause.

Houston Methodist Community Support takes on many forms. Serving the community is a very important and vital undertaking. Over the past year, we have been honored by the great contributions made by our employees and physicians – The Houston Methodist family. The people of Houston Methodist – from clinical staff to members of corporate departments, from groundskeepers to food service employees, from administrators to physicians – all joined together in a time of need to serve. We continue our commitment each and every day to our community through our I CARE values.

CORPORATE OPERATIONS

Houston Methodist continues to focus on the shared missions of excellence in patient care, research and teaching. A vital component to the success of Houston Methodist is creating a work environment that retains employees, attracts new hires and supports the I CARE values for all.

For the ninth year in a row, Houston Methodist was named one of Fortune magazine’s “100 Best Companies To Work For.” Once again, Houston Methodist was the only health care system in Texas to be named to the list and one of only four companies in the Houston region on the list.

Also in 2013, the Houston Business Journal ranked Methodist No. 3 in its best place to work survey.
Spiritual Care (Corporate)
The Rev. Charles R. Millikan, D.Min., Vice President Spiritual Care

The Spiritual Care and Values Integration area of Houston Methodist works very closely with The Hospital Board’s Spiritual Care Committee chaired by the Rev. Dr. Steve Wende, which meets quarterly throughout the year.

The Rev. Dr. Charles Millikan, Vice President for Spiritual Care and Values Integration for Houston Methodist, continues to serve in a number of leadership roles. Most notably he serves as a management attendee to Houston Methodist Hospital's Board of Directors, Houston Methodist Hospital's Research Institute, and the Quality Committee. He also serves on the Institute Review Board, the Business Practice Council, and as the Executive Sponsor to the System's Biomedical Ethics Council. In addition to these areas, he also works closely with Houston Methodist International, the Houston Methodist Foundation, and the Houston Methodist Institute for Academic Medicine. In addition to these responsibilities, he serves as a resource for Houston Methodist to the Texas Annual Conference.

Houston Methodist currently has 25 full time Chaplains and some 190 Lay Ministers, 15 CPE Students, 14 PRN (Contract Chaplains), and 5 Office Support Staff positions totaling 249 persons working in the area of Spiritual Care throughout its System, which includes 6 Directors of Spiritual Care. In 2013 the System had 83,522 admissions and 192,521 pastoral calls were made giving an average ratio of 2.305 visits per patient.

Working closely with the Center for Ethics and Health Policy at Baylor College of Medicine, Houston Methodist has become one of the nation’s leaders in biomedical ethics consults for patients and families. The numbers of consults has moved from 65 in 2010 to 442 in 2013. The purpose of these consults is to offer support for clinicians, administrators, patients and families in making ethical decisions, and resolving and preventing conflict. At Houston Methodist the value added has been in helping to reduce the length of stay, in enabling communications between health care professionals and patients/surrogate decision makers, resolving conflicts concerning non-beneficial or unwanted treatments, a reduction in liability costs, and most importantly, increases in patient satisfaction and in the improvement in the quality of care.

In addition to these System responsibilities Dr. Millikan also serves on a number of Boards including the Boards of Trustees at Southwestern University in Georgetown and Texas Wesleyan University in Fort Worth. He also serves on the Executive Board of SMU's Perkins School of Theology in Dallas and The Chair of the Methodist Retirement Communities Foundation.

The I CARE values Awards and Recognition Program is an ongoing element of the departmental program. Recipients for the awards are chosen from each of the hospitals in Houston Methodist, and included individuals, who were exceptional in demonstrating behaviors that support the I CARE values in their daily work activities. In 2013, 63 employees were awarded an I CARE award for exhibiting values in the work place, choosing $1,000 or a week of vacation time for their award. For the second year, Houston Methodist expanded the I CARE award program to include managers, granting 5 leaders I CARE awards in 2013. The managers were granted leadership enrichment opportunities.

HOUSTON METHODIST (Medical Center)
Roberta Schwartz, Executive Vice President

In 2013, Houston Methodist Hospital further developed and expanded upon its goal of becoming one of the nation’s leading academic health centers. This past year marked significant hospital commitment to excellence through our clinical work and our culture of values.

Our mission at Houston Methodist is threefold. First of all, we are passionate about providing the safest and best patient care. Second, we are dedicated to research and making a difference in the discovery of new treatment and cures of disease. Third, we are focused
on teaching and training the young physicians who will provide excellent care to the community and will be Leading Medicine for the future.

In the clinical area, we are always working to improve quality for our patients. As a system, we continually are succeeding at achieving excellent results in areas of hand hygiene, mortality, and core measures. *U.S. News and World Report* ranked Houston Methodist Hospital in 12 specialties in its 2013 “Best Hospitals” issue. Houston Methodist Hospital was ranked No. 1 in Texas, Houston Methodist San Jacinto Methodist Hospital and Houston Methodist Willowbrook Hospital both ranked No. 8 in the metro area and No. 24 in the state respectively.

Created in 2004, the Houston Methodist Research Institute has quickly established itself as a leader in innovation and discovery. The Research Institute has grown to 275 members and $55 million in funding, as well as 1,400 credentialed researchers. It oversees more 840 active clinical research protocols, including clinical trials that are bringing new treatments to our patients. The Methodist Academy – established at the Research Institute – is the most recent addition to education at Houston Methodist, and it now supports more than 285 students and postgraduate trainees in translational research. Our scientists are making new discoveries every day and last year alone, our researchers published 420 research articles, representing the leadership of Houston Methodist in leading global science and medicine journals.

The Houston Methodist Research Program is growing every day in size and reputation. And recently, we initiated an institutional reorganization to increase its impact as well. The Institute for Academic Medicine unites all of the teaching, research and academic clinical activities within the Methodist family of hospitals. The IAM gives faculty and staff at all of our hospitals access to hub our support for research and medical education. By increasing our research and teaching activities, our reputation will benefit. But the real impetus for creating this Institute is the same one that drives all of our strategic decisions: our patients.

At Houston Methodist Hospital, the transplant center performed 396 solid organ transplants and 54 implants of cardiac assist devices.

As part of our mission to train physicians, Houston Methodist has built a comprehensive Graduate Medical Education Program comprising 33 ACGME-accredited (plus 5 non-ACGME) residency and fellowship training programs with 239 ACGME residents and 6 non-ACGME residents.

**SPIRITUAL CARE (Texas Medical Center)**

**The Rev. Robert Kidd, M.Div., BCC, Director of Spiritual Care and Education**

Ministry to Hospital Patients, Families, and Staff

Chaplains continued to offer 24/7 in–house chaplaincy coverage to meet our hospital’s round-the-clock needs. This intense ministry was offered by gifted members of the department: eight professional staff chaplains, six CPE residents, eight CPE extended students, seven CPE summer interns, and 39 lay ministers. The staff also includes one Director, one CPE Manager, one CPE Education Coordinator, one Project Analyst and one Receptionist. Enriched by their cultural and denomination diversity, these colleagues were united by a common drive to serve. In 2013, TMH recorded 35,135 patient admissions. Staff chaplains and students made 38,616 visits to both inpatients and outpatients, and 10,164 visits to patients in the Emergency Room. The staff made 16,158 presurgical visits, with 50% of surgical patients receiving a presurgical visit from a chaplain. Chaplains and students assisted patients with 1,296 Advance Directives.

Beyond traditional patient and staff care, the department engaged in other specialized ministries specific to various parts of the hospital, which nurtured religious faith by establishing life-giving relationships. The department provided Blessing of the Hands....
Ceremonies during Nurses’ Week and Lab Medicine Week, blessing the hands of 138 staff members. The department offered various services of blessing and recommitment to newly opened or renovated sectors of the hospital. As well, departmental staff were occasionally tapped to assist departments in times of particular stress, offering support and effective listening.

The department sponsored two very well-received Hispanic Pastors’ Conferences during the year. The conference in April was entitled, “Reducing Suffering in Patients with Advanced Illness” and had 97 pastors and lay leaders in attendance. The conference in October focused on “Avenues for Offering Effective Pastoral Care” with 87 pastors and lay leaders attending. As well, through our department’s heightened partnership with Perkins School of Theology, two of the staff chaplains offered a lecture on “The Art of Hospital Ministry” to students in Dr. Paula Dobbs-Wiggins Pastoral Ministry class. Future partnerships with Perkins are already calendared.

Departmental leadership was active in numerous hospital-wide initiatives during the past year. The department gave particular leadership to the hospital’s annual ICARE Workgroup Recommitment effort, providing training and support to all departments in Houston Methodist Hospital, the Houston Methodist Research Institute, the Houston Methodist Physicians’ Organization, and Corporate divisions. As well, members of the departmental staff chaired Advance Directive and Patient Rights task forces which ensured the hospital’s continued accreditation with Det Norske Veritas. Staff chaplains continue to serve as active members of the hospital’s Biomedical Ethics Consultation Committee.

The Department of Spiritual Care and Education is marked by a sense of teamwork and collegiality. On the hospital’s annual Employee Satisfaction Survey, Spiritual Care and Education was ranked as a Tier One department (top ranking) notable for its collaboration, strong sense of commitment, and continual push for excellence. As well, on the hospital’s internal satisfaction survey, in which department directors rate other departments on their responsiveness, quality of service, and courtesy, Spiritual Care and Education was rated 4.8 on a scale of 5. These are points of great celebration for us.

Clinical Pastoral Education through the Association for Clinical Pastoral Education (ACPE)

Honoring our long tradition of theological training, the department’s Clinical Pastoral Education (CPE) program enhanced the skills and knowledge of carefully chosen pastors, seminarians, and lay persons. Qualified participants selected from three distinctive offerings: 1) the 12-month, full-time residency supported by a stipend, 2) the 11-week, full-time summer unit geared for theological students, and 3) the part-time (9 month) extended unit which meets once a week. In 2013, the Association for Clinical pastoral Education (ACPE) extended the department’s accreditation until 2022.

Lay Training and Denominational Volunteers in Spiritual Care

The department continued its commitment to lay education and effective utilization of volunteers. The Lay Ministry program provides specialized training for those who demonstrate the interpersonal skills necessary for effective hospital ministry. The department’s training program details the basics of good listening and responding as well as the fundamentals of effective hospital spiritual care delivery. We currently have 39 active Lay Ministers. In 2013, they made 11,414 visits. Denominational volunteers also provide excellent care in consultation with departmental staff. Roman Catholic, Presbyterian, Church of Christ, Jehovah’s Witness, Jewish, and Muslim volunteers made 7,323 visits.

Bereavement Program

The department continued its multi-phase bereavement program for families who have lost a loved one due to death while being a patient at Houston Methodist Hospital. The departmental staff ministered to 858 bereaved families, making personal
visits at and around the time of death, and then following up with personalized letters to family members. The department sponsored five memorial services for hospital staff members. This outreach was also extended to parents who suffered a perinatal death. Two hospital-wide memorial services were conducted in Wiess Memorial Chapel with special written invitations and personal phone calls being offered to all who had experienced bereavement during the past six months. The department also continued to respond to TMH staff members and families experiencing the death of a loved one.

Conclusion

The departmental staff, along with the Lay Ministers remains committed to our hospital’s mission as lived out through our ICARE values. Working together and with colleagues throughout the institution and in the Texas Annual Conference, we continually seek ways to enrich our spiritual environment of caring and to glorify God through service to all people.

HOUSTON METHODIST SUGAR LAND HOSPITAL

Chris Siebenaler, Senior Vice President and CEO Houston Methodist Sugar Land Hospital

Houston Methodist Sugar Land Hospital (HMSLH) continues to expand and meet the growing needs of Fort Bend County. The hospital has evolved into a 243 licensed bed facility with 18 operating rooms which includes, state-of-the-art diagnostic imaging and specialized Centers of Excellence in Cardiology, Neurosciences, Oncology, Orthopedics, Women’s Services and Urology.

In October 2012, HMSLH fully staffed the last remaining 28 bed medical/surgical unit that was originally constructed during the 2008 campus expansion. The demand for services from Fort Bend County continues to be high, with the hospital experiencing record highs in all major patient volume categories. In 2012, the hospital admitted 13,132 inpatients, performed just under 11,900 surgical procedures, delivered almost 2,700 babies, and treated 38,541 patients in the emergency department. In addition, the hospital added much needed services to the community by opening two new outpatient units, a Chemotherapy Infusion Clinic and a Wound Care Center. These outstanding achievements are the direct result of the expertise and vision of the physicians and staff at HMSLH. The ICARE values continue to be at the core of Houston Methodist Sugar Land’s foundation, and paramount is its support and commitment to providing exemplary care in a safe, spiritual and healing environment.

HMSLH received awards and recognitions in 2012, including receiving the American Heart Association/American Stroke Association's “Get With The Guidelines®-Stroke Gold Plus Quality Achievement Award.” This award recognizes HMSLH’s commitment and success in implementing a higher standard of stroke care by ensuring that stroke patients receive treatment according to nationally accepted standards and recommendations. HMSLH was also named a Silver Award winner in the 2012 Texas Health Care Quality Improvement Awards, which recognizes hospitals for demonstrating excellence in achieving national quality measures. HMSLH was also voted as the Best Hospital and Best ER in Fort Bend by the community through the Sun Newspaper.

Furthermore, HMSLH has performed many medical firsts and brought new technology to Fort Bend, including becoming the home to the Discovery MR750w 3T MRI system, the first in Texas. Because of this new MRI and other high-end technology, HMSLH has become the international viewing site for GE Healthcare. In addition, HMSLH became the first in the greater Houston area to offer low-dose molecular breast imaging (MBI) as a secondary diagnostic tool for women with suspicious findings and difficult to interpret mammograms. Methodist Sugar Land Hospital also completed construction on a new hybrid operating room that is the first of its kind in the nation, allowing surgeons to streamline care, reduce recovery time and complications for their patients. Dr. Christopher Smith, Orthopedic Surgeon at Methodist Orthopaedic Specialists of Texas (MOST), was the
first in Fort Bend County to perform a custom partial knee replacement. Uttam Tripathy, M.D., cardiothoracic surgeon on staff at HMLSH, performed the first robotic chest procedure in Fort Bend County. Finally, HMLSH’s new orthopedic physical therapy residency program – one of just three in the state of Texas – was credentialed by the American Physical Therapy Association.

As the level of care and the complexity of its offerings have grown, the Hospital’s connection and commitment to the Fort Bend community has also grown. Community outreach remains a vital component, and in 2012 HMLSH continued its efforts with many initiatives.

In addition to helping patients within the Hospital, HMLSH reached out to the community. For example, HMLSH teamed up with the Fort Bend Junior Service League to host the first annual community charity event, Pretty in Pink—Town Square, which raised more than $110,000 to benefit local cancer patients through the HMLSH Cancer Fund. The community also supported HMLSH when we requested blessings, prayers, well wishes and testimonials for display in the Emergency Department waiting area. The Hospital also collaborated with Fort Bend/Sugar Land Exchange Clubs and the Sugar Land Rotary to provide free flu shots to the community members who participated in Santa’s Gift Exchange. Fort Bend residents bought a new, unwrapped toy or clothing item to HMLSH in exchange for a flu shot. The toys and clothing benefited local children in the Fort Bend area. In addition, HMLSH hosted a Cancer Survivor’s Day Celebration and Luncheon as well as a free prostate cancer screening and numerous free seminars on a variety of health-related topics.

Houston Methodist Sugar Land Hospital is proud to be a leading contributor to the health and well-being of Fort Bend residents. It is committed to expanding its service offerings to meet the needs of its physicians and community, while still remaining focused on its unique Vision, Values and Culture.

SPIRITUAL CARE (Houston Methodist Sugar Land)

The Rev. Bill Bross, M.Div., BCC, Director Spiritual Care and Vision

“The Spiritual Care and Values Integration Department at Houston Methodist Sugar Land Hospital is committed to providing the highest quality pastoral care for our hospital and the community. We promise to be available, to seek and promote balance in all of our activities, to open ourselves to the wonder and amazement of each life encounter, and to respect and honor the gift of diversity. We are called to offer direction in the formation of our hospital culture, to demonstrate God’s love in all of our interactions, and to invite each member of our staff to take their place within our spiritual environment of caring.”

The Spiritual Care Department at Houston Methodist Sugar Land Hospital is an integral part of the hospital’s life and is engaged at every level of the hospital and throughout the Fort Bend Community.

In 2013, we were diligent in providing Morning Prayer in several departments throughout the hospital, support for physicians and nursing staff, and regular resources that offered reflection and care for all staff throughout the hospital. This past year we worked with each department within the hospital in completion of our ICARE Values Workgroup Recommitment, around the theme of “Rekindle the Passion.” We partner with Human Resources in conducting “Culture Rounds” each week, and work with several departments in planning and facilitating Schwartz Center Rounds for compassionate care throughout the year. Our “Mentoring at Methodist” initiative continues to grow, as we work to support our staff in integrating our Houston Methodist culture within everything that we do.

We hold Wednesday Morning Prayer, regular Worship services, monthly Catholic mass and other special Worship services, including Ash Wednesday, Martin Luther King, Jr. Day, the National Day of Prayer, Thanksgiving and Easter. Prayer Boxes are placed strategically throughout the hospital, and in recent months we have experienced an increased volume of requests for Chaplains to visit patients, as well as for completion of Advance Directives. We also initiated delivery of Shabbat Boxes to our Jewish patients each
Friday evening, along with the broadcast of a Sabbath Service on Spiritual Care Channel 19. A total of 33,997 pastoral visits were made in 2013 by Staff Chaplains, PRN Chaplains, and lay Ministers.

In 2013, we engaged the community through an ongoing grief support group, breast cancer support group, and two six-week “Powerful Tools for Caregivers” workshops. Advance Care Planning was offered at several area churches.

We are intentional about engaging the Fort Bend community in dialogue around faith and health issues. Our Spiritual Care Department works with 63 volunteers from the community to assist with daily lay ministry, Holy Communion ministry, cancer patient support, and healing music. We want community clergy and their parishioners to think of Methodist Sugar Land Hospital as their hospital, and we work hard to see that become a reality. Through our Community Liaison initiative, 46 area clergy and church leaders have been contacted and personally visited this past year in an effort to strengthen our partnership in caring for our community. One visible result of this effort has been the development of a “Community Resource” page on our Houston Methodist Sugar Land Hospital Internet site, which lists over 50 support groups and community resources available throughout Fort Bend County. Also, as a result of this effort, a quarterly Community Clergy Breakfast has been initiated to provide a forum for spiritual leaders in Fort Bend County to gather and discuss issues of faith and health as they relate to our Community. As Fort Bend County was recently named the most ethnically diverse county within the United States, we have facilitated discussion around diversity as it relates to Fort Bend County and the role that churches play in supporting our diverse culture at several of our recent Community Clergy Breakfasts.

We remain committed to providing the highest quality of pastoral care and spiritual support throughout Houston Methodist Sugar Land Hospital and our community. It is our goal to engage the spirit of every patient and staff member in the care that we provide.

HOUSTON METHODIST WEST HOSPITAL
Wayne Voss, Senior Vice President and CEO, Houston Methodist West Hospital

Houston Methodist West Hospital’s doors opened to patients on Dec. 17, 2010, at 7 a.m., with 336 employees excited to serve them. Since opening, we’ve seen more than 60,000 patients in the emergency department, performed more than 11,000 surgeries and 3,000 heart catheterization procedures, delivered more than 3,500 babies, admitted nearly 16,000 inpatients and completed more than 100,000 outpatient visits.

Last year, through hard work and dedication of our staff and leadership, Houston Methodist West accomplished much, including Pathway to Excellence designation, a giant first step toward Magnet status; Chest Pain accreditation, the first in the system; DAISY Award launch, a special way to acknowledge nurses who go above and beyond; and a cancer fund establishment, which will assist cancer patients with personal needs throughout their treatment.

Throughout 2013, Houston Methodist West completed numerous expansion projects to meet the growing demand in West Houston, Katy and far-west communities. The parking garage opened in February; our second medical office building will open in the spring 2014; and nearly all inpatient areas have been under construction recently, adding more beds and services for our patients.

Houston Methodist West’s surgical program grew from 4,500 surgeries in 2012 to 5,371 in 2013. The surgical program is a true example of bringing Leading Medicine to the community. Its state-of-the-art construction, advanced technology and highly trained staff give our patients and physicians a safe, efficient and caring place to be treated. As of the completion of our latest expansion, Houston Methodist West now has 15 operating rooms, including one hybrid OR for cardiovascular needs.
Houston Methodist West helped bring 1,944 new lives into the West Houston and Katy communities in 2013. The Birthing Center expansion project in 2012 gave the capability to comfortably deliver 180 babies per month, adding custom NICU rooms to accommodate twins, and has three C-section operating rooms. The Center averaged 162 births a month in 2013, with exponential growth in the last half of the year, which resulted in a further expansion of nine post-partum rooms to the fifth floor of the hospital.

Our cardiology and cardiovascular surgery programs sustained incredible volumes throughout 2013. Houston Methodist West is the market leader in cardiology and cardiovascular surgery volumes. We saw 1,352 cardiac catheterization lab visits and performed 159 cardiovascular surgery cases. In addition to the cardiac catheterization lab and cardiac rehab services, Houston Methodist West’s Mended Hearts volunteer program continues to thrive, allowing post-heart procedure patients to come together to finish their recovery and discuss their challenges, milestones and successes.

The emergency department at Houston Methodist West grew to be a premiere treatment center in West Houston and Katy. Emergency Medical Services (EMS) providers and the community alike have grown to trust the capabilities of our campus, our physicians and our staff for emergencies of all types. The emergency department treated 27,497 patients in 2013. We regularly host EMS conferences where our staff and physicians discuss, train and educate local EMS providers on new methods of treatments and care protocols.

Our volunteers have been key to personalizing each patient’s experience at Houston Methodist West; more than 50 volunteers assist us with greeting, navigating and visiting our patients on a daily basis.

During the course of 2013, we also had the opportunity to partner closer with companies like BP, Shell Oil, Mustang Engineering, The Wood Group and ConocoPhillips by providing their employees with physician speakers, health fairs and health screening events on their campuses. Houston Methodist West hosted multiple consumer events, in which we invited community members to the hospital for educational lectures and screenings. Some of the topics included heart health, women’s health, men’s health and cancer.

In 2014, Houston Methodist West expects another year of record growth throughout the hospital, as well as at the new Houston Methodist St. Catherine Hospital, which will transition into a long-term care facility by the end of the year, and the Houston Methodist Cinco Ranch Emergency Care Center, expected to open this fall. In addition to Medical Office Building II, we will expand the emergency department, build out a permanent infusion suite, add a new set of elevators, and complete construction the fifth floor’s inpatient beds, which will finalize all shelled space at Houston Methodist West, and lead us to further master planning for the campus.

Houston Methodist West has quickly become a true community partner and the last three years have supported our vision of bringing Leading Medicine to the communities we serve.

SPIRITUAL CARE (Houston Methodist West Hospital)

The Rev. Craig Bradley, BBA, BCC, Director Spiritual Care

Guided by Houston Methodist’s belief that God can heal through the lives, actions and words of persons, the Spiritual Care & Value Integration Department at Houston Methodist West Hospital is integrated into virtually every aspect of care. Under the direction of Chaplain Craig Bradley, the spiritual care program ministers to patients, their families and hospital staff and physicians, regardless of religious preference. Offering 24-hour on-call spiritual care services, the department responded to nearly 1,300 spiritual consult requests from staff and physicians in 2013. More than 10,400 visits were made to patients and loved ones of many different faiths and backgrounds.
Chaplain Steven Spidell joined the department a little over a year ago. In February, Chaplain Spidell is transferring to one of Houston Methodist’s newest campuses, Houston Methodist St. John Hospital in Clear Lake. Chaplain Spidell will be missed and his shoes will be difficult to fill, as he has contributed a unique and valued service to the staff and visitors of Houston Methodist West Hospital.

Spiritual Care & Value Integration is one of many connections we have with our local community. Serving as spiritual liaisons, our chaplains have developed relationships with local church leaders of many different faith traditions. They are involved with the Katy-West Houston Interfaith Clergy Association (KWHICA), whose membership represents clergy from Protestant and Catholic churches, Jewish synagogues and Muslim temples. We continue to develop relationships with nonprofit ministries and services, such as Compassion Katy, which meet regularly to network and promote volunteering.

Our chaplains/staff have represented our hospital in various community formats. Houston Methodist West Hospital hosted a Lay Ministry Training Seminary using one of our many conference rooms here at HMW with about 70 in attendance. We hosted a “Resilience” seminar, in which the chaplains taught a group of about 20 adults. The Chaplains also shared about “Resilience” on the Houston Methodist radio show on KSEV 700 AM with Dr. David Mobley. Community outreach and collaboration continue to be led by Spiritual Care & Value Integration in such events as the Houston United Way campaign. The department continues to host community groups at the hospital and in the community, addressing issues like advanced directives. In addition to these events the Chaplains participate and observe National Healthcare Decision Day which is an advocate of advance planning.

This is the second year of Spiritual Care Volunteers. Volunteers have grown from 6 to 11 on a regular basis, and average 45 patient visits per week. The Chaplaincy Care Volunteers are committed and continue to work with the spiritual care staff to increase the capacity for personal involvement with the spiritual needs of patients, their families and our staff. The plan is to continue growing this group of volunteers.

Ministering to staff and physicians is an important aspect of the spiritual care and values integration program. The department is an essential part of the development of the spiritual culture of the hospital. The Chaplains have initiated a connection with staff at new employee and nursing orientations, and stay connected through weekly thoughts and mid-week prayers. The Chaplains continue to honor the service personnel on Veteran’s Day, remember Martin Luther King’s contributions, and Nurse’s Week by blessing the hands of our nurses and staff. Continues to nurture the spiritual aspects of the hospital’s culture and recognize and reflect upon the efforts of our staff is a constant priority. Chaplains remain available to officiate at weddings and funerals for our patients, their family members and staff members. Spiritual care provides the staff with daily support by participating in interdisciplinary health care rounds and serving on Houston Methodist West’s Biomedical Ethics Consultation Services & Committee, along with being involved with our shared governance councils.

Houston Methodist West’s 25-seat chapel is inviting and calm. The exquisite attention to detail has made the chapel one of the most peaceful places within our hospital. Each day, dozens of patient family members and staff use it as place of reflection, encouragement and prayer. This year, through the leadership of both Houston Methodist West Hospital and St. John Vianney Catholic Church, a weekly Mass has been held attendance sometimes being standing room only.

Houston Methodist West Spiritual Care & Values Integration continues to be involved with the various hospital departments in the development of their annual ICARE Workgroup Commitments. Members of the department serve on HMW Biomedical Ethics Committee and represent the hospital on Methodist Healthcare System’s Biomedical Ethics Council. A conversation with the Clinical Pastoral Education department at Houston
Methodist Hospital to expand their residency program to the Houston Methodist West campus has also been initiated. The C.A.R.E. (Continuous Ambient Relaxation Environment) Channel, the most effective relaxation programming available for patient television will be added soon. A Guided Imagery Channel will also be added, using the patient’s active imagination to bring about responses in their bodies that can accelerate the healing process.

Looking forward, Houston Methodist West will work in concert with sister Houston Methodist facilities to implement best practices that treat every patient as “a person of sacred worth and value, created by God.”

METHODIST WILLOWBROOK HOSPITAL
Beryl Ramsey, Senior Vice President and CEO, Methodist Willowbrook Hospital

Houston Methodist Willowbrook Hospital is a 251-licensed bed, tertiary care facility that brings the world-renowned, medical center level quality care and expertise of Houston Methodist to Northwest Houston area residents. Houston Methodist Willowbrook provides a full continuum of medical services, including emergency care, imaging, cardiology, cardiovascular surgery, orthopedic surgery, accredited chest pain and stroke centers, neurology, neurosurgery, collaborative cancer center, comprehensive women’s services, and general medicine.

For the past 13 years, the hospital has been providing the latest research, technology, education, specialized care and best practices in the Northwest Houston community. In 2013, our commitment to innovation continued with the addition of a second advanced, minimally invasive da Vinci® Surgical System that provides patients with a less invasive surgical option that can improve surgical outcomes and overall standard of care, as well as reduce recovery time. A Labor and Delivery Emergency Department/Observation Unit was opened that included an expansion of the L&D triage area with six private rooms, compared to three beds in an open bay area previously. The Breast Center was relocated to the first floor of the Women's & Children’s Pavilion and now features a second ultrasound room, front door access, special reserved parking for patients, and dedicated registration. The North Pavilion also was remodeled to create a more open feel, and both hospital gift shops are under new management with more merchandise and expanded hours.

As one of the few private, not-for-profit hospitals in Cy-Fair and Northwest Houston, Houston Methodist Willowbrook takes seriously its status as a faith-based organization committed to providing quality, cost-effective health care. To achieve this goal, in 2013 the hospital supported a wide range of outreach efforts with a mission to increase education and screening, and improve the lives of members of the community. These efforts included hosting 52 free health education programs, physician speaking engagements, seminars on a variety of health topics, and screenings at local events and venues. During seven blood drives held throughout the year, there were 521 donations – a 45 percent increase in collected units compared to 2012. Examples of well received events included a stroke seminar attended by 50 nurses from the greater Houston area, joint replacement dine and learn with approximately 130 people, and Paint the Night Pink! breast health awareness night with more than 170 attendees.

The leadership team, medical staff, nurses and employees at Houston Methodist Willowbrook also continued to advocate for health care issues across the continuum of care, working with local organizations and community leaders to further the prevention, education, research, awareness, and provision of care for all major disease states. Highlights of community involvement in 2013 included continued support for Bleyl Middle School in Cy-Fair I.S.D., which has an enrollment of 1,557 students (more than 52 percent of whom are economically disadvantaged), through additional school initiatives that included the donation of presentation clickers for teachers, assistance with the mentorship program, and coordination of food and toy drives benefiting students and their families. Hospital staff members also participated in numerous community events, such as the Northwest Harris
County Heart Walk benefitting the American Heart Association (raising $24,210 and making the hospital the top contributor for the event), Stride4Stroke (raised more than $5,000 for stroke research and education), and 39 employees worked together to build a home for Habitat for Humanity Northwest Harris County, using ICARE In Action hours. The hospital also hosted a National Cancer Survivors Day event and EMS Appreciation Day. Houston Methodist Orthopedics & Sports Medicine and Houston Methodist Willowbrook Hospital honored gymnast Simone Biles, 2013 World All-Around Champion, with a ceremony and award presentation.

Houston Methodist Willowbrook’s commitment to serving the community, innovative technology, and medical center training and expertise continues to attract recognition from across the medical community. The highlight of the year occurred when the hospital was named a Magnet recognized health care facility by the American Nurses Credentialing Center’s Magnet Recognition Program®. Additional noteworthy designations awarded to the hospital in 2013 included accreditation in Nuclear Medicine and Breast Magnetic Resonance Imaging from the American College of Radiology, Dark Blue BlueQ Ribbon from BlueCross BlueShield, Get With The Guidelines®—Stroke Gold Plus Award from the American Heart Association, an "A" Hospital Safety Score from The Leapfrog Group, and Top Performer on Key Quality Measures by The Joint Commission for heart attack, heart failure, pneumonia and surgical outcomes. Additional achievements earned during the year included receiving the Large Business of the Year Award from Cy-Fair Houston Chamber of Commerce, successful completion of the sixth biennial College of American Pathologists inspection, passage of the Texas Department of Health Mammography Quality Standards Act with zero violations, and 100 percent certification of computed tomography staff by the American Registry of Radiologic Technologists. The Houston Business Journal also listed Houston Methodist Willowbrook among the highest-scoring hospitals for stroke and heart attack based on a report cited in an article from a leading independent health care ratings company.

SPIRITUAL CARE (Houston Methodist Willowbrook Hospital)
The Rev. Mark Young, D.Min., Director Spiritual Care

Spiritual Care involves the whole person and is a part of the healing process for patients and staff. The Houston Methodist Hospital Statement of Belief affirms that God’s redeeming activity is at work in the healing process and is operative through the lives of others. The Statement of Belief also serves as a reminder that all persons are of sacred worth. Therefore what we all do here at Methodist Willowbrook Hospital involves, “sacred work with a servant's heart.”

I CARE represents the core values that are at the center of The Methodist Experience. Integrity, Compassion, Accountability, Respect, and Excellence, are the essential building blocks of our daily work. The Spiritual Care Department teaches I CARE in our New Employee Orientation, and is instrumental in ensuring the Recommitment to I CARE on annual basis throughout the departments of Methodist Willowbrook Hospital focusing primarily with our Hospital Leadership Team.

I CARE has been imbedded deeper, by a Culture of Care program designed by this office and in alignment with The Methodist Experience that offers classes on three different tracks: Leadership, Employees, and Physicians. 2012 focused primarily on Leadership as they manage up our employees in living out the I CARE values. Physician training will be our major focus in 2014.

The Chapel offers a variety of services. We began the year with a Dr. Martin Luther King, Jr. service in January and concluded with a Christmas Eve Service in December. Each Wednesday there is a Protestant Holy Communion Service as well as Holy Mass. Many of these services are broadcast to our patients on Channel 43. The Chapel is open 24 hours a day as is our Prayer Room.
A Grief Support Group was established in 2012 and meets the second Tuesday evening of every month and is led on a rotating basis by our Chaplains and the topics vary depending upon need and the time of the year. In addition, our staff has performed several Memorial Services at the request of patients’ families. Weddings and baptisms have also been performed.

The Director of Spiritual Care provides a written on-line devotional (M-F), called Faith Prints. A Daily Prayer is also written and sent out seven days a week. Daily prayers are also placed on meal trays for our patients seven days a week. Prayer Huddles grew from two a week to now seven different areas of our hospital. Singing of Christmas Carols and hymns during Holy Week are offered in conjunction with Staff and Hospital Volunteers.

The Director also serves on the Board of Trustees for NAM (Northwest Assistance Ministries), and as a Director on the Klein ISD Education Foundation. Other visits are made in the community. One of the emerging community ministries involves the Parish Nurse Program. This program is anticipated to begin to roll out in 2014. The Spiritual Care Department now houses the Biomedical Ethics Council. Each of our entities is now involved in this high level of assisting patients and their families as needed. As a system, Spiritual Care Departments are also in dialogue with SMU in talks regarding Chaplaincy and how the two disciplines can be integrated.

The Spiritual Care Team at Methodist Willowbrook Hospital consists of a Director, two full-time Chaplains, two part-time Chaplains, and a full-time Administrative Assistant. The Department is grateful to also have between 45-50 lay Spiritual Care Volunteers, who have been recruited and trained by the Director. This community involvement provides a deeper connection with the community. In 2012, the Chaplain Staff made 19,362 visits, while the Spiritual Care Volunteers contributed 16,095 visits for a combined total of 35,457 visits. This volume of visits translated into over two visits per inpatient during their stay at Methodist Willowbrook Hospital. We are blessed to have a dedicated and growing Spiritual Care Volunteer Team. We are also grateful to the Prince of Peace (Roman Catholic Community), for their robust presence and support.

We are also blessed to have an excellent and very dedicated staff, which offer a consistency of care throughout the week and cover evening and weekends on an on-call basis 365 days a year.

The new year of 2014 promises to be a great year with more growth, wider and deeper connection, and a consistent commitment to excellence as we live out our I CARE values with our guests and staff.

HOUSTON METHODIST SAN JACINTO HOSPITAL
Donna Gares, Senior Vice President and CEO, Houston Methodist San Jacinto Hospital

Houston Methodist San Jacinto Hospital (HMSJH) located in Baytown, Texas, serves East Harris, Liberty and Chambers Counties. The hospital has been meeting the health care needs of the area since 1948. Houston Methodist San Jacinto Hospital operates 275 beds between two campuses providing inpatient and outpatient services. The Garth Campus inpatient services include: three medical units, a surgical/pediatric unit, medical/surgical intensive care unit, and a new intermediate care unit and maternal/child unit with a Level II Nursery. The hospital’s Alexander Campus offers inpatient rehabilitation, skilled nursing and psychiatric units. Additionally, Houston Methodist San Jacinto Hospital has eight operating rooms available for inpatient and outpatient surgeries and two operating rooms for obstetrical patients at the Garth Campus as well as a free-standing Outpatient Surgery Center with three operating rooms. Featured programs include a Cardiovascular Center, Women’s Center, Imaging Services, Cancer Center, Cardiac Rehabilitation, Physical & Occupational Therapy, Sleep Study Center, Speech, Wound Care & Hyperbaric Medicine, Diabetes Management, and a Family Medicine Residency Program.
In 2012, Houston Methodist San Jacinto Hospital was only one of 263 hospitals in the United States to receive the HealthGrades Distinguished Hospital Award for Clinical Excellence for the fifth year in a row. With this award, the hospital has been ranked in the top 5% of the nation reflecting its commitment to providing the highest quality care. Houston Methodist San Jacinto Hospital also ranked No. 7 on the U.S. News & World Report “Best Regional Hospitals” list in the Houston metro area.

In February 2012, San Jacinto Methodist Hospital celebrated a one year anniversary of its Heart and Vascular Center. The Center is equipped with state-of-the-art technology, including a hybrid operating room that allows physicians to perform open-heart procedures as well as complex catheter based procedures in one singular area. It essentially combines the abilities of an OR and an advanced catheterization room. Currently, Houston Methodist San Jacinto Hospital has the only room of this capability in all of East Houston. Additionally, the hospital began performing surgical procedures using the da Vinci Surgical System® for robotic surgeries. This offers patients a faster recovery time and less pain. In August, 2012, the hospital obtained a Mobile Health Unit as a result of a federal grant which is used for performing community health screens to the underserved as well as offering services to local employer groups, organizations, and community partners.

In 2012, Houston Methodist San Jacinto Hospital had 12,422 inpatient admissions, 4,294 outpatient surgeries, 54,472 emergency room visits, and 1,542 deliveries. As part of community outreach, HMSJH continues to provide educational seminars and complimentary health screenings for diabetes, cervical cancer, breast cancer and prostate cancer. The hospital has 82 active volunteers that provided 10,734 volunteer hours.

On May 29, 2012, the hospital converted to an electronic medical record called MethOD which is used throughout all of Houston Methodist Hospital System. This allows for improved documentation, trending results, and improved quality of care.

Houston Methodist San Jacinto Hospital has been accredited by the Det Norske Veritas for two years and will be pursing ISO 9001 certification which focuses on quality management requiring strong customer focus and continual improvement.

Program accreditation and certifications include the Commission on Cancer of the American College of Surgeons for the Houston Methodist San Jacinto Hospital Cancer Center; American Diabetes Association certification for the Diabetes Self-Management Program; DNV Stroke Center Accreditation; Medical Records Department recognition by the Texas Attorney General for Birth Records; The American Association of Cardiovascular and Pulmonary Rehabilitation (“AACVPR”) National Certification Committee certification of the Cardiac Rehabilitation Program; Accredited Laboratory by the College of American Pathologists; Accredited in Mammography, Breast Ultrasound, Nuclear Medicine and Stereotactic Biopsy by the American College of Radiology; Designated as a Breast Imaging Center of Excellence by the American College of Radiology; Chest Pain Center Accreditation; Clinical hyperbaric medicine accreditation from the Undersea & Hyperbaric Medical Society; and Sleep Study Center accreditation by the American Academy of Sleep Medicine. Houston Methodist San Jacinto Hospital was designated by the Texas Department of State Health Services as a Stroke Center. Houston Methodist San Jacinto Hospital, in conjunction with the medical staff, continually strives for excellence in safety, quality, service, growth, fiscal management and community outreach.

SpirituAL CARE (Houston Methodist San Jacinto)
The Rev. Linda Tolon, M.Div., BCC, Director of Spiritual Care Houston Methodist San Jacinto

The Spiritual Care Department of Houston Methodist San Jacinto Hospital (HMSJH) provided quality spiritual care and support to our patients and families, physicians, our staff, as well as to the Baytown community throughout 2013.

The Spiritual Care Department of two full-time staff chaplains and one director provided Chaplain availability seven days each week and on-call coverage after hours.
Besides responding to referrals and crisis situations, the chaplains provide daily visitation at the Garth and Alexander campuses of the hospital for patients, families and staff. The Chaplains offer times for prayer and blessing for those departments and patient units desiring a spiritual focus as they begin their week, and the Chaplains also provide a time of spiritual presence in response to difficulties and stresses in those particular areas.

In 2013, Houston Methodist San Jacinto Hospital’s three staff chaplains provided 19,566 visits and the lay ministry volunteers made 5,011 visits for a total of 24,577 visits. In 2013 the department began with twelve lay ministry volunteers and ended the year with twenty-two volunteers.

Spiritual care is very much an integral part of Houston Methodist San Jacinto Hospital’s culture. Framed prayers are in each patient’s room as well as in treatment areas through the hospital; touch plaques beside patient’s doors remind each staff person entering the room to pause, reflect and remember their commitment to do their best to contribute to the person’s physical, emotional, and spiritual healing; and prayers are offered through the hospital’s address system every morning and also each evening following visiting hours.

Chaplains maintain a prayer line for the “Chaplain’s Message for Today” – words of comfort, hope and reassurance – that is accessible to in-patients, staff and to patients after they are discharged from the hospital. The Department provides “Chaplain’s Corner” articles for the hospital’s weekly newsletter; offer daily devotions by email during Advent and Lent; provide memorial services for deceased staff; and offer email inspirational messages and worship services for special occasions. The Chaplains offered Christmas Eve services on both campuses this year. Inspirational messages and videos are available for the patient’s easy access through our Skylight system, and patients are able to directly access our chaplaincy services through this system. Spiritual Care recently obtained the Bible on Skylight for ready access by our patients.

The Chapels of both the Garth and Alexander campuses were renovated this year and the Memory Garden was established and dedicated; all these spaces provide places of quiet, reflection, remembrance, and a spiritual environment of peace and healing.

This year the chaplains began meeting with each New Employee Orientation class to teach the new staff about chaplaincy and spiritual care and how this relates to our I CARE Values. This offers a reminder of how each staff member is charged with meeting the emotional and spiritual needs of all patients and families by treating everyone as persons of dignity and sacred worth. At the conclusion of the New Employee Orientation presentation, the chaplain offers a blessing and a “sending forth into the mission field.” This initial contact with new staff members establishes foundational knowledge regarding chaplaincy’s role in the hospital and the Chaplain’s availability to them as they adjust to their new responsibilities in our Houston Methodist San Jacinto Hospital family.

In 2013, Spiritual Care expanded its bereavement services in providing “To Comfort You in Your Grief” bags to the families of the patients who die in our hospital. Unique to Houston Methodist San Jacinto Hospital is the inclusion of “prayer blankets” and journals with handwritten inspirational messages. These prayer blankets are hand-crocheted and knitted in a prayerful manner. Each prayer blanket is blessed in churches as part of a worship service. We enlisted the assistance of local churches for this prayer blanket ministry through our relationship with the Bay Area Ministerial Alliance which continues to meet at HMSJH and connects the hospital to the needs and concerns of local churches and community service organizations.

The Spiritual Care Department had an active role this year in the implementation of Dog Therapy, and the chaplains regularly accompany the dogs and their handlers on their weekly rounds to both patients and staff.

The chaplains are always available to pastor hospital leadership, staff, patients, families and visitors when needed. Prayer and support is provided in leadership meetings, and the chaplains address spiritual needs and concern related to personal and communal...
issues. The Chaplains facilitate a monthly Greif Support group for the Baytown community. The Chaplains hold a Service of Remembrance on a bi-annual basis for those whose loved ones died at Houston Methodist San Jacinto Hospital and for others in the community desiring to honor loved ones as well.

The Spiritual Care Department continues to provide “Refreshment for the Soul” – a spiritual care and support program for our staff – and has a leadership role in the Schwartz Rounds program. The chaplains provide spiritual direction and support for the Sacred Works team in the review and selection process of candidates for these awards. The Sacred Works awards recognize staff members who demonstrate extraordinary acts of selflessness, compassion, and kindness toward a patient, visitor, or another staff member.

The Spiritual Care team of Houston Methodist San Jacinto Hospital remains steadfast in our commitment to continue enriching our service of caring both within the hospital and into the Baytown Community "by all the means we can, in all ways we can, in all the places we can, at all the times we can, to all the people we can.”

THE METHODIST HOSPITAL RESEARCH INSTITUTE
Mauro Ferrari, Ph.D.
Ernest Cockrell Jr. Distinguished Endowed Chair
President and CEO, Houston Methodist Research Institute
Director, Institute for Academic Medicine at Houston Methodist Hospital
Executive Vice President, Houston Methodist Hospital System

This past year was a remarkable year in the development of the Research Institute at The Methodist Hospital. The Research Institute has continued to recruit experts from around the world to build the Methodist academic enterprise. The Research Institute was honored to recruit John Cooke, M.D., Ph.D., from Stanford University Medical School as a Full Member and the Chair of the newly created Department of Cardiovascular Sciences. Dr. Cooke brought with him four bright young scientists from Stanford, who were appointed assistant members at The Research Institute. For Neuroscience research, Joseph C. Masdeu, M.D. was recruited from National Institutes of Health to serve as a Full Member and Director, Nantz National Alzheimer Center, and Director of Neuro-Imaging at The Research Institute. Gavin W. Britz, M.D. was recruited as a Full Member and Chair of Neurosurgery from Duke University. Reginald Munden, M.D., was recruited as a Full Member and Chair of Radiology from M. D. Anderson Cancer Center. Kapil N. Bhalla, M.D., was recruited as a Full Member and Medical & Scientific Director for The Cockrell Center for Advanced Therapeutics. Led by Dr. Xian Li, transplant immunology research program has recruited three assistant and associate professors. Our global research and training network also continues to grow with the addition of the Tsinghua University Graduate School at Shenzhen, China, University of Sao Paulo, Brazil, more than 200 research trainees from 29 institutions in the US, and 19 countries.

Houston Methodist created the Institute of Academic Medicine (IAM) to synergize all academic research and educational initiatives and programs under one organization, in which Dr. Mauro Ferrari serves as its Director and Dr. Timothy Boone serves as the Co-Director. With the participation of more than 200 faculty leaders, clinicians and management representatives, the IAM Strategic Planning process continued for almost a year to create a unique infrastructure that supports transformational and cross disciplinary research initiatives. The various working groups have met on numerous occasions and have developed recommendations for three new Centers of Research Excellence (CREs), including Precision Medicine, Outcomes, Quality and Healthcare Performance, and Biotherapeutics and Regenerative Medicine. We will strengthen the infrastructures in Clinical and Research Information Systems, Central Biorepository, Clinical Research Support, Communication and Collaboration, and Education/Trainees. Also, as the result of the strategic planning, The Research Institute created the Office of Strategic Research

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Initiatives (OSRI), which will be tasked to support large program initiatives, donors, program project grants and booster igniter type ideas. OSRI will do the leg work to make big ideas happen and increase funding opportunities. Specifically, OSRI will assist to bridge the “Valley of Death” between animal/lab studies and Phase 1 clinical trials. Houston Methodist looks forward to continuing the strong growth of the academic enterprise under the leadership of Dr. Mauro Ferrari.

HOUSTON METHODIST GLOBAL HEALTH CARE SERVICES
Cathy Easter, President and CEO Houston Methodist Global Health Care Services

Leveraging clinical excellence, compassionate care and world-class physicians, Houston Methodist Hospital and physicians treated more than 8,100 international patient encounters from 91 countries in 2013. In addition to international patient care, Houston Methodist Global's consulting/management and education divisions provide advisory services and training and development to health care organizations around the world.

2013 was a productive year for the consulting/management and education divisions. We have entered new phases with some of our existing clients and many new projects have been started.

The affiliation between Houston Methodist and The American British Cowdray (ABC) Medical Center in Mexico City is entering its eighth year. Since its inception, this dynamic partnership has elevated the level of patient care, quality, and access. New facility expansions and commitment to the latest medical technology and innovations by both organizations continue to set the standard for the global healthcare community. HMG also entered into a seven year affiliation agreement with TecSalud based in Monterrey, Mexico. The main objectives of this agreement are to identify opportunities within TeCSalud where HMH expertise can support their patient centered safety culture as well as continue to create value through knowledge transfer of best practices.

HMG continued its affiliation with Euromedic Cancer Therapy Centers based in Poland and Bosnia. This partnership encompasses protocol development, weekly training, information exchange, and collaboration on quality and operational effectiveness. In the Kingdom of Saudi Arabia, HMG entered into an agreement to provide services for the development and operations of a new medical park, providing the full continuum of care as part of the Prince Sultan Cultural Centre (PSCC) in Jeddah.

Collaboration agreements were signed between HMG and Istanbul University Hospitals – General Directorate in Istanbul, Turkey, and Dubai Healthcare City to provide education and training initiatives in Turkey and at the Mohammed Bin Rashid Academic Medical Center in Dubai.

HMG also provided healthcare development advisory and educational services to a number of public and private clients in several countries including Saudi Arabia, Oman, Mexico and the United Arab Emirates. HMG hosted 140 health care professionals and physicians from 22 countries for observational and hands-on learning in 28 specialty areas at Methodist. HMG also broadcasted 22 medical lectures to over 2,800 participants to more than 40 hospitals and clinics in 10 countries throughout the world. Over 90 international clinicians participated in Houston Methodist conferences and MITIE training courses in 2013.

CONCLUSION

The Houston Methodist Hospital System acknowledges and supports the mission of the Center for Missional Excellence of the Texas Annual Conference. We will continue to provide high quality, cost effective health care that delivers the best value to the people it serves through its health facilities in a spiritual environment of caring with internationally recognized teaching and research.

Recommendations Submitted
That the Texas Annual Conference recognize the appointment and reappointment of the Rev. Dr. Charles R. Millikan, Vice President, System Spiritual Care and Values Integration at Houston Methodist; the Rev. Bettie T. Hightower, Staff Chaplain, The Houston Methodist Hospital; the Rev. Dr. Mark Young, Director, Department of Spiritual Care, Methodist Willowbrook Hospital, the Rev. Linda Tolon, Staff Chaplain, Houston Methodist San Jacinto Hospital; and the Rev., Stacy Lee Pell, Staff Chaplain, The Methodist Hospital.

The following individuals be elected Directors of Houston Methodist Hospital for a three-year term, to expire on June 30, 2017;
1.
2.
3.
4.
5.
6.
7.
8.

That Houston Methodist Hospital System is allowed to append any other necessary statements or recommendations to the report given at the Annual Conference.

Future Considerations

Methodist will maintain its close relationship with The Texas Annual Conference of The United Methodist Church.

Methodist will support and equip vibrant, growing congregations thorough excellence in health care delivery, education, and translational research. Methodist will continue to cultivate a spiritual environment of caring demonstrated by redeeming activity of God in the world.

Methodist will continue to provide spiritual care that is responsive and sensitive to the diversity of our patients; needs and beliefs, involves everyone in the delivery, and flows from Christian values and our relationship with The United Methodist Church.

Methodist will continue to integrate its core values into all operations, programs and services, while holding everyone accountable for demonstrating those values.

Methodist will continue to perform its stewardship role demonstrating radical hospitality and extravagant generosity with discernment and the judgment needed to meet the needs of our communities as we reach for the frontiers of clinical medicine.

Lydia Patterson Institute
Dr. Socorro Brito deAnda, President

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

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

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

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

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

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

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

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

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

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

- Graduate 25 high school seniors in 2013. Thanks to our many friends, we were able to allocate more than $500,000 for MCH alumni to pursue a college or advanced degree, certificate at a trade school or job-related training that will help them improve their families and communities. This year we had more than 40 seniors on track for graduation at the time this report was submitted to the Conference.
- Increase the impact in Houston, Lufkin and Tyler through the work of our Family Outreach program. Staff in these outreach locations provide MCH foster care, in-home services – such as Partnership in Parenting – Grandparents as Parents Program, and a new program called Family Solutions. Our website has a full listing of our 12 outreach offices and how to contact them for assistance or answers to community and church needs.
- Receive a national award for innovative education through our on-campus University of Texas charter school and state recognition for the quality of activities offered to youth through our recreation program.
- Recognize the great work of 70 staff members with employee service awards. All honorees had at least three years of service, and 12 employees celebrated 15 or more years with our ministry, including two 30-year honorees.
- Participate in several mission trips and community service projects. These projects provided opportunities for MCH youth to show Christ’s love by sharing their time and talents to help meet needs across Texas. We remain grateful to Kingwood UMC and the many volunteers from the Texas Annual Conference who make U.M. Army an annual experience for MCH youth.

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 look forward to the service of Mr. Mark Ward of Kingwood who has been nominated to the Board. He will join the following individuals from the Texas Annual Conference who currently serve on the MCH Board of Directors:

- Mr. Hank Coleman, Vice Chairman, Houston
- Dr. Ann Weiss, Katy
- Mr. Tom Wilkinson, Bryan

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

As we enter our 124th year of ministry, MCH knows our service to children and families is possible because of God’s amazing grace and our generous benefactors. Thank you for your trust and support of our ministry. May God continue to bless you and Methodist Children’s Home.

Methodist Retirement Communities
Mr. Ronald E. Jennette, President & CEO

2013 REPORT TO THE TEXAS ANNUAL CONFERENCE

This past year revealed the results of the focused and concerted efforts over the past several years. What a joyous and blessed year in fulfilling our mission of service ministry to senior adults. Steeped in the Wesleyan tradition of Christian faith and wholeness, Methodist Retirement Communities and its Affiliates continue to move forward focusing its faith-based ministry on serving our seniors, serving our employees and being an integral part of each broader community where we reside.

This last 12 months has been remarkably full, accomplished and blessed:

RETIREMENT COMMUNITY DEVELOPMENT & REDEVELOPMENT

✓ Phase II of the new MRC Crestview in Bryan, Texas opened in February 2013, completing this newly built Continuing Care Retirement Community under a Life Care model; accomplishing a transformation that included replacing a 1960s nursing home building.
  o Phase II is known as Arbor Oaks at Crestview, and consists of:
    ▪ 92 Independent Living apartments called Arbor Oaks at Crestview
    ▪ The Norma Bryan All Faiths Chapel
    ▪ Bistro/Café
    ▪ Library
    ▪ Dining
    ▪ Fitness Center
    ▪ Pool & outdoor social area
    ▪ Activity/Game Rooms
  o Phase I opened in late 2011 with 48 Assisted Living apartments, 18 private Memory Support suites for Alzheimer’s, and 48 Skilled Nursing & Rehab units.

✓ The new Creekside in Huntsville was opened in March of 2013, replacing MRC TownCreek (aka Ella Smither Geriatric Center).
  o Creekside initially consists of 36 Assisted Living apartments, 18 private Memory Support suites for those suffering with Alzheimer’s and other Dementia’s, and 66 Skilled Nursing and Rehab units.
  o Additional land is available for further expansion.

✓ The last of significant enhancements, such as new flooring and much more, was completed at our three HUD Affordable Housing independent apartment communities for seniors with restricted income in the Bryan area during 2013.
  o Significant renovations are scheduled for one of two similar communities in La Porte during 2014. Oakview Senior Apartments will be helped substantially in this
regard thanks to a much needed $500,000 grant from the Dallas Federal Home Loan Bank.

- Additional enhancement plans of our MRC PineCrest in Lufkin were developed for implementation in 2014 to reconstruct semi-private rooms in the health care section to become private rooms.
- A master plan was developed for our MRC Cornerstone community in Texarkana to refresh the buildings, beginning with the Independent Living common and dining areas.
- During 2013, the marketing team exceeded its goal of 75% pre-sales about 9 months early for our next Continuing Care Retirement Community to be built on 18.8 acres at FM518 & 270 in League City beginning March 2014.
  - We are humbled by how well this project has been received by local area seniors interested in living in this new community.
  - Tax-exempt bond financing is slated for March 2014, as is the start of construction.
  - This community will have:
    - 116 Independent Living apartments
    - 36 Assisted Living apartments
    - 24 Memory Support suites for Alzheimer’s and other Dementia’s
    - 28 Long-Term Skilled Nursing Care units
    - 20 Short-Term Rehab units
    - Many amenities to encourage healthy living

**HOSPITALITY**

- With encouragement from our Boards of Directors and help from Houston Methodist in 2012, we successfully implemented our version of ICARE in 2013; rolling out this program to every employee in the system. The ICARE acronym stands for:
  - Integrity
  - Compassion
  - Accountability
  - Respect
  - Excellence
- This is now at the heart of everything we do both strategically and on a daily basis, and will be a continuing and on-going program.

**AFFORDABLE HOUSING**

- Our 319 Affordable Housing apartments at 5 communities for seniors with restricted income continue to remain virtually full at all times.
  - Two of these communities reside in La Porte
  - Three of these communities are in Bryan
    - These 3 communities received the coveted Communities of Quality Award in 2012, which is a very difficult, multi-year endeavor.

**EMPLOYEES**

- We replaced the employee of the year award with ICARE Champions of the Year at each location, awarding the initial recipients in December 2013.
- Janie Havard, who won the ICARE Champion award at MRC PineCrest in Lufkin, also won the Customer Service Award from our state association covering nonprofits throughout all of Texas.
- Several more employees completed the program to become designated as Certified Aging Services Professionals, and 4 completed a state-wide Leadership Training program.
- We continue to encourage continuous improvement, often through training and further education. This resulted in more employees becoming Certified Aging Services Professionals through a University of North Texas program; more employees also completed the LeadingAge Texas Leadership Institute.
We even continue to have a couple working toward becoming licensed Nursing Facility Administrators while a couple others advanced from Certified Nursing Assistants to Licensed Vocational Nurses (LVN), or from LVN to RN (Registered Nurse).

- Developing the future of our organization is a key focus.

- While actually having more employees given a number are part-time, the MRC system had the equivalent of 540 full-time staff positions.

- That number will be close to 700 upon full operation of The Crossings, our new community being built in League City.

### RESIDENTS

- We continue to serve a sustainable balance of seniors from all walks of life, including providing direct benevolent assistance to qualified seniors in our communities who have outlived their resources; and offering quality living affordable communities as well.

- Almost 1/3 of our total residents served in 2013 received subsidies from donations for *benevolent assistance* or rent subsidies in the affordable housing communities that we developed and manage.

  - $529K was provided by MRC in direct assistance
  - Another $609K was provided by MRC to offer the shortfall in Medicaid assistance
  - Another $2.1 million was provided by HUD for those in income restricted communities

- We continue to serve residents in many settings, all focused on each person achieving their highest level of independence in a dignified setting:
  - Independent Living homes and apartments at a wide variety of price points
  - Assisted Living apartments for those seeking 3 meals and some help with various activities daily living, such as bathing, medication monitoring, toileting, eating, etc.
  - Memory Support suites for those with Alzheimer's and other Dementia's, where specialized programs and activities are available to assist with the specific needs of those in this area to facilitate dignified living while seeking the highest possible level of healthy living.
  - Long-Term Skilled Nursing units for those needing 24/7 nursing care.
  - Short-Term Rehabilitation units for those needing an optimal place for recovery.
  - Home Health and other Home Services to help individuals remain in the most independent setting possible.

- 1500 Residents were served during 2013, averaging 1000 per day 24 hours per day 7 days per week 365 days per year. In hospital days, that’s 365,000.

- This number will go up by 300 Residents or more upon fill up of The Crossings community that is about to begin construction in League City.

### BOARD CHAIR

- Rev. Jack Womack of Hope Community Church, began in July 2013 his 3-year term as Chair of the parent MRC Board of Directors, looking forward to furthering this worthy mission as we seek to make a positive difference in the lives of others.

  - Under recent past Chairs Don Morriss, Tom Wussow and John Hicks, MRC established a new foundation for our future; revitalizing itself to better fulfill its mission of service ministry to senior adults while creating a stronger, viable future for this worthy ministry.

- MRC is blessed to have caring, compassionate and highly competent board members committed to this service ministry; with the majority being Methodist.

### BENEVOLENCE & MRC FOUNDATION
With donation dollars from vendors and donated time from volunteers and staff, the award winning WYSE program continued forward in Bryan and Texarkana.

- WYSE stands for Wisdom for Youth from Senior Expertise
- Corporations and Individuals donate, with proceeds being used for the program and any leftover funds for Benevolent Assistance
- The program calls for High School students to be matched with Residents in our community for a 10-week structured program where each can learn from the other.
  - This culminates with a Graduation celebration reception.
- Other local volunteers help: school teachers, staff, volunteers and Board members

Each of our communities provides on-going benevolent assistance for those who have run out of or short on funds through no fault of their own.

- Beyond the HUD support, the direct MRC need is at least a minimum of $1 million per year; as MRC Affiliates are committed to finding a way to retain residents who run into financial misfortune.
  - This is a constant challenge, as the level of donations is insufficient to meet the need we have; and the full need is even greater than what we’re able to provide.

The annual Mother’s Day Appeal is vitally important toward helping those who have outlived their resources, with proceeds being used for benevolent assistance.

In 2013, we also successfully restarted our annual golf tournament; generate funds to assist toward the benevolent programs.

Online donations are available through our www.mrcaff.org website or directly at http://www.mrcaff.org/donatation-page.aspx, or you can contact Gayle Nelson at gnelson@mrcaff.org or 832-419-7897.

**BROADER COMMUNITY INVOLVEMENT**

- MRC communities frequently open our doors to local Methodist and other churches as well as organizations like the Chamber of Commerce, Rotary Clubs, Kiwanis Clubs, etc.
- MRC communities frequently participate in local events, such as the annual Alzheimer’s Alliance Walk, Susan G. Komen Race for the Cure, Salvation Army, Harvest of Texarkana and so much more.
- MRC communities participate with others, such as Christus Hospital, and reap the benefits of specialized training toward reducing avoidable re-hospitalizations.

**QUALITY**

- MRC communities continue to perform with excellence and superior outcomes in the many surveys we routinely encounter every year as part of the strong regulatory environment in which we operate.
  - This further solidifies our long-standing reputation as an organization whose services, programs, housing, care and activities represent quality to our residents.

**PUBLIC POLICY**

- MRC advocates on behalf of seniors through several forums. In particular, through our LeadingAge Texas state association and LeadingAge national association focused on nonprofits in the senior living sector. Some areas of focus include:
  - The state of Texas is 49th worst in the country in nursing home reimbursement for our most vulnerable senior citizens who require Medicaid (not Medicare) funding.
    - The state of Texas acknowledges funding nursing homes 17% below cost, and nonprofits are closer to 21%. That means we’re funded $1000 per resident per month below what it costs.
The state is now in the process of instituting a managed care program for Medicaid that has been shown to further reduce reimbursement (by 11% in south Texas) while delaying payments, making it even more difficult to serve the most vulnerable of our citizens.

Nationally, and ultimately on the state level as well, there is much talk and focus on serving the needs of seniors in their home.

- Home could be an independent living/residential or assisted living home in a community like ours, or one’s home in the broader community.
- This includes trying to break down the barriers of where Medicare and Medicaid assistance can be provided, which now often results in seniors going into nursing homes to get covered; when it could be possible to serve them in less costly settings

Another issue is of course preserving Medicare benefits to seniors. Often, the provider of Medicare services gets hit with reduced reimbursement or limitations on services that effectively hurts the senior.

**STRATEGIC PLAN**

- The theme of our strategic plan is to:
  - INSPIRE, SERVE & GROW

- Key components are:
  - HOSPITALITY, QUALITY & PEOPLE
    - INTEGRITY – honest and ethical in all we do
    - COMPASSION – embracing the whole person thru:
      - HOLISTIC WELLNESS
        - SPIRITUAL
        - PHYSICAL
        - INTELLECTUAL
        - EMOTIONAL
        - VOCATIONAL
        - SOCIAL
    - ACCOUNTABILITY – being accountable for our actions
    - RESPECT – treating everyone as a person of worth, dignity & value
    - EXCELLENCE – being the best at what we do
  - ADVOCACY
  - STEWARDSHIP
  - GROWTH – as persons and as an organization

**MRC TODAY**

- Today, the MRC has a $45-50 million annual budget that will grow to $65 million by the time The Crossings in League City is completed and filled up.

- At $250 million of assets, MRC has clearly been growing; but is still relatively small in the bigger picture.

- Over the last 5 years, MRC has successfully realigned itself for better balance that allows for long-term viability. A high percentage of those we serve to require financial assistance, but we also now have a much more viable balance that includes serving a broader range of seniors.
This improved balance sets us up well for long-term viability, and potential greater opportunities to further our mission in the future.

POSSIBILITIES AHEAD

- MRC is now evaluating its potential to develop rental communities to better serve the middle income market, and create further balance in its portfolio.
  - We very much like the idea of doing these near or in conjunction with a Methodist Church.
  - The major challenge is coming up with $3+ million to get rolling.
- We are also evaluating PACE (Program for All-Inclusive Care of the Elderly). This program is a combination of services at home and also at a community site.
  - Read about this unique program at [http://www.npaonline.org](http://www.npaonline.org), or contact Ron Jennette @ 281-210-0135.
- MRC plans to continue developing new Continuing Care Retirement Communities.
  - The ones in Bryan and League City are Life Care communities, offering enhanced cost stability and incredibly huge savings when one needs health care.
  - These are very expensive to develop, must be done so in select markets warranted by demographics; and require $5-7 million to get the ball rolling, a major challenge.
- In recent years, HUD has not funded new 202 projects for seniors; so this opportunity for expanding the mission may be a bit further down the road, but we still consider these communities a key part of our service ministry.

COMMUNICATIONS

- Our website is [www.mrcaff.org](http://www.mrcaff.org), and you can connect to each of our Affiliate websites from this main website.
- We encourage becoming friends on our Facebook site, which you can reach through the website even if you do not personally have your own Facebook site.
- You can also sign up for our newsletter through the website, or contact Tracey Brandli at tbrandli@mrcaff.org or 281-210-0117.

MRC is grateful for the support it receives from United Methodist Churches and its members, whether financially or as volunteers or sharing the good news of MRC and its Affiliates. Please know your donations are critically important to help us meet as much of
Please continue to support, encourage, and pray for this most worthy service ministry.

Recommendations:
1. Ratification of new MRC Board Members presented at Conference.

METHODOIST RETIREMENT COMMUNITIES
Proposed Board of Directors – 2014-2015 Term Effective July 1, 2014
Ms. Alyce Anne Baggett
Judge James M. Carlow
Mrs. Kimberly Denney
Mr. Tony E. Doughtie
Mr. John C. Hicks
Rev. Conrell J. Lockett, III
Mr. Robert E. Sheppard
Rev. Jack A. Womack
Exempt
Mr. Thomas R. Wussow, MRC Foundation Chair

Ex-Officio
Bishop Janice R. Huie, Bishop
Rev. B.T. Williamson, Bishop’s Designee
Mr. Ronald E. Jennette, MRC President & CEO
Mr. Donald Morris, Immediate Past Chair
Mission Statement

U.M. ARMY exists to provide Christ-centered, quality youth work camps that serve people in need and promote spiritual growth and leadership development in youth.

U.M. ARMY started in the Texas Annual Conference in 1979. It started as a week-long mission trip designed for high school youth, and has continued that tradition for over 35 years. Every aspect of the experience; work, worship, fellowship, and fun, is for the youth. Adults go so that the youth can have a mission experience of their own.

Our affiliation with the Texas Annual Conference involves 3,000+ youth and adult participants from the Conference representing 135 participating churches and 36 host churches that house the mission teams. These young missionaries serve around 1000 people in the Conference with needed home repairs; restoring dignity, and safe and decent housing.

A U.M. ARMY work camp has two basic parts:

1. **Service to people in need**
   - Participants provide free home repairs for low-income, elderly, and disabled homeowners in the community where they are staying.
   - Each day work teams go into the community and work on a repair project at the home of one of our clients.
   - Typical repairs are building wheelchair ramps, porches, steps, handrails; repairing doors, windows, window screens and screen doors; exterior repairs and painting; interior sheetrock repairs and painting; yard work.

2. **Spiritual Growth**
   - Each day starts with morning devotions, and then lunch devotions at the work site, followed by an evening worship service, all based on an annual theme and scripture. This theme and scripture is woven into the fabric of the camp and is the basis for the spirituality of the mission camp.
   - In addition to work and worship, there is evening recreation and fellowship.

What started here in the Texas Annual Conference has grown beyond our boundaries with a chapter in the Southwest Texas Conference, a chapter in the Northeast Jurisdiction (New England states), a brand new chapter in the North & Northwest Texas Conference, and multiple camps in the Louisiana Conference.

At the close of this Annual Conference we will begin our 2014 Summer season; 35 mission camps during June & July in the Texas Annual Conference. This year our theme is “Light Bearer”, and we will go forth bearing the Light of Christ to the world around us.

We are honored to be affiliated with the Texas Annual Conference and to partner with this organization and its many congregations as we serve God by serving others. We look ahead with eager anticipation to see what God will do in and through our joint efforts as we strive to do His will.

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**Wesley Community Center**
Ms. Diana Garbis, Executive Director

Having been part of the Northside community in Houston, for over 110 years, Wesley Community Center is committed to providing quality, comprehensive, programs.
Since its inception, Wesley has had education at its core, whether it is through early childhood education, after school services for youth, workforce development to improve economic stability, or increasing a senior's longevity, through comprehensive health education.

With the loss of Early Childhood Education opportunities for this neighborhood, Wesley has looked for partnership opportunities to expand our services to children age 6 weeks to 5 years. One additional classroom was added in the fall and second classroom will be added this spring. This allowed us to add 28 additional spaces for children. Over 100 children a day come to the center to receive an even start to an education. As has been the practice, Wesley also looks for ways to keep the cost for this program free or very low cost. We know that Early Childhood Education is critical for a child’s future capacity.

Wesley continues to also focus on after school and summer programs for youth. Through the building of a new recreation and education center, we have expanded programming to include team sports, expanding character development programs, youth mentoring, and tutoring. As has been the case throughout our history, the community center is a safe place for the youth to gather in this neighborhood. This spring, a new program with the local middle school will be added that will allow students to also attend programming during the day. This program will add 120 new youth during the day, besides our youth that attend the after-school and summer programs.

Our Food Cooperative and Pantry continues to be one of the only sources of healthy food in the area. Last year we added monthly food fairs where we distribute 10 pallets of fresh fruits and vegetables to the community. Over 250 families take advantage of this program every month with over 4,500 people receiving food through this program. The expansion of the Community Garden has been a wonderful opportunity for Methodist Church involvement. We have had several church groups build plots and plant seeds in the garden.

Our Financial Opportunity Center has brought in new workforce development programs to the Center. Wesley has added a Certified Nursing Assistance program in collaboration with Houston Community College. Over the last two years, 70 individuals have graduated from the program, most having obtained employment in the medical profession. We have been able to move many from $9/hr. jobs to $12-$15/hr. employment.

Our senior program continues to serve more than 90 seniors (over age 60) with recreation, exercise, food, nutrition services and health screenings. They are a vital and active presence in our center. When entering the Center, you can hear their music coming from the social hall. Whether it is through art, activities, or spiritual devotion, we help them remain in their homes.

Wesley also continues to serve as a vital safety net to those in crisis with thousands of individuals being sheltered through our emergency assistance programs. A total of 369 individuals received rental assistance during the course of the year.

Our guest speaker for our annual luncheon was Dr. Ruby Payne, who spoke about how to develop bridges out of poverty. The room was filled with a number of Methodist congregations who have used Dr. Payne’s work on poverty in their own outreach work. Wesley also looks for ways to connect to the work of neighborhood congregations. Churches provide Hispanic Outreach services, provide Bible School classes, and volunteer at Wesley by sorting food, planting gardens, reading to our children, interacting with seniors, or doing work related projects such as painting, cleaning, or organizing classrooms. Methodist mission is alive and well at Wesley!
Greetings in the Spirit of Jesus Christ! Thank you for your prayers and support for United Methodist theological education. This has been a bountiful year for Boston University School of Theology, beginning with the arrival of a passionate community of students from 35 states and 16 countries. The year has had many highlights.

**BREAKING NEWS:**

- **Doctor of Ministry**: The School has unfolded a new Doctor of Ministry program designed to enrich church leaders in traditional and non-traditional settings and to deepen their theological understanding and commitment to the practice of ministry. The DMin focuses on transformational leadership. It includes four intensive seminars on campus in August and January, a series of online courses, and opportunities for students to work closely with faculty as they research their own unique questions and visions.

- **Community Center**: The School’s renovated Community Center has become a favorite gathering space – sustainable, hospitable, and accessible. It is the welcoming home for weekly community lunches, study, conversation, play, seminars, retreats, and parties.

- **Religion and Conflict Transformation (RCT) Clinic**: The RCT Clinic sponsors projects to address conflict in congregations, interfaith peacebuilding, restorative justice, and mediation.

- **Expanded Scholarship Options**: The School has expanded its scholarship options to include full tuition scholarships for UMC certified candidates for ordained ministry, African American Thurman scholars, Latino/a Raices scholars, and School of the Prophets scholars.

**DEEPENING SPIRITUAL LIFE**: The community enhances spiritual growth in many ways.

- **Building intentional living communities**: The School sponsors and helps support Theology House, Green House, and Beane House of Study, where students live with intentional and communal practices.

- **Enhancing spiritual life** through weekly worship, reading retreats, winter retreat, daily morning prayer, and small groups.

- **Offering spiritual journeys**, including the Vocations Vacation to ministry and service sites and the Seminary Singers tour to local churches.

**ENGAGING THE WORLD**: BU School of Theology students and faculty have traveled and served extensively in the world during the past year:

- **Giving** hundreds of volunteer hours across the Boston region, U.S. and world in church camps, homeless shelters, peace organizations, global United Methodist programs, and other settings.

- **Traveling** in study groups to Turkey (Ephesus), Israel & Palestine, Cuba, rural and urban ministry sites, and churches and service organizations across the US

- **Sponsoring** conferences on global Christianity and the Dictionary of African Christian Biography

- **Serving** in local churches and community agencies in contextual education placements, courses, and special internships.
PONDERING CRITICAL ISSUES: The School’s annual theme was “Free at Last,” to honor Martin Luther King, Jr. and his immortal “I Have a Dream” speech. The community engaged in urgent questions regarding race, sexual orientation and gender identity, and poverty, creating open and respectful spaces to discuss themes that are important to, and controversial in, the church and larger society.

The ministry of the Boston University School of Theology is to partner with you in serving the church and in caring for the larger human family and God’s precious creation.

Candler School of Theology
Jan Love, Dean & Professor of Christianity & World Politics

Candler School of Theology prepares real people to make a real difference in the real world. Our commitment to authentic discipleship and relevant ministry enables us to develop uniquely well-rounded leaders who are challenged academically, encouraged spiritually, and immersed in Christian service from the first day they arrive on campus.

As one of the 13 official seminaries of The United Methodist Church, Candler is grounded in the Christian faith and shaped by the Wesleyan tradition. As one of seven graduate professional schools of Emory University, Candler provides a rich context for learning and formation supported by the extensive resources of a top-tier research university. As a school located in the metropolitan area of Atlanta, Candler offers a learning environment that reflects the highly diverse communities of our 21st century world. There is no better place for ministry preparation that addresses our major denominational priorities: developing leaders, starting and growing churches, ministry with the poor, and improving global health.

Candler celebrates its Centennial in 2014, marking our 100th anniversary with commemorative events that reflect on our past and a conference on theology and the church that envisions the future. The yearlong celebration begins in August with the opening of the second phase of Candler’s new 128,600-square-foot, LEED-certified building, seven years in the making.

Not only is Candler expanding its physical space this year—it is expanding degree offerings as well. In response to the changing needs of the church, Candler is introducing five new degrees to equip Christian leaders: the Doctor of Ministry, the Master of Religious Leadership, the Master of Religion and Public Life, and two dual degrees pairing divinity and social work and divinity and development practice. With these newest additions to our degree programs, Candler graduates truly will be ready to lead wherever God calls.

Candler’s student body reflects the diversity and breadth of the Christian faithful. Our enrollment stands at 441, with 340 seeking the Master of Divinity, 47 the Master of Theological Studies, 21 the Master of Theology, 15 the Doctor of Theology, and 18 enrolled as Non-Degree students. The student population is 32 percent U.S. ethnic minority, 49 percent women, and the median age of the entering class is 27. Students represent 39 denominations, with half identifying as United Methodist.

We continue to emphasize preparing our students for leadership in an increasingly global context, and now offer 14 academic exchanges with theology schools in 12 countries across five continents. In addition, Candler has an ongoing summer internship program with the Methodist Church in the Bahamas, and participates each year in travel seminars to the Middle East and in World Methodist Evangelism Institute evangelism seminars, traveling in 2014 to Nigeria, Costa Rica, and Brazil.

Candler draws considerable strength and inspiration from its relationship with The United Methodist Church. Our ability to fulfill our mission of educating faithful and creative
leaders for the church’s ministries in the world depends upon your support, gifts, and prayers. Thank you for the countless ways you advance this vital ministry in the life of our denomination. Visit us in person in Atlanta or online at candler.emory.edu to see firsthand how Candler prepares real people to make a real difference in the real world.

Duke Divinity School
Richard B. Hays, Dean

The academic year 2013–2014 has been an exciting year in which we completed an intensive period of hiring new faculty. We believe that a strong faculty is at the heart of any great theological school, and we are thankful that the men and women who have joined us are characterized by excellent scholarship, generous character, and a deep commitment to the church. In the past three years, we have hired 18 new faculty, which means that 36 percent of current faculty have been hired since 2010. Half of those appointments are United Methodist, bringing our total regular-rank faculty to 42 percent Methodist.

Some of our new faculty hires were in response to retirements or departures; others were in response to the growth in our new degree programs, the Master of Arts in Christian Practice (M.A.C.P.), Master of Arts in Christian Studies (M.A.C.S.), and the Doctor of Ministry (D.Min.). Other hires help expand our expertise into crucial areas. Xi Lian, professor of world Christianity, is a leading scholar of Christianity in China; Meredith Riedel, assistant professor of the history of Christianity, studies Byzantine Christianity and its engagement with the Muslim world; and Luke Bretherton, associate professor of theological ethics, works in Christianity and contemporary politics and community-building in a pluralistic culture.

Other new faculty build on our traditions of strength in historical, theological, ministerial, and biblical studies. Ross Wagner and Brittany Wilson both have Wesleyan commitments to reading Scripture that influences their scholarship in New Testament; Valerie Cooper, a self-described “fifth-generation Methodist,” does singular work in historical studies and biblical hermeneutics. Edgardo Colón-Emeric, assistant professor of Christian theology, continues our rich legacy of engagement between Methodist and Catholic theologies; and Jeff Conklin-Miller brings a wealth of experience as a United Methodist minister and youth programs director to his position in Christian formation.

All of our faculty members in all of our academic programs are committed to training talented, committed men and women for ministry. We continue to welcome students from a range of backgrounds who are called to serve God and the church. In 2013, our total enrollment was 635 students: 434 are enrolled in the M.Div. degree program; 60 in the M.T.S.; 18 in the Th.M.; 43 in the Th.D.; 36 in the D.Min.; 25 in the M.A.C.P.; 17 in the M.A.C.S.; and 12 who are special students. Thirty-seven percent of our students are United Methodist, with an additional 4.5 percent from other Wesleyan traditions. Eleven percent are Baptist, 10 percent are Anglican or Episcopal, 6 percent are Roman Catholic, 6 percent are Presbyterian, with the remaining 6 percent from other denominations or nondenominational churches.

In addition to the ongoing excellent academic and field education work done by students each year, several students had notable achievements. Griff Gatewood M.Div.’13 was awarded a fellowship by the Fellowships at Auschwitz for the Study of Professional Ethics, one of only 14 seminarians selected for the award. Andrew Barnhill M.Div.’13 was selected by a Duke University campus committee to deliver the student speech at the university’s 161st Commencement Ceremony in May, the first time a Divinity student has been selected for that honor. Two M.Div. students, Kayla Harward and Carmen Gonzalez-
McKernie traveled to South Korea to represent the Divinity School at the World Council of Churches 10th Assembly.

Duke Divinity School does not view our work as only academic or “ivory tower.” Our departments, centers, initiatives, and programs continue to engage with the church and social and cultural issues. The important work of the Clergy Health Initiative will be extended, thanks to a $5.74 million grant from The Duke Endowment. In August its research was published in the *Journal of Primary Prevention*. Findings include that the rate of depression among clergy is nearly double the national rate. Factors contributing to depression include job stress, sense of guilt about not doing enough, and social isolation. In response to these findings, the Clergy Health Initiative has introduced a theologically framed curriculum for United Methodist Churches. Pastor & Parish is designed to strengthen relations between clergy and congregations, and it provides a scriptural foundation for Staff-Parish Relations Committees to engage in constructive ways to promote health and unity for the church and pastor.

Duke Initiatives in Theology and the Arts (DITA) co-sponsored the Dean’s Songwriter Series with the Dean’s office. The series promotes an ongoing conversation about songwriting, performance, and music in relation to Christian faith. Guests included singer-songwriter Pierce Pettis and his daughter Grace Pettis, David Wilcox, and Carrie Newcomer. Events include lunch concerts and discussion with students and evening concerts open to the community. DITA also introduced an informal film study for Divinity School students, “Image & Word,” hosted by postdoctoral fellow Daniel Train. The study includes short lectures, film viewings, and group discussion in order to deepen imaginative and pastoral acumen.

Leadership Education at Duke Divinity (LEADD) has launched a new website that describes its programs in denominational leadership and resources to strengthen institutional resources: [http://leadership.divinity.duke.edu](http://leadership.divinity.duke.edu). The online journal *Faith & Leadership* continues to draw hundreds of thousands of readers. Greg Jones, senior strategist for LEADD and professor of theology, has been named to the leadership team for the Duke Innovation and Entrepreneurship Initiative, where he will serve as a senior strategist for education.

The Center for Reconciliation sponsored the fifth annual Summer Institute at Duke Divinity School, hosting nearly 145 Christian leaders involved in diverse reconciliation ministries around the world. Participants included representatives from World Vision International, InterVarsity Christian Fellowship, the National Immigrant Youth Alliance, and organizations in South Korea, Japan, Burundi, South Sudan, and Uganda. For the first time the Summer Institute featured a seminar on Muslim-Christian dialogue, led by Professor Ellen Davis and Duke’s Muslim chaplain, Abdullah Antepli.

The Duke Youth Academy for Christian Formation (DYA) is expanding to a yearlong program that combines a week of summer residency at Duke University with a year of ongoing engagement and practice. The new format will allow high-school students to build on the intensive summer residency experience throughout the year with the support of the DYA community and a local mentor. The program includes lectures by Divinity School faculty, workshops, theological reading, online community forums, and a self-directed final project on Christian practice.

The second phase began of Thriving Rural Communities, a partnership between Duke Divinity School, The Duke Endowment, and the North Carolina and Western North Carolina Conferences to help divinity students, pastors, laity, districts, and conferences cultivate and strengthen Christian leadership and United Methodist congregations in rural North Carolina. Eight new partner churches are participating, and over the next five years approximately 70 Thriving Rural Communities Fellows will be serving in United Methodist Churches across North Carolina. Brad Thie has been named the director; he has previously served as pastor of United Methodist churches in Charlotte, Asheboro, and Newton, N.C.
We remain deeply grateful for the relationships among the United Methodist Church, this Annual Conference, and Duke Divinity School. We look forward to working with you in the task of preparing men and women for Christian ministry. To learn more about Duke Divinity School, please visit our website at www.divinity.duke.edu.

Huston-Tillotson University
Dr. Larry L. Earvin, President & CEO

HUSTON-TILLOTSON UNIVERSITY MISSION
Huston-Tillotson University supports the Texas Annual Conference through our mission to provide the University’s diverse student body with an exemplary education that is grounded in the liberal arts and sciences, balanced with professional development, and directed to public service and leadership.

The University fosters spiritual and ethical development, preserves and promotes interest in the accomplishments and experiences of the University’s historic constituents and evolving populations, creates and sustains supportive relationships that advance the Huston-Tillotson University community, and prepares students with the integrity and civility to thrive in a diverse society. We achieve our mission through the diversity of our student body, opportunities for spiritual growth and civic engagement, and the global perspective of our educational programs.

UNIVERSITY PROFILE
Enrollment
Huston-Tillotson University reached a thirty year enrollment high with 973 students enrolling in the fall of 2013. Segmentation of our student population by gender reveals an important factor regarding male enrollment. Our overall student population consisted of 448 males (46%) and 525 females (54%). Many universities report decreases in male student enrollment; our student population is balanced. The first-year, first-time freshmen population consisted of 109 males (52%) and 101 females (48%).

The racial/ethnic composition of our student population is as follows: Black, non-Hispanic – 73%; Hispanic – 17%; White, non-Hispanic – 5%; Nonresident Alien – 3%; Native American – <1%; Asian/Pacific Islander – <1%; Multiracial – <1%; Other – <1%; Unreported – <1%.

To further their aspirations, 1.5% of recent HT graduates planned to enroll in theological or seminary schools.

Faculty
The fall of 2013, the University employed 54 full-time faculty members and 33 part-time faculty members. The race/ethnic composition of the full-time faculty is as follows: Hispanic – 11.1%; White, non-Hispanic – 38.9%; Asian/Pacific Islander – 1.9%; Black, non-Hispanic – 46.3%; Two or more races, non-Hispanic – 1.9%. Thirty-eight members of our full-time faculty (70.4%) have a terminal degree in their teaching field.

PRESIDENTIAL AND INSTITUTIONAL ADVANCEMENT ACTIVITIES
Huston-Tillotson University’s success is a result of discoveries, visions, and insights made 137 years ago. When George W. Richardson founded Samuel Huston College in Dallas, Texas, at St. Paul’s Methodist Church with six scholars; and Jeffrey Tillotson founded Tillotson Collegiate and Normal Institute in Austin, Texas, they could only imagine the possibilities. Today, Huston-Tillotson University takes pride in a number of accomplishments, including its record enrollment of a diverse student body.

Many innovative initiatives such as the Day of Discovery for Central Texas executives and decision makers, and visits to target alumni-Key Cities allow the University to participate in outreach at even higher levels. Huston-Tillotson University hosted the 15th Annual African American Community Heritage Festival (AACHF), on Saturday, February 22, 2014. The
festival was highly successful with over 60 vendors, nearly 1,000 in attendance and fundraising efforts that contributed greatly to the Huston-Tillotson University Scholarship Fund.

New undertakings include significant renovations to the Downs-Jones Library to be completed in March 2013. The completed renovation will include an all new interior with open spaces and study areas. The renovated facility will house HT's RAM café with coffee and snack selections in addition to the books, publications, videos, and artwork. The central circulation desk will be surrounded by a central master staircase with glass handrails and innovative interior architectural walls. Downs-Jones Library, built in 1960, was named for Dr. Karl Everett Downs, President of Samuel Huston College from 1948-1953; and Dr. William H. Jones, President of Tillotson College from 1944-1952.

Huston-Tillotson's reputation as a teaching university, as an institution with a stellar faculty, as a place where students can achieve their goals, is evidenced by faculty who are authors and recognized scholars from prestigious programs such as Fulbright Scholarship Programs, Henry C. McBry Research Fellows Program, Piper Professors, and Sam Taylor Fellowship Program.

Faculty spend their summers completing research in their field, studying at the New York University Faculty Institute, attending the UNCF/Mellon Faculty Seminar, engaging in international travel, and other initiatives that further define their specialized areas. The HT student may be the first in his or her family to attend college, part of a legacy family with more than five generations of graduates, a local Austin resident, or a student who has traveled thousands of miles to reach the campus. That HT student was likely referred by alumni and had a number of college acceptance letters from which to choose. Internships or overseas travel are just two of the opportunities afforded students. Whether attending HT as part of the William Edward Burghardt DuBois Honors Program, the Male Achievement Program (MAP), the Women Advancing in Leadership and Knowledge (WALK), as an athlete in one of the sports programs, or recruited as a musician for the jazz ensemble or vocalist with the concert choir, the HT experience is uniquely highlighted for success. Responsibility, spiritual development, and supportive relationships are the hallmarks of the HT experience.

In addition, the establishment of a Leadership Seminar whereby student learning extends to the workplace environment of elected officials and key corporate executives supports unique and creative ways that faculty are engaging students. These endeavors, along with the continued success of the W.E.B. DuBois Honors Program, place the University in a competitive global position.

**ACADEMIC PROGRAM HIGHLIGHTS**

**Student Development**

W.E.B DuBois Honors Program offers students both exceptional academic and extracurricular opportunities. These opportunities are designed for students of all majors who are intellectually curious, capable, and interested in making the most of their time at Huston-Tillotson University.

The staff members of the DuBois Honors Program are dedicated to assisting students achieve their academic and personal goals.

Students who have completed the program have commented that they made many new friends, derived a sense of accomplishment far beyond their dreams, and gained a global perspective on issues. Following are just a few examples of the benefits provided to DuBois Scholars:

- Specialized honors courses that will challenge one’s intellect.
- Fellowship with a diverse community of DuBois Scholars from all parts of the globe.
- Annual fall semester and spring semester retreats to Dallas, Houston, or San Antonio.
- DuBois Honors Programs receptions, cultural events, and educational seminars.
- Participation in the Annual Honors Colloquium.
Connection with local and national internship programs, fellowships, and competitions. A scholarship which is renewable for up to four academic years.

Each year, DuBois Scholars and the Honors Program generally make significant contributions to the University. Scholars are University ambassadors and on their school internships and work assignments, they represent HT well. Upper-division Scholars served as peer advisors for the University's orientation class. First-year students and the professors applauded the peer advisors for their dedication and their ability to be such outstanding role models.

Three Scholars serve on the Engaged Diversity Team funded by a Mellon Grant. At the annual Engaged Diversity conference last May, the three Scholars, and most especially Marcel McClain, created the slogan of "Ram Revolution" to embraced unity among all HT students. The slogan was brought back to campus and shared with administrators, faculty and students. Many have embraced the idea and acted on it to create a more welcoming and comfortable atmosphere for the HT students. The Center for Academic Excellence was established in October 2010. The Center oversees general tutoring services, tracks and monitors the progress of students on Academic Probation as well as First Year Students. The Center implemented the Advancement Via Individual Determination (AVID) program in Fall 2011 which is a College Success Program designed to assist students as they transition to university life. The AVID curriculum is driven by WICOR (writing, inquiry, collaboration, organization and reading) strategies designed to help students meet the academic challenges they face. This third year of AVID implementation continues to improve academic performance among student participants and administrators hope to expand the program.

Poetry on the Patio also continues as a successful initiative and is sponsored by the Downs-Jones Library, Learning Resources Committee, and Huston-Tillotson University Austin Alumni Chapter. Poetry on the Patio provides students, faculty and staff an opportunity to share original and favorite poetry.

The Honda Campus All-Star Challenge included a for-credit course taught by Dr. Alaine Hutson in which students enrolled and prepared to participate in the Honda Campus All-Star Challenge. Our HT team, consisting of three men and one woman, traveled to Los Angeles to compete. Our team has qualified for the National Championship Tournament again for 2014.

College of Arts and Sciences (CAS)

The College of Arts and Sciences continues to strengthen the academic preparation of its students through the continued support of established student clubs, which include the HT Film Society, the History Club, and a campus chapter of the Austin Poetry Society. The clubs continue to receive advisement and support from faculty members in the Department of Humanities and Fine Arts. Additionally, 2 Music majors, within the Department of Humanities and Fine Arts, continued to represent HT as members of the 105 Voices of History Historically Black Colleges and Universities Concert Choir that performed at the Kennedy Center in our nation’s capital.

In fall 2012, the English program launched the new Writing Arts concentration in the English major. Several students immediately selected the concentration. The Writing Arts major promises to be an attractive and current option for students. Many English majors graduate with honors, and several recent graduates were admitted to graduate school.

The Field Biology course is designed to augment our Ecology and Behavior course by providing the students direct experience with local examples of ecological communities, including identifying local trees and birds as well as studying the behavior, distributions and other aspects of the ecology and evolutionary biology of these and other species. In fulfilling these objectives, the class visits a variety of local sites. Some of these field trip
destinations expose the students to local forest associations, some to local grassland associations, and others to local aquatic communities and riparian strips. The other component of this course involves intensive writing, partly to create a traditional field journal but also to create more in-depth reports about some of the ecosystems that we visit during the semester.

**Communications Highlights:**

In addition to the recent developments in field biology, the university’s communication program moved into its renovated instructional facility in March 2013. The program acquired sufficient media and computer technology to train students in mass communication and now offers its full sequence of communication courses and some special course including topics like Strategic Communication and New Broadcasting to HT students. Furthermore, HT communications now offers several career development programs for the university and community including, HT’s own CommMedia Day and the dissection of adequate news coverage of minority communities.

This considered, the communications graduated three students in May 2013—all of whom received Bachelor of Arts degrees in Communication. Of that number, one student now works in the private sector, one works in retail and the last received a position as Interim Director of Alumni Affairs. We excitedly anticipate awarding seven Bachelor of Arts degrees in Communication in May 2014.

HT Communications is also pleased to announce that on February 27, 2014, student, Marques Harvey, will become the first recipient of the Michele Kay scholarship. This honor will grant Mr. Harvey $2500 towards his education, which is provided by the family of Ms. Kay. Our faculty has also been busy in the month of February as Dr. Adams-Means, an associate professor, conducted two panel presentations at the Black College Communication Association student conference as well as participated in programming with the University of Houston Black Studies program.

**The Dumpster Project**

The Dumpster Project (dumpsterproject.org) is a living experiment in sustainability that aims to transform a trash dumpster into a low-impact, zero-net waste home while it is occupied by Dr. Jeff Wilson, Dean of University College and Associate Professor of Environmental Studies (move in date Feb 4, 2014). HT students will work with faculty partners and a panel of advisors to design, test, and implement green living solutions so that the final low-impact dumpster microhome consumes only 1% of the energy, water, and space of the standard American home—and generates only 1% of the waste. The Dumpster Project enriches STEM education through a curriculum based on sustainability, experiential and problem-based learning, and real-world research. HT students in a Dumpster 101 seminar class and Blackshear elementary students who participate in a STEM enrichment class are gaining practical experience in STEM that will help them face the grand challenges of sustainability. Dr. Jeff Wilson (University College), Dr. Karen Magid (Green Coordinator) and Dr. Amanda Masino (Biology) are advising the project.

**Department of Social and Behavioral Sciences**

**Psychology Update**

In 2013, Psychology applied for and received a $900,000 grant (over 3 years) from the Substance Abuse Mental Health Services Administration (SAMHSA) Centers for Substance Abuse Prevention (CSAP) Minority Serving Institutions (MSI)/Community Based Organization (CBO), which is the largest single grant received in the history of Huston-Tillotson University Huston-Tillotson University (HT) has received a $900,000 grant from the Substance Abuse Mental Health Services Administration (SAMHSA). The HT Campus Community Empowerment Against Drugs and HIV/AIDS Project will collaborate with community partners to target African American and Latino youth between the ages of 18 and 25 on the HT campus.
The project will incorporate the surrounding neighborhoods with peer-led evidenced-based substance abuse and HIV prevention strategies, programs, policies, and practices to enhance prevention efforts on campus and in the surrounding community to prevent and reduce underage drinking, high risk drinking, illicit drug use, and transmission of HIV due to unsafe and unprotected sex among this population. The project will also use evidenced-based programs that target individual behavior and environmental prevention strategies that can change the community environment, culture, and norms on the campus and in the surrounding neighborhoods.6

The grant project, says Principal Investigator and Project Director, Dr. Debra L. Murphy, Professor of Psychology at Huston-Tillotson University, will leverage campus and community resources to achieve the project’s goals of preventing and reducing alcohol and other substance use that can increase behavioral and physical risks associated with substance use, including the transmission of HIV through unsafe and unprotected sex. This initiative will bolster the University’s ongoing campus-community collaborative efforts to improve the overall mental and physical health and well being of the Huston-Tillotson students and residents in the surrounding underserved community, which has the worst crime and health indicators in the city, including, HIV, alcohol and substance abuse, with over half of young persons reporting HIV in 2012 being African American and Latino according to the Austin/Travis County Health Department.

**Student Research Initiatives**

At the Dr. Joseph T. Jones, Jr. Eighth Annual HT Undergraduate Research Day Symposium, students showcased their research under faculty guidance on a variety of topics within biology, computer science, kinesiology, and other disciplines. The symposium features poster and individual presentations as well as a panel discussion.

**Community Involvement**

Each year, a record number of students continue to participate in the traditional AusPrEP and Pre-Algebra Institute summer programs. Along with rigorous instruction in the core subjects, students were exposed to a variety of career fields in science and technology through career awareness sessions and field trips. AusPrEP is a summer pre-freshman engineering program designed to help students stay interested in the fields of Science, Technology, Engineering and Mathematics (STEM). From calculators that work like mini computers to programming robots, middle and high school students got hands-on experience. The students engaged in three classes per session; a mathematics course (Thinking Mathematically), a forensic science class (laboratory based and computer forensics), and a project period where the students work with Lego Mindstorm NXT robotics equipment and rocketry equipment. The HT Center for STEM Success has established memorandums of understanding with Austin, Pflugerville, and Round Rock Independent School Districts. The agreement allows students who successfully complete the STEM Academy program to receive a science elective credit on their transcript.

**Faculty Development**

Dr. Laura Smith serves on the Editorial Board of the Howard Journal of Communication. She is actively involved with the AEJMC professional communication association. She continues her research on news and community engagement.

Dr. Adams-Means also continues to work on ethnographic study of African Americans in Travis County, Texas. She gives performance exhibitions on African American history, life and culture. Dr. Adams-Means also mentored a non-major, Jailynn McCowan, who garner a 4th Place award in the prestigious Battle of Flowers Oratory Competition. Her competitors included students from Texas State University, Rice University, Texas A&M University and the University of Texas at Austin.7 Dr. Carol L. Adams-Means was a panelist on "The Changing World of Journalism: What Must Educators Do?" at the Black College Communication Association Student Media Conference in Houston, February 6, 2014. Dr. Adams-Means also appeared as a panelist at the University of Houston African American
Studies’, Africana Aesthetics: African American in Film, Media, and Communications Conference. Her presentation was titled “Leading Ladies and the War with American Cinema and other Media,” Houston, Texas, February 11, 2014.

School of Business and Technology (SBT)
Student Activities
Two students, Sammy Mudede and Stefan Spears, both Computer Science majors and May 2013 graduates, have decided to forgo corporate employment for now to pursue their graduate degree. Mr. Mudede is the first ever HT student to be accepted into the prestigious Carnegie Mellon University graduate computer science program. Mr. Spears has been accepted into a graduate program at the University of Western Australia in Perth, Australia. Because Mr. Mudede’s performance was so great during his first semester at Carnegie-Mellon, he received a scholarship that will pay his tuition until he graduates in summer 2014.

Accounting student, Tochukwu (Joshua) Nwozor was selected to participate in the prestigious Goldman Sachs Diversity Symposium in Salt Lake City, Utah. During the symposium, Mr. Nwozor networked with recruiters from Goldman Sachs and attended career workshops.

Faculty Activities
Over the Christmas holiday, Dr. Banner (management instructor) attended a conference in Greece via the Faculty Resource Network. As a flagship institution, HT will be responsible for developing programs to educate the University and the community about the European Union. While in Greece, Dr. Banner discussed issues in conducting trade with the EU and Greece vis-à-vis the political, cultural, and economic environment of the area. In addition, Dr. Banner discussed sustainability policies and will use this insight to work on the “Green is the New Black” campus initiative.

While in Greece, Dr. Banner met with the President and Provost of the American College of Greece. Together they discussed developing a study abroad program for HT’s faculty and students. Locally, she is working with the Center for European Studies at UT to assist HT in developing its program.

Black Executive Exchange Program (BEEP)
BEEP is a program of the National Urban League that brings together minority executives from across the country to deliver practical and career-building advice to students at historically black colleges and universities. Participants come from throughout the United States.8

SBT and the ROTC
The HT/University of Texas at Austin (UT) ROTC program is recognized for its excellence in developing students into future leaders. Typical students participating in this program have outstanding personalities and are well-rounded individuals. They learn how to lead and inspire others through their ROTC experience. We are justifiably proud of all of our graduates and cadets who are honorably serving our country.

Student Services
Religious Life and Campus Ministry
The Office of Religious Life and Campus Ministry provides an ecumenical ministry that acknowledges the spiritual needs of all students at the University. University Chapel Hour, held each Thursday, continues to include speakers who are clergy members from diverse backgrounds.

Students with an interest in the ministry as a vocation continue to assist in serving of communion every first Thursday of the month. HT students also participate in a number of spiritual development programs, which includes spiritual retreats, weekly Sister Connection (Women’s Bible Study) and weekly Brothers of Fellowship (Men’s Bible Study) meetings. In January 2013, two students attended the Academy of Young Preachers National
Gathering in Atlanta, GA in which both were participants. Students from various colleges and universities across the Nation were also in attendance and participating.

Three years ago, the University created the Center for Religious Life. Students come to the center to study, especially during mid-terms and finals. Approximately five students per month receive counseling. Faculty and staff come for a “listening ear” from the University Chaplain. The Center is utilized by the DuBois Scholars, Student Affairs, the Department of Philosophy and Religion, and the Charter Day Committee.

Campus service programs encourage students to participate in service programs. Students gained mission experience through our partnership with Tarrytown United Methodist Church. Each year, students continue to engage in service learning during the Alternative Spring Break Mission Trip. Each fall first year students also have an opportunity to participate in the Religious Life/Campus Ministry First Year Experience Retreat. The intent of the retreat is to introduce first year students to Religious Life/Campus Ministry in a way that is relaxing, welcoming, and fun.

We also desire to aid students as they begin the process of matriculation, alerting them to the possible pitfalls, yet instilling in them the endless possibilities through Christ. Because of our historic ties with the Wesley United Methodist Church, we share in an annual celebration with Wesley honoring and remembering our unique relationship. We continue to share a wonderful partnership with Tarrytown United Methodist Church. We engaged in a Huston-Tillotson Day with Simpson United Methodist Church.

Additionally, the Office of Religious Life and Campus Ministry hosted the Annual Bishop Ernest T. Dixon Lecture given by Rev. Dr. Rodney Smothers, Pastor of St. Paul UMC in Oxon Hill, Maryland.

Campus Life

The Office of Campus Life continues to focus on deepening students’ understanding of the relationship between curricular and co-curricular experiences by connecting student programming to relevant areas within the syllabi of various academic courses. Such programs include the annual Leadership Training Seminar, which focuses on ethical leadership practices for all students and various social programming.

Huston-Tillotson University’s Campus Life Office has had a very eventful year, starting with the 2014 Student Government Association (SGA) with a very successful Homecoming Week and Greek Life intake. Greek letter organizations Alpha Phi Alpha, Alpha Kappa Alpha and Kappa Alpha Psi welcomed nine, five and three new members from our HT student body respectively.

During the 2014 Homecoming celebration—held from January 26th – February 1st—the SGA organized a Sunday Worship Service, held a fashion show, conducted an Alumni Career presentation and hosted various tailgating on-campus events. The reigning Homecoming King and Queen – Mr. Chris Edwards and Miss. Allisiana Davis—passed the torch to the newly crowned King and Queen, Mr. Chris McConnell and Miss. Jelisa Johns.

Green Is the New Black

In other campus news, the environmentally friendly student org, Green is the New Black (http://www.greenisthenewblack.org) took root on campus in the fall of 2013. The organization focuses on environmental awareness and campus sustainability. The vision of GITNB is “fostering new shades of green as the roots of our future.” GITNB brings sustainability to the wider campus community through projects like a campus food garden and composting program, eco-mentorships with Blackshear Elementary, recycling initiatives, hosting sustainability speakers and programs, and by leading the Dumpster Project, a sustainability education living experiment that highlights the environmental impacts of modern life. GITNB students won the Ford Motor Company Fund HBCU Community Challenge in December 2013, beating a competitive pool of 75 other HBCUs to earn the funds to implement their vision on campus.

GITNB is advised by faculty Dr. Jeff Wilson and Dr. Amanda Masino.
Counseling and Consultation Center (CCC)

The Counseling and Consultation Center continues to help the Division of Student Affairs meet its mission by helping students with their personal concerns so that they can meet the daily challenges of student life. Currently, Ms. Barbara Fountain serves as the current Director for the Counseling and Disability Services Center. Ms. Fountain comes to HT from the Austin School system and brings a significant amount of experience and breadth of knowledge regarding counseling services/interventions with her. Ms. Fountain replaces Dr. Gonzalez-Lima who left in April 2013. Ms. Fountain works with Ms. Kayla Holder-Torres who coordinates HT’s Disability Services for HT students.

Amongst many of the services the center provides, CCC is the home of the Student Health Advocacy Committee (SHAC) whom recently reapplied and received the Morehouse grant in October 2013 for the Morehouse Grant to help fund the student-run group. The SHAC lifts as an important asset to the student population as it is utilized by individual students, residence hall 10 staff, and faculty for presentations about: personal well-being, adjusting to college issues, conflict mediation, and overall encouragement to students.

In addition to the newly received Morehouse grant, the efforts of a collaborative agreement with Seton Hospital, HT students now have access to additional mental health professionals in addition to the current staff in HT’s Counseling and Disability Center. Ms. Heather Teel provides individual and group therapy services and Dr. Rosen provides psychiatric services and consultations as needed to the student body. The Office of Disability Services (ODS), housed within the CCC, continues to provide needed supportive services for HT students with disabilities. Programming involved collaboration with community resources and several HT departments. ODS works closely across departments at HT (i.e., Dr. Budd SEDL class, the Athletic Department, SA departments, the Library, the Math department), to share information, enhance education, and provide recreational opportunities to students, staff and faculty regarding disability issues.

Simultaneously, ODS continues to expand the adaptive aids available for student use to accommodate individuals in the classroom and while studying. Adaptive aids included digital recorders, amplification devices, and adjustable desks for use in classes; software for audio books in the library for flexible student access; golf cart use for students with temporary mobility issues as well as a couple of wheelchairs for emergency use; and accessing free technology to share individually with students.

Career and Graduate Development Center (C&GDC)

The Career and Graduate Development Center continues to develop and update services and resources available to HT students, alumni and employers.

During the 2011-2012 academic year, the Career and Graduate Development center held several programs and big events that included three major career and internship fairs; a Disability Awareness Fair; a four-day Healthy Wholeness program open to the HT community; a Professional Recruiters Resume Review day for students; two Dress for Success seminars; a Fashion Show that included five HT students that had received funds for professional dress clothing from Goodwill Industries; and the hosting of four top notch Public Health Schools that included Harvard, Columbia, Johns Hopkins, and Yale. Furthermore, one-on-one career and graduate development counseling services continue to grow as the Director met with over 200 students last year. In addition to the one-on-one meetings, he presented in classes to over 380 students in 28 separate academic majors’ capstone and seminar majors classes that included Alternative Teacher Certification Program, Biology, Business Administration, Chemistry, Computer Science, English, Kinesiology, and Sociology.

Alternative Teacher Certification

In August 2013, the Alternative Teacher Certification Program completed the initial Quality Indicators Review Process. The National Quality Indicators for Nontraditional Teacher Preparation Programs (QIs) is a research-based tool for program self-assessment.
and continuous improvement, currently being pilot tested in programs across the U.S. The Quality Indicators are being developed by NAAC in conjunction with Project KNOTtT and The Ohio State University, through a federally funded Transition to Teaching (TTT) partnership led by OSU.

The Quality Indicators provide a framework to assist programs in conducting self-assessments. The framework is organized across three program dimensions -- Governance, Design, and Accountability -- and four program components -- Recruitment, Selection, Preparation, and Support -- that are aligned to each dimension. Programs participating in a QI self-assessment review the background narrative, familiarize themselves with the technology, and then utilize the 12 rubrics to assess their program's stage in meeting the multiple indicators. Upon completing the self-assessment, two independent reviewers assessed the ATC program and the program received helpful written feedback. Training and support was provided throughout the process and all information reported remains confidential.

Finally, the program submitted 44 artifacts and 12 narratives for quality review. Based on the initial summary, the program is on a promising continual development track that provides a high quality program for its teacher-candidates.

**Student Health Services**

The HT Health Connection e-health community empowerment program continues to collaborate with other community based organizations to empower our campus and underserved populations in our community with health information from the National Library of Medicine. The program's objective is to provide participants with the basic background knowledge and information about racial disparities in health. Participants are trained to conduct informational sessions that enhance consumer awareness. Consumers are informed about the following through online health access: HIV/AIDS, Heart Disease, Cancer, Mental Health and Diabetes. Informed consumers will benefit by having a better quality of life.

**Athletics**

The HT Athletic Department has made several significant advancements since the beginning of the 2013-14 academic school year. The Student-Athlete Advisory Committee (SAAC) was revitalized in September. Two representatives were selected by the coaches of each team. The purpose of SAAC is to enhance the support for the HT Athletic Department both on and offcampus and to give back to the surrounding community by volunteering for a variety of community service projects, including but not limited to, the Givens Recreation Center Halloween and Thanksgiving events, Austin Police Department “Blue Angel” Christmas project, ‘Christmas Cards for Veterans’ and the weekly HT Campus Clean-up.

HT was awarded two grants to improve our Health & Wellness Center. The first grant allowed us to revamp our Weight Room with much-needed new exercise equipment. The second grant gave the department opportunity to completely renovate both the men’s & women’s locker room facilities. The Athletic Department also hired a part-time, nationally certified Strength & Conditioning Coach, who has tremendously helped our HT athletes become stronger and more physically fit, allowing them to be more competitive within the Conference.

On the competitive side, the women’s Soccer team had a very successful season and advanced to the Red River Athletic Conference Tournament in November. Several of our players were recognized and given Conference awards for “1st Team All-Conference”, “2nd Team All-Conference”, “Defensive Player of the Year”, “Newcomer of the Year”, “Goalkeeper of the 12 Year” and “Academic All-Conference Team”. Additionally, the sport of Men’s Cross Country was added as another sport beginning Fall 2013.

Huston-Tillotson University Athletics continues to meet its mission by providing opportunities for competition in intercollegiate athletics while ensuring an atmosphere that emphasizes academic and athletic excellence. We continually strive to ensure that all of our
student-athletes are “Champions of Character” and model the values of Respect, Responsibility, Integrity, Sportsmanship, and Servant Leadership. The Athletic Department is committed to the principle that participation in athletics is integral to the total educational process as well as to the personal growth of each student-athlete. HT is a member of the NAIA (National Association of Intercollegiate Athletics) and the Red River Athletic Conference (RRAC).

Huston-Tillotson University is proud of its United Methodist Church heritage and affiliation and continually strives to provide a wholesome and open learning environment that encourages recognition of individual worth and merit.

Perkins School of Theology
William B. Lawrence, Dean & Professor of American Church History

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

- Perkins School of Theology’s Houston-Galveston Extension Program offers students an opportunity to complete up to two-thirds of the M.Div. and up to one-half of the C.M.M. (Master of Church Ministries) or M.T.S. degree requirements. Classes meet at St. Luke’s UMC in Houston and at Moody Memorial First UMC in Galveston.
- The Houston Lay School of Theology offers classes at St. Paul’s UMC each January and August.
- This year Perkins partnered with Houston Methodist Hospital to inaugurate a “Faith and Medicine” event and a three credit-hour student immersion course on the hospital campus.
- Seventy-two students affiliated with the Texas Conference students are enrolled at Perkins, including one Ph.D., seven D.Min., one C.M.M., one M.S.M., five M.T.S. and 57 M.Div. students.
- Students from the Texas Conference who qualified for Perkins Annual Conference Endowment (PACE) grants this academic year received $5,500 each in need-based aid.
- The Houston-Galveston Extension Program periodically hosts Lunch & Learn events featuring Perkins faculty members speaking on a variety of topics, for prospective students, as well as alumni/ae, friends and other guests.
- A total of 13 Perkins students have been placed as interns within the Texas Conference this year. An additional five students affiliated with the Texas Conference have been placed as interns in other annual conferences.
- Perkins celebrates the distinguished accomplishments and service of many alumni/ae in the Texas Conference, including Houston Area Bishop Janice Riggle-Huie (M.Th.’73).

Perkins enjoyed a record spring 2014 enrollment of 24 new students, in addition to 81 new students who enrolled in fall 2013. Among all Perkins students, approximately two-thirds are United Methodist and more than one-third are ethnic minority students. Our gender balance between male and female students in Master’s degree programs remains almost exactly 50%. The Doctor of Ministry program continues to grow with students from southern Asia taking classes in Singapore and Dallas. Our Ph.D. program includes two Latino Ph.D. students supported through a grant from the Luce Foundation to Perkins’ Center for the Study of Latino/Christianity and Religions.
Rev. Jeannie Treviño-Teddle was honored for faithful service as director of the Mexican American Program and UM Regional Course of Study School from 2002 until her retirement in 2013. An announcement about the appointment of her successor will be forthcoming.

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

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

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

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

Southern Methodist University
R. Gerald Turner, President

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

- SMU’s total fall 2013 enrollment was 10,929, including 6,357 undergraduates and 4,572 graduate students. The average SAT score for first-year students rose from 1144 in 1999 to 1302 in fall 2013. Enrollment continues to increase in ethnic, socio-economic and geographic diversity. Ethnic minority students made up 25 percent of total enrollment and 27.5 percent of undergraduate enrollment in fall 2013. Approximately 50 percent of students came from outside of Texas. A record international enrollment of 1,445 students represented 97 foreign countries, with the largest numbers coming from China, India and Saudi Arabia.
- The Carnegie Foundation for the Advancement of Teaching classifies SMU as a “high research activity” university. During 2012-13, SMU received $19.9 million in external funding for research and sponsored projects throughout the U.S. and worldwide. Current research subjects include natural hazards, water quality, cyber security and treatments for cancer, neurodegenerative diseases and diabetes.
- Because of the early success of SMU Unbridled: The Second Century Campaign, the campaign goal was raised from $750 million to $1 billion. To date, SMU has received more than $844 million in gifts and pledges for scholarships, academic programs, endowed faculty positions and campus improvements and facilities.
- Campaign gifts are helping to fund renovations of existing facilities and new construction on the campus. Moody Coliseum reopened in December 2013 after extensive renovation and expansion. A new data center and a tennis complex with indoor and outdoor courts will be completed in 2014.
- SMU’s new Residential Commons complex, scheduled to open in fall 2014, consists of five new residence halls, a dining facility and parking garage. The complex will
enable SMU to implement a residency requirement for sophomores along with first-year students. The new halls will include classrooms and accommodations for live-in faculty. Six other SMU residence halls are being modified as Residential Commons.

- The year 2013 was designated as the Year of the Library, marking the 100th anniversary of the beginning of SMU’s library collections, which recently passed the four-million-volume mark. Major renovations are planned for Fondren Library Center and Bridwell Library of Perkins School of Theology.

- The George W. Bush Presidential Center, consisting of Library, Museum and independent Institute, was dedicated at SMU in April 2013, with all five living U.S. presidents participating. The event drew more than 10,000 invited guests, including several former heads of state and other dignitaries. Since the Center’s opening, the number of visitors to the Museum has exceeded expectations, with more than 200,000 thus far. In partnership with the Bush Library and Museum, SMU’s DeGolyer Library exhibited George Washington’s personal copy of the Acts of Congress in July. Under sponsorship of the Bush Institute, symposia have been conducted on subjects that promote economic growth, education reform, global health and human freedom. With an initial focus on women in the Middle East and Africa, the Institute’s Women’s Initiative sponsored leadership training for groups of Egyptian women. Dr. Eric Bing, a renowned expert on global health issues, is the first to hold concurrent appointments as a new SMU faculty member and senior fellow of the Bush Institute.

- Perkins School of Theology provides special programs for the Texas Annual Conference. The Houston-Galveston Extension Program enables students to begin degree studies through weekend and evening classes at St. Luke’s United Methodist Church in Houston and Moody Memorial First United Methodist Church in Galveston. Students complete degree requirements on the Dallas campus. The Houston Lay School of Theology offers classes at St. Paul’s United Methodist Church each January and August. This year Perkins partnered with Houston Methodist Hospital to inaugurate a “Faith and Medicine” event and a student immersion course on the hospital campus.

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

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<td>Dr. Edward Burger, President &amp; Professor</td>
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When I accepted the offer to become president of Southwestern University in February 2013, I knew it was a special place. But what I have found since I began work here last July has far exceeded my expectations.

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

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

In our students, I have found a diverse group of young people who are engaged in the classroom, on the playing field, in the arts and in the community.
And in our alumni, I have found individuals of all ages who continue to value the education they received at Southwestern as well as the relationships they formed when they were here.

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

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

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

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

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

**Faculty Appointments**

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

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

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

**Academics**

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

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

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

In August 2013, we began offering classes in our first three “Paideia clusters.” Paideia clusters are groups of classes in various disciplines that are connected with a common theme. Beginning in the fall of 2014, all new students at Southwestern will be
required to take three courses from a Paideia cluster of their choice to meet some of their general education requirements.

The first three Paideia clusters focus on gender, global public health, and the Mediterranean region. Six additional Paideia clusters are being developed for fall 2014.

In February 2014 we announced that Sherry Adrian, associate professor of education and holder of Dishman Endowed Professorship for Special Education, will serve as director of our Paideia program for the next three years. Professor Adrian has been involved with this program since the beginning.

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

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

Accolades

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

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

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

Faculty Achievements

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


Emily Niemeyer, professor of chemistry, was one of six women who were named Outstanding Texas Women in STEM by Girlstart, an organization that offers after-school programming to encourage girls in grades 4-8 to pursue careers in science, technology, engineering and math (STEM).

Former President Jake B. Schrum received the 2013 Frank L. Ashmore Award for Service to CASE and the Advancement Profession given by the Council for Advancement and Support of Education (CASE).

Retired chemistry professor Robert Soulen was named a Fellow of the American Chemical Society.
Kiyoshi Tamagawa, professor of music, received the 2013 Award for Outstanding Collegiate Teaching Achievement from the Texas Music Teachers Association.

In November 2013, eight Southwestern faculty members received awards from the Sam Taylor Fellowship Fund, which provides monetary awards for the continuing education and development of full-time faculty members of United Methodist colleges and universities in Texas.

Ben Pierce, a professor of biology and holder of the Lillian Nelson Pratt Chair in Biology, was selected to receive the 2013-2014 Exemplary Teaching Award from the Board of Higher Education and Ministry of the United Methodist Church.

Five faculty members were selected to be Southwestern’s first Community-Engaged Learning Fellows. The Community Engaged Learning Fellows Program is designed to help faculty members learn how to incorporate community-engaged learning into their classrooms and provides a $1,400 faculty development award that faculty members can use for professional development, course development, and research. Faculty members who were selected as 2013-2014 Fellows were: Sherry Adrian, associate professor of education; Barbara Anthony, assistant professor of mathematics; Kathleen Juhi, professor of theatre; Joshua Long, assistant professor of environmental studies; and Maria Todd, associate professor of biology. In fall 2013, 12 courses at Southwestern had a component that involved community-engaged learning.

**Student Achievements**

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

- 2013 graduates Colin Berr and Priscilla Hernandez received $8,000 scholarships through the Sumners Scholarship Program to participate in programs in Washington, D.C., in summer 2013. Berr attended an Institute on Economics and International Affairs, and Hernandez participated in an Institute on Philanthropy and Voluntary Service.

- Southwestern students Ann Bransford, Lauren Gieseke, Lucero Pina, and Jay Scheinman were selected to receive Hatton W. Sumners Scholarships beginning in the fall of 2013. The scholarships are for $5,000 per semester and are awarded to students based on their academic history, extracurricular activities, and leadership experience.

- Susana Contreras and Nathan Tuttle were chosen to participate in the American Sociological Association’s 2013 Honors Program. The program selects “exceptional sociology students from throughout the country and the world” to participate in the American Sociological Association’s annual meeting. A third Southwestern student, Megan Robinson, was also selected to participate in the program after winning second place in the 2013 competition for best undergraduate paper sponsored by Alpha Kappa Delta, the international honorary association in sociology. Sarah Dorer and Samantha Sada received a Student Research Award from Psi Chi, the national psychology honor society, for a paper they presented at the Southwestern Psychological Association conference held in April 2013.

- Three Southwestern students - Antonio Lopez, Jessica Parada, and Alan Ramos - received the highly competitive Benjamin Gilman International Scholarships from the U.S. Department of State to study abroad in the summer of 2013. 2013 graduate Alejandra Benitez received a fellowship to spend the 2013-2014 academic year teaching in France.

- Sophomore Adrienne Dodd was awarded a Critical Language Scholarship from the U.S. Department of State to spend the summer of 2013 studying at Xiamen University in Xiamen, China.

- Senior Paige Duggins was selected to receive the 2014 Academic Internship Student Achievement Award from the Cooperative Education and Internship Association (CEIA). Duggins is the fourth Southwestern student to receive this national
award in the past eight years. No other school has had more than two students receive this award.

Senior education major Katie Elder was one of three students selected statewide to receive a scholarship from the Texas Association of School Personnel Administrators (TASPA) for the 2013-2014 school year. The scholarship honors the best teacher candidates in the state. Southwestern teacher education students have been awarded TASPA scholarships for the past 14 years, consistently besting students from other programs in the state.

Senior physics major Vicente Estrada-Carpenter won the award for best undergraduate poster at the 2013 Fall Meeting of the Texas Section of the American Physical Society.

2013 graduate Kira McEntire tied for first place in the undergraduate competition for best oral presentation at the 116th Annual Meeting of the Texas Academy of Science.

Jessica Olson, a senior with a double major in environmental studies and feminist studies, was selected to be a youth delegate to the United Nations Framework Convention on Climate Change for the second year in a row. Olson also received a national award from SIERRA CLUB in September 2013.

First-year student Sabrina Rangel was selected to participate in the prestigious Kemper Scholars Program, which prepares students at liberal arts colleges for leadership positions, especially in the fields of administration and business.

2013 graduate Katherine Tanner received a Rotary Global Grant to begin her graduate studies at Royal Holloway, which is part of the University of London.

**Athletics**

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

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

Kinesiology major Katelyn Bartell was recognized by the Texas Chapter of the American College of Sports Medicine as its 2013 Undergraduate Scholar, the highest honor for undergraduates in the chapter.

Chelsea Leeder was the only player in the Southern Collegiate Athletic Conference (SCAC) to earn a spot on the D3hoops.com All-Region First Team for the South Region. 2013 graduate Rachel Thibodeau was selected to receive a prestigious NCAA Postgraduate Scholarship. Thibodeau was the only student-athlete in the SCAC to receive the scholarship in 2013.

Senior psychology major Lindsay Jakszta was named to the National Soccer Coaches Association of America Women's All-Scholar Region Team. The men's golf team was selected to participate in the NCAA Division III championship for the first time in its history. The women's golf team also played in the NCAA tournament, and golf coach Dan Ruyle was named the SCAC women's Coach of the Year for the fourth time since 2007.

The men's swimming coaching staff, led by head coach Jon Duncan, was named the 2013 SCAC Men's Staff of the Year during the SCAC Championships.

The softball team won the SCAC championship and coach Angela Froboese was named SCAC Coach of the Year for fourth time in five years. Softball players Christina Crandall, Abigail O'Connor, Karen Ramirez and Caroline Young were named All-America Scholar Athletes by the National Fastpitch Coaches Association.

Daniel Tuttle earned the most individual points at the SCAC Track and Field Championship and was named the SCAC Men's Track and Field Athlete of the Year. Seniors Matthew Nickell, Daniel Poole, and Steven Resnik and were named to the NCAA Division III Men's All-West Region Soccer Team.
Sixty-nine students from Southwestern made the SCAC’s Student-Athlete Academic Honor Roll for the fall 2013 semester, placing Southwestern second behind only Trinity University.

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

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

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

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

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

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

- In November, The Ben Hogan Foundation and Texas Wesleyan University partnered to form the Ben Hogan Foundation Mentor Scholarship, which will be awarded annually to a candidate from The First Tee of Fort Worth to cover the full cost of tuition, fees and books.

To learn more about Texas Wesleyan, visit txwes.edu or follow us on Facebook at facebook.com/TexasWesleyan.

United Theological Seminary
Wendy J. Deichmann, President

Is God calling you or someone you know to the ministry of Jesus Christ? If so, we invite you to explore how United can assist you in fulfilling God’s purposes for your life and how you can help others in this journey. Come and check us out in person or online at www.united.edu!

United is one of the fastest growing, accredited seminaries in North America. Why are Christian disciples and leaders signing up for our traditional and online programs? They are doing so because United is committed to teaching the Bible and the historic Christian faith, cultivating spiritual formation for personal and social holiness, and renewing the Church for the mission of Jesus Christ in the world. What could be more important or exciting?

In addition to expanding our service in the Midwestern US, United will continue to enhance its use of technology to deliver theological education in underserved regions in North America and beyond. United’s hybrid/online UMC FLEX Master of Divinity degree was designed specifically to meet the requirements of the UMC for ordination and it is accessible anywhere with good Internet service. Our hybrid/online UM Course of Study is expanding each semester, along with UM Certification offerings.

What’s new at United? Three new professors joined our excellent team of faculty in 2012 and a search is underway for yet another. United and Aldersgate Renewal Ministries have developed a new partnership, and we have piloted a new certification program focused upon ministries with persons with disabilities. Each year, United’s doctoral program adds new mentors and focus groups for advanced ministry study.

Please let us know if you have questions about how we can best assist you or, if you would like to help make it possible for an American or international student to study at United.

Enrollment at United continues to grow, and we invite you to call or visit soon!

For more information, please contact admissions@united.edu.

Thank you for your prayers, partnership, service and support in the ministry of Jesus Christ!

Wesley Theological Seminary
David McAllister-Wilson, President

The past year has brought many blessings, change and growth to Wesley Theological Seminary. We continue to focus our work on preparing our students for leading churches that go out into the world and moving people to live the Great Commandment and Great Commission. Here are a few of the newest developments at Wesley:

- The Rev. Dr. Robert K. Martin joined the seminary as Dean and Professor of Christian Formation and Leadership.
• The Rev. Dr. **F. Douglas Powe** joined Wesley as the James C. Logan Professor of Evangelism and Urban Ministry. He directs the Urban Ministry program and Course of Study. **Paul Kang-Kul Cho** is serving as assistant professor of Hebrew Bible. The Rev. Dr. **Doug Tzan** is now teaching Church History part-time and is mentor to United Methodist students.

• **Mike McCurry** (former press secretary in the Clinton presidency) has been named Distinguished Professor of Public Theology and co-director of the National Capital Semester for Seminarians. The Rev. Dr. **H. Beecher Hicks**, senior minister of Metropolitan Baptist Church in Largo, Maryland, will serve as Distinguished Visiting Professor of Homiletics. With support from Lilly Endowment Inc., the Rev. Dr. **James P. Wind** (former president of the Alban Institute) has joined the faculty as Visiting Distinguished Professor. He joins our faculty for three years to lead a research project studying large congregations and the leadership they and their pastors wield in church and society.

• Lilly Endowment Inc. awarded Wesley a grant to research and develop a program to strengthen United Methodist elders’ and future elders’ financial literacy and financial management skills.

• The Lewis Center for Church Leadership celebrated ten years of offering resources to help congregations reach more people and fund their ministry. See [www.ChurchLeadership.com](http://www.ChurchLeadership.com).

• Our Heal the Sick Initiative has graduated its inaugural classes for the Health Minister certificate and the Faith Community Nurse Certificate. The initiative is a unique program at Wesley to help congregations become involved in public health initiatives in their parish, part of our Center for the Missional Church.

• Lewis Center director the Rev. Dr. **Lovett Weems** and Wesley Board of Governors Chairman the Rev. **Tom Berlin** released the book **Overflow: Increase Worship Attendance & Bear More Fruit**.

• Completed construction of a new, LEED-certified residence hall.

• Now offers course auditing for $100 per credit hour and CEUs for $100 per unit.

• Five pastors from Beijing, China, joined us for the spring semester in a special program of study through the work of the Rev. Dr. **Kyunglim Shin Lee**, Vice President of International Relations.

• Wesley was named to Faith3.org’s list, Seminaries that Change the World. This list was announced in the Huffington Post on November 12, 2013. One of the several reasons for the attribute was Wesley’s Center for the Missional Church, which is headquartered at Wesley Downtown, in the heart of Washington, D.C.

Please be in prayer for Wesley Theological Seminary. We cannot do our ministry alone, and your participation with us in the greater mission of God enhances us mightily. We are striving to provide you with the kinds of educational opportunities that will take your ministry to the next level. In turn, we depend upon your participation in and contribution to our ministry as well. So, pray for us often, avail yourself of the school’s offerings, give to Wesley, and identify and send us persons who are called and who have a high capacity for fruitful ministry.
Plans are well underway for the 2016 Jurisdictional Conference to held July 13-16, 2016 in Wichita, Kansas. The newly formed Great Plains Annual Conference will be our host, under the leadership of Bishop Scott Jones.

Delegates to this conference will be elected as early as this spring in some Conferences, and by all the Annual Conferences by spring of 2015. The delegate count to the Jurisdictional Conference will be 216, half lay, half clergy. This is forty fewer delegates than we had in 2012 when the Conference met in Oklahoma City. The reduction is due to two reasons: 1.) The total number of delegates to General Conference was reduced, to keep costs down. 2.) The rapid growth of the church in Africa has produced more Annual Conferences there each, though some are small, get at least one lay and one clergy delegate to the General Conference. So when the cap is reduced and the new Annual Conferences are accounted for, it required a sharp reduction in delegates apportioned to the US Annual Conferences.

The expenses to hold the Jurisdictional Conference come from the apportionment for the SCJ Administration Fund. Out of that annual apportionment of $323,163, each year $98,000 is held in reserve to fund the quadrennial meeting.
Hotel Reservations are to be made by individuals. The following form is a “Hotel Tax Exemption Form” for use in reducing the tax paid for hotel occupancy. Fill it out and submit it to the hotel when you check in.

**HOTEL OCCUPANCY TAX EXEMPTION CERTIFICATE**

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<td>Name of exempt organization</td>
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<td><strong>Texas Annual Conference of the United Methodist Church</strong></td>
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<td>Organization exempt status (501 (c)(3), religious, charitable, government, etc.)</td>
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**GUEST CERTIFICATION:**
- I declare that I am an occupant of this hotel/motel on official business sanctioned by the exempt organization named above, and that all information shown on this document is true and correct.

SIGN HERE

DATE

FOR HOTEL/MOTEL USE ONLY

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</tr>
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<tbody>
<tr>
<td>Address of hotel/motel (Street and number, city, state, zip code)</td>
</tr>
<tr>
<td>Method of payment (Cash, personal check or credit card, organization check or credit card, direct billing, other)</td>
</tr>
</tbody>
</table>

**NOTE:** This certificate should be furnished to the Hotel or Motel, DO NOT send the completed certificate to the Comptroller of Public Accounts. This certificate does not require a number to be valid.