

NO. 1101

**General Assembly
of the Christian Church (Disciples of Christ)
Including the Office of the
General Minister and President**

Sharon E. Watkins, General Minister and President
Christian Church (Disciples of Christ) in the United States and Canada
130 East Washington Street, PO Box 1986, Indianapolis, Indiana 46206-1986
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We are Disciples of Christ, a movement for wholeness in a fragmented world.
*As part of the one body of Christ, we welcome all to the Lord's Table
as God has welcomed us.*

Our Vision is to be a faithful and growing church that demonstrates
true community, deep Christian spirituality and a passion for justice. *Micah 6:8*

Our Mission is to be and share the good news of Jesus Christ,
witnessing, loving and serving from our doorsteps to the ends of the earth. *Acts 2:8*

Our Imperative is to strengthen congregations for this mission

The Office of the General Minister and President (OGMP) leads, serves, inspires, nurtures and facilitates the Christian Church (Disciples of Christ) as one church in many expressions.

The senior staff of the OGMP, led by Associate General Minister and Vice President, Dr. Todd A. Adams, consists of Sharon Coleman, Assistant Vice President for Operations, John Goebel senior accountant, Wanda Bryant-Wills, Executive Director of Communication Ministries, the Rev. Patti Case, General Assembly Program and Marketing Director, Beth Sullivan, Executive Assistant to the General Minister and President. Dr. Timothy James, Associate General Minister and Administrative Secretary to the National Convocation, completes the senior staff team. Assisted by dedicated administrative professionals, this staff team supports work of the General Assembly (GA), General Board (GB), and Administrative Committee (AC); interprets, promotes, receives and receipts Disciples Mission Fund (DMF); coordinates general church communication; and undergirds the ministry of the General Minister and President (GMP).

A significant responsibility of the OGMP is the convening of appropriate leadership tables to facilitate the church's engagement with the 2020 vision and the four mission priorities. The 2009-11 Biennium marked the mid-point of 2020 Vision and the beginning of work charted by the Mission Alignment process. Highlights include:

Convening the GMP's Pastoral Table on a regular basis. The Pastoral Table, consisting of the GMP and the executive ministers of the National Convocation, Hispanic Ministries, and North American and Pacific Asian Disciples (NAPAD) was a result of the Mission Alignment process and serves the pro-reconciliation/anti-racism priority. It brings these leaders together for pastoral and theological reflection and counsel to the church. With the organization of NAPAD into a self-governing ministry, the three ministries now relate to the church in similar fashion.

Convening a New Church Table with representatives from New Church Ministries, regions, and racial/ethnic ministries to work on the growing pains that have come with the enormous

success and blessings of the New Church Movement. The result is progress on a revised handbook for new church ministries.

Convening two conferences on how regional and general ministries strengthen congregations for mission in the 21st century – a contribution to the priority to transform 1000 congregations by the year 2020. One result of the conferences is a learning track on leading transformation at the 2011 General Assembly.

The “table” model of discussion and action has emerged because the mission to be and share the good news of Jesus Christ is beyond the scope of any one ministry. Collaboration among multiple ministries makes possible new combinations of gifts and wisdom to be mobilized to fulfill God’s mission. Two other tables convened during this biennium upon General Board action include: a **women’s table** which reviewed the location and role of Disciples Women in the life of the church, and a justice table which has now committed to meeting on a regular basis to give focus and visibility to Disciples’ justice and advocacy work.

In 2009-2011, the General Board began living into a new organizational model, following the downsizing of the Board in 2005-6. Among other changes, a new Governance Committee of the General Board replaced the Standing Committee on Renewal and Structural Reform and became the place where the General Commission on Ministry reports to the GB. The Committee on Counsel and Mediation moves from the AC to the GB. A new Covenantal Dialogue Committee engages with general ministries to enhance the mutual accountability for mission shared by the GB and the general ministries.

The second GMP Pastors’ Conference in San Diego gathered ministers from 31 regions for inspiration, learning and fellowship. During the three day conference, over 300 pastors engaged with Diana Butler Bass in reflection and dialogue on missional renewal of the church.

OGMP continues to live into the 2007 resolution merging Church Finance Council into the General Assembly. In 2010, OGMP Treasury Services began providing Christian Church Services and the Council on Christian Unity with integrated treasury management, resulting in significant cost savings for both ministries. In 2011, OGMP Treasury Services began serving the College of Regional Ministers and the Region of Florida with similar services. This approach will save the Florida region over \$40,000 per year.

The cost savings have enabled OGMP to initiate key priorities of the merger. First, OGMP Treasury Services is making bi-monthly instead of monthly distributions to DMF partners. This is made possible by enhancing the contribution receipt and distribution software and increasing the staff efficiency. The second major component is the “Giving Tools and Reports” programs located at www.disciplesmissionfund.org. The reports and tools increase transparency, accountability and interpretation of congregational support of Disciples Mission Fund. The website updates are done in tandem with DMF Promotion. The website has new giving tools, reports, and tutorials for congregations and regional offices to analyze historical giving patterns and visually demonstrates the distribution of funds. This system offers real-time transparency and accountability information to donors and recipients.

Communication Ministries (CM) helps to connect Disciples to the Church's vision, mission and priorities by providing relevant news and information. CM assists general ministries, regions and congregations in distributing news of mission and ministry to a church-wide audience, mostly by electronic means. Additionally, the office helps the GMP communicate through letters, blogs, and video. CM assists with the General Assembly by planning, generating news and managing various aspects of technology.

CM maintains the Church's basic website and has worked with several general ministries in designing and maintaining their ministry-specific sites. The growing use of social media options coordinated by CM staff (primarily Facebook, Twitter and YouTube) as well as other new and emerging technologies, allows staff to connect quickly with internal and external audiences, and receive immediate feedback. The Disciples basic Facebook fan page includes more than 15,000 members, about a 125 percent increase since the same time last year.

Print communication continues to be included among the communication mix. Communiqué, which summarizes the work of each year's General Board meeting, is produced both electronically and in print. **Discover the Disciples**, a brochure describing basic beliefs of the Christian Church (Disciples of Christ), also is available to congregations and others.

Disciples News Service continues as the major e-communication tool for the church. A reader survey of DNS subscribers was conducted in the fall of 2010, generating a nearly 20 percent response rate. Respondents' comments indicated that DNS general allows them to stay informed about the work of the church and its various ministries. A careful review of reader comments and suggestions will help lay the basis for any revisions in the news service in 2011.

In 2009, an Indianapolis-based marketing company was contracted by the general ministries to review the communication efforts of general ministry communication among Disciples. Their report stressed the need for General Ministries to promote a strong, consistent brand through coordinated and visual communications and to communicate a unified vision in order for Disciples to be connected, engaged and inspired. The report called for the creation of a Communications Forum of communicators from General Ministries, who are examining ways to better communicate key messages. The forum is being convened by the Executive Director of Communication Ministries.

The Year Book and Directory, edited by the Rev. Howard E. Bowers provides the annual listing of congregations recognized as part of the Christian Church (Disciples of Christ). The Year Book also maintains a listing of those congregations, regions, general ministries, and Disciples' related organizations and institutions and certifies to the Internal Revenue Service that they are capable of receiving tax deductible contributions.

Each year, the Disciples are augmented by new congregations recognized by their respective regions. In 2010, 41 new congregations were officially recognized. The following are the number of new congregations per region:

Southwest	7	Capital Area	1
North Carolina	7	Florida	1
Pacific Southwest	5	Michigan	1
California, Northern	4	Mid America	1
Central Rocky Mountain	3	Nebraska	1
Kansas City, Greater	3	Tennessee	1
Georgia	2	Upper Midwest	1
Indiana	2		
Canada	1		

The Year Book also works with regions to maintain an accurate listing of congregations by acknowledging congregational losses in the Christian Church (Disciples of Christ). During 2010, 78 congregations were removed from the official list of congregations. Of that number one congregation was removed for lack of contact for a period exceeding ten years (following procedures outlined in General Assembly Resolution 9516), nine congregation no longer wished to continue in the new church affiliation process, 15 congregations withdrew, and 53 congregations closed. Eight of the closed congregations were in formation.

The Year Book also lists ministers with standing in the Christian Church (Disciples of Christ). This listing is provided by the Office of Search and Call in Disciples Home Missions. 7,103 ministers were listed with denominational standing. Of that number, 2,054 (29%) were listed as retired and 2,411 (slightly more than 1/3) are listed as pastors of the more than 3,600 congregations.

The Year Book was also involved with Faith Communities Today (FACT) in the every 10 year survey of congregational life in the United States. Joining forces with other faith traditions, the 2010 FACT congregational life survey will begin releasing findings during March 2011. The Year Book Office forwarded Disciples survey results to FACT for inclusion in the general analysis of congregational data. Disciples' raw data is maintained in the Year Book Office.

The GMP continued her work of pastor, president and primary spokesperson for the church, travelling to congregational, regional and ecumenical events to represent the wholeness of the church in various ways. Through the extensive body of information collected in the re-election process, she was able to receive a significant word from the church. Her work with ministry boards and ecumenical bodies was extended by her appointment to President Obama's Council of Faith-Based and Neighborhood Partnerships. In support of the church-wide anti-racism and new church priorities, the GMP joined with other Disciples and ecumenical ministries to speak out on the need for humane and compassionate immigration reform in the United States. Related to the biennium focus on children, youth and young adults, the GMP also urged the church to reflect and act on ways to bring affordable health care to more Americans. Through her sabbatical leave in 2009-2010, she not only discerned her sense of call to serve the church for a second term as GMP, she also furthered her interest in the church's role and partnerships in the Middle East.

OTHER REPORTS

Included herewith are reports of the various committees, commissions and organizations which report to the General Assembly through the Office of General Minister and President: Christian Church Services, Inc.; General Commission on Ministry; Center for Faith and Giving; Reconciliation Mission; Week of Compassion; World Convention of Churches of Christ.

Four organizations with recognized relationships with the general expression of the church submit their reports to the General Board through the Office of the General Minister and President. These are: National City Christian Church Foundation; The United Christian Missionary Society and College of Regional Ministers.

Although *The Design* does not require a report from the College of Regional Ministers, the General Minister and President is a member of the College and requested an overview of some of the activities of our regions.

Minutes of the General Board and the Administrative Committee of the General Board appear with this report.

AUDITORS' CERTIFICATES

All financial reports have been audited by Capin Crouse, Certified Public Accountants. The OGMP Audit will be posted once the Administrative Committee has received the Audit. Auditors' certificates and notations are printed for the fiduciary corporations. Audits for the other units and organizations are on file with the Office of the General Minister and President and are available for inspection by members of the Christian Church (Disciples of Christ).

Christian Church Services, Inc.

R. Steven Belding, Executive Director
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Christian Church Services, Inc. (CCS) is a subsidiary corporation of the General Assembly of the Christian Church (Disciples of Christ) and exists to provide building and special services for the General Ministries who are tenants in the Disciple Center in Indianapolis. A Board of Directors, composed of seven General Ministry presidents, manages Christian Church Services, Inc.

The staff provides common services including telephone and voice mail oversight, central mail services, common property insurance, workers' compensation processing and conference room scheduling. They also serve as the liaison between the 200 employees of the Disciple Center and the building owner, Perennial Washington, LLC, to coordinate such services as building maintenance and cleaning. The staff of CCS is composed of the Executive Director, central mailroom personnel and a receptionist in the main lobby of Disciples Center.

It is the goal of the staff of Christian Church Services, Inc. to provide a work environment for the General Ministries conducive to affirming and sustaining the mission, imperative and vision of the Christian Church (Disciples of Christ).

THE GENERAL COMMISSION ON MINISTRY

Ben Bohren, Chairperson

Howard E. Bowers, Administrative Staff

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Howard Bowers: Telephone: 317-635-3100; Fax: 317-635-370; E-mail: hbowers@cm.disciples.org ;

The General Commission on Ministry of the Christian Church (Disciples of Christ) is composed of up to sixteen members appointed by the General Minister and President in consultation with various constituency groups. In odd numbered years, the General Minister and President may present a slate of members to the General Board for confirmation.

GCOM members are: Ben Bohren, (GCOM Chair), Regional Minister, Northern California-Nevada; Barbara Blodgett, United Church of Christ representative; Dani Loving Cartwright, (Chair of the Search and Call Committee), Regional Minister, Southwest; Jinsuk John Chun, local pastor, Newport Beach, CA and Pacific Southwest Regional NAPAD staff; Jorge Cotto, local pastor in Coral Gables, FL; Bill Edwards, Regional Minister, Ohio; Jacque Foster, local pastor in St. Louis, MO (2011 Chair of the Support Committee); Richard Guentert, (Chair of the Standards/Implementation Committee), retired Regional Minister, Upper Midwest; Timothy James, Associate General Minister and Administrator of the National Convocation; Joyce Knauff, licensed minister, Loudon, Tennessee; Sotello Long, Regional Minister, South Carolina; Sandra Michael-Bowers, Pension Fund representative; and Danny Stewart, (2010 Chair of the Support Committee), Regional Minister, Mid-America. We also bid farewell to two members: Elsie Ferrer, laywoman, Fishers, Indiana; Carolyn Higginbotham, seminary representative, Indianapolis, Indiana and welcomed two new members: John Imbler, seminary representative; Tulsa, Oklahoma and Rossy Ricard, laywoman, Indianapolis, Indiana.

Our Implementation Committee continued to be blessed with an expansion of membership in helping GCOM move to the launch date of the "Ordering of Ministry" document at the General Assembly in Nashville this fall. Those who are serving include: Janet Casey Allen, Disciples chaplain, Indianapolis, Indiana; Ann Dotson, licensed minister from Rowlett, Texas; Carolyn Higginbotham; former GCOM member, Indianapolis, Indiana; John Johnson, layman and former General Board member from Greenwood, Mississippi; and Marti Baumer, retired UCC Conference Minister, local pastor and seminary professor. We regretted the absence of Luis Ferrer, local pastor, Indianapolis, Indiana, due to illness in the family. This expanded committee meets one full day early each meeting in order complete their work.

Here are the highlights of our August 2010 meeting:

Support Committee:

- ...Work on the Annual Report Form for those with GCOM Standing-first time to include Regional Ministers

- ...First draft of a General Assembly resolution in support of victims of clergy sexual misconduct and first draft of two GA workshops.

- ...Review and update of GCOM Policies and Procedures for Handling Allegations of Sexual Misconduct of Persons Engaged in Non-Regional Ministries.

- ...Three specific appeals relating to Standing or Clergy Sexual Misconduct were received and processed

Search and Call Committee:

...Approved agreement (in partnership with UCC) with Oxford Management of five year contract to conduct clergy background checks at cost of \$160.00 per search beginning January 2, 2011.

...Approved a strong reminder to Regional Ministers that UCC clergy wishing to enter Disciples Search and Call should be submitting Disciples S&C paperwork, not UCC paperwork.

Implementation Committee:

...Developed a document ***Concerning the Authorization for the Church's Use of the Theological Foundations and policies and Criteria for the Ordering of Ministry of the Christian Church (Disciples of Christ)***. This is an effort to remind regional colleagues that we are in covenant. Policies and Criteria for the Ordering of Ministry is the standard to which we adhere. Regions may add to policies and Criteria but cannot omit portions of it.

...Began developing **A Handbook for Working with Candidates for Ordination**

...Met with Robert Welsh to explore developing a study document on the Foundations piece of **Ordering of Ministry** document.

...Noted that all **Ordering of Ministry** documents are now available at www.disciples.org in Spanish, Korean, French and English.

Here are highlights of the January, 2011 meeting:

Support Committee:

...Completed a General Assembly resolution: *"Preventing Sexual Abuse and Ministering to its Victims"*

...Completed planning for two General Assembly Resource Groups: "Abuse Prevention and Care; Helping Congregations Create Safe Space," and "Thou Shalt and Thou Shalt Not" on use and misuse of clergy power.

...Set into motion a plan to provide some counseling services relating to the resolution and resource groups.

...Processed one appeal for removal of Standing.

...Reviewed and approved Standing for the 178 ministers and missionaries whose Standing is with GCOM. Church Extension, 17; COCU, 1; DBS, 2; DHM, 7; DOM, 18; CC Foundation, 8; HELM, 1; Historical Society, 1; OGMP, 12; Pension Fund, 4. Military/VA/Prison Chaplains: Air Force, 8; Army, 20; Navy, 7; VA, 14; Prison, 4. Ecumenical, 7; Other, 2; Regional Ministers, 34.

Search and Call Committee:

...Updated *"My Ministerial Code of Ethics"* in keeping with the language of the new *"Ordering of Ministry"* document.

...Began working on changes to the long-awaited Search and Call on-line profile and reference forms.

...Worked on new codes for the Ministers Directory in light of new language for "licensed" to "commissioned" ministers.

Implementation Committee:

... Approved the *"Handbook for Working with Candidates for Ordination,"* including the two appendices and the flow chart.

It is now on the General Church website in English and translations for French, Korean and Spanish are in process.

...Approved the document *"Criteria for Creating, Evaluating and Selecting Educational and Formational Opportunities for Candidates for Ordination."* Translation will follow.

...Approved a sample letter for Regional Ministers to send to licensed ministers to assist them in next steps.

...Approved two Resource Groups for General Assembly regarding the new Ordering of Ministry document, one for Regional COM members and one for licensed/commissioned ministers.

The minutes with documents of the February 22-24, 2010 are 36 pages long and the minutes with document of the January 5-7, 2011 meeting are 62 pages long which should give some idea of the commitment of GCOM to accomplish the work before it. Your prayers for the work of the Commission are deeply appreciated. We celebrate the strong skills and commitment of GCOM; for the cohesive work of this team and the spiritual foundation which provides such great joy and appreciation for the opportunity to serve.

Respectfully submitted to General Board, February 2011
Rev. Ben Bohren, GCOM Chair

The Center for Faith and Giving

Bruce A. Barkhauer, Minister for Faith and Giving

Standing Committee: John Mobley (Chair), Marilyn Fiddmont, Ed Taylor, Ana Rivera-Acevedo, Katie Hays, Sharon Watkins.

Our Vision: *To Create a Culture of Generosity Across the Life of the Christian Church (Disciples of Christ)*

Since this is the first report of the Center for Faith and Giving to the General Assembly, it seems appropriate that we rehearse how it is we have come to this moment.

Our History:

The Center for Faith and Giving is the final component in the merger of Church Finance Council with the General Assembly- the result of passing Operational Business Item 0734 *Concerning the reorganization of governance/accountability, Church Treasury Services, Stewardship Education, and Promotion* at the Fort Worth General Assembly (2007). Under the provisions of the resolution, Treasury Services, Mission Fund Promotion and Stewardship became a part of the General Assembly and are supervised by the Office of General Minister and President.

At the recommendation of the Administrative Committee, stewardship education was to be housed in a newly created Center for Faith and Giving which would relate to the Church through the Office of General Minister and President. The Standing Committee, appointed by the Administrative Committee discerns the mission and program of the Center and recommends the Center's budget to the Administrative Committee. The Standing Committee oversees and evaluates the work of the Center's Director. The Director of the Center reports to the Administrative Committee, the General Board and General Assembly through the Office of General Minister and President. The five members of the Standing Committee serve five year terms without the privilege of direct succession. After an extensive search, the Administrative Committee approved the calling of Reverend Bruce A. Barkhauer, who began his work on February 1, 2010.

Our Work:

The first year for the Center for Faith and Giving has been filled with both the task of beginning a new ministry as a "startup" operation and providing stewardship education services to Regions and Congregations. A five year strategy for advancing this ministry within the Church has been developed utilizing measurable goals and specific objectives in the following areas: contact and relationship building, creating resources for congregations, delivery methods, training/expanding leadership, evaluation of effectiveness/impact, and capacity building for the long term financial support of the Center.

The Center for Faith and Giving is charged with the task of relating to the whole life of the Christian Church (Disciples of Christ), and our initial work has taken that focus very seriously. During 2010, intentional contact was made with General Ministries, Regions, Seminaries, The National Convocation, The Central Office for Hispanic Ministries, North American Pacific Asian Disciples, Gay and Lesbian Affirming Disciples, and Disciples Women as well as individual congregations. The Center for Faith and Giving was present for the 2010 bi-annual gatherings of all the recognized racial/ethnic constituencies and Quadrennial.

The Center is committed to producing materials that address the needs of the whole church on the issue of stewardship. To that end, all of our monthly publications are currently available in both English and Spanish, with the goal of adding French before the end of 2011. Planning for our website includes a goal of at least 50% of our material being available languages other than English. We recognize that there are cultural differences regarding the practice and understanding of stewardship. Our hope is to foster dialogue between groups for mutual learning and benefit, as well as a desire to call out and develop new voices who are advocates for stewardship within these traditions, honoring those things that are unique to specific parts of the Church.

A consistent message within the Center's teaching about stewardship is that stewardship is a faith discipline. This is meant to differentiate it from simple fund raising, though some of the best practices from within the fund raising school can inform and aid the work of financial stewardship. Our teaching is biblically based and encourages multi-dimensional thinking about this rich theological concept. Care for the earth, care for self, care for the Gospel message, and care and proper management of our "treasure" are particular ways to understand stewardship. In the end, it is about responding to the generosity of God, who has provided enough for creation to not only survive, but to thrive, when all resources are properly managed.

Our Services: The Center currently delivers resources in a variety of ways.

- 1) We work directly with Regions and congregations through workshops and consultations. This includes meeting with key leadership, preaching, and providing connections to available resources.
 - a. Current workshops provided by the Center include:
 - i. Biblical and Theological Understandings of Stewardship
 - ii. Best Practices for Fiscal Stewardship
 - iii. Building Trust through Policy
 - iv. Living Within Your Means (For Meaningful Living)
 - v. Fundraising As A Spiritual Enterprise

We are pleased to report that we have received word from a number of congregations who participated in workshops in 2010 who have indicated significant increases in giving and or very positive feedback from those lay persons attending these activities.

- 2) We produce monthly bulletins and quarterly newsletters that are available on-line (Disciples.org/stewardship) and are delivered to congregations through our 33 Regional Ministries.
- 3) We sponsor special events, such as the Pre-Assembly event scheduled for July 8, 2011 in Nashville, TN. These events are designed to bring together key leaders in the field of stewardship in central locations, making them accessible to a wide audience. An event on Preaching Stewardship is in the planning stages for 2012 in Indianapolis, IN. We are in the process of selecting and securing leadership for this event.
- 4) We are developing a web-site that will serve as the primary resource for stewardship related materials (www.centerforfaithandgiving.org) as the Center moves forward. We intend to provide book reviews, worship resources, sermon samples, video resources for small groups, links to ecumenical resources and a blog spot for sharing ideas. The site will launch in March/April of 2011 and continually be “built” by the whole church as we exchange information and add to our cumulative understanding about what it means to be a steward of the creation entrusted to us by a Loving God.
- 5) The Center will be working with test groups in several regions beginning in 2011 to explore stewardship as a transformation process. Congregations will be recruited who are willing to examine how strategic stewardship planning and building trust through proper fiscal policy can have a positive impact on their ability to fund mission and ministry. These congregations will be in covenantal relationship with each other for support and accountability for a period of eighteen months in consultation with the Center’s Director.
- 6) We sponsor the Faith and Giving Academy, which is designed to equip leaders to serve as resource persons across the geographic life of our church, placing the ministry of the Center closer to congregations throughout the United States and Canada. This web based ministry will launch when funding is secured, which is anticipated to be mid to late 2011. Leaders for the Academy have already been recruited and are beginning to work on their respective presentations. Individuals completing all six components of the Academy will be recognized as members of the Faith and Giving Academy both within their Regions and by the Office of General Minister and President.

Our Future: In large part, our long term future depends on the prayers and support of the Christian Church (Disciples of Christ). As with all ministries of the church, The Center for Faith and Giving requires multiple streams of funding. Additional projects that include a published resource for congregational use in small groups, additional webinar and on-site presentations by leaders in the field of stewardship, developing curriculum for camping programs and youth, and video worship resources, require funding beyond Disciples Mission Fund. The Ambassador program provides individuals the opportunity to be an Ambassador of the Center for Faith and Giving by simply filling out a covenant form to pray for the Center and its ministry and make a financial gift.

We encourage you to join our ministry by registering your email address with the Center so that you can be kept abreast of our ministry and receive our resources. To do so, simply send an email to bbarkhauer@ogmp.disciples.org; or when utilizing our on-line resources, click on the *Join our Mailing List* button.

Reconciliation Ministry General Board Report 2011

Rev. April Johnson, Director

All this is from God who reconciled us . . . through Christ and has given (entrusted) us the ministry of reconciliation . . . 2 Corinthians 5:18

Mission:

Reconciliation Ministry seeks to advance the Church's journey toward wholeness by empowering each expression of the Church to implement structural change to address historic fractures caused by racism and the systems that perpetuate it. It is our shared goal to foster life-giving community within our church and in relationship with the whole family of God. We accomplish this ministry through intentional dialogue, experiential education and inclusive worship.

What has transpired in 2010?

Tantamount to our work this year has been the expanded engagement and understanding of what it means to be a pro-reconciling/anti-racist church (PR/AR). Congregations have joined with their neighboring parishes to challenge systemic racism in their communities as they confront the need for equitable education, reduction in recidivism rates and attention to at-risk youth. With seed money from grants by Reconciliation Ministry Commission, the PR/AR initiative partnered with Regions in their preparations of ministers for standing in Oklahoma, provided expanded workshops in congregations in Ohio and Mid-America and assisted in adding a new Regional PR/AR team in Nebraska. Grant funds also supported leadership development projects at Christian Theological Seminary and Lynchburg College where seminars were conducted to explore historical, theological as well as local and global implications of cultural diversity. Our grants supported youth events in Northeast Texas and Washington DC that helped broaden participants' skills for advocacy of inclusion and promoting of racial justice. Our grant funds also supported an apprentice pastor in New Church Ministries. New Church, Leader Development and Transformation continue to be integral in our granting guidelines as their missions give application and expression to the mission and ministry of reconciliation.

Our program and missional focus have been enhanced through ministry partnerships throughout all expressions of the Church. Reconciliation Ministry has had the opportunity and privilege to share ministry with partners such as New Church Ministries, Council on Christian Unity, Refugee and Immigration Services, Division of Overseas Ministries, Week of Compassion, Disciples Justice Action Network and Disciples Home Missions around the Justice Table as well as the Pastoral Table on immigration. Our shared discussions resulted in renewed attention to our Church's vision to ". . . demonstrate deep Christian spirituality and a passion for justice." Our accomplishments this year rendered new congregational resources for discussing immigration from a faith perspective, in addition to developing a process to secure a census of Disciples' internal and ecumenical involvement in justice matters as a resource for our church membership.

What are we looking forward to do?

The Pro-reconciliation/Anti-Racism mission priority continues to gain traction in the life of our church. Grant proposals continue to exhibit new and creative efforts to address spiritual and

physical fractures in the body of Christ that mute our witness and perpetuate harm to the children of God. In 2011, we look forward to receiving our grant recipients' report addressing translation of the 'Ordering of Ministry' documents for ministry candidates and clergy of whom English is not their first language. In addition, recipients of Reconciliation Ministry grants plan to address the needs of recognition and affirmation of our constituent communities of color through the Black Leadership Conference at Brite Divinity School and the GM/DOM Borders Conference at the Romero Center in San Diego. We are looking forward to making PR/AR training opportunities more accessible to our congregations and their communities. As well, we eagerly anticipate leveraging our ecumenical relationships at the congregational level as they organize around justice in their communities. Most of all, we look forward to sharing the message and the stories of this mission priority and its shared witness contributing to our movement for wholeness when we gather in Nashville, TN to "Tell It"!

WEEK OF COMPASSION ADVISORY COMMITTEE
Rebecca Hale - Chair
Amy Gopp - Executive Director, Brandon Gilvin - Associate Director

Thus far, 2010 has been a year marked by several large scale disasters. Issues of global economic instability, ongoing political instability, and environmental factors have not only provided a backdrop to these disasters, but, in many ways, have exacerbated them. Week of Compassion has sought to live into a ministry that not only addresses these disasters, but also focuses on critical development issues, addressing root causes of poverty by empowering communities to build upon their own skills, resources, and creativity to achieve better food security, explore new means of income generation, and develop strategies for peace building and conflict resolution. In a year when North American congregations have encountered economic challenges rooted in those of their members, Disciples have continued to support and trust the efficiency of Week of Compassion as a means of addressing suffering, poverty, and oppression worldwide.

The January earthquake that struck Haiti has been a primary focus of our work at Week of Compassion in 2010. As the poorest country in the Western hemisphere, Haiti faced a variety of economic challenges before the earthquake. The earthquake, of course, has exacerbated those challenges. Corruption, lack of infrastructure, and the severity of need continue to cause significant distress on the ground. Disciples congregations responded to the earthquake with incredible generosity, contributing more than \$2.5 million for earthquake relief. In consultation with its trusted partners, Week of Compassion has launched a three- year plan for earthquake response which will address needs for transitional and permanent housing, agricultural restoration and food security, and psycho-social care, as well as support the response efforts of CONASPEH, FOPJ House of Hope, Church World Service, the ACT alliance, and IMA World Health.

Nashville, TN, an important city in the history of the Christian Church (Disciples of Christ), home to several of our congregations, our historical society, and the site of the 2011 Disciples General Assembly, was rocked by severe flooding in May 2010. Most of our congregations had members who were affected in a variety of ways—many sustaining damage to their homes, others witnessing more damage in their neighborhoods. Week of Compassion responded through grants to individuals whose property was damaged, grants to a number of our congregations who were providing direct assistance, and by partnering with Disciples Volunteering, Eastwood Christian Church, Bellevue Christian Church, and a Nashville-based case management team to launch two mission stations which will be operational in October 2010 and will offer housing for volunteers at least through the General Assembly.

Week of Compassion also responded to several other serious international disasters, including earthquakes in Chile and China and severe flooding in Pakistan. Designated giving for both disasters (as well as for Nashville) was disappointing, but we have been able to rely upon undesignated giving to help us respond to the vast need created by these disasters, as well as many other “smaller” disasters, including floods in Iowa, hail storms in Oklahoma, and two incidents of vandalism to Disciples churches in California.

WoC’s sustainable development work encompasses food security, income generation, health care, water, sanitation, education, vocational training, women’s empowerment, peace-building, trauma counseling and psycho-social care. At the end of August 2010, \$207,700 had been invested in a variety of projects, including microcredit projects in the Dominican Republic, peace-building work in response to religious conflict in Egypt, food security in Africa, and

women's economic empowerment, all through the joint Global Ministries of the Christian Church (Disciples of Christ) and the United Church of Christ. We continued to support a number of food security projects all over the globe through Foods Resource Bank, and, through the ecumenical efforts of Church World Service and IMA World Health, continued to respond to health, micro-industry, women's empowerment, and education.

The end of 2009 meant the end of Week of Compassion funding for the Disciples Hurricane Recovery Initiative, outside of a few small solidarity grants. Because a collaborative project of this scope was new for us as a denomination, Week of Compassion contracted with the KonTerra Group, an independent evaluator of disaster response efforts, to construct a report on the DHRI. The report, which takes a look at the best practices of the initiative, as well as areas of growth, will be shared with the Week of Compassion advisory committee in November, and then, more widely as is appropriate.

As of August 31st, undesignated giving to Week of Compassion remained steady at \$1,664,433, up \$44,393 from August 2009. Bolstered by the significant giving in response to Haiti, designated giving was up to \$2,838,825, as opposed to \$171,414 in 2009. Interest earnings doubled as a result of the significant giving in response to the earthquake, to \$30,865, and undesignated contributions given via online giving also came close to doubling, as August 2010 online gifts totaled \$41,004.

In a time of economic uncertainty and challenges faced by all nonprofits, Week of Compassion has sought to diversify its means of educating our churches and individuals about the importance of our ministry. This year, we have received an Oreon Scott grant to work with Young Adults to organize giving among that constituency, launched a Women's Empowerment fund to address issues of gender, poverty, and development, and launched a "Wine to Water: Water for All" project for congregations as new means for supporting the ministries of Week of Compassion.

WORLD CONVENTION
(CHRISTIAN - CHURCHES OF CHRIST - DISCIPLES OF CHRIST)

Gary Holloway Executive Director/General Secretary

PO Box 50998, Nashville, TN 37205-0998 USA

Phone/Fax: +1 (615) 298-1824

Email: office@worldconvention.org

Home Page: <http://www.worldconvention.org>

Since 1930 World Convention has been fulfilling the vision that was expressed in Resolution 0916 at the Indianapolis General Assembly: "WHEREAS, we are Disciples of Christ, a movement for wholeness in a fragmented world, who participate in God's mission for the world, working with partners to heal the brokenness of creation and bring justice and peace to the whole human family; THEREFORE, BE IT RESOLVED that the General Assembly of the Christian Church (Disciples of Christ) meeting in Indianapolis, Indiana July 29-August 2, 2009 claims the church's *core identity as a global mission church in all of its expressions*, and calls on the church to live out this commitment in all current and future mission priorities."

As you listen to the guidelines of that resolution, you hear the everyday workings of the World Convention: "praying regularly for partners, missionaries and the world; educating its members from preschool to adult about global issues; seeking justice for the "least of these" in the international community; receiving the gifts of the worldwide Church; giving to the work of global mission through Disciples Mission Fund and "over and above" gifts; sending its members into the world to share the Good News; growing in sharing the story of God's mission with others; and FINALLY, BE IT RESOLVED that the General Assembly calls for a commitment to hear the cries of people around the world; to find the energy and enthusiasm to reach out and respond with grace; to proclaim the joys as well as denounce the suffering of God's people; to seek wisdom and guidance in building global connections in the life of all settings of the church; to be immersed in the church's work for the healing of the nations."

World Convention is one of the few ministries that engages all three streams of the Stone-Campbell Movement: the Christian Church/Churches of Christ, the a cappella Churches of Christ and the Christian Church (Disciples of Christ). Truly global in vision and organization, we have a 31-member board who come from 11 different nations. Bafundi J. Mpofu of Zimbabwe is our current President joined by five Vice Presidents representing Brazil, South Korea, Australia and the USA. Congregations who share a Stone-Campbell heritage have been identified in over 180 nations. National profiles of the history of our churches in these nations are available on our website. Founded in 1930 as a convention every four years promoting world evangelism, World Convention has grown to where we now proclaim that we are "Connecting Everywhere, Every Day." Our major publication ChristiaNet relates information, celebrations and prayer needs from churches across our globe and across all three streams of our Stone-Campbell Movement. Our Global Gatherings every four years draw representatives from scores of nations coming to find strength and solidarity with their church family and to be equipped by speakers, workshops and resources for stronger ministries at home. World Convention also provides study materials, sponsors the Jesse Bader Lectures on Evangelism, and responds to emails and phone calls every day from across the planet, contacts that relate tales of persecution and privation as well as tales of new church starts, baptisms, and mission churches now sending missionaries to other nations.

Following the discovery in fall 2008 that the US Immigration Service had denied permanent visas to our Executive Director/General Secretary Jeff Weston and his wife Rosemary, the

Board considered whether Jeff could serve World Convention from his home country, Australia, while the office continued in Nashville, Tennessee, USA. It was concluded that this was not feasible especially in light of fundraising needs. So Jeff resigned in April 2009 and took a church position in Australia. Our President BJ Mpofu appointed Rev. Bill McDonald of Lexington, Kentucky USA as Interim Executive Director/General Secretary in August 2009. In January 2010 the Board extended a call to Dr. Gary Holloway to serve as our new Executive Director/General Secretary. Dr. Holloway, the Ijams Professor of Spirituality at Lipscomb University in Nashville, Tennessee USA and a minister to the Natchez Trace Church of Christ in Nashville, became the first Executive Director/General Secretary of World Convention to come from the a cappella Churches of the Stone-Campbell Movement. Dr. Holloway has served faithfully on the national Stone-Campbell Dialogue, is a scholar of our movement's history and is the author of 26 books.

The April 2010 meeting of the World Convention Board was given over to a re-visioning and planning process. As with most religious and charitable agencies, funding issues due to the global economic slump challenge us. Other challenges for the future include developing entry points for individuals and churches to be involved in our ministry, utilizing technology so that our Board with members from eleven nations can meet more often and without the expense of international air travel, and learning how to be a more effective global voice, calling for respect and cooperative ministry between all three of the branches of the Stone-Campbell Movement which since 1809 has reminded us that we are called by Christ to be one.

Our 18th Global Gathering will be held in Goiania, Brazil, July 25-29, 2012, our first convention ever in South America. Goiania is a modern, safe city only 125 miles/200 kms from the capital, Brasilia. It has a fantastic convention centre and wonderful facilities. Our more than 1000 Stone-Campbell congregations in Brazil are already feeling honored and blessed knowing the 18th Global Gathering is coming. It is a huge encouragement to them. They are seeking to encourage bus loads from other countries in South America to also be present at the gathering which anticipates several thousand attendees. Planning for the Global Gathering is in full force with an experienced Brazilian Local Planning Team, led by Pastor Victor Hugo Queiroz, President of the Christian Churches in Brazil and a Vice President of World Convention. In November 2010, Gary Holloway and B.J. Mpofu made a trip to Goiania to meet with the local planning committee, to see the Convention Center, to visit with local officials, and to have fellowship with many pastors and churches.

Global Women Connecting, an affiliate ministry of World Convention, contributes financially through the Office of Disciple Women to hours for World Convention office manager, Julia Keith. In exchange, communication and coordination for GWC occur through the World Convention office and news publications.

Executive Director: Gary Holloway, USA

President: Bafundi J (B.J.) Mpofu, Zimbabwe

First Vice President: Kang Pyung Lee, South Korea

Vice Presidents:

Monica Fife, Brazil

Doug Foster, USA

Bruce Greig, Australia

Katherine Ann Haggard, USA

Secretary/Treasurer: Rick Reisinger, USA

Past General Secretary: Jeff Weston, Australia

Immediate Past President: C. Robert Wetzel, USA

Past Presidents:

David Thompson, UK

Richmond Nelson, Jamaica

Lyndsay Jacobs, New Zealand

Harold Watkins, USA

Ron Brooker, Australia

Other Board Members:

Jackie Bunch, USA

David Brooker, Australia

Doug Dornhecker, USA

Marj Dredge, Australia

Richard Hamm, USA

Reggie Hundley, USA

S. Wye Huxford, USA

WORLD CONVENTION OF CHURCHES OF CHRIST
Operating Fund

Statement of Financial Activities For the year ending December 31,

	<u>2009</u>	<u>2008</u>
SUPPORT AND REVENUE		
Disciples Mission Fund	\$ 18,284	\$ 19,822
Endowment Fund Income	25,021	26,323
U S & Canadian Churches-Disciples	4,848	8,781
U S & Canadian Churches-NACC	3,516	17,710
U S & Canadian Churches-Church of Christ	196	0
World Convention Friends and Gifts	48,842	38,257
Salary Support from Assembly Fund	0	40,000
Other Income	<u>8,127</u>	<u>2,831</u>
	\$ 108,834	\$ 153,724
 EXPENSES		
Staff Salaries and Benefits	\$ 80,000	\$ 111,514
Travel and Committee Meetings	10,584	9,032
Office Expenses	23,372	21,190
Promotion and Publicity	10,113	24,794
Other	<u>7,512</u>	<u>2,095</u>
	\$ 131,581	\$ 168,625
 NET INCOME/(LOSS)	 <u><u>\$ (22,747)</u></u>	 <u><u>\$ (14,901)</u></u>

BALANCE SHEETS AT DECEMBER 31,

	<u>2009</u>	<u>2008</u>
ASSETS		
Cash	\$ 12,522	\$ 13,695
Accounts Receivable	-	1,216
Sundry Other Assets	<u>305</u>	<u>608</u>
Total Assets	<u><u>\$ 12,827</u></u>	<u><u>\$ 15,519</u></u>
 LIABILITIES AND FUND BALANCE		
Notes Payable	\$ 59,500	\$ 59,500
Payable to Assembly Fund	(2,324)	229
Payable to Endowment Fund	94,007	67,182
Sundry Other Liabilities	<u>1,730</u>	<u>\$ 5,947</u>
Total Liabilities	\$ 152,913	\$132,858
 Fund Balance	 <u><u>\$ (140,086)</u></u>	 <u><u>\$(117,339)</u></u>
 TOTAL LIABILITIES AND FUND BALANCE	 <u><u>\$ 12,827</u></u>	 <u><u>\$ 15,519</u></u>

OTHER FUNDS

	<u>Bader</u>	<u>Endowment</u>	<u>Assembly</u>
Balance December 31, 2008	\$ 38,201	\$ 641,202	\$ 1,670
Receipts	2,126	80,292	350
Net Loan Proceeds/(Repayments)	-	-	-
Disbursements	-	25,096	2,665
Balance December 31, 2009	<u>\$ 40,327</u>	<u>\$ 719,459</u>	<u>\$ (645)</u>

NATIONAL CITY CHRISTIAN CHURCH FOUNDATION

Richard L. Hamm, Chairperson

Stephen W. Gentle, President

5 Thomas Circle, N.W.

Washington, D.C. 20005

Telephone: (202) 232-0323; Fax: (202) 797-0111

Web site: www.nationalcitycc.org

For 80 years National City Christian Church has sought to live out Alexander Campbell's vision to uphold a momentous church facility in the city known for its national and world leaders so that the Gospel of Jesus Christ might be proclaimed. National City Christian Church Foundation is honored to be one of the recognized organizations of the Christian Church (Disciples of Christ) in the United States and Canada. It holds in trust the ownership of the church property and its facilities on behalf of the wider church. It is led by a national board of trustees and reports to the General Assembly. The Foundation is yoked in partnership with the congregation of National City Christian Church to provide a national facility for worship, study, ministry, and mission in the U.S. capital. *The Promise* communicates this unique national witness in photos and text. Complementary copies are available by writing to cwalsh@nationalcitycc.org.

The Foundation approved in April, 2010, the following statement as a guiding principle for its work: "The National City Christian Church Foundation exists for the purpose of maintaining the financial and physical assets of the Foundation so that the congregation(s) and/or ministries of the Christian Church (Disciples of Christ) may pursue mission at 5 Thomas Circle. In order to accomplish this, the Foundation shall: preserve and grow the endowment; manage its facilities and property to maximize its use by tenants whose purposes are consistent with the values of the Foundation and its donors; and maintain the facilities in a manner that protects the Foundation's assets and honors perpetual care agreements."

This statement came as a result of a day retreat for the Foundation board of trustees that reviewed the New Beginnings report prepared by Church Extension for National City Christian Church. Lori Adams and Rick Morse, who had prepared the 100-page document, led the board of trustees in the retreat. As a result, the board of trustees decided that it will focus its attention and resources on the facilities, property, and endowment of the Foundation. And the congregation was freed up to focus its attention and resources on the ministries that emanate from 5 Thomas Circle in Washington, D.C. During the summer of 2010, nearly 100 people from the congregation participated in the New Beginnings sessions which met six times for two hours each. A future story was created from the sessions and a strategic implementation team developed a five-year strategy for the congregation. From the congregation's strategic plan, the Foundation will create its five-year strategic plan to preserve and grow the endowment, manage its facilities and property, and maintain the facilities in a manner that protects the Foundation's assets and honors perpetual care agreements. In addition, the Foundation has entered into an agreement with a commercial real estate broker to re-negotiate existing contracts of leased spaces and lease out unoccupied space.

Richard L. Hamm is leading the Foundation as the chairperson of the board of trustees. For Dr. Hamm's invaluable knowledge and bold leadership, the Foundation is very grateful. National City Christian Church is greatly appreciative and truly humbled by the tremendous and generous leadership of its chairperson and the faithful support of its Foundation trustees, congregational leadership, and Disciples support from around the world. The last two years have not been without its challenges. The financial irregularities that were discovered in 2008

have resulted in a thorough audit and safeguards have been put in place to prevent future accounting issues. Legal action against the former CFO by the U.S. Attorney's office should be resolved in 2011. In order to balance the budgets for 2010 and 2011, the National City staff has made financial sacrifices and some staff positions have been eliminated. The Foundation is grateful to staff and lay leadership that have worked tirelessly to move National City Christian Church forward into a new day.

In the midst of its challenges, planning, and strategizing, National City Christian Church continues to be a gathering place for Disciples of Christ and ecumenical partners in the U.S. capital. Some of the gatherings and ministries have included:

- Hundreds of young people “bunked” down in the facilities to experience a life-changing mission trip or International Affairs experience.

- Partnering with the Capital Area Christian Church and the Northeastern Inter-Regional Fellowship, National City hosted a Diversity Ambassador Seminar for young adults. There they participated in a wide variety of activities, including the opportunity to explore various experiences with young people from diverse backgrounds.

- The sanctuary of National City Christian Church enjoyed over-flowing crowds during its hosting of the American Guild of Organists. Charles Miller, Minister of Music, was program chairperson for this international event.

- The Truth Commission on Conscience in War, a national coalition of over 60 religious, veterans, academic, and advocacy groups, released a groundbreaking report at the conference that met for several days at National City Christian Church. Disciple leader and theologian, Rita Nakashima Brock, was the chair of the commission planning committee.

- National City enjoyed welcoming the U.S. Conference of the World Council of Churches for an interfaith prayer service and dinner celebration that included denominational heads from many of the faith communions in the United States.

- The third annual interdenominational worship service of the National Law Enforcement Officers Memorial was in the sanctuary as officers and officers’ families were honored.

- Disciple ethicist, Hubert G. Locke, preached and led a workshop at National City in partnership with the U.S. Holocaust Memorial Museum’s annual speaker series.

- Hilda’s International Fair Trade Gift Shop operated in its newly decorated facilities. The fair trade gift shop is run completely by volunteers and it raises awareness and money to support artists in developing countries.

- The Hispanic congregation nested at National City continued to see growth in worship numbers and in small groups, thanks to the very capable leadership of its pastor, Noemi P. Mena.

-The young adult fellowship (Yada) grew in its weekly Bible study, community ministries, and its number of participants.

-The LGBT Fellowship continued to grow in its participation and ministry to the community.

-In the courtyard of National City, hundreds of people received hospitality, popcorn and a warm welcome following the Capital Pride parade.

-Congregants welcomed on the portico steps neighborhood pet owners and their dogs for a fourth annual community blessing of the animals.

-Thousands of neighbors were fed through the weekly food pantry ministry.

-National City celebrated its 80th Anniversary with a presentation of a time capsule to be opened in its centennial anniversary in 2030. Peter Morgan, Disciples of Christ Historical Society president emeritus, preached.

-With over 500 in attendance at Easter, and then again on Christmas Eve, National City Christian Church celebrated with two of its largest numbers of worship participants.

As a multiracial, multicultural, bilingual, open and affirming congregation, National City Christian Church enjoys greeting and worshipping with Disciples from all around the world each and every Sunday. National City is your church in the U.S. capital. Tours of these facilities are available during the week upon request. All are invited to learn more about this unique Disciples witness by visiting www.nationalcitycc.org. Come and share in your Disciples witness in the U.S. capital.

THE UNITED CHRISTIAN MISSIONARY SOCIETY

Ronald J. Degges, President
130 E. Washington Street, P.O. Box 1986
Indianapolis, Indiana 46206-1986
Telephone: (317) 713-2436
FAX: 317-635-1991
e mail: shansen@ccf.disciples.org

The United Christian Missionary Society continued to furnish financial support for the Division of Homeland Ministries, dba Disciples Home Missions, and the Division of Overseas Ministries, by investing and managing its endowments and permanent funds for the benefit of the two Divisions.

During 2010, there were no gift annuities released. When gift annuities are released, the funds are either distributed outright to Disciples Home Missions and the Division of Overseas Ministries or added to the permanent endowments of The UCMS. The UCMS did not receive any restricted bequests.

The UCMS continued to be involved with ethical issues which related to its investments and was active with the Interfaith Center for Corporate Responsibility (ICCR). This is an ecumenical organization of 17 Protestant denominations and approximately 200 Roman Catholic orders which cooperate concerning ethical and social concerns as expressed by actions of the Christian Church (Disciples of Christ).

The UCMS, which has eight trustees and four officers, has no active employees. Beginning in 1993, The UCMS contracted with the Christian Church Foundation, Inc., to perform the treasury services for the Society. The current officers of The UCMS are as follows: Ronald J. Degges, President; David Vargas, Vice President; Jennie A. King, Corporate Secretary, and Lonna Owens, Corporate Treasurer.

Four trustees are nominated by each of the two Divisions served by The UCMS. They are elected by the General Board of the church and serve a term of four years. Their responsibilities are to oversee and determine policies concerning the investments of assets owned by The UCMS. The protection as well as the income realized from these assets is of paramount concern for the trustees. Their invaluable service is recognized and this report is submitted in their behalf.

The UCMS distributed the following from the investment pool in 2010: DHM - \$671,037; DOM - \$913,429; and other entities - \$51,305.

College of Regional Ministers

John M. Richardson, President
William Edwards, President-Elect
Barbara Jones, First Vice President
Sandy Messick, Secretary
Ruth Fletcher, Immediate Past President

Since approximately the mid-1960s, one of the regional ministers of a smaller region has been employed in a part-time position as Administrative Secretary of the College of Regional Ministers. Generally this person has been in charge of event planning, bookkeeping and maintaining recorded documents.

This year, upon the retirement of long time Administrative Secretary, Larry Crist, Regional Minister of the Christian Church in South Idaho, the College of Regional Ministers entered a 2-year experiment. We have an agreement with Treasury Services, in the Office of General Minister and President, to maintain our financial records, and the regional minister in the region where our meetings are held will provide planning for local arrangements. We trust this arrangement will enable the College to practice being good stewards of resources.

Individually, each region of our church participates in the nurture and training of leaders—young and old—for local congregations and, in even number years the College provides a training event for Regional Moderators. The College is working closely with the General Commission on Ministry to implement the Theological Foundations and Policies and Criteria for the Ordering of the Ministry of the Christian Church (Disciples of Christ) approved by the General Assembly in 2009. And, we, the regional ministers, are continually nurtured as leaders in our church—particularly through the generous gift from the Division of Overseas Ministries. DOM has sponsored immersion trips for all regional ministers over the past three years to historic overseas mission locations.

We continue to work with our general ministry partners in New Church Ministries to establish 1,000 new congregations by 2020. We celebrate not only the establishment of these new congregations, but also the rich diversity of color, language, and cultural heritage many of these congregations bring to our church.

We value the deep, faithful roots and rich history of congregations who are 25, 50, 100, 150, even 200 years old. We work in partnership with congregations and general ministry partners in the transformation of existing congregations for future ministry.

If we are to be a faithful and relevant church in the future, we must be an anti-racist/pro-reconciling church. We continue prayerfully, to lead our regions and the church toward this reality.

**MINUTES OF THE ADMINISTRATIVE COMMITTEE OF
THE CHRISTIAN CHURCH (DISCIPLES OF CHRIST)
October 30 – 31, 2009**

Indianapolis, Indiana

Downtown Marriott Hotel

Larry Brown, Moderator

Overview of Meeting

After a welcome from Larry Brown on behalf of our new moderator team, First Vice Moderator Juan Rodriguez led the Administrative Committee in worship. After worship, the agenda for the meeting was approved. We moved on to the Consent Agenda which contained 3 items. The Consent Agenda was approved, minus the Minutes from the Spring 2009 Administrative Committee meeting, which were amended and approved as a separate item.

Sharon Watkins shared the OGMP report with the Committee. She outlined her three goals for the biennium.

- 1) Identity – Learning how to tell the story
- 2) Leadership Development – learning how to be the new GB; convening the tables of leaders as delineated in the 9 MACC proposals to do church better
- 3) How do we nurture new generations? Children/Youth/Young Adults

Sharon also gave comments on the current healthcare debate happening in the US Congress. She observed that only about 800 out of our 3700 congregations that can support a full time pastor, a building and a program. Remaining congregations often have to make a decision between full time pastors with health care and pastors without health care benefits.

Sharon shared the letter written by CURAJ (Compassion, Unity Reconciliation and Justice) in support of the action taken by the National Convocation to pull the 21st Biennial Gathering out of South Carolina in protest to the continued display of the Confederate Flag on the grounds of the state capital. The Administrative Committee voted to join CURAJ in their support of the National Convocation and their decision.

After an Executive Session, the Administrative Committee adjourned into committees for the remainder of the morning. During the afternoon the full Administrative Committee heard an update on the progress of the nine MACC proposals from Sharon Watkins, Todd Adams and Mary Jacobs. It also heard an update on the implementation of the Theological Foundations and Policies and Criteria for the Ordering of the Ministry for the Christian Church (Disciples of Christ) by the General Council on Ministry, represented by Ben Bohren. The Committee adjourned into Executive Session, reconvened to consider additional business and reports, then adjourned for the evening.

On Saturday, October 31, 2009, the Committee continued with the business before it, including an additional Executive Session. First Vice Moderator, Juan Rodriguez closed the meeting with communion.

Business of the Administrative Committee

(In order of presentation)

Agenda

VOTED to approve the Agenda of this meeting

Consent Agenda

VOTED to approve the Consent Agenda

AC-09-2056 501(c) 3 Report

Amendment of Minutes

VOTED to amend the minutes of the 2009 Spring Administrative Committee as follows: on page 3, change Ruth Fletcher to Ruth Weaver.

Approval of Minutes

VOTED to approve the Minutes of the 2009 Spring Administrative Committee as amended

AC-09-2057 GMP's Report

VOTED to receive the report

MOTION Letter of Support for National Convocation

VOTED to approve the Administrative Committee (acting as the board of the OGMP) to join in support of the letter written by CURAJ supporting National Convocation's decision to move Convocation out of South Carolina in protest to the flying of the Confederate Flag on the grounds of the Capital building in South Carolina.

Adjourned into Executive Session

Reconvened into Plenary Session

Adjourned into Committees

Reconvened into Plenary Session

AC-09-2076 MACC Proposal Progress Report
MACC Proposal Implementation Chart
Supplemental Report for Proposal 7

VOTED to receive the reports

AC-09-2082 GCOM Implementation Report

VOTED to receive the report

AC-09-2074 Minister of Faith & Giving Report

VOTED to receive the report

AC-09-2078 Election of Corporate Officers for 2010 – 2011

VOTED to re-elect Beth Sullivan as Corporate Secretary and Timothy James as Corporate Treasure for a two year term

AC-09-2079 Pastors' Conference Update

VOTED to receive the report

AC-09-2080 Audit Engagement

VOTED to engage Capin Crouse for the 2009 OGMP Audit

Adjourned into Executive Session

Reconvened into Plenary Session

AC-09-2068 Establishing Price for the 2010 Yearbook & Directory

VOTED Approved the pricing for the 2010 Yearbook & Directory as follows:

Paper bound only \$ 32.50

Loose-leaf only \$ 32.50

Cloth bound only \$ 40.00

CD-ROM only \$ 32.50

Paper bound and CD-ROM \$ 42.50

Loose-leaf and CD-ROM \$ 42.50

Cloth bound and CD-ROM \$ 50.00

Shipping and handling charges to be set at \$6 for the first book and \$1 for each additional book.

AC-09-2083	OGMP September Financials
VOTED	to receive the report
AC-09-2067	HRA Establishment
VOTED	to amend the OGMP Employee Handbook to include an appendix which describes the Health Reimbursement Arrangement which has been established as part of the 2010 budget process to help offset the increase in the deductible on the employee health care plans.
AC-09-2058	OGMP Administration and Boards 2010 Budget
VOTED	to adopt the OGMP Administration and Boards 2010 budget
AC-09-2059	Communication Ministries 2010 Budget
VOTED	to adopt Communication Ministries 2010 budget
AC-09-2060	Yearbook & Directory 2010 Budget
VOTED	to adopt the Yearbook & Directory 2010 budget
AC-09-2061	Reconciliation Ministry 2010 Budget
VOTED	to adopt the Reconciliation Ministry 2010 budget
AC-09-2062	2009-2011 General Assembly Budget
VOTED	to adopt the 2009-2011 General Assembly budget
AC-09-2063	OGMP Promotions 2010 Budget
VOTED	to adopt the OGMP Promotions 2010 budget
AC-09-2064	OGMP Stewardship 2010 Budget
	Not prepared – new minister of faith & giving will be structuring the budget.
MOTION	OGMP Stewardship 2010 Budget
VOTED	that the budget will be structured, reviewed by the advisory committee and reviewed by the finance committee once the new minister of faith & giving has been called and has taken their position.
AC-09-2065	Treasury Services 2010 Budget
VOTED	to adopt Treasury Services 2010 budget

AC-09-2066	Week of Compassion 2010 Budget
VOTED	to adopt the Week of Compassion 2010 budget
AC-09-2069	Church Extension's Request to have UCCIB to be recognized as "Other Organization of the Church"
VOTED	not to approve the request to recognize UCCIB as an "Other Organization of the Church"
MOTION	Other Organizations of the Church
VOTED	to recommend that the Governance Committee of the General Board review the criteria for Other and Recognized Organizations as well as clarify whose role is it to recognize Other and Recognized Organizations.
AC-09-2070	Temporary Authorization to Review Expenses
VOTED	to grant temporary authorization to Sharon Coleman to review and approve expenses for Todd Adams during the sabbaticals of Sharon Watkins and Timothy James
AC-09-2075	Standing Rules for the Center of Faith & Giving
VOTED	to approve the Standing Rules for the Center of Faith & Giving with the following amendment: Article II #4, add the word geographic. Church needs to be better represented – on the advisory committee/search committee – the farthest west the representation was Houston.
AC-09-2072	Review of GB Committee Membership
	Reviewed the report and made recommendations to the staff.
MOTION	Document Review
VOTED	to approve the recommendation of the Finance Committee to the Governance Committee of the General Board to look at all documents where we signify racial/ethnic balance, gender balance to also include a geographic balance.
AC-09-2073	Amendments to the OGMP Employee Handbook
VOTED	to approve the following amendments to the OGMP Employee Handbook:
	1) OGMP will now reimburse checked luggage fees 2) OGMP employees may use airport parking services of their choice as long as the pricing is comparable to the Indianapolis Airport Economy lot (or applicable airport for deployed staff).

- 3) Delete Fly Clear. It no longer exists
- 4) Allow for up to \$500 in luggage reimbursements per calendar year for any OGMP employee who travels more than 10 times in a year, provided their travel budget has sufficient funds.

AC-09-2077 Open Meeting Policy Group

REVIEWED the General Assembly resolution that created the Open Meeting Policy Group and the following list of possible members of the group: Verity Jones, Brad Lyons, John Hotard, Linda Valdez, Ted Waggoner, Charisse Gillett, Bill Edwards.

AC-09-2071 Amendments to the Re-election Process of the GMP

VOTED to refer this to the Governance Committee of the General Board to amend the Standing Rules of the General Board to include a specific process for the re-election of the GMP. Particular attention is to be paid to section 2.2 of the existing Standing Rules defining who should be invited to respond as there is not a section that would include new church.

MOTION Draft Grievance Policy

VOTED to refer the draft grievance policy (rev. 10-31-2009) to Sharon Watkins for an introductory paragraph providing the theological foundation for reconciliation

Adjourned into Executive Session

Reconvened into Plenary Session

AC-09-2081 2009 General Assembly Report and Report of 2011 Program & Arrangements Committee

VOTED to receive the report

**MINUTES OF THE ADMINISTRATIVE COMMITTEE OF
THE CHRISTIAN CHURCH (DISCIPLES OF CHRIST)
April 16 – 17, 2010**

Indianapolis, Indiana

Sheraton Downtown City Centre

Larry Brown, Moderator

Friday, April 16, 2010

Moderator Larry Brown began the meeting by conducting an icebreaker exercise with the committee. First Vice Moderator, Juan Rodriguez led the committee in opening worship. Afterwards, Larry Brown gave an opening statement introducing the committee to its work.

Business of the Administrative Committee

Approval of Minutes

VOTED to approve the Minutes of the 2009 Fall Administrative Committee

Agenda

VOTED to approve the Agenda of this meeting

Administrative Committee Orientation – Todd Adams

Reminder to the Committee of the voting members

Robert Alvarez
Mark Anderson
Joan Bell-Haynes
Larry Brown
Rick Ikeda
April Lewton
Carolyn McLemore
Regina Morton
Tamara Rodenberg
Juan Rodriguez
Sharon Watkins
Marilyn Williams

Adjourned into Committees

Reconvened into Plenary Session

AC-10-2090	First Quarter Financials for the Office of General Minister and President
VOTED	to receive the report
AC-10-2087	Sick Leave Sharing for Catastrophic Illness Policy
VOTED	to approve (with editorial revisions) the policy to enable employees of the OGMP to donate sick leave to a catastrophic leave sharing pool, to be utilized by qualifying employees who have exhausted sick and vacation leave due to a serious illness or injury affecting the employee or eligible person as defined by the policy.
AC-10-2088	Updated Language Regarding Disciplinary Procedure
VOTED	to approve (with editorial revisions) the changes to the disciplinary procedure of the OGMP Employee Handbook as suggested by our attorneys at Baker & Daniels
AC-10-2095	Electronic Media and Social Networking Policy
VOTED	to approve an addition to the OGMP Employee Handbook which provides policy guidelines for use of electronic media and social networking websites
MOTION	The Administrative Committee moves to ask that General Commission on Ministry consider adding language to the Ministerial Code of Ethics to address the areas of Electronic Media and Social Networking (i.e. Twitter, Facebook, Blogs and Instant Messaging) and bring a report back to the Administrative Committee by the Fall 2011 meeting.
VOTED	motion approved
AC-10-2086	Change in Sponsor of Disciples Care Network from Disciples Home Missions to Disciple Benevolent Services
VOTED	to approve the change of sponsor for Disciples Care Network
AC-10-2084	Re-election of the General Minister and President
VOTED	to receive Sharon E. Watkins declaration of willingness to serve for a second term as General Minister and President and to begin the re-election process

Adjourned into Executive Session

Saturday, April 17, 2010

Reconvened into Plenary Session

AC-10-2094 Center for Faith and Giving Report – presented by Bruce Barkhauer

VOTED to receive the report

Adjourned into Executive Session

Reconvened into Plenary Session

AC-10-2089 2009 Audit of the Office of General Minister and President, *Year Book and Directory*, Reconciliation Ministry, Week of Compassion and Communication

VOTED to receive the report

AC-10-2092 Administrative Committee Vacancy

VOTED to elect Carolyn McLemore to fill the vacancy in the Administrative Committee class of 2011

AC-10-2093 Administrative Committee Grievance Policy

VOTED to approve the policy as amended and forward it to legal counsel for review.

Business Items Approved in Executive Session

AC-10-2085 Election of the Review/Search and Call Committee for the Re-election of the General Minister and President

AC-10-2091 2010 Clergy Housing Allowance Designation

Having no further business, First Vice Moderator, Juan Rodriguez led the committee in Communion and the meeting was adjourned.

**Minutes of the General Board
Of the Christian Church (Disciples of Christ)
April 17 – 20, 2010**

Indianapolis, Indiana

**Sheraton Downtown
City Centre Hotel**

Larry A. Brown, Moderator

Overview of Meeting

The 2010 General Board began on Saturday afternoon, April 17, 2010 with Pro-Reconciliation/Anti-Racism training led by Minister of Reconciliation, April Johnson. The Board then traveled to Geist Christian Church for their 5:30 PM worship service at Geist's North Campus location. After worship, we remained at Geist for our evening meal and opening session led by General Minister and President, Sharon Watkins.

Moderator Larry Brown presided over the plenary sessions, assisted by First Vice Moderator, Juan Rodriguez and Second Vice Moderator, Marilyn Williams. Juan opened and closed each plenary session with worship, music and prayer. Time was spent throughout the meeting looking at *The Design* and how it provides the basis for the work we were to do at General Board. Each of the moderators also spent a few minutes introducing themselves to the Board, telling of their background with the Church.

On Sunday, the Board began with worship led by Juan Rodriguez. Glen Stewart, Regional Minister from Tennessee brought the message, recounting his experiences during and immediately after the earthquake in Haiti. The General Board offering taken during worship was designated for Week of Compassion's relief fund for Haiti.

The Board met Sunday afternoon in their new committee configuration. These sessions were designed for the members to become better acquainted with each other and with the mission and work of their respective Committees. As these sessions were more organizational and informational in nature, the Committees did not report out to the plenary.

The remainder of the Board meeting was spent in plenary session, small group discussion and floor discussion. On Tuesday, the Board heard from a General Ministry panel, a Regional Ministry panel and participated in a discussion with the Moderator team. The meeting closed with communion.

Business of the General Board

VOTED to approve the 2010 General Board Agenda

VOTED to approve the 2009 General Board Minutes

Consent Agenda

VOTED to receive the following reports from the Consent Agenda

- 1001 *General Assembly of the Christian Church***
- 1002 *Christian Board of Publication***
- 1003 *Christian Church Foundation***
- 1004 *Council on Christian Unity***
- 1005 *Church Extension***
- 1006 *Central Pastoral Office of Hispanic Ministries***
- 1008 *Disciples of Christ Historical Society***
- 1009 *Disciples Home Missions***
- 1010 *Division of Overseas Ministries***
- 1011 *Higher Education and Leadership Ministries***
- 1012 *National Convocation of the Christian Church***
- 1013 *North American Asian/Pacific Disciples***
- 1014 *Pension Fund***
- GB-10-0654 *College of Regional Ministers***
- GB-10-0655 *Alabama-Northwest Florida***
- GB-10-0656 *Arizona***
- GB-10-0657 *Canada***
- GB-10-0658 *Capital Area***
- GB-10-0660 *Florida***
- GB-10-0661 *Georgia***
- GB-10-0662 *Great River Region***
- GB-10-0663 *Greater Kansas City***
- GB-10-0664 *Idaho, South***
- GB-10-0665 *Illinois-Wisconsin***
- GB-10-0666 *Indiana***
- GB-10-0667 *Kansas***
- GB-10-0668 *Kentucky***
- GB-10-0669 *Michigan***
- GB-10-0670 *Mid-America***
- GB-10-0671 *Montana***
- GB-10-0672 *Nebraska***
- GB-10-0673 *North Carolina***
- GB-10-0674 *Northeastern***
- GB-10-0675 *Northern California-Nevada***
- GB-10-0676 *Northwest***
- GB-10-0677 *Ohio***
- GB-10-0678 *Oklahoma***
- GB-10-0679 *Oregon***
- GB-10-0680 *Pacific Southwest***
- GB-10-0681 *Pennsylvania***
- GB-10-0682 *South Carolina***

GB-10-0683 *Southwest*
GB-10-0684 *Tennessee*
GB-10-0685 *Upper Midwest*
GB-10-0686 *Virginia*
GB-10-0687 *West Virginia*
GB-10-0693 *Update on Resolution on “Unity and War” referred to the Council on Christian Unity*
GB-10-0694 *Disciples Young Adult Initiative to Address Becoming Multicultural and Inclusive*

It was asked that **Report #1007** *Disciples Benevolent Services* be removed from the Consent Agenda and considered separately.

GB-10-0688 ***Amendments to Section 8 of the General Board Standing Rules***

VOTED to amend Section 8 of the General Board Standing Rules, substituting the word time for specific hours and minutes within the section, recognizing that the leadership of the Search Committee will have the spiritual maturity to discern how much time is needed to build consensus toward faithful decisions.

GB-10-0689 ***Amendments to the Standing Rules: Section 9 – A Process for Re-Election of the General Minister and President***

VOTED to add Section 9 – A Process for Re-Election of the General Minister and President to the Standing Rules of the General Board

GB-10-0690 ***Confirmation of the Review/Search and Call Committee***

VOTED to confirm the following members of the Review/Search and Call Committee for General Minister and President
 Larry Brown (50-59, L, W, M, OK) Moderator
 Juan Rodriquez (50-59, C, H, M, IN) 1st Vice-Moderator
 Marilyn Williams (50-59, L, B, F, NC) 2nd Vice-Moderator
 Regina Morton (50-59, L, B, F, TN) Admin. Committee - Chair
 Rick Ikeda (50-59, L, A, M, OR) Admin. Committee
 Mark Anderson (40-49, L, W, M, GKC) Admin. Committee
 Don Gillette (40-49, C, B, M, KY) General Board
 Laura Jennison Reed (23-29, L, W, F, NW) General Board
 Sarah Laroche (18-22, L, W, F, IN) General Board
 Janet Moore (40-49, C, W, F, PA) General Board
 Joel Saucedo (30-39, C, H, M, SW) General Board
 Alternate:
 Susan Diamond (50-59, C, W, F, AL/NW FL) General Board

Panel Discussion with the GMP Pastoral Table

Timothy James, Huberto Pimentel, Sharon Watkins, Geunhee Yu

1007

Disciples Benevolent Services

VOTED

to receive the report

GB-10-0697

Report of the General Nominating Committee

VOTED

To elect or confirm the nominees listed as appropriate to each of the following committees and General Ministry board classes with corrections in spelling and demographics as noted from the floor.

Administrative Committee – Class of 2012

Christian Board of Publication – Class of 2013

Christian Church Foundation – Class of 2012

Church Extension – Class of 2012

Council on Christian Unity – Class of 2013

National Benevolent Association dba

Disciples Benevolent Services – Class of 2012

Disciples of Christ Historical Society – Class of 2012

Higher Education and Leadership Ministries – Class of 2013

Pension Fund – Class of 2013

Week of Compassion – Class of 2014

Reconciliation Commission – Class of 2013

United Christian Missionary Society – Class of 2013

GB-10-0701

MACC Report

- Report presented by Newell Williams (Chair of MACC), Mary Jacobs, Sotello Long, Darryl Trimiew, David Vargas and Sharon Watkins
- Progress reports on the nine General Board actions presented by Todd Adams, Mary Jacobs, Sotello Long, Sharon Watkins, Robert Welsh and Geunhee Yu
- Discussion time moderated by Larry Brown
- Small group discussion led by Sharon Watkins

GB-10-0699

Permanent Allocation of CGM Escrow

VOTED

to approve the process used by the General Ministries presidents to change the allocation formula for the permanent allocation of the CGM Escrow

GB-10-0702	<i>Renewal of the Covenant with Colleges and Universities</i>
	Report received
GB-10-0703	<i>Distribution Formula for Undergraduate Institutions</i>
VOTED	to approve the process used by the College and University presidents to change the allocation formula of undergraduate institutions
GB-10-0704	<i>Release of Undergraduate Escrow Funds</i>
VOTED	to approve the request that HELM release the currently escrowed funds from the Undergraduate Grant Fund to Lynchburg College
GB-10-0695	<i>Inclusion of Geography as an Evaluative Criterion in Selecting Boards, Committees and Commissions</i>
VOTED	to approve the Governance Committee's request to include geography as an evaluative criterion in the selection and review of boards, committees, commissions, etc
GB-10-0691	<i>Updated Community of Common Interest Document</i>
VOTED	to approve the update to the Community of Common Interest Document to strengthen its effectiveness as recommended by the Office of General Minister and President's new legal counsel, Baker & Daniels
GB-10-0692	<i>Open Meeting Policy Task Force</i>
VOTED	to approve the following people to serve as the Open Meeting Policy Task Force Bill Edwards, OH, B,C,M Charisse Gillett, KY, B,L,F John Hotard, SW, W,L,M Verity Jones, IN, W,C,F Brad Lyons, MID-AM, W,L,M Linda Valdez, AZ, H,L,F Ted Waggoner, IN, W,L,M
GB-10-0700	<i>General Commission on Ministry Report</i>
	Report received

Disciples Mission Fund Report and Audit Project

Presented by Todd Adams and Tom West

GB-10-0698 ***Receipt of a Change in the Mission Funding Distribution Allocation for the Kansas Region***

VOTED to receive the report of the Kansas Regional Board, noting the Region's decision to retain 45% of DMF offerings contributed by congregations in the region rather than the 42.4015% previously set by the Regional Board

GB-10-0696 ***Update on the Planning of the 2011 General Assembly***

Report received

General Ministry Panel Report

Presented by Ron Degges, Jim Hamlett and Timothy James

Regional Ministry Panel Report

Presented by Don Dewey, Barb Jones, Jon Lacey, Sotello Long and Danny Stewart

GB-10-0705 ***Administrative Committee Report***

Report received

Moderator Panel

Presented by Larry Brown, Juan Rodriguez, Marilyn Williams

**MINUTES OF THE ADMINISTRATIVE COMMITTEE OF
THE CHRISTIAN CHURCH (DISCIPLES OF CHRIST)
October 29 – 30, 2010**

Indianapolis, Indiana

Hilton Garden Inn

Larry Brown, Moderator

Friday, October 29, 2010

First Vice Moderator, Juan Rodriguez led the committee in opening worship. The committee then took time to reconnect with one another. Afterwards, Larry Brown made an opening statement introducing the committee to its work.

Business of the Administrative Committee

Agenda

VOTED to approve the Agenda of this meeting with the following items added: discussion regarding a possible resolution on bullying for the 2011 General Assembly; notice of a possible appeal to the Administrative Committee from La Convención regarding their status in the Northeastern region; an update on the General Commission on Ministry implementation of the Theological Foundations and Policies and Criteria for the Ordering of Ministry for the Christian Church (Disciples of Christ)

Consent Agenda

2010 Spring Administrative Committee Minutes
AC-10-2105 Authorization of "Other Organizations" for the 2011 *Year Book & Directory*
AC-10-2106 Establishing the Price of the 2011 *Year Book & Directory of the Christian Church (Disciples of Christ)*
AC-10-2107 2010 Audit Engagement
AC-10-2109 IRS 501(c)3
AC-10-2110 Election to Fill a Vacancy on Faith and Giving Advisory Committee

VOTED to approve the Consent Agenda

Adjourned into Executive Session

Reconvened into Plenary Session

AC-10-2096 Office of General Minister and President Report

VOTED to receive the report

Sharon Watkins brought a draft anti-bullying resolution to the Administrative Committee for discussion.

Adjourned into Executive Session

Reconvened into Committees

Saturday, October 30, 2010

Reconvened into Plenary Session

Opening devotions were led by Juan Rodriguez.

Work of the Budget Committee was reviewed by Todd Adams.

AC-10-2097 2011 Budget for OGMP Administration & Boards

AC-10-2098 2011 Budget for Communication Ministries

AC-10-2099 2011 Budget for the Year Book & Directory

AC-10-2100 2011 Budget for Reconciliation Ministry

AC-10-2101 2011 Budget for OGMP Promotions

AC-10-2102 2011 Budget for OGMP Stewardship

AC-10-2103 2011 Budget for OGMP Treasury Services

AC-10-2104 2011 Budget for Week of Compassion

VOTED to approve the 2011 budgets listed above

Personnel, Policy and Procedure Committee Report

AC-10-2115 Election to Administrative Committee Vacancy

VOTED to elect John Quinonis of the Florida region (or Yolanda Marquez Lucar of the Northern California-Nevada region if John says no) to the remaining 3-year General Board term **and** Regina Morton of the Tennessee region for the remaining 1-year Administrative Committee term of Robert Alvarez, who had to resign both his Board and Committee positions.

AC-10-2108 Nomination of the 2015 Class of the General Nominating Committee

VOTED to elect Larry Love, Jean Blackburn and Phil Smith to the 2015 class of the General Nominating Committee. Michelle Harris Gloyer and Young Sook Kim were elected as alternates.

AC-10-2116 Appeal of La Convención (Northeast) to Become a Region of the Christian Church (Disciples of Christ)

VOTED to allow the process to begin immediately as opposed to waiting until the next Administrative Committee meeting, should La Convención (Northeast) file an appeal regarding their desire to become a region of the Christian Church (Disciples of Christ)

Adjourned into Executive Session

Reconvened into Plenary Session

Ben Bohren presented the General Commission on Ministry Implementation Executive Report.

There being no further business, Juan Rodriguez led a closing communion service and the meeting was adjourned.

During Executive Sessions

Business Items Approved

AC-10-2111 Re-Election of the General Minister and President

AC-10-2113 2011 Clergy Housing Allowance Designations

AC-10-2114 2011 Compensation for the General Minister and President

Business Item Referred

AC-10-2112 Administrative Committee Grievance Process

Item was referred back to the Personnel, Policy and Procedure committee to be rewritten.

The General Board has reviewed Report No. 1101 General Assembly of the Christian Church (Disciples including the Office of General Minister and President. The report is submitted to the General Assembly for consideration and discussion. No action is required. (Discussion time 12 minutes)



**OFFICE OF GENERAL MINISTER AND
PRESIDENT OF THE CHRISTIAN CHURCH
(DISCIPLES OF CHRIST)**

COMBINED FINANCIAL STATEMENTS
With Independent Auditors' Report

December 31, 2010 and 2009

**OFFICE OF GENERAL MINISTER AND PRESIDENT
OF THE CHRISTIAN CHURCH (DISCIPLES OF CHRIST)**

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SECTION I

Combined Audited Financial Statements

**DISCIPLES OF CHRIST–OGMP
and
AFFILIATES**

December 31, 2010 and 2009

INDEPENDENT AUDITORS' REPORT

Administrative Committee of the General Board
Office of General Minister and President
of the Christian Church
(Disciples of Christ)
Indianapolis, Indiana

We have audited the accompanying combined statements of financial position of the Office of General Minister and President of the Christian Church (Disciples of Christ) (Organization) as of December 31, 2010 and 2009, and the related combined statements of activities and cash flows for the years then ended. These combined financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these combined 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 combined financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the combined financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall combined financial statement presentation. We believe that our audits provides a reasonable basis for our opinion.

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the combined financial position of the Office of General Minister and President of the Christian Church (Disciples of Christ) as of December 31, 2010 and 2009, and the changes in its combined net assets and its combined cash flows for the years then ended in conformity with generally accepted accounting principles in the United States of America.

Capin Crouse LLP

Greenwood, Indiana
February 22, 2011

OFFICE OF GENERAL MINISTER AND PRESIDENT OF THE CHRISTIAN CHURCH (DISCIPLES OF CHRIST)

Combined Statements of Financial Position

	December 31,	
	2010	2009
ASSETS:		
Cash and cash equivalents	\$ 507,866	\$ 824,864
Accounts receivable	53,358	60,043
Gifts in transit	1,732,582	1,595,397
Prepaid expenses	63,524	40,603
Prepaid expenses—General Assembly	200,637	-
Short-term investments	1,917,697	663,586
Long-term investments	1,670,896	1,073,732
Endowment investments	122,093	108,276
Agency funds	205,322	-
Escrow funds on deposit	65,294	73,101
Furniture and equipment—net of accumulated depreciation of \$460,004 and \$419,850	65,333	106,983
Total Assets	\$ 6,604,602	\$ 4,546,585
LIABILITIES AND NET ASSETS:		
Liabilities:		
Accounts payable and accrued expenses	59,094	94,359
Distributable gifts payable	1,530,362	1,527,402
Deferred revenue—General Assembly	107,698	-
Agency funds payable	205,322	-
Escrow funds payable	65,294	73,101
Postretirement healthcare liability	355,776	357,982
Total liabilities	2,323,546	2,052,844
Net assets:		
Unrestricted	1,210,160	1,379,723
Temporarily restricted	2,990,264	1,033,386
Permanently restricted	80,632	80,632
Total net assets	4,281,056	2,493,741
Total Liabilities and Net Assets	\$ 6,604,602	\$ 4,546,585

See notes to combined financial statements

**OFFICE OF GENERAL MINISTER AND PRESIDENT
OF THE CHRISTIAN CHURCH (DISCIPLES OF CHRIST)**

Combined Statements of Activities

	Year Ending December 31,							
	2010				2009			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
SUPPORT AND REVENUE:								
Receipt of distributable and reported funds	\$ 19,162,711	\$ 5,617,322	\$ -	\$ 24,780,033	\$ 20,000,226	\$ 2,811,017	\$ -	\$ 22,811,243
Gifts distributed, including reported, to organizations	(17,504,353)	(254,211)	-	(17,758,564)	(18,289,599)	(272,533)	-	(18,562,132)
Distributions from affiliates	21,500	-	-	21,500	33,254	-	-	33,254
General Assembly Income	-	-	-	-	877,570	-	-	877,570
Pastors' conference	115,143	-	-	115,143	2,911	-	-	2,911
Yearbook sales and assessments	141,448	-	-	141,448	149,807	-	-	149,807
Other income	46,015	61,315	-	107,330	23,836	56,132	-	79,968
Contributions	-	966	-	966	-	5,352	-	5,352
Investment income	46,909	63,562	-	110,471	48,329	49,338	-	97,667
Total Support and Revenue	<u>2,029,373</u>	<u>5,488,954</u>	<u>-</u>	<u>7,518,327</u>	<u>2,846,334</u>	<u>2,649,306</u>	<u>-</u>	<u>5,495,640</u>
RECLASSIFICATION:								
Net assets released from restriction by satisfaction of purpose restrictions	<u>3,532,076</u>	<u>(3,532,076)</u>	<u>-</u>	<u>-</u>	<u>3,195,208</u>	<u>(3,195,208)</u>	<u>-</u>	<u>-</u>
EXPENSES:								
Program services	4,637,859	-	-	4,637,859	5,117,539	-	-	5,117,539
Supporting activities:								
Management and general	554,960	-	-	554,960	557,629	-	-	557,629
Fundraising	538,193	-	-	538,193	362,233	-	-	362,233
Total Expenses	<u>5,731,012</u>	<u>-</u>	<u>-</u>	<u>5,731,012</u>	<u>6,037,401</u>	<u>-</u>	<u>-</u>	<u>6,037,401</u>
Change in Net Assets	(169,563)	1,956,878	-	1,787,315	4,141	(545,902)	-	(541,761)
Net Assets, Beginning of Year	<u>1,379,723</u>	<u>1,033,386</u>	<u>80,632</u>	<u>2,493,741</u>	<u>1,375,582</u>	<u>1,579,288</u>	<u>80,632</u>	<u>3,035,502</u>
Net Assets, End of Year	<u>\$ 1,210,160</u>	<u>\$ 2,990,264</u>	<u>\$ 80,632</u>	<u>\$ 4,281,056</u>	<u>\$ 1,379,723</u>	<u>\$ 1,033,386</u>	<u>\$ 80,632</u>	<u>\$ 2,493,741</u>

See notes to combined financial statements

OFFICE OF GENERAL MINISTER AND PRESIDENT OF THE CHRISTIAN CHURCH (DISCIPLES OF CHRIST)

Combined Statements of Cash Flows

	Year Ended December 31,	
	2010	2009
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 1,787,315	\$ (541,761)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	45,194	43,567
Net realized gains on investments	(88,090)	(41,048)
Net unrealized (gains) losses on investments	(8,391)	(17,809)
Change in:		
Accounts receivable	6,685	1,642
Gifts in transit	(137,185)	579,408
Prepaid expenses	(22,921)	(24,718)
Prepaid expenses-General Assembly	(200,637)	170,519
Agency funds on deposit	(205,322)	-
Escrow funds on deposit	7,807	96,831
Accounts payable and accrued expenses	(32,304)	(760,975)
Deferred revenue-General Assembly	107,698	(125,385)
Agency funds payable	205,322	-
Escrow funds payable	(7,807)	(96,831)
Postretirement healthcare liability	(2,206)	(57,626)
Net Cash Provided (Used) by Operating Activities	<u>1,455,158</u>	<u>(774,186)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	(3,546)	(36,574)
Purchases of investments	(3,659,964)	(1,806,254)
Proceeds from sale of investments	1,890,576	231,622
Net Cash Used by Investing Activities	<u>(1,772,934)</u>	<u>(1,611,206)</u>
Change in Cash and Cash Equivalents	(317,776)	(2,385,392)
Cash and Cash Equivalents, Beginning of Year	<u>825,642</u>	<u>3,211,034</u>
Cash and Cash Equivalents, End of Year	<u>\$ 507,866</u>	<u>\$ 825,642</u>
SUPPLEMENTARY INFORMATION:		
Furniture and equipment disposed of that were fully depreciated	<u>\$ 5,039</u>	<u>\$ 20,825</u>

See notes to combined financial statements

OFFICE OF GENERAL MINISTER AND PRESIDENT OF THE CHRISTIAN CHURCH (DISCIPLES OF CHRIST)

Notes to Combined Financial Statements

December 31, 2010 and 2009

1. NATURE OF ORGANIZATION:

The General Assembly of the Christian Church (Disciples of Christ), Inc. was incorporated as a not-for-profit organization in March 1935, under the laws of the state of Indiana. The organization is also known as the Office of General Minister and President of the Christian Church (Disciples of Christ) (Office of General Minister). The Office of General Minister is responsible for the pastoral care and nurturing of the Christian Church (Disciples of Christ) (Church) and arranging for the Administrative Committee, General Board, and General Assembly as well as associated commissions and committees. Included within the Office of General Minister and President are the publication and distribution of the Yearbook and Directory; Week of Compassion, a ministry to respond to humanitarian emergencies and crises and developmental needs around the world; Reconciliation, a ministry for the elimination of the primary causes of racism in North America; Communication Ministries, which is responsible for public relations and communication functions for the Church; Treasury Services, the central receiving and distributing unit of offerings for the Church; Promotion, which promotes the offerings; and Center for Faith & Giving, which teaches members to invest themselves, their money, and other resources in the life and ministry of the Church.

By virtue of its inclusion in the group exemption ruling of the Church, the Office of General Minister is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (code) and comparable state law. The Church is also classified as a publicly supported organization, which is not a private foundation under 509(a)(1) of the code. As such, it is exempt from federal and state income tax, and contributions to the Office of General Minister are deductible for income tax purposes.

2. SIGNIFICANT ACCOUNTING POLICIES:

The combined financial statements have been prepared on the accrual basis. The significant accounting policies are described below to enhance the usefulness of the combined statements to the reader. The preparation of combined financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the combined financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

PRINCIPLES OF COMBINATION

The combined financial statements include the ministries and programs described in Note 1. All material inter-organizational accounts and transactions have been eliminated in combination.

OFFICE OF GENERAL MINISTER AND PRESIDENT OF THE CHRISTIAN CHURCH (DISCIPLES OF CHRIST)

Notes to Combined Financial Statements

December 31, 2010 and 2009

2. SIGNIFICANT ACCOUNTING POLICIES, continued:

CHANGE IN ACCOUNTING ESTIMATE

During 2010 the Office of the General Minister changed the discount rate used to calculate the postretirement benefit obligation. (See Note 12.) The change resulted in a decrease in the postretirement benefit obligation and corresponding gain included with other income of approximately \$7,500 for the year ended December 31, 2010. This change applies to the current and subsequent year. There has been no restatement or retrospective adjustment of prior periods.

During 2010 the Office of the General Minister revised the time estimates for Week of Compassion used to allocate employee salary and benefits to the appropriate function. For the year ended December 31, 2010, this resulted in an increase to fundraising expense and decrease in program expense of approximately \$135,000. This change applies to the current and subsequent year. There has been no restatement or retrospective adjustment.

DISCLOSURES ABOUT FAIR VALUE OF ASSETS AND LIABILITIES

The Office of General Minister has adopted the provisions of the Fair Value Measurements and Disclosure Topic of the FASB Accounting Standards Codification. Fair Value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The entity is required to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. A fair value hierarchy is utilized that prioritizes the inputs and valuation techniques used to measure fair value into three levels:

Level 1

Quoted prices in active markets for identical assets or liabilities.

Level 2

Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in active markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3

Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

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2. SIGNIFICANT ACCOUNTING POLICIES, continued:

DISCLOSURES ABOUT FAIR VALUE OF ASSETS AND LIABILITIES, continued

The following table presents the fair value measurements of assets and liabilities recognized in the accompanying statements of financial position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at December 31, 2010 and 2009:

		Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	Fair Value			
December 31, 2010:				
Assets:				
Investments:				
General:				
Short-term investments with related party—Church Extension	\$ 1,917,697	\$ -	\$ 1,917,697	\$ -
Long-term investments with related party—Church Extension	1,670,896	-	1,670,896	-
Endowment:				
Investments in related party— Christian Church Foundation	122,093	-	122,093	-
December 31, 2009:				
Assets:				
Investments:				
General:				
Short-term investments with related party—Church Extension	\$ 663,586	\$ -	\$ 663,586	\$ -
Long-term investments with related party—Church Extension	1,073,732	-	1,073,732	-
Endowment:				
Investments in related party— Christian Church Foundation	108,276	-	108,276	-

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Notes to Combined Financial Statements

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2. SIGNIFICANT ACCOUNTING POLICIES, continued:

DICLOSURES ABOUT FAIR VALUE OF ASETS AND LIABILITIES, continued

Following is a description of the valuation methodologies used for instruments measured at fair value on a recurring basis and recognized in the accompanying combined statement of financial position, as well as the general classification of such instruments pursuant to the valuation hierarchy.

Level 2 Fair Value Measurements

Investments in related party—Church Extension

The Office of the General Minister holds certificates of deposit with the Church Extension. Maturities ninety days or less are classified as cash and cash equivalents and are excluded. Maturities occurring between six months and one year are reported as short-term investments, while maturities occurring grater than one year are reported as long-term investments. The fair values of the certificates of deposit are based on observable inputs other than quoted market prices and are based on yields for securities of comparable maturity, quality, and type as obtained from market makers.

Investments in related party—Christian Church Foundation

Investment funds held in the Christian Church Foundation Joint Investment Trust are not actively traded but hold investment portfolios of stocks and bonds which are traded in active markets and have observable market prices.

CASH, CASH EQUIVALENTS, AND CREDIT RISK

For purposes of reporting cash flows, the Office of General Minister considers all liquid investments with original maturities of three months or less to be cash equivalents. The Office of General Minister has cash and cash equivalents on deposit with Church Extension of approximately \$492,766 and \$645,435 as of December 31, 2010 and 2009, respectively. This entire amount is not federally insured. As of December 31, 2010 and 2009, the Office of General Minister's other cash and cash equivalents on deposit with financial institutions did not exceed the federally insured limit of \$250,000. The Office of General Minister has not experienced any losses in such accounts and does not believe it is exposed to any significant credit risk on these accounts.

ACCOUNTS RECEIVABLE

Accounts receivable consist of amounts owed to the Office of General Minister from affiliated organizations for services performed and Yearbook sales. Management has determined that not all amounts are collectible and a provision has been made for a \$1,000 allowance for doubtful accounts.

AGENCY FUNDS

Agency funds consists of funds (cash) held by the Office of General Minister on behalf of organizations that have outsourced financial recordkeeping to the Office of General Minister—Treasury Services (see Note 14.)

OFFICE OF GENERAL MINISTER AND PRESIDENT OF THE CHRISTIAN CHURCH (DISCIPLES OF CHRIST)

Notes to Combined Financial Statements

December 31, 2010 and 2009

2. SIGNIFICANT ACCOUNTING POLICIES, continued:

FURNITURE, EQUIPMENT, AND DEPRECIATION

Furniture and equipment are capitalized at cost. Donated assets to be used by the Office of General Minister are capitalized at their fair value on the date of the gift. Depreciation is computed on the straight line method over the estimated useful lives of the assets ranging from three to ten years. Depreciation expense was \$45,194 and \$43,567 for the years ended December 31, 2010 and 2009, respectively. Furniture and equipment greater than \$1,000 are capitalized.

CLASSES OF NET ASSETS

The combined financial statements report amounts separately by class of net assets:

Unrestricted net assets are those currently available for use in the ministries of the Office of General Minister under the direction of management.

Temporarily restricted net assets are those stipulated by donors for specific operating purposes or those not currently available for use until commitments regarding their use have been fulfilled.

Permanently restricted net assets are those stipulated by donors to be maintained by the Office of General Minister in perpetuity, the realized income of which is available as unrestricted or temporarily restricted in accordance with the donor's intentions.

SUPPORT, REVENUE, AND RECLASSIFICATIONS

Contributions are reported when made, which may be when cash is received, unconditionally promised, or ownership of donated assets is transferred. Gifts of cash and other assets are reported as restricted support if they are received with donor stipulations that limits the use of the donated amounts. Restricted contributions whose restrictions have been met in the same reporting period are reported as unrestricted support. If the restrictions are not satisfied in the same reporting period, the contributions are reported as temporarily restricted. Upon satisfaction of the restriction, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the combined statement of activities as net assets released from purpose restrictions.

Revenues are reported as income when earned.

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Notes to Combined Financial Statements

December 31, 2010 and 2009

2. SIGNIFICANT ACCOUNTING POLICIES, continued:

GENERAL ASSEMBLY

Revenues and expenses associated with the General Assembly are directly related to an event held biennially. Revenues are primarily from registration fees. Expenses are related to the direct costs of holding the event.

The Office of General Minister defers the revenues and expenses directly related to the biennial General Assembly until the year in which the Assembly is held.

ALLOCATION OF EXPENSES

The costs of providing the various program services and supporting activities of the Office of General Minister have been summarized on a functional basis in the combined statements of activities. Accordingly, certain costs have been allocated among the program services and supporting activities benefited.

UNCERTAIN TAX PROVISIONS

The financial statement effects of a tax position taken or expected to be taken are recognized in the combined financial statements when it is more likely than not, based on the technical merits, that the position will be sustained upon examination. Interest and penalties, if any, are included in expenses in the statement of activities. As of December 31, 2010, the Office of General Minister had no uncertain tax positions that qualify for recognition or disclosure in the combined financial statements.

3. INVESTMENTS:

The Office of General Minister's investments are as follows:

	December 31,	
	2010	2009
Investments with Church Extension		
Short-term investments	\$ 1,917,697	\$ 663,586
Long-term investments	1,670,896	1,073,732
	<u>3,588,593</u>	<u>1,737,318</u>
Joint Investment Trust of the Christian Church Foundation—		
Money Market Funds	1,646	778
Beasley Growth Fund	120,447	107,498
	<u>122,093</u>	<u>108,276</u>
	<u>\$ 3,710,686</u>	<u>\$ 1,845,594</u>

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Notes to Combined Financial Statements

December 31, 2010 and 2009

3. INVESTMENTS, continued:

Investments with a cost-basis of \$132,577 and \$128,019 were held in investment portfolios at the Christian Church Foundation (CCF) at December 31, 2010 and 2009, respectively. Investments held at CCF are audited by other independent auditors. These investments are reported at fair value using reasonable valuation methodologies. Investments in limited partnerships and other investment funds are valued at the latest net asset value made available by the fund manager or administrator prior to the valuation date. Securities that are not readily marketable are valued at fair value as deemed appropriate by management of CCF, in consultation with the respective investment manager, with consideration given to the financial condition and operating results of the issuer, meaningful third-party transactions in the private market, and other factors deemed relevant.

The Office of General Minister's investments may be withdrawn on a monthly basis with proper documents submitted to CCF prior to the end of each calendar month.

The Beasley Growth Fund's asset mix is as follows:

	December 31,	
	2010	2009
Large cap equities	33%	33%
International equities	20	20
Global bonds	10	10
Mid cap value equities	10	10
Intermediate duration bonds	8	8
Small cap growth equities	11	10
Alternative investments	6	6
Church Extension investment notes	2	3
	<u>100%</u>	<u>100%</u>

Investment income consists of:

	December 31,	
	2010	2009
Interest income	\$ 13,989	\$ 38,810
Net realized gains	88,090	41,048
Net unrealized gains	8,391	17,809
	<u>\$ 110,470</u>	<u>\$ 97,667</u>

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Notes to Combined Financial Statements

December 31, 2010 and 2009

4. UNRESTRICTED NET ASSETS:

Unrestricted net assets consist of:

	December 31,	
	2010	2009
Unrestricted net assets—board-designated:		
Postretirement health care	\$ 256,497	\$ 283,903
Center for Faith & Giving	196,381	215,819
Year Book	113,757	113,839
Treasury Services	89,825	89,729
Promotion	89,215	107,177
Special funds—Communication Ministries	84,322	95,405
Pastors' conference	34,426	43,302
Meeting equipment	23,457	39,040
Audit system reserve	18,522	23,174
GCOM Translation	17,396	7,500
Search process reserve	13,443	18,919
Consulting reserve	7,034	13,034
Other	3,022	3,152
Mission Alignment Coordinating Council	2,842	23,556
Legal fees reserve	-	16,529
GA promotion and DMF Disciples Women video reserve	-	9,071
	<u>950,139</u>	<u>1,103,149</u>
Unrestricted net assets—Communication Ministries	140,563	135,693
Unrestricted net assets—General Office	<u>119,458</u>	<u>140,881</u>
	<u><u>\$ 1,210,160</u></u>	<u><u>\$ 1,379,723</u></u>

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December 31, 2010 and 2009

5. TEMPORARILY RESTRICTED NET ASSETS:

Temporarily restricted net assets consist of:

	December 31, 2009	Temporarily Restricted Support	Reclassifications	December 31, 2010
Week of Compassion	\$ 410,319	\$ 5,220,863	\$ (3,211,016)	\$ 2,420,166
Reconciliation	552,062	254,217	(303,648)	502,631
Brown fund	10,000	-	(9,426)	574
Training DMF Advocates	5,000	-	(5,000)	-
Disciples identity branding project– Communication Ministries	21,524	-	-	21,524
Endowment fund	29,347	11,638	-	40,985
Manworren AGMVP Travel/Study	-	476	-	476
Other	5,134	1,760	(2,986)	3,908
	<u>\$ 1,033,386</u>	<u>\$ 5,488,954</u>	<u>\$ (3,532,076)</u>	<u>\$ 2,990,264</u>

	December 31, 2008	Temporarily Restricted Support	Reclassifications	December 31, 2009
Week of Compassion	\$ 958,897	\$ 2,352,930	\$ (2,901,508)	\$ 410,319
Reconciliation	561,955	272,470	(282,363)	552,062
Brown fund	10,000	-	-	10,000
Training DMF Advocates	-	5,000	-	5,000
Disciples identity branding project– Communication Ministries	21,523	1	-	21,524
Endowment fund	10,794	18,553	-	29,347
Northeastern Region fund	10,000	-	(10,000)	-
Other	6,119	352	(1,337)	5,134
	<u>\$ 1,579,288</u>	<u>\$ 2,649,306</u>	<u>\$ (3,195,208)</u>	<u>\$ 1,033,386</u>

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6. ENDOWMENT FUNDS:

The Board of Directors of the Office of General Minister has interpreted the State Prudent Management of Institutional Funds Act (SPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the organization in a manner consistent with the standard of prudence prescribed by SPMIFA. In accordance with SPMIFA, the Office of General Minister considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- (1) The duration and preservation of the fund
- (2) The purposes of the organization and the donor-restricted endowment fund
- (3) General economic conditions
- (4) The possible effect of inflation and deflation
- (5) The expected total return from income and the appreciation of investments
- (6) Other resources of the organization
- (7) The investment policies of the organization.

All endowment funds are composed of donor restricted funds as described below:

The Oreon E. Scott Endowment Fund was established by the Office of General Minister in 1997. Contributions to the fund were restricted by the donor to be held in perpetuity with the earnings therefore used exclusively for specific church wide projects to help fund experimental and emergency ministries related to the priorities of the church as established through the General Assembly and General Board. This endowment is funded by common stock, domestic and global bonds, and alternative investments within the Beasley Growth Fund. This endowment asset will earn temporarily restricted interest income in future periods.

The Manworren Associate General Minister and Vice President (AGMVP) Travel/Study Endowment Fund was established by the Office of General Minister in 2003. Contributions to the fund were restricted by the donor to be held in perpetuity with the earnings used exclusively for travel and study expenses of the AGMVP. This endowment is funded by common stock, domestic and global bonds, and alternative investments within the Beasley Growth Fund. This endowment will earn temporarily restricted interest income in future periods.

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Notes to Combined Financial Statements

December 31, 2010 and 2009

6. ENDOWMENT FUNDS, continued:

RETURN OBJECTIVES AND RISK PARAMETERS

The Office of General Minister has adopted investment and spending policies for endowment assets that attempt to first reach a value of \$100,000 and then provide funding of its purposes. Endowment assets include those assets of donor-restricted funds that the organization must hold in perpetuity. Under this policy, the endowment assets are invested with Christian Church Foundation in the Beasley Growth Fund. The Office of General Minister expects its endowment funds, over time, to provide an average rate of return that exceeds inflation. 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 Office of General Minister relies on a total return strategy in which investment returns are achieved through both capital realized and unrealized appreciation and current yield (interest and dividends). Through the Beasley Growth Fund, the Office of General Minister targets a diversified asset allocation that seeks long-term capital growth.

SPENDING POLICY AND HOW THE INVESTMENT OBJECTIVES RELATE TO SPENDING POLICY

The Office of General Minister has a policy of appropriating for distribution each year five percent of its endowment fund's fair value at December 31st of the previous year. This distribution will start once the value exceeds \$100,000. In establishing this policy, the Office of General Minister considered the long-term expected return on its endowment. Accordingly, over the long term, the Office of General Minister expects the current spending policy to allow its endowment to grow at an average of five percent annually. This is consistent with the organization's objective to maintain the purchasing power of the endowment assets held in perpetuity as well as to provide additional real growth through new gifts and investment return.

The Manworren AGMVP Travel/Study Endowment Fund's earned income from the prior year will be distributed to the Office of General Minister for use by the AGMVP.

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Notes to Combined Financial Statements

December 31, 2010 and 2009

6. ENDOWMENT FUNDS, continued:

Change in endowment net assets:

	Year Ended December 31, 2010			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	\$ (1,703)	\$ 29,347	\$ 80,632	\$ 108,276
Investment return:				
Investment income gain (loss)	1,703	12,114	-	13,817
Contributions	-	-	-	-
Transfer to move assets from:				
Unrestricted endowment funds	-	-	-	-
Endowment net assets, end of year	<u>\$ -</u>	<u>\$ 41,461</u>	<u>\$ 80,632</u>	<u>\$ 122,093</u>
	Year Ended December 31, 2009			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	\$ (5,453)	\$ 10,794	\$ 80,632	\$ 85,973
Investment return:				
Investment income gain (loss)	3,750	18,553	-	22,303
Contributions	-	-	-	-
Transfer to move assets from:				
Unrestricted endowment funds	-	-	-	-
Endowment net assets, end of year	<u>\$ (1,703)</u>	<u>\$ 29,347</u>	<u>\$ 80,632</u>	<u>\$ 108,276</u>

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 SPMIFA requires the Office of General Minister to retain as a fund of perpetual duration. In accordance with GAAP, deficiencies of this nature that are reported in unrestricted net assets were \$-0- and \$1,703 as of December 31, 2010 and 2009, respectively.

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Notes to Combined Financial Statements

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7. OPERATING LEASES:

During 1994 the Office of General Minister approved, along with certain other affiliated organizations, a guaranty to a lease agreement entered into by Christian Church Services, Inc. As a guarantor for its pro rata share of the obligation, the Office of General Minister will sublease operating facilities from Christian Church Services, Inc. under an operating lease arrangement. The lease commenced February 15, 1995, and expires July 14, 2016, with an option to extend the lease for two additional five-year terms. Additionally, the lease provides for additional rent to cover certain costs, which is calculated annually and added to the base rent. Total rent paid to Christian Church Services, Inc. for the years ended December 31, 2010 and 2009, was \$90,387 and \$84,576, respectively.

During the year ended December 31, 2006, the Office of General Minister entered into an operating lease agreement for use of a photocopier. The lease requires monthly payments of \$633 and quarterly maintenance payments of \$735. The lease expires in July 2011. Lease expense for the years ended December 31, 2010 and 2009, was \$10,948 and \$10,263, respectively.

Minimum annual base rental and lease payments required under the operating leases as of December 31, 2010 are as follows:

<u>Year Ending December 31,</u>	
2011	\$ 97,241
2012	97,278
2013	102,785
2014	102,785
2015	107,924
Thereafter	<u>56,532</u>
	<u><u>\$ 564,545</u></u>

OFFICE OF GENERAL MINISTER AND PRESIDENT OF THE CHRISTIAN CHURCH (DISCIPLES OF CHRIST)

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8. AFFILIATED ORGANIZATIONS AND RELATED PARTY TRANSACTIONS:

The Office of General Minister fills two basic roles in the life of the Church in the United States and Canada. First, it serves as the general pastoral staff for the nearly 660,000 member denomination, responsible for representing the wholeness of the Church, for reconciling differences, and for helping the Church retain its clarity of mission and identity. Second, as international headquarters for the denomination, it is responsible for the arrangements for the Administrative Committee, General Board, and General Assembly as well as Assembly commissions and committees. It strives to help the Church remain faithful to God's calling and to do its work effectively and efficiently. To fulfill these roles the Office of General Minister engages with many elements of the Church, the primary organizations engaged are as follows:

General Ministries:

- Church Extension (CE)
- Christian Board of Publication
- Christian Church Foundation (CCF)
- Council on Christian Unity (CCU)
- Disciples Benevolent Services
- Disciples Home Missions (DHM)
- Disciples of Christ Historical Society
- Division of Overseas Ministries
- Higher Education and Leadership Ministries
- Pension Fund of the Christian Church

In addition, the Office of General Minister is affiliated with other organizations as listed in the Annual Yearbook and Directory of the Church, including regions, recognized organizations, member congregations, colleges, and seminaries, collectively referred to herein as "affiliates."

OFFICE OF GENERAL MINISTER AND PRESIDENT OF THE CHRISTIAN CHURCH (DISCIPLES OF CHRIST)

Notes to Combined Financial Statements

December 31, 2010 and 2009

8. AFFILIATED ORGANIZATIONS AND RELATED PARTY TRANSACTIONS (continued):

A summary of the related party transactions with affiliates as of and for the year ended December 31, 2010 and 2009 is as follows:

	December 31,	
	2010	2009
Assets:		
Yearbook receivables from affiliates	\$ 19,145	\$ 12,668
Other receivable from employees and affiliates	6,409	32,671
Investments held with CE	4,081,358	2,382,753
Investments held with CCF	120,447	107,498
Gifts in transit	1,732,582	1,595,398
Prepaid expenses from affiliates	163,061	8,561
	<u>\$ 6,123,002</u>	<u>\$ 4,139,549</u>
Liabilities:		
Accounts payable to affiliates	<u>\$ 1,537,601</u>	<u>\$ 1,538,574</u>
Support and revenue:		
Receipt of distributable and reported funds	\$ 24,780,033	\$ 22,811,243
Gifts distributed (including reported funds) to organizations	(17,758,564)	(18,562,132)
Distributions from affiliates	21,500	33,254
Yearbook sales and assessments to affiliates	141,448	158,955
Pastors' Conference, other income and contributions	215,975	-
Dividend distributed from affiliate co-operative	3,034	2,340
Investment income from investments held with CE and CCF	110,471	77,908
	<u>\$ 7,513,897</u>	<u>\$ 4,521,568</u>
Expenses:		
Amounts paid to affiliates	<u>\$ 556,069</u>	<u>\$ 430,506</u>

(Also see Notes 9, 10, 11, 14, and 16.)

OFFICE OF GENERAL MINISTER AND PRESIDENT OF THE CHRISTIAN CHURCH (DISCIPLES OF CHRIST)

Notes to Combined Financial Statements

December 31, 2010 and 2009

9. GIFTS IN TRANSIT:

In order to acknowledge gifts applicable to December, the Office of General Minister records certain January receipts related to December giving as December receipts. These receipts in transit are included in the distributions attributed to December, even though the cash is actually distributed in January of the following year. December receipts reflected in the combined statement of financial position as Gifts in Transit were \$1,732,582 and \$1,595,397 at December 31, 2010 and 2009, respectively.

10. RECEIPT OF DISTRIBUTABLE AND REPORTED FUNDS:

The total of the distributable and reported funds processed by the Office of General Minister was \$24,780,033 and \$22,811,243 for the years ended December 31, 2010 and 2009, respectively. Only the portion of the funds that relates to the Office of General Minister is included as net contributions in the combined statement of activities. Funds payable to participating organizations are reflected as a liability in the combined statements of financial position.

11. EMPLOYEE BENEFITS:

HEALTH INSURANCE PLAN

The Office of General Minister provides a comprehensive hospital and medical coverage policy through the church-wide health care insurance program of the Pension Fund of the Christian Church (Disciples of Christ). The Office of General Minister pays 100 percent of the premiums for all full-time employees. The Office of General Minister incurred \$188,391 and \$157,738 in expenses providing these benefits for the years ended December 31, 2010 and 2009, respectively.

RETIREMENT PLAN

Nearly all of the employees of the Office of General Minister participate in a defined-contribution retirement plan of the Pension Fund of the Christian Church (Disciples of Christ). Payments to the plan are 14 percent of the base salaries of employees participating in the plan depending on the length of service to the Office of General Minister. Hourly and salaried, non-exempt employees are eligible following ninety days of service. Salaried, exempt employees are eligible on their first day of hire. Employees have the opportunity to participate in a Tax Deferred Account (TDA) with the Pension Fund rather than the Pension Plan. Employees who choose this option can contribute according to the Pension Plan rules. In lieu of pension payments, the Office of General Minister matches employee contributions to a TDA, up to seven percent of an employee's salary. Total pension expense was \$171,901 and \$154,961 for the years ended December 31, 2010 and 2009, respectively.

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12. POSTRETIREMENT PLAN:

The Office of General Minister provides postretirement health care coverage to certain eligible retirees and spouses through its participation in the church wide defined-benefit health plan, the Christian Church (Disciples of Christ) Health Care Benefit Trust, administered by the Pension Fund of the Christian Church (Disciples of Christ), an affiliated organization. The Office of General Minister's policy is to fund claims as they are incurred. Contributions to be paid to the plan during the fiscal year ending December 31, 2010, are expected to be approximately \$42,700.

The following sets forth the plan's funded status and amounts recognized in the combined statements of financial position and combined statements of activities for the year ended December 31, 2010 and 2009:

	December 31,	
	2010	2009
Accumulated postretirement benefit obligation:		
Retirees	\$ 355,776	\$ 357,982
Fair value of plan assets	-	-
Funded status	<u>\$ (355,776)</u>	<u>\$ (357,982)</u>
Accumulated benefit cost recognized in the combined statement of financial position	<u>\$ 355,776</u>	<u>\$ 357,982</u>
Benefit cost	\$ 45,048	\$ 55,628
Employer contribution	38,052	48,631
Benefits paid	38,052	48,631
Assumptions used:		
Discount rate	5.2%	5.7%
Expected rate of return on plan assets	0.0%	0.0%

The assumed rate of increase in per capita cost of health care benefits was 10 percent for 2010 and is assumed to be at nine percent for two years, eight percent for three years, seven percent for three years, six percent for two years, and five percent for each remaining year.

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Notes to Combined Financial Statements

December 31, 2010 and 2009

12. POSTRETIREMENT PLAN, continued:

The benefits expected to be paid in each of the next five fiscal years following the date of the latest combined statement of financial position presented and in the aggregate for the five years thereafter are as follows:

<u>Year Ending December 31,</u>	
2011	\$ 41,761
2012	45,519
2013	49,616
2014	53,585
2015	57,872
Next five fiscal years	<u>358,665</u>
	<u><u>\$ 607,018</u></u>

13. ESCROW FUNDS:

	<u>Escrow Funds</u> <u>Dec. 31, 2009</u>	<u>Funds</u> <u>Received</u>	<u>Grants Made/</u> <u>Expenses Paid</u>	<u>Escrow Funds</u> <u>Dec. 31, 2010</u>
December 31, 2010:				
Council of General Ministries Fund	\$ 28,774	\$ -	\$ (28,774)	\$ -
Ecumenical Justice Partners				
Network	25,824	-	(4,103)	21,721
Councils of Churches Fund	<u>18,503</u>	<u>73,597</u>	<u>(48,527)</u>	<u>43,573</u>
Escrow funds	<u><u>\$ 73,101</u></u>	<u><u>\$ 73,597</u></u>	<u><u>\$ (81,404)</u></u>	<u><u>\$ 65,294</u></u>

OFFICE OF GENERAL MINISTER AND PRESIDENT OF THE CHRISTIAN CHURCH (DISCIPLES OF CHRIST)

Notes to Combined Financial Statements

December 31, 2010 and 2009

13. ESCROW FUNDS, continued:

	<u>Escrow Funds</u> <u>Dec. 31, 2008</u>	<u>Funds</u> <u>Received</u>	<u>Grants Made/ Expenses Paid</u>	<u>Escrow Funds</u> <u>Dec. 31, 2009</u>
December 31, 2009:				
Council of General Ministries Fund	\$ 149,845	\$ 265,866	\$ (386,937)	\$ 28,774
Ecumenical Justice Partners				
Network	-	25,824	-	25,824
Councils of Churches Fund	<u>20,087</u>	<u>76,443</u>	<u>(78,027)</u>	<u>18,503</u>
Escrow funds—end of year	<u><u>\$ 169,932</u></u>	<u><u>\$ 368,133</u></u>	<u><u>\$ (464,964)</u></u>	<u><u>\$ 73,101</u></u>

The Council of General Ministries closed their escrow account in 2010. The purpose of the Councils of Churches' escrow funds is to make grants to the National, Canadian, and World Church Council organizations. The Ecumenical Justice Partners Network is a group of denominations partnering together to further justice. At December 31, 2010 and 2009, the organizations have \$34,391 and \$18,530, respectively, of escrow funds on deposit with Church Extension. These amounts are not federally insured.

14. AGENCY FUNDS

	<u>Agency Funds</u> <u>Dec. 31, 2009</u>	<u>Funds</u> <u>Received</u>	<u>Expenses Paid</u>	<u>Agency Funds</u> <u>Dec. 31, 2010</u>
December 31, 2010:				
Council on Christian Unity	\$ -	\$ 340,032	\$ (312,623)	\$ 27,409
Christian Church Services	-	1,643,024	(1,487,933)	155,091
Christian Church in Florida	<u>-</u>	<u>28,291</u>	<u>(5,469)</u>	<u>22,822</u>
Agency Funds	<u><u>\$ -</u></u>	<u><u>\$ 2,011,347</u></u>	<u><u>\$ (1,806,025)</u></u>	<u><u>\$ 205,322</u></u>

OFFICE OF GENERAL MINISTER AND PRESIDENT OF THE CHRISTIAN CHURCH (DISCIPLES OF CHRIST)

Notes to Combined Financial Statements

December 31, 2010 and 2009

15. COMMITMENTS AND CONTINGENT LIABILITIES:

The Office of General Minister has entered into contracts with hotels and convention centers in Nashville, Tennessee, and Orlando, Florida, for the General Assembly events scheduled for 2011 and 2013, respectively. Under the contracts, the Office of General Minister would be liable to these hotels and convention centers if the General Assembly were not held in these cities. As of December 31, 2010, the Office of General Minister would be required to pay approximately \$422,901 if the General Assembly were not to be held in Nashville and Orlando.

16. SIGNIFICANT CONCENTRATIONS:

Accounting principles generally accepted in the United States of America require disclosure of current vulnerabilities due to certain concentrations. As of December 31, 2010 and 2009, approximately 99 percent and 82 percent, respectively, of the support and revenue represented in these combined financial statements comes from individuals or organizations associated with the Church.

17. SUBSEQUENT EVENTS:

Subsequent events have been evaluated through the report date, which represents the date the combined financial statements were available to be issued. Subsequent events after that date have not been evaluated.

SUPPLEMENTARY DATA

**INDEPENDENT AUDITORS' REPORT
ON SUPPLEMENTARY DATA**

Administrative Committee of the General Board
Office of General Minister and President
of the Christian Church
(Disciples of Christ)
Indianapolis, Indiana

Our report on our audits of the combined financial statements of the Office of General Minister and President of the Christian Church (Disciples of Christ) for the year ended December 31, 2010 and 2009, appears on page 1. We conducted our audits in accordance with auditing standards generally accepted in the United States of America for the purpose of forming an opinion on the basic combined financial statements taken as a whole. The supplementary data on the following pages is presented for purposes of additional analysis and is not a required part of the basic combined financial statements. Such information has been subjected to the auditing procedures applied in the audits of the combined financial statements and, in our opinion, is fairly stated in all material respects in relation to the combined financial statements taken as a whole.

Capin Crouse LLP

Greenwood, Indiana
February 22, 2011

**OFFICE OF GENERAL MINISTER AND PRESIDENT
OF THE CHRISTIAN CHURCH (DISCIPLES OF CHRIST)**

Combining Statement of Financial Position by Division

December 31, 2010

	General Office	Promotion	Communication Ministries	Center for Faith & Giving	Yearbook	General Assembly	Reconciliation	Week of Compassion	Treasury Services	Total
ASSETS:										
Cash and cash equivalents	\$ 106,776	\$ (63,683)	\$ (9,385)	\$ 176,629	\$ 93,166	\$ (114,946)	\$ 262,567	\$ 135,800	\$ (79,058)	\$ 507,866
Accounts receivable	33,404	-	87	-	19,145	722	-	-	-	53,358
Gifts in transit	1,154,820	143,716	31,012	15,563	-	-	33,602	314,787	39,082	1,732,582
Prepaid expenses	14,471	8,992	863	569	1,492	-	1,280	34,706	1,151	63,524
Prepaid expenses—General Assembly	-	-	-	-	-	200,637	-	-	-	200,637
Short-term investments	656,655	-	-	-	-	-	100,455	1,160,587	-	1,917,697
Long-term investments	474,659	-	214,498	-	-	-	100,771	773,249	107,719	1,670,896
Endowment investments	122,093	-	-	-	-	-	-	-	-	122,093
Agency funds on deposit	205,322	-	-	-	-	-	-	-	-	205,322
Escrow funds on deposit	65,294	-	-	-	-	-	-	-	-	65,294
Furniture and equipment—net	26,020	190	9,334	3,620	244	-	3,956	1,037	20,932	65,333
Total Assets	\$ 2,859,514	\$ 89,215	\$ 246,409	\$ 196,381	\$ 114,047	\$ 86,413	\$ 502,631	\$ 2,420,166	\$ 89,826	\$ 6,604,602
LIABILITIES AND NET ASSETS:										
Liabilities:										
Accounts payable and accrued expenses	\$ 58,804	\$ -	\$ -	\$ -	\$ 290	\$ -	\$ -	\$ -	\$ -	\$ 59,094
Distributable gifts payable	1,530,362	-	-	-	-	-	-	-	-	1,530,362
Deferred revenue—General Assembly	-	-	-	-	-	107,698	-	-	-	107,698
Agency funds payable	205,322	-	-	-	-	-	-	-	-	205,322
Escrow funds payable	65,294	-	-	-	-	-	-	-	-	65,294
Postretirement healthcare liability	355,776	-	-	-	-	-	-	-	-	355,776
Total liabilities	2,215,558	-	-	-	290	107,698	-	-	-	2,323,546
Net assets:										
Unrestricted	517,381	89,215	224,885	196,381	113,757	(21,285)	-	-	89,826	1,210,160
Temporarily restricted	45,943	-	21,524	-	-	-	502,631	2,420,166	-	2,990,264
Permanently restricted	80,632	-	-	-	-	-	-	-	-	80,632
Total net assets	643,956	89,215	246,409	196,381	113,757	(21,285)	502,631	2,420,166	89,826	4,281,056
Total Liabilities and Net Assets	\$ 2,859,514	\$ 89,215	\$ 246,409	\$ 196,381	\$ 114,047	\$ 86,413	\$ 502,631	\$ 2,420,166	\$ 89,826	\$ 6,604,602

OFFICE OF GENERAL MINISTER AND PRESIDENT OF THE CHRISTIAN CHURCH (DISCIPLES OF CHRIST)

Combining Statement of Financial Position by Division

December 31, 2009

	General Office	Promotion	Communication Ministries	Stewardship	Yearbook	General Assembly	Reconciliation	Week of Compassion	Treasury Services	Total
ASSETS:										
Cash and cash equivalents	\$ 697,145	\$ 13,596	\$ 1,384	\$ 195,293	\$ 97,082	\$ (40,405)	\$ 264,979	\$ (310,515)	\$ (93,695)	\$ 824,864
Accounts receivable	28,255	-	-	-	12,668	19,120	-	-	-	60,043
Gifts in transit	1,109,366	87,774	31,030	15,577	-	-	24,347	288,511	38,792	1,595,397
Prepaid expenses	5,067	5,239	1,072	-	3,398	-	1,232	23,014	1,581	40,603
Prepaid expenses—General Assembly	-	-	-	-	-	-	-	-	-	-
Short-term investments	101,584	-	102,118	-	-	-	256,181	203,703	-	663,586
Long-term investments	660,827	-	106,022	-	-	-	-	203,601	103,282	1,073,732
Endowment investments	108,276	-	-	-	-	-	-	-	-	108,276
Escrow funds on deposit	73,101	-	-	-	-	-	-	-	-	73,101
Furniture and equipment—net	42,639	568	10,996	4,949	734	-	5,323	2,005	39,769	106,983
Total Assets	\$ 2,826,260	\$ 107,177	\$ 252,622	\$ 215,819	\$ 113,882	\$ (21,285)	\$ 552,062	\$ 410,319	\$ 89,729	\$ 4,546,585
LIABILITIES AND NET ASSETS:										
Liabilities:										
Accounts payable and accrued expenses	\$ 1,621,718	\$ -	\$ -	\$ -	\$ 43	\$ -	\$ -	\$ -	\$ -	\$ 1,621,761
Deferred revenue—General Assembly	-	-	-	-	-	-	-	-	-	-
Escrow funds payable	73,101	-	-	-	-	-	-	-	-	73,101
Postretirement healthcare liability	357,982	-	-	-	-	-	-	-	-	357,982
Total liabilities	2,052,801	-	-	-	43	-	-	-	-	2,052,844
Net assets:										
Unrestricted	643,346	107,177	231,098	215,819	113,839	(21,285)	-	-	89,729	1,379,723
Temporarily restricted	49,481	-	21,524	-	-	-	552,062	410,319	-	1,033,386
Permanently restricted	80,632	-	-	-	-	-	-	-	-	80,632
Total net assets	773,459	107,177	252,622	215,819	113,839	(21,285)	552,062	410,319	89,729	2,493,741
Total Liabilities and Net Assets	\$ 2,826,260	\$ 107,177	\$ 252,622	\$ 215,819	\$ 113,882	\$ (21,285)	\$ 552,062	\$ 410,319	\$ 89,729	\$ 4,546,585

OFFICE OF GENERAL MINISTER AND PRESIDENT
OF THE CHRISTIAN CHURCH (DISCIPLES OF CHRIST)

Combining Statement of Activities by Division

For the Year Ended December 31, 2010

	General Office				Promotion	Communication Ministries				Center for Faith & Giving	Yearbook	General Assembly	Reconciliation	Week of Compassion	Treasury Services	Total				
	Temporarily		Permanently			Temporarily						Temporarily	Temporarily			Temporarily		Permanently		
	Unrestricted	Restricted	Restricted	Total	Unrestricted	Unrestricted	Restricted	Total	Unrestricted	Unrestricted	Unrestricted	Restricted	Restricted	Unrestricted	Eliminations	Unrestricted	Restricted	Restricted	Total	
SUPPORT AND REVENUE:																				
Receipt of distributable and reported funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 450,027	\$5,167,295	\$24,780,033	\$(5,617,322)	\$19,162,711	\$5,617,322	\$ -	\$24,780,033
Distributions from DMF	789,874	-	-	789,874	168,613	254,508	-	254,508	127,649	-	-	-	-	-	(1,340,644)	-	-	-	-	
Gifts distributed (including reported) to organizations	-	-	-	-	-	-	-	-	-	-	-	(254,211)	-	(24,462,319)	6,957,966	(17,504,353)	(254,211)	-	(17,758,564)	
Distributions from affiliates	21,500	-	-	21,500	-	-	-	-	-	-	-	-	-	-	-	21,500	-	-	21,500	
Pastors’ conference	115,143	-	-	115,143	-	-	-	-	-	-	-	-	-	-	-	115,143	-	-	115,143	
Yearbook sales and assessments	-	-	-	-	-	-	-	-	-	150,270	-	-	-	-	(8,822)	141,448	-	-	141,448	
Other income	61,428	794	-	62,222	3,699	8,331	-	8,331	1,454	43	-	54,209	6,312	77,283	(106,223)	46,015	61,315	-	107,330	
Contributions	-	966	-	966	-	-	-	-	-	-	-	-	-	-	-	-	966	-	966	
Investment income	16,698	12,114	-	28,812	-	6,358	-	6,358	3,001	-	-	4,192	47,256	20,852	-	46,909	63,562	-	110,471	
Total Support and Revenue	1,004,643	13,874	-	1,018,517	172,312	269,197	-	269,197	132,104	150,313	-	254,217	5,220,863	415,849	(115,045)	2,029,373	5,488,954	-	7,518,327	
RECLASSIFICATION:																				
Net assets released from restriction by satisfaction of purpose restrictions	3,532,076	(17,412)	-	3,514,664	-	-	-	-	-	-	-	(303,648)	(3,211,016)	-	-	3,532,076	(3,532,076)	-	-	
EXPENSES:																				
Program services	3,957,210	-	-	3,957,210	-	220,255	-	220,255	118,650	131,340	-	-	-	272,662	(62,258)	4,637,859	-	-	4,637,859	
Supporting activities:																				
Management and general	362,115	-	-	362,115	5,960	55,155	-	55,155	22,372	19,055	-	-	-	143,090	(52,787)	554,960	-	-	554,960	
Fundraising	343,359	-	-	343,359	184,314	-	-	-	10,520	-	-	-	-	-	-	538,193	-	-	538,193	
Total Expenses	4,662,684	-	-	4,662,684	190,274	275,410	-	275,410	151,542	150,395	-	-	-	415,752	(115,045)	5,731,012	-	-	5,731,012	
Change in Net Assets	(125,965)	(3,538)	-	(129,503)	(17,962)	(6,213)	-	(6,213)	(19,438)	(82)	-	(49,431)	2,009,847	97	-	(169,563)	1,956,878	-	1,787,315	
Net Assets, Beginning of Year:	643,346	49,481	80,632	773,459	107,177	231,098	21,524	252,622	215,819	113,839	(21,285)	552,062	410,319	89,729	-	1,379,723	1,033,386	80,632	2,493,741	
Net Assets, End of Year	\$ 517,381	\$ 45,943	\$ 80,632	\$ 643,956	\$ 89,215	\$ 224,885	\$ 21,524	\$ 246,409	\$ 196,381	\$ 113,757	\$ (21,285)	\$ 502,631	\$2,420,166	\$ 89,826	\$ -	\$ 1,210,160	\$2,990,264	\$ 80,632	\$ 4,281,056	

OFFICE OF GENERAL MINISTER AND PRESIDENT
OF THE CHRISTIAN CHURCH (DISCIPLES OF CHRIST)

Combining Statement of Activities by Division

For the Year Ended December 31, 2009

	General Office				Promotion	Communication Ministries			Center for Faith & Giving	Yearbook	General Assembly	Reconciliation	Week of Compassion	Treasury Services	Total				
	Temporarily		Permanently	Total	Unrestricted	Temporarily		Total	Unrestricted	Unrestricted	Unrestricted	Temporarily Restricted	Temporarily Restricted	Unrestricted	Eliminations	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
	Unrestricted	Restricted	Restricted			Unrestricted	Restricted												
SUPPORT AND REVENUE:																			
Receipt of distributable and reported funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 486,679	\$ 2,324,338	\$ 22,811,243	\$ (2,811,017)	\$ 20,000,226	\$ 2,811,017	\$ -	\$ 22,811,243
Distributions from DMF	797,286	-	-	797,286	178,030	269,123	-	269,123	134,884	-	-				(1,379,323)	-	-	-	-
Gifts distributed, including reported, to organizations	-	-	-	-	-	-	-	-	-	-	-	(272,533)	-	(22,479,939)	4,190,340	(18,289,599)	(272,533)	-	(18,562,132)
Distributions from affiliates	33,254	-	-	33,254	-	-	-	-	-	-	-	-	-	-	-	33,254	-	-	33,254
General Assembly income	-	-	-	-	-	-	-	-	-	-	877,570	-	-	-	-	877,570	-	-	877,570
Pastor's conference	2,911	-	-	2,911	-	-	-	-	-	-	-	-	-	-	-	2,911	-	-	2,911
Year Book sales and assessments	-	-	-	-	-	-	-	-	-	158,955	-	-	-	-	(9,148)	149,807	-	-	149,807
Other income	49,605	-	-	49,605	-	4,352	1	4,353	-	-	-	48,284	7,847	57,998	(88,119)	23,836	56,132	-	79,968
Contributions	-	5,352	-	5,352	-	-	-	-	-	-	-	-	-	-	-	-	5,352	-	5,352
Investment income	17,560	18,553	-	36,113	-	4,463	-	4,463	-	-	-	10,040	20,745	26,306	-	48,329	49,338	-	97,667
Total Support and Revenue	900,616	23,905	-	924,521	178,030	277,938	1	277,939	134,884	158,955	877,570	272,470	2,352,930	415,608	(97,267)	2,846,334	2,649,306	-	5,495,640
RECLASSIFICATION:																			
Net assets released from restriction by satisfaction of purpose restrictions	3,195,208	(11,337)	-	3,183,871	-	-	-	-	-	-	-	(282,363)	(2,901,508)	-	-	3,195,208	(3,195,208)	-	-
EXPENSES:																			
Program services	3,607,055	-	-	3,607,055	-	229,916	-	229,916	32,663	127,723	877,887	-	-	287,813	(45,518)	5,117,539	-	-	5,117,539
Supporting activities:																			
Management and general	306,364	-	-	306,364	6,714	55,547	-	55,547	7,419	17,833	85,717	-	-	129,784	(51,749)	557,629	-	-	557,629
Fundraising	191,118	-	-	191,118	171,115	-	-	-	-	-	-	-	-	-	-	362,233	-	-	362,233
Total Expenses	4,104,537	-	-	4,104,537	177,829	285,463	-	285,463	40,082	145,556	963,604	-	-	417,597	(97,267)	6,037,401	-	-	6,037,401
Change in Net Assets	(8,713)	12,568	-	3,855	201	(7,525)	1	(7,524)	94,802	13,399	(86,034)	(9,893)	(548,578)	(1,989)	-	4,141	(545,902)	-	(541,761)
Net Assets, Beginning of Year:	652,059	36,913	80,632	769,604	106,976	238,623	21,523	260,146	121,017	100,440	64,749	561,955	958,897	91,718	-	1,375,582	1,579,288	80,632	3,035,502
Net Assets, End of Year	\$ 643,346	\$ 49,481	\$ 80,632	\$ 773,459	\$ 107,177	\$ 231,098	\$ 21,524	\$ 252,622	\$ 215,819	\$ 113,839	\$ (21,285)	\$ 552,062	\$ 410,319	\$ 89,729	\$ -	\$ 1,379,723	\$ 1,033,386	\$ 80,632	\$ 2,493,741

**OFFICE OF GENERAL MINISTER AND
PRESIDENT OF THE CHRISTIAN CHURCH
(DISCIPLES OF CHRIST)**

Receipt of Distributable and Reported Funds

	December 31,	
	2010	2009
DISCIPLES MISSION FUND:		
Regular	\$ 11,172,786	\$ 11,762,860
Special days:		
Christmas	898,127	984,463
Easter	813,524	907,733
Thanksgiving	524,623	550,975
Pentecost	516,049	553,717
Blessing box	185,502	195,911
Endowment distributions—CCF	636,419	559,985
Total Disciples Mission Fund	14,747,030	15,515,644
DESIGNATED OPERATING:		
Designated operating	2,443,233	2,460,165
Designated district	1,702,758	1,690,589
Total Designated Operating	4,145,991	4,150,754
CAPITAL:		
Regional programs	84,963	88,215
Regional capital campaigns	75,749	62,406
Churchwide capital campaign—Heartbeats of Faith	300	50,721
Total Capital	161,012	201,342
DESIGNATED CAPITAL	116,678	132,486
SPECIAL FUNDED PROGRAMS:		
Week of Compassion:		
Undesignated	2,173,657	2,051,755
Designated	2,985,638	272,583
Reconciliation:		
Undesignated	448,931	484,924
Designated	1,096	1,755
Total Special Funded Programs	5,609,322	2,811,017
TOTAL	\$ 24,780,033	\$ 22,811,243

**OFFICE OF GENERAL MINISTER AND
PRESIDENT OF THE CHRISTIAN CHURCH
(DISCIPLES OF CHRIST)**

Gifts Distributed (Including Reported) to Participating Organizations

Years Ended December 31, 2010 and 2009

	Disciples Mission Fund	Special Days	CoGM Escrow Distributions	Designated Operating	Capital	Designated Capital	Special Funded Programs	2010 Total	2009 Total
GENERAL MINISTRIES:									
Central Pastoral Office for Hispanic Ministries	\$ 177,021	\$ 23,260	\$ 2,709	\$ 51,382	\$ -	\$ -	\$ -	\$ 254,372	\$ 252,329
Church Extension	67,678	270,445	1,547	3,271	2,761	225	-	345,927	382,276
Communication Ministries	213,008	40,836	-	447	216	-	-	254,507	269,123
Council of General Ministries Escrow	18,847	3,576	(28,774)	-	-	-	-	(6,351)	(114,248)
Council on Christian Unity	128,602	24,685	2,218	16,963	514	-	-	172,982	182,805
Disciples Benevolent Services	248,600	47,990	2,218	3,930	279	-	-	303,017	340,969
Disciples Home Missions	886,611	170,095	2,218	43,589	3,677	-	-	1,106,190	1,373,972
Disciples of Christ Historical Society	86,571	16,617	2,218	1,650	928	-	-	107,984	132,819
Division of Overseas Ministries	1,259,225	241,706	2,218	452,551	4,849	-	-	1,960,549	1,929,012
Higher Education and Leadership Ministries	154,348	29,627	2,218	-	460	-	-	186,653	215,868
National Convocation	38,555	7,381	5,605	-	191	-	-	51,732	40,570
North American Pacific/Asian Disciples	228,339	33,110	5,605	2,630	-	-	-	269,684	98,980
Office of General Minister and President	743,001	346	-	46,476	51	-	-	789,874	823,254
OGMP Promotion	141,460	27,153	-	-	-	-	-	168,613	178,030
OGMP Center for Faith & Giving	102,870	19,624	-	5,155	-	-	-	127,649	134,884
OGMP Treasury Services	266,112	51,001	-	543	-	-	-	317,656	331,245
Pension Fund of the Christian Church	244,309	46,807	-	11,266	2,050	-	-	304,432	369,350
Christian Board of Publication	-	-	-	-	569	-	-	569	341
Total General Ministries	<u>\$ 5,005,157</u>	<u>\$ 1,054,259</u>	<u>\$ -</u>	<u>\$ 639,853</u>	<u>\$ 16,545</u>	<u>\$ 225</u>	<u>\$ -</u>	<u>\$ 6,716,039</u>	<u>\$ 6,941,579</u>

(continued)

**OFFICE OF GENERAL MINISTER AND
PRESIDENT OF THE CHRISTIAN CHURCH
(DISCIPLES OF CHRIST)**

**Gifts Distributed (Including Reported) to Participating Organizations
(continued)**

Years Ended December 31, 2010 and 2009

	Disciples Mission Fund	Special Days	CoGM Escrow Distributions	Designated Operating	Capital	Designated Capital	Special Funded Programs	2010 Total	2009 Total
EDUCATIONAL INSTITUTIONS:									
Barton College	\$ 23,415	\$ 11,554	\$ -	\$ 1,155	\$ -	\$ -	\$ -	\$ 36,124	\$ 36,635
Bethany College	21,890	10,802	-	7,153	47	-	-	39,892	45,799
Chapman University	43,972	21,703	-	-	-	-	-	65,675	68,811
College and University Grant Fund	23,129	11,416	-	-	-	-	-	34,545	35,811
Columbia College	28,186	13,909	-	-	108	-	-	42,203	45,998
Culver-Stockton College	22,377	11,043	-	15,681	108	-	-	49,209	46,679
Drury University	26,341	12,999	-	-	108	-	-	39,448	45,328
Eureka College	22,971	11,334	-	19,789	-	-	-	54,094	55,196
Hiram College	24,507	12,094	-	100	-	-	-	36,701	39,144
Jarvis Christian College	19,946	9,843	-	-	393	-	-	30,182	33,858
Lynchburg College	40,816	20,141	-	-	1,201	-	-	62,158	65,349
Midway College	27,221	13,434	-	-	-	-	-	40,655	46,829
Texas Christian University	84,217	41,561	-	100	-	-	-	125,878	112,686
Transylvania University	27,349	13,497	-	-	-	-	-	40,846	44,001
William Woods University	22,032	10,874	-	-	108	-	-	33,014	35,465
TOTAL—Educational Institutions	<u>\$ 458,369</u>	<u>\$ 226,204</u>	<u>\$ -</u>	<u>\$ 43,978</u>	<u>\$ 2,073</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 730,624</u>	<u>\$ 757,589</u>
SEMINARIES:									
Brite Divinity School (TCU)	\$ 127,830	\$ 63,083	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 190,913	\$ 208,219
Christian Theological Seminary	150,295	74,169	-	48,121	47	-	-	272,632	272,113
Disciples Divinity House—Chicago	39,473	19,480	-	7,220	43	-	-	66,216	64,589
Disciples Divinity House—Vanderbilt	39,710	19,597	-	11,164	382	-	-	70,853	77,844
Disciples Seminary Foundation	47,374	23,380	-	7,275	-	-	-	78,029	84,725
Lexington Theological Seminary	93,224	46,007	-	33,981	-	41,242	-	214,454	304,545
Phillips Theological Seminary	104,924	52,347	-	72,653	7,963	28,972	-	266,859	293,810
TOTAL—Seminaries	<u>\$ 602,830</u>	<u>\$ 298,063</u>	<u>\$ -</u>	<u>\$ 180,414</u>	<u>\$ 8,435</u>	<u>\$ 70,214</u>	<u>\$ -</u>	<u>\$ 1,159,956</u>	<u>\$ 1,305,845</u>

(continued)

**OFFICE OF GENERAL MINISTER AND
PRESIDENT OF THE CHRISTIAN CHURCH
(DISCIPLES OF CHRIST)**

Gifts Distributed (including Reported) to Participating Organizations
(continued)

Years Ended December 31, 2010 and 2009

	Disciples Mission Fund	Special Days	CoGM Escrow Distributions	Designated Operating	Capital	Designated Capital	Special Funded Programs	2010 Total	2009 Total
REGIONS:									
Alabama-Northwest Florida	\$ 147,066	\$ 29,966	\$ -	\$ 28,790	\$ -	\$ -	\$ 13,430	\$ 219,252	\$ 232,498
Arizona	71,024	26,027	-	450	1,882	2,262	2,467	104,112	107,423
California, Northern-Nevada	141,011	23,306	-	78	-	-	4,513	168,908	226,018
Canada	39,097	3,229	-	8,025	-	-	465	50,816	46,520
Capital Area	131,073	27,179	-	2,500	5,335	100	6,432	172,619	171,691
Central Rocky Mountain	111,963	26,736	-	-	1,925	-	4,905	145,529	148,293
Florida	121,729	21,462	-	13,237	-	-	4,134	160,562	206,264
Georgia	189,171	20,619	-	172,427	-	-	6,556	388,773	356,517
Greater Kansas City	226,617	30,506	-	33,012	5,863	-	7,498	303,496	313,235
Great River	274,599	30,792	-	40,584	-	-	4,032	350,007	419,154
Idaho, South	43,772	4,352	-	-	-	-	569	48,693	55,176
Illinois and Wisconsin	301,355	78,454	-	3,435	2,300	-	12,657	398,201	423,708
Indiana	450,984	77,358	-	4,316	-	1,275	16,739	550,672	556,941
Kansas	241,813	52,934	-	86,200	1,613	100	9,979	392,639	409,723
Kentucky	431,467	89,758	-	144,599	15,781	10,482	21,754	713,841	726,466
Michigan	51,355	22,083	-	5,128	200	399	2,737	81,902	92,447
Mid-America	202,006	65,634	-	606,087	11,775	4,123	16,868	906,493	874,310
Montana	43,020	4,797	-	9,000	-	-	559	57,376	55,223
Nebraska	101,259	23,489	-	1,952	-	-	2,905	129,605	126,299
North Carolina	206,912	36,159	-	69,057	1,500	-	10,915	324,543	389,977
Northeastern	39,955	2,718	-	1,675	250	-	223	44,821	46,279
Northwest	115,931	18,867	-	-	-	-	3,752	138,550	134,851
Ohio	197,530	53,318	-	313,950	-	792	12,555	578,145	635,990
Oklahoma	321,011	62,374	-	113,502	12,567	1,207	13,755	524,416	539,063
Oregon	148,336	14,254	-	18,206	-	294	4,026	185,116	192,982
Pacific Southwest	169,260	37,082	-	261	1,675	-	10,244	218,522	222,130
Pennsylvania	122,477	22,704	-	6,051	4,819	266	2,645	158,962	149,254
South Carolina	16,645	2,304	-	42,395	-	-	1,237	62,581	92,452
Southwest	229,975	102,354	-	1,077,707	1,371	-	20,966	1,432,373	1,491,921
Tennessee	135,207	20,625	-	16,722	14,868	6,700	5,005	199,127	216,841
Upper Midwest	408,021	62,320	-	130,016	50	14,248	9,289	623,944	646,771
Virginia	216,026	49,793	-	10,561	48,206	375	15,173	340,134	364,339
West Virginia	100,139	13,547	-	-	-	-	4,981	118,667	132,999
TOTAL-Regions	\$ 5,747,806	\$ 1,157,100	\$ -	\$ 2,959,923	\$ 131,980	\$ 42,623	\$ 253,965	\$ 10,293,397	\$ 10,803,755

(continued)

**OFFICE OF GENERAL MINISTER AND
PRESIDENT OF THE CHRISTIAN CHURCH
(DISCIPLES OF CHRIST)**

Gifts Distributed (including Reported) to Participating Organizations

(continued)

Years Ended December 31, 2010 and 2009

	Disciples	Special	CoGM	Designated		Designated	Special	2010	2009
	Mission Fund	Days	Escrow	Operating	Capital	Capital	Funded	Total	Total
			Distributions				Programs		
OTHER ORGANIZATIONS:									
Cane Ridge	\$ -	\$ -	\$ -	\$ 28,777	\$ -	\$ 658	\$ -	\$ 29,435	\$ 23,747
Christian Care Communities	-	-	-	142,191	-	2,633	-	144,824	135,810
Christmount Assembly	7,073	1,357	-	72,764	1,170	325	-	82,689	25,656
Convencions Hispana	-	-	-	22,524	-	-	-	22,524	10,831
Councils' Escrow	59,202	11,376	-	3,775	-	-	-	74,353	76,799
Disciples Peace Fellowship	-	-	-	27,388	-	-	-	27,388	38,281
International Disciples Women's Ministries	92,753	-	-	857	-	-	-	93,610	99,052
Miscellaneous Ecumenical	1,963	215	-	16,860	615	-	-	19,653	16,344
National City Christian Church Corp.	5,420	1,039	-	-	194	-	-	6,653	6,941
National Evangelistic Association	-	-	-	394	-	-	-	394	7,775
World Convention	14,134	2,710	-	6,293	-	-	-	23,137	22,655
TOTAL--Other Organizations	<u>\$ 180,545</u>	<u>\$ 16,697</u>	<u>\$ -</u>	<u>\$ 321,823</u>	<u>\$ 1,979</u>	<u>\$ 3,616</u>	<u>\$ -</u>	<u>\$ 524,660</u>	<u>\$ 463,891</u>
SPECIAL FUNDED PROGRAMS:									
Week of Compassion:									
Undesignated	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,173,657	\$ 2,173,657	\$ 2,051,755
Designated	-	-	-	-	-	-	2,985,638	2,985,638	272,583
Reconciliation:									
Undesignated	-	-	-	-	-	-	448,931	448,931	484,924
Distributed to regions	-	-	-	-	-	-	(253,965)	(253,965)	(272,433)
Designated	-	-	-	-	-	-	1,096	1,096	1,755
TOTAL--Special Funded Programs	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,355,357</u>	<u>\$ 5,355,357</u>	<u>\$ 2,538,584</u>
GRAND TOTALS	<u>\$ 11,994,707</u>	<u>\$ 2,752,323</u>	<u>\$ -</u>	<u>\$ 4,145,991</u>	<u>\$ 161,012</u>	<u>\$ 116,678</u>	<u>\$ 5,609,322</u>	<u>\$ 24,780,033</u>	<u>\$ 22,811,243</u>

**OFFICE OF GENERAL MINISTER AND
PRESIDENT OF THE CHRISTIAN CHURCH
(DISCIPLES OF CHRIST)**

Week of Compassion—Analysis of Board Discretionary Distributions

	December 31,	
	2010	2009
PROGRAMS THROUGH CHURCH WORLD SERVICE:		
Development and Humanitarian Assistance	\$ 112,608	\$ 82,500
Immigration and Refugees Program	109,480	128,500
Social and Economic Development Program	70,380	63,250
Emergency Response Program	23,460	96,250
Basic Administration	23,460	27,500
Education and Advocacy Programs	2,346	2,750
Distributions—Church World Service	341,734	400,750
PROGRAMS THROUGH WORLD COUNCIL OF CHURCHES:		
Ecumenical Solidarity Fund	74,290	87,250
Special Initiatives & Requests	19,550	5,000
Ecumenical Institute—Bossey Scholarships	16,422	19,250
Uprooted Peoples Program	14,076	16,500
Uprooted Field Projects	-	18,500
Distributions—World Council of Churches	124,338	146,500
RESPONSE FUND:		
Overseas Ministries	126,500	68,250
Action by Churches Together	107,500	119,000
Church World Service	85,500	101,500
Domestic Disaster Relief	48,838	57,307
Distributions—Response Fund	368,338	346,057
RELATED PROGRAMS:		
Sustainable Development Projects	293,949	306,054
Global Mission Capacity Building	164,220	192,500
Refugee and Immigration Ministries	117,300	137,500
Critical Presence Projects	97,750	115,000
Volunteers in Mission	44,436	41,250
Action By Churches Together	42,228	49,500
Partner Grants	19,250	27,000
One Great Hour of Sharing	18,000	18,000
SW Good Samaritan Ministries Program Support	17,850	21,000
Foods Resource Bank (FRB)	14,076	15,957
Interchurch Medical Assistance	9,384	11,000
FRB Local Growing Projects	8,000	9,949
Ecumenical Church Loan Fund	7,038	19,250
Miscellaneous	3,936	599
Disaster News Network	2,346	2,750
Bread for the World	2,346	2,750
Souper Bowl of Caring	850	1,000
Distributions—Related Programs	862,959	971,059
DISTRIBUTIONS—Canadian Participation in Church Councils	3,867	4,455
TOTAL BOARD DISCRETIONARY DISTRIBUTIONS	\$ 1,701,236	\$ 1,868,821

SECTION II

Report on Agreed Upon Procedures

**DISCIPLES OF CHRIST–OGMP
and
AFFILIATES**

December 31, 2010

**INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES**

February 22, 2011

Rev. Dr. Todd A. Adams
Office of General Minister and President
of the Christian Church
(Disciples of Christ)
Indianapolis, Indiana

Dear Todd,

We have performed the procedures enumerated below, which were agreed to by yourself as the Associate General Minister and Vice President, as well as John Goebel, Senior Accountant, solely to assist you with respect to the Treasury Services performed for the Council on Christian Unity (CCU), Christian Church Services (CCS) for the year ended December 31, 2010. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

We were not engaged to, nor did we, conduct an audit with the objective of expressing an opinion on the accounting records. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Disciples of Christ and their treasury services clients and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,


CAPIN CROUSE LLP

Agreed Upon Procedures Performed by Area and related findings are as follows:

I. Cash

Procedures

- Confirm 12/31/10 bank balance
- Test random sample of 5 cash receipts and disbursements:
 - Verify internal controls functioned in a manner consistent with those for OGMP transactions
 - Proper segregation of duties
 - Proper recording of restricted funds
 - Test 1 month's reconciliation between donor system to general ledger for reasonableness
 - Trace the transactions into the general ledger noting the account postings to determine that cash was added to and relieved from the appropriate entity's account
- Review bank reconciliations for proper reconciling to the general ledger

Findings

No exceptions found.

II. Investments

Procedures

- Confirm CCU and CCS investment balances
- Review supporting investment schedule(s)
 - Tie ending balance to general ledger

Findings

No exceptions found.

III. Fixed Assets

Procedures

- Tie fixed asset listing to general ledger, noting any unusual reconciling items
- Select 1 addition and disposal, if any
 - Vouch addition to supporting detail and verify within capitalization policy
 - Re-compute gain/loss on disposal and trace cash receipt to general ledger
- Re-compute depreciation expense on 5 assets to verify calculation is correct
- Tie depreciation expense per fixed asset report to general ledger

Findings

No exceptions found.

Agreed Upon Procedures and Findings, continued

IV. Payroll

Procedures

- Review 1 month's payroll report
 - Review reconciliation of payroll report to g/l
 - Review employees paid against authorized employee listing for proper inclusion/exclusion
- Review payroll change report for each entity, haphazardly select 3 changes made and tie to proper authorization

Findings

No exceptions found.

V. General Accounting and Journal Entries

Procedures

- Haphazardly select 5 journal entries, obtain support and review accounting for reasonableness and proper approval
- Review 5 inter-fund transactions to determine that the automated posting controls are functioning as designed and that the transaction appears reasonable based on detail provided.

Findings

No exceptions found.

No. 1102

Central Pastoral Office for Hispanic Ministries

Rev. Dr. Huberto Pimentel, *National Pastor for Hispanic Ministries*

Mrs. Gloria Feliciano, *Executive Assistant*

130 East Washington Street, P.O. Box 1986, Indianapolis, IN 46206-1986

Office: 317-713-2584, 2583 Fax: 317-635-3700

www.obrahispana.org

2011 Report

I. Mission:

The *Central Pastoral Office for Hispanic Ministries'* (CPOHM) mission is threefold: to offer pastoral care to Hispanic ministers and congregations; to advice and counsel the different manifestations of our denomination about Hispanic ministries; *and to be an advocate for Hispanic people, congregations and issues.*

II. Personnel

During 2010 the Hispanic Board of Directors approved to change the title of Mrs. Gloria Feliciano from Administrative Assistant to *Executive Assistant* to empower her to signed deals with the Hotels for the Hispanic and Bilingual Fellowship of the CCDC.

III. Pastoral Commission for Hispanic Ministries Members (09-10)

The members of the Pastoral Commission for Hispanic Ministries are:

Xosé Escamilla

*Moderator, National
Hispanic and Bilingual
Fellowship (NHBF)*

Samuel Ramírez

Representative at Large

Vanessa Rivera

*Moderator, MW
Convention*

Lyndon Rogers

Past Moderatort, NHBF

John Quiñonez

*Moderator, SE
Convention*

Josué Castellano

*Representative, MW
Convention*

Juan Dávila

Moderator Elect, NHBF

Lydia Jiménez

*Representative, SE
Convention*

Francisco Acosta

*Moderator, NE
Convention*

Liza Miranda

First Vice-Moderator

Learsy Gierbolini

Secretary, NHBF

Sylvia González

*Representative, NE
Convention*

Raquel García

Sub-Secretary, NHBF

Myriam Delgado

*Moderator AZ
Convention*

Carmen López

Representative at Large

Vacant

*Representative AZ
Convention*

Rogelio Martinez

*Moderator Pacific
Convention*

Angélica Meléndez

*Representative Pacific
Convention*

Servando Perlez

*Moderator SW
Convention*

Angie Villegas

*Representative SW
Convention*

General Board**Representatives****Glen J. Stewart**

*Regional Minister,
Nashville, TN*

Donald Dewey

*Regional Minister, PSW
Region*

Sylvia Barr

*General Board
Representative, FL*

Aaron Marez

*General Board
Representative, TX*

Joel Saucedo

*Representative of the
Hispanic Board of
Director – Obra Hispana*

Ex-Officio Members**Sharon Watkins**

*General Minister and
President
CCDC in USA and
Canada*

Huberto Pimentel

*National Pastor
for Hispanic Ministries*

V. Theological Education

CPOHM in joint partnership with Brite Divinity celebrated the following program:

CPOHM co-sponsored the 2010 session of *Brite Institute for Latino/a Ministries*, which was held on June 6-11 2010. Over 60 students participated in this event. One important goal in the Summer Latina/o Program is to better equip lay pastors with theological and practical pastoral studies that will help them comply with the new study requirements for licensed pastors in the Christian Church (Disciples of Christ). This is a four day and three hour class module, structured in 3 courses opportunities in the morning session

and 2 courses opportunities in the afternoon session. Students would accumulate a total of 12 hours of continuous studies in one class.

CPOHM is committed to grant scholarships for M.Div seminarians

CPOHM allocated \$13,300 for scholarship support. Seminarians under the care of a Commission on Ministry who are eligible are granted \$40.00 per credit hour in an ATS Seminary. There are 23 Hispanic Seminarians studying in Disciples Seminaries and other ATS Seminaries where there is no Disciples Seminary presence. The allocation for scholarships in 2011 will drop 2/3 due to the economic impact to our CPOHM.

VI. The CPOHM & the Church-at-Large

CPOHM supported the goals and vision of our Church:

1. Pro-Reconciliation: The National Pastor is part of the *Reconciliation Commission*. We will be in dialogue with the Reconciliation Minister, Rev. April Johnson, to explore the possibility of a meeting event for Hispanics in 2011. CPOHM has designated funds for a Reconciliation activity.
2. New Church: CPOHM supports the growing number of Hispanic new congregations and networking with *New Church Ministries*. We are requesting from NC Ministries a conversation on how to improve and make clear the transition of new Hispanic Churches to the Obra Hispana. We are planning an event in partnership with New Church Ministry to motivate and promote the starting of new Hispanic churches scheduled for November of 2011.
3. Transforming congregations: The different educational ventures of CPOHM seek to empower and transform our existing congregations, particularly by helping our ministers to be better pastoral leaders.
4. Forming and reforming leadership: CPOHM continues its emphasis on leadership development, as demonstrated by the programs developed in 2010. CPOHM also organizes and resources ministerial retreats, workshops and assemblies for Latino and Latina ministers. Many of these workshops and Seminars take place during Hispanic Convention Assemblies. Others opportunities arise during pastoral visits from the National Pastor where some Hispanic churches group together for a Saturday Workshop.

VII. Audited Annual Financial Statements

CPOHM contracted the services of Blue & Co; LLC for a review of 2009 financial statements.

CPOHM is committed to financial integrity and accountability to the whole church. The audits have used a significant amount of CPOHM's operating budget. In 2008, \$12,000 was spent on the 2006 and 2007 audits. The 2008 audit cost CPOHM \$8,000 of the 2009 operating budget. For an office that receives less than \$300,000 a year for operations, this is a significant commitment to insure the financial integrity of CPOHM. The financial review of 2009 cost was \$6,000.

VIII. Conclusion

CPOHM is committed to serve the growing Hispanic Disciples constituency. We are confident the changes in leadership will energize our ministry, enabling CPOHM to better serve our Church as a whole.

The General Board has reviewed Report No. 1102 from the Central Pastoral Office for Hispanic Ministries. The report is submitted to the General Assembly for consideration and discussion. No action is required. (Discussion time 12 minutes)

**CENTRAL PASTORAL OFFICE FOR HISPANIC MINISTRIES
OF THE CHRISTIAN CHURCH (DISCIPLES OF CHRIST)**

Statements of Financial Position

December 31, 2010 (Unaudited) and 2009 (Reveiwed)

ASSETS

	<u>2010</u>	<u>2009</u>
Cash	\$ 37,651	\$ 40,479
Other receivables	0	237
Prepaid expenses	8,748	0
Due from related organization	38,203	21,001
Funds held for others	17,089	14,369
Investments	159,286	185,454
Property and equipment, net	<u>7,195</u>	<u>15,433</u>
	<u>\$ 268,172</u>	<u>\$ 276,973</u>

LIABILITIES AND NET ASSETS

Liabilities

Accounts payable	\$ 8,541	\$ 9,817
Funds held for others	17,089	14,369
Capital lease obligation	<u>5,794</u>	<u>8,520</u>
Total liabilities	<u>31,424</u>	<u>32,706</u>

Net Assets

Unrestricted		
Undesignated	57,793	66,575
Board designated	5,384	4,934
Temporarily restricted	57,690	61,485
Permanently restricted	<u>115,881</u>	<u>111,273</u>
Total net assets	<u>236,748</u>	<u>244,267</u>

	<u>\$ 268,172</u>	<u>\$ 276,973</u>

**CENTRAL PASTORAL OFFICE FOR HISPANIC MINISTRIES
OF THE CHRISTIAN CHURCH (DISCIPLES OF CHRIST)**

Statement of Activities

Year Ended December 31, 2010 (Unaudited)

(With Comparative Total for the Year Ended December 31, 2009 (Reviewed))

	2010					2009
	General Fund	Programs Designated Fund	National Hispanic Assembly Fund	Domingo Rodriguez Scholarship Fund	Ferdinand Garcia Fund	Total
						Total
Change in unrestricted net assets						
Support and revenue:						
Contributions	269,846	0	0	0	0	269,846
Investment return (loss)	4,095	0	0	0	0	4,095
Registration fees	0	0	64,085	0	0	64,085
Other Income	1,727	0	0	0	0	1,727
Net assets released from restrictions		16,972	0	0	0	16,972
Total support and revenue	275,668	16,972	64,085	0	0	356,725
Expenses:						
Salaries and related benefits	148,033	0	0	0	0	148,033
Board meetings and National Assembly	28,019	0	66,585	0	0	94,604
Leadership development, lay and clergy	18,720	12,893	0	0	0	31,613
Travel expenses	25,023	0	0	0	0	25,023
Administrative charges	21,802	0	0	0	0	21,802
Office expenses	14,109	0	0	0	0	14,109
Depreciation	8,006	0	0	0	0	8,006
Insurance	1,456	0	0	0	0	1,456
Publications	1,485	0	0	0	0	1,485
Women and youth ministries	2,695	1,816	0	0	0	4,511
Professional fees	11,787	0	0	0	0	11,787
Other	2,629	0	0	0	0	2,629
Total expenses	283,764	14,709	66,585	0	0	365,058
Change in unrestricted net assets	(8,096)	2,263	(2,500)	0	0	(8,333)
Change in temporarily restricted net assets						
Contributions	0	300	0	0	0	300
Investment return (loss)	0	0	0	6,101	6,776	12,877
Net Assets released from restrictions	0	(16,972)	0	0	0	(16,972)
Change in temporarily restricted net assets	0	(16,672)	0	6,101	6,776	(3,795)
Change in permanently restricted net assets						
Contributions	0	0	0	3,847	761	4,608
Bad debts	0	0	0	0	0	0
Change in permanently restricted net assets	0	0	0	3,847	761	4,608
Total change in net assets	(8,096)	(14,409)	(2,500)	9,948	7,537	(7,520)
Net assets, beginning of year	62,690	42,148	2,500	63,405	73,524	244,267
Net assets, end of year	\$ 54,594	\$ 27,739	\$ -	\$ 73,353	\$ 81,061	\$ 236,747

CENTRAL PASTORAL OFFICE FOR HISPANIC MINISTRIES
OF THE CHRISTIAN CHURCH (DISCIPLES OF CHRIST)

Statement of Cash Flows

Years Ended December 31, 2010 (Unaudited) and 2009 (Reviewed)

	<u>2010</u>	<u>2009</u>
Operating activities		
Change in net assets	\$ (7,520)	\$ 7,589
Adjustments to reconcile change in net assets to net cash flows from operating activities		
Realized and unrealized (gains) losses on investments	(16,972)	(23,214)
Loss on the disposal of equipment	232	289
Depreciation	8,006	5,908
Bad debts related to contributions receivable	0	1,098
Change in unamortized discount on contributions receivable	0	(145)
Changes in assets and liabilities		
Contributions receivable	0	1,310
Other receivables	237	128
Prepaid expenses	(8,748)	0
Due from related organizations	(17,202)	12,988
Accounts Payable	(1,276)	(6,415)
Accrued expenses	0	(8,000)
Net cash flow from operating activities	<u>(43,243)</u>	<u>(8,464)</u>
Investing activities		
Capital expenditures	0	(1,024)
Change in investments	<u>43,140</u>	<u>36,979</u>
Net cash flow from investing activities	43,140	35,955
Financing activities		
Principal payments under capital lease obligations	<u>(2,726)</u>	<u>(2,515)</u>
Net change in cash	(2,828)	24,976
Cash, beginning of year	<u>40,479</u>	<u>15,503</u>
Cash, end of year	<u><u>\$ 37,651</u></u>	<u><u>\$ 40,479</u></u>
Supplemental disclosure of cash flow information		
Cash payments for interest	\$ 582	\$ 843

CHRISTIAN BOARD OF PUBLICATION

Invite. Equip. Send.sm

Cyrus N. White, *President and Publisher*
1221 Locust St., Ste. 670, St. Louis, MO 63103-2381

Website: www.ChalicePress.com

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CBP/Chalice Press offers resources that invite people into deeper relationship with God, equip them as disciples of Jesus Christ, and send them into mission as the Holy Spirit calls them. We publish Christian content for people who want to make a positive difference in the world. CBP does not receive support from Disciples Mission Fund – we operate primarily on the sales of products and services we develop.

2010 brought some recovery from the economic recession of the previous two years. However, the continuing net declines in Disciples and other mainline Protestant communions, and sweeping shifts in the publishing industry, provided increasing pressure on sales and margins. CBP management responded by developing areas that do not depend on traditional models of church while enhancing our ability to offer the Gospel to people within and beyond congregational settings. CBP closed 2010 with a small net surplus.

Cyrus N. “Russ” White steps down in July 2011, after more than fourteen years as CBP/Chalice Press president and publisher. The board of directors began a search for his successor beginning in early 2011.

Outstanding New and Recent Titles from Chalice Press

New Church

Ten Most Common Mistakes Made by New Church Starts, by Bill Easum and Jim Griffith

Congregational Transformation

Unbinding the Gospel: Real Life Evangelism, by Martha Grace Reese

From Our Doorsteps: Developing a Ministry Plan that Makes Sense, by Rick Morse *New in 2010*

Leadership Development

The Spiritual Dimensions of Team, by Alan N. Wright *New in 2010*

The Children’s Sermon: Moments with God, by Janet Helme *New in 2010*

Anti-Racism/Pro-Reconciliation

Born Apart, Becoming One: Disciples Defeating Racism, by William Chris Hobgood

Room at the Table: Struggle for Unity and Equality in Disciples History, by Sandhya Jha

Spiritual Formation for Youth and Adults

Marvelous Myths: Marvel Superheroes and Everyday Faith, by Russell W. Dalton *New in 2011*

Tour of Life: A Baptism and Confirmation Journey, by Jeff Wright *New in 2010*

Passage into Discipleship: Guide to Baptism, by Christopher W. Wilson

Bible Study

Banned Questions about the Bible, by Christian Piatt, ed. *New in 2011*

Feminist Mysticism and Images of God: A Practical Theology, by Jennie S. Knight *New in 2011*

Mission

New Day for Christians: With you Always *New in 2011 (in collaboration with Global Missions)*

Going Global: A Congregation’s Introduction to Mission Beyond our Borders, by Gary V. Nelson, Gordon W. King, and Terry G. Smith *New in 2011*

Disciples Identity

A Handbook for Today’s Disciples (4th ed.), by D. Duane Cummins *New in 2010*

The Disciples: A Struggle for Reformation, by D. Duane Cummins

Disciples: Reclaiming Our Identity, Reforming Our Practice, by Michael Kinnamon and Jan Linn

Please buy Chalice Press books and e-books at ChalicePress.com, Cokesbury, Amazon.com, and wherever books are sold.

CHRISTIAN BOARD OF PUBLICATION
BALANCE SHEET
December 31,

ASSETS	<u>2010</u>	<u>2009</u>
Cash	\$782,530	\$883,870
Marketable securities	0	0
Accounts receivable, net of allowance	174,332	179,411
Inventories	573,805	694,486
Equipment, net of depreciation	22,041	28,025
Partnership Assets	59,034	45,206
	\$1,611,742	\$1,830,997
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable	\$140,941	\$204,807
Accrued expenses	44,425	27,474
Accrued Royalties	150,582	180,765
Line of Credit	12,000	68,000
Oreon Scott Foundation	0	5,250
Partnership Liabilities	43,383	87,263
Other Payables	(12,366)	(8,814)
TOTAL LIABILITIES	\$378,965	\$564,745
Net assets		
Unrestricted:	\$1,232,777	\$1,266,252
Temporarily restricted	0	0
TOTAL NET ASSETS	\$1,232,777	\$1,266,252
TOTAL LIABILITIES AND NET ASSETS	\$1,611,742	\$1,830,997

INCOME STATEMENT
December 31,

	<u>2010</u>	<u>2009</u>
Net sales	\$1,288,472	\$1,544,698
Cost of goods sold	(\$440,373)	(\$571,053)
Gross margin	\$848,099	\$973,646
Operating expenses	(\$663,735)	(\$992,218)
Excess (deficiency) of operating revenue over expenses	\$184,364	(\$19,710)
Discretionary inventory write-down	(\$137,006)	(\$208,175)
INCREASE (DECREASE) IN NET ASSETS	\$47,358	(\$227,984)

View our Form 990 federal tax returns at www.Guidestar.org.

The General Board reviewed Report No. 1103 from the Christian Board of Publication. The report is submitted to the General Assembly for consideration and discussion. No action is required. (Discussion time 12 minutes)

No. 1104

Christian Church Foundation, Inc.

Gary W. Kidwell, President
130 East Washington Street
P.O. Box 1986
Indianapolis, Indiana 46206-1986
(800) 668-8016

The Christian Church (Disciples of Christ) has called into being the Christian Church Foundation to serve the Christian Church (Disciples of Christ) and the faithful stewards who seek to build up the Body of Christ through legacy gifts and prudent fund management. In 2011, the Foundation celebrates its 50th year as a financial ministry.

The Foundation participates in the Disciples of Christ mission to be a movement for wholeness in a fragmented world by:

- Providing donors an opportunity to match their resources with their passions. Through planned giving opportunities, including life-income gifts, donor-advised funds and permanent funds, donors can direct their legacy gifts to Disciples ministries and other charities. Congregations also can extend their ministry beyond their lifetimes by converting their assets into permanent funds that benefit ongoing and future ministries. These legacy congregations, though their doors may have closed, are providing ongoing witness and service.
 - Through Sept. 30, 2010, \$2.1 million was given for permanent funds.
 - \$1 million was given for permanent funds by individuals as outright gifts or from bequest and estate gifts. These dollars will support Disciples ministries in perpetuity.
 - \$1 million was given by four new legacy congregations who wished to extend their witness beyond their physical presence. These congregations, like individual donors, direct future distributions to the ministries they choose to support.
 - Individuals contributed another \$800,000 to fund gifts that will provide live-income payments to individuals with the charitable remainder going to ministry.
- Undergirding the work of the church, in its varied expressions, through permanent fund distributions that keep the Disciples of Christ witness vital. Endowment funds, provided by individuals through bequests and planned gifts and by legacy congregations, extend the witness of individual ministries and causes beyond their annual stewardship efforts. Many donors also direct a gift for the benefit of the church's common mission funding system.
 - Through Sept. 30, 2010:
 - Donors established 29 new permanent funds, bringing the total under Foundation management to 1,120, with a total market value

- of \$98.9 million.
 - Four legacy congregations have extended their witness by using their remaining assets to undergird ongoing ministries. A total of 57 Disciples congregations have entrusted their assets to the Foundation to benefit the church's witness.
 - Distributions from permanent funds, matured deferred gifts, donor-directed and donor-advised accounts (Steward's Bank) totaled \$7.1 million, \$1.3 million more than in 2009. This is due to an increase in donor-directed and donor-advised gifts, coupled with a rebound in the financial markets that raised the permanent funds' market values and distributions.
 - Of the \$7.1 million, almost \$700,000 went directly to Disciples Mission Fund to support the church's witness.
- Offering church ministries cost-effective and prudent investment services. By focusing on long-term, endowment-type investing, the Foundation provides church ministries holding endowment funds with an investment program that is in complete alignment with their interests. The investment services program gives church ministries cost-effective access to a sophisticated asset mix that is specifically designed for endowment-type investing, as well as due diligence resources that most ministries are unable to perform. The Joint Investment Trust is an all-inclusive solution for the church's long-term endowment assets. This investment service provides ministries of the church disciplined investment and spending counsel as they seek hands-on ways to be a movement for wholeness in a fragmented world.
 - Through Sept. 30, 2010, the Foundation received \$18.8 million in new deposits into its investment funds.
 - At that time, the Foundation's Joint Investment Trust held more than \$360 million of the church's money.
 - The Joint Investment Trust's pooled funds returned, net of costs, through Sept. 30, 2010, are:
 - Beasley Growth Fund: 4.8% in 2010; average return since inception in December 1985, 9.1%
 - Common Balanced Fund: 6.1% in 2010; average return since inception in December 1985, 7.8%
 - Campbell Multi-Strategy Fund: 3.6% in 2010; average return since inception in February 2008, -3.9%
 - Brown Income Fund: 8.6% in 2010; average return since inception in December 1989, 6.4%
 - In the fall of 2010, the Foundation expanded its asset allocation in the Common and Campbell funds by adding a global real estate sector.
- Being a faith-based investor. We seek to fulfill our fiduciary responsibility by ensuring that the resources we manage reflect our faith values. By sponsoring shareholder resolutions and engaging in dialogue with key corporate managers, the Foundation works to influence the way global companies conduct business,

use resources and treat employees and the environment. We are in partnership with the Interfaith Center on Corporate Responsibility. ICCR, a coalition of faith-based institutional investors, raises a prophetic voice of faith by seeking to build a more just and sustainable society by integrating social values into corporate and investor decisions.

- Living out our faith in all aspects of our ministry. People, regardless of means, have concerns, hopes and a need for significance—to make a difference in the world. Our development officers, through their work with individuals and congregations, listen to their needs, share their joys, join in their vision for the future, protect their interests and reassure them of God's presence in their lives and in the world. The Foundation seeks to bring wholeness with a personal presence to congregations, pastors and individuals.
 - Through Sept. 30, 2010, Foundation development staff:
 - Made 314 personal visits to donors and donor prospects
 - Visited 303 congregational pastors
 - Led 63 inheritance planning seminars for congregations and other ministries
 - Preached 45 sermons on planned giving
 - Conducted 56 investment seminars for leaders of church ministries
 - Met with 31 congregations to assist in the development of endowment fund policies
- Inspiring trust, honesty and transparency. In a world fractured by mistrust of institutions and dishonest activities, the Foundation strives to be a model of trust and transparency to inspire confidence in the Foundation. Committed to work with a long-term vision, the Foundation strives to preserve and protect the integrity of gifts made by donors to church causes now and forever. Maintaining accurate records, providing vital and responsive customer service and working to serve the church as an “honest broker” helps the Foundation maintain a climate of trust and honesty.

Staff Transitions

In the spring 2010, Marilyn Fiddmont was promoted to the position of vice president for development and given responsibility for the Foundation's newest area, the Southwest Zone. The Foundation's West Zone was divided into the Mountain West, headed by Don Sarton, and the Southwest Zone, headed by Fiddmont. The Mountain West Zone includes Washington, Oregon, Montana Colorado, Wyoming, Idaho and the area of California served by the Christian Church of Northern California region. The Southwest Zone includes Arizona, New Mexico and the area served by the Christian Church of the Pacific Southwest region.

In addition, in November 2010, Don Sarton announced his intention to retire effective June 30, 2011. A search for his replacement is under way.

Please contact the members of our staff to allow us the privilege to assist you, your friends, your congregation or your region in this important ministry of the stewardship of accumulated resources:

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Jim Cullumber, Vice President of Communications

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Cliff Chandler, Assistant Vice President, Investments and Permanent Funds

Joe Hartman, Supervisor of Investment Services

Sue Hansen, Assistant Vice President of Gift Administration

W. Darwin Collins, Vice President

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Houston, TX 77098-1092

Phone: (713) 524-0964

Enrique Ocasio, Planned Giving Associate for Hispanics and Puerto Rico

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Phone: 317-635-3100

Named Permanent Funds created through Nov. 30, 2010

Theodore Prentis Beasley Office of the President (Theodore and Beulah Porter Beasley Fund)
Keri Liverance Abraham Memorial Fund
N. Dwain and Virginia K. Acker Endowment Fund
David E. and Elaine G. Adams Permanent Fund
Harold and Ladyne Addison Fund
Rev. Doroteo and Leonila Alaniz Permanent Fund
Clifton C. and Donna R. Albright Permanent Fund
Dr. L.D. and Beulah Mae (Powell) Alexander Fund
Dr. L.D. and Beulah Mae Alexander Fund II
Dr. L.D. and Beulah Mae Alexander Fund III
Dr. L.D. and Beulah Mae Alexander Fund IV
All Peoples Center Foundation Fund
All Peoples Christian Church, Los Angeles, CA Fund
Hulda Ida Allen Memorial Fund
Lloyd J. and Cherry Shelton Allen Permanent Fund
Madison Ann Allen Fund
Paul J. and Barbara A. Allen Fund
Richard F. and Gladys M. Allen Fund
Robert and Charlotte Allen Permanent Fund
Edwin R. and Nellie L. Allender Fund
Richard I. and Grace C. Aman Fund
Adam D. Anderson "Run the Race" Scholarship Fund
Francis and Edith Anderson Fund
Donald D. and Edith S. Aper Fund
Delilah C. Apple Estate Fund
Arizona Region Endowment Fund
Arizona Youth Ministries Fund
Arlington Heights Christian Church, Indianapolis, IN Memorial Fund
Loren E. and E. June Arnett Fund
Gilbert R. and Leona E. Arnold Fund
Mercedes C. Arnold Fund
Artesia Christian Church Permanent Fund
N. Marguerite Artz Fund
Association of Disciples Musicians Endowment Fund
Herbert A. and Elise P. Atkins Fund
Dorothy Ault Permanent Fund
Aurora First Christian Church Permanent Fund
Margaret (Lady) Austin Memorial Fund
Spencer P. Austin Century Fund for Week of Compassion
Spencer P. and Kathleen B. Austin Memorial Fund
Elsie Ball Fund
George and Annie Banks and Ralph and Neva McCotter Fund
Marvin and Alice Banks Endowment Fund

Earle and Rosella Barclay Permanent Fund
Herbert and Jennie Beth Barnard Fund
Audie and Gertrude Barnett Fund
Joe Barone Fund for Ministerial Students
Charles and Martha B. Barr Fund
Boyd Barrett Estate Fund
John A. Barrett Memorial Endowment Fund for Tall Oaks
Joseph M. and Mary E. Barthel Fund
Hattie Bass Estate Fund
Jim and Anne Beach Fund
William J. and R. Jean Beard Fund
Ada Prentis Beasley Endowment Fund
James H. and George Behler Memorial Fund
Fred B. and Diane P. Beidler Fund
Amy Beins Estate Fund
Robert V. & Tommie F. Belding Fund
George Oren Bell Fund
Bellaire Christian Church, Houston, TX Scholarship Fund for Brite Divinity Students
Bellaire Christian Church, Houston, TX Legacy Fund
Gansel and Marie Bennett Memorial Fund II
Marie R. and W. Gansel Bennett Memorial Fund
Rose Benning Memorial Fund
Bessie Benson Permanent Fund
Berean Sunday School Class, First Christian Church, Maryville, MO Fund
John H. Bergman Fund
Anna E. Berneking Memorial Fund
E. K. Berry Estate Fund
Leslie O. and Ethelda M. Best Fund
Best Bequest Fund
Bethesda Christian Church Endowment Fund
Oscar James Bickley and Martha H. Bickley Permanent Fund
Black Disciples Endowment - Cheerful Alphin Fund
Black Disciples Endowment - William J. Alphin Sr. Fund
Black Disciples Endowment - Patricia Clark Fund
Black Disciples Endowment - Compton/Bunch Fund
Black Disciples Endowment - Dr. Milton A. Curry, Larris V. Curry, Milan A. and Makiah A. Curry Fund
Black Disciples Endowment - John Foulkes Fund
Black Disciples Endowment - Thomas J. Griffin Memorial Scholarship Fund
Black Disciples Endowment - Minnie Hart Fund
Black Disciples Endowment - Idenia W. Hylton Fund
Black Disciples Endowment - Samuel Hylton Sr. Fund
Black Disciples Endowment - Dr. and Mrs. S. S. Myers Fund
Black Disciples Endowment - A. C. Stone Fund
Black Disciples Endowment Fund
Janet and Channing Blickenstaff Fund

A. N. and Lucille Boatman Memorial Fund
Bob Bock Fund
Anna K. Bolton Estate Fund
Mary Lucile Bone Endowment Fund
Boulevard Christian Church of Miami, FL Fund
Vesta G. Bowden Estate Fund
Lucile Bowers Fund
Frank S. and Iris U. Boyd Fund
Ethel Boyers Fund
C. Allan and Marie Brady Fund
C. Allan and Marie Brady Saguaro Christian Church - Camp Fund
C. Allan and Marie Brady Saguaro Christian Church - Capital Fund
C. Allan and Marie Brady Saguaro Christian Church - Creative Ministries Fund
C. Allan and Marie Brady Saguaro Christian Church - Endowment Church Pledge Fund
C. Allan and Marie Brady Saguaro Christian Church - Youth Ministry Fund
Clarence and Martha Branaman Family Fund
Clarence Branaman Memorial Fund
Martha B. Branaman Fund
Jane A. Brewer Fund
Broad Street Christian Church Legacy Fund
Broadway Christian Church, Tucson, AZ Fund
Robert Clarke and Berlena Brock Permanent Fund
Kenneth C. and Edith M. Bronson Fund
Betty Jo and Hayward Brown Fund
Carl R. Brown Family Fund
DeWitt and Othel Fiers Brown Estate Fund
DeWitt and Othel Brown Gift Fund
Edna Brown Memorial Fund
Eldred E. Brown Permanent Fund
George J. and Elizabeth E. (Beth) Brown Fund
Harold Glen and Alberta Brown Fund
Harsh and Frances Brown Family Permanent Fund
Minerva W. and W. Channing Brown Fund
Rev. Dr. John Charles Brownlee Fund
Leonard James and Ruth M. Brummett Fund
C. Clark Buckner Memorial Fund
Clara Bullock Fund
Karen S. Burniston Fund
Mary Louise Burnsworth Fund
Wanda Burt Estate Fund
Lena B. and Robert E. Butler Permanent Fund
Roy W. and Billie V. Byars Fund
Elvin Perry Byers and Jeannette Rankin Byers Fund
Guy Caldwell Estate Fund
Guy and Frances Caldwell Fund
Jay and Audrey Calhoun Fund

Camile Christian Church Fund
Clarence R. and Daisie E. Campbell and Harold W. Brown Memorial Fund
D. Charles and Caroline J. Campbell Fund
Mabel Campbell Trust Fund
Gladys B. Cannon, Betty Cannon Powers and Carolyn Cannon Litke Fund
Capitol Hill Christian Church, Oklahoma City, OK Permanent Fund
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Fanny S. Carlton Fund
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Barbara Tarizzo Carter Permanent Fund
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Jeneve C. Cassels Fund
The CBH Fund for DHM
Central Christian Church, Enid, OK, Deborah Anne Traylor Mission Endowment Fund
Central Christian Church, Enid, OK - Choir Endowment Fund
Central Christian Church, Stamford, TX Fund
Central Christian Church, Comanche, TX Legacy Fund
Virginia Chapman Permanent Fund
Dennis and Connie Chartier Permanent Fund
Eva Emilie Chase Estate Fund
Chase Fund
Chatham Christian Church, Chatham, VA Fund
Charles Howard and Edna S. Chelf Fund
Bernard K. Chostner Memorial Fund
Christian Church in Alabama/NW Florida, Mildred B. Watson Memorial Fund
Christian Church in Florida Roscoe C. Gentle Fund
Christian Church in Florida Howard R. and Goldie L. Roberts Fund
Christian Church in Florida Fund
Christian Church in Georgia Anne Beach Fund for Ministry in Georgia
Christian Church in Georgia Bill Edge Memorial Trust Fund
Christian Church in Georgia June M. Doster Fund for Church Evangelism
Christian Church in Georgia Carol D. Lavery Fund for Camp Christian
Christian Church in Georgia Billie Hillis Fund for The Christian Messenger
Christian Church in Georgia Marshes of Glynn Christian Church Fund
Christian Church in Georgia Ruth Barbee Fund
Christian Church in Kansas Outdoor Ministries Endowment Fund
Christian Church of South Idaho Ken Britt Memorial Fund
Christian Church of South Idaho Larry and Janet Crist Fund
Circle of Faith Christian Church Fund
Claire Clark Estate Fund
Lois E. Clark Memorial Fund
Lois E. Clark Fund
O.B. Clark Family Memorial Endowment Fund
Janice and Jim Clifford Fund
Cline Ministry Fund
Harold E. and Ruby D. Cline Fund

Jim and Shirley Cline Fund
Cloverdale Christian Church, Montgomery, AL Fund
Elizabeth Dixie Cobb Estate Fund
Francis Marion Cogdill Estate Fund
Clara M. Cole Memorial Fund
Joanna B. Cole Fund
O. Ivan and Lucille M. Cole Fund
Samuel Wallace and Edith Eileen Coleman Fund
Jack and Patsy Collins Charitable Fund
W. Darwin and Rachel G. Collins Fund
William and Darlene Collins Fund
Gene Combs Estate Fund
Community Christian Church of Christ, Fairmont Heights, MD Fund
Community of The Great Commission Fund of the Christian Church in Northern California-Nevada Fund
Dr. John R. and Lucile A. Compton Fund
CONASPEH/Haiti Missions Permanent Fund
Gaines M. and Edith R. Cook Fund
Lenora and Lawrence Cook Permanent Fund
Ralph A. Cooper Christian Church Foundation Fund
Ralph A. Cooper Fund
Nancy Copin International Ministry Fund
Gail Ketchem Todd and Hollis Ketchem and Marjorie Ketchem Cornell Fund
Marjorie and Charles Cornell Family Fund
Connie and William Cosby Permanent Fund
Alice M. Cotabish Memorial Fund
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Cotner College George W. Dill Scholarship Fund
Cotner College Ann Freeman Scholarship Fund
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Cotner College Raleigh J. and Olive M. Peterson Scholarship Fund
Cotner College Fay H. & Martha C. Stephenson Scholarship Fund
Cotner College Keith and Jackie Stephenson Operating Endowment Fund
Max Cox Fund
Aleine M. Craddock Fund
Charles E. Crank Jr. Memorial Fund
Stella Travis Creamer Memorial Fund
Creighton Christian Church, Phoenix, AZ Fund
Flossie Croft Estate Fund
Lillian, Hubert and Dewitt Crook Fund
Harold M. Crose Fund
Dr. and Mrs. Albert D. Cross Permanent Fund
W. Leroy and Wanda Culbertson Fund
Dorothy M. Cunningham Memorial Fund

Bill and Audrey Curtiss Fund
Edythe and Eldon Curtright Fund
Mary Katherine Cushman Fund
Cypress Park Christian Church - Endowment Fund
Alda Dacy Fund
William I. Dale Jr. and Dorothy E. Dale Fund
Robert G. Dana Scholarship Fund
Nellie Wagar Darby Memorial Fund
Inez Boote Dasher and Joseph Owen Boote Jr. Fund
Roger and Barbara Davidson Fund
Esther King Davis Fund
Esther King Davis, Milan Christian Church Fund
Gail and Eva Davis Arizona Fund
Carol M. Dawson Estate Fund
Robert and Martha Dawson Fund
Lindsey Grace Dean Permanent Fund
Margaret Defibaugh Permanent Fund
Lee and Delores DeJonge Permanent Fund
Robert G. and Nancy B. Denison Fund
William A. Denston Fund
Arthur M. Detamore Fund
Arthur M. and Berta Jean Detamore Fund
Bonita Blair DeVinney Permanent Fund
Burrus Dickinson Fund
Della M. Dickson Fund
Gertrude A.A. Dimke Fund
Dolora Turpin Dipple Permanent Fund
Disciples Men in Florida Permanent Fund
Disciples Men in Florida Dale & Betty Fiers Permanent Fund
Disciples Peace Fellowship - Kirby Page Peace Internship Fund
District III Christian Church in Virginia - Youth Ministry Fund
Thelma R. Douglas Fund
Athena Dovas Permanent Fund
Arthur J. Dowler Memorial Fund
Downey Avenue Christian Church Fund
C. Ray and Elizabeth Doyle Permanent Fund
Genevieve D. Dressler Permanent Fund
John E. and Elaine P. Drew Fund
James D. Drum Fund
Edna Dumas Estate Fund
G. Arline Dupy Fund
Albert T. and Alice Koontz Durant and High Street Christian Church Fund
Charles Albert Earp Fund
Bill and Jean Eaton Scholarship Fund
Robert Eaton Memorial Fund
Allen S. and Henrietta G. Edwards Fund

Allen S. and Henrietta G. Edwards Memorial Fund
Gina Edwards Memorial Fund
Walter K. "Pappy" Ehman Fund
Norman Ellington Fund for Star Supporter
Elliott Family Memorial Fund for Ministry
Charles Keith and Shirley Nichols Elliott Fund
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Colie and Georgia Ervin Scholarship Fund - Central Christian Church, Orlando, FL Fund
Colie and Georgia Ervin Scholarship Fund - First Christian Church, Sedalia, MO Fund
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Fairview Christian Church, Louisville, KY Permanent Fund
Faith United Christian Church, Indianapolis, IN Fund
Inez Christine Fanning Memorial Fund for Church Camp Scholarships
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A. Dale Fiers Endowment for the Office of General Minister and President Fund
A. Dale and Betty Fiers Endowment Fund
G. Everett and Mabel M. Figgs Fund
Howard H. Fillmer Scholarship Fund
Finfgeld Family Fund
First Christian Church, Alvin, TX Fund
First Christian Church, Arlington, TX Outreach Permanent Fund
First Christian Church, Arlington, TX Foundation Inc. Permanent Fund
First Christian Church, Bartlesville, OK Inc. Fund
First Christian Church, Bellefontaine, OH Fund
First Christian Church, Celina, TX Fund
First Christian Church, Crowley, LA Legacy Fund
First Christian Church, Danville, VA Fund
First Christian Church, Dixon, IL Outreach Fund
First Christian Church, Douglas, AZ Fund
First Christian Church, Downers Grove, IL Fund
First Christian Church Foundation, Olympia, WA Bushell Scholarship Fund
First Christian Church Foundation, Olympia, WA Jenny Hughes Endowment Fund
First Christian Church, Goldsboro, NC Spiritual Life Program Endowment Fund
First Christian Church, Goldsboro, NC Music Endowment Fund
First Christian Church, Goldsboro, NC Major Repair and Renovation Endowment Fund
First Christian Church, Goldsboro, NC Chancel Endowment Fund
First Christian Church, Graham, TX Fund

First Christian Church, Grand Junction, CO Endowment Fund
First Christian Church, Hammond, IN Trust Fund
First Christian Church, Hutchins, TX Fund
First Christian Church, Lafayette, LA Endowment Fund
First Christian Church, Laredo, TX Legacy Fund
First Christian Church, Mansfield, LA Legacy Fund
First Christian Church, Maywood, IL Holt/Thomas Overseas Mission Fund
First Christian Church, Miami, FL Endowment Fund
First Christian Church, Orange CA McDaneld Living Endowment Fund
First Christian Church, Perryton, TX A.B. Boxwell Memorial Scholarship Fund
First Christian Church, San Mateo, CA Permanent Trust Fund
First Christian Church, Shelbyville, TN Endowment Fund
First Christian Church (DOC) Tampa, FL Fund
First Christian Church, Topeka, KS Camp and Conference Scholarship Fund
First Christian Church, Virden, IL Myra Henderson Willson Fund
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First Christian Church, Woodville, TX Legacy Fund
First Christian Church, Yoakum, TX Fund
First Christian Church, Youngstown, OH Fund
First Christian Church of Youngstown, OH Legacy Fund
First Christian Church, South Bend, IN Legacy Fund
Clinton and Cora Fisher Scholarship Fund
Mary E. Fisher Fund
Fisher/Downing Memorial Endowment Fund
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Marie K. Fleming Fund
Ruth Fletcher and Ronald C. Greene Fund
Walker and Marjorie Fletcher Fund
Jessie M. Flint Fund
Grace L. Flood Memorial Fund
Flouhouse Memorial Fund
Mary Bruce and Joe Foley, Jr. Memorial Fund
Thell and Monnie Foley Fund
Leah G. Foote Estate Fund
Elizabeth Ann Frazier Fund
Freeport Boulevard Christian Church, Sacramento, CA Endowment Fund
Friends of First Christian Church, Hoopeston, IL Fund
Jack and Judi Frost Permanent Fund
Carl Vernon Fryer Estate Fund
Fuller Family Fund
Fullerton First Christian Church Living Plant Fund
Mont Robertson and Myra Love Gabbert Fund
Leslie R. and Margery A. Galbraith Fund
George W. Gallagher Fund
Ethel (Ma) Gamble, Franklin and Jeanne Gamble Fund

Reverend Charles Lloyd and Lilly Garrison Fund
John C. and Valda L. Garver Fund
Fran Gasche Fund
Geist Christian Church, Indianapolis, IN Music Program Fund
General Board Support Fund
Hazel Charleson Getchell Fund
Earl and Laurice Gibbs Permanent Fund
Delmer and Norma Gooden Gilbert Fund
Doris Rushton Gilfoy Fund
Dorothy Johnson Pierce Gillespie Fund
Glen Park Christian Church, Gary, IN Memorial Fund
Ralph E. Glenn Memorial Fund
Ted and Royce Ann Glidden Fund
Norris and Sarah Goode, Annabel Goode, and Charles E. and Dorothy Goode Jones Fund
Mary Helen Gorden Fund
John R. and Kirby Hughes Gould Family Fund
Gould-Spradlin Family Fund
L. W. Graham Fund
Paul Graham Fund
Ronald W. and Gwen I. Graham Fund
Richard C. Gray Fund
John L. Grayson III Memorial Youth Scholarship Fund
Juanita Greene Memorial Fund
Greenville Avenue Christian Church, Dallas, TX Endowment Fund
Lucia Gregg Third Christian Church Memorial Fund
Robert Lee Griffin Jr. Permanent Fund
William F. Griffith Estate Fund
Dean and Jacqueline Grinstead Fund
Margaret Grisham Estate Fund
Virginia Fay and Alfred Grosse Fund
Florence W. Grundy Fund
Jerry Hacker Memorial Fund
Hackley Special Event Series Fund
Gordon W. and Ruth C. Hagberg Permanent Fund
Florence L. Hagen Estate Fund
Forrest D. and Eleanor V. Haggard Family Fund
Evelyn Faye Hale Fund
Beth C. Hall Estate Fund
Hall Family Fund
Dick and Diane Hall Permanent Fund
Gene V. Hall Fund
Stan and Shirley Hamamoto Fund
Harold E. and Mildred J. Hamm Fund
Richard L. and Melinda A. Hamm Fund
Hammett and Goodwin Fund

Hamner Family Fund
Martha Ann Hannan Fund
Amy Sue Harbert Memorial Fund
Harbison - Kelly Fund
Malta N. Hardy Memorial Fund
Walter A. Hargraves Permanent Fund
Benjamin H. and Beulah M. Harman Memorial Fund
Amy Harradon Estate Fund
George A. and Julia E. Harris Fund
Mabel L. Harris Fund
Mary Margaret Harrison Estate Fund
H. Leon Harter Fund
Grace Hoenes Hartley/Christian Temple Fund
Louis E. and Mary T. Hartley Fund
Donna and Bert Hartwell Permanent Fund
Harvel Christian Church Fund
Ruth E. Harvey Fund
Thelma W. Hastings Fund
Ray H. Havens Memorial Fund
Mr. and Mrs. Vance Hawkins, Abbie Tennyson Caley, and Bertie A. Stiles Memorial Fund
Robert W. and Diane A. Hawley Fund
Will and Edith Hayes Fund
Mary Haymaker Fund
Lottie Heller Fund
T. E. Henderson Perpetual Fund
Donald L and Mary L. Henry Permanent Fund
Ena (Chatfield) Henry Fund
Thomas L. Henry Memorial Fund
Willard and Florence Henry Memorial Fund
Thomas C. and Faith G. Herren Fund
Laura Beth and Robert Hevelka Fund
Ray S. and Margaret W. Hewitt Fund
Herbert A. Hibben Fund
Clara Hicks Memorial Fund
Highfield Fund
Burnie and Naomi Hill Fund
Lois E. Hill Permanent Fund
Mattie E. Hill Memorial Fund
Thomas Morgan Hill & Clara Mae Hill Fund
Hillside Christian Church Educational Endowment Fund
Clara W. Hofrichter Memorial Fund
Lena Dickinson Holley Family Endowment Fund
Hollywood-Beverly Christian Church, Los Angeles, CA Fund
Charles and Christine Holmes / Raymore Christian Church Fund
Christine and Charles Holmes Fund

Deloris B. Holt Memorial Fund
Olen and Marie Holt Fund
Orval and Margaret Holt Fund
Bayo and Virginia Hopper Fund II
Bayo and Virginia Hopper Fund III
Joel Bayo and Virginia Hopper Fund
Tom and C. Jayne Hopson Fund
Harold H. and Virginia R. Horn Fund
Joseph Hope Hornback and Helene Hornback Wert Memorial Fund
Joseph Thomas Hornback, M.D., Geordia Munn Hornback, and Helene Hornback Wert Memorial Fund
Edward M. and Laura C. Hoshaw Fund
Hosimba Fund
Dr. Alvin E. and M. Katherine Houser Fund
Betty G. Houston Memorial Fund
Dale Leslie Houston Permanent Fund
Fred and Alpha Houston Fund
Sam B. and Mary A. Howard Endowment Fund for the Work of the South Central Zone of the Christian Church Foundation
Norman H. and Mary J. Howett Memorial Fund
Uverna A. Hubbell Estate Fund
Daisy McLin Huber Estate Fund
William J. and Mary Ella Hudspeth Memorial Fund
Alice Hughes Estate Fund
Sylvia Hughes Memorial Fund
Linda D. and Richard J. Hull II Fund
Mary V. and James M. Hull Fund
Thomas Lewis Hull Memorial Fund
Ruth V. Human Permanent Fund
John O. Humbert Fund
Arthur K. Hunt Fund
Anna Huston Fund
T. R. Huston Fund
Harry T. Ice Memorial Fund
Ingleside Christian Church of Arizona Fund
Irving Park Christian Church, Chicago, IL Fund
Ivan M. and Ruth L. Jacobs Fund
Jarvis Christian College Disciples Endowment Fund
Jefferson Street Christian Church, Spokane, WA Fund
Elizabeth Schmidt Jenkins Fund
Bettye J. Jimerson Memorial Fund
Leonard and Mary Jimerson Memorial Fund
Johnson Galesburg Sabbatical Fund
Frances Z. Johnson Fund
Gene and Sue Johnson Congo Medicine Fund
Harold A. Johnson Sr. Fund

Herman R. and Nina Locke Johnson Fund
James P. and Nancy J. Johnson Fund
Leighton and Phyllis Johnson Permanent Fund
Ralph L. and L. Pearl Johnson Memorial Fund
Randy and Sandy Johnson Fund
George D. Johnston Youth Ministry Fund
George W. and Frances L. Jones Fund
Joyce Jones Fund
Lola and Walter Jones Memorial Fund
Ruth N. Jones Fund
Tom and Alberta Jones Fund
Karl and Jeanette Karrenbrock Fund
Ted and Pauline Katsanis Fund
Irvin B. and Laverne Guthrie Bomar Keagy Fund
Curtis L. and Barbara J. Keith Permanent Fund
Chloe Kelly Fund
George and Linda Kemp Permanent Fund
Paul D. and Alletta B. Kennedy Memorial Fund
Phil and Nora Kennel Fund
Kenwood Christian Church (DOC), Cincinnati, OH Fund
Jack and Mildred Keppel Memorial Fund
Ruth M. and Harold J. Kessler Fund
Rev. A. Boyd and Esther Baynes Keys Fund
Gary W. and Judy H. Kidwell Permanent Fund
Louis E. Kidwell, Jr. Fund
Eula V. Kilpatrick Fund
Jim and Dolores Kimsey Permanent Fund
Leslie L. and Elizabeth M. Kingsbury Fund
Rex and Joyce Kingsland Fund
Robert and Sallie Kintner Fund
Floyd A. Kirchner Memorial Fund
W. L. and Virginia M. Kiser Fund
Shirley D. Kling Estate Fund
Ruth Kohr Estate Fund
Russell H. and Florence M. Koppin Memorial Fund
Paul and Peggy Korslund Memorial Fund
Jennie Mae Trigg Kuster Permanent Fund
Lyle and Marian La Favor Permanent Fund
Chesefy A. LaBounty Memorial Fund
Lackland Trust Fund
Imogene Lahman Fund
Lakeside Christian Church, Glen Allen, VA Permanent Fund
Lakeview Christian Church Legacy Fund
George E. Lambert Fund
Otha and Maybelle Lanier Outreach Fund
Lark Ellen Christian Church Endowment Fund

Lashen-Grimes Family Fund
Maloye R. Latham Fund
Edward B. Laughlin Fund
Mary Walton Lawson Scholarship Fund
Marvyn R. F. and Maxine P. Lear Fund
Leathers Family Memorial Fund
John Charles Leber Memorial Fund
Mary Lee Fund
Calvin S. Leeds Fund
Emily L. Leedy Fund
Robert K. and Emily Leland Fund
Clara Lemmons Estate Fund
Wallace E. & Blanche R. Lillie Permanent Fund
Judith F. Lindley Memorial Music Fund
Ralph E. Lindner Memorial Fund
Edythe Lindsey Memorial Fund
William and Stella F. Linter Fund
Linwood Memorial Permanent Fund
Eugene F. Littler Fund
Eugene F. Littler / Merriam Christian Church Fund
Clara A. Livensparger Memorial Fund
Ralph A. and Leona A. Livezey Fund
Ernest C. and May W. Lloyd Fund
Ben Lockhart Memorial Fund
Benjamin F. Lockhart Estate Fund
James A. and Lorraine Lollis Fund
Hugh and Elsie Lomax Memorial Fund
Hazel Long Fund
Janet A. Long and Daniel D. Clark Permanent Fund
Bill and Lee Longman Permanent Fund
Lowe Family Fund
Luella Lowe Permanent Fund
Marguerite Lowe Memorial Fund
E and D Lucas Fund
John and Lori Lucas Fund
Donald T. and Shirley D. Lucey Fund
Drusilla E. Lyman Fund
Kathryn M. MacKellar Fund
Theora W. Mackey Memorial Fund
Verna E. Mackie Estate Fund
Robert and Shirley Magee Permanent Fund
Main Street Christian Church, Rushville, IN CWF Memorial Fund
Lawrence H. and Elizabeth W. Maines Fund
Charles A. and Mary Sue Malotte Fund
Darwin A. and Mary Jane Mann Fund
Blanche Mansfield Estate Fund

DeLoss and Helen Marken Fund
Dorothy Margaret Marsh Estate Fund
John Elmore and Mary Florence Marshall Family Fund
Martin Family Fund
Mary Elizabeth Mason Fund
Dr. Elliott K. Massey Permanent Fund
Ruth J. and Bruce B. Matthews Permanent Fund
Lloyd and Iva Mattison Scholarship Fund
Mary C. Mawyer Fund
Meril A. and Marguerite May Fund
Lester G. McAllister Permanent Fund
Lester G. McAllister General Distribution Permanent Fund
Richard L. and Virginia M. McCall Permanent Fund
Rev. and Mrs. C. G. McCallister Memorial Fund
John Emory and Maxine Mae Gambs McCaw Permanent Fund
Clyde B. and Frances C. McClaskey Fund
Mildred McClure Educational Fund
Christian Church (DOC) Trust Fund
Lester McCracken Fund
Mr. and Mrs. Robert McFarling Fund
Ermel and Woodruff McGregor Fund
Dorothy McKenzie Estate Fund
Barbara and Mac McLay Permanent Fund
L.D. and Doris G. McNiece Permanent Fund
Glen and Gerry McNutt Fund
Bernard and Myrtle Meece Endowment Fund
Harry and Pauline (Polly) Meek Fund
Richard and Helena Meek Permanent Fund
Virginia S. Meloeny Urban and Global Ministries Fund
Memorial Christian Church of Tulsa Fund
Men's Ministries Endowment Paul Easton Fund
Men's Ministries Endowment - Dick and Jane Herrington Fund
Men's Ministries Endowment Robert A. "Bob" Johnson Fund
Men's Ministries Endowment Fund
Men's Ministries Endowment - Mark Rutherford Memorial Fund
Men's Ministries Endowment - David J. McCracken Fund
Men's Ministries Endowment - Lewis Ellis Champ Fund
Men's Ministries Endowment - Jay and Mona Stevenson Fund
Men's Ministries Endowment - Tom Jewell Fund
Men's Ministries Endowment - Joel Potts III Fund
Men's Ministries Endowment - Paul and Ruth Few Fund
Men's Ministries Endowment - Nathan and Claudia Higginbotham Fund
Men's Ministries Endowment - Don Eberly Fund
Men's Ministries Endowment - Richie Tumblin Fund
Men's Ministries Endowment - Indiana Disciples Men's Commission Fund
Men's Ministries Endowment - Milton Summerall Fund

Men's Ministries Endowment - Roscoe Dickerson Fund
Men's Ministries Endowment - Oscar Haynes Fund
Merchant Family Fund
Claudia Merrell Fund, Sayre Christian Church, Sayre, PA
Leman and Inez Messley Permanent Fund
Leman and Inez Messley Syringa Plaza Creative Projects Fund
Mabel Metze Fund
Middleton Memorial Garden Maintenance Fund
Midwest Hispanic Convention Women's Ministry Permanent Fund
Douglas Price Mikell Scholarship Fund
Jean Miles Memorial Fund
Rev. J. Stuart & Ruth Mill Children's Ministry Fund
Sylvia E. Mill Fund
Bill and Patsy Miller Permanent Fund
Franklin D. and La Vonta Miller Fund
William L. Miller, Jr. Permanent Fund
Helen A. Mink Memorial Fund
Irvin and June Mitstifer Fund
Leonard and Betty Mohney Fund
Miriam M. Monroe Fund
O. Eugene and Rena A. Moore Memorial Fund
Milton E. and Dolores J. Moore Endowment Fund for Youth Ministries
William J. and Audra L. Moore Scholarship Fund
Elizabeth Stong Morgan Memorial Fund
Emma D. Morris Fund
Rosemary Morse Permanent Fund
C. Manley Morton Fund
Thomas Edward Morton Fund
Hal S. and Ruth Johnson Moseley Fund
Louise Lomax Moseley Permanent Fund
Donald and Jessie M. Moss Fund
William J. and Emily Moss Memorial Fund
Carolyn N. Mott Fund
Mt. Gilead Christian Church, Bloomington, IN Fund
Charles and Johnie Walker Murphy Fund
Opal F. Murray Permanent Fund
Rev. Doran and Jean Myers Fund
Rev. Virgil G. Nalley and Mrs. Myrtle Nye Nalley Endowment Fund
National Hispanic Women's Ministry Permanent Fund
E. Lee Neal and Clark Bower Family Fund
William Joseph Neely Fund
Nehemiah Fund
Jane Nesby Fund
Jane Nesby South Idaho Fund
John and Loretta Nesby Fund
New Hope Christian Church, Winston-Salem, NC Fund

Ernest J. Newborn Sr. Reconciliation Fund
Andy Nichols Life Quest Fund
Catherine G. Nichols Fund
James Allen and Jean Nichols Fund
Samuel A. Nickols International Fund
Ruth Nieman Estate Fund
J. Arthur Nightingale Memorial Fund
Mildred Nightingale Memorial Fund
Ray L. and Anna L. Nixon Fund
Mr. and Mrs. James Wesley Noe Sr. Memorial Fund
John B. and Dorothy M. Nolan Fund
Anna Dee O'Brien Permanent Fund
Enrique T. Ocasio and Carmen R. Fernandez Fund
Ogden Christian Church Fund
James S. and Joy Henley Oglesby Permanent Fund
Linden B. Oglesby Memorial Fund
The Oldtimers' Grapevine Fund
George and Sue Oliver Fund
Arthur Eugene and Charlotte Eileen Olson Fund
Laurence Oman Family Fund
Ronald and Nola Osborn Fund
Sally Fleming and Marvin G. Osborn Fund
Jeff, Erin and Lakin Osmus Family Fund
Harold and Mary Otto Permanent Fund
George Earle and Margaret Owen Fund
O. Gene and Fannie Ownby Fund
Pacific Avenue Fund
Margaret Paddock Memorial Fund
Mark and Debra Palmer Permanent Fund
Park Avenue Christian Church of Titusville, FL Fund
Karl M. and Frances N. Parker Memorial Fund
Ollie/Bea Parker Fund
Pastoral Ministry Conference Fund
William T. Percy Fund for New Church Development in Arizona
Dorothy L. Penning Memorial Fund
Carl D. Persun Memorial Fund
Stanley M. and Margaret L. Peterson Permanent Fund
Oris L. and Mary Athaline Peterson Memorial Fund
Peterson Youth Ministry Permanent Fund
Martha H. Pettrey Fund
Petunia Christian Church, Wytheville, VA Arvella Brown Fund
Philip R. Phillips Memorial Fund
Doris Anne Pierce Fund in Memory of E.J. and Lena Barnett
Doris Anne Pierce Fund
Doris Anne and Pauline Pierce Fund
James H. "Jim" and Virginia Pingleton Fund

Virginia Pingleton Fund
Marise Piper Permanent Fund
Heber H. Pitman and the Doris R. Pitman Memorial Fund
Lawrence E. and Faith I. Pitman Fund
Lucille D. Porter Fund
Marilyn and Calvin Porter Fund
Gladys W. Potter Memorial Fund
Howard D. Prather Estate Fund
Larry & Esther Price Permanent Fund
Jim and Von Prichard Permanent Fund
Pruett Memorial Fund
Samuel F. Pugh Fund
Keith W. and Mary Louise Purscell Fund
Maurice P. Radmacher Fund
Lester and Mildred Rampley Fund
Leroy P. Ramsdell Fund
Harry Ransler Permanent Fund
Laurence N. and Leota A. Ratts Fund
Raymore Christian Church McDermet Outreach Endowment Fund
Reconciliation Mission Endowment Fund
Dorothy M. Reed Permanent Fund
Forrest Milton Reed Fund
James C. and Mildred C. Reed Memorial Fund
James R. and Lucille B. Reed Fund for Clergy Stewardship Education
James R. and Lucille B. Reed Fund
Ray Reeder Fund
Forest McKee Reeves and Sara Blair Reeves Fund
Wanda A. Remick Memorial Fund
Velma J. Rexroth Estate Fund
Fidel and Helen Reyes Fund
Elbert and Marvel Rice Fund
Troy and Agnes Richardson Fund
Emmett G. and Erma C. Rickard Fund
Erma C. Rickard Memorial Fund
Riethman Family Fund
Elizabeth Riley Estate Fund
Jo and Rebecca Riley Fund
Addie Arthur Risser Fund
Pat and J.R. Ritchey Permanent Fund
Riverside Christian Church Legacy Fund
Howard and Mary Jane Rix Permanent Fund
D. Y. and Harriet Donaldson and Arno L. and Elizabeth Roach Memorial Fund
Roberson Bagwell Music Endowment Fund
Dee L. Roberts Fund
Bill and Benny Robertson Fund
John Robertson Memorial Fund

Mary Lu Robertson Permanent Fund
George M. and Elizabeth V. Robinson Fund
Ralph W. Roche Memorial Fund
Nathan Gray Rode Permanent Fund
Jesús Maria "Don Suncho" Rodriguez Scholarship Fund
Betty Jane and John D. Roe Scholarship Fund
Howard G. and Opal F. Rohrer Endowment Fund
Hermann Roschen Fund in Memory of Dr. Peter Ainslie
Lon A. & Peggy L. Rosine Endowment Fund
Verla M. Ross Memorial Fund
George P. and Vera E. Rossman Memorial Fund
Rountree Division of Overseas Ministries Endowment Fund
Lawrence and Dorothy Rueff Fund
Saguaro Christian Church, Tucson, AZ Archie Dale Ellis Scholarship Fund
Mary Isabel Sandin Estate Fund
Don and Bev Sarton Permanent Fund
Rose Loretta and Florence Lovinna Sass Permanent Fund
Ralph H. and Martha G. Saunders Family Fund
John and Lucy Schaffer Estate Fund
Schaes Permanent Fund
Alice G. Schilling Fund
Jerry and Louise Schleich Permanent Fund
Nelson and Ann Schuster Permanent Fund
Margaret J. Schwartz Estate Permanent Fund
Rose S. Scofield Missionary Fund
Mary Dudley and James M. Seale Fund
Second Christian Church of Bloomington, IL Permanent Fund
Second Christian Church, Warren, OH Legacy Fund
Dorothy Morton Sessions Fund
Wayne Shaneyfelt Fund
Rolland H. and Laura Frances Sheafor Scholarship Fund
The Shelton Family Scholarship Fund
Sherley Property Endowment Fund
Mr. and Mrs. E.A. Shire Memorial Fund
Mildred Shultz Memorial Fund
Mr. and Mrs. Clarence Simmons Memorial Fund
Martha Bowman Simpson Fund
Ralph and Chloe Sims Fund
Mike and Mark Slight Memorial Fund
Harold B. Slanker Memorial Fund
Kenneth B. and Evelyn Fey Slater Fund
Elsie J. Sloan and Harold and Laverne Theuer Memorial Fund
Virgil A. and Florence M. Sly Fund
Cecelia Smith Permanent Fund
Helen J. Smith Fund
Howard and Marian Smith Fund

Joseph M. and Winnifred W. Smith Fund
Leslie M. and Frances Smith Fund
Leslie R. and Ruth Moss Smith Memorial Fund
Lucinda Smith and Kasandra M. Smith Permanent Fund
Ralph Lynwood and Emily O. Smith Fund
Sally A. Smith Permanent Fund
Camille and James C. Snider Fund
Mary Kathryn Snider Fund
S.O.A.P. Fund
Wilbur Somerton Trust Fund
South Gate First Christian Church Fund
South Idaho Endowment Fund
South Idaho Regional Church Camp Capital and Maintenance Fund
South Idaho Youth Camp Participation Fund
Southview Christian Church, Lincoln, NE Martin and Darner Fund
Spaulding Memorial Trust Fund
Helen F. Spaulding Board of Directors Fund
Helen F. Spaulding Council on Christian Unity Fund
Helen F. Spaulding Office of General Minister and President Fund
Helen F. Spaulding Raymore Christian Church Fund
Helen F. Spaulding General Ministries Fund
William R. (Bill) Speaker Memorial Fund
Springfield Christian Church, Jacksonville, FL Permanent Fund
St. Paul's Christian Church Outreach Endowment Fund
Saint Andrew Christian Church, Arlington, TX Legacy Fund
Norman and Dorothy Stacey Endowment Fund
Staggers Family Fund
Cecile and Vernon S. Stagner Fund
James E. Stalcup Fund
Joe A. and Nancy Vaughn Stalcup Congregational Historians Fund
Joe A. and Nancy Vaughn Stalcup Endowment Fund
Joe A. and Nancy Vaughn Stalcup Lectures on Christian Unity Fund
Joe A. and Nancy Vaughn Stalcup Unity Conference Fund
Lloyd W. Stalder Estate Fund
William and Gladys Stanton Fund
Martha Jane Starr / Great Start Fund
Pearl and Emil Steinhaus Fund
Phillip S. Steinmetz Memorial Fund
Sara Stephens Estate Fund
Alvin H. and Ruth I. Stephenson Fund
Edwin L. and Teresa B. Stephenson Fund
Helen L. Stephenson Fund
Walter Stephenson and Lucille Carman Stephenson Fund
Stickley Institute Fund
Jack W. Stocker Memorial Fund
Lloyd and Julie Stockwell Fund

Mildred I. Stone Fund
Brent Stratten Permanent Fund
Doris V. Stratton Permanent Fund
Bert and Norma Strickland Permanent Fund
Herman H. Strietmann Memorial Fund
Myra Stubblefield Estate Fund
Robert G. and Frances G. Sulanke Fund
Sun City Christian Church in Arizona Fund
Willard C. and Alice L. Sutherland Fund
Madeline D. Swander Estate Fund
G. Goodwin and Tiny W. Sweatt Fund
Reba Talley Estate Fund
Tate Family Fund
Lloyd E. and Janice Kiser Tatlock Fund
Lloyd E. and Janice K. Tatlock Fund
George Oliver and Martha J. Taylor Memorial Fund
Elizabeth Head Phillips, Pauline Head and Miriam H. Teagarden Fund
Lelia R. Teaney Estate Fund
Kenneth L. and Wanda J. Teegarden Distinguished Leadership Fund
Hazelmae Taylor Temple Memorial Fund
Hazelmae and Joseph Temple Fund
Neal W. and Mary S. Tevis Fund
Walter William and Cora Selzer Tharp Fund
Frazer and Loris Thomason Ministry Fund
Beulah Thompson Memorial Fund
Arthur I. Thorpe Permanent Fund
Betty Timms and Lynne Weitz Children's Fund
Beverly Tinsley Permanent Fund
Adelbert H. and Emily D. Tisdall Fund
George L. and Janet P. Tolman Permanent Fund
Robert L. Townsend Fund
Willard C. and Katherine E. Townsend Fund
Herman and Joan Trauernicht Fund
Minnie E. Treadway Memorial Fund
Trinity Christian Church, Mechanicsville, VA Ministerial Education & Sabbatical Fund
Emily Tubman Trust Fund
Norwood and Wilma More Tye Fund
Henry and Mary Woodman Tyler Fund
Henry Hart and Mary Jane Tyler Fund
United Christian Church of Charlotte Hall, MD Fund
Unity Christian Church, Arthur Addison Permanent Scholarship Fund
University Christian Church, Boise, ID Endowment Fund
University Place Christian Church, Champaign, IL Fund
University Christian Church of Berkeley Endowment Fund
University Christian Church, Normal, IL Fund
University Park Christian Church, Indianapolis, IN Fund

John C. and Lela V. Updegraff Fund
Urbandale Christian Church Fund
Irene Van Boskirk Fund
Robert and Sarah Van De Water Fund
Chester R. and Wilma M. Vanzant Scholarship Fund
Wesley Veatch Family Fund
Lydia M. Velazquez Fund
Gerald F. Vesey Estate Fund
A.B. and Martha S. Vimont Fund
Cora Lee Wagner and Family Fund
Lelia Frances Wainwright Estate Fund
Halsey and Mildred Wakelin Family Ministries Fund
Elsie Walburn Permanent Fund
Camella R. Walker Fund
Gladys Walker Fund of First Christian Church, Henderson, KY Fund
W. H. and Fannie Walker Fund
Barbara M. Wallis Fund
W. Raleigh Walters, Ethyl Walters, and Audrey Walters Schuetz Memorial Fund
Harold R. and Evelyn N. Watkins Fund
Charlotte Draper Watson Memorial Fund
Julian G. Watson Memorial Fund
Lloyd T. and Catherine D. Watson Fund
Melvin Ray Watson Estate Fund
Ruth Weaver and Ryan Hazen Family Fund
Mr. and Mrs. James B. Webb Memorial Fund
Suzanne Webb Permanent Fund
Daniel R. and Nel Gammon Webster Fund
Week of Compassion The Alabaster Box Fund
Week of Compassion Artesia (CA) Christian Church Endowment Fund
Week of Compassion Spencer P. and Kitty Austin Fund
Week of Compassion Faye T. Baker Fund
Week of Compassion Gladys S. Ball Fund
Week of Compassion Battery Park Christian Church Endowment Fund
Week of Compassion Lucille Benson Memorial Fund
Week of Compassion Jerry S. & Deborah K. Butt Fund
Week of Compassion California (KY) Christian Church Endowment Fund
Week of Compassion Carrollton Christian Church/Kathryn Mullikin Fund
Week of Compassion Christian Church of Wilkinsburg Fund
Week of Compassion Amy and Guido Climer Fund
Week of Compassion Committee on Week of Compassion Fund
Week of Compassion Ruth Cunningham / FCC, Oak Ridge, TN Fund
Week of Compassion Jim and Carol Cure Fund
Week of Compassion Marshall & Barbara Dunn Fund
Week of Compassion Billie Joe and Margaret Ann Earwood Fund
Week of Compassion Curt and Janet Miller Ehrmantraut Fund
Week of Compassion Eldora Christian Church Fund

Week of Compassion John Farrow Evans Fund
Week of Compassion FCC, Greenville, MS - Rev. & Mrs. Thomas B. Henderson Fund
Week of Compassion FCC, Kokomo IN Endowment Fund
Week of Compassion First Christian Church, Hoisington, KS Fund
Week of Compassion - FCC, West Point, MS - CWF Endowment Fund
Week of Compassion First Christian Church, Jeffersonville, IN Fund
Week of Compassion First Christian Church, Wilmington, DE Fund
Week of Compassion General Endowment Fund
Week of Compassion Amy C. Gopp Endowment Fund
Week of Compassion Kenneth Gregg/First Christian Church Perry, IA Fund
Week of Compassion Hanover Avenue Christian Church, Richmond, VA Endowment Fund
Week of Compassion Paul and Barbara Haugland Endowment Fund
Week of Compassion Marilynne Hill Fund
Week of Compassion Sabra A. Hodnett Fund
Week of Compassion Holly Ridge/Lakeside C.C. Fund
Week of Compassion Hoofin for Jesus Fund
Week of Compassion Thomas Michael Karunas Fund
Week of Compassion Robert and Elaine Kennel Fund
Week of Compassion Robert A. and Mary Langston Fund
Week of Compassion Lindenwood Christian Church SAM-SAL Fund
Week of Compassion Lucey Permanent Fund
Week of Compassion Carolyn Wood Mackaman / Mackaman Family Fund
Week of Compassion McCallister Response Fund
Week of Compassion Dorothy Fitzgerald McConnell - Billie and Lawrence L. Lynch Fund
Week of Compassion Louise "Peggy" McCormack Fund
Week of Compassion Bill and Margie Mitchell Fund
Week of Compassion Mildred A. Mooney Estate Fund
Week of Compassion John W. Nihiser Sr. and Leona H. Nihiser Fund
Week of Compassion Roger & Mary Norman Endowment Fund
Week of Compassion Tom Page Memorial Fund
Week of Compassion Lester and Janelle Palmer Fund
Week of Compassion Robert and Phyllis Parish Fund
Week of Compassion Pennsylvania Ave. CC, Oklahoma City, OK Fund
Week of Compassion Danny and Patti Plaster Endowment Fund
Week of Compassion Lucy Powers Fund
Week of Compassion Elizabeth Youngblood Proffer Endowment Fund
Week of Compassion Walter Reed III Fund
Week of Compassion John M. and D. Jeannine Richardson Fund
Week of Compassion Glen E. and Donna J. Rosborough Fund
Week of Compassion Lawrence E. and Dorothy C. Rueff Fund
Week of Compassion Jerry and Gladys Sawyer Fund
Week of Compassion Jon Secaur & Linda Idoine Fund
Week of Compassion Reverend Don F. Selman Fund
Week of Compassion Penny Paxton Shorow Endowment Fund

Week of Compassion Kenneth and Kathleen Speicher Fund
Week of Compassion Stanfield/Lynskey Endowment Fund
Week of Compassion Virginia Swindler Fund
Week of Compassion Larry Tankersley Fund
Week of Compassion John Teague Fund
Week of Compassion Van Dyck Family Fund
Week of Compassion A. Guy Waldrop Fund
Week of Compassion Harold R. and Evelyn N. Watkins Fund
Week of Compassion Wilhelm Park Christian Church, Baltimore, MD Fund
Week of Compassion Robert Allen and Anna A. Wilhoyte Fund
Week of Compassion Craig and Rev. K.K. Wiseman Endowment Fund
Week of Compassion Deborrah M. and Johnny W. Wray Endowment Fund
Walter Wells Permanent Fund
Cecilia Marie Wentz Memorial Fund
Rachel Ashley Wentz Memorial Fund
Sara Beth Wentz Memorial Fund
Otto E. and Martha Werner Memorial Fund
Helene Hornback Wert Memorial Fund
West Boulevard Christian Church, Cleveland, OH Fund
West Creighton Avenue Christian Church Fund
Randall A. West Fund
Susan B. Westbrook Memorial Fund
Westhampton Christian Church, Roanoke, VA We Can Change the World Fund
Westpark Christian Church, Bremerton, WA Permanent Fund
Frank J. and Lou Whitworth Fund
Willard J. Wickizer Sr. Memorial Fund
William and Dorothy Widmar Fund
Richard and Mary Alice Wilburn Fund
Michael Wilder Memorial Fund
Catherine Wilkerson Fund
Ivy E. Wilkin Mission Fund
Eva Wilkinson Fund
Delbert E. and Mabel Howell Wilks Fund
Willcox Christian Church in Arizona Fund
Evlyn Joan Williams Fund
Rev. Dr. Col. Norman L. Williams Fund
Oren F. and Beatrice H. Williamson Fund
Samuel P. and Helen Williamson Scholarship Fund
Robert and Madge Hamble Willian Fund
Donald C. and Marjorie Finch Wilson Scholarship Fund
Norma L. and Earnest L. Wilson Fund
Robert O. and Dottie Wilson Fund
Sarah E. Wilson Family Fund
Winker Permanent Fund
John H. and Alma Wolfe Memorial Fund
Women's Endowment - Beth Ackelson Fund

Women's Endowment - Margo Allen Fund
Women's Endowment - Pauline Askin Fund
Women's Endowment - Bowman, DePilar, Payuyo, Talley Fund
Women's Endowment - Chery Carew Fund
Women's Endowment - Lucile A. Compton Fund
Women's Endowment - Carol Q. Cosby Fund
Women's Endowment - Fran Craddock Fund
Women's Endowment - Pat Crowl Fund
Women's Endowment - Eva Davis Fund
Women's Endowment - Disciple Women's Staff Fellowship
Women's Endowment - Josephine Elkins Fund
Women's Endowment - Janis Brown Enablers Fund
Women's Endowment - Brenda Etheridge Fund
Women's Endowment - Florida CWF Fund
Women's Endowment - Ellen Frost Fund
Women's Endowment - Bonnie Gearlds Fund
Women's Endowment - Susan Gonzalez-Dewey Fund
Women's Endowment - Phyllis Hallman Fund
Women's Endowment - Linda Hernandez Williams Fund
Women's Endowment - Linda Houston Fund
Women's Endowment - K.C. Estes Fund
Women's Endowment - Laura Estes Fund
Women's Endowment - Leah Estes Fund
Women's Endowment - Carmen Lopez Fund
Women's Endowment - Orange, CA Fund
Women's Endowment - PSW Region Fund
Women's Endowment - Judy Row Fund
Women's Endowment - Hazel Rudduck Fund
Women's Endowment - Shirley Estes Fund
Women's Endowment - Martha G. Saunders Fund
Women's Endowment - Kathe Searcey Fund
Women's Endowment - South Idaho Disciples Women's Ministries
Women's Endowment - Helen F. Spaulding Fund
Women's Endowment - Doris Spencer Fund
Women's Endowment - Jimmie Talley Fund
Women's Endowment - Marilyn Taylor Fund
Women's Endowment - Enid Leece Wahl Fund
Women's Endowment - Patsy Wander Fund
Women's Endowment - Karen Yount Fund
Women's Endowment Fund
Tom Wood Association of Disciple Musicians Worship Clinician Fund
Tom and Peggy Wood Fund for the Association of Disciple Musicians
Woodland Christian Church, Houston, TX Legacy Fund
Woodville Christian Church, Woodville, MS Fund
Woodworth Van Lines Endowment Fund
A. Jean Woolfolk Memorial Fund

Winston L. and Phyllis E. Worden Fund
Julie Inman Wrench Memorial Fund
Rose Wright Estate Fund
Robert J. Wyatt Estate Fund
Yakama Christian Mission Permanent Fund
Michael and Suanne Yarbrough Permanent Fund
Roy E. and Catherine B. Yetter Estate Fund
Hannah H. Younghusband Fund
William K. and Kathryn C. Zimmerman Fund

The General Board has reviewed Report No. 1104 from the Christian Church Foundation. The report is submitted to the General Assembly for consideration and discussion. No action is required. (Discussion time 12 minutes)

Christian Church Foundation, Inc.

Accountants' Report and Consolidated Financial Statements

December 31, 2010 and 2009

Christian Church Foundation, Inc.

December 31, 2010 and 2009

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Independent Accountants' Report on Consolidated Financial Statements and Supplementary Information

Board of Directors
Christian Church Foundation, Inc.
Indianapolis, Indiana

We have audited the accompanying consolidated statements of financial position of Christian Church Foundation, Inc. (Foundation) as of December 31, 2010 and 2009, and the related consolidated statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Foundation's management. 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 audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Christian Church Foundation, Inc. as of December 31, 2010 and 2009, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audits were conducted for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The accompanying supplementary information is presented for purposes of additional analysis and is not a required part of the basic consolidated financial statements. Such information has been subjected to the procedures applied in the audits of the basic consolidated financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic consolidated financial statements taken as a whole.

BKD, LLP

February 25, 2011

Christian Church Foundation, Inc.
Consolidated Statements of Financial Position
December 31, 2010 and 2009

	<u>2010</u>	<u>2009</u>
Assets		
Cash	\$ 538,358	\$ 1,014,671
Marketable securities and other investments	437,330,511	381,062,902
Property and equipment – net	81,002	106,989
Contributions receivable	348,700	260,988
Other assets	<u>351,159</u>	<u>157,831</u>
Total assets	\$ <u>438,649,730</u>	\$ <u>382,603,381</u>
Liabilities		
Non-endowment funds		
Subject-to-withdrawal funds	\$ 279,265,689	\$ 238,743,681
Liability to income beneficiaries under life-income gifts	19,126,299	18,431,551
Liability to charitable beneficiaries under life-income gifts	5,035,954	4,919,195
Retiree healthcare liability	166,826	162,525
Other liabilities	<u>472,087</u>	<u>402,723</u>
Total non-endowment funds	<u>304,066,855</u>	<u>262,659,675</u>
Endowment funds held for the benefit of others		
Managed for the benefit of the charitable entity donor	10,439,979	9,329,373
Restricted purposes for other charitable beneficiaries	<u>7,907,482</u>	<u>7,342,551</u>
Total endowment funds held for the benefit of others	<u>18,347,461</u>	<u>16,671,924</u>
Total liabilities	<u>322,414,316</u>	<u>279,331,599</u>
Net Assets		
Unrestricted	17,643,988	16,249,334
Temporarily restricted	<u>98,591,426</u>	<u>87,022,448</u>
Total net assets	<u>116,235,414</u>	<u>103,271,782</u>
Total liabilities and net assets	\$ <u>438,649,730</u>	\$ <u>382,603,381</u>

Christian Church Foundation, Inc.
Consolidated Statement of Activities
For the Year Ended December 31, 2010

	Unrestricted	Temporarily Restricted	Total
Revenue, losses and other support:			
Contributions	\$ 527,316	\$ 4,626,101	\$ 5,153,417
Net investment return	1,892,178	11,974,172	13,866,350
Income from services provided	<u>2,177,294</u>	<u>—</u>	<u>2,177,294</u>
Total revenue, investment losses, and other support	<u>4,596,788</u>	<u>16,600,273</u>	<u>21,197,061</u>
Net assets released from restrictions:			
For distribution to other ministries	3,173,501	(3,173,501)	0
For Foundation services	819,645	(819,645)	0
Other	<u>55,793</u>	<u>(55,793)</u>	<u>0</u>
Total net assets released from restrictions	<u>4,048,939</u>	<u>(4,048,939)</u>	<u>0</u>
Total revenues, net investment activity, and changes in restrictions	8,645,727	12,551,334	21,197,061
Distributions, other expenses, and changes in actuarial value:			
Program expenses			
Distributions for ministry	3,981,921	—	3,981,921
Scott Foundation grants	217,312	—	217,312
Operating expenses	<u>2,872,326</u>	<u>—</u>	<u>2,872,326</u>
Total program activities	7,071,559	—	7,071,559
Management and general expense	<u>179,514</u>	<u>—</u>	<u>179,514</u>
Total expenses	<u>7,251,073</u>	<u>—</u>	<u>7,251,073</u>
Change in actuarial value of life-income agreements	<u>—</u>	<u>982,356</u>	<u>982,356</u>
Total expense and change in actuarial values	<u>7,251,073</u>	<u>982,356</u>	<u>8,233,429</u>
Change in net assets	1,394,654	11,568,978	12,963,632
Beginning of year net assets	<u>16,249,334</u>	<u>87,022,448</u>	<u>103,271,782</u>
End of year net assets	<u>\$ 17,643,988</u>	<u>\$ 98,591,426</u>	<u>\$ 116,235,414</u>

Christian Church Foundation, Inc.
Consolidated Statement of Activities
For the Year Ended December 31, 2009

	Unrestricted	Temporarily Restricted	Total
Revenue, gains and other support:			
Contributions	\$ 1,092,097	\$ 5,603,001	\$ 6,695,098
Net investment return	3,228,872	18,729,840	21,958,712
Income from services provided	<u>1,792,138</u>	<u>—</u>	<u>1,792,138</u>
Total revenue, gains, and other support	<u>6,113,107</u>	<u>24,332,841</u>	<u>30,445,948</u>
Net assets released from restrictions:			
For distribution to other ministries	2,936,972	(2,936,972)	0
For Foundation services	702,703	(702,703)	0
Other	<u>817,019</u>	<u>(817,019)</u>	<u>0</u>
Total net assets released from restrictions	<u>4,456,694</u>	<u>(4,456,694)</u>	<u>0</u>
Total revenues, net investment activity, and changes in restrictions	10,569,801	19,876,147	30,445,948
Distributions, other expenses, and changes in actuarial value:			
Program expenses			
Distributions for ministry	3,461,639	—	3,461,639
Scott Foundation grants	231,180	—	231,180
Operating expenses	<u>2,828,259</u>	<u>—</u>	<u>2,828,259</u>
Total program activities	6,521,078	—	6,521,078
Management and general expense	<u>201,364</u>	<u>—</u>	<u>201,364</u>
Total expenses	<u>6,722,442</u>	<u>—</u>	<u>6,722,442</u>
Change in actuarial value of life-income agreements	<u>—</u>	<u>331,333</u>	<u>331,333</u>
Total expense and change in actuarial values	<u>6,722,442</u>	<u>331,333</u>	<u>7,053,775</u>
Change in net assets	3,847,359	19,544,814	23,392,173
Beginning of year net assets	<u>12,401,975</u>	<u>67,477,634</u>	<u>79,879,609</u>
End of year net assets	<u>\$ 16,249,334</u>	<u>\$ 87,022,448</u>	<u>\$ 103,271,782</u>

Christian Church Foundation, Inc.
Consolidated Statements of Cash Flows
For the Years Ended December 31, 2010 and 2009

	<u>2010</u>	<u>2009</u>
Cash flows from operating activities:		
Change in net assets	\$ 12,963,632	\$ 23,392,173
Items not requiring (providing) operating activities cash flow:		
Depreciation	53,153	63,480
Net realized and unrealized gain on investments	(11,930,481)	(19,520,124)
Actuarial loss on life income gift obligations	982,356	331,333
Contributions and investment income received restricted for long-term investments	(6,360,529)	(8,746,419)
Change in other long-term assets and liabilities	(4,515)	(41,844)
Contribution of note receivable received	0	(1,651,903)
Accretion on note receivable	(182,115)	0
Changes in:		
Receivables	8,310	21,387
Prepaid expenses	(1,569)	35,462
Contributions receivable	(87,712)	985,928
Accounts payable and accrued expenses	2,662	5,112
Other assets and liabilities	<u>61,719</u>	<u>163,381</u>
Net cash used in operating activities	<u>(4,495,089)</u>	<u>(4,962,034)</u>
Cash flows from investing activities:		
Purchase of property and equipment	(28,212)	(43,692)
Proceeds from sale of automobile	9,516	0
Purchase of investments	(32,174,200)	(44,228,779)
Proceeds from sale of investments	30,473,699	41,399,455
Principal payments received on notes receivable	<u>25,542</u>	<u>26,283</u>
Net cash used in investing activities	<u>(1,693,655)</u>	<u>(2,846,733)</u>
Cash flows from financing activities:		
Payments on annuities and trusts payable	(648,098)	(500,616)
Proceeds from issuance of annuities and trusts payable restricted for long-term investments	580,813	54,786
Proceeds from contributions received restricted for long-term investments	4,045,288	6,534,143
Investment income received restricted for long-term investment	<u>1,734,428</u>	<u>2,157,490</u>
Net cash provided by financing activities	<u>5,712,431</u>	<u>8,245,803</u>
Net increase (decrease) in cash and cash equivalents	(476,313)	437,036
Cash at beginning of year	<u>1,014,671</u>	<u>577,635</u>
Cash at end of year	<u>\$ 538,358</u>	<u>\$ 1,014,671</u>

Christian Church Foundation, Inc.

Notes to Consolidated Financial Statements

December 31, 2010 and 2009

Note 1: Nature of Operations and Summary of Significant Accounting Policies

General and Principles of Consolidation

The Christian Church Foundation, Inc. (Foundation) was incorporated as a not-for-profit organization in November 1961, under the laws of the state of Indiana. The financial statements include the accounts of the Foundation and also the Joint Investment Trust of the Foundation (Trust), and the Oreon E. Scott Foundation.

The Trust, of which the Foundation is Trustee, exists exclusively to receive and to administer cash and property transferred by any congregation, region, general unit, or other institution affiliated with the Christian Church (Disciples of Christ) (Church). Management of the Trust is the responsibility of the Foundation. Separate Statements of Financial Position for the Trust are included as Supplemental Schedules to these financial statements.

The Oreon E. Scott Foundation (Scott Foundation) was established in 1950 to promote religious, charitable, benevolent, scientific, literacy or educational purposes within the United States. In 1974, the Scott Foundation was reformed to bring it under the control of the Christian Church Foundation. U.S. Trust, Bank of America Private Wealth Management serves as the corporate trustee for the Scott Foundation and three individual trustees, elected by the Foundation, are generally selected from among the presidents of certain General Units of the Church. No Foundation employees are eligible to serve as individual trustees of the Scott Foundation. The Scott Foundation is a grant-making foundation, with annual grants determined based on a majority vote of the individual trustees.

The Foundation seeks to support all of the ministries of the Church by providing opportunities for the stewardship of accumulated resources through planned giving on the part of individuals and through prudent investing and endowment policy development on the part of Church institutions. The Foundation is engaged primarily in educating individuals about planned giving and Church partners about prudent investing, receiving gifts and investments, and distributing funds for support of the many ministries of the Church. Support for the Foundation's operations is primarily received from its investment and fund management services. The Foundation is a donor-directed ministry, which means that most donors either direct or advise the Foundation as to the ministries which will benefit from their gift.

Upon mutual agreement, congregations, regions, general units and other institutions affiliated with the Christian Church (Disciples of Christ) may utilize services offered by the Foundation including bookkeeping, record keeping, electronic data processing and other administrative support.

Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of the revenues, expenses, gains, losses and other changes in net assets during the reporting period. Actual results could differ from those estimates.

Christian Church Foundation, Inc.

Notes to Consolidated Financial Statements

December 31, 2010 and 2009

Cash

The Foundation reports only its petty cash and bank deposits in federally insured accounts as cash. Due to the investing nature of the Foundation's operations, short-term, highly liquid investments are treated as investments rather than cash equivalents. At December 31, 2010, none of the Foundation's cash accounts exceeded the federally insured limit of \$250,000.

Investments

Investments are carried at fair value. For those investments with no quoted market prices, fair values used were those provided by the managers of the investment funds. These estimated values are subject to uncertainty and, therefore, may differ significantly from the value that would have been used had an open market for such investments existed. Such difference could be material. Realized and unrealized gains and losses are reflected in the Consolidated Statement of Activities for those investments that are a part of the Foundation's net assets.

Property and Equipment

Property and equipment and items which substantially increase the useful lives of existing assets are capitalized at cost and depreciated on the straight-line method over their estimated useful lives, which range from three to ten years.

Income Taxes

By virtue of its inclusion in the group exemption ruling of the General Assembly of the Christian Church (Disciples of Christ), the Foundation is exempt from federal income taxes under Section 501(c)(3) of the U.S. Internal Revenue Code. As a religious organization, the Foundation is not required to file U.S. Federal tax returns. The Foundation could, however, be subject to examinations by tax authorities for all years since incorporation.

Unrestricted Net Assets

Unrestricted net assets represent assets that may be legally expended by the Foundation for charitable purposes chosen by the Foundation. Unrestricted net assets include bequests and other testamentary gifts left to the Foundation without restrictions as well as donor advised funds where the donor has the ability to advise the Foundation on how these charitable gifts should ultimately be expended. The Foundation's Board of Directors has designated that unrestricted net assets held in permanent funds or as donor advised funds may only be expended in accordance with policies established by the Board of Directors or its donor advised fund committee.

Christian Church Foundation, Inc.
Notes to Consolidated Financial Statements
December 31, 2010 and 2009

Temporarily Restricted Net Assets

Temporarily restricted net assets generally represent endowment gifts that the Foundation has agreed to maintain in perpetuity for the benefit of the Church. Endowment net assets are classified as temporarily restricted if the Foundation has or will have the right to make regular distributions as defined in the Trust because, by definition, these distributions may temporarily erode a portion of the corpus. The Foundation may spend only the income, as defined in the Trust, and not the entire endowment gift. Temporarily restricted net assets also include the estimated charitable residual for charitable gift annuities that will add to endowment funds at the Foundation, gift assets that may be fully expended after an established period of time, or gift assets which are held for an agreed upon charitable purpose.

Permanently Restricted Net Assets

Permanently restricted net assets would represent funds that, either by agreement with the donors or by operation of law, may not be spent.

Contributions

Contributions received without donor stipulations are reported as unrestricted revenue and net assets. Monies received for an immediate specified, directed purpose are disbursed when received and are not recorded as contributions. Contributions received for permanent funds or life-income gifts, the residual of which will create a permanent fund, are reported as temporarily restricted revenue and net assets. Distributions from permanent funds are transferred to unrestricted funds as "net assets released from restrictions" in the period of disbursement.

Subsequent Events

Subsequent events have been evaluated through February 25, 2011 which is the date the financial statements were available to be issued.

Christian Church Foundation, Inc.

Notes to Consolidated Financial Statements

December 31, 2010 and 2009

Note 2: Financially Interrelated and Affiliated Organizations

The Church includes all those organizations that are listed in the Annual Yearbook and Directory of the Christian Church (Disciples of Christ) (Yearbook). Most of these organizations are individually incorporated with their own Board of Directors. Individual Church entities are generally independent and responsible for their own personnel policies, financial matters, program activities and other corporate matters which are affiliated by the common cause of the Church. All organizations included in the Yearbook are considered ministry partners affiliated with the Foundation.

The General Board, on behalf of the General Assembly of the Christian Church (Disciples of Christ), elects the Board of Directors of the Foundation. The Foundation and the General Assembly of the Christian Church are considered to be financially interrelated organizations.

Note 3: Endowment

The Foundation's primary ministry is to support the Church in perpetuity by providing opportunities for the stewardship of accumulated resources through planned giving. In conjunction with this ministry, the Foundation maintains approximately 800 named permanent endowment funds that are recorded as a part of the Foundation's net assets. Named permanent endowment funds include both donor-restricted endowment funds and funds designated by the Foundation's board of directors to function as endowments (board-designated endowment funds). As required by accounting principles generally accepted in the United States of America (GAAP), net assets associated with endowment funds, including board-designated endowment funds, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Foundation's board of directors (Board) has concluded, absent explicit donor stipulations to the contrary, that the Foundation's donor-restricted endowment funds should be governed under Indiana law. Under Indiana law, the Foundation is required to act in good faith to determine the prudent expenditure of accumulation of its endowment funds, giving full consideration to (1) the duration and preservation of the endowment fund, (2) the purposes of the Foundation and the endowment fund, (3) general economic conditions, (4) the possible effects of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Foundation and (7) the investment policy of the Foundation. From its inception, the Foundation has sought to balance the dual goals of providing maximum funds for ministry while also preserving, over the long-term, the inflation-adjusted value of a donor's gift.

In seeking to balance its dual goals, the Foundation's focus is on the development of an investment and spending policy that, over the long term, will both produce funds for ministry and preserve the gift value. Foundation donors may recommend one of four investment mixes for the investment of their gift. To satisfy its long-term rate of return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both current yield (investment income such as dividends and interest) and capital appreciation (both realized and unrealized). The Foundation targets diversified asset allocations, each of which places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints. Based

Christian Church Foundation, Inc.
Notes to Consolidated Financial Statements
December 31, 2010 and 2009

on 10-year asset class assumptions for each asset mix offered by the Foundation, the predicted long-term return for the Beasley Growth Fund is 8.6%, for the Campbell Multi-Strategy Fund is 9.2%, for the Common Balanced Fund is 7.8% and for the Brown Fund is 6.5%. For 2010 and 2009, the Foundation's spending policy, which retains a portion of each year's predicted earnings to offset inflation, was 5% of the monthly average balances for the Campbell and Beasley Funds and 4% of the monthly average balances for the Common Fund. For the Brown Fund the spending policy was 3.0% of the monthly average balances for 2010 and 2.5% of the monthly average balances for 2009.

Both Indiana law and the Foundation's standard gift agreements emphasize the development of a reasonable spending rate and provide for the distribution of funds at that rate, even when the fair value of a fund may have fallen below the original gift amount. Both Indiana law and the Foundation's standard gift agreements emphasize the Foundation's responsibility to steward every dollar held in endowment funds, whether those balances represent the original gift or appreciation on that gift realized over time. The Foundation Board's understanding of both the relevant law and the Foundation's donor agreements is that every dollar held in an endowment fund is equally important (and restricted) for the purposes named by the donor and that the invasion of a gift's corpus (original gift amount) is acceptable only if the appropriation of funds is pursuant to a spending policy that, over the long-term, preserves gift value. Furthermore, the Board understands that the Indiana law does not require that an inflation factor be applied to gifts to make a distinction in the level of restrictions to be applied to funds held in the Foundation's endowment. Because the Foundation has agreed to make regular distributions for ministry even when these distributions may temporarily erode a portion of the gift's original value and because the Foundation believes that both the value of the original gift and any appreciation on the gift is equally restricted for purposes named by the donor, the Foundation records 100% of permanent endowment gifts as temporarily restricted. It is the Foundation's clear practice and commitment that every dollar in its permanent endowment funds will be held and managed to meet the dual goals of fund growth and ministry distributions in perpetuity, in accordance with the donor's instructions.

Christian Church Foundation, Inc.
Notes to Consolidated Financial Statements
December 31, 2010 and 2009

Changes in endowment net assets for the years ended December 31, 2010 and 2009 were:

	2010		
	Board- designated Unrestricted	Temporarily Restricted	Total
Endowment net assets, beginning of year	\$ <u>14,175,857</u>	\$ <u>71,741,342</u>	\$ <u>85,917,199</u>
Investment return:			
Investment income	188,293	1,200,202	1,388,495
Net appreciation	<u>1,655,303</u>	<u>8,538,371</u>	<u>10,193,674</u>
Total invest- ment return	<u>1,843,596</u>	<u>9,738,573</u>	<u>11,582,169</u>
Contributions from outside sources	491,234	4,038,288	4,529,522
Transfers from matured life income gifts	50,402	783,899	834,301
Appropriation of endowment assets for expenditure	<u>(1,647,469)</u>	<u>(3,620,575)</u>	<u>(5,268,044)</u>
Endowment net assets, end of year	\$ <u>14,913,620</u>	\$ <u>82,681,527</u>	\$ <u>97,595,147</u>

Christian Church Foundation, Inc.
Notes to Consolidated Financial Statements
December 31, 2010 and 2009

	2009		
	Board- designated Unrestricted	Temporarily Restricted	Total
Endowment net assets, beginning of year	\$ <u>10,480,819</u>	\$ <u>54,701,096</u>	\$ <u>65,181,915</u>
Investment return:			
Investment income	273,213	1,547,199	1,820,412
Net appreciation	<u>2,765,507</u>	<u>13,147,573</u>	<u>15,913,080</u>
Total invest- ment return	<u>3,038,720</u>	<u>14,694,772</u>	<u>17,733,492</u>
Contributions from outside sources	1,051,705	5,548,217	6,599,922
Transfers from matured life income gifts	-0-	855,696	855,696
Appropriation of endowment assets for expenditure	<u>(395,387)</u>	<u>(4,058,439)</u>	<u>(4,453,826)</u>
Endowment net assets, end of year	\$ <u>14,175,857</u>	\$ <u>71,741,342</u>	\$ <u>85,917,199</u>

Substantially all of funds held by the Foundation as temporarily restricted are restricted for purposes designated by the donor.

Christian Church Foundation, Inc.
Notes to Consolidated Financial Statements
December 31, 2010 and 2009

Note 4: Functional Allocation of Expenses

The Foundation's ministry is to provide members, congregations, and other ministries of the Church with planned giving and endowment fund education and services. In conjunction with its planned giving education and services, the Foundation offers free seminars to congregations and personal assistance to potential donors who may wish to consider making a planned gift that benefits one or more ministries of the Church. An important part of the Foundation's ministry is to provide donors a place where their gifts will be maintained in perpetuity for the benefit of their chosen ministries. In its endowment fund education and services ministry, the Foundation assists the varied ministries of the Church with the development of endowment fund policies designed to both encourage gifts and prudently invest endowment funds. In this regard, the Foundation offers any Church ministry both counsel on the development of endowment policies and several investing opportunities. The Foundation's investments are offered only to ministries of the Church and are designed to maintain the endowment funds of the Church in a way that honors the dual goals of providing funds for ministry while also growing endowment gifts to keep pace with inflation.

All employees of the Foundation are actively involved in the Program Services of the Foundation, and most are responsible for both Gift Education and Services and Investment Education and Services. As a result of the integrated services provided, the Foundation does not separately account for the costs of its Gift and Investment programs.

In addition to its Program Services, the Foundation maintains payroll, personnel, and financial reporting functions that are primarily administrative in nature. Expenses for these functions, the cost of the Foundation's annual audit, and expenses related to the Foundation's board of directors are reported as management and general expense on the consolidated Statement of Activities.

Note 5: Contributions Receivable

Contributions receivable represent gifts pending from donors' estates as well as gifts that were mailed to the Foundation prior to December 31 but received by the Foundation in January of the following year. The Foundation has received or anticipates receipt of all of the recorded contributions receivable within the calendar year following their recording as a receivable.

Christian Church Foundation, Inc.
Notes to Consolidated Financial Statements
December 31, 2010 and 2009

Note 6: Marketable Securities and Other Investments

The Foundation's investments and their fair values at December 31 are as follows:

	<u>2010</u>	<u>2009</u>
Investments in unrelated parties:		
Short-term investments	\$ 5,767,403	\$ 5,110,285
Stock and stock funds		
Large Cap	121,915,285	113,050,535
Mid Cap	35,808,579	30,313,019
Small Cap	28,694,039	24,168,170
Public REITS	10,485,830	-
International	67,363,281	57,869,049
Bonds and bond funds		
Domestic	39,521,273	56,598,320
Global	40,027,131	32,664,971
TIPS	2,086,380	-
Alternative investments		
Hedge	33,959,571	26,005,575
Real	33,368,694	19,043,410
Notes receivable	1,967,258	1,810,685
Investments in related party:		
Church Extension	<u>16,365,787</u>	<u>14,428,883</u>
Total	\$ <u>437,330,511</u>	\$ <u>381,062,902</u>

At December 31, 2010 and 2009, the fair value of approximately 58% and 54% of the investments were provided by the managers of the funds.

In addition to managing the Foundation's own endowment funds, the Foundation also provides investment services to Disciples congregations, regions, general units, and recognized ministries. Investments in the Trust which are owned by other church partners or are held for their benefit are shown on the Consolidated Statement of Financial Position as subject to withdrawal funds or as endowment funds held for the benefit of others. These funds are invested in the same pooled funds that contain the Foundation's own permanent funds. The net investment return reported on the Consolidated Statement of Activities includes only the investment return from investments which are recorded as a part of the Foundation's net assets.

Net investment return is shown net of the related investment fees, which includes transaction costs and other service fees that may not be separately identifiable from the reported results. Net investment return is reflected in the Consolidated Statement of Activities as unrestricted or temporarily restricted based on the nature of donor agreements or legally imposed restrictions. The components of net investment return, which excludes income on investments for subject-to-withdrawal funds and other funds held for the benefit of others, are as follows:

	<u>2010</u>	<u>2009</u>
Interest and dividend income	\$ 2,141,299	\$ 2,610,193
Realized and unrealized gains and losses	11,930,481	19,520,124
Separately reported fees	<u>(205,430)</u>	<u>(171,605)</u>
	\$ <u>13,866,350</u>	\$ <u>21,958,712</u>

Christian Church Foundation, Inc.
Notes to Consolidated Financial Statements
December 31, 2010 and 2009

Note 7: Disclosures About Fair Value of Assets and Liabilities

Current accounting standards (ASC Topic 820) define fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Topic 820 also establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

- Level 1** Quoted prices in active markets for identical assets or liabilities
- Level 2** Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities
- Level 3** Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities

Following is a description of the valuation methodologies and inputs used for assets measured at fair value on a recurring basis and recognized in the accompanying statements of financial position, as well as the general classification of such assets pursuant to the valuation hierarchy.

Marketable Securities and Other Investments

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. Level 1 securities include short term investments, stocks, and publicly traded stock and bond mutual funds. If quoted market prices are not available, then fair values are estimated by using quoted prices of securities with similar characteristics or discounted cash flows. As a practical expedient, fair value of alternative investments and stock and bond funds without quoted market prices, is determined using the net asset value (or its equivalent) provided by the fund assuming the Foundation can redeem its investment at the net asset value per share at December 31 or within a reasonable period of time. Level 2 securities include stock and bond funds, alternative investments, and investments in Church Extension.

The following table presents the fair value measurements of assets and liabilities recognized in the accompanying statements of financial positions measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at December 31, 2010 and 2009:

Christian Church Foundation, Inc.

Notes to Consolidated Financial Statements December 31, 2010 and 2009

		2010		
		Fair Value Measurements Using		
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets				
Investments				
Short-term investments	\$ 5,767,403	\$ 5,767,403	\$ -	\$ -
Stock and stock funds				
Large Cap	121,915,285	11,189,204	110,726,081	-
Mid Cap	35,808,579	35,808,579	-	-
Small Cap	28,694,039	447,581	28,246,458	-
Public REITS	10,485,830	10,485,830	-	-
International	67,363,281	67,363,281	-	-
Bonds and Bond funds				
Domestic	39,521,273	39,521,273	-	-
Global	40,027,131	645,374	39,381,757	-
TIPS	2,086,380	2,086,380	-	-
Alternative investments				
Hedge	33,959,571	-	33,959,571	-
Real	33,368,694	-	33,368,694	-
Notes receivable	1,967,258	-	1,967,258	-
Investments in related party				
Church Extension	<u>16,365,787</u>	<u>-</u>	<u>16,365,787</u>	<u>-</u>
Total Investments	<u>\$ 437,330,511</u>	<u>\$ 173,314,905</u>	<u>\$ 264,015,606</u>	<u>\$ -</u>

Christian Church Foundation, Inc.

Notes to Consolidated Financial Statements December 31, 2010 and 2009

		2009		
		Fair Value Measurements Using		
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets				
Investments				
Short-term investments	\$ 5,110,285	\$ 5,110,285	\$ -	\$ -
Stock and stock funds				
Large Cap	113,050,535	14,394,736	98,655,799	-
Mid Cap	30,313,019	30,313,019	-	-
Small Cap	24,168,170	76,427	24,091,743	-
International	57,869,049	57,869,049	-	-
Bonds and Bond funds				
Domestic	56,598,320	56,598,320	-	-
Global	32,664,971	483,500	32,181,471	-
Alternative investments				
Hedge	26,005,575	-	26,005,575	-
Real	19,043,410	-	19,043,410	-
Notes receivable	1,810,685	-	1,810,685	-
Investments in related party				
Church Extension	<u>14,428,883</u>	<u>-</u>	<u>14,428,883</u>	<u>-</u>
Total Investments	<u>\$ 381,062,902</u>	<u>\$ 164,845,336</u>	<u>\$ 216,217,566</u>	<u>\$ -</u>

Christian Church Foundation, Inc.
Notes to Consolidated Financial Statements
December 31, 2010 and 2009

The following table presents information regarding funds with fair value that is determined using the net asset value (or its equivalent) provided by the fund. There were no unfunded commitments for 2010 and 2009.

	2010	2009	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
	Fair Value	Fair Value		
Assets				
Investments				
Stock and stock funds				
Large Cap (a)	\$ 110,726,081	\$ 98,655,799	Daily/Monthly	Two days
Small Cap (b)	28,246,458	24,091,743	Monthly	15 days
Bonds and bond funds				
Global (c)	39,381,757	32,181,471	Monthly	10 business days
Alternative investments				
Hedge (d)	33,959,571	26,005,575	Monthly/Qtrly	8, 65, or 90 days
Real (e)	<u>33,368,694</u>	<u>19,043,410</u>	Monthly	10 days
Total	<u>\$ 245,682,561</u>	<u>\$ 199,977,998</u>		

- (a) This category includes investments in a common trust fund that invests in domestic stocks. The fund is a S&P 500 indexed fund investing in large capitalizations which mirrors the S&P 500 index and includes both value and growth strategies. There is no restriction (lock-up) period for these investments.
- (b) This category includes investments in a common trust fund that invests in domestic stocks, specifically, small capitalization growth funds. There is no restriction (lock-up) period for these investments.
- (c) This category includes investments in a common trust fund that invests in global bonds. There is no restriction (lock-up) period for these investments.
- (d) This category invests in hedge fund of funds that pursue multiple strategies to diversify risk and reduce volatility. One fund of funds group uses hedged equity, market neutral, global trading, and long and short biased strategies. No single manager is allocated more than 10% of the assets. The other fund of funds group invests 50% to long/short equity, 20% to event driven, 20% to relative value and 10% to global asset allocation strategies with no single manager being allocated more than 15% of the assets. The fair values of the investments in this category have been estimated using the net asset value per share of the underlying investments. There is generally a one year restriction (lock-up) period on these investments.
- (e) This category invests in a common trust fund that invests in core energy equities, metals and mining equities, agriculture, livestock and forest products equities, global precious metals, global climate change equities, commodities and inflation-protected core bonds. There is no restriction (lock-up) period for these investments.

Christian Church Foundation, Inc.

Notes to Consolidated Financial Statements

December 31, 2010 and 2009

The following methods were used to estimate the fair value of all other financial instruments recognized in the accompanying statements of financial position at amounts other than fair value.

Cash, contributions receivable, subject-to-withdrawal funds, liabilities to income and charitable beneficiaries under life-income gifts, and endowment funds held for the benefit of others.

The carrying amount approximates fair value.

Note 8: Life Income Gift Agreements

The Foundation administers a charitable gift annuity program on behalf of many of the ministries of the Church. All assets or proceeds from assets received in exchange for a charitable gift annuity are segregated in a separate fund and are not commingled with other Foundation assets. At December 31, 2010 and 2009 the fair values of the investments in this fund were \$15.1 and \$14.8 million, respectively. The obligation to pay the annuity amount to annuitants is a general obligation of the Foundation and is estimated using the applicable federal rates (AFRs) at the gift date. Those rates ranged from 1.8% to 10.2% at December 31, 2010 and the obligation was \$9.7 million. At December 31, 2009 the rates ranged from 2.4% to 10.2% and the obligation was \$9.8 million. The present value of the liability to income beneficiaries of charitable gift annuities is included as a part of the "Liability to income beneficiaries under life-income gifts." After the obligation to the income beneficiary of a gift annuity is satisfied, the residual value of the charitable gift annuity may establish a permanent fund at the Foundation or be distributed to other charitable organizations selected by the donor. The present value of the estimated charitable residual of gift annuities which will be distributed to other charitable organizations is shown as "Liability to charitable beneficiaries under life-income gifts." At December 31, 2010 and 2009, the estimated charitable residual value for charitable gift annuities which were intended to be distributed outside the Foundation was \$3.0 and \$2.7 million, respectively. The actuarial value for gifts whose remainder will become a permanent fund of the Foundation is included in net assets of the Foundation.

Many states require a charity to register and meet state-specific requirements before offering charitable gift annuities in that state. Annually, the Foundation is required to meet certain state-specific requirements surrounding reserves held to meet its obligations to charitable gift annuity income beneficiaries. At December 31, 2010 and 2009, the Foundation's gift annuity reserves are in excess of the most stringent of these state-specific mandates of \$12.5 million and \$13.8 million respectively.

The Foundation also serves as trustee for charitable remainder trusts. These agreements also require periodic payments to income beneficiaries named by the donor. The present value of the liability to income beneficiaries of charitable remainder trusts is included as a part of the "Liability to income beneficiaries under life-income gifts." The obligation is also discounted using the AFR on the gift date. Those rates range from 1.8% to 11.0% and at December 31, 2010 and 2009 that obligation was \$9.4 and \$8.6 million, respectively. The actuarial value of the charitable residual for gifts whose remainder will become a permanent fund of the Foundation is included in the net assets of the Foundation. The present value of the estimated charitable residual of gift instruments which will be distributed to other charitable organizations is shown as "Liability to charitable beneficiaries under life-income gifts." The Foundation revalues these liabilities annually based on

Christian Church Foundation, Inc.

Notes to Consolidated Financial Statements

December 31, 2010 and 2009

actuarial assumptions and the fair value of the underlying investments. At December 31, 2010 and 2009, the estimated charitable residual value for charitable remainder trusts which were intended to be distributed outside the Foundation was \$2.0 and \$2.2 million, respectively.

Note 9: Leases

The Foundation provided, along with certain other affiliated organizations, a guaranty to a lease agreement entered into by Christian Church Services, Inc. As a guarantor for its pro rata share of the liability, the Foundation will sublease operating facilities from Christian Church Services, Inc. under an operating lease arrangement. The lease commenced February 15, 1995 and expires July 14, 2016. The lease also provides an option to extend the lease for two additional five-year terms. Additionally, the lease provides for additional rent to cover certain operating costs, which is calculated annually and added to the base rent. Total lease expense paid for 2010 and 2009 was \$128,039 and \$123,124, respectively.

Future minimum annual base rental payments under this operating lease are as follows:

2011	91,538
2012	96,844
2013	102,149
2014	102,149
2015	107,185
Thereafter	<u>56,110</u>
	<u>\$ 555,975</u>

Note 10: Employee Benefits

Pension Plan

Employees of the Foundation who meet certain eligibility requirements participate in a defined-benefit plan of the Pension Fund of the Christian Church (Disciples of Christ). Contributions are paid monthly to the plan and are 14% (11% for the defined-benefit pensions and 3% for other benefits) of the base salaries of participating employees. Pension expense for 2010 and 2009 was \$220,383 and \$210,793, respectively.

Health Care

The Foundation provides health care coverage to employees and certain eligible retirees primarily through its participation in the churchwide health plan, the Christian Church (Disciples of Christ) Health Care Benefit Trust, administered by the Pension Fund of the Christian Church. The Foundation also provides coverage to retirees in certain other health plans on a limited basis. The Foundation funds benefit costs on a pay-as-you-go basis. For 2010 and 2009, the Foundation made benefit payments to the churchwide health plan totaling \$187,112 (\$171,887 for employees and \$15,225 for retirees) and \$334,380 (\$316,875 for employees and \$17,505 for retirees), respectively.

Christian Church Foundation, Inc.
Notes to Consolidated Financial Statements
December 31, 2010 and 2009

Additionally, the Foundation made benefit payments to other health plans totaling \$2,357 in both 2010 and 2009. The accumulated postretirement benefit obligation for retirees is calculated using premium costs rather than claims experience, based on the nature of the churchwide plan. The weighted-average discount rate used in determining the accumulated postretirement benefit obligation for 2010 and 2009 was 7%. For measurement purposes at December 31, 2010 and 2009, a 7% annual rate of increase in the per capita cost of covered health care benefits was assumed in the first year and years thereafter.

Note 11: Current Economic Conditions

The Foundation depends on income from its financial services in order to fulfill its broader ministry. The investments and services offered by the Foundation are long-term in nature; therefore the Foundation does not anticipate significant, nonmarket-related changes in its operating revenues. Gift income is primarily received from donors' estates, and is only minimally impacted by economic conditions. New investments to the Foundation's Joint Investment Trust continued to outpace unscheduled withdrawals during 2010.

Supplementary Information

Christian Church Foundation, Inc.
Supplemental Schedule
Statement of Financial Position – Joint Investment Trust (JIT)
December 31, 2010

	<u>Common</u>	<u>Beasley</u>	<u>Campbell</u>	<u>Brown</u>	<u>JIT Total</u>
Assets					
Marketable securities and other investments	<u>167,374,069</u>	<u>118,769,688</u>	<u>91,494,484</u>	<u>6,643,389</u>	<u>384,281,630</u>
Total assets	<u>\$ 167,374,069</u>	<u>\$ 118,769,688</u>	<u>\$ 91,494,484</u>	<u>\$ 6,643,389</u>	<u>\$ 384,281,630</u>
Liabilities					
Non-endowment funds					
Subject-to-withdrawal funds	<u>\$ 134,187,894</u>	<u>\$ 97,410,271</u>	<u>\$ 36,328,298</u>	<u>\$ 6,444,361</u>	<u>\$ 274,370,824</u>
Total non-endowment funds	<u>134,187,894</u>	<u>97,410,271</u>	<u>36,328,298</u>	<u>6,444,361</u>	<u>274,370,824</u>
Endowment funds held for the benefit of others					
Managed for the benefit of the charitable entity donor	4,390,044	4,017,322	1,839,741	—	10,247,107
Restricted purposes for other charitable beneficiaries	<u>412,930</u>	<u>1,345,095</u>	<u>5,917,780</u>	<u>8,534</u>	<u>7,684,339</u>
Total endowment funds held for the benefit of others	<u>4,802,974</u>	<u>5,362,417</u>	<u>7,757,521</u>	<u>8,534</u>	<u>17,931,446</u>
Total liabilities	<u>138,990,868</u>	<u>102,772,688</u>	<u>44,085,819</u>	<u>6,452,895</u>	<u>292,302,270</u>
Net Assets					
Unrestricted					
Board designated	2,376,806	1,907,305	9,924,049	151,682	14,359,842
Temporarily restricted	<u>26,006,395</u>	<u>14,089,695</u>	<u>37,484,616</u>	<u>38,812</u>	<u>77,619,518</u>
Total net assets	<u>28,383,201</u>	<u>15,997,000</u>	<u>47,408,665</u>	<u>190,494</u>	<u>91,979,360</u>
Total liabilities and net assets	<u>\$ 167,374,069</u>	<u>\$ 118,769,688</u>	<u>\$ 91,494,484</u>	<u>\$ 6,643,389</u>	<u>\$ 384,281,630</u>
Unit Value per Share	<u>\$ 230.41</u>	<u>\$ 322.58</u>	<u>\$ 84.58</u>	<u>\$ 155.67</u>	

Christian Church Foundation, Inc.
Supplemental Schedule
Statement of Financial Position – Joint Investment Trust (JIT)
December 31, 2009

	<u>Common</u>	<u>Beasley</u>	<u>Campbell</u>	<u>Brown</u>	<u>JIT Total</u>
Assets					
Marketable securities and other investments	\$ <u>149,002,310</u>	\$ <u>115,567,303</u>	<u>62,349,963</u>	\$ <u>5,131,402</u>	\$ <u>332,050,978</u>
Total assets	\$ <u>149,002,310</u>	\$ <u>115,567,303</u>	\$ <u>62,349,963</u>	\$ <u>5,131,402</u>	\$ <u>332,050,978</u>
Liabilities					
Non-endowment funds					
Subject-to-withdrawal funds	\$ <u>120,232,029</u>	\$ <u>95,846,429</u>	\$ <u>15,250,654</u>	\$ <u>4,932,207</u>	\$ <u>236,261,319</u>
Total non-endowment funds	<u>120,232,029</u>	<u>95,846,429</u>	<u>15,250,654</u>	<u>4,932,207</u>	<u>236,261,319</u>
Endowment funds held for the benefit of others					
Managed for the benefit of the charitable entity donor	3,959,487	3,706,078	1,502,160	—	9,167,725
Restricted purposes for other charitable beneficiaries	<u>378,337</u>	<u>1,243,335</u>	<u>5,510,915</u>	<u>7,830</u>	<u>7,140,471</u>
Total endowment funds held for the benefit of others	<u>4,337,824</u>	<u>4,949,413</u>	<u>7,013,075</u>	<u>7,830</u>	<u>16,308,142</u>
Total liabilities	<u>124,569,853</u>	<u>100,795,842</u>	<u>22,263,729</u>	<u>4,940,037</u>	<u>252,569,461</u>
Net Assets					
Unrestricted					
Board designated	2,443,885	1,917,735	9,036,851	176,644	13,575,115
Temporarily restricted	<u>21,988,572</u>	<u>12,853,726</u>	<u>31,049,383</u>	<u>14,721</u>	<u>65,906,402</u>
Total net assets	<u>24,432,457</u>	<u>14,771,461</u>	<u>40,086,234</u>	<u>191,365</u>	<u>79,481,517</u>
Total liabilities and net assets	\$ <u>149,002,310</u>	\$ <u>115,567,303</u>	\$ <u>62,349,963</u>	\$ <u>5,131,402</u>	\$ <u>332,050,978</u>
Unit Value per Share	\$ <u>211.11</u>	\$ <u>300.17</u>	\$ <u>78.76</u>	\$ <u>142.84</u>	

The General Board reviewed Report No. 1104 from the Christian Church Foundation. The report is submitted to the General Assembly for consideration and discussion. No action is required. (Discussion time 12 minutes)

No. 1105

**Board of Church Extension of Disciples of Christ
dba Church Extension
(inclusive of New Church Ministry)**

Lori Adams, Transitional President

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***Called by God, Church Extension, together with our investors and partners,
offers mission-driven capital planning and funding services to Disciples of Christ
congregations
in the context of their culture and stage of life.***

Church Extension came to a crossroads in 2010. For more than 127 years, this financial ministry of the Christian Church (Disciples of Christ) has been a resource to congregations, helping them acquire the knowledge, loans and other funding to plan and construct/renovate buildings to meet their 19th and 20th century ministry housing needs. Now, in the 21st century, with the rapid decline and evolution of congregational life as we know it, Church Extension's role in working with congregations is shifting dramatically.

This shift is not simply reactive. In fact, Church Extension has been deeply intentional over the past year in discerning the direction the organization should go. To that end, Church Extension staff and directors have been intensely engaged in discussion with other Disciples ministries and regional, pastoral and ecumenical partners who also recognize the need for significant change. Virtually all involved in the discernment believe it is imperative that we collaborate to meet congregations at the point of their needs, rather than within the context of our institutional structures. All the partners agree that we must find new and more effective ways to mobilize resources that support new and renewing congregational mission. We must accompany these congregations in their unique and often courageous missional journeys, not expect them to accompany us in our prescribed ones.

In summer 2010, Jim Powell announced he was retiring as president of Church Extension. He made this personal and professional decision on the eve of Church Extension's jumping off point – when the organization has a new vision for the future and is poised and prepared to serve differently and more collaboratively than ever before. After 27 years of exceptional leadership with Church Extension, Jim's legacy is this vision for service that helps congregations become more outward focused and more reflective of the ever-changing face of America. Jim made his retirement decision confident that he had helped to amass a creative, committed and knowledgeable team who could translate the vision into impactful services and programs that congregations are seeking.

A re-imagined Church Extension

The Hope Partnership for Missional Transformation has been born out of this vision. In collaboration with Disciples Home Missions, Higher Education Leadership Ministries and other partners, Hope Partnership addresses three major congregational areas of need that must be met overall if Disciples congregational mission is to be successfully redeveloped and sustained:

1. Physical assets must be leveraged for mission. Given the organization's expertise and legacy in helping congregations with mission-driving capital planning and funding, Church Extension is positioned to help churches think creatively about what forms housing/location for mission might take into the future.

Take Oakland Christian Church in Oakland, Iowa, for example. The congregation faced a dilemma – what to do about their old church building (1860) that was no longer meeting their needs and was, in fact, depleting resources they wanted to use for their ministry. With the help of Church Extension's planning services and after much creative effort, they determined that relocation into a former restaurant was the answer. They completed a capital campaign and came to Church Extension for a loan to complete remodeling of the donated space for worship and as a mission center. In the future, Church Extension will continue to expand and fine tune its relocation services for congregations.

2. Inspirational and empowering leaders must be developed through recruitment, network, training and support. Church Extension staff and others are in the process of developing assessment and training models to be piloted in 2011 that will help determine what qualities and expertise are best indicators of a leader's potential to help congregations succeed at making a meaningful and sustainable difference in their communities.

David Hedgepeth came to Community Christian Church in Marana, Ariz., at a point when the congregation had critical decisions to make and needed help making them. Church Extension's New Beginnings Assessment Service, provided in cooperation with the region, made it possible for Dave and other congregational leaders to openly and constructively explore their options. Through the process, Dave modeled patience, commitment, diligence, risk-taking, honesty and a willingness to try new things. Most importantly, he empowered his congregation by giving leadership away to them, by trusting them to make the sacrificial and right decisions for the sake of their future mission.

Likewise, Sammy Robles, a young Hispanic pastor, knew that his first-generation Hispanic church wasn't speaking to him and other second-generation Hispanic Disciples. With the help of New Church Ministry's services and planter training,

Sammy was able to identify a neighborhood containing the demographic he sought to serve in southeast Orlando, Fla., that wanted and needed a Disciples presence. His vision, creativity and openness to something new and different enabled him to launch Arise Christian Church in leased and cyber-space. The congregation continues to grow and serve.

3. New goals for mission and transformation must be identified, embraced and pursued. Congregations who shift to looking outward to the needs of their neighbors and then focus their energies and resources on meeting those needs are more likely to become truly transformed. This shift won't come easily to most congregations. Responding to the call to be missional will require ministry planning, a process with which Church Extension and other Hope partners will be able to help.

While New Light Christian Church in Indianapolis was making a sincere effort to connect with their neighboring community, their many programs were overwhelming their limited resources, making it difficult for them to meet their program and financial obligations effectively. Church Extension consultants worked with the church leaders to focus on the critical question of priorities and on what they could sustain and/or partner with to provide. As a result, New Light decided to focus its human and financial resources primarily on older youth, who rely on the church for guidance, support and safe haven. With this plan, the church was able to get healthier financially and, more importantly, is now making a more impactful difference in the lives of the young people they feel called to serve.

Business as usual

Even with Church Extension's intense dedication this past year to discerning and beginning implementation of this new vision, it was also very much "business as usual" at the organization in 2010:

- Overall, Church Extension provided 347 services and recorded 455 visits to congregations.
- Church Extension approved 52 loans in 2010, 18 of them to racial/ethnic and Puerto Rican Disciples of Christ congregations.
- Consultants worked intently one-on-one with congregations who were delinquent on loan payments to develop strategies to catch up on their payment obligations. Of the total number of past-due loans in 2010, 19 percent were back on track by the end of the year. Of the loans that were severely delinquent, 28 percent are back on track.
- Church Extension served 31 congregations with New Beginnings assessments (nine with modified assessments) to help them decide whether they can move

into an intentional decision for missional redefinition, redevelopment or closure. Church Extension also licensed the Presbyterian Church to use the New Beginnings process and trained their consultants to provide the service.

- Three congregations benefited from Green Audits, enabling them to defer dollars spent on energy to mission.

Witness Park Hill Christian Church in Kansas City, Mo., who lowered their energy costs by thousands of dollars and more than doubled the missional use of their building by implementing many of the recommendations in their Green Audit report.

In addition, Church Extension made four Green Loans to congregations to help fund environmental improvements to their buildings. The ministry also began a partnership with the Green Chalice program in the Kentucky region.

- Church Extension provided capital fundraising services to approximately 27 congregations in 2010. The ministry also continued to fine tune its new Mustard Seed Fundraising Service, designed primarily for racial/ethnic congregations, and the Ask Seek Knock Fundraising Service for larger-scale projects.
- Even with a significant decline in revenue, New Church Ministry continues to be a bright light in the denomination as a leader in helping Disciples create sustainable mission, primarily through the recruitment, development and coaching of passionate, inspiring and empowering new church leaders. In 2010, Disciples planted 46 new churches, bringing the total to 687 since 2001.

Some of these new churches were launched by established congregations. For example, Mississippi Boulevard Christian Church in Memphis, Tenn., successfully started four new congregations in just eight years. One averages 6,000 in worship; another reaches hundreds of children and youth; another focuses on racial reconciliation.

- New Church Ministry provided training and discernment support to 109 new church planters and core team members in 2010. Sixty-seven new church pastors attended New Church's Super Peer event where they were able to re-energize through the support and lifting up of fellow new church planters and coaches.
- Thanks to the blessings of generous donors, forward-thinking investors and conscientious borrowers, Church Extension continues to experience good financial health with positive operational results.

Today AND tomorrow

It is with passion, commitment, confidence and urgency that Church Extension staff, directors and partners will continue to focus on the challenges and blessings inherent in doing business as usual AND doing a new thing. Grounded in the foundation of the Church's four priorities and the imperative of strengthening congregations for mission, the organization will strive to serve churches so that together we may live out the Good News of Jesus Christ from our doorsteps to the end of the Earth.

The General Board reviewed Report No. 1105 from Church Extension – New Church Ministry. The report is submitted to the General Assembly for consideration and discussion. No action is required. (Discussion time 12 minutes)

Board of Church Extension of Disciples of Christ, Inc.

Financial Statements as of December 31, 2010
and 2009, and for the Three Years Ended
December 31, 2010, 2009, and 2008, and
Independent Auditors' Report

BOARD OF CHURCH EXTENSION OF DISCIPLES OF CHRIST, INC.

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of the
Board of Church Extension of Disciples of Christ, Inc.
Indianapolis, Indiana

We have audited the accompanying statement of financial position of the Board of Church Extension of Disciples of Christ, Inc. ("Church Extension") as of December 31, 2010 and 2009, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of Church Extension's management. Our responsibility is to express an opinion on these financial statements based on our audits. The financial statements of Church Extension for the year ended December 31, 2008 were audited by other auditors whose report, dated March 11, 2009, expressed an unqualified opinion on those statements.

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 audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Church Extension's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such 2010 and 2009 financial statements present fairly, in all material respects, the financial position of Church Extension as of December 31, 2010 and 2009, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Deloitte & Touche LLP

March 22, 2011

BOARD OF CHURCH EXTENSION OF DISCIPLES OF CHRIST, INC.

STATEMENTS OF FINANCIAL POSITION AS OF DECEMBER 31, 2010 AND 2009

	2010	2009
ASSETS		
CASH AND CASH EQUIVALENTS	\$ 8,723,624	\$ 3,049,620
INVESTMENTS	25,621,288	21,564,608
RESTRICTED INVESTMENTS	<u>2,883,400</u>	<u>2,610,000</u>
Total cash and investments	37,228,312	27,224,228
ACCRUED INTEREST RECEIVABLE	1,034,863	1,336,737
LOANS TO CHURCHES AND RELATED ORGANIZATIONS — Net	150,644,394	151,639,287
SUNDRY RECEIVABLES AND OTHER ASSETS	2,396,717	2,560,295
PROPERTY AND EQUIPMENT — Net	<u>171,782</u>	<u>207,863</u>
TOTAL	<u>\$ 191,476,068</u>	<u>\$ 182,968,410</u>
LIABILITIES AND NET ASSETS		
LINE OF CREDIT	\$ -	\$ 550,000
INVESTMENT NOTES AND OTHER OBLIGATIONS	161,991,225	155,051,008
OTHER LIABILITIES	1,663,793	1,698,584
BENEFIT OBLIGATIONS	<u>304,688</u>	<u>307,248</u>
Total liabilities	<u>163,959,706</u>	<u>157,606,840</u>
NET ASSETS:		
Unrestricted net assets:		
Interest-free loan funds	3,764,367	3,760,873
Accessibility low-interest loan funds	763,999	757,874
Memorial, named, and other board-designated funds	11,102,004	11,169,803
General	<u>9,797,489</u>	<u>7,243,751</u>
Total unrestricted net assets	25,427,859	22,932,301
Temporarily restricted net assets	1,205,654	1,549,083
Permanently restricted net assets	<u>882,849</u>	<u>880,186</u>
Total net assets	<u>27,516,362</u>	<u>25,361,570</u>
TOTAL	<u>\$ 191,476,068</u>	<u>\$ 182,968,410</u>

See notes to financial statements.

BOARD OF CHURCH EXTENSION OF DISCIPLES OF CHRIST, INC.

STATEMENTS OF ACTIVITIES

FOR THE THREE YEARS ENDED DECEMBER 31, 2010, 2009 AND 2008

	2010	2009	2008
INCOME:			
Interest on loans	\$ 10,034,900	\$ 10,716,159	\$ 11,045,678
Interest and dividends on investments	728,012	636,048	695,176
Disciples Mission Fund	80,168	81,766	82,949
Fees, services, and other operating income	572,447	549,820	549,280
Net assets released from restrictions	<u>967,351</u>	<u>925,957</u>	<u>941,870</u>
Total income	<u>12,382,878</u>	<u>12,909,750</u>	<u>13,314,953</u>
EXPENSES:			
Interest on investment notes and other obligations	5,747,513	6,101,114	6,918,312
Salaries and employee benefits	3,757,182	3,834,666	3,524,473
Travel	339,862	302,409	307,872
Headquarters expense	1,871,848	1,937,987	1,719,744
Provision (benefit) for loan losses	(853,103)	120,000	90,000
New Church Ministry	<u>407,349</u>	<u>432,026</u>	<u>514,893</u>
Total expenses	<u>11,270,651</u>	<u>12,728,202</u>	<u>13,075,294</u>
INCOME FROM OPERATIONS	<u>1,112,227</u>	<u>181,548</u>	<u>239,659</u>
OTHER CHANGES IN UNRESTRICTED NET ASSETS:			
Bequests, annuities, and other gifts	388,201	263,349	1,633
Gain (loss) on investments	<u>995,130</u>	<u>1,444,801</u>	<u>(3,442,034)</u>
Total change in unrestricted net assets	<u>2,495,558</u>	<u>1,889,698</u>	<u>(3,200,742)</u>
TEMPORARILY RESTRICTED NET ASSETS:			
Temporarily restricted gift and investment income	623,922	1,096,816	661,999
Net assets released from restrictions	<u>(967,351)</u>	<u>(925,957)</u>	<u>(941,870)</u>
Total change in temporarily restricted net assets	<u>(343,429)</u>	<u>170,859</u>	<u>(279,871)</u>
PERMANENTLY RESTRICTED NET ASSETS:			
Permanently restricted gift and investment income (loss)	<u>2,663</u>	<u>4,982</u>	<u>(3,636)</u>
Total change in permanently restricted net assets	<u>2,663</u>	<u>4,982</u>	<u>(3,636)</u>
TOTAL CHANGE IN NET ASSETS	2,154,792	2,065,539	(3,484,249)
BEGINNING NET ASSETS	<u>25,361,570</u>	<u>23,296,031</u>	<u>26,780,280</u>
ENDING NET ASSETS	<u>\$ 27,516,362</u>	<u>\$ 25,361,570</u>	<u>\$ 23,296,031</u>

See notes to financial statements.

BOARD OF CHURCH EXTENSION OF DISCIPLES OF CHRIST, INC.

STATEMENTS OF CASH FLOWS

FOR THE THREE YEARS ENDED DECEMBER 31, 2010, 2009 AND 2008

	2010	2009	2008
OPERATING ACTIVITIES:			
Change in total net assets	\$ 2,154,792	\$ 2,065,539	\$ (3,484,249)
Adjustments to reconcile change in total net assets to net cash provided by (used in) operating activities:			
Provision (benefit) for loan losses	(853,103)	120,000	90,000
Depreciation and amortization	86,376	83,595	99,226
Amortization of premium — less accretion of discount on investments	601,834	95,492	2,996
Net (gain) loss on investments	(995,130)	(1,444,801)	3,472,471
Changes in operating assets and liabilities:			
Accrued interest receivable	301,874	(175,473)	2,658
Sundry receivable and other assets	163,578	(500,763)	(370,905)
Other liabilities and benefit obligations	(37,351)	36,476	(256,370)
Net cash provided by (used in) operating activities	<u>1,422,870</u>	<u>280,065</u>	<u>(444,173)</u>
INVESTING ACTIVITIES:			
Proceeds from sale of investments	13,630,471	12,057,817	13,087,349
Purchases of investments	(17,567,255)	(21,067,299)	(16,240,688)
Principal collected on loans	13,189,186	14,162,111	23,657,160
Loan funds advanced	(11,341,190)	(17,409,994)	(22,242,344)
Purchase of property and equipment	(50,295)	(27,741)	(93,846)
Net cash used in investing activities	<u>(2,139,083)</u>	<u>(12,285,106)</u>	<u>(1,832,369)</u>
FINANCING ACTIVITIES:			
Borrowings on line of credit	1,400,000	5,125,000	2,800,000
Repayments of line of credit	(1,950,000)	(4,575,000)	(2,800,000)
Sales of investment notes	76,121,980	43,863,062	29,388,368
Redemptions of investment notes	(69,181,763)	(34,385,852)	(29,217,435)
Net cash provided by financing activities	<u>6,390,217</u>	<u>10,027,210</u>	<u>170,933</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	5,674,004	(1,977,831)	(2,105,609)
CASH AND CASH EQUIVALENTS — Beginning of year	<u>3,049,620</u>	<u>5,027,451</u>	<u>7,133,060</u>
CASH AND CASH EQUIVALENTS — End of year	<u>\$ 8,723,624</u>	<u>\$ 3,049,620</u>	<u>\$ 5,027,451</u>
INTEREST PAID	<u>\$ 2,129,500</u>	<u>\$ 2,272,715</u>	<u>\$ 2,839,481</u>

See notes to financial statements.

BOARD OF CHURCH EXTENSION OF DISCIPLES OF CHRIST, INC.

NOTES TO FINANCIAL STATEMENTS AS OF DECEMBER 31, 2010 AND 2009, AND FOR THE THREE YEARS ENDED DECEMBER 31, 2010, 2009, AND 2008

1. SIGNIFICANT ACCOUNTING POLICIES

Business — Board of Church Extension of Disciples of Christ, Inc. (“Church Extension”) is a not-for-profit corporation affiliated through its common religious purposes with the Christian Church (Disciples of Christ). Church Extension is engaged primarily in assisting congregations and units of the Church in planning and financing their capital expansion projects. Church Extension is also engaged in providing resources to assist in establishing new congregations. Church Extension’s primary means of obtaining the funds necessary to conduct its operations is through the receipt of proceeds from the sale of its investment obligations, primarily in the form of term and demand notes. Church Extension believes that nearly all funds raised by issuance of its debt obligations are from members and units of the Christian Church (Disciples of Christ).

Events occurring subsequent to the date of the statement of financial condition have been evaluated for potential recognition or disclosure in the financial statements through March 22, 2011, the date of the issuance of the financial statements.

Cash Equivalents — Church Extension considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

Investments — Investments, including permanently restricted investments, are carried at fair value. Investments for which quoted market prices are not available are valued by the investment manager of the fund based on fair value of the underlying assets. Realized and unrealized gains and losses on investments are calculated based on the cost or the amortized cost of the specific investment.

Restricted investments represent a deposit to support certain third-party financing arrangements and are discussed in Note 12.

The Board of Directors is responsible for setting and altering Church Extension’s investment policies. The Treasurer, a Vice President, and the Assistant Treasurer of Church Extension are responsible for directing the investments in accordance with those policies.

Loans — Interest income on interest-bearing loans is computed daily based upon the principal amount of the loans outstanding prior to payments received. The accrual of interest income for commercial loans is discontinued when there is a clear indication that the borrower’s cash flow may not be sufficient to meet payments as they become due. Such loans are placed on nonaccrual status when the principal or interest is past due 150 days or more, unless the borrower is making at least interest only payments or the loan is fully collateralized and is in the process of collection. When a loan is placed on nonaccrual status, all previously accrued and unpaid interest is charged against interest income and the loan is accounted for on the cost recovery method thereafter, until qualifying for return to accrual status. Generally, a loan is returned to accrual status when all delinquent interest and principal payments become current in accordance with the terms of the loan agreement or when the loan is both well secured and in the process of collection.

Church Extension maintains an allowance to absorb probable loan losses inherent in the portfolio. The allowance for possible loan losses is maintained at a level considered adequate by management to provide for potential losses in the loan portfolio. Management considers numerous factors in estimating possible loan losses including current economic conditions, prior loan loss and delinquency experience, and the composition of the loan portfolio. Additional amounts are added to the loan loss allowance to maintain an appropriate allowance as a percentage of the outstanding loan balance as deemed necessary.

Loans that exhibit probable or observed credit weaknesses are subject to individual review. A loan is impaired when it is probable Church Extension will be unable to collect all amounts due according to the contractual terms of the loan agreement. Impaired loans are measured based on the present value of expected future cash flows discounted at the loan's effective interest rate, the fair value of the underlying collateral, or readily observable secondary market values. Church Extension evaluates the collectability of both principal and interest when assessing the need for a loss accrual.

Based on the nature of Church Extension's relationship with its borrowers and its desire to work with a borrower to meet its obligation without foreclosure, historical loan losses have been minimal. Any future recoveries are added back to the allowance.

Property and Equipment — Property and equipment are recorded on the basis of cost. Depreciation and amortization are computed by the straight-line method over the respective useful lives ranging from three to ten years.

Gift Income — Gifts qualifying as unconditional promises to give are recognized as assets and gift income when granted. Church Extension reports gifts of cash or other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or the purpose of the restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions. Otherwise, gift income is recognized in the year of receipt.

Church Extension has been designated as the beneficiary of certain charitable gift annuities and remainder trusts. At the time the gift is made, Church Extension recognizes the net present value of the portion of the gift due to Church Extension at the time of the donor's death. Such calculations utilize actuarial assumptions as to the expected life of the donor as well as the current interest rate. The net present value of the gift is included in sundry receivables and other assets in the statements of financial position and as temporarily restricted gift income within the statements of activities when received. Changes in the fair values of the underlying annuity investments are recognized as temporarily restricted gift income and investment income within the statements of activities as they occur.

Net Assets — Net assets are allocated to and accounted for in individual categories based upon the purposes for which they are intended. Unrestricted net assets have no donor-imposed restrictions placed upon them. However, Church Extension has designated certain unrestricted net assets for specific purposes. Temporarily restricted net assets include net assets whose use by Church Extension is limited by donor-imposed stipulations that either expire by passage of time or can be met and removed by actions of Church Extension pursuant to those stipulations. Permanently restricted net assets include net assets whose use is limited by donor-imposed restrictions which stipulate that resources be maintained permanently but permits Church Extension to expend part or all of the income, or other economic benefits, derived from the donated assets.

Income Taxes — Church Extension is exempt from federal income taxes under the provisions of Section 501(c)(3) of the Internal Revenue Code, except for income taxes on unrelated business income.

Use of Estimates — The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (“U.S. GAAP”) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenue and expenditures during the reporting period. Actual results could differ from those estimates.

New Accounting Pronouncements — In January 2010, the Financial Accounting Standards Board (FASB) issued guidance to improve disclosures about fair value instruments. The guidance requires additional disclosure about significant transfers between levels 1, 2, and 3 of the fair value hierarchy and requires disclosure of changes in level 3 activity on a gross basis. In addition, the guidance clarifies existing requirements regarding the required level of disaggregation by class of assets and liabilities and also clarifies disclosures of inputs and valuation techniques. This guidance is effective for periods beginning after December 15, 2009, except for the requirement to provide the Level 3 activity of purchases, sales, issuances, and settlements, which will be effective for fiscal years beginning after December 15, 2010. Comparative disclosures are not required in the first year the disclosures are required. Accordingly, Church Extension has adopted this amendment in the current year by adding additional disclosures, except for the additional Level 3 requirements which will be adopted in 2011. Church Extension did not have any significant transfers in or out of Level 1 and Level 2 fair value measurements during the years ended December 31, 2010 and 2009.

In July 2010, the FASB issued guidance expanding disclosures about the credit quality of financing receivables and the allowance for credit losses. The additional disclosures are intended to facilitate the evaluation of 1) the nature of credit risk inherent in Church Extension's portfolio of financing receivables, 2) how that risk is analyzed and assessed in arriving at the allowance for credit losses, and 3) the changes and reasons for those changes in the allowance for credit losses. Financing receivables include loans and notes receivable, and certain other contractual rights to receive money on demand or on fixed or determinable dates. The expanded disclosures, disaggregated by portfolio segment or class of financing receivable, include a roll-forward of the allowance for credit losses as well as impaired, nonaccrual, restructured and past due loans, and credit quality indicators. The disclosures are effective for annual reporting periods ending on or after December 15, 2011. Church Extension is currently evaluating the impact that this guidance will have on its financial statements.

2. INVESTMENTS

Investments at December 31 are summarized as follows:

	2010	
	Cost or Amortized Cost	Fair Value
Equities:		
Common stocks	\$ 62,776	\$ 61,874
Total equities	<u>62,776</u>	<u>61,874</u>
Fixed income:		
Corporate bonds	11,545,553	11,601,353
Other	<u>19,350</u>	<u>119,350</u>
Total fixed income	<u>11,564,903</u>	<u>11,720,703</u>
Certificates of deposit and commercial paper:		
Certificates of deposit	3,205,000	3,205,000
Variable rate demand notes and commercial paper	<u>191,145</u>	<u>191,145</u>
Total certificates of deposit and commercial paper	<u>3,396,145</u>	<u>3,396,145</u>
Pooled investment funds with related party — debt/equity securities (Note 10):	<u>10,280,908</u>	<u>10,442,566</u>
Total pooled investment funds with related party — debt/equity securities	<u>10,280,908</u>	<u>10,442,566</u>
Total investment securities	<u>\$25,304,732</u>	<u>\$25,621,288</u>
Restricted investments (Note 13) :		
Certificates of deposit	<u>\$ 2,883,400</u>	<u>\$ 2,883,400</u>

	2009	
	Cost or Amortized Cost	Fair Value
Equities:		
Common stocks	\$ 62,776	\$ 53,793
Total equities	<u>62,776</u>	<u>53,793</u>
Fixed income:		
Corporate bonds	7,499,050	7,499,050
Other	<u>17,032</u>	<u>117,032</u>
Total fixed income	<u>7,516,082</u>	<u>7,573,340</u>
Certificates of deposit and commercial paper:		
Certificates of deposit	2,200,000	2,200,000
Variable rate demand notes and commercial paper	<u>2,553,764</u>	<u>2,553,764</u>
Total certificates of deposit and commercial paper	<u>4,753,764</u>	<u>4,753,764</u>
Pooled investment funds with related party — debt/equity securities (Note 10):	<u>9,865,270</u>	<u>9,183,711</u>
Total pooled investment funds with related party — debt/equity securities	<u>9,865,270</u>	<u>9,183,711</u>
Total investment securities	<u>\$22,197,892</u>	<u>\$21,564,608</u>
Restricted investments (Note 13)		
Certificates of deposit	<u>\$ 2,610,000</u>	<u>\$ 2,610,000</u>

The fair value of investments restricted subject to gift agreement terms (included in pooled investment funds) totaled \$69,055 and \$64,256 at December 31, 2010 and 2009, respectively. Liabilities of \$1,278,675 and \$1,273,490 were also recorded related to this restricted gift at December 31, 2010 and 2009 respectively. The remaining assets associated with this gift were \$20,597 and \$20,494 at December 31, 2010 and 2009 respectively, which were included in investments and receivables in the amount of \$1,190,000 at both December 31, 2010 and 2009. During 2008, the assets of this gift agreement were released for use by the beneficiary. These assets are now being repaid over the next 14 years.

Net gain (loss) on investments for the years ended December 31 consist of the following:

	2010	2009	2008
Realized gains on investments	\$ 50,090	\$ 18,157	\$ 30,437
Net unrealized gains (losses) on investments:			
Unrealized gains	945,040	1,426,644	
Unrealized losses			(3,472,471)
Gain (loss) on investments	995,130	1,444,801	(3,442,034)
Interest and dividends on investments	728,012	636,048	695,176
Total investment return	\$1,723,142	\$2,080,849	\$ (2,746,858)

Gain (loss) on investments is exclusive of \$4,799 and \$2,830 of unrealized gains in 2010 and 2009, respectively, related to investments restricted subject to gift agreements discussed above.

Church Extension's policy is to include interest and dividends earned on investments in its income from operations.

In accordance with ASU No. 2009-12, the Church Extension expanded its disclosures to include the category, fair value, redemption frequency, and redemption notice period for those assets whose value is estimated using the net asset value per share as of December 31, 2010.

The following table for December 31, 2010 sets forth a summary of the Church Extension's investments with a reported NAV.

Investment	Fair Value Estimated Using Net Asset Value per Share				
	Fair Value*	Unfunded Commitment	Redemption Frequency	Other Redemption Restrictions	Redemption Notice Period
Pooled investment funds — Christian Church Foundation	\$10,442,566	None	Immediate	None	None

* The fair values of the investments have been estimated using the net asset value of the investment.

(a) The pooled investment funds invest in short-term investments, stocks, and stock and bond funds. Church Extension can withdraw its investment in full at any time.

3. FAIR VALUE OF FINANCIAL INSTRUMENTS

Effective January 1, 2008, Church Extension adopted the provisions of Accounting Standards Codification Topic 820, *Fair Value Measurements and Disclosures* ("ASC Topic 820"). This statement defines fair value, establishes a consistent framework for measuring fair value in U.S. GAAP, and expands disclosures about fair value measurements. ASC Topic 820 requires, among other things, Church Extension's valuation techniques used to measure fair value to maximize the use of observable inputs and minimize the use of unobservable inputs.

ASC Topic 820 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect Church Extension's market assumptions.

In accordance with ASC Topic 820, these two types of inputs have created the following fair value hierarchy:

Level 1 — Quoted prices for identical instruments in active markets.

Level 2 — Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs and significant value drivers are observable in active markets.

Level 3 — Model-derived valuations in which one or more significant inputs or significant drivers are unobservable.

This hierarchy requires the use of observable market data when available. The hierarchy level for each of Church Extension's assets and liabilities that are measured at fair value on a recurring basis as of December 31, 2010, is as follows:

	Level 1	Level 2	Level 3	Total
Investments	\$ 11,663,227	\$ 13,958,061	\$ -	\$ 25,621,288
Restricted investments	<u> </u>	<u>2,883,400</u>	<u> </u>	<u>2,883,400</u>
Total assets	<u>\$ 11,663,227</u>	<u>\$ 16,841,461</u>	<u>\$ -</u>	<u>\$ 28,504,688</u>

The hierarchy level for each of Church Extension's assets and liabilities that are measured at fair value on a recurring basis as of December 31, 2009, is as follows:

	Level 1	Level 2	Level 3	Total
Investments	\$ 7,508,865	\$ 14,055,743	\$ -	\$ 21,564,608
Restricted investments	<u> </u>	<u>2,610,000</u>	<u> </u>	<u>2,610,000</u>
Total assets	<u>\$ 7,508,865</u>	<u>\$ 16,665,743</u>	<u>\$ -</u>	<u>\$ 24,174,608</u>

4. PROPERTY AND EQUIPMENT — NET

Property and equipment at December 31 consist of the following:

	2010	2009
Leasehold improvements	\$ 118,326	\$ 118,326
Furniture and equipment	828,088	792,794
Computer software	<u>1,015,217</u>	<u>1,000,216</u>
	1,961,631	1,911,336
Less accumulated depreciation and amortization	<u>(1,789,849)</u>	<u>(1,703,473)</u>
	<u>\$ 171,782</u>	<u>\$ 207,863</u>

5. LOANS TO CHURCHES AND RELATED ORGANIZATIONS

Loans receivable at December 31 consist of the following:

	2010	2009
Mortgage loans:		
Interest bearing	\$ 148,535,441	\$ 150,511,455
Noninterest bearing	<u>1,459,865</u>	<u>1,670,664</u>
	149,995,306	152,182,119
Unsecured loans	<u>1,518,781</u>	<u>1,179,964</u>
	151,514,087	153,362,083
Less allowance for possible loan losses	<u>(869,693)</u>	<u>(1,722,796)</u>
	<u>\$ 150,644,394</u>	<u>\$ 151,639,287</u>

Transactions in the allowance for possible loan losses for the years ended December 31 are as follows:

	2010	2009
Balance — January 1	\$ 1,722,796	\$ 1,603,460
Losses charged off		(792)
Recoveries of losses previously charged off		128
Provision (benefit) for loan losses	<u>(853,103)</u>	<u>120,000</u>
Balance — December 31	<u>\$ 869,693</u>	<u>\$ 1,722,796</u>

As stated in Note 1, loans that exhibit probable or observed credit weaknesses are subject to individual review. The balance of these impaired loans and related valuation allowance as of December 31 were as follows:

	2010	2009
Loans past due more than 90 days with allowance	\$ 4,240,771	\$ 10,953,542
Loans past due more than 90 days without allowance	<u>6,893,621</u>	<u>1,002,400</u>
Total loans past due more than 90 days	<u>\$ 11,134,392</u>	<u>\$ 11,955,942</u>
Allowance for loans past due more than 90 days	<u>\$ (563,261)</u>	<u>\$ (1,704,357)</u>
Average loans past due more than 90 days	<u>\$ 11,545,167</u>	<u>\$ 11,697,524</u>
Total nonaccrual loans	<u>\$ 2,089,412</u>	<u>\$ 117,677</u>

Cash basis interest income recognized on impaired loans during each of the years presented was immaterial to the statements of activities.

Certain assets and liabilities are measured at fair value on a nonrecurring basis. These assets and liabilities are not measured at fair value on an ongoing basis; however, they are subject to fair value adjustments in certain circumstances, such as when there is evidence of impairment. As of December 31:

2010	Level 1	Level 2	Level 3	Total Losses
Loans to churches and related organizations	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,677,510</u>	<u>\$ 208,177</u>
2009	Level 1	Level 2	Level 3	Total Losses
Loans to churches and related organizations	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,953,542</u>	<u>\$ 1,704,357</u>

During the year ended December 31, 2010, the Company recorded nonrecurring adjustments to certain collateral-dependent loans to churches and related organizations in accordance with ASC Topic 310-10. Such amounts are generally based on the fair value of the underlying collateral supporting the loan. In cases where the carrying value exceeds the fair value of the collateral, an impairment loss is recognized.

Contractual loan maturities as of December 31, 2010, are as follows:

Years Ending December 31,

2011	\$ 2,716,019
2012	1,121,704
2013	1,067,599
2014	2,893,121
2015	1,908,789
Thereafter	<u>141,806,855</u>
	<u>\$ 151,514,087</u>

At December 31, 2010, Church Extension had loan and line commitments outstanding of \$13,618,615.

An interest rate adjustment for loans is performed every one to three years to reflect the current market interest rate. The carrying value of loans approximate their fair value due to the frequency of the interest rate resets.

6. INVESTMENT NOTES AND OTHER OBLIGATIONS

Investment notes and other obligations as of December 31 consist of the following:

	2010	2009
Demand and term notes (interest at 0.01%–8.0%)	\$ 140,247,152	\$ 138,558,398
Investment notes relating to loans (one to five year maturity, interest at 0.01%–6.5%)	<u>21,744,073</u>	<u>16,492,610</u>
	<u>\$ 161,991,225</u>	<u>\$ 155,051,008</u>

Maturities of investment notes and other obligations as of December 31, 2010, are as follows:

Years Ending December 31,

2011	\$ 71,619,215
2012	36,484,238
2013	41,464,814
2014	8,647,880
2015	3,651,207
Thereafter	<u>123,871</u>
	<u>\$ 161,991,225</u>

Over the past five years, reinvestment of Church Extension's investment notes has averaged 83% per year. Of the \$71,619,215 due in 2011, \$51,715,056 is term notes and \$19,904,159 is demand notes.

Interest compounded on investment notes was approximately \$3,619,000, \$3,631,000, and \$4,079,000, during 2010, 2009, and 2008, respectively. Church Extension's effective interest rate at December 31, 2010 was approximately 3.26%.

The fair value of investment notes and other obligations approximate carrying value.

Church Extension adheres to guidelines established by the North American Securities Administrators Association ("NASAA") in the statement of policy regarding Church Extension fund securities related to the general offering of the notes to investors. The statement of policy provides financial guidelines to states and provinces related to the selling of these notes. The guidelines require Church Extension to maintain a liquidity ratio (cash, cash equivalents, investments, and unused portions of lines of credit to outstanding investment notes) of at least 8% (with lines of credit not exceeding 2%), a capital adequacy ratio (unrestricted net assets to total assets) of at least 5%, and limits senior secured debt to a maximum of 10% of total assets. As of December 31, 2010, Church Extension is in compliance with the guideline requirements.

7. LINE OF CREDIT

Church Extension has available an unsecured line of credit with PNC Bank in the amount of \$3,500,000 whereby interest only is paid each month with any outstanding principal balance due in full on September 30, 2011. This line of credit replaced the previous unsecured line of credit in the amount of \$7,000,000 which was payable on demand. There were \$0 and \$550,000 of borrowings outstanding at December 31, 2010 and 2009, respectively.

On the current line of credit, borrowings bear interest at a floating rate equal to the Daily London InterBank Offered Rate ("LIBOR") plus 250 basis points, which was 2.761% at December 31, 2010.

On the previous line of credit, borrowings bore interest at Church Extension's choice of the bank's prime or at a floating rate equal to 30-day LIBOR plus 175 basis points, which was 1.981% at December 31, 2009.

Church Extension has agreed to a financial covenant to maintain a Liquidity Ratio of 2.50 to 1.00 of unencumbered assets to the maximum line of credit amount.

8. NET ASSETS

Temporarily restricted net assets as of December 31 are available for the following purposes:

	2010	2009
New Congregation Ministry	\$ 171,962	\$ 407,945
Annuity/life income trust agreements	<u>1,033,692</u>	<u>1,141,138</u>
	<u>\$ 1,205,654</u>	<u>\$ 1,549,083</u>

Permanently restricted net assets as of December 31, are available for the following purposes:

	2010	2009
Annuity/life income trust agreements	<u>\$ 882,849</u>	<u>\$ 880,186</u>

9. ENDOWMENT

Church Extension's endowment consists of approximately 25 individual funds established for a variety of purposes. Church Extension's endowment includes both donor-restricted endowment funds and funds designated by the Board of Directors to function as endowments. As required by U.S. GAAP, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board has interpreted the adopted State of Indiana's "Uniform Prudent Management of Institutional Funds Act" (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, Church Extension classifies as permanently restricted net assets, (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by Church Extension in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Board considers the following factors in making a determination to appropriate or accumulate endowment funds:

1. The duration and preservation of the fund
2. The purposes of Church Extension and the donor restricted endowment fund
3. General economic conditions
4. The possible effect of inflation and deflation
5. The expected total return from income and appreciation of investments
6. Other resources of Church Extension
7. The investment policies of Church Extension

Where the Board designates unrestricted funds to function as endowments they are classified as unrestricted net assets. Where the Board designates donor restricted non-endowment funds to function as endowments they are classified as temporarily restricted net assets.

Endowment net asset composition by type of fund as of December 31, 2010, is as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	\$ -	\$ 558,218	\$ 863,136	\$ 1,421,354
Board-designated endowment funds	<u>1,975,984</u>	<u> </u>	<u> </u>	<u>1,975,984</u>
	<u>\$ 1,975,984</u>	<u>\$ 558,218</u>	<u>\$ 863,136</u>	<u>\$ 3,397,338</u>

Endowment net asset composition by type of fund as of December 31, 2009, is as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	\$ -	\$ 599,434	\$ 859,041	\$ 1,458,475
Board-designated endowment funds	<u>1,754,843</u>	<u> </u>	<u> </u>	<u>1,754,843</u>
	<u>\$ 1,754,843</u>	<u>\$ 599,434</u>	<u>\$ 859,041</u>	<u>\$ 3,213,318</u>

Changes in endowment net assets for the year ended December 31, 2010, is as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets — December 31, 2009	\$ 1,754,843	\$ 599,434	\$ 859,041	\$ 3,213,318
Investment return:				
Investment income	91,998	26,974	40,669	159,641
Net appreciation (realized and unrealized)	<u>138,751</u>	<u> </u>	<u> </u>	<u>138,751</u>
Total investment return	230,749	26,974	40,669	298,392
Contributions	82,390	1,300	100	83,790
Appropriation of endowment assets for expenditure	<u>(91,998)</u>	<u>(69,490)</u>	<u>(36,674)</u>	<u>(198,162)</u>
Endowment net assets — December 31, 2010	<u>\$ 1,975,984</u>	<u>\$ 558,218</u>	<u>\$ 863,136</u>	<u>\$ 3,397,338</u>

Changes in endowment net assets for the year ended December 31, 2009, is as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets — December 31, 2008	\$ 1,403,746	\$ 592,990	\$ 855,101	\$ 2,851,837
Investment return:				
Investment income	74,853	28,472	43,105	146,430
Net appreciation (realized and unrealized)	<u>288,032</u>	<u> </u>	<u> </u>	<u>288,032</u>
Total investment return	362,885	28,472	43,105	434,462
Contributions	63,065	1,500		64,565
Appropriation of endowment assets for expenditure	<u>(74,853)</u>	<u>(23,528)</u>	<u>(39,165)</u>	<u>(137,546)</u>
Endowment net assets — December 31, 2009	<u>\$ 1,754,843</u>	<u>\$ 599,434</u>	<u>\$ 859,041</u>	<u>\$ 3,213,318</u>

Return Objectives and Risk Parameters — Church Extension has adopted endowment investment and spending policies that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of endowment assets. Under this policy, unless otherwise instructed by the donor, endowment assets are invested in the Beasley Fund at the Christian Church Foundation, to utilize the Foundation’s expertise in investment management. The Foundation invests in a manner that is intended to yield a long-term rate of return, while assuming a moderate level of investment risk. Actual returns in any given year may vary.

Strategies Employed for Achieving Investment Objectives — To achieve its long-term rate of return objectives, Church Extension relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized gains) and current yield (interest and dividends). By investing in the Beasley Fund of the Christian Church Foundation, Church Extension is able to take advantage of a diversified asset allocation that places greater emphasis on equity-based investments to achieve its long-term objectives within prudent risk constraints.

Relationship of Spending Policy to Investment Objectives — The Church Extension’s Investment Committee (“the Committee”) determines the method to be used to appropriate endowment funds for expenditure, unless otherwise instructed by the donor. The appropriation amount is determined as of the end of the year, for the next year’s expenditure and is equal to the percentage established by the Christian Church Foundation for income allocation. For 2011, this amount is 4.50 percent of the fair value, determined on a monthly basis. In establishing this method, the Committee considered the expected long-term rate of return on the investment of the Church Extension’s endowment funds. Accordingly, over the long-term, Church Extension expects the current spending policy to allow its endowment to grow, consistent with its intention to maintain the purchasing power of the endowment assets as well as to provide additional real growth through new gifts. Depending upon market conditions and the needs and available resources of Church Extension, appropriations for expenditure from individual endowments may be temporarily suspended to facilitate preservation of the endowment.

10. RELATED PARTIES

Church Extension provides services, makes loans, and sells investment obligations to certain units of the Christian Church (Disciples of Christ) with which its officers and Board of Directors are affiliated. These transactions are in the normal course of business and on the same terms, including interest rates and collateral, as those available to others.

Electronic data processing services for various units of the Christian Church are provided by Discipledata, Inc. ("DDI"), a non-profit cooperative. A staff member of Church Extension in a non-officer position is currently a member of the Board of Directors of DDI. Church Extension purchases data processing services from DDI at rates and terms comparable with those available to other customers of DDI. Data processing expenses were \$437,629, \$426,695, and \$442,305 for the years ended December 31, 2010, 2009, and 2008, respectively.

As of December 31, 2010 and 2009, Church Extension maintained \$16,442,853 and \$14,854,854, respectively, of investment notes held by Christian Church Foundation. As of December 31, 2010 and 2009, Church Extension has invested \$10,280,908, and \$9,865,270, respectively, in pooled investment funds of Christian Church Foundation, which have a fair value of \$10,442,566 and \$9,183,711, respectively.

Church Extension leases its primary office space from a related unit of the Christian Church. Office space occupancy costs expensed were \$281,794, \$272,711, and \$258,290 for the years ended December 31, 2010, 2009, and 2008, respectively. Minimum lease payments as of December 31, 2010 are as follows:

Years Ending December 31,

2011	\$ 182,812
2012	192,525
2013	204,003
2014	204,003
2015	213,221
2016	<u>121,396</u>
	<u>\$1,117,960</u>

11. RETIREMENT BENEFITS

Church Extension participates in a noncontributory, trustee retirement plan provided by the Pension Fund of the Christian Church (Disciples of Christ), Inc. which covers substantially all employees of Church Extension. Payments to the plan are based upon a fixed percentage of participants' salaries and are actuarially determined to provide adequate funding for benefits defined in the plan. No liability exists under the plan for past service costs. The amounts charged to expense (which were equal to the payments made to the plan) were \$375,308, \$370,397, and \$342,463 for the years ended December 31, 2010, 2009, and 2008, respectively.

Church Extension also sponsors a defined-benefit health care plan that provides postretirement medical benefits to certain retirees who, at the time of their retirement, met the then-existing eligibility requirements. No other retirees or current employees are (or will be) eligible for benefits under the plan. The plan limits the amount of annual benefits payable to the eligible retirees. For the years ended December 31, 2010, 2009, and 2008, Church Extension paid benefits under the plan of \$34,796, \$36,920, and \$31,751, respectively. Church Extension has recorded a related benefit obligation of \$304,688 and \$307,248 at December 31, 2010 and 2009, respectively, which includes postretirement medical benefits and health reimbursement accounts reserve.

12. THIRD-PARTY FINANCING ARRANGEMENT

During 2006, Church Extension established a financing arrangement with a commercial bank to facilitate the extension of loans which exceed Church Extension's policy limits. Under the arrangement, Church Extension acted as an agent whereby adjustable rate taxable and tax-exempt securities were issued, the proceeds of which were used to fund the loans. As an agent, Church Extension has no obligation under the adjustable rate taxable and tax-exempt securities nor does Church Extension have any rights under the loans. Church Extension also services the loans through the collection of principal and interest which is remitted to the commercial bank. During 2006, two such transactions were executed with loans and borrowings issued of \$15.2 million, and a third loan was executed in 2007 in the amount of \$2.6 million.

Church Extension provided a guarantee to support the above loans in the amount of \$2.6 million. The guarantee is supported by collateral on deposit with the commercial bank. Such funds are classified as restricted investments on the statements of financial position. In accordance with ASC Topic 460, *Guarantees*, Church Extension records the fair value of the guarantee as a liability. The fair value of the liability is zero at December 31, 2010 and 2009. In the event a member church defaults on loan repayments, the collateral provided by Church Extension is subject to loss.

* * * * *

No. 1106

Report of the Council on Christian Unity
Robert K. Welsh, President

BACKGROUND INFORMATION

The Board of the Council on Christian Unity submits this report on its program and activities since the meeting of the 2010 General Board in hopes it will enable the General Board to fulfill its task “to promote and coordinate the activities of general ministries to assure such actions conform to the policies of the Christian Church (Disciples of Christ).”

OUR MISSION:

The Council on Christian Unity was created in 1910 as an instrument of the Christian Church (Disciples of Christ) to reclaim our passion as Disciples for Christian unity and the oneness of the church, and to encourage our participation in the wider ecumenical movement. Our mission statement today continues that same vision as we “serve as a general ministry of the Christian Church (Disciples of Christ), working with congregations, regions, colleges, seminaries, and other general ministries to encourage their partnership in our church’s efforts in the quest for the unity of all Christians as a sign of God’s love for the world.”

OUR VISION:

Through an extensive church-wide process of “mapping Christian unity for the 21st century,” the Board of the CCU in 2005 reaffirmed its vision for Disciples as a people seeking unity and oneness at an “open Table” where Christ continues the healing work of reconciliation. In pursuing this vision, the CCU identified three “frontiers” for our future life and program (these frontiers were reported to and affirmed by the General Board in 2006):

- Becoming a multi-cultural and inclusive church
- Developing a deeper and more dynamic ecumenical spirituality
- Understanding what it means to live in the changing landscape of an interfaith context and inter-religious world

The CCU understands these three frontiers as long-range, inter-related goals which give content and direction to our search for unity and faithfulness to God’s calling to mission in the 21st century.

MAJOR EVENTS AND DEVELOPMENTS IN 2010:

1. In 2010 *the* major activity for the CCU was the celebration of the 100th anniversary of our founding in Topeka, Kansas. The goals identified by the CCU Board of Directors for this centennial celebration were three-fold:

- *to celebrate the best of our tradition as Disciples of Christ as a people of*

unity in claiming God's gift of oneness in Jesus Christ for all persons and for all times;

- to look seriously and critically at where the ecumenical movement is today, and to where God is calling us and the ecumenical movement in the years ahead; and,*
- to focus upon the education and formation of a new generation of Disciples for service to and leadership in the ecumenical movement in all of its expressions: local, regional, national and global.*

This year-long celebration was built around seven initiatives (all were reported in the Disciples News Service and highlighted on the CCU's website) to help our church continue the rich legacy of leadership for Christian unity we have inherited from the past:

- a. Providing worship resources for congregational use throughout the year to lift up our calling to Christian unity (these were prepared by Ron Allen and Linda McKiernan-Allen).
- b. Preparing a special anniversary booklet highlighting the 100 years of the CCU's life and witness within the wider ecumenical movement.
- c. A Centennial Celebration Dinner on April 27 that included the honoring of Dr. Paul A. Crow, Jr. as "President Emeritus" in recognition of his 25 years of service to the CCU.
- d. Holding the "Joe A. and Nancy Vaughn Stalcup 2nd Century Visioning Conference on Christian Unity" in St. Louis on June 14-17, with the participation of forty Disciples from across the life of our church.
- e. Publishing the papers and report of the Visioning Conference in the 2010 issue of *Call to Unity* for wide distribution throughout our church.
- f. Sharing in a special worship service at First Christian Church in Topeka, Kansas, to celebrate that congregation's place in the history of the CCU.
- g. Launching a year-long program (called *Babel Table: from Tower to Table*) to engage Disciples young adults in a series of mission trips to different cultural settings to explore what it means to "be and become a multicultural and inclusive church" as we address the issues of racism and exclusion.

These events and initiatives have required a lot of additional work for the CCU throughout the year; but, they have also brought new energy and excitement to the on-going program of the CCU as they identify new frontiers and opportunities for our ministry in the future.

2. The CCU Board named a small working group, including representatives of the Disciples Peace Fellowship, that has continued to provide follow-up to the resolution referred to the CCU by the 2009 General Assembly on "Christian Unity and War." A major report and presentations from this working group will be presented to the 2011 General Assembly as a "call for faithful response" to the issues of unity, war, and peacemaking.

3. The CCU continues to coordinate and give leadership to our church's participation in several key ecumenical relationships and involvements, including: Christian Churches Together in the USA; Churches Uniting in Christ; Ecumenical Partnership with the United Church of Christ; the National Council of Churches; the World Council of Churches; the annual meeting of Secretaries of Christian World Communions; and, participation in interfaith engagement and dialogue both here in North America and in the global context.

“HOW ARE WE A MOVEMENT FOR WHOLENESS IN A FRAGMENTED WORLD?”

The CCU believes all of its programming and work is finally an expression of, and witness to, our church's claim to be a “movement for wholeness in a fragmented world.” Indeed, the overall theme chosen for our 100th anniversary celebration was *“A Century of Witness, A Journey of Wholeness”* – thereby relating our priorities and future to this core value of our church's identity.

Our commitment is that we will also continue to lift up and keep before our church, with clarity and conviction, the second phrase of our church's identity statement—*“As part of the one body of Christ, we welcome all to the Lord's Table as God has welcomed us”*—which offers the foundational content and theology to our understanding of the nature of the “wholeness” and unity we seek within the community of God's welcome and love for all.

INFORMATION ON CCU STAFF

The current staff of the CCU are one full-time executive (President) and, since August 2007, one part-time administrative secretary. I continue to be deeply grateful to serve as the President of this vital ministry that I believe stands at the heart of our whole church's life and witness, and look forward to exciting and challenging years ahead.

The General Board reviewed Report No. 1106 from the Council on Christian Unity. The report is submitted to the General Assembly for consideration and discussion. No action is required. (Discussion time 12 minutes)

Council on Christian Unity, Inc.
Statements of Financial Position
December 31, 2010 and 2009

	<u>2010</u>	<u>2009</u>
ASSETS		
Current Assets		
Cash	\$ 27,409	\$ 12,516
Other Current Assets		
Prepaid Expenses	3,170	1,784
Accounts Receivable	-	46,875
Christian Church Fndn Invstmts	677,103	616,833
CE Investments	65,380	59,280
Total Other Current Assets	<u>745,653</u>	<u>724,772</u>
Fixed Assets		
Furniture & Equipment	22,579	21,797
Leasehold Improvements	2,277	2,277
Accumulated Depreciation	<u>(22,093)</u>	<u>(21,206)</u>
Total Fixed Assets	<u>2,763</u>	<u>2,868</u>
TOTAL ASSETS	<u><u>\$ 775,825</u></u>	<u><u>\$ 740,156</u></u>
LIABILITIES & NET ASSETS		
Liabilities		
Accounts Payable	\$ -	\$ 1,762
Retiree Healthcare Liability	9,897	11,805
Accrued Liabilities	<u>12,787</u>	<u>11,500</u>
Total Liabilities	<u>22,684</u>	<u>25,067</u>
Net Assets		
Unrestricted Net Assets	313,928	284,551
Temporarily Restricted Net Assets		
Peter Ainslie Lectureship	114,374	101,270
Stalcup Lecture	9,758	4,599
Stalcup Visioning Conference	50,749	59,030
Goodrich Scholarship Fund	90,822	74,027
Bossey Scholarships	17,919	26,587
Hispanic Summer Program	9,500	9,500
Compassion Unity Reconciliation & Justice	5,000	5,000
Young Adult Event	5,041	14,475
Permanently Restricted Net Assets	<u>136,050</u>	<u>136,050</u>
Total Net Assets	<u>753,141</u>	<u>715,089</u>
TOTAL LIABILITIES & NET ASSETS	<u><u>\$ 775,825</u></u>	<u><u>\$ 740,156</u></u>

Council on Christian Unity, Inc.
Statements of Activities
Years Ended December 31, 2010 and 2009

	2010	2009	2010 Budget
Ordinary Income/Expense			
Income			
Disciples Mission Fund	\$ 153,802	\$ 143,493	\$ 163,500
Temporarily Restricted Income	22,372	23,534	43,200
Contributions	65,092	57,756	43,500
Interest Income	31,932	28,172	30,500
Field Receipts	287	200	2,000
Miscellaneous income/Other Contributions	239	50,735	552
Anniversary Dinner Receipts	4,569	-	-
Call to Unity Subscriptions	492	906	1,000
Total Income	278,785	304,796	284,252
Expense			
Personnel	146,689	144,580	146,352
Travel & Entertainment	18,309	19,299	15,000
Facilities	14,191	15,194	15,800
Office Operations	10,159	9,883	10,100
Financial Operations	14,450	14,300	14,500
Interpretation	16,806	11,054	8,100
Ecumenical Contributions	17,242	3,800	12,000
Program	49,325	43,795	62,400
Total Expense	287,171	261,905	284,252
Net Ordinary Income (Loss)	(8,386)	42,891	-
Other Income/Expense			
Realized Gain (Loss) on Investments	(10,786)	(11,653)	
Unrealized Gain (Loss) on Investments	57,224	113,419	
Net Income (Loss)	\$ 38,052	\$ 144,657	\$ -

No. 1107

**ANNUAL REPORT TO THE GENERAL BOARD
FROM THE NATIONAL BENEVOLENT ASSOCIATION
OF THE CHRISTIAN CHURCH (DISCIPLES OF CHRIST)
dba DISCIPLES BENEVOLENT SERVICES**

Mark D. Anderson, President
149 Weldon Parkway, Suite 115
Maryland Heights, Missouri 63043-3103

OUR MISSION

In the loving and caring spirit of Christ, Disciples Benevolent Services will partner with Regions, congregations and others to develop ministries of care in response to the needs of their communities.

OUR MISSION IDENTITY

Our mission identity is to be a positive contributor to the four mission priorities of the Christian Church (Disciples of Christ) and to positively benefit the Church by being both a provider of high quality benevolent care programs and by being a service provider that enables other Disciples entities to be a provider of benevolent care programs.

HOW ARE WE PURSUING THIS MISSION AND IDENTITY?

For the past 124 years, Disciples Benevolent Services ("DBS") has been the social and health services general unit of the Christian Church (Disciples of Christ). During 2010, DBS was privileged to directly serve people through our residential and community-based programs for children, youth and families, people with disabilities and older adults. In addition, DBS sponsors 52 US Department of Housing and Urban Development (HUD) housing facilities for older adults and people with disabilities.

As it has throughout its long history, DBS has, over the last several years, been intentional in being responsive to the needs and requests of various segments of the Church. For example, in meeting with residents of the former NBA older adult facilities, we heard the need for chaplaincy care among the residents of those facilities and the surrounding communities. We promptly acted to establish our Chaplaincy Care Program that partners with the Region and local Disciples congregations to employ a chaplain to provide ministry and spiritual support to not only the residents of the retirement community, but also to the families of the residents, to staff, and to the surrounding community. In 2009, we expanded our

Chaplaincy Care Program to include three more ministry locations – in Austin, Texas; in Glendale, Arizona; and in Los Angeles, California. In each of these cases, we responded to the requests of Disciples to bring this wonderful, vital ministry to their community.

In partnership with St. Louis area Disciples, we have been working on the redevelopment of the ministry of ECHO in St. Louis. The ECHO ministry not only continues to provide community outreach programs to the under-privileged youth and seniors in the community, but we have also partnered with a nonprofit charter school in the St. Louis area whose mission is to provide high-quality grade school education to lower-income, African-American children in the local neighborhood. The school provides not only an opportunity for the youth to attend school in their neighborhood (when previously they were forced to be bused outside of their neighborhood due to the lack of a neighborhood grade school), but the school also provides them with school uniforms, with three healthy meals a day on school days (for some, it is their only opportunity for three meals a day), and the opportunity to attend an after-school program while their parents are at work. Also, at the request of local Disciples, we are developing a mission center on the ECHO campus for Disciples where they may lodge and eat while in the St. Louis area to do mission work.

DBS has also been actively engaged in conversation with the Disciples Care Network (“DCN”) and has formed an official Care Alliance for the purpose of strengthening our respective existing ministries, developing new ministries of care and enhancing the relationship among/between the local, regional and national expressions of the Church and of the agencies of both DBS and DCN. We believe that a partnership between DBS and DCN will only help to strengthen the Church’s benevolent care ministries throughout the Disciples denomination.

In summary, DBS has evolved from solely being a provider of direct care services who owns and manages everything it touches to an organization that is both a provider of direct care services and a facilitator of such services. DBS is open to what each situation warrants as far as the level of our partnership. We recognize that in some situations we will be asked to be more of a full partner and in other situations we will be asked to be a partner who provides only a part of the process.

DBS recognizes that mission work is very much at the heart of the Christian Church (Disciples of Christ). DBS has heard the call from the Church to be more mission-oriented. DBS acknowledges that in many ways the Church is seeking to reduce the overall reliance on a single general ministry unit to provide mission on behalf of its congregations and regions, such as NBA once did throughout its long history. We believe that the Church is now looking to have mission work developed and administered at the “grass roots” level and we see our role within the Church as being the one who helps to enable mission work at the “grass

roots” level. Our primary goal is to enable congregations, Regions and others to develop locally-based ministries of benevolent care.

Our mission focuses on partnering with congregations, Regions and other General Ministries of the Church in order to develop ministries of care at the local level. Our mission is to help Christian Church (Disciples of Christ) congregations do mission work in their own communities. We don’t seek solely to perform mission work on behalf of the Church, but rather, to help the Church perform mission work where it sees the greatest need.

MISSION PRIORITIES OF THE CHURCH AND DBS

In what ways is DBS a Movement for Wholeness in a Fragmented World?

DBS has contributed and is contributing to fulfilling the Church’s mission priorities and in being a Movement for Wholeness in a Fragmented World in the following manner:

Transforming Existing Congregations for Mission

The main role of DBS in fulfilling the four priorities is that of being a partner with different manifestations of the Christian Church (Disciples of Christ) in helping to develop and to carry out mission work. As a partner, DBS will work with congregations in identifying mission needs and desires within their own community and in strengthening current ministries and/or developing new programs to allow congregations to live out their calling of providing ministries of mercy and care. Through these efforts, DBS helps fulfill the Church’s priority of transforming existing Disciple congregations for mission work.

Starting with the 2007 General Assembly of the Church in Fort Worth, Texas, DBS has been approached by dozens of Disciple congregations throughout the United States about developing new ministries of care within their local community. Since the 2007 General Assembly, DBS has called upon multiple congregations, at their request, to offer support, guidance, direction and consultation on how to get started on their particular vision of a new ministry of care program within their community.

St. Louis area congregations carried out mission associated with the community surrounding ECHO.

- Centennial Christian Church participated in the ECHO Annual Back to School event by helping with guest registration. They also assisted with the ECHO Coat Drive by providing a face painting booth for the kids that attended. A member of Centennial CC facilitated onsite health and dental screenings at both events.
- Hamilton Christian Church participated in the ECHO Annual Coat Drive by providing a game booth for the kids and adults in attendance. A member

of Hamilton CC helped with the promotion of the event and also helped with pre-registration.

- Memorial Blvd Christian Church participated in the ECHO Annual Back to School event by providing a bounce house for the kids in attendance. They also interacted with the adults and collected data through a "Needs Assessment " survey. Memorial Blvd CC also assisted in the ECHO Annual Coat Drive by helping with the hat and glove distribution booth.
- Union Ave Christian Church participated in the ECHO Annual Coat Drive by collecting hats and gloves and distributing them to the kids.
- Webster Groves Christian Church participated in the ECHO Back-to-School event by providing volunteers to assist at the event. Webster Groves Christian Church also participated in the ECHO Annual Coat Drive by providing a beverage and snack booth for those persons who attended.

Several congregations throughout the Christian Church (Disciples of Christ) contributed school supplies, personal hygiene products, blankets, and socks to ECHO to help with the community based events. These efforts on ECHO's campus were supported financially by congregations contributing over \$17,000!

New Congregation Establishment

In the coming year we will be exploring with new congregations on ways we can partner with them to carry out a mission of providing ministries of mercy and care. In much the same way as our efforts to transform existing congregations for mission work, we believe that by providing benevolent care ministries in local communities, new Disciples congregations can be born and established around such mission work. We believe that such ministries of care can be a catalyst for new church start-ups.

Leadership Development

As a partner with Regions and local congregations in the development of new programs of mission work, DBS will nurture and enable leadership at the local level to administer the programs and services. By working with a de-centralized model that includes local ownership, management and governance of the programs, services and projects, DBS helps fulfill the Church's priority of nurturing and developing leadership within the Church.

We will explore opportunities to partner with other General Ministries and Disciple Care Network agencies to provide leadership development activities for young Disciples.

Becoming a Pro-Reconciling/Anti-Racist Church

Through our programs, services and operating units, as well as the invaluable services of Disciple Care Network agencies, DBS has always provided ministries

of care to all walks of life, without discrimination. Because our mission is to continue providing similar ministries of care into the future, without discrimination, DBS helps meet the Church's priority of becoming a pro-reconciling/anti-racist Church.

As we venture into new ministries with the Church, we will ensure these ministries are anti-racist and are working toward pro-reconciliation in their community.

OPERATIONS SUMMARY

Christian Services for Children in Alabama (Selma)

Our mission is to show the love of Christ by providing counseling, intervention and support to children and families in crisis. Since 1991, CSCA's Family Outcome Centered Unification Services (FOCUS) program has served a five-county area surrounding Selma. FOCUS works with family members to instill and maintain family safety and unity. These individualized services are provided to families based on their own unique strengths and immediate needs. Also, in partnership with the Alabama Department of Human Resources, CSCA provides therapeutic foster care services for youth diagnosed with emotional and behavior needs.

Some highlights of the past year include:

- Served 13 youth and their families in the Therapeutic Foster care Program providing seamless around the clock interventions and supervision through collaborative efforts with the Alabama Department of Human Resources and partnerships with foster parents in the community. Program and administrative staff seek to recruit, train and support families who provide a safe and specialized home environment, which aids abused and neglected children and youth an opportunity to begin the healing process. Developed and implemented monthly training for foster parents.
- Implemented a comprehensive risk assessment to improve treatment strategies in meeting the needs of children and families in the Family Preservation Program. This program served 140 children by responding to early signs of reported abuse and neglect. Achieved an 88% success rate in helping children and families remain safely together as measured by the quality outcome aftercare follow-up report. The family preservation staff assists at-risk families in the development of skills that enhance their ability to remain safely together.
- The overall programs' goals are to help children and families build from their inherent strengths toward developing life long skills and reunification with natural families whenever possible.

CSCA's goals for 2011 are to Re-develop organizational structure including board volunteerism and fund raising; increase the number of foster home resources; and increase training opportunities for Family Preservation Program Staff .

ECHO (St. Louis, Missouri)

Founded in 1889 as an orphanage called the Christian Orphan's Home, ECHO has adapted its services throughout its history according to the needs of the community. In the 1970's, ECHO worked with the Missouri Children's Division to create an emergency program that allowed police and the Missouri Children's Division to refer youth to ECHO in crisis situations. In 1978, the Christian Orphan's Home changed its name to ECHO/Emergency Children's Home to reflect its change in services. Since then, ECHO has continued to develop numerous programs such as residential living, transitional living and recreational programs to assist its "psychological orphans."

Currently, ECHO serves the area's children and youth through community outreach and partnerships with other agencies, local congregations and others in the community. While ECHO continues its proud tradition of serving the children and youth of the community, staff continues to develop plans for the campus that may include affordable residential care for senior male veterans, continuing to explore expansion of leased space to a public community-based not for profit charter school with grades K through 5th. The campus also provides office space for two local nonprofit agencies and is currently working to lease space, beginning in February 2011, to a minority owned catering business that provides meals to local schools and senior daycare facilities.

Florida Christian Center (Jacksonville, Florida)

Since 1994, FCC has managed and operated a one-story, 8,246 square foot building that provides a home for ongoing programs and activities for the residents of neighboring Florida Christian Apartments and Sundale Manor, two DBS-sponsored HUD facilities for older adults. The Community Center is staffed by a full-time director/chaplain who ministers to on-site older persons as well as providing expanded services into the greater Jacksonville area. The Center is a popular gathering place for residents where they meet for fellowship, classes and other group activities. Amenities include a chapel, auditorium, kitchen, , therapeutic pool and a well-equipped exercise room. Chaplaincy services include ministry and pastoral care, worship services, classes on faith and aging, and other programs focused on spiritual health.

Two significant events enlarged and strengthened our ministry in 2010. The first was the addition of a full-time Activities Director to serve the needs of our residents residing on our campus of 270 HUD independent living apartments. Sandy Spranger, a member of Edgewood Avenue Christian Church, now leads these activities in our beautiful activities building. She joins our Chaplain/Director

and a housekeeper in rounding out our staff. The other event that changed and enlarged our ministry was adding our Wishing Well Gift Shop to our program and budget. The Gift Shop was moved from the apartments building into our Activities Building. Barbara Murphree, a Board member and member of Riverside Christian Church, along with her team helped with the moving and staffing of our new program. All proceeds from the ministry are devoted to funding our activities program.

Our Board recently began a review of our strategic plan as we look to 2011. Our funding is a continuing challenge, and we are most grateful for Church funds which supplement our budget. As we look to the new year we dream of a 25 passenger bus with a wheel-chair lift to better serve our residents.

Serra Center (Fremont, California)

Established in 1973, Serra Center offers three types of support services for persons with developmental disabilities. The Intermediate Care Facility – Developmentally Disabled Handicapped Care (ICF-DDH) program provides 24-hour care and supervision in group living settings within the community. Supported Living Services offers individuals the opportunity to live in the environment of their choice – regardless of their disability. And Independent Living Services focuses on providing one-to-one staff-to-client training on specific identified living skills, thereby eliminating the need for the services when the skill is mastered. All individuals served are active during the day either at jobs or in a day program.

Southern Christian Services for Children and Youth (Jackson, MS)

Since 1988, SCSCY has provided services through 11 different statewide locations including therapeutic group homes for children and youth, a transitional living facility for older teens who are homeless, an array of adoption, therapeutic foster care, and post adoption services, and educational services that include independent living preparation for teens in the foster care system and abstinence education for at-risk youth.

During 2010, SCSCY touched the lives of 12,705 individuals through our Group Home programs, our Adoption and Foster care services, our Independent Living Preparation Services, and our training activities which included our annual “Lookin’ to the Future” Conference and our abstinence and healthy relationship education program.

Some highlights of the past year include:

- Refurbishing our P.A.L.S. group home for homeless teens. This renovation was made possible through the support of the City of Jackson, the Junior League of Jackson, and the assistance of Upton-Neal Interiors

- Purchasing new furniture for the entire Rowland Home for Boys in Grenada. Contributions by His Way and the Junior Auxiliary of Grenada made this project possible.
- Being accepted into and funded by the Northeast Mississippi United Way
- Obtaining new support from the Mississippi Department of Public Safety
- Redesigning our Web site and purchasing and installing a new donor data base management system
- Maintaining our tradition of 100% Board member giving or raising a contribution
- Holding four very successful special fund raising events – the Sonny Fountain Golf Tournament for Kids, the Bottom Line for Kids dinner in Jackson, the Joe Rowland Benefit dinner in Grenada, and the Crane Gala to support Harden House in Fulton

Amidst the changes we have faced, there are constants – one being our belief that the children and youth we serve do not need to be tied to their painful pasts. Instead through our help and the grace of God, they can look to a better future.

Woodhaven (Columbia, Missouri)

Since it opened its doors as the Woodhaven Home for Exceptional Children in 1964, Woodhaven has been committed to the belief that individuals with developmental disabilities have much to contribute if given the right supports.. Today we live out our mission by helping more than 110 adults with developmental disabilities to be active, accepted members of the community through its fully accredited programs.

The *Community Living* program helps men and women with developmental disabilities to live in their own community-based homes. Direct Support Professionals provide living skills training, monitor health and safety, and assist with personal hygiene, cooking, shopping, transportation, recreation and other daily needs as required by each individual.

The *Community Integration* program provides weekday opportunities for volunteerism and to interaction with other members of this central Missouri community for more than 50 adults with disabilities. Woodhaven evaluates how successful we are at helping participants through the quality outcome measurement system, which gauges the amount of time each individual spends volunteering and having valuable community interactions each month.

Chaplaincy Care Program

The mission of the Disciples Benevolent Services Chaplaincy care program is to provide compassionate and personalized spiritual and emotional care to the residents, family, staff and others in caring communities.

The DBS Chaplaincy care program was launched in 2008 at the Barton W. Stone Home, a former NBA-owned multi-level health care community in Jacksonville, Illinois. Since then, the program has expanded into four additional Regions and has the potential to serve more than 3,100, mostly geriatric, persons. Each program was developed in collaboration with its respective Disciples Region.

The DBS Chaplains provide weekly worship services, Bible studies, comfort end of life issues, provide grief/loss support, contribute devotional material for the Disciples Congregations Resources Web site and serve in countless other ways tailored to their individual programs. The DBS Chaplains are in place to provide supplemental spiritual care, not as replacements for individuals' own pastors, and do not charge for their service.

Jacksonville, Illinois – Two chaplains serve the residents of four area retirement, nursing and convalescent centers. Both are well-known and respected members of their community. It's not uncommon to see one or both of these chaplains extending their compassionate care by taking personal time to drive someone to visit the gravesite of a spouse on a wedding anniversary, enlisting the aid of a local congregation to help furnish an apartment for a needy older adult or accompanying a lonely senior to the funeral of a dear friend.

Des Moines, Iowa – Serving the residents and staff of Ramsey Village, one part-time chaplain provides weekly Bible studies in the different care units, each tailored to its specific audience, holds a Chaplain's Corner for discussion, meets with individuals and provides positive support for families and others as needed or requested.

Los Angeles, California – Our chaplain serves four facilities and in 2010, instituted a joint worship service with the two smaller facilities. She continues to hold regular worship services at each facility, but the joint service has helped foster a sense of community among the two facility's residents.

Austin, Texas – Several days each week, our chaplain counsels with women in recovery at the Austin Recovery Center, helping them through their Fifth Step in AA. Through the generosity of a local Disciples congregation, she has made Recovery Bibles available to the women in this program. Her second area of ministry is at a nursing center where she offers weekly programs, Bible studies and individual counseling and ministry meetings.

Glendale, Arizona – Unique from the other programs, the DBS Glendale Chaplain serves residents of two independent living facilities for low income older adults. In addition to the many personal visits he makes, the chaplain holds a regular joint worship services for residents of the two facilities, building a sense of unity with the two communities.

Disciples Care Network, Inc.

Care Ministries of the Christian Church (Disciples of Christ)

Disciples Care Network (DCN) is a group of human service agencies in covenant with the Christian Church (Disciples of Christ). From an initial meeting of 18 care providers at the 2005 Portland General Assembly, DCN has grown to more than 80 agencies with more than 200 ministry sites providing care for more than 48,000 persons annually in 27 states, Canada and Mexico.

Some highlights from the past year include:

Disciples Benevolent Services and Disciples Care Network Care Alliance

The major accomplishment of 2010 was the approval of the DBS-DCN Care Alliance by their respective Boards. A copy of the Care Alliance is attached. More than a plan for working together, the Care Alliance agreement signals a close working relationship and unity of purpose for quality services for all the persons being served in various care ministries on behalf of the Christian Church (Disciples of Christ).

DCN welcomes the calling of Mark Anderson as DBS President. Several meetings with Mr. Anderson have proved beneficial. The future of care ministries dedicated to social and health services will be enhanced significantly as the Care Alliance and other joint ventures are achieved.

DCN Reporting to the General Board and General Assembly through DBS

The Administrative Committee of the General Board approved the proposal for Disciples Care Network, as a "Recognized Organization" of the Christian Church, to report to the General Church through Disciples Benevolent Services, further strengthening the working relationship of DCN and DBS.

Care Ministries at Quadrennial

DCN and DBS collaborated in a combined exhibit area at the 2010 Quadrennial Assembly.

Grant from Oreon E. Scott Foundation

DCN was awarded a grant from the Oreon E. Scott Foundation which provided funds for nine staff members of eight care ministries to receive training in the *Basics in Fund Raising* and *Successful Development Planning*, provided in collaboration with the Disciples Development conference and DBS. Six of the nine had no previous professional Development training.

Stories

The transformational stories of persons served in various health and social services agencies are displayed on the DCN website for everyone to see the work being done on your behalf. These stories are short so they lend themselves to be used as a study/prayer focus and moments for mission in

worship and fellowship group meetings. See *You Were There* at www.diciplescarenetwork.org.

DCN 2011 Officers

Sue Cherney, President; Don Stump, Vice President; Mark Palmer, Secretary/Treasurer

Board of Directors

Ralph Allen, Christian Care Communities, Louisville, Ky.

Mark Anderson, Disciples Benevolent Services, St. Louis, Mo.

Ken Burger, The Summit, Lynchburg, Va.

Sue Cherney, Southern Christian Services for Children and Youth, Jackson, Miss.

Bob Cooper, Tennyson Center for Children at Colorado Christian Home, Denver, Colo.

Kay Ellis, Juliette Fowler Homes, Dallas, Texas

Wanda Gottschalk, Child Saving Institute, Omaha, Neb.

David Lundeen, Cleveland Christian Home, Cleveland, Ohio

C. Mark Palmer, Woodhaven, Columbia, Mo.

Don Stump, Christian Church Homes of Northern California, Oakland, Calif.

Karen Wardlaw, Disciple Homes Management Group, Gladewater, Texas

2010 Dues - Paying Member Agencies

Child Saving Institute, Omaha, Neb.; Christian Care Communities, Kentucky; Christian Church Homes of Northern California; Cleveland Christian Home, Cleveland, Ohio; Craddock Center Children's Enrichment Program, Cherry Log, Ga.; Disciple Homes Management Group, Gladewater, Texas; Disciples Benevolent Services, St. Louis, Mo.; Florida Christian Center, Jacksonville, Fla.; Juliette Fowler Homes, Dallas, Texas; Kentucky Appalachian Ministry, Berea, Ky.; Manistee Manor, Glendale, Ariz.; Serra Center, Fremont, Calif.; Southern Christian Services for Children and Youth, Jackson, Miss.; Tennyson Center for Children at Colorado Christian Home, Denver; Colo.; The Summit, Lynchburg, Va.; Village at the Bluffs, Colorado Springs, Colo.; Woodhaven, Columbia, Mo.

FINANCIAL STATEMENTS (See Attached PDF Document)

The General Board has reviewed Report No. 1107 from Disciples Benevolent Services. The report is submitted to the General Assembly for consideration and discussion. No action is required. (Discussion time 12 minutes)

**The National Benevolent Association of the
Christian Church (Disciples of Christ)
d/b/a Disciples Benevolent Services**

Accountants' Report and Consolidated Financial Statements

December 31, 2010 and 2009

**The National Benevolent Association of the
Christian Church (Disciples of Christ)
d/b/a Disciples Benevolent Services
December 31, 2010 and 2009**

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Independent Accountants' Report

Board of Trustees
The National Benevolent Association
of the Christian Church (Disciples of Christ)
d/b/a Disciples Benevolent Services
St. Louis, Missouri

We have audited the accompanying consolidated statements of financial position of The National Benevolent Association of the Christian Church (Disciples of Christ) d/b/a Disciples Benevolent Services ("DBS") as of December 31, 2010 and 2009, and the related consolidated statements of activities, functional expenses and cash flows for the years then ended. These financial statements are the responsibility of DBS's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of DBS as of December 31, 2010 and 2009, and changes in its net assets, its functional expenses and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

BKD, LLP

March 28, 2011

**The National Benevolent Association of the
Christian Church (Disciples of Christ)
d/b/a Disciples Benevolent Services**

Consolidated Statements of Financial Position

December 31, 2010 and 2009

(Dollars in Thousands)

Assets

	<u>2010</u>	<u>2009</u>
Current Assets		
Cash and cash equivalents	\$ 3,026	\$ 2,494
Accounts receivable, net of allowance; 2010 - \$243, 2009 - \$221	1,316	1,447
Contributions receivable	5	8
Investments	35,187	30,900
Deposits	2,185	2,185
Prepaid expenses	<u>244</u>	<u>251</u>
Total current assets	<u>41,963</u>	<u>37,285</u>
Noncurrent Assets		
Contributions receivable	27	17
Notes receivable	83	87
Other investments	254	331
Property and equipment, net of accumulated depreciation; 2010 - \$6,638, 2009 - \$6,248	6,987	7,213
Investments	22,682	22,640
Beneficial interest in perpetual trust held by related party	<u>645</u>	<u>600</u>
Total noncurrent assets	<u>30,678</u>	<u>30,888</u>
Total assets	<u><u>\$ 72,641</u></u>	<u><u>\$ 68,173</u></u>

Liabilities and Net Assets

	2010	2009
Current Liabilities		
Accounts payable and accrued expenses	\$ 1,598	\$ 1,879
Current portion of annuity obligations	1,015	1,074
Other	86	160
Total current liabilities	2,699	3,113
Noncurrent Liabilities		
Annuity and trust obligations	3,975	4,352
Funds held in trust	2,514	2,512
Other	970	1,281
Total noncurrent liabilities	7,459	8,145
Total liabilities	10,158	11,258
Net Assets		
Unrestricted	37,066	33,398
Temporarily restricted	9,004	7,169
Permanently restricted	16,413	16,348
Total net assets	62,483	56,915
Total liabilities and net assets	\$ 72,641	\$ 68,173

**The National Benevolent Association of the
Christian Church (Disciples of Christ)
d/b/a Disciples Benevolent Services**

**Consolidated Statements of Activities
Years Ended December 31, 2010 and 2009
(Dollars in Thousands)**

	2010			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenues, Gains and Other Support				
Fees for services	\$ 12,611	\$ -	\$ -	\$ 12,611
Contributions	1,452	124	4	1,580
Interest, dividends and rents	257	33	-	290
Investment return	3,336	2,454	3	5,793
Gain (loss) on deferred gift values	124	125	4	253
Other	406	26	54	486
Net assets released from restrictions	927	(927)	-	-
Total revenues, gains and other support	19,113	1,835	65	21,013
Expenses				
Program services	11,315	-	-	11,315
Management and general	3,440	-	-	3,440
Fundraising	690	-	-	690
Total expenses	15,445	-	-	15,445
Changes in Net Assets Before Contributions to Related Parties of Formerly Owned Senior Care Facilities and Adoption of UPMIFA	-	-	-	-
Contributions to Related Parties of Formerly Owned Senior Care Facilities	-	-	-	-
Net assets Reclassified as a Result of Adoption of UPMIFA	-	-	-	-
Change in Net Assets	3,668	1,835	65	5,568
Net Assets, Beginning of Year	33,398	7,169	16,348	56,915
Net Assets, End of Year	\$ 37,066	\$ 9,004	\$ 16,413	\$ 62,483

See Notes to Consolidated Financial Statements

2009			
Unrestricted	Temporarily Restricted	Permanently Restricted	Total
\$ 12,355	\$ -	\$ -	\$ 12,355
1,594	100	53	1,747
203	-	-	203
7,845	544	5	8,394
238	213	(3)	448
159	-	-	159
102	(102)	-	-
22,496	755	55	23,306
11,323	-	-	11,323
3,821	-	-	3,821
778	-	-	778
15,922	-	-	15,922
6,574	755	55	7,384
(81)	-	(387)	(468)
(2,303)	2,303	-	-
4,190	3,058	(332)	6,916
29,208	4,111	16,680	49,999
\$ 33,398	\$ 7,169	\$ 16,348	\$ 56,915

**The National Benevolent Association of the
Christian Church (Disciples of Christ)
d/b/a Disciples Benevolent Services
Consolidated Statements of Functional Expenses
Years Ended December 31, 2010 and 2009
(Dollars in Thousands)**

	2010			
	Program Services	Management and General	Fundraising	Total Expenses
Salaries and wages	\$ 7,764	\$ 1,580	\$ 369	\$ 9,713
Pension plan contributions	187	68	19	274
Other benefits and taxes	1,852	291	58	2,201
Professional services and fees	99	409	9	517
Office and information technology	99	238	19	356
Occupancy costs	264	301	2	567
Depreciation and amortization	214	250	5	469
Travel and transportation	411	78	96	585
Insurance	13	135	-	148
Personal services	303	1	-	304
Other	109	89	113	311
	<u>109</u>	<u>89</u>	<u>113</u>	<u>311</u>
Totals	<u>\$ 11,315</u>	<u>\$ 3,440</u>	<u>\$ 690</u>	<u>\$ 15,445</u>

2009

Program Services	Management and General	Fundraising	Total Expenses
\$ 7,395	\$ 1,521	\$ 369	\$ 9,285
178	58	26	262
2,159	560	71	2,790
122	471	15	608
104	275	26	405
277	260	6	543
240	195	10	445
444	97	61	602
22	294	-	316
278	-	-	278
104	90	194	388
<u>\$ 11,323</u>	<u>\$ 3,821</u>	<u>\$ 778</u>	<u>\$ 15,922</u>

**The National Benevolent Association of the
Christian Church (Disciples of Christ)
d/b/a Disciples Benevolent Services
Consolidated Statements of Cash Flows
Years Ended December 31, 2010 and 2009
(Dollars in Thousands)**

	<u>2010</u>	<u>2009</u>
Operating Activities		
Change in net assets	\$ 5,568	\$ 6,916
Items not requiring (providing) operating activities cash flows		
Depreciation	469	445
Net realized and unrealized gains on investments	(5,841)	(8,281)
Change in deferred gift values	(435)	(99)
Changes in		
Accounts receivable	131	(55)
Due from related party	-	(163)
Contributions receivable	(7)	40
Prepaid expenses	7	(108)
Accounts payable and accrued expenses	(281)	681
Refundable advances	22	10
Other assets and current/noncurrent liabilities	(327)	301
Net cash used in operating activities	<u>(694)</u>	<u>(313)</u>
Investing Activities		
Purchase of property and equipment	(247)	(462)
Principal payments received on notes receivable	4	254
Net proceeds from investments	743	1,030
Purchase of insurance collateral	-	(61)
Net cash provided by investing activities	<u>500</u>	<u>761</u>
Financing Activity		
Net proceeds from planned giving program	<u>726</u>	<u>131</u>
Net cash provided by financing activity	<u>726</u>	<u>131</u>
Increase in Cash and Cash Equivalents	532	579
Cash and Cash Equivalents, Beginning of Year	<u>2,494</u>	<u>1,915</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 3,026</u></u>	<u><u>\$ 2,494</u></u>

**The National Benevolent Association of the
Christian Church (Disciples of Christ)
d/b/a Disciples Benevolent Services**

**Consolidated Statements of Cash Flows
Years Ended December 31, 2010 and 2009
(Dollars in Thousands)**

Note 1: Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations

The National Benevolent Association of the Christian Church (Disciples of Christ) d/b/a Disciples Benevolent Services ("DBS") is one of the General Administrative Units of the General Assembly of the Christian Church (Disciples of Christ). DBS is a Missouri not-for-profit corporation. DBS serves the Church as its Division of Social and Health Services. DBS' mission statement is: *In the loving and caring spirit of Christ, Disciples Benevolent Services will partner with regions, congregations, and others to develop ministries of care in response to the needs of their communities.*

DBS currently provides services through 10 separate programs. With the exception of the chaplaincy programs located in Austin, Texas and Glendale, Arizona, a local corporation of which DBS is the corporate member is responsible for the day-to-day operation of each program. The bylaws of each local corporation grant DBS, as the corporate member, certain rights (which vary from corporation to corporation) to take and approve certain actions in order to permit DBS to provide policies, guidance and assure that the activities of each corporation remain consistent with the overall ministry goals of DBS. DBS also makes certain administrative services such as financial accounting and fundraising available to these corporations.

DBS, in fulfillment of its mission, provides services to senior adults, families and children and the developmentally disabled.

At December 31, 2010 and 2009, there were eight programs in operation.

Name of Service Unit	Persons Served	Location
Florida Christian Center, Inc.	Senior Adults	Jacksonville, Florida
Christian Services for Children in Alabama, Inc.	Youth and Families	Selma, Alabama
ECHO/St. Louis Christian Home	Youth and Families	St. Louis, Missouri
Serra Residential Center, Inc.	Developmentally Disabled	Fremont, California
Woodhaven Learning Center	Developmentally Disabled	Columbia, Missouri
Dorothy Rueff Chaplaincy Care of Jacksonville	Senior Adults	Jacksonville, Illinois
DBS Chaplaincy Care of Des Moines	Senior Adults	Des Moines, Iowa
DBS Chaplaincy Care of Los Angeles	Senior Adults	Los Angeles, California
DBS Chaplaincy Care of Austin	Senior Adults	Austin, Texas
DBS Chaplaincy Care of Glendale	Senior Adults	Glendale, Arizona

**The National Benevolent Association of the
Christian Church (Disciples of Christ)
d/b/a Disciples Benevolent Services
Consolidated Statements of Cash Flows
Years Ended December 31, 2010 and 2009
(Dollars in Thousands)**

Principles of Consolidation

The consolidated financial statements include the accounts of DBS, the DBS Central Offices located in St. Louis, Missouri and the National Benevolent Foundation, all of which are corporations of which DBS serves as the sole corporate member. All significant intercompany accounts and transactions have been eliminated.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenses, gains, losses and other changes in net assets during the reporting period. Actual results could differ from those estimates.

Cash Equivalents

DBS considers all liquid investments with original maturities of three months or less to be cash equivalents. At December 31, 2010 and 2009, cash equivalents consisted primarily of money market accounts and certificates of deposit.

The financial institutions holding DBS' cash accounts are participating in the FDIC's Transaction Account Guarantee Program. Under that program, through December 31, 2010, all noninterest-bearing transaction accounts are fully guaranteed by the FDIC for the entire amount in the account. Pursuant to legislation enacted in 2010, the FDIC will fully insure all noninterest-bearing transaction accounts beginning December 31, 2010 through December 31, 2012, at all FDIC-insured institutions.

For financial institutions opting out of the FDIC's Transaction Account Guarantee Program or interest-bearing cash accounts, the FDIC's insurance limits were permanently increased to \$250,000, effective July 21, 2010. At December 31, 2010, DBS' interest-bearing cash accounts exceeded federally insured limits by approximately \$914.

Accounts Receivable

Accounts receivable from residents, patient and third-party payers have been recorded at the estimated net realizable value. Estimated retroactive adjustments are accrued in the period the related services are rendered and adjusted in future periods as final settlements are received. This generally does not require collateral or other security in extending credit to residents and patients. Accounts are considered delinquent and subsequently written off as bad debt based on individual credit evaluation and specific circumstances of the account, as determined by each Service Unit.

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Contributions

Gifts of cash and other assets received without donor stipulations are reported as unrestricted revenue and net assets. Gifts received with a donor stipulation that limits their use are reported as temporarily or permanently restricted revenue and net assets. When a donor stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Gifts and investment income that are originally restricted by the donor and for which the restriction is met in the same time period are recorded as temporarily restricted and then released from restriction.

Gifts of land, buildings, equipment and other long-lived assets are reported as unrestricted revenue and net assets unless explicit donor stipulations specify how such assets must be used, in which case the gifts are reported as temporarily or permanently restricted revenue and net assets. Absent explicit donor stipulations for the time long-lived assets must be held, expirations of restrictions resulting in reclassification of temporarily restricted net assets as unrestricted net assets are reported when the long-lived assets are placed in service.

Unconditional gifts expected to be collected within one year are reported at their net realizable value. Unconditional gifts expected to be collected in future years are reported at the present value of estimated future cash flows. The resulting discount is amortized using a rate of 4% and is reported as contribution revenue.

Conditional gifts depend on the occurrence of a specified future and uncertain event to bind the potential donor and are recognized as assets and revenue when the conditions are substantially met and the gift becomes unconditional.

Investments and Investment Return

Investments in equity securities having a readily determinable fair value and in all debt securities are carried at fair value. Other investments are valued at the lower of cost (or fair value at time of donation, if acquired by contribution) or fair value. These investments are classified as either current or long-term investments in the combined statements of financial position. These classifications are made to divide those investments held in trust in conjunction with pooled investment trusts, living trusts, unitrusts, annuity trusts and those investments permanently restricted by donors in conjunction with endowment agreements from other investments.

Investment return includes dividend; interest and other investment income; realized and unrealized gains and losses carried at fair value; and realized gains and losses on other investments. Investment return that is initially restricted by donor stipulation and for which the restriction will be satisfied in the same year is included in unrestricted net assets. Other investment return is reflected in the combined statements of activities as unrestricted, temporarily restricted or permanently restricted based upon the existence and nature of any donor or legally imposed restrictions.

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DBS maintains pooled investment accounts for its endowments. Investment income and realized and unrealized gains and losses from securities in the pooled investment accounts are allocated monthly to the individual endowments based on the relationship of the fair value of the interest of each endowment to the total fair value of the pooled investments accounts, as adjusted for additions to or deductions from those accounts.

Irrevocable Split-interest Agreements

DBS is the trustee of certain irrevocable split-interest agreements, including pooled life income funds, unitrusts and annuity trusts. Under the terms of these instruments, DBS is named as the trustee, current distributions are made to specified individuals and a remainder interest is to be distributed to DBS or one of its Service Units. Unitrusts are accounted for using the standard method, which pays the donors based on a fixed percentage. DBS is also the issuer of gift annuity agreements under which DBS, in exchange for a transfer of cash or other property, is obligated to pay an annuity to one or two individuals for their remaining lives. DBS recognizes any assets transferred as part of the initial payment at their fair values. Liabilities for the future payments to annuitants are recorded using published actuarial life expectancies and the Applicable Federal Rate at the date of the gift. Prior to 2006, DBS used assumed discount rates ranging from 11% to 4%. The difference between the fair value of donated assets and the calculated liability is recognized as contribution revenue in the year the irrevocable gift is made.

Each year, DBS recognizes net gains and losses on deferred gift values based on the investment income and market appreciation (depreciation) of trust assets, distributions to annuitants and releases of remainder trusts or gift annuities. Assets of the pooled life income funds, unitrusts and annuity trusts are held by DBS as the trustee pursuant to the terms of specific trust agreements. Assets transferred to DBS in exchange for a gift annuity become property of DBS and are not held in trust.

Property and Equipment

Property and equipment are recorded at cost, except for property received by gifts which is recorded at fair value on the date of receipt. DBS holds title to substantially all land and buildings of its Service Units. Title to equipment is vested with either the Service Unit or DBS. Property and equipment are depreciated on a straight-line basis over the useful life of each asset. Certain property and equipment are carried on the combined statements of financial position at appraised values as of 1965. Subsequent additions through December 31, 2010, have been at cost.

Other Noncurrent Liabilities

Other noncurrent liabilities are comprised of reserves established for self-insurance and other insurance reserves for the benefit of DBS and its Service Units.

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Liability for Annuity Obligations

Liability for annuity obligations represent the net present value of future payments due under irrevocable agreements written in conjunction with certain deferred gift programs.

Funds Held in Trust

Funds held in trust are comprised primarily of revocable deferred gift deposit agreements and various unitrusts, annuity trusts, gift annuities and pooled fund agreements whose residual beneficiaries are not-for-profit entities other than DBS and its Service Units.

Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are those whose use by DBS has been limited by donors to a specific time period or purpose. Permanently restricted net assets have been restricted by donors to be maintained by DBS in perpetuity.

Fees for Services

Fees are for services derived from residents, third-party payers and others and are reported at the estimated realizable amounts. Revenues under third-party payer agreements are subject to audit and retroactive adjustments. Provisions for these adjustments are estimated in the current period and then adjusted, if necessary, when final settlements are determined.

Income Taxes

DBS and its Service Units are exempt from income taxes under Section 501 of the Internal Revenue Code and a similar provision of state law, pursuant to a group exemption letter issued to the Disciples of Christ. However, DBS is subject to federal income tax on any unrelated business taxable income.

DBS files tax returns in the U.S. federal jurisdiction. With a few exceptions, DBS is no longer subject to U.S. federal and state examinations by tax authorities for years before 2007.

Functional Allocation of Expenses

The costs of supporting the various programs and other activities have been summarized on a functional basis in the statement of activities. Certain costs have been allocated among the program, management and general and fundraising categories based on the best estimates of management.

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Reclassifications

Certain reclassifications have been made to the 2009 financial statements to conform to the 2010 financial statement presentation. These reclassifications had no effect on the change in net assets.

Subsequent Events

Subsequent events have been evaluated through March 28, 2011, which is the date the consolidated financial statements were available to be issued.

Note 2: Investments and Investment Return

Investments at December 31, 2010 and 2009, consisted of the following:

	2010		2009	
	Current Investments	Long-Term Investments	Current Investments	Long-Term Investments
Money market funds	\$ -	\$ 297	\$ -	\$ 268
Equity securities				
Consumer staples	-	104	-	119
Energy	-	137	-	100
Health care	-	86	-	108
Technology	-	129	-	122
Industrials	-	105	-	110
Other	23	245	19	184
U.S. Treasury securities	199	-	194	-
Corporate debt securities	-	870	-	964
Mutual funds				
Balanced funds	-	3,787	-	3,832
Other	-	110	-	156
Christian Church Foundation funds				
Total return plan	31,067	15,472	26,207	15,404
Income-oriented plan	-	1,340	-	1,273
Annuity growth plan	3,898	-	4,480	-
	<u>\$ 35,187</u>	<u>\$ 22,682</u>	<u>\$ 30,900</u>	<u>\$ 22,640</u>

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Total investment return is comprised of the following:

	2010	2009
Interest, dividends and rent income	\$ 290	\$ 203
Net realized and unrealized gains (losses) on investments reported at fair value	<u>5,793</u>	<u>8,394</u>
	<u><u>\$ 6,083</u></u>	<u><u>\$ 8,597</u></u>

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

Note 3: Contributions Receivable

Temporarily restricted contributions receivable are expected to be received as follows:

	2010	2009
Due within one year	\$ 5	\$ 8
Due in one to five years	<u>28</u>	<u>18</u>
	33	26
Less unamortized discount	<u>1</u>	<u>1</u>
	<u><u>\$ 32</u></u>	<u><u>\$ 25</u></u>

The rate utilized for discounting contributions receivable was 4%.

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Note 4: Property and Equipment

Property and equipment at December 31, 2010 and 2009, consists of:

	2010	2009
Land	\$ 1,105	\$ 1,105
Buildings and leasehold improvements	10,987	10,709
Furniture and equipment	1,510	1,458
Construction in progress	23	189
	<u>13,625</u>	<u>13,461</u>
Less accumulated depreciation	<u>6,638</u>	<u>6,248</u>
	<u><u>\$ 6,987</u></u>	<u><u>\$ 7,213</u></u>

Note 5: Annuities and Trusts Payable

DBS is the recipient of gift annuities which require future payments to the donor or their named beneficiaries. The assets received from the donor are recorded at fair value. DBS has recorded a liability at December 31, 2010 and 2009, of approximately \$4,990 and \$5,426, respectively, which represents the present value of the future annuity obligations. The liability has been determined using discount rates ranging from 4% to 11%, based on applicable mortality tables.

DBS administers various charitable remainder trusts. A charitable remainder trust provides for the payment of distributions to the grantor or other designated beneficiaries over the trust's term (usually the designated beneficiary's lifetime). At the end of the trust's term, the remaining assets are available for the use of DBS. The portion of the trust attributable to the future interest of DBS is recorded in the statement of activities as temporarily restricted contributions in the period the trust is established. Assets held in the charitable remainder trusts are recorded at fair value in DBS' statement of financial position. On an annual basis, DBS revalues the liability to make distributions to the designated beneficiaries based on actuarial assumptions.

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Note 6: Net Assets

Temporarily Restricted Net Assets

Temporarily restricted net assets are available for the following purposes or periods:

	2010	2009
Purpose Restrictions		
Purchase or repair of property or equipment	\$ 1,998	\$ 1,750
Educational	1,142	1,001
Funds held by Christian Church Foundation, Inc.	145	135
Deferred gift agreements	2,043	1,955
	<u>5,328</u>	<u>4,841</u>
For periods after December 31	3,676	2,328
	<u>\$ 9,004</u>	<u>\$ 7,169</u>

Permanently Restricted Net Assets

Permanently restricted net assets are restricted to investment in perpetuity. The income derived from most permanently restricted net assets is to be used for the support of unrestricted program activities.

Net Assets Released from Restrictions

Net assets were released from donor restrictions for continuing operations by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors. For the years ended December 31, 2010 and 2009, temporarily restricted net assets were released as follows:

	2010	2009
Expiration of time restrictions	\$ 22	\$ 29
Assets transferred subject to restrictions	-	(5)
Restriction released	18	8
Purpose restrictions accomplished		
Educational/program support	887	70
	<u>\$ 927</u>	<u>\$ 102</u>

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Note 7: Beneficial Interest in Perpetual Trust Held by Related Party

DBS and the Christian Church Foundation, Inc. (the "Foundation") are related parties that are not financially interrelated organizations. Each organization is one of 18 General Ministries of the Christian Church (Disciples of Christ). These ministries address broad areas of work, central administrative functions and specialized study and services to meet responsibilities of the Church in its mission of witness and service to the world. In the absence of donor restrictions, the Foundation has discretionary control over the amounts and timing of its distributions to DBS.

The Foundation has not made contributions to DBS during the years ended December 31, 2010 and 2009. DBS assets held by the Foundation are recorded at fair value by the Foundation. DBS has recorded a receivable at December 31, 2010 and 2009, of approximately \$645 and \$600, respectively. The change in value of the receivable is recorded in contribution revenue on the statement of activities.

Note 8: Pension Plan

The employees of DBS and electing Service Units can participate in a contributory, defined benefit pension plan which is administered by the Pension Fund of the Christian Church (Disciples of Christ), Indianapolis, Indiana. This is a multiemployer pension plan which does not accumulate data on an individual employer basis and accordingly, such disclosure is not possible in accordance with SFAS No. 158. Total pension expense for 2010 and 2009 was \$274 and \$262, respectively.

Note 9: Significant Estimates

Accounting principles generally accepted in the United States of America require disclosure of certain significant estimates. Those matters include the following:

Insurance

Since 1995, DBS has purchased insurance for workers' compensation with a \$350 deductible per occurrence. At December 31, 2010 and 2009, based on actuarial estimates, DBS has provided an accrual of \$808 and \$823, respectively. At December 31, 2010 and 2009, the insurers are holding approximately \$453 in cash collateral for these related occurrences, which are included as investments in the combined statements of financial position. Effective March 2005, DBS has purchased insurance for workers' compensation with no deductible per occurrence.

Effective June 15, 2003, DBS established an "exposure-buy-back program" underwritten by an "A" rated insurance company. Exposure-buy-back is a form of self-insurance and there is no risk transfer from DBS to the underwriter. At inception, the loss fund was funded at a level of \$1,000, thus providing coverage of \$1,000 per occurrence and \$1,000 aggregate. As of December 31, 2010

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and 2009, the loss fund was funded at a level of \$1,733 thus providing coverage of \$1,000 per occurrence and \$1,733 in aggregate, respectively. To the extent general and professional liability claims and related defense costs exceed the allocated funds available in the loss funds, such excess claims or losses must be satisfied from general assets. Liability insurance expense for 2010 and 2009 was \$100 and \$250. Effective March 2005, DBS terminated the “exposure-buy-back program” and replaced it with a traditional liability insurance policy.

Current Economic Conditions

The current protracted economic decline continues to present not-for-profit organizations with difficult circumstances and challenges, which in some cases have resulted in large declines in the fair value of investments and other assets and declines in contributions. The financial statements have been prepared using values and information currently available to DBS.

Current economic conditions have made it difficult for many donors to continue to contribute to not-for-profit organizations. A significant decline in contribution revenue could have an adverse impact on DBS’ future operating results.

In addition, given the volatility of current economic conditions, the values of assets and liabilities recorded in the financial statement could change rapidly, resulting in material future adjustments in investment values and allowances for contributions receivable that could negatively impact DBS’ ability to maintain sufficient liquidity.

Note 10: Contribution to Related Parties of Formerly Owned Senior Care Facilities

Prior to its emergence from bankruptcy, DBS sold all of the senior care facilities operated by its Service Units. Upon emergence from bankruptcy, parties representing the interests of indigent residents of several former DBS senior care facilities asserted claims (in most cases through legal counsel and in one case by a lawsuit) seeking certain restricted funds held by DBS Service Units that had operated the senior care facilities. During 2010, DBS was able to amicably resolve one additional such claim, through the transfer of certain restricted funds to a tax-exempt organization. An estimate of the amount was accrued in 2009. State attorney general approval was obtained authorizing the transfer of those funds and restricting the use of the funds transferred to the original donor restriction. In addition, in resolving each claim, DBS obtained a written settlement and release. DBS believes no claims remain to be resolved.

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Note 11: Disclosures About Fair Value of Assets and Liabilities

Accounting Standards Codification (ASC) Topic 820, *Fair Value Measurements*, defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Topic 820 also specifies a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

- Level 1** Quoted prices in active markets for identical assets or liabilities
- Level 2** Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in active markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities
- Level 3** Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities

Following is a description of the valuation methodologies and inputs used for instruments measured at fair value on a recurring basis and recognized in the accompanying statements of financial position, as well as the general classification of such instruments pursuant to the valuation hierarchy.

Investments

Where quoted market prices are available in an active market, investments are classified within Level 1 of the valuation hierarchy. Level 1 investments include money market funds, mutual funds and exchange traded equities. If quoted market prices are not available, then fair values are estimated by using pricing models, quoted prices of securities with similar characteristics or discounted cash flows. Level 2 investments include certain debt obligations and U.S. Treasury securities. In certain cases where Level 1 or Level 2 inputs are not available, investments are classified within Level 3 of the hierarchy. DBS has no Level 3 investments.

Beneficial Interest in Perpetual Trust

Fair value is estimated at the present value of the future distributions expected to be received over the term of the agreement. Due to the nature of the valuation inputs, the interest is classified within Level 2 of the hierarchy.

The following tables present the fair value measurements of assets recognized in the accompanying statement of financial position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at December 31, 2010 and 2009:

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	2010			
	Fair Value Measurements Using			
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	Fair Value			
Money market funds	\$ 297	\$ 297	\$ -	\$ -
Equity securities				
Consumer staples	\$ 104	\$ 104	\$ -	\$ -
Energy	\$ 137	\$ 137	\$ -	\$ -
Health care	\$ 86	\$ 86	\$ -	\$ -
Technology	\$ 129	\$ 129	\$ -	\$ -
Industrials	\$ 105	\$ 105	\$ -	\$ -
Other	\$ 268	\$ 268	\$ -	\$ -
U.S. Treasury securities	\$ 199	\$ -	\$ 199	\$ -
Corporate debt securities	\$ 869	\$ -	\$ 869	\$ -
Mutual funds				
Balanced funds	\$ 3,787	\$ 3,787	\$ -	\$ -
Other	\$ 110	\$ 110	\$ -	\$ -
Christian Church Foundation funds				
Total return plan	\$ 46,540	\$ 177	\$ 46,363	\$ -
Income-oriented plan				
Money market funds	\$ 51	\$ 51	\$ -	\$ -
Equity securities				
Consumer staples	\$ 85	\$ 85	\$ -	\$ -
Energy	\$ 140	\$ 140	\$ -	\$ -
Financials	\$ 183	\$ 183	\$ -	\$ -
Health care	\$ 123	\$ 123	\$ -	\$ -
Other	\$ 246	\$ 246	\$ -	\$ -
Corporate debt securities	\$ 247	\$ -	\$ 247	\$ -
U.S. Treasury securities	\$ 266	\$ -	\$ 266	\$ -
Annuity growth plan				
Corporate debt securities	\$ 3,793	\$ -	\$ 3,793	\$ -
Money market funds	\$ 104	\$ 104	\$ -	\$ -
Beneficial interest in perpetual trust held by related party	\$ 645	\$ -	\$ 645	\$ -

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	2009			
	Fair Value Measurements Using			
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	Fair Value			
Money market funds	\$ 268	\$ 268	\$ -	\$ -
Equity securities				
Consumer staples	\$ 119	\$ 119	\$ -	\$ -
Energy	\$ 100	\$ 100	\$ -	\$ -
Health care	\$ 108	\$ 108	\$ -	\$ -
Technology	\$ 122	\$ 122	\$ -	\$ -
Industrials	\$ 110	\$ 110	\$ -	\$ -
Other	\$ 203	\$ 203	\$ -	\$ -
U.S. Treasury securities	\$ 194	\$ -	\$ 194	\$ -
Corporate debt securities	\$ 964	\$ -	\$ 964	\$ -
Mutual funds				
Balanced funds	\$ -	\$ 3,832	\$ -	\$ -
Other	\$ -	\$ 156	\$ -	\$ -
Christian Church Foundation funds				
Total return plan	\$ 41,611	\$ 654	\$ 40,957	\$ -
Income-oriented plan				
Money market funds	\$ 50	\$ 50	\$ -	\$ -
Equity securities				
Energy	\$ 127	\$ 127	\$ -	\$ -
Financials	\$ 200	\$ 200	\$ -	\$ -
Health care	\$ 74	\$ 74	\$ -	\$ -
Information technology	\$ 85	\$ 85	\$ -	\$ -
Other	\$ 229	\$ 229	\$ -	\$ -
Corporate debt securities	\$ 271	\$ -	\$ 271	\$ -
U.S. Treasury securities	\$ 237	\$ -	\$ 237	\$ -
Annuity growth plan				
Corporate debt securities	\$ 4,431	\$ -	\$ 4,431	\$ -
Money market funds	\$ 49	\$ 49	\$ -	\$ -
Beneficial interest in perpetual trust held by related party	\$ 600	\$ -	\$ 600	\$ -

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Note 12: Endowment

DBS's endowment consists of approximately 190 individual funds established for a variety of purposes. DBS's definition of endowment is limited to donor-restricted endowment funds. As required by accounting principles generally accepted in the United States of America (GAAP), net assets associated with endowment funds, including board-designated endowment funds, are classified and reported based on the existence or absence of donor-imposed restrictions.

The DBS's governing body has interpreted the State of Missouri Prudent Management of Institutional Funds Act (SPMIFA) as requiring preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, DBS classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. For each individual fund where the value exceeds the permanently restricted amount the remaining portion of the donor-restricted endowment fund is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by DBS in a manner consistent with the standard of prudence prescribed by SPMIFA. For each individual fund where the value is less than the permanently restricted portion the deficit amount is classified as unrestricted net assets. In accordance with SPMIFA, DBS considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. Duration and preservation of the fund
2. Purposes of DBS and the fund
3. General economic conditions
4. Possible effect of inflation and deflation
5. Expected total return from investment income and appreciation or depreciation of investments
6. Other resources of DBS
7. Investment policies of DBS

The composition of net assets by type of endowment fund at December 31, 2010 and 2009, was:

	2010			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	\$ (49)	\$ 3,726	\$ 16,413	\$ 20,090
	2009			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	\$ (305)	\$ 2,303	\$ 16,348	\$ 18,346

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Changes in endowment net assets for the years ended December 31, 2010 and 2009, were:

2010				
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	\$ (305)	\$ 2,303	\$ 16,348	\$ 18,346
Investment return				
Investment income	1	31	-	32
Net appreciation	255	2,072	3	2,330
Total investment return	256	2,103	3	2,362
Contributions	-	-	4	4
Appropriation of endowment assets for expenditure pursuant to court approved settlement	-	27	54	81
Actuarial changes (released planned gifts)	-	-	4	4
Appropriation of endowment assets for expenditure per spending policy	-	(707)	-	(707)
Endowment net assets, end of year	<u>\$ (49)</u>	<u>\$ 3,726</u>	<u>\$ 16,413</u>	<u>\$ 20,090</u>
2009				
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	\$ (1,267)	\$ -	\$ 16,680	\$ 15,413
Net assets reclassified as a result of adoption of UPMIFA	(2,303)	2,303	-	-
Investment return				
Investment income	27	-	-	27
Net appreciation	3,691	-	5	3,696
Total investment return	3,718	-	5	3,723
Contributions	-	-	50	50
Appropriation of endowment assets for expenditure pursuant to court approved settlement	(81)	-	(387)	(468)
Appropriation of endowment assets for expenditure per spending policy	(372)	-	-	(372)
Endowment net assets, end of year	<u>\$ (305)</u>	<u>\$ 2,303</u>	<u>\$ 16,348</u>	<u>\$ 18,346</u>

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Amounts of donor-restricted endowment funds classified as permanently and temporarily restricted net assets at December 31, 2010 and 2009, consisted of:

	2010	2009
Permanently restricted net assets - portion of perpetual endowment funds required to be retained permanently by explicit donor stipulation	\$ 16,413	\$ 16,348
Temporarily restricted net assets - value of perpetual endowment funds in excess of amounts required to be retained permanently by explicit donor stipulation	\$ 3,726	\$ 2,303

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level DBS is required to retain as a fund of perpetual duration pursuant to donor stipulation or SPMIFA. In accordance with GAAP, deficiencies of this nature are reported in unrestricted net assets and aggregated \$49 and \$305 at December 31, 2010 and 2009, respectively. These deficiencies resulted from unfavorable market fluctuations and continued appropriation for certain purposes that was deemed prudent by the governing body.

In investing the funds of its permanent endowments, DBS has adopted a total return strategy in which investment returns are achieved through both current yield and realized/unrealized capital appreciation and which target a diversified asset allocation that places a greater emphasis on equity based securities to achieve long term return objectives within prudent risk constraints. To that end, DBS has invested the funds comprising approximately ninety percent (90%) of its permanently restricted endowments in the Common Fund and the Campbell Fund maintained by the Christian Church Foundation (Disciples of Christ) which funds are expected to produce results which, over time, will exceed four percent (4%) and five percent (5%), respectively, for the Common Fund and the Campbell Fund and which assume a moderate level of investment risk although actual returns in a given year will vary.

In order to provide a predictable stream of funding to programs from its permanently restricted endowment funds while seeking to maintain the purchasing power of the permanent funds, DBS has appropriated for expenditure each year four percent (4%) or five percent (5%) of the average fair value of the fund invested in the Common Fund and the Campbell Fund, respectively. Although DBS has not adopted a formal spending policy, over the long term, DBS believes that these expenditures will allow its permanently restricted endowment funds to grow at an average rate that will exceed the spending rate and maintain the purchasing power of its permanently restricted endowment funds. Of the remaining 10 percent (10%) of the funds comprising its

**The National Benevolent Association of the
Christian Church (Disciples of Christ)
d/b/a Disciples Benevolent Services
Notes to Consolidated Financial Statements
December 31, 2010 and 2009
(Dollars in Thousands)**

permanently restricted endowments, DBS has invested more than seven percent (7%) in a fund with a strong emphasis on equities from which only the actual income earned is appropriated for expenditures each year and the remaining less than three percent (3%) of the funds comprising its permanently restricted funds are variously invested.

No. 1108

Report of Disciples of Christ Historical Society to the General Board and General Assembly of the Christian Church (Disciples of Christ)

Glenn Thomas Carson, President

Our Vision

At Disciples of Christ Historical Society we envision the unity of all persons of faith through shared understanding of individual histories and creeds.

Our Mission

The mission of Disciples of Christ Historical Society is to proclaim the Gospel of Jesus Christ by preserving the heritage and telling the story of the Stone-Campbell tradition.

Disciples of Christ Historical Society is the primary archive and collective memory for Stone-Campbell congregations throughout the world. Our purpose is to collect and maintain documents and artifacts, and we are an agency of proclamation. Like our founders we believe in the unity of all people of faith. Our mission, then, is to insure that the ideal which was delivered to us – an open and welcoming Church – will remain available for the generations to come.

How does DCHS contribute to the movement for wholeness in a fragmented world?

We helped congregations in 87 countries plan their Great Communion (bicentennial of Thomas Campbell's *Declaration and Address*) celebrations in October 2009. This is one example of the vital work of the Historical Society. To discover our ministry visit www.discipleshistory.org.

Disciples Mission Fund

Disciples of Christ Historical Society gratefully acknowledges the receipt of DMF monies in 2010, which represented 12% of our overall budget.

Submitted by the President on behalf of DCHS and its Board of Trustees
February 2011

The General Board has reviewed Report No. 1108 from Disciples of Christ Historical Society. The report is submitted to the General Assembly for consideration and discussion. No action is required. (Discussion time 12 minutes)

DISCIPLES OF CHRIST HISTORICAL SOCIETY

**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT**

December 31, 2010 and 2009

DISCIPLES OF CHRIST HISTORICAL SOCIETY

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FRASIER, DEAN & HOWARD, PLLC

CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Disciples of Christ Historical Society
Nashville, Tennessee

We have audited the accompanying statements of financial position of Disciples of Christ Historical Society (a nonprofit organization) as of December 31, 2010 and 2009, and the related statements of activities and changes in net assets, and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As more fully described in Note 1 to the financial statements, certain property and equipment are stated at estimated appraisal value in the accompanying statements of financial position. Additionally, no depreciation expense is reported. In our opinion, property and equipment should be recorded at cost, if purchased, or at fair value, if donated or contributed, to conform with accounting principles generally accepted in the United States of America, and those amounts should be depreciated over the estimated useful lives of the assets. The effects on the financial statements of the preceding practices are not reasonably determinable. Additionally, because of the lack of available historical records, we were unable to satisfy ourselves regarding the nature and classification of certain net assets received in years prior to our engagement as auditors. Disciples of Christ Historical Society Board of Trustees is aware of the lack of such records.

In our opinion, except for the effects of the matters discussed in the preceding paragraph, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of Disciples of Christ Historical Society as of December 31, 2010 and 2009, and the changes in net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying supplementary information on pages 18 – 19 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, except for the effects of property and equipment stated at estimated appraisal values and a lack of historical records relating to classification of net assets as explained in the third paragraph above, such information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Frasier, Dean & Howard, PLLC

March 21, 2011

DISCIPLES OF CHRIST HISTORICAL SOCIETY
STATEMENTS OF FINANCIAL POSITION
December 31, 2010 and 2009

	<u>2010</u>	<u>2009</u>
Assets		
Cash and cash equivalents	\$ 161,077	\$ 641,298
Investments	3,274,535	3,035,833
Pledges receivable	134,620	-
Property and equipment	4,584,031	4,584,031
Beneficial interest in trust	<u>38,184</u>	<u>78,971</u>
Total assets	<u>\$ 8,192,447</u>	<u>\$ 8,340,133</u>
Liabilities and Net Assets		
Accounts payable and accrued expenses	<u>\$ 2,542</u>	<u>\$ 60,806</u>
Total liabilities	<u>2,542</u>	<u>60,806</u>
Net assets:		
Unrestricted:		
Undesignated	6,848,481	7,103,854
Board designated	144,967	154,198
Temporarily restricted	410,599	235,417
Permanently restricted	<u>785,858</u>	<u>785,858</u>
Total net assets	<u>8,189,905</u>	<u>8,279,327</u>
Total liabilities and net assets	<u>\$ 8,192,447</u>	<u>\$ 8,340,133</u>

See accompanying notes.

DISCIPLES OF CHRIST HISTORICAL SOCIETY
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
Year ended December 31, 2010

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Revenue and public support:				
Gifts and donations	\$ 257,296	\$ 134,620	\$ -	\$ 391,916
Investment income	315,080	71,263	-	386,343
Miscellaneous revenue	23,153	-	-	23,153
Sales and service	4,276	-	-	4,276
Memberships	750	-	-	750
Loss on beneficial interest in trust	(40,787)	-	-	(40,787)
Net assets released from restrictions	30,701	(30,701)	-	-
Total revenue and public support	<u>590,469</u>	<u>175,182</u>	<u>-</u>	<u>765,651</u>
Expenses:				
Salaries	295,147	-	-	295,147
Other	80,543	-	-	80,543
Repairs and maintenance	74,926	-	-	74,926
Benefits	72,990	-	-	72,990
Publications	66,739	-	-	66,739
Museum and library	54,728	-	-	54,728
Technology enhancement	42,890	-	-	42,890
Housing	38,216	-	-	38,216
Travel	33,244	-	-	33,244
Utilities	24,770	-	-	24,770
Payroll taxes	21,967	-	-	21,967
Office	14,033	-	-	14,033
Marketing and advertising	12,006	-	-	12,006
Insurance	8,578	-	-	8,578
Professional fees	8,000	-	-	8,000
Postage and handling	6,288	-	-	6,288
Seminars	8	-	-	8
Total expenses	<u>855,073</u>	<u>-</u>	<u>-</u>	<u>855,073</u>
Change in net assets	(264,604)	175,182	-	(89,422)
Net assets, beginning of year	<u>7,258,052</u>	<u>235,417</u>	<u>785,858</u>	<u>8,279,327</u>
Net assets, end of year	<u>\$ 6,993,448</u>	<u>\$ 410,599</u>	<u>\$ 785,858</u>	<u>\$ 8,189,905</u>

See accompanying notes.

DISCIPLES OF CHRIST HISTORICAL SOCIETY
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
Year ended December 31, 2009

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Revenue and public support:				
Gifts and donations	\$ 1,026,435	\$ -	\$ -	\$ 1,026,435
Investment income	521,794	121,600	-	643,394
Miscellaneous revenue	238,062	-	-	238,062
Sales and service	13,318	-	-	13,318
Memberships	175	-	-	175
Net assets released from restrictions	14,469	(14,469)	-	-
Total revenue and public support	<u>1,814,253</u>	<u>107,131</u>	<u>-</u>	<u>1,921,384</u>
Expenses:				
Salaries	266,354	-	-	266,354
Repairs and maintenance	216,168	-	-	216,168
Benefits	76,065	-	-	76,065
Other	68,719	-	-	68,719
Publications	60,870	-	-	60,870
Museum and library	51,617	-	-	51,617
Technology enhancement	48,656	-	-	48,656
Professional fees	44,967	-	-	44,967
Housing	38,216	-	-	38,216
Marketing and advertising	35,528	-	-	35,528
Travel	29,937	-	-	29,937
Office	29,779	-	-	29,779
Utilities	27,179	-	-	27,179
Payroll taxes	19,475	-	-	19,475
Insurance	9,405	-	-	9,405
Postage and handling	8,888	-	-	8,888
Seminars	4,313	-	-	4,313
Total expenses	<u>1,036,136</u>	<u>-</u>	<u>-</u>	<u>1,036,136</u>
Change in net assets	778,117	107,131	-	885,248
Net assets, beginning of year	<u>6,479,935</u>	<u>128,286</u>	<u>785,858</u>	<u>7,394,079</u>
Net assets, end of year	<u>\$ 7,258,052</u>	<u>\$ 235,417</u>	<u>\$ 785,858</u>	<u>\$ 8,279,327</u>

See accompanying notes.

DISCIPLES OF CHRIST HISTORICAL SOCIETY
STATEMENTS OF CASH FLOWS
Years ended December 31, 2010 and 2009

	<u>2010</u>	<u>2009</u>
Cash flows from operating activities:		
Change in net assets	\$ (89,422)	\$ 885,248
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Realized and unrealized gain on investments	(386,343)	(628,254)
Changes in operating assets and liabilities:		
Pledges receivable	(134,620)	9,804
Beneficial interest in trust	40,787	(15,141)
Other	-	225
Accounts payable and accrued expenses	<u>(58,264)</u>	<u>50,489</u>
Net cash (used in) provided by operating activities	<u>(627,862)</u>	<u>302,371</u>
Cash flows from investing activities:		
Purchases of property and equipment	-	(9,166)
Proceeds from sales of investments	<u>147,641</u>	<u>233,348</u>
Net cash provided by investing activities	<u>147,641</u>	<u>224,182</u>
Net (decrease) increase in cash and cash equivalents	(480,221)	526,553
Cash and cash equivalents, beginning of year	<u>641,298</u>	<u>114,745</u>
Cash and cash equivalents, end of year	<u>\$ 161,077</u>	<u>\$ 641,298</u>

See accompanying notes.

DISCIPLES OF CHRIST HISTORICAL SOCIETY
NOTES TO FINANCIAL STATEMENTS
December 31, 2010 and 2009

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Disciples of Christ Historical Society ("the Society") was established in 1953 to gather, preserve, and make accessible the historical documents of the Stone-Campbell religious movement. In doing so, the Society maintains and furthers the interest in the religious heritage, background, origin, development and general history of Disciples of Christ, Christian Churches, Churches of Christ and related groups. The Society is a not-for-profit, Tennessee corporation located in Nashville, Tennessee.

Accounting Standards Codification

The Financial Accounting Standards Board Accounting Standards Codification ("FASB ASC") became the sole authoritative source of generally accepted accounting principles in the United States of America for periods ending after September 15, 2009. The FASB ASC incorporates all authoritative literature previously issued by a standard setter. Adoption of the FASB ASC has no effect on the Society's statements of financial position, activities and changes in net assets, or cash flows.

Financial Statement Presentation

The Society follows the standards of accounting and reporting prescribed for nonprofit organizations using the accrual basis of accounting.

The Society's net assets and its support, revenue, expenses, gains, and losses are classified into three classes of net assets based on the existence of donor-imposed restrictions. Net assets of the Society and changes therein are classified as follows:

Unrestricted net assets – Net assets that are not subject to donor-imposed stipulations. Such assets may be however, designated by the Society's board of directors for certain activities.

Temporarily restricted net assets – Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Society and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions.

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

Because of a lack of available historical records, the Society has grouped its net assets into the categories above based on the best information currently available.

DISCIPLES OF CHRIST HISTORICAL SOCIETY
NOTES TO FINANCIAL STATEMENTS (Continued)
December 31, 2010 and 2009

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contributions

The Society reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions.

In-Kind Contributions

Contributed professional services are recognized if the services received (a) create or enhance long-lived assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributions of tangible assets are recognized at fair market value when received.

The Society receives contributed time from volunteers which does not meet the recognition criteria described above. Accordingly, the value of this contributed time, including time contributed by the Society's board of directors, is not reflected in the accompanying financial statements.

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Society considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Investments

Investments are reported at fair value as described in Note 2. Gains or losses in the value of such investments are reported in the statements of activities and changes in net assets in the period they occur.

Property and Equipment

Land and buildings are recorded at estimated appraisal value. Furniture and equipment is recorded at cost. Contributions of property and equipment are reported at their fair value. The Society does not record depreciation.

Values attributable to historic collections are only recognized in the financial statements if the values attributable to such historical treasures are measurable in monetary terms.

Advertising Costs

The Society expenses advertising costs as incurred.

**DISCIPLES OF CHRIST HISTORICAL SOCIETY
NOTES TO FINANCIAL STATEMENTS (Continued)
December 31, 2010 and 2009**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes

The Society has qualified for tax exempt status under Section 501(c)(3) of the Internal Revenue Code and is classified as other than a private foundation.

On January 1, 2009 the Society adopted FASB ASC guidance related to unrecognized tax benefits. The guidance clarifies the accounting for uncertainty in income taxes recognized in an organization's financial statements. This interpretation prescribes a minimum probability threshold that a tax position must meet before a financial statement benefit is recognized. The minimum threshold is defined as a tax position that is more likely than not to be sustained upon examination by the applicable taxing authority, including resolution of any related appeals or litigation processes, based on the technical merits of the position. The tax benefit to be recognized is measured as the largest amount of benefit that is greater than fifty percent likely of being realized upon ultimate settlement. The Society has no tax penalties or interest reported in the accompanying financial statements. Adoption of this guidance had no impact on the Society's financial position or activities.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Restricted Endowment Funds

The Uniform Prudent Management Institutional Funds Act ("UPMIFA") was enacted in Tennessee effective July 1, 2007. The FASB ASC provides guidance on the net asset classification of donor-restricted endowment funds for a nonprofit organization that is subject to an enacted version of UPMIFA. It also requires disclosure of a description of the governing board's interpretation of the law that underlies the organization's net asset classification of donor-restricted endowment funds, a description of the organization's policies for the appropriation of endowment assets for expenditures (its endowment spending policies), a description of the organization's endowment investment policies, and additional disclosures not previously required.

Subsequent Events

The Society evaluated subsequent events through March 21, 2011, when these financial statements were available to be issued. The Society is not aware of any significant events that occurred subsequent to the statement of financial position date but prior to the filing of this report that would have a material impact on the financial statements.

DISCIPLES OF CHRIST HISTORICAL SOCIETY
NOTES TO FINANCIAL STATEMENTS (Continued)
December 31, 2010 and 2009

NOTE 2 – FAIR VALUE MEASUREMENTS AND INVESTMENTS

The Society has adopted the fair value measurement topic of the FASB ASC, which establishes a framework for measuring fair value. The framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements).

The three levels of the fair value hierarchy are described below:

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

Level 2 Inputs to the valuation methodology include the following:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

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

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. A description of the valuation methodologies used for assets measured at fair value is as follows:

Pooled Mutual Funds (Beasley and Common): Valued at the net asset value ("NAV") of underlying shares held by the Society at year end.

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

The following table sets forth by level, within the fair value hierarchy, the Society's investments at fair value as of December 31:

DISCIPLES OF CHRIST HISTORICAL SOCIETY
NOTES TO FINANCIAL STATEMENTS (Continued)
December 31, 2010 and 2009

NOTE 2 – FAIR VALUE MEASUREMENTS AND INVESTMENTS (Continued)

	<u>2010</u>		<u>2009</u>	
	<u>Fair</u>	<u>Quoted Prices</u>	<u>Fair</u>	<u>Quoted Prices</u>
	<u>Market</u>	<u>for Similar</u>	<u>Market</u>	<u>for Similar</u>
	<u>Value</u>	<u>Items in Active</u>	<u>Value</u>	<u>Items in Active</u>
		<u>Markets</u>		<u>Markets</u>
		<u>(Level 2)</u>		<u>(Level 2)</u>
Beasley Fund	\$ 2,383,650	\$ 2,383,650	\$ 2,208,420	\$ 2,208,420
Common Fund	<u>890,885</u>	<u>890,885</u>	<u>827,413</u>	<u>827,413</u>
	<u>\$ 3,274,535</u>	<u>\$ 3,274,535</u>	<u>\$ 3,035,833</u>	<u>\$ 3,035,833</u>

The Society's investment policy generally requires that 75% of its portfolio be invested in the Beasley Fund (a more aggressive fund) and 25% of the portfolio be invested in the Common Fund (a more conservative fund) of the Christian Church Foundation located in Indianapolis, Indiana.

Investment income totaled \$386,343 and \$643,394 for the years ended December 31, 2010 and 2009, respectively.

NOTE 3 – PROPERTY AND EQUIPMENT

Property and equipment consists of the following at December 31:

	<u>2010</u>	<u>2009</u>
Land	\$ 100,000	\$ 100,000
Building	4,000,000	4,000,000
Furnishings and fixtures	121,620	121,620
Library and museum holdings	325,700	325,700
Office equipment	6,200	6,200
Automobile	<u>30,511</u>	<u>30,511</u>
	<u>\$ 4,584,031</u>	<u>\$ 4,584,031</u>

As discussed in Note 1, and consistent with its previous practices, the Society has recorded property and equipment at management's estimate of appraised value for certain assets rather than at historical cost as required by U.S. generally accepted accounting principles. Also, the Society has not recorded depreciation on its property and equipment.

The Society conducts its operations on land conveyed to the Society by Vanderbilt University. Subject to the conveyance, Vanderbilt maintains a right of first refusal should the Society decide to sell its property.

DISCIPLES OF CHRIST HISTORICAL SOCIETY
NOTES TO FINANCIAL STATEMENTS (Continued)
December 31, 2010 and 2009

NOTE 4 – BOARD DESIGNATED NET ASSETS

The Board of Directors has placed voluntary designations on certain unrestricted net assets. Board designated net assets are available for the following purposes at December 31:

	<u>2010</u>	<u>2009</u>
General operations	\$ 39,681	\$ 39,681
Continuing education	23,580	21,258
Care and preservation	15,564	14,084
Technology enhancements	10,203	29,747
Capital purchases	43,205	38,292
Building maintenance	<u>12,734</u>	<u>11,136</u>
Total board designated net assets	<u>\$ 144,967</u>	<u>\$ 154,198</u>

NOTE 5 – TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purposes at December 31:

	<u>2010</u>	<u>2009</u>
Lectureships and seminars	\$ 100,100	\$ 71,673
Building maintenance	50,200	62,343
Building repairs and updates	7,303	7,303
Publications	1,358	(10,336)
Life memberships	8,149	6,552
Internship salary	5,542	4,103
Care and preservation	18,728	13,923
Ph.D. candidate outreach	8,976	6,593
Society expansion	10,273	7,913
Other, including time restrictions	<u>199,970</u>	<u>65,350</u>
Total temporarily restricted net assets	<u>\$ 410,599</u>	<u>\$ 235,417</u>

NOTE 6 – PERMANENTLY RESTRICTED NET ASSETS

Permanently restricted net assets consist of endowment funds subject to the restrictions of gift instruments generally requiring that the principal be invested in perpetuity, the income from which is expendable to support the following various purposes at December 31:

DISCIPLES OF CHRIST HISTORICAL SOCIETY
NOTES TO FINANCIAL STATEMENTS (Continued)
December 31, 2010 and 2009

NOTE 6 – PERMANENTLY RESTRICTED NET ASSETS (Continued)

	<u>2010</u>	<u>2009</u>
General operations	\$ 417,200	\$ 417,200
Lectureships and seminars	210,576	210,576
Publications	61,160	61,160
Life memberships	11,100	11,100
Internship salary	10,000	10,000
Care and preservation	34,081	34,081
Ph.D. candidate outreach	25,000	25,000
Society expansion	<u>16,741</u>	<u>16,741</u>
Total permanently restricted net assets	<u>\$ 785,858</u>	<u>\$ 785,858</u>

NOTE 7 – ENDOWMENT ACCOUNTS

The Society's endowment consists of board designated net assets and donor restricted gifts held in investment accounts. As required by U.S. generally accepted accounting principles, net assets associated with endowment funds are classified and reported based upon the existence or absence of donor-imposed restrictions.

Changes in Endowment Net Assets for the fiscal year ended December 31, 2010:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 2,014,558	\$ 235,417	\$ 785,858	\$ 3,035,833
Investment return:				
Board approved draws	(147,641)	-	-	(147,641)
Net realized and unrealized gains	<u>315,080</u>	<u>71,263</u>	<u>-</u>	<u>386,343</u>
Endowment net assets, end of year	<u>\$ 2,181,997</u>	<u>\$ 306,680</u>	<u>\$ 785,858</u>	<u>\$ 3,274,535</u>

DISCIPLES OF CHRIST HISTORICAL SOCIETY
NOTES TO FINANCIAL STATEMENTS (Continued)
December 31, 2010 and 2009

NOTE 7 – ENDOWMENT ACCOUNTS (Continued)

Changes in Endowment Net Assets for the fiscal year ended December 31, 2009:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 1,726,783	\$ 128,286	\$ 785,858	\$ 2,640,927
Investment return:				
Board approved draws	(233,348)	-	-	(233,348)
Net realized and unrealized gains	<u>521,123</u>	<u>107,131</u>	<u>-</u>	<u>628,254</u>
Endowment net assets, end of year	<u>\$ 2,014,558</u>	<u>\$ 235,417</u>	<u>\$ 785,858</u>	<u>\$ 3,035,833</u>

Interpretation of Relevant Law

The Society has interpreted the UPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Society classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as unrestricted net assets until those amounts are appropriated for expenditure by the Society in a manner consistent with the standard of prudence prescribed by UPMIFA.

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 UPMIFA requires the Society to retain as a fund of perpetual duration. No endowment funds had fair values below the level that the donor or UPMIFA required at December 31, 2010 or 2009.

DISCIPLES OF CHRIST HISTORICAL SOCIETY
NOTES TO FINANCIAL STATEMENTS (Continued)
December 31, 2010 and 2009

NOTE 7 – ENDOWMENT ACCOUNTS (Continued)

Endowment Investment Policy and Risk Parameters

The Society 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 organization must hold in perpetuity or for a donor-specified period.

Under this policy, the Society's investment policy generally requires that 75% of its portfolio be invested in the Beasley Fund (a more aggressive fund) and 25% of the portfolio be invested in the Common Fund (a more conservative fund) of the Christian Church Foundation located in Indianapolis, Indiana.

Strategies Employed for Achieving Investment Objectives

To satisfy its long-term rate-of-return objectives, the Society 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 Society targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Society has a policy of withdrawing a board approved amount from the endowment accounts on a monthly basis. Additionally, the Board of Directors may direct special allocations of the endowment funds be distributed to the Society's operating account to satisfy operating expenses that the Society has been unable to pay through day-to-day operations. Specific agreements with donors for income taken relative to their specific endowment gifts are exempted.

NOTE 8 – RETIREMENT PLAN

Employees of the Society are covered under a retirement plan as provided by the pension fund of the Christian Church (Disciples of Christ). Under the plan, the Society contributes 14% of covered salaries on behalf of eligible employees. Retirement expense totaled \$26,757 and \$31,047 for the years ended December 31, 2010 and 2009, respectively.

NOTE 9 – CONCENTRATIONS

At times throughout the year, the Society may maintain cash balances at financial institutions in excess of FDIC insured limits. At December 31, 2010, the Society was within these limits. Amounts in excess of these limits totaled \$83,655 at December 31, 2009.

DISCIPLES OF CHRIST HISTORICAL SOCIETY
NOTES TO FINANCIAL STATEMENTS (Continued)
December 31, 2010 and 2009

NOTE 10 – MISCELLANEOUS REVENUE

Miscellaneous revenues for the year ended December 31, 2009 includes approximately \$216,000 of insurance proceeds relating to water damage to the Society's facility. Related expenses are included in repairs and maintenance.

SUPPLEMENTAL INFORMATION

DISCIPLES OF CHRIST HISTORICAL SOCIETY
SCHEDULE OF NET ASSETS BY FUND
December 31, 2010

Fund Name	Unrestricted		Temporarily Restricted	Permanently Restricted	Total Fund Balance
	Undesignated	Board Designated			
General Operations Fund	\$ 6,573,439	\$ -	\$ 134,620	\$ -	\$ 6,708,059
Eva Jean Wrather Endowment Fund	186,613	-	-	290,350	476,963
Forrest H. Kirkpatrick Endowment Fund	-	-	80,992	171,374	252,366
Lin & Inez Scott Cartwright Endowment Fund	60,947	-	-	99,000	159,947
Brown-McAllister Annuity	-	-	65,350	-	65,350
Howard E. Short Periodicals Endowment Fund	-	-	(8,242)	61,160	52,918
Mildred W. Phillips Building Endowment Fund	-	-	50,200	-	50,200
Dale & Betty Fiers Endowment Fund	15,980	-	-	27,850	43,830
Equipment and Furnishing Endowment Fund	-	43,205	-	-	43,205
Forrest Reed Lecture Endowment Fund	-	-	11,658	26,452	38,110
Willis Jones Endowment Fund	9,789	26,505	-	-	36,294
Carl Ketcherside Scholarship Endowment Fund	-	-	8,976	25,000	33,976
Land Acquisition & Insurance Endowment Fund	-	-	10,273	16,741	27,014
Dietrich Bonhoeffer Confessing Church Endowment Fund	-	-	9,417	17,500	26,917
Continuing Education Fund	-	23,580	-	-	23,580
Joe A. & Nancy Vaughn Stalcup Seminar Endowment Fund	-	-	7,450	12,750	20,200
Wade Rubick Endowment Fund	-	-	8,149	11,100	19,249
Edward G. Holley Book Endowment Fund	-	-	5,725	10,787	16,512
Historical Material Preservation Fund	-	15,564	-	-	15,564
Cannon-Benoit Internship Endowment Fund	-	-	5,542	10,000	15,542
Museum Endowment Fund	-	12,734	-	-	12,734
Technology Endowment Fund	-	10,203	-	-	10,203
James & Dudley Seale Publications Endowment Fund	-	-	9,600	-	9,600
Henry Barton Robison Endowment Fund	-	-	3,586	5,794	9,380
Roland & Kitty Huff Endowment Fund	-	8,030	-	-	8,030
Watkins Reading Room Fund	-	-	7,303	-	7,303
Peter & Lynn Morgan Endowment Fund	1,713	5,146	-	-	6,859
Total	\$ 6,848,481	\$ 144,967	\$ 410,599	\$ 785,858	\$ 8,189,905

DISCIPLES OF CHRIST HISTORICAL SOCIETY
SCHEDULE OF NET ASSETS BY FUND
December 31, 2009

Fund Name	Unrestricted		Temporarily Restricted	Permanently Restricted	Total Fund Balance
	Undesignated	Board Designated			
General Operations Fund	\$ 6,899,907	\$ -	\$ -	\$ -	\$ 6,899,907
Eva Jean Wrather Endowment Fund	144,906	-	-	290,350	435,256
Forrest H. Kirkpatrick Endowment Fund	-	-	56,828	171,374	228,202
Lin & Inez Scott Cartwright Endowment Fund	46,988	-	-	99,000	145,988
Brown-McAllister Annuity	-	-	65,350	-	65,350
Mildred W. Phillips Building Endowment Fund	-	-	62,343	-	62,343
Howard E. Short Periodicals Endowment Fund	-	-	(16,808)	61,160	44,352
Dale & Betty Fiers Endowment Fund	12,053	-	-	27,850	39,903
Equipment and Furnishing Endowment Fund	-	38,292	-	-	38,292
Forrest Reed Lecture Endowment Fund	-	-	9,458	26,452	35,910
Carl Ketcherside Scholarship Endowment Fund	-	-	6,593	25,000	31,593
Technology Endowment Fund	-	29,747	-	-	29,747
Willis Jones Endowment Fund	-	26,505	-	-	26,505
Land Acquisition & Insurance Endowment Fund	-	-	7,913	16,741	24,654
Dietrich Bonhoeffer Confessing Church Endowment Fund	-	-	6,950	17,500	24,450
Continuing Education Fund	-	21,258	-	-	21,258
Joe A. & Nancy Vaughn Stalcup Seminar Endowment Fund	-	-	5,387	12,750	18,137
Wade Rubick Endowment Fund	-	-	6,552	11,100	17,652
Edward G. Holley Book Endowment Fund	-	-	4,204	10,787	14,991
Cannon-Benoit Internship Endowment Fund	-	-	4,103	10,000	14,103
Historical Material Preservation Fund	-	14,084	-	-	14,084
Museum Endowment Fund	-	11,136	-	-	11,136
Henry Barton Robison Endowment Fund	-	-	2,769	5,794	8,563
Roland & Kitty Huff Endowment Fund	-	8,030	-	-	8,030
Watkins Reading Room Fund	-	-	7,303	-	7,303
James & Dudley Seale Publications Endowment Fund	-	-	6,472	-	6,472
Peter & Lynn Morgan Endowment Fund	-	5,146	-	-	5,146
Total	\$ 7,103,854	\$ 154,198	\$ 235,417	\$ 785,858	\$ 8,279,327

No. 1109

DIVISION OF HOMELAND MINISTRIES
OF THE CHRISTIAN CHURCH (DISCIPLES OF CHRIST)
dba DISCIPLES HOME MISSIONS

Ronald J. Degges, President

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Board of Directors: Voting members of the DHM Board of Directors are: Janet Casey-Allen, Indianapolis, Indiana; Candyce Black, San Antonio, Texas; George Crawford, Gig Harbor, Washington; Paul Few, Lincoln, Nebraska; Janet Fountain, Milton, Nova Scotia, Canada; Dave Geenen, Rock Island, Illinois; Alan Hilberg, Bakersfield, California; Jim Hockman, Columbia, South Carolina; Rebecca Littlejohn, Anniston, Alabama; Madelyn Logan, Ashland, Virginia; William McConnell, Wichita, Kansas; Valerie Melvin, Wilson, North Carolina; G. Lee Parker, Lynchburg, Virginia; Richie Sánchez, Orlando, Florida; Jean Vandergrift, Boston, Massachusetts; KK Wiseman, Nashville, Tennessee; Mary Jacobs, Tempe, Arizona; Debra, Joseph, New Orleans, Louisiana (Local Church Ministries Representative – UCC). EX-officio Members without vote are the representatives to The United Christian Missionary Society: Sarah Draper, Hoover, Alabama; Mary Lou Kegler, Kansas City, Missouri; Jim Rivers, Wadsworth, Ohio.

This past October 4, 2010, marked the 2nd Anniversary of my call to become President of Disciples Home Missions. For two years now you and I have worked together to build and strengthen the ministry and mission of Disciples Home Missions and through Disciples Home Missions, the ministry and mission of the whole church.

I would be deeply remiss if I began my comments to you without thanking you for the privilege you have granted me to serve our church in this way. I love such service because, more than anything else, it is not a “me thing” but a “we thing.” We are the church together and only a dim approximation of it when we are apart. Everything we can do to strengthen our life together as a General Ministry of the church will, in turn, build and strengthen the life of the entire Christian Church (Disciples of Christ).

It is no secret that the church is smack in the middle of a dramatic sea of change. The waves are splashing everywhere and anywhere they can. Some of our congregations are more waterproof than others. The others are just floating out to sea one piece at a time. The once familiar beaches are eroding away and no one seems to know where all the sand has gone. The Bible says to “*Cast your bread upon the waters, for after many days you will find it again*” [Ecclesiastes 11:1]. Well, many of our congregations have cast their bread and offerings out into the waters of this dramatic sea of change, and are still waiting to find them again, praying that they will return even if a little soggy.

Let me use another metaphor by theologian, Paul Duke, writing in *The Christian Century*. “*In our age the landscape is lit up with burning temples. The temple of communism has fallen: the temple of capitalism is on fire. The temple of technology is tilting like the tower of Babel. Most of our cities are fallen houses, as is the family. The churches in the land? Their dear old denominations? Those of us still inside them see the stones falling all around us . . .*” So, we have splashing waves and burning temples, churches floating out to sea one piece at a time and crumbling structures with stones falling all around us.

Well, this assessment of the state of the church is not new to any of you who are on the General Board of our church. For many years now, Disciples Home Missions has been at the heart of naming the situation, providing strategic remedies [Some of you remember how we called it ‘Prescriptions for Growth’], and offering hands-on resources and services to congregations in need of revitalization and renewal.

Last year, DHM’s Board of Directors approved a re-branding of our ministry logo. The new logo has the words Disciples Home Missions and/or the acronym DHM in a partially outlined box opening to a red handprint at whose center is our Disciple chalice with the Saint Andrews cross. It is a way of re-imagining who we are at Disciples Home Missions.

We are a ministry of the whole church designed to equip Disciples for mission and ministry and to connect people to the life changing love of God. Our mission is dedicated to serving congregations, strengthening leaders, and developing partnerships throughout the church that will help us make a difference for Christ. The open box on the logo indicates that we are a ministry that breaks forth, out of the box, as a movement for wholeness in a fragmented world.

If you are looking for passive, melba toast type of ministry and mission, you’ll not find it at DHM. Our every effort is aimed at getting each Disciple and each Disciples congregation involved in missional hands-on ministry. We have learned that Disciples congregations who look outward rather than inward, who trust God to do great things in

and through them, who reach out to their communities with the love of Christ, are better prepared to cope with the immense changes facing them. Rather than being knocked over by the waves or buried by the falling stones, these congregations are riding the waves and re-arranging the stones in a way that points to the future face of congregational life.

Disciples Home Missions is practicing what we preach to congregations by riding the tumultuous waves and re-arranging the stones of our life together. You have undoubtedly read about it in recent weeks. Declines in Disciples Mission Fund giving coupled with flat returns from investment income have called us into what I call “a new era of accountability and realignment.”

Beginning early in my tenure as President and continuing through mid-October 2010, I engaged all DHM staff in a portfolio review process, evaluating individual ministries in light of the changing landscape of denominational structures and life. I have presented regular reports on the state of the church as it relates to congregational life and vitality to the General Board, the DHM Board of Directors, and to the DHM staff. Particular attention has been paid to financial matters which require us to provide oversight with fewer staff and new approaches for ministry.

It was with a deep sense of regret that I informed Carl and Robin Zerweck, Karen Jones, Tod Iseminger, Susan Galasso, and Angela Herrmann of the difficult decision to release them from employment with DHM, effective October 22, 2010. An administrative assistant position which was vacated in July 2010 will remain unfilled.

As a gift to the church, as well as to DHM, Lois Robinson, a 30+ year employee of DHM, will take early retirement, effective December 31, 2010. I continue to be amazed at the devotion and dedication of our servant leaders here at DHM and ask myself, ‘From whence comes such strength of character?’

I want you to know that it is my intention to continue a high level of ministry service in some reconfigured ways which will help jumpstart vital, transformational ministries in congregations, clusters of congregations, and with the direct involvement of our other general ministry and regional ministry partners.

Let me give you a few examples. Our Young Adult Commission recently returned from a retreat in Las Vegas, Nevada, and will be working closely with *NewFire*, a young adult led community seeking ways to build bridges with one another and the many forms of the church. *NewFire* with Disciples young adult representation met prior to the National Council of Churches meeting, November 7-9, 2010, in New Orleans, Louisiana.

In partnership with the Council on Christian Unity, DHM is rallying our young adult constituency to participate in *Babel Table*, an event for young adults to get an understanding of the missional church. Three events which will reach out to 45 young adults, all expenses paid, will occur at the West Side Mission Center in New Orleans, December 15-19, 2010, at the Romero Center in San Diego, March 10-13, 2011, and at the Yakama Christian Center in White Swan, June 9-12, 2011. There will be a celebration of young adult ministry at the General Assembly, July 9-13, 2011.

Youth Ministry will be directed by the Rev. Hope Hodnett, a DHM liaison staff member who serves as an Associate Minister at Vine Street Christian Church in Nashville, Tennessee. Hope will arrange for and oversee the upcoming General Youth Council (GYC) and Youth Ministry Council (YMC) meeting in the Nashville area and will provide direct oversight for youth ministry during the General Assembly. Hope will network with two additional Disciples Ministers, the Reverends Joshua Bell and Holly Woodruff in Lynchburg, Virginia and Wilson, North Carolina respectively, to continue planning for the 2012 International Christian Youth Fellowship [ICYF] gathering in Lynchburg, Virginia with a Mission Experience, July 22-25, 2012, followed by the ICYF Conference, July 25-29, 2012. I have already asked the Rev. Rebecca Hale, Transitional Regional Minister in Florida, for the names of potential candidates to serve as a DHM youth ministry liaison from the end of the General Assembly in Nashville through the end of the General Assembly in Orlando, Florida in 2013. This alternating model of leadership in partnership with our regions will enhance grassroots ministry in local communities and regions throughout the United States and Canada.

Disciples Men's ministries will turn a new corner as the current Executive Committee works with the Christian Church Foundation on establishing a Disciples Men's Annual Appeal and Permanent Funds Program. Foundation staff member, Randy Johnson, has met with Gary Ochs, current President of the General Conference of Disciples Men, and Archie Jenkins, incoming President of the General Conference of Disciples Men. Jim Powell, former President of Church Extension, who now serves as Senior Advisor for Advancement, is assisting not only Church Extension, but also Disciples Home Missions and Higher Education and Leadership Ministries in the area of Fund Development. He will serve as a consultant as this project is developed.

Disciples Men's ministries has extended an invitation for interested men to take a look at the changing face of Men's Ministries in the Christian Church (Disciples of Christ) and to explore ways of establishing vital ministries to men where they are non-existent, to strengthen ministries to men where they are weak, and to support and learn from those men's ministries which are productive and growing. The importance and uniqueness of men as fathers will serve as a theme. Studies have shown that our denominational

future depends upon several things. One very important “thing” is the role of fathers and their influence to their children’s faith and church attendance. Another is our ability to lead men to spiritual maturity and provide them with skills to reach others for Jesus Christ.

The Office of Disciples Volunteering is being led by Joshua Baird of Covington, Louisiana, who is currently the Assistant to the Director of the Office of Disciples Volunteering. Rev. Baird’s contract employment with Disciples Home Missions, funded by Week of Compassion, will conclude on December 31, 2010. It is my pleasure to announce to you that Josh will become the Director of the Office of Disciples Volunteering, effective January 1, 2011. His primary role will be to serve as the Executive Administrator of the Program providing needed coordination of both long-term as well as newly identified volunteers and organizing mission station locations. There will be no interruption in volunteer opportunities, including opportunities at the Nashville General Assembly. Mission groups are currently being scheduled for a week at a time from late May through early August 2011. Mission work will be structured as half a day service opportunities coupled with occasions for spiritual discernment, sharing of the experience, and prayer. Most of the work will be focused on the continuing flood recovery needs. ODV also kept its commitment to complete the build at Northwood Christian Church in Beaumont, Texas from November 7-21, 2010. I would like to pause a moment to thank Rev. Baird, as well as all those volunteers who are keeping the faith in the midst of this change of leadership.

I need you to know that Week of Compassion commissioned a consulting firm by the name of KonTerra to do an evaluation of our denomination’s Hurricane Recovery Initiative [HRI]. The report highlighted the need for the Office of Disciples Volunteering to move from an Invoice-based accounting process after a disaster response to a budget-based accounting process developed early after a disaster has occurred, indicating the anticipated costs of responding to the disaster over the long haul. The budget submitted will serve as the basis for any further extensions needed or requests for additional income. Matters of efficiency and healthy stewardship practices are lifted up as key criteria for the work of the Office of Disciples Volunteering as it is funded through Week of Compassion.

I hope these few examples give you an adequate understanding of how the sailboat called Disciples Home Missions is being turned to help us, as well as the whole church, turn into the direction of the sails and wind. Steve Doan has agreed to provide continuing service as our Endorser for the Military and Veterans Hospital Chaplains as well as for our Institutional Chaplains. He will be assisted in his work by Anne Marie Moyars in our Office of Search and Call. Brenda Tyler has agreed to serve as our in-house administrative web technician.

The momentum which began early in my ministry with DHM in developing a closer partnership between Disciples Home Missions, Church Extension, and Higher Education and Leadership Ministries, has continued to grow. All three of our ministries are planning to hold a single dinner on Saturday evening of the General Assembly. The exhibit space for all three ministries will be adjacent to one another with an area for shared use.

The three of us are having collaborative conversations on congregational transformation and the need for transformational leadership to help turn our church around. Our October 2009 Leadership Summit, funded by the Oreon E. Scott Foundation, was the first effort of any of our General Ministries to address the leadership priority of our church. Since then, there has been a growing momentum to establish what is currently being called the Hope Partnership for Missional Transformation, or in short, the Hope Partnership. This new entity designed initially by DHM, CE, and HELM will help provide missional resources for transforming congregations, empowering and equipping both clergy and congregations to be all they can be, and especially what God wants them to be. The Oreon E. Scott Foundation has approved three grant requests from DHM, CE, and HELM to help assist us in making this new missional initiative a reality.

I attended a week-long conference on transforming congregations sponsored by the Western Regions in Mission [WRIM] and General Ministry Partners of the Christian Church (Disciples of Christ). Regional Ministers and Clergy from the Northwest Region, Oregon, Northern California/Nevada, the Pacific Southwest, Arizona, the Central Rocky Mountain, and Montana met to initiate a pilot project on turning around congregations, their clergy, and their lay leadership to be vital, healthy, and dynamic expressions of the church. Dates have been identified to begin a two-week training module to be repeated in different parts of the country to train clergy on the principles of congregational transformation and help them apply those principles to their own ministry context. You will be hearing much more about this growing momentum in the days ahead.

In addition to all this, I need to report on the growing, spreading ministry of Kaye Edwards and our Family and Children's Ministries. Kaye is attending key leadership training events for Children Worship & Wonder. We are in conversations with our Ecumenical Partner, the United Christ of Christ, about sharing personnel and making joint appointments for leadership in this area. Our ecumenical conversations continue regarding shared personnel and joint appointments in Youth and Young Adult Ministries and Women's Ministries. Conference Calls between Disciples Home Missions and Local Church Ministries to continue our exploration of joint/shared staffing were held in late November 2010.

July 14-15, 2010, the first ever Haitian Summit was held here in Indianapolis. The outcome of the meeting was the establishment of a Haitian commission, co-chaired by the DHM President and Haitian Pastoral Leader, Philius Nicholas of Uniondale, New York. The Commission consists of 5 Haitians, 3 Regional Ministers, and one General Ministry President and will meet for a period of up to two years. Since July 2010, I have secured the participation of Mary Ann Glover, Regional Minister in the Northeast; Glen Stewart, Regional Minister in Tennessee; and, Rebecca Hale, Transitional Regional minister in Florida. The next step will be to call this group together and identify ways we can strengthen the relationship between the Haitian Disciples community and the whole of the Christian Church (Disciples of Christ). Just for your information, there are over 100 Haitian congregations in the United States and Canada with a membership of about 60,000.

General Minister and President, Sharon Watkins, called for a Disciples Women's Table Conversation which was held September 23, 2010. The purpose of the Table was to dialogue about the proper placement of Disciples Women's Ministries in the life of the church. Decisions made shortly before this gathering by the IDWM Executive Committee called for the Office of Disciples Women to remain in covenant with DHM. The focus of our meeting, therefore, was to review the nature of the covenantal relationship between ODW and DHM, look at the Merger Agreement with the National Christian Missionary Convocation [NCMC], and develop an understanding of self direction for women's ministries within the life of Disciples Home Missions. A broad consensus was achieved at the Women's Table meeting and a commitment for a small group to hammer out the details was brokered. To this end, Ron Degges, Lonna Owens, Mary Jacobs, and Judy Row met by Conference Call in October 2010 to revise the Principles of Mutuality Agreement in force between DHM and Disciples Women. This proposed agreement came before the DHM Board of Directors on November 5, 2010, and was approved. I trust you sense the 'historic' nature of this agreement as well as the covenantal tie that binds us together in relationship with each other, a relationship that does not smother and micromanage, but one that is based on respect and freedom. DHM and Disciples Women can now move forward into the ministry that God is calling us, looking through the front windshield and not the rearview mirror.

And, yes, a new Executive Director for the Office of Disciples Women has been called. The Rev. Patricia A. Donahoo will begin service to the church on January 1, 2011. She is excited about the beginning of her ministry with us. I invite you to extend to Pat a warm welcome to Disciples Home Missions and the Office of Disciples Women.

Disciples Home Missions and our Refugee and Immigration Ministries were instrumental in the development of a denomination-wide campaign to get congregations to hold

conversations on immigration which began around Columbus Day. We are also a sponsoring body of the February 10-13, 2011 “Turning Walls into Tables: A Border Experience” to be held in San Diego, CA. DHM is making available scholarships to encourage youth and young adult participation. Furthermore, we are very near the point of raising the necessary funds to hire a half-time Immigration Attorney to be part of the DHM staff to help the structures of the church better assist undocumented pastors and church members in getting religious worker visas and regularizing their status.

There is much more I could report on, but I believe you get the drift of what is happening at Disciples Home Missions. In the midst of this flurry of activity, positive, hopeful, and forward-leaning directions are being created with intentionality. We still exist in the middle of a dramatic sea of change. There are still splashing waves and burning temples, with churches floating out to sea one piece at a time and crumbling structures with stones falling all around us.

The reality I shared with you at the opening of my report is still the same reality we live with. Paul Duke’s observation that: “. . .*the landscape is lit up with burning temples. The temple of communism has fallen. The temple of capitalism is on fire. The temple of technology is tilting like the tower of Babel. Most of our cities are fallen houses, as is the family. The churches in the land? Their dear old denominations? Those of us still inside them see the stones falling all around us . . .*”

In fact, the reality I shared with you at the beginning of this report is not the same reality we still live with. Why? Because I only shared part of what Duke wrote in *The Christian Century*. He ended his article on burning temples and falling stones with these words: “*Our temples fall so that fresh forms of faith can rise from the ruins.*”

I do not know about you, but I want to be part of the architecture of those fresh forms of faith that can arise, as the ruins of ‘what was’ give way to the hope of ‘what can be.’ Please join with me and all your staff at Disciples Home Missions as we continue to reach out to the hope of what the Christian Church (Disciples of Christ) can be!

All Peoples Christian Center Agency **General Assembly Report 2010**

All Peoples Christian Center is a nonprofit, multi-service, multi- generational Family Resource Center. The agency was founded in 1942 to serve the needs of the area's residents by the United Christian Missionary Society of the Christian Church (Disciples of Christ). APCC continues it's affiliation with the Christian Church as a mission center of Disciples Home Missions and a unit of the Pacific Southwest Region. In the beginning, All Peoples Christian Church and Center operated as one entity. However, the church and center separated their financial resources and established separate Boards of Directors in 1964. All Peoples Church and Center maintain a covenantal relationship and work together to meet the educational, recreational, physical, nutritional, emotional and spiritual needs of the community of South Central Los Angeles.

In 2009, All Peoples provided services to 8,730 participants. 49% of the participants were under the age of 18. 76% of the participants receiving assistance earn an annual income less than \$17,000. 16% income was less than \$34,000 annually. The area served by All Peoples is considered one of the most disadvantaged communities in the country.

APCC, in collaboration with other service providers and public agencies, hosted again in 2009 & 2010 our Health, Resource, and Book Fair. Immunization, health screenings, vision screenings, healthy food choices and access to local agency resources were provided. In 2010, nearly 1,400 persons including volunteers and participants gathered for the largest health fair to date. More than \$6,000 in books and school resources were distributed to the community.

Throughout 2009-10, APCC has continued to host church mission trips. The interactions between everyone from the community and church groups is a transformational experience. Six youth groups from across the country benefited from the mission experience. Disciples Volunteers in Mission also placed an intern for the summer of 2010.

How has All Peoples ministry led to meeting the priorities of the Christian Church? The relationships that have been established with various individuals and manifestations of the church have facilitated opportunities in leadership development. For example, several former mission group participants have commented that their experience had significant impact on their decision to enter the ministry. Other groups were inspired to look within their own community with a broader vision of how they could be of service to others.

Finally, APCC is located in a community that has suffered from the results of systemic racism i.e. low achieving educational institutions, lack of grocery stores with nutritious fruits and vegetables, lack of housing, high unemployment rates. APCC is member of a collaboration of local community based agencies, schools, community residents, business, law enforcement, public officials who have committed to transformation of the Vernon Central neighborhood which the Center is located. Building a sustainable community is an integral goal of APCC and we are seeing success from our efforts over the past two years.

APCC provides the following programs and services in the community. It is a safe haven for children, youth, adults and seniors.

Wee Weekend

Wee Weekend is a school readiness program for infants and toddlers from 0-5 years of age. Saturday sessions with parents and children consist of 20 weeks of child development, class work, educational play, and case management services.

Extended Day Child Care

All Peoples collaborates with the International Institute of Los Angeles to provide licensed childcare for children ages 3-5. State pre-school classes are also provided.

After-School Programs

All Peoples offers sports and recreation opportunities, computer training, and various enrichment activities, such as art, sewing, dance, sailing lessons, and photography. Woven into our work are anger management tools, team-building lessons, and leadership skills development. Summer day camp as well as educational and cultural excursions and activities, outings to local colleges/universities, sporting events, museums, libraries, and parks are included for grades 1-12.

Joe Ide Summer Camp

Youth between 8-12 years old receive six days and five nights of quality outdoor activities in the San Bernardino Mountains. Family-style living arrangements provide campers with opportunities to improve their self-esteem and interpersonal skills. Campers participate in activities such as swimming, hiking, archery, making crafts, and nature walks.

Central High School – All Peoples Branch

All Peoples works with the Los Angeles Unified School District to provide the Central High Continuation School for students aged 16-20. This educational option gives young people with difficult lives the chance to obtain an accredited high school diploma.

Parenting Classes

Adults improve their parenting skills through classes and cooperative group activities. Topics discussed include nutrition, nurturing, developmental stages of children, family planning, child abuse prevention, acceptable forms of discipline, and community resources. Project Fatherhood is a father's support group run by mental health professionals, which encourages a supportive, non-judgmental environment where fathers can address the unsolved issues that hinder their relationships with others and their children.

Collaboration for Family Wellness

All Peoples' partnerships with the USC School of Social Work and California State University's Los Angeles and Dominguez Hills campuses provide field placement for interns who are obtaining their Bachelors or Masters in Social Work.

Supplemental Food Program (SFP)

Local individuals and families receive a bag of groceries each month to supplement their existing food supply. Participants in the program also receive information about other community resources for feeding their families and assistance with accessing those resources.

Gymnasium

Our gymnasium is utilized by our after-school programs for indoor soccer, hockey, basketball, volleyball, kickball, waffle ball, and flag football. Our Center offers an open gym which is available to the community three days a week for sports activities and weightlifting. LAPD Explorers also use the gym for programs. Aerobics classes are offered five days a week.

Networking in the Neighborhood

In partnership with Little Tokyo Service Center, All Peoples is establishing a Wi-Fi network that will provide free Internet access in our neighborhood. We have started to provide education and training for our neighbors of all ages to increase and facilitate computer and technology literacy. Our goal is teach hands-on skills that will assist community members to navigate online resources and gain self-sufficiency, and help our community bridge the digital divide.

Anger Management Classes and Domestic Violence Support Group

The Domestic Violence Support Group is designed to increase understanding of the cycle of violence and its impact on the family. Victims of domestic violence can receive legal assistance, emergency assistance, clothing, housing, and resources to provide them with education and economic independence. Anger management classes deal with the root causes of anger and violence and teach replacement strategies and alternatives to violent behavior.

Vernon Central Workforce Development Project

This collaboration between All Peoples, the Coalition for Responsible Community Development, Community Development Technologies Center and the Los Angeles Conservation Corps helps at-risk youth and young adults train for and secure jobs that provide a living wage and a clear career pathway. This program is geared towards males ages 17-25 and includes training on job readiness, leadership development, civic engagement, employment, and education. Also youth produce handcrafted specialty soaps and moisturizing lotions. It provides transformative on-the-job training and support for individuals who are seeking to transition into sustainable employment and careers.

RSVP (Retired Senior and Volunteer Program)

RSVP is a national program that allows individuals 55 and older to share their work and life experiences in both public and nonprofit settings. RSVP service providers often lend their experience and wisdom to help improve and assist with All Peoples' programs. Our seniors help facilitate nutrition programs, conduct Spanish-English

classes, and mentor children. RSVP is partially funded by the federal government with matching funds provided by All Peoples.

Board of Directors- 2010

Anthony J. Tolbert, *Esq. Chair*
Linda Shelton, *Secretary*

Christopher Moulding, *Vice-Chair*
Denise Carter, *Treasurer*

Don Dewey Laura Faer, Esq Anton Harper Davis Park
Mike Lowery Richard Sundeen Cesar Valladares

**All Peoples Christian Center
Statement of Financial Position
December 31, 2009**

Assets

Current assets

Cash and cash equivalents, unrestricted	\$	137,009	
Restricted cash		23,058	
Contracts Receivables		110,804	
Other Receivables			9,665
Investments		191,926	
Prepaid expenses		6,342	
<u>Total current assets</u>			<u>478,804</u>

Property and Equipment, net \$ 588,803

Total assets 1,067,607

Liabilities and Net Assets

Current Liabilities

Line of Credit	\$	-
Accounts payable and accrued expenditures		40,701
Current portion of notes payable		-
<u>Deferred Revenue</u>		

Total current liabilities 40,701

Commitments**Net assets:**

Unrestricted	818,708
Temporarily restricted	7,416
Permanently restricted	200,782
<u>Total net assets</u>	<u>1,026,906</u>
<u>Total liabilities and net assets</u>	<u>\$ 1,067,607</u>

Website is www.allpeoplescc.org

E-mail is allpeoples@allpeoplescc.org

Facebook: <http://www.facebook.com/apcc1942>

Twitter: <http://twitter.com/AllPeoplesLA>

Christmount Christian Assembly, Inc.

Michael P. Murphy, Executive Director

222 Fern Way, Black Mountain, North Carolina 28711

(828) 669-8977 Fax (828) 669-6301

E-mail: info@christmount.org

Web site: www.christmount.org

Mission Statement: Located in the Blue Ridge Mountains of North Carolina, Christmount is the camp, conference and retreat center for the Christian Church (Disciples of Christ). Its mission is to serve God by providing opportunities for life-changing and enriching experiences in faith, knowledge, leadership and personal relationships.

Christmount has served the church for over 60 years as a retreat and conference center. Ours is a ministry of hospitality, providing not only physical needs like food and lodging, but spiritual and intellectual needs, as well. The program ministry has expanded to include fourteen youth events and nine adult programs each year, continuing our commitment to providing educational and spiritual experiences for and with the Christian Church. The program ministry is strong and doing well. These programs offer challenges to clergy and laity of all Disciple's traditions.

Christmount's mission is directed towards leadership development and transformation, while providing openness to all Christian traditions regardless of race, national origin, or economic circumstances. Christmount provides scholarships for youth to attend camp, with a philosophy that turns no child away for economic reasons. Christmount's Patrons Association provides the financial support to carry this out. In 2010, Christmount hosted the SERF Youth Leadership Event for regional youth cabinets to train CYF delegates to better serve their regions. Christmount began Camp Lakey Gap this year for children on the autism spectrum, serving 83 campers from 9 states during eight camp weeks.

Christmount will continue to work with regions and general units to be a host for Pro-Reconciliation/Anti-Racism training events. Hispanic churches are using our facility on a regular basis now. Ministers are using Christmount for their retreats and sabbaticals more and more. All of these things strengthen the local church, and all of these point to Christmount's continuing to be a strong advocate and participant in current mission priorities of the Disciples of Christ.

Youth and adult Work Camps not only provide labor for tasks on our grounds, but evening programs inspire groups to return home and become involved in mission in their local communities. In 2009, Christmount began a mission element to programs as youth and adults are asked to bring components for medical supply boxes to be sent to the Democratic Republic of Congo through Week of Compassion. Christmount continues to educate elders and deacons during the annual Elders and Deacons Workshop, co-sponsored with Lexington Theological Seminary. Other programs emphasizing leadership development or church transformation include Gigabytes for the Gospel (web site design for local churches), Discovery Weekend Women's Retreat, Music Workshop, Art and Spirituality Retreat, College Retreat, Oreon E. Scott Clergy Conference, and Christmount Week.



December 28, 2010

Dear General Board/General Assembly Members,

As Inman Christian Center continues into its 98th year of community service in San Antonio's poorest of neighborhoods, its Centennial Event draws near in 2013, we are reminded of its inception of its Church of Christ members who formed a settlement house, opening its doors to the community to bridge the gap in culture, education, and national identification to provide guidance and to aid the people in their daily lives. That settlement house is known as Inman Christian Center and its doors have remained wide opened, extending its services to inner city families and elderly who lack sustainable income, affordable housing and employment opportunity.

Under new leadership, Inman Christian Center is working hard to enhance and develop programs that seek to empower children, youth, families, elderly and those who are recovering from mentally ill through its various programs. It is with this mission and the Christian Church's 2020 Vision in mind, that we now approach our strategic planning for our future.

Inman's transformation has been a challenging one because of our economic downturn and past historical lack of leadership, management and governance that almost wiped out Inman's existence. However, Inman remains focused on its strengths and valuable assets with fortitude and perseverance as a backbone. With this in mind, Inman has been a catalytic agency of adaptable change and transformation. That in itself has been a valuable ally to its survival.

Thus, we pursued the New Year with an innovative marketing landscape in mind that will accommodate the technological savvy users and create agency awareness of its vitality through a social media packet which will include a new content management website and facebook page. Our reach has expanded to new and established volunteers that assist in the promotion of Inman's mission.

Through a series of three staff retreats and professional development trainings we have increased staff capacity and employee team spirit. Our biggest accomplishment this

past year has been our Childcare Center, who obtained Texas Rising Star (4-Star) status. Texas Rising Star certification means Inman provides affordable quality care that exceeds Texas minimum standards.

Throughout the year we were awarded numerous grants, implemented board and staff pledge participation at the 100% participation level. Furthermore, we had numerous fundraiser events and activities and our Annual Honor's Banquet.

This coming year we will be approaching the Bluebonnet Area Church for monetary solicitations and creating an awareness campaign that will include Inman's first programmatic video film.

The Christian Church's 2020 Vision and Inman's Core Values are in sync as we continue to pursue excellence in our social service delivery. Inman Christian Center's Core Values are the following:

Inman's Core Values:

"Respect for the dignity of all individuals, whatever their economic or social status, whatever racial or ethnic background, whatever their gender, whatever their religious preference, and whatever age group."

"A belief that our children are our future."

"The belief that the best way to predict the future is to create the future."

"We can change lives, thus change the future of the lives we change."

"Everyone inherently wants to be a contributing member of their community and of society in general."

"Education is the path to success and change for all societies."

"Love and caring can and does have a financial impact on the lives of children and their communities."

With Inman's Core Values at heart, I present this report.

Blessings,

Sandra E. Imery

Sandra E. Imery, M.S.
Executive Director

Inman Christian Center
2010 Annual Report
(/1/2010) – (12/31/2010)

During the program year that ended on June 30, 2010, Inman offered its traditional programs in the primary four areas (1) Childcare, (2) Children, Family and Youth Program, (3) Housing Services, (4) Mission Volunteers, (5) Social Services and expanded to include a (6) Food Pantry, and (7) Counseling Center.

The **Childcare Program** served 901 infants and young children with care, educational and nutrition services. The Center continues collaboration with the Family Services Association *Smart Start* program to maximize and enrich early learning opportunities for the program's young participants. The family incomes of most of the participants are under \$18,000 yearly composed of 97% single parent households.

Our Childcare Director, Beatrice Narvaez, was awarded the “**Administrator of the Year Award**” through the San Antonio Association of Education Young Children (SAAEYC) for her 31-years of service to Inman and children in a daycare setting.

The **Children, Family and Youth Program** provided summer day camp for 103 neighborhood children. The recreation-themed activities included active games, sports, field trips, access to Apple computers, arts & crafts and books! All participating children received a free lunch and snack for the entire program.

The **Social Services Program** which caters to families with small children provided families in crisis or who have lost employment with basic needs such as baby formula, supplies and clothing to 242 infants. Additionally, 1,000 persons were helped with referral information for rental and utility assistance, housing and various social service programs.

Inman Housing Services continued to operate at maximum capacity throughout the program year. Four of the apartment complexes served 280 elderly residents whose income averaged \$595.00 monthly. The other two apartment complexes served 44 adults with disabilities whose monthly income was \$1,114.00. The following is a breakdown of resident demographics over the past year was as follows:

34% male, 66 % female, 94% are over the age of 60 years, 91% are head of household

Elderly citizens in residence were support services and transportation services were part of each complex's activity.

Inman Mission Volunteers in Service welcomed 20-volunteer Disciple groups throughout the spring and summer. Volunteers shared their talents and skills with participants and enhanced Inman's aging facilities. These mission partners provided over 5,000 hours of service. We expanded the volunteer program to include educational universities and for-profit corporations such as, Toyota Manufacturing. Through our San Antonio educational universities we expanded to include practicum and internship sites, community service projects and donations.

Inman Christian Center was awarded through United Way of San Antonio & Bexar County the **Volunteer of the Year Award (VOYA) in the faith-based category**.

Additionally, four volunteers gave over 2000 hours of service to help manage and administer the Center. Board members volunteered 300 hours. The Inman Board is ecumenical and diverse in its structure.

Disciple Churches and community organizations gave over \$20,000 worth of new goods to the Center in the 2009-2010 programmatic year.

Inman Food Pantry served 279 families, 1,182 individuals, 486 were new clients, 45% were male, 53% were female within five months of it's opening July-November 2010.

Inman's Counseling Center provided 4 Women's Support Groups and 3 Men's Support Groups, pro-bono to the community including individual counseling sessions to staff and the community by Dr. Mary Ponce with Alevio Counseling, housed at Inman.

The Inman Christian Center continues to carry on its mission and spirit in the tradition of Dr. Samuel Guy Inman to lift up education and opportunity and to serve those in need in our community.

2010 Inman Christian Center Photo Gallery



Inman awarded the "Volunteer of the Year Award – Faith Based"
(Norma Seguin-Tamez, Volunteer Coordinator)



Inman's Childcare Director, Beatrice Narvaez awarded the "Administrator of the Year Award"



2010 Kids Day in the Park
(Kick-off child abuse & neglect awareness)

Gloria Sosa & Bea Narvaez Childcare Supervisor Director



Toyota Manufacturing, 50 employees
volunteered at Inman

(Toyota Executives & Inman Staff w/children)



Inman Staff Retreat # 3 of 4



Inman Childcare Appreciation Day



DHM Mission Retreat

Right: Sandra Imery, Exec. Dir. Of ICC; Saundra Bryant, Dir. Of All Peoples Christian Cntr; Josh Baird, Asst. to the Dir. Of Disciples Volunteering; Linda Hill, Dir. Of Dev., Kansas Christian Home; Damian Rodriguez, Vol. Coord., ICC; Dave Bell, Mission Dir., Yakama Christian Mission; and Feliberto Pereira, Exec. Dir., Southwest Good Samaritan Ministries



Inman Staff Christmas Luncheon



A Disciples Home Mission Center in Newton, Kansas

Kansas Christian Home is a strong, vibrant fabric of many diverse lives woven tightly together. The personalities, traditions, life stories and experiences that span a century, all come together to fill in the warp threads. The design is rich and detailed, full of people, programs and places.

The elders themselves are the main design element. The deep yellow thread is the missionary who served in India and was always taking care of others. She taught nutrition and was a model for women in a time when there were few. Now, she receives the care and attention. The bright red thread is the school teacher who spent 45 years teaching elementary children and now needs help to read or write. And the silver one is the retired minister who, after serving smaller congregations with little compensation has a good home that is easily affordable.

Included in the design is a new addition to the nursing center. These six new private rooms with a kitchen and dining room will be an important part of the fabric for years to come. It is designed to be repurposed as a memory care unit. In February of 2010, two threads came together for a new program – Independent Living Plus. The two residents needed more care but wanted to remain independent. IL+ offers additional services, sort of “a la carte”. Elders choose the service and move to an apartment closer to the home health nurse. The nursing office was also moved closer to the apartments! This program is a growing design element with five elders currently participating.

The design is organic – one thread may stop, be tied to another and begin a new design element. That happened this year with one of our mission groups. Their experience here was life changing. Taking a new understanding of elders home, they began to minister to seniors around their church. Now they have regular mission days when they help do yard work or odd jobs. More importantly, they are better able to relate to elders!

We would be happy to weave you into the design that is Kansas Christian Home. Please come and see the community. The design is always changing and there is always room for more.

Linda Hill
Kansas Christian Home
lhill@kschristianhome.org



UrbanSpirit/KB Ministries Inc.
PO Box 11434
Louisville, KY 40251
www.urbanspirit.org

General Board Report

7 April 2011

UrbanSpirit/KB Ministries Inc. continues to challenge youth and adults in their understandings of and response to poverty in America. For 8 years, we've welcomed groups from congregations and colleges, middle school through adult, for a 'mission trip with a twist' at our place in Louisville, KY. More than 500 youth and adults have experienced our programs of poverty education, and are now living as change agents in their home communities and churches.

Interns/Staff/Board

Disciple interns continue to add richness to our program.

- This spring and summer, we were blessed by the work of 4 Disciple interns. In our spring break season, we welcomed for a week Christine Byrkit, from East Dallas Christian Church, who served at Yakima in 2009; and Nichole Mansfield from Eureka College, who served at FAST in 2008 and UrbanSpirit in 2009.
- For spring and summer, we had Whitney Waller, then at TCU and now at Yale Divinity, who served with Disciples Volunteering in Kansas and elsewhere in 2008; and Hannah Truxell, a Virginia Tech grad now in grad school at the University of Louisville, who has completed her 3rd summer at UrbanSpirit and joined us as a permanent part-time staff member.

In other staff news,

- we welcomed Karen Spicer and Charles Cadenhead, both from Irving North Christian Church, Dallas, who completed our program in 2009, and came to serve volunteer staff for a week in 2010.
- we elected Karen Spicer to our board, replacing Rev. Deke Rigor of Shepherdsville (KY) Christian, and joining Lisa Howlett from First Christian, Bowling Green, KY.

Program updates

- Level III. This year, we piloted our third level of leadership development at UrbanSpirit, which rounds out our catalog of leadership development programming.

- Level I is the Poverty Simulation, experienced by hundreds of youth and adults.
- Level II is Leadership for Church and Community, which explores community issues and focuses on skills for creating change – lobbying, negotiating, community assessment, strategic planning.
- Level III is Advanced Leadership: Exploring Systems and Self. In this intensive course students delve into systemic issues related to power, politics, capitalism, privilege, and racism.
- College/Seminary academic requirements. In response to regular inquiries from college and grad students, we have developed these programmatic offerings:
 - a two-week course for education students, scheduled for May.
 - a formal week-long course, integrating components of all three of the week-long programs described above, which is easily adapted to fulfill most “cross-cultural” academic requirements.

Portable Programming

In a major strategic shift, we are devising a program that will let us be in other cities, to broaden our availability to churches and colleges who may find it difficult to travel to Louisville. That program will be tested in March 2011, as we set up shop for two weeks in Northern California, through a partnership with the University of the Pacific.

We continue to be grateful for our partnership with Disciples Home Missions, and will continue to explore ways to collaborate in fulfilling our shared mission of repairing the world.

Respectfully submitted,

the Rev. Dr. Deborah DeMars Conrad

pastor and director

Yakama Christian Mission
Report to the General Board/ General Assembly
Of the Christian Church (Disciples of Christ)
December 31, 2010

The board and staff of Yakama Christian Mission (YCM) is please to report that significant ministry with the children of White Swan on the Yakama reservation in the state of Washington was fulfilled during 2011 in your behalf. Because of grants received for ministry with children, one of which was through Disciples Home Mission, YCM was able to assist with the following:

- Children were ensured of at least one meal a day during the summer YCM program
- Each child in the summer YCM program were given two new books
- Other books were provided for them to read
- Mentors were provided for each child for the summer
- Educational field trips were provided
- Every child but two attending the summer program tested at a reading level higher than their grade level when they entered school in September. The two who did not tested at grade level. Every child advanced in their reading level and ability.

The Doctrine of Discovery workshop at the General Assembly is being sponsored by YCM and is led by YCM staff. This is an educational experience you did not receive, nor will your children and grand children about the United States of America. Take advantage of this great opportunity to learn about how the “discovery” of America has formed the indigenous people and the relationship of the Christian Church (Disciples of Christ) to them.

All of this has been accomplished with an annual budget of \$140,000.00. It is a miracle that God has been able to multiply the “loaves and fishes” through YCM. This ministry could do more with your prayers, mission trips to YCM, and financial support.

Respectfully Submitted,

Don Shelton, Board President
David Bell, Chief Executive Officer

The General Board has reviewed Report No. 1109 from Disciples Home Missions. The report is submitted to the General Assembly for consideration and discussion. No action is required. (Discussion time 12 minutes)

**Division of Homeland Ministries of the Christian Church
(Disciples of Christ), Inc.
d.b.a. Disciples Home Mission**

Accountants' Report and Financial Statements
December 31, 2010 and 2009

**Division of Homeland Ministries of the Christian Church
(Disciples of Christ), Inc.
d.b.a. Disciples Home Mission
December 31, 2010 and 2009**

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Independent Accountants' Report on Financial Statements and Supplementary Information

The Board of Directors
Division of Homeland Ministries of the Christian Church
(Disciples of Christ), Inc. d.b.a. Disciples Home Mission
Indianapolis, Indiana

We have audited the accompanying statements of financial position of Division of Homeland Ministries of the Christian Church (Disciples of Christ), Inc. d.b.a. Disciples Home Mission (DHM) as of December 31, 2010 and 2009, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of DHM's management. 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 audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Division of Homeland Ministries of the Christian Church (Disciples of Christ), Inc. d.b.a. Disciples Home Mission as of December 31, 2010 and 2009, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

BKD, LLP

March 16, 2011

**Division of Homeland Ministries of the Christian Church
(Disciples of Christ), Inc.
d.b.a. Disciples Home Mission
Statements of Financial Position
December 31, 2010 and 2009**

Assets

	2010	2009
Cash and cash equivalents	\$ 756,896	\$ 1,098,683
Receivables	212,036	239,204
Prepaid expenses	53,119	49,339
Investments	4,570,282	3,799,799
Furniture and equipment	86,867	123,177
Properties	76,000	76,000
Beneficial interest in assets held by Christian Church Foundation	1,995,035	1,845,801
Interest in United Christian Missionary Society	14,411,884	13,621,629
Total assets	\$ 22,162,119	\$ 20,853,632

Liabilities

Accounts payable	\$ 39,979	\$ 13,562
Due to affiliated organizations		
International and World Christian Women's Fellowships	347,209	177,778
Association of Disciple Musicians	20,809	7,778
Other	122,922	53,200
Total due to affiliated organizations	490,940	238,756
Other liabilities	28,245	22,964
Annuities payable	4,191	4,609
Postretirement benefits payable	64,079	86,984
Total liabilities	627,434	366,875

Net Assets

Unrestricted	2,514,797	1,989,652
Temporarily restricted	12,852,668	12,489,622
Permanently restricted	6,167,220	6,007,483
Total net assets	21,534,685	20,486,757
Total liabilities and net assets	\$ 22,162,119	\$ 20,853,632

**Division of Homeland Ministries of the Christian Church
(Disciples of Christ), Inc.
d.b.a. Disciples Home Mission**

**Statements of Activities
Years Ended December 31, 2010 and 2009**

	2010			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenue, Gains and Other Support				
Distributions from OGMP Treasury Services and other offerings and contributions	\$ 1,486,743	\$ 288,833	\$ 2,480	\$ 1,778,056
Distributions from United Christian Missionary Society and investment income	687,064	314,239	-	1,001,303
Other income	36,928	56,681	-	93,609
	<u>2,210,735</u>	<u>659,753</u>	<u>2,480</u>	<u>2,872,968</u>
Net assets released from restrictions - NAPAD	479,044	(479,044)	-	-
Net assets released from restrictions	692,310	(692,310)	-	-
Total revenue, gains and other support	<u>3,382,089</u>	<u>(511,601)</u>	<u>2,480</u>	<u>2,872,968</u>
Expenses and Losses				
Program				
Communication	52,698	-	-	52,698
Christian Education	155,504	-	-	155,504
Children, Youth and Young Adults	343,104	-	-	343,104
Public Witness	480,609	-	-	480,609
Evangelism and Revitalization	173,605	-	-	173,605
NAPAD	483,709	-	-	483,709
Christian Vocation	464,921	-	-	464,921
Office of Disciples Women	284,971	-	-	284,971
Office of Disciples Men	63,970	-	-	63,970
Ecumenical Support	3,400	-	-	3,400
Mission Centers	62,787	-	-	62,787
Total program expenses	<u>2,569,278</u>	<u>-</u>	<u>-</u>	<u>2,569,278</u>
Management and general	590,450	-	-	590,450
Total expenses and losses	<u>3,159,728</u>	<u>-</u>	<u>-</u>	<u>3,159,728</u>
Change in Net Assets From Operations	<u>222,361</u>	<u>(511,601)</u>	<u>2,480</u>	<u>(286,760)</u>
Other Changes				
Change in interest in United Christian Missionary Society	-	782,232	8,023	790,255
Change in beneficial interest in assets held by CCF	-	-	149,234	149,234
Realized and unrealized gains on investments	303,462	92,415	-	395,877
Change in value of split-interest agreements	(678)	-	-	(678)
	<u>302,784</u>	<u>874,647</u>	<u>157,257</u>	<u>1,334,688</u>
Change in Net Assets	525,145	363,046	159,737	1,047,928
Net Assets, Beginning of Year	<u>1,989,652</u>	<u>12,489,622</u>	<u>6,007,483</u>	<u>20,486,757</u>
Net Assets, End of Year	<u>\$ 2,514,797</u>	<u>\$ 12,852,668</u>	<u>\$ 6,167,220</u>	<u>\$ 21,534,685</u>

2009				
Unrestricted	Temporarily Restricted	Permanently Restricted	Total	
\$ 1,361,419	\$ 590,738	\$ 4,041	\$ 1,956,198	
959,200	329,254	-	1,288,454	
36,703	28,799	-	65,502	
2,357,322	948,791	4,041	3,310,154	
-	-	-	-	
966,277	(966,277)	-	-	
3,323,599	(17,486)	4,041	3,310,154	
83,840	-	-	83,840	
141,409	-	-	141,409	
303,547	-	-	303,547	
621,123	-	-	621,123	
206,657	-	-	206,657	
262,707	-	-	262,707	
478,291	-	-	478,291	
395,721	-	-	395,721	
72,683	-	-	72,683	
4,900	-	-	4,900	
37,131	-	-	37,131	
2,608,009	-	-	2,608,009	
539,303	-	-	539,303	
3,147,312	-	-	3,147,312	
176,287	(17,486)	4,041	162,842	
-	1,889,675	17,437	1,907,112	
-	-	354,161	354,161	
584,495	14,864	-	599,359	
(1,514)	-	-	(1,514)	
582,981	1,904,539	371,598	2,859,118	
759,268	1,887,053	375,639	3,021,960	
1,230,384	10,602,569	5,631,844	17,464,797	
\$ 1,989,652	\$ 12,489,622	\$ 6,007,483	\$ 20,486,757	

**Division of Homeland Ministries
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**Statements of Cash Flows
Years Ended December 31, 2010 and 2009**

	<u>2010</u>	<u>2009</u>
Operating Activities		
Change in net assets	\$ 1,047,928	\$ 3,021,960
Items not requiring (providing) cash		
Depreciation	30,741	37,014
Realized and unrealized gains on investments	(395,877)	(599,359)
Loss on disposal of equipment	5,569	-
Beneficial interest in assets held by CCF	(149,234)	(354,161)
Interest in United Christian Missionary Society	(790,255)	(1,907,112)
Changes in assets and liabilities		
Receivables	27,168	94,447
Prepaid expenses	(3,780)	23,155
Accounts payable	33,325	(42,548)
Other liabilities	4,863	871
Postretirement benefits payable	(22,905)	(76,324)
Net cash provided by (used in) operating activities	<u>(212,457)</u>	<u>197,943</u>
Investing Activities		
Purchase of equipment	-	(27,595)
Purchase of investments	(399,605)	(10,954)
Proceeds from sale of investments	24,999	860
Net cash used in investing activities	<u>(374,606)</u>	<u>(37,689)</u>
Financing Activities		
International and World Christian Women's Fellowships	169,431	(42,517)
Association of Disciple Musicians	13,031	2,378
Due to other affiliated organizations	62,814	(5,669)
Net cash provided by (used in) financing activities	<u>245,276</u>	<u>(45,808)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(341,787)	114,446
Cash and Cash Equivalents, Beginning of Year	<u>1,098,683</u>	<u>984,237</u>
Cash and Cash Equivalents, End of Year	<u>\$ 756,896</u>	<u>\$ 1,098,683</u>

**Division of Homeland Ministries of the Christian Church
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**Notes to Financial Statements
December 31, 2010 and 2009**

Note 1: Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations

The Division of Homeland Ministries of the Christian Church (Disciples of Christ), Inc. (DHM) was incorporated as a not-for-profit organization in January 1973, under the laws of the State of Indiana.

The Division of Homeland Ministries of the Christian Church (Disciples of Christ), Inc. is a general administrative unit of the Christian Church (Disciples of Christ) (Church) responsible for providing consultation and resources and offering leadership to congregations and regions of the Church in the United States and Canada and to the varied constituencies related thereto. The mission of DHM is to be the primary resource partner with the regions and congregations of the Church in evangelism, education, ministry and mission.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of the revenues, expenses, gains, losses and other changes in net assets during the reporting period. Actual results could differ from those estimates. The significant accounting policies followed by DHM in the preparation of its financial statements are summarized below.

Fund Accounting

DHM's accounting records are maintained in accordance with the principles of fund accounting to ensure that DHM has accounted for and reported funds in accordance with any limitations and/or restrictions imposed on funds by the Board of Directors or by donors. DHM's funds are as follows:

Operating Fund - includes the unrestricted resources of DHM, including board designated resources and liabilities related to property.

Capital - includes resources restricted by the donors.

Special, Endowment, Quasi-Endowment and Market Valuation Adjustment Funds - include both donor-restricted and board-designated resources. The Market Valuation Adjustment Fund accounts for the increase and decrease in the market value of investments.

Annuity Fund - includes unrestricted resources for charitable gift annuities.

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Cash and Cash Equivalents

DHM considers all liquid investments with original maturities of three months or less to be cash equivalents. DHM's cash equivalents consists of money market mutual funds.

Effective July 21, 2010, the FDIC's insurance limits were permanently increased to \$250,000. At December 31, 2010, DHM's cash accounts exceeded federally insured limits by approximately \$86,000.

Pursuant to legislation enacted in 2010, the FDIC will fully insure all noninterest-bearing transaction accounts beginning December 31, 2010 through December 31, 2012, at all FDIC-insured institutions.

Receivable - Office of General Minister and President - Disciples Mission Fund

DHM participates with several other units of the Church in the distribution of contributions received by a central receiving unit of the Church (Office of General Minister and President (OGMP)). The receivables from OGMP represent the distributions due to DHM from the contributions received by OGMP. The amount receivable was approximately \$97,000 and \$104,000 for December 31, 2010 and 2009. These distributions were received by DHM in January 2011 and 2010, respectively.

Investments

Investments are carried at fair value. Realized and unrealized gains and losses are reflected in the statements of activities.

Furniture and Equipment

Expenditures for property and equipment and items which substantially increase the useful lives of existing assets are capitalized at cost. DHM provides for depreciation on the straight-line method over their estimated useful lives. Estimated useful lives are as follows:

	<u>Years</u>
Office equipment	5-7
Vehicles	5

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Properties

DHM's properties were transferred from The United Christian Missionary Society (UCMS) when DHM was formed. Depreciation is not provided since the recorded value of certain properties is considered to approximate residual values and the remaining properties consist primarily of land.

Contributions

DHM reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions. Gifts and investment income that are originally restricted by the donor and for which the restriction is met in the same time period are recorded as temporarily restricted and then released from restriction.

Temporary and Permanently Restricted Net Assets

The temporarily restricted net asset class includes assets of DHM related to gifts with explicit donor-imposed restrictions that have not been met as to specified purpose, or to later periods of time or after specified dates. Unconditional promises to give that are due in future periods and are not permanently restricted are classified as temporarily restricted net assets.

The permanently restricted net asset class includes assets of DHM for which the donor has stipulated that the contribution be maintained in perpetuity. Donor-imposed restrictions limiting the use of the assets or their economic benefit neither expire with the passage of time nor can be removed by satisfying a specific purpose.

Income Taxes

By virtue of its inclusion in the group exemption ruling of the General Assembly of the Christian Church (Disciples of Christ), DHM is exempt from federal income taxes under Section 501(c)(3) of the U.S. Internal Revenue Code. As a religious organization, DHM is not required to file tax returns in the U.S. federal jurisdiction, therefore, DHM could be subject to U.S. federal examinations by tax authorities for all years since incorporation.

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**Notes to Financial Statements
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Expense Allocation

Expenses have been classified as program services and management and general based on the actual direct expenditures and cost allocations based upon estimates of time spent by DHM personnel, square footage and other reasonable allocable base.

Subsequent Events

Subsequent events have been evaluated through March 16, 2011, which is the date the financial statements were available to be issued.

Note 2: Transfer of Assets

Effective January 1, 2010, the General Board approved the move of the ministry of North American Pacific/Asian Disciples (NAPAD) from DHM to a position of covenantal relationship to the General Board. DHM released \$479,044 to NAPAD, which represents the net assets held as temporarily restricted for NAPAD. This amount is included in the NAPAD expense line on the statement of activities. Approximately \$60,000 of the amount released has purpose restrictions that have been communicated to NAPAD. Two endowed permanent funds that were created to benefit NAPAD in its mission's remains in DHM's endowment, as DHM was entrusted by the donors to be stewards of these endowments. In addition, DHM has a liability recorded to NAPAD in the amount of cash held at DHM, of approximately \$75,000 as of December 31, 2010.

Note 3: Affiliated Organizations

The Church includes all those organizations that are listed in the Annual Yearbook and Directory of the Christian Church (Disciples of Christ) (Yearbook). Most of these organizations are individually incorporated with their own board of directors. Individual Church entities are generally independent and are responsible for their own personnel policies, financial matters, program activities and other corporate matters which are affiliated by the common cause of the Church. All organizations included in the Yearbook are considered ministry partners affiliated with DHM.

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Note 4: Investments

DHM has invested available funds with UCMS and Christian Church Foundation, Inc. (CCF), related Church organizations. Investments with UCMS include participation in the UCMS' annuity fund. Investments with CCF represent participation in the Joint Investment Trust of the Christian Church Foundation, Inc. The Common Balanced Fund - Joint Investment Trust of the Christian Church Foundation, Inc. (Common Balanced Fund) seeks to produce total return above the annually-defined income rate plus inflation with only moderate volatility by investing primarily in both growth and value style equity stocks and domestic and global bonds. The Beasley Growth Fund (Beasley Growth Fund) seeks long-term capital growth by investing primarily in common stocks and domestic and global bonds. Withdrawals from both funds may be made at each month-end and require at least ten days prior written notice. At December 31, 2010 and 2009, there were no unfunded commitments.

DHM's investments are as follows:

	2010	2009
Investments with United Christian Missionary Society	\$ 12,539	\$ 11,684
Investments in the Joint Investment Trust of the Christian Church Foundation, Inc.		
Common Balanced Fund	3,615,978	3,294,452
Beasley Growth Fund	941,765	493,663
	<u> </u>	<u> </u>
Total investments	<u>\$ 4,570,282</u>	<u>\$ 3,799,799</u>

The following schedule summarizes the investment return. Interest and dividends are included in the distributions from the United Christian Missionary Society and investment income in the statements of activities.

	2010	2009
Interest and dividends	\$ 166,467	\$ 137,482
Net realized and unrealized gains	395,877	599,359
	<u> </u>	<u> </u>
Total investment return	<u>\$ 562,344</u>	<u>\$ 736,841</u>

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The asset mix of the Beasley Growth Fund and the Common Balanced Fund of the Joint Investment Trust of the Christian Church Foundation at December 31, 2010 and 2009 is as follows:

	2010		2009	
	Beasley Growth Fund	Common Balanced Fund	Beasley Growth Fund	Common Balanced Fund
Large cap equities	33%	31%	33%	32%
Mid cap value equities	10	8	10	8
Small cap growth equities	11	6	10	5
International equities	19	10	20	10
Intermediate duration bonds	8	12	8	23
Church Extension investment notes	3	3	3	3
World bonds	10	14	10	14
Alternative investments	6	-	6	-
Real assets	-	16	-	5
	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>

Note 5: Beneficial Interest in Assets Held By Christian Church Foundation

As part of its ministry, the Christian Church Foundation (CCF) receives and holds assets that are restricted by the resource provider for the benefit of organizations affiliated with the Christian Church (Disciples of Christ), including DHM. In addition to amounts transferred by other resource providers, DHM has also transferred assets to CCF to establish permanent funds that benefit DHM. At December 31, 2010 and 2009, these amounts included in beneficial interest in Christian Church Foundation were \$1,995,035 and \$1,845,801, respectively. DHM does not retain any variance power on the assets transferred to CCF. DHM receives distributions of income from all of the funds annually.

Note 6: Interest in United Christian Missionary Society

The declared purpose of United Christian Missionary Society (UCMS) is to support DHM and Division of Overseas Ministries (DOM). The by-laws of UCMS limit its activities to those that are beneficial to DHM and DOM and state that funds made available by UCMS shall support the general budgets of DHM and DOM without any designation by UCMS other than those that have been made by donors. Additionally, DHM and DOM have an ongoing economic interest in the net assets of UCMS. Since DHM and UCMS are financially interrelated organizations, DHM recorded an asset of \$14,411,884 and \$13,621,629 at December 31, 2010 and 2009, respectively, representing its interest in the net assets of UCMS. DOM has also recorded its interest in the net assets of UCMS in its financial statements.

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Net assets of UCMS are classified in its financial statements as follows:

	<u>2010</u>	<u>2009</u>
Unrestricted	\$ 17,775,328	\$ 16,878,930
Temporarily restricted	9,833,496	8,855,365
Permanently restricted	<u>5,997,098</u>	<u>5,976,440</u>
	<u>\$ 33,605,922</u>	<u>\$ 31,710,735</u>

Note 7: Furniture and Equipment

	<u>2010</u>	<u>2009</u>
Office equipment	\$ 481,244	\$ 497,782
Vehicles	<u>87,713</u>	<u>87,713</u>
	568,957	585,495
Less accumulated depreciation	<u>(482,090)</u>	<u>(462,318)</u>
	<u>\$ 86,867</u>	<u>\$ 123,177</u>

Note 8: Pension Plan

All of the employees of DHM who meet certain eligibility requirements participate in a noncontributory defined-contribution retirement plan of the Pension Fund of the Christian Church (Disciples of Christ). Payments made annually to the plan are 11% to 14% of the base salaries of employees participating in the plan. Pension expense for 2010 and 2009 was \$179,759 and \$195,266.

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Note 9: Leases

During the year, DHM provided, along with certain other Church Organizations, a guaranty of a lease agreement entered into by Christian Church Services, Inc. As a guarantor for its pro rata share of the obligation, DHM will sublease operating facilities from Christian Church Services, Inc. under an operating lease arrangement. The lease commenced February 15, 1995 and expires July 14, 2016. The lease also provides an option to extend the lease for two additional five-year terms. Additionally, the lease provides for additional rent to cover certain operating costs, which is calculated annually and added to the base rent. Rent expense under these leases were \$129,861 and \$127,735 for the years ended December 31, 2010 and 2009. DHM also leases two copiers, which commenced October 1, 2010 and expires September 30, 2015.

Future minimum annual base rental payments under operating leases are:

2011	\$ 125,457
2012	131,911
2013	138,365
2014	138,365
2015	143,691
Thereafter	<u>72,908</u>
	<u><u>\$ 750,697</u></u>

Note 10: Unrestricted

Unrestricted net assets are held in the following funds of DHM:

	<u>2010</u>	<u>2009</u>
Operating	\$ 132,808	\$ 289,937
Capital	12,901	12,901
Quasi-endowment fund	974,856	619,735
Special fund	336,412	313,905
Market valuation adjustment fund	1,049,570	746,108
Annuity fund	<u>8,250</u>	<u>7,066</u>
	<u><u>\$ 2,514,797</u></u>	<u><u>\$ 1,989,652</u></u>

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Note 11: Temporarily Restricted Net Assets

Temporarily restricted net assets are available for the following purposes or periods:

	2010	2009
Capital	\$ 25,270	\$ 10,010
Christian Education	64	14,185
Children, Youth and Young Adults	11,314	50,778
Evangelism and Revitalization	-	5,090
NAPAD	-	479,044
Christian Vocation	64,720	73,108
Ministerial Scholarships	154,411	163,143
Kentucky Appalachian Scholarships	103,338	58,219
Office of Disciples Women	237,274	189,934
Office of Disciples Men	37,484	48,269
Mission Centers	199,398	181,592
Other	33,697	12,784
Interest in United Christian Missionary Society	11,985,698	11,203,466
	<u>\$ 12,852,668</u>	<u>\$ 12,489,622</u>

Temporarily restricted net assets are held in the following funds of DHM:

	2010	2009
Special fund	\$ 438,912	\$ 965,773
Capital	25,270	10,010
Endowment fund	274,368	274,368
Market valuation adjustment fund	128,420	36,005
Interest in United Christian Missionary Society	11,985,698	11,203,466
	<u>\$ 12,852,668</u>	<u>\$ 12,489,622</u>

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Note 12: Permanently Restricted Net Assets

Permanently restricted net assets are restricted to:

	2010	2009
Endowment fund	\$ 1,745,999	\$ 1,743,519
Beneficial interest in assets held by Christian Church Foundation	1,995,035	1,845,801
Interest in United Christian Missionary Society	<u>2,426,186</u>	<u>2,418,163</u>
	<u><u>\$ 6,167,220</u></u>	<u><u>\$ 6,007,483</u></u>

Note 13: Net Assets Released From Restrictions

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence or other events specified by donors.

	2010	2009
Purpose restrictions accomplished		
Capital	\$ 1,104	\$ 2,170
Communication	28,206	10,943
Christian Education	21,684	1,748
Children, Youth and Young Adults	114,604	70,962
Public Witness	205,969	383,518
Evangelism and Revitalization	8,429	96,640
NAPAD	479,044	88,056
Christian Vocation	49,249	85,294
Ministerial Scholarships	104,150	102,775
Kentucky Appalachian Scholarships	40,250	-
Office of Disciples Women	25,736	57,293
Office of Disciples Men	31,246	31,878
Mission Centers	<u>61,683</u>	<u>35,000</u>
	<u><u>\$ 1,171,354</u></u>	<u><u>\$ 966,277</u></u>

**Division of Homeland Ministries of the Christian Church
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Note 14: Endowment

DHM's endowment consists of individual funds established by donors as well as unrestricted gifts by DHM to function as endowments for a variety of purposes. As required by accounting principles generally accepted in the United States of America (GAAP), net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of State Law

DHM's endowment consists of approximately 50 individual funds established for a variety of purposes. The endowment includes both donor-restricted endowment funds and funds designated by the governing body to function as endowments (board-designated endowment funds). As required by accounting principles generally accepted in the United States of America (GAAP), net assets associated with endowment funds, including board-designated endowment funds, are classified and reported based on the existence or absence of donor-imposed restrictions.

DHM's governing body has interpreted the State of Indiana Prudent Management of Institutional Funds Act (SPMIFA) as requiring preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, DHM classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of donor-restricted endowment funds is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by DHM in a manner consistent with the standard of prudence prescribed by SPMIFA.

In accordance with SPMIFA, DHM considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. Duration and preservation of the fund
2. Purposes of DHM and the fund
3. General economic conditions
4. Possible effect of inflation and deflation
5. Expected total return from investment income and appreciation or depreciation of investments
6. Other resources of DHM
7. Investment policies of DHM

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Investment and Spending Policies

DHM has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs and other items supported by its endowment while seeking to maintain the purchasing power of the endowment. Endowment assets include those assets of donor-restricted endowment funds DHM must hold in perpetuity or for donor-specified periods, as well as those of board-designated endowment funds. Under DHM's policies, endowment assets are invested in a manner that is intended to preserve inflation adjusted values and provide annual budgetary support that is both stable and growing. DHM expects its endowment funds to provide an average rate of return of approximately 8% annually over time. Actual returns in any given year may vary from this amount.

To satisfy its long-term rate of return objectives, DHM relies on a total return strategy in which investment returns are achieved through both current yield (investment income such as dividends and interest) and capital appreciation (both realized and unrealized). DHM targets a diversified asset allocation. The asset mix of the Beasley Growth Fund and Common Balanced Fund is described in Note 4.

DHM has a policy (the spending policy) of appropriating for expenditure each year the income distributed from the Beasley Fund and Common Balanced Fund for each endowment fund. The Beasley Fund distributed 5% of the investment's average fair value over the prior twelve quarters through the year end preceding the year in which expenditure is planned. The Common Balanced Fund distributed 4% of the monthly average balance for the years ended December 31, 2010 and 2009. This is consistent with DHM's objective to maintain the purchasing power of endowment assets held in perpetuity as well as to provide additional real growth through new gifts and investment return.

The composition of net assets by type of endowment fund at December 31, 2010 was:

	2010			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted	\$ (56,492)	\$ 402,788	\$ 1,745,999	\$ 2,092,295
Board-designated	2,080,918	-	-	2,080,918
Total endowment funds	<u>\$ 2,024,426</u>	<u>\$ 402,788</u>	<u>\$ 1,745,999</u>	<u>\$ 4,173,213</u>

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Changes in endowment net assets for the year ended December 31, 2010 was:

	2010			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	\$ 1,365,843	\$ 310,373	\$ 1,743,519	\$ 3,419,735
Investment return				
Investment income	81,808	84,659	-	166,467
Net appreciation	303,462	92,415	-	395,877
Total investment return	385,270	177,074	-	562,344
Contributions	379,820	-	2,480	382,300
Appropriation of endowment assets for expenditure	(106,507)	(84,659)	-	(191,166)
Endowment net assets, end of year	<u>\$ 2,024,426</u>	<u>\$ 402,788</u>	<u>\$ 1,745,999</u>	<u>\$ 4,173,213</u>

The composition of net assets by type of endowment fund at December 31, 2009 was:

	2009			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted	\$ (126,083)	\$ 310,373	\$ 1,743,519	\$ 1,927,809
Board-designated	1,491,926	-	-	1,491,926
Total endowment funds	<u>\$ 1,365,843</u>	<u>\$ 310,373</u>	<u>\$ 1,743,519</u>	<u>\$ 3,419,735</u>

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Changes in endowment net assets for the year ended December 31, 2009 was:

	2009			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	<u>\$ 779,249</u>	<u>\$ 295,509</u>	<u>\$ 1,739,478</u>	<u>\$ 2,814,236</u>
Investment return				
Investment income	63,543	73,939	-	137,482
Net appreciation	<u>584,495</u>	<u>14,864</u>	<u>-</u>	<u>599,359</u>
Total investment return	<u>648,038</u>	<u>88,803</u>	<u>-</u>	<u>736,841</u>
Contributions	30,589	-	4,041	34,630
Appropriation of endowment assets for expenditure	<u>(92,033)</u>	<u>(73,939)</u>	<u>-</u>	<u>(165,972)</u>
Endowment net assets, end of year	<u><u>\$ 1,365,843</u></u>	<u><u>\$ 310,373</u></u>	<u><u>\$ 1,743,519</u></u>	<u><u>\$ 3,419,735</u></u>

Amounts of donor-restricted endowment funds classified as permanently and temporarily restricted net assets at December 31, 2010 and 2009, consisted of:

	2010	2009
Permanently restricted net assets - portion of perpetual endowment funds required to be retained permanently by explicit donor stipulation or SPMIFA	<u><u>\$ 1,745,999</u></u>	<u><u>\$ 1,743,519</u></u>
Temporarily restricted net asset		
Portion of perpetual endowment funds subject to a time restriction under SPMIFA		
With purpose restrictions	\$ 387,465	\$ 308,825
Without purpose restrictions	<u>15,323</u>	<u>1,548</u>
	<u><u>\$ 402,788</u></u>	<u><u>\$ 310,373</u></u>

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From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level DHM is required to retain as a fund of perpetual duration pursuant to donor stipulation or SPMIFA. Deficiencies of this nature are reported in unrestricted net assets and aggregated \$56,492 and \$126,083 at December 31, 2010 and 2009, respectively. These deficiencies resulted from unfavorable market fluctuations that occurred shortly after investment of new permanently restricted contributions and continued appropriation for certain purposes that was deemed prudent by the governing body.

Note 15: Postretirement Health Care Benefits

DHM provides postretirement health care coverage to certain eligible retirees through its participation in the Churchwide health plan, the Christian Church (Disciples of Christ) Health Care Benefit Trust, administered by the Pension Fund of the Christian Church, an affiliated organization. DHM continues to fund benefit costs on a pay-as-you-go basis, and, for 2010 and 2009, DHM made benefit payments to the Churchwide health plan for current and retired employees, totaling \$219,663 and \$198,864. DHM expects to contribute \$9,216 in 2011 to the health plan for retirees.

At December 31, 2010 and 2009, the accumulated postretirement benefit obligation for retirees was \$64,079 and \$86,984. This liability was calculated based upon premiums rather than claims experience, based on the nature of the Churchwide plan.

The weighted-average discount rate used in determining the accumulated postretirement benefit obligation was 7%. For measurement purposes in 2010 and 2009, a 10% annual rate of increase in the per capita cost of covered health care benefits was assumed for each year.

Note 16: Disclosures About Fair Value of Assets and Liabilities

ASC Topic 820, *Fair Value Measurements*, defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Topic 820 also specifies a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

- Level 1** Quoted prices in active markets for identical assets or liabilities
- Level 2** Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities

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Level 3 Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities

Following is a description of the valuation methodologies used for assets and liabilities measured at fair value on a recurring basis and recognized in the accompanying statements of financial position, as well as the general classification of such assets and liabilities pursuant to the valuation hierarchy.

Money Market Mutual Fund

In 2009, DHM's excess cash was swept to a money market mutual fund on a daily basis. The money market mutual fund, classified with cash and cash equivalents in the statement of financial position, is a Level 1 asset since it is based on a quoted market price in an active market.

Investments

As a practical expedient, fair value of alternative investments is determined using the net asset value (or its equivalent) provided by the fund. Because DHM can redeem its investment at a unit value per share (equivalent of net asset per share) at December 31 or within a reasonable period of time, the Common Balanced Fund, the Beasley Growth Fund and investments held at United Christian Missionary Society are classified within Level 2 of the valuation hierarchy.

Beneficial Interest in Assets Held by Christian Church Foundation

Fair value is estimated at the present value of the future distributions expected to be received over the term of the agreement. DHM's interest approximates the fair value of the underlying assets and is therefore considered a Level 2 asset.

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The following tables present the fair value measurements of assets and liabilities recognized in the accompanying statements of financial position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at December 31, 2010 and 2009:

2010				
Fair Value Measurements Using				
Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)		Significant Other Observable Inputs (Level 2)	
			Significant Unobservable Inputs (Level 3)	
Investments				
Investments in the Joint Investment Trust of the Christian Church Foundation, Inc.				
Common Balanced Fund	\$ 3,615,978	\$ -	\$ 3,615,978	\$ -
Beasley Growth Fund	941,765	-	941,765	-
United Christian Missionary Society	12,539	-	12,539	-
Total investments	4,570,282	-	4,570,282	-
Beneficial interest in assets held by Christian Church Foundation	1,995,035	-	1,995,035	-
	<u>\$ 6,565,317</u>	<u>\$ -</u>	<u>\$ 6,565,317</u>	<u>\$ -</u>
2009				
Fair Value Measurements Using				
Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)		Significant Other Observable Inputs (Level 2)	
			Significant Unobservable Inputs (Level 3)	
Money market mutual fund	\$ 1,030,371	\$ 1,030,371	\$ -	\$ -
Investments				
Investments in the Joint Investment Trust of the Christian Church Foundation, Inc.				
Common Balanced Fund	3,294,452	-	3,294,452	-
Beasley Growth Fund	493,663	-	493,663	-
United Christian Missionary Society	11,684	-	11,684	-
Total investments	3,799,799	-	3,799,799	-
Beneficial interest in assets held by Christian Church Foundation	1,845,801	-	1,845,801	-
	<u>\$ 6,675,971</u>	<u>\$ 1,030,371</u>	<u>\$ 5,645,600</u>	<u>\$ -</u>

**Division of Homeland Ministries of the Christian Church
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**Notes to Financial Statements
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Note 17: Significant Estimates

Concentration

At December 31, 2010 and 2009, 73% and 69% of total revenue was earned from two affiliated organizations, Office of General Minister and President (OGMP) Treasury Services and UCMS.

Current Economic Conditions

The current protracted economic decline continues to present not-for-profit organizations with difficult circumstances and challenges, which in some cases have resulted in large and unanticipated declines in the fair value of investments and declines in contributions. The financial statements have been prepared using values and information currently available to DHM.

Given the volatility of current economic conditions, the values of assets and liabilities recorded in the financial statements could change rapidly, resulting in material future adjustments in investment values that could negatively impact DHM's ability to maintain sufficient liquidity. A significant decline in distributions, contributions and investment return could have an adverse impact on DHM's future operating results.

Supplementary Information

**Division of Homeland Ministries
of the Christian Church (Disciples of Christ), Inc.
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**Statement of Activities by Fund
Year Ended December 31, 2010**

	Unrestricted						
	Operating	Capital	Quasi-	Special	Market	Annuity	Total
	Fund	Fund	Endowment	Fund	Valuation	Fund	Unrestricted
	Fund	Fund	Fund	Fund	Adjustment	Fund	Fund
Revenue, Gains and Other Support							
Distributions from OGMP Treasury Services and other offerings and contributions	\$ 1,046,822	\$ -	\$ 379,820	\$ 60,101	\$ -	\$ -	\$ 1,486,743
Distributions from UCMS and investment income	685,202	-	-	-	-	1,862	687,064
Other income	13,990	-	-	22,938	-	-	36,928
Released from designations	44,243	-	(24,699)	(19,544)	-	-	-
	<u>1,790,257</u>	<u>-</u>	<u>355,121</u>	<u>63,495</u>	<u>-</u>	<u>1,862</u>	<u>2,210,735</u>
Net assets released from restriction - NAPAD	-	-	-	479,044	-	-	479,044
Net assets released from restriction	-	1,104	-	691,206	-	-	692,310
Total revenue, gains and other support	<u>1,790,257</u>	<u>1,104</u>	<u>355,121</u>	<u>1,233,745</u>	<u>-</u>	<u>1,862</u>	<u>3,382,089</u>
Expenses and Losses							
Program							
Communication	24,735	-	-	27,963	-	-	52,698
Christian Education	133,820	-	-	21,684	-	-	155,504
Children, Youth and Young Adults	237,661	-	-	105,443	-	-	343,104
Public Witness	228,726	-	-	251,883	-	-	480,609
Evangelism and Revitalization	164,843	-	-	8,762	-	-	173,605
NAPAD	-	-	-	483,709	-	-	483,709
Christian Vocation	271,272	-	-	193,649	-	-	464,921
Office of Disciples Women	259,235	-	-	25,736	-	-	284,971
Office of Disciples Men	33,244	-	-	30,726	-	-	63,970
Ecumenical Support	3,400	-	-	-	-	-	3,400
Mission Centers	-	1,104	-	61,683	-	-	62,787
Total program expenses	<u>1,356,936</u>	<u>1,104</u>	<u>-</u>	<u>1,211,238</u>	<u>-</u>	<u>-</u>	<u>2,569,278</u>
Management and general	590,450	-	-	-	-	-	590,450
Total expenses and losses	<u>1,947,386</u>	<u>1,104</u>	<u>-</u>	<u>1,211,238</u>	<u>-</u>	<u>-</u>	<u>3,159,728</u>
Change in Net Assets From Operations	<u>(157,129)</u>	<u>-</u>	<u>355,121</u>	<u>22,507</u>	<u>-</u>	<u>1,862</u>	<u>222,361</u>
Other Changes							
Change in interest in UCMS	-	-	-	-	-	-	-
Change in beneficial interest in assets held by CCF	-	-	-	-	-	-	-
Realized and unrealized losses on investments	-	-	-	-	303,462	-	303,462
Change in value of split-interest agreement	-	-	-	-	-	(678)	(678)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>303,462</u>	<u>(678)</u>	<u>302,784</u>
Change in Net Assets	<u>(157,129)</u>	<u>-</u>	<u>355,121</u>	<u>22,507</u>	<u>303,462</u>	<u>1,184</u>	<u>525,145</u>
Net Assets, Beginning of Year	<u>289,937</u>	<u>12,901</u>	<u>619,735</u>	<u>313,905</u>	<u>746,108</u>	<u>7,066</u>	<u>1,989,652</u>
Net Assets, End of Year	<u>\$ 132,808</u>	<u>\$ 12,901</u>	<u>\$ 974,856</u>	<u>\$ 336,412</u>	<u>\$ 1,049,570</u>	<u>\$ 8,250</u>	<u>\$ 2,514,797</u>

2010

Temporarily Restricted					Permanently Restricted	
Special Fund	Capital Fund	Endowment Fund	Market Valuation Adjustment Fund	Total Temporarily Restricted	Endowment Fund	Total All Funds
\$ 285,156	\$ 3,677	\$ -	\$ -	\$ 288,833	\$ 2,480	\$ 1,778,056
314,011	228	-	-	314,239	-	1,001,303
44,222	12,459	-	-	56,681	-	93,609
-	-	-	-	-	-	-
643,389	16,364	-	-	659,753	2,480	2,872,968
(479,044)	-	-	-	(479,044)	-	-
(691,206)	(1,104)	-	-	(692,310)	-	-
(526,861)	15,260	-	-	(511,601)	2,480	2,872,968
-	-	-	-	-	-	52,698
-	-	-	-	-	-	155,504
-	-	-	-	-	-	343,104
-	-	-	-	-	-	480,609
-	-	-	-	-	-	173,605
-	-	-	-	-	-	483,709
-	-	-	-	-	-	464,921
-	-	-	-	-	-	284,971
-	-	-	-	-	-	63,970
-	-	-	-	-	-	3,400
-	-	-	-	-	-	62,787
-	-	-	-	-	-	2,569,278
-	-	-	-	-	-	590,450
-	-	-	-	-	-	3,159,728
(526,861)	15,260	-	-	(511,601)	2,480	(286,760)
-	-	782,232	-	782,232	8,023	790,255
-	-	-	-	-	149,234	149,234
-	-	-	92,415	92,415	-	395,877
-	-	-	-	-	-	(678)
-	-	782,232	92,415	874,647	157,257	1,334,688
(526,861)	15,260	782,232	92,415	363,046	159,737	1,047,928
965,773	10,010	11,477,834	36,005	12,489,622	6,007,483	20,486,757
\$ 438,912	\$ 25,270	\$ 12,260,066	\$ 128,420	\$ 12,852,668	\$ 6,167,220	\$ 21,534,685

**Division of Homeland Ministries
of the Christian Church (Disciples of Christ), Inc.
d.b.a Disciples Home Mission**

**Statement of Activities by Fund
Year Ended December 31, 2009**

	Unrestricted						
	Operating Fund	Capital Fund	Quasi-Endowment Fund	Special Fund	Market Valuation Adjustment Fund	Annuity Fund	Total Unrestricted
Revenue, Gains and Other Support							
Distributions from OGMP Treasury Services and other offerings and contributions	\$ 1,297,690	\$ -	\$ 30,589	\$ 33,140	\$ -	\$ -	\$ 1,361,419
Distributions from UCMS and investment income	956,935	-	-	-	-	2,265	959,200
Other income	24,911	-	-	11,792	-	-	36,703
Released from designations	22,653	(2,153)	(28,490)	7,990	-	-	-
	2,302,189	(2,153)	2,099	52,922	-	2,265	2,357,322
Net assets released from restriction	-	2,170	-	964,107	-	-	966,277
Total revenue, gains and other support	2,302,189	17	2,099	1,017,029	-	2,265	3,323,599
Expenses and Losses							
Program							
Communication	61,318	-	-	22,522	-	-	83,840
Christian Education	139,661	-	-	1,748	-	-	141,409
Children, Youth and Young Adults	236,235	-	-	67,312	-	-	303,547
Public Witness	221,339	-	-	399,784	-	-	621,123
Evangelism and Revitalization	158,217	-	-	48,440	-	-	206,657
NAPAD	174,650	-	-	88,057	-	-	262,707
Christian Vocation	290,222	-	-	188,069	-	-	478,291
Office of Disciples Women	338,428	-	-	57,293	-	-	395,721
Office of Disciples Men	40,805	-	-	31,878	-	-	72,683
Ecumenical Support	4,900	-	-	-	-	-	4,900
Mission Centers	959	1,172	-	35,000	-	-	37,131
Total program expenses	1,666,734	1,172	-	940,103	-	-	2,608,009
Management and general	538,305	998	-	-	-	-	539,303
Total expenses and losses	2,205,039	2,170	-	940,103	-	-	3,147,312
Change in Net Assets From Operations	97,150	(2,153)	2,099	76,926	-	2,265	176,287
Other Changes							
Change in interest in UCMS	-	-	-	-	-	-	-
Change in beneficial interest in assets held by CCF	-	-	-	-	-	-	-
Realized and unrealized losses on investments	-	-	-	-	584,495	-	584,495
Change in value of split-interest agreement	-	-	-	-	-	(1,514)	(1,514)
	-	-	-	-	584,495	(1,514)	582,981
Change in Net Assets	97,150	(2,153)	2,099	76,926	584,495	751	759,268
Net Assets, Beginning of Year	192,787	15,054	617,636	236,979	161,613	6,315	1,230,384
Net Assets, End of Year	\$ 289,937	\$ 12,901	\$ 619,735	\$ 313,905	\$ 746,108	\$ 7,066	\$ 1,989,652

2009

Temporarily Restricted					Permanently Restricted	
Special Fund	Capital Fund	Endowment Fund	Market Valuation Adjustment Fund	Total Temporarily Restricted	Endowment Fund	Total All Funds
\$ 588,109	\$ 2,629	\$ -	\$ -	\$ 590,738	\$ 4,041	\$ 1,956,198
328,914	340	-	-	329,254	-	1,288,454
28,799	-	-	-	28,799	-	65,502
-	-	-	-	-	-	-
945,822	2,969	-	-	948,791	4,041	3,310,154
(964,107)	(2,170)	-	-	(966,277)	-	-
(18,285)	799	-	-	(17,486)	4,041	3,310,154
-	-	-	-	-	-	83,840
-	-	-	-	-	-	141,409
-	-	-	-	-	-	303,547
-	-	-	-	-	-	621,123
-	-	-	-	-	-	206,657
-	-	-	-	-	-	262,707
-	-	-	-	-	-	478,291
-	-	-	-	-	-	395,721
-	-	-	-	-	-	72,683
-	-	-	-	-	-	4,900
-	-	-	-	-	-	37,131
-	-	-	-	-	-	2,608,009
-	-	-	-	-	-	539,303
-	-	-	-	-	-	3,147,312
(18,285)	799	-	-	(17,486)	4,041	162,842
-	-	1,889,675	-	1,889,675	17,437	1,907,112
-	-	-	-	-	354,161	354,161
-	-	-	14,864	14,864	-	599,359
-	-	-	-	-	-	(1,514)
-	-	1,889,675	14,864	1,904,539	371,598	2,859,118
(18,285)	799	1,889,675	14,864	1,887,053	375,639	3,021,960
984,058	9,211	9,588,159	21,141	10,602,569	5,631,844	17,464,797
\$ 965,773	\$ 10,010	\$ 11,477,834	\$ 36,005	\$ 12,489,622	\$ 6,007,483	\$ 20,486,757

Report of the Division of Overseas Ministries (DOM)/Global Ministries

**David A. Vargas, President of DOM and Co-executive of Global Ministries
Division of Overseas Ministries Report – December 2010**

The Division of Overseas Ministries (DOM)/Global Ministries is preparing for a transition in leadership, effective August 1, 2011. David A. Vargas announced his intention to retire after serving 8-1/2 years as President of DOM and Co-executive of Global Ministries, and a total of 28 years of service in overseas ministries of the Christian Church (Disciples of Christ). Following the executive search model, a Search Committee was formed with directives to bring forth a name to the April 2011 DOM Board meeting.

By the end of 2010, the Division of Overseas Ministries (DOM) and Global Ministries (a common witness in mission with the Wider Church Ministries of the United Church of Christ) was half way in the implementation of a five-year strategic plan that was a result of a comprehensive evaluation process. For DOM/Global Ministries, the main challenge in mission is how to engage in *critical presence* witness “to the ends of the earth,” with the understanding that *critical presence* means to timely and appropriately meet God’s people and creation at the point of deepest need, whether that deepest need be spiritual, emotional, physical, or economical.

As a priority in mission, *critical presence* is not limited to only one mode of presence, but it expresses itself in different modes, in different moments, in different places and different circumstances. Today, *critical presence* through DOM/Global Ministries is expressed in four modes of presence:

1) **Sending and receiving persons in mission**, including missionaries, short-term and long-term volunteers, Global Mission Interns (supported by Week of Compassion), overseas associates, People-to-People Pilgrimages, summer missionaries-in-residence, and world missionaries to the U.S. and Canada. These persons in mission serve as educators, pastors, theologians, medical personnel, environmentalists, social justice advocates, media specialists, counselors, social service providers, etc.;

2) **Nurturing and developing partnerships with churches and ecumenical organizations in the global community** through a mutual ministry of “acompañamiento” in the midst of challenging social, economic, religious, and/or political realities. These include pastoral ministries related to fears and hopelessness where people are desperate for meaning; dangerous or life-threatening situations related to war, natural disasters, health pandemics, religious, gender and racial discrimination and human rights violations;

3) **Advocacy** as the act of witness on behalf of the poor and marginalized which seeks to influence change in public policy and resource decisions within political, economic, and social systems and/or institutions; and

4) **Mission Interpretation and Education** with the goal of equipping congregations, regions and constituencies of the church to claim the identity of a Global Mission Church. The “Be A Global Mission Church” initiative is how DOM/Global Ministries responds to the Disciples priority of congregational transformation. As a result of this initiative, 580 Disciples Ministries and Mission Interpreters (MMIs) have already been trained, and an additional 820 are expected to complete their training by 2012. Of 33 regional ministers, 28 of them and the three racial ethnic executives have participated in global immersion trips to Latin America/Caribbean, Africa, Middle East and Asia, and plans are underway for a last trip in May 2011. Eighteen out of 33 regions have voted to become a Global Mission Region and new global partnerships have been established throughout the world. In the summer of 2010, four Disciples seminarians served for 10 weeks as College of Mission Interns in DOM/Global Ministries area/program offices in Indianapolis, Indiana, namely: William Almodovar, a Master of Divinity student at Christian Theological Seminary, Indianapolis, Indiana; Lisa Grace, a Master of Divinity student at Eden Theological Seminary, St. Louis, Missouri; Chesla Nickelson, a Master of Divinity and Master of Arts in Marriage and Family Therapy dual degree student at Christian Theological Seminary, Indianapolis, Indiana; and Kimberly Proctor, a Master of Divinity student at Lexington Theological Seminary, Lexington, Kentucky. As part of this educational experience, the 4 interns had the opportunity to visit church partners in Zimbabwe, South Africa and Swaziland.

The rest of this report is a summary of DOM/Global Ministries’ work as implemented through the stated four modes of presence.

AFRICA OFFICE

An elder of a partner church in Mozambique expressed the sentiment of many partners on the African continent when he stated, “Please tell our brothers and sisters in Christ in America that we are praying for them and with them. Tell President Obama that the church in Mozambique knows he is facing many difficulties and disappointments, but we are praying for him so that he can accomplish some of his goals. However, he and others must also know that the world financial crisis is killing us. People here are suffering and many are dying because of the crisis but we will continue our ministry”. In many ways these words highlighted the Africa Office’s critical presence mandate for 2010 – prayer and accompaniment during difficult times.

Our global partners execute a variety of ministries across the continent. A common issue in many countries this year surrounded the use or misuse of natural resources both domestically and internationally. Africa is endowed with a plethora of resources coveted by the international community, warlords and despotic leaders – gold, diamonds, oil, coltan, uranium, water, tropical forests, to name a few. In the midst of this wealth, some of our global partners have been challenged by increased poverty,

HIV/AIDS and other diseases, environmental degradation, injustice, civil unrest and many other problems that are often overwhelming. This has been exacerbated by the global economic crisis. In the midst of this, they continue to grow numerically and spiritually and offer to us examples of true community, deep Christian spirituality and a passion for justice. Our physical and financial presence during these difficult moments has been a mutual blessing.

The Council of Churches in Zambia has been under fire by the Zambian government for questioning the government's capacity to mine uranium in a responsible way that will be beneficial, rather than detrimental, to the population. Upon completion of a very thorough study of uranium mining in the country, the Council launched a report that uncovered the dangers to which the people in the areas earmarked for mining are exposed. Although the leadership of the Council was threatened by its government, the Council stood in firm solidarity with the people. At a time when the Council needed moral support, a Global Ministries' delegation was present to pray with and encourage those who stood on the frontline.

The discovery of a huge cache of diamonds in mines in Zimbabwe has not resulted in improved life for the majority of the people in Zimbabwe as expected. Police brutality and massive displacement of people characterized the government takeover of the mines. At the same time, the discovery of gold at a school owned by one of our global partners in Zimbabwe was a time for the church to reflect on how to exploit the mine so that it will be beneficial for the entire population, not just a few. Seminarians that visited the church partners in July 2010 witnessed how there can be suffering in the midst of so much wealth. Throughout the discussions held at schools, churches and seminaries, these seminarians were challenged to be faithful to their call to stand with the hurt, the abused and the exploited in Zimbabwe while being informed advocates in the United States for the marginalized around the world.

The serious crisis in the Democratic Republic of Congo continues as greed for coltan and other natural resources fuels a war that results in rape, human trafficking and environmental and human degradation. Global Ministries' partners struggle to provide social services for people who have been directly or indirectly affected by this crisis. The Global Ministries delegation that participated in the dedication of the Bolenge hospital in February, 2010 witnessed the pains of the people and the concerted efforts to bring healing in seemingly hopeless situations. In solidarity with the people of Congo, an educational symposium was held in May for churches and interested individuals in the USA, which brought together leading scholars on the Congo to highlight the plight of the Congolese population and to implore people in the USA and Canada to make a commitment to "hear the cries of the people of Congo and to reach out and respond on their behalf".

Our partners in Angola and the Republic of Congo minister to those suffering from HIV/AIDS and other diseases, provide opportunities for feeding programs, rebuild war-affected schools and churches while oil is exported and the profits enjoyed by only a few people. Global Ministries was able to walk with church leaders as they worked to

rebuild some of the infrastructure enabling them to continue their ministries of education, healing and development.

Mozambique is endowed with many rivers and it lies adjacent to the Indian Ocean. Yet, it has had to struggle with water being both life-giving and destructive. Global Ministries worked with partners in that country to make water accessible to people who, in the past, had to walk up to 40 kilometers daily to get clean water.

Scholarships and other learning opportunities were extended to many of our partners. Leadership development has been a priority of the Africa Office for many years and has been a remarkable investment.

Global Ministries supported phenomena micro-credit programs in 2010. Many are small but the impact is huge. Participants take ownership and work judiciously to succeed, thus debunking the myth that the poor have outstretched hands waiting for handouts.

Partnership nurturing this year has meant not only sharing in the suffering of our partners through presence, grants, letters of support but also extending invitations to them to come and share their stories of survival. Women from both countries of the Congo made three thousand handbags for the Disciple Women's Quadrennial. They, along with a guest from Ghana, were invited to share in churches and at the Quadrennial their stories of survival and resilience.

Graced by prayer and faithfulness to the ministry, our partners find strength and wholeness during periods of suffering and financial crises. This is a gift offered freely to us. When received with humility and recognition of the sacrifice made, our own joy is made complete. They suffer but they remain committed to the ministry of serving the people. This is the message to President Obama and to our churches.

LATIN AMERICAN AND THE CARIBBEAN

The most significant events in the ministries of churches and ecumenical partners in the Latin America and Caribbean geographical region that reflect a "movement for wholeness in a fragmented world" were the response to the earthquakes of Chile and Haiti, the new partnerships between Disciples and United Church of Christ congregations with churches in the region, and the response to the increase in human rights abuses in Honduras.

Chile - As a response to the February 27th 8.8 magnitude earthquake and tsunami, the Pentecostal Church of Chile (IPC) and its Shalom Center offered a holistic response by constructing emergency housing units and providing basic emotional and spiritual attention. The emergency houses were called "Blessing Cabins". Two hundred houses were constructed, to serve the same amount of families from the local congregations and their communities. On March 16, the first house was dedicated by Bishop Ulises Muñoz in a very meaningful service. As a sign of the IPC's commitment to the people,

they gave priority to the people's need for shelter and then they gave attention to the rebuilding of the churches.

Another significant project of the IPC through the Shalom Center is Doors of Hope. Just before the quake, the Shalom Center offered the first STAR (Seminars in Trauma Awareness and Resilience) Training. The participants in the first Star Training were able to prepare a handout with instructions on how to offer emotional first aid to adults and children. This material was shared widely throughout the IPC as well as other institutions. The number of people trained as of last July 2010 is 155. The number of local churches represented in the training was 69.

Haiti - On January 12, 2010, a magnitude 7.0 earthquake devastated Haiti, with a death toll of 230,000 people, plus thousands of people missing and innumerable people displaced or homeless. One of every three buildings in the devastated zone was destroyed or uninhabitable. Global Ministries' partners in Haiti, House of Hope and the National Spiritual Council of Churches of Haiti (CONASPEH), were severely affected. Twenty-five hundred local congregations out of the total membership of 6,700 CONASPEH congregations are in the affected zone. CONASPEH's national office building collapsed at the time of the quake, while there were two nursing classes inside. Twenty people were unable to escape. That building housed the national archives, the Saint Andrew Theological Seminary, the school (kindergarten through high school with 450 students), the medical clinic, the Karen Yount Nursing School, the Computer Training Center (40 computers) and the library (17,000 titles). Generators, files, desks, chairs and other provisions were also destroyed. House of Hope lost their educational building.

On March 26-28, the following church leaders participated in a pastoral visit to Haiti: Rev. Sharon Watkins, General Minister and President of the Christian Church (Disciples of Christ) in the U.S. and Canada; Rev. Geoffrey Black, General Minister and President of the United Church of Christ in the U.S.; CGMB Co-Executives Cally Rogers-Witte (who is also Executive for UCC Wider Church Ministries), and Rev. David Vargas (who is also President of the Division of Overseas Ministries of the Disciples). The delegation had the opportunity to participate in the memorial service for the victims of the January earthquake, including those who perished in CONASPEH's central office building.

By April 2010, 618 students were able to begin classes using 10 tents as temporary classrooms. A provisional room was erected to serve as CONASPEH's central office. After the demolition and removal of the rubble where CONASPEH's central building was located, workers began to construct the foundation of the first building of the new CONASPEH Center. Plans were underway to hold the dedication service at the end of 2010.

House of Hope, the program of the Ecumenical Foundation for Peace and Justice that ministers to children laboring as domestic servants, moved to a new site in the same Carrefour area. House of Hope is in the process of completing renovations which include adding additional bathrooms and repairing the roof. The new site is a house

that provides at least five times more space for the daily activities, including Christian education, human rights for children, the literacy program, vocational training, elementary and middle school equivalent training, music and dance, and a delicious hot meal. There will also be space provided for a garden. House of Hope plans to add more vocational courses, such as computer, ironwork, sewing, beautician training, and small business administration.

In June, four representatives from the Presbyterian Church in the Republic of Korea (PROK) led by Rev. Kim Jong-Soung, Vice Moderator, visited House of Hope and CONASPEH. During the visit, the Korean leaders met with leaders of CONASPEH and reflected on the challenges they face as they carry out God's mission. In the case of the Korean church, they shared about the militarization of their country, the quest for reunification of the divided Korea, respect for their own culture, and the affirmation of a theology that includes all aspects of life. As for the Haitian churches, they found similarities in their occupied country, the division of the Hispaniola Island by two colonial powers, the quest of the churches to work to improve the relationship between the people of the Dominican Republic and Haiti, and their affirmation of a holistic approach to live from a liberating theology perspective. Both church bodies affirmed their willingness to establish a partnership.

The following month, the General Pastor of the Christian Church (Disciples of Christ) of Puerto Rico, Rev. Esteban González, and the President of the Adventist Church of Puerto Rico, Rev. José Rodríguez visited Haiti along with the LAC Area Executive. During their visit, they had the opportunity to meet with CONASPEH leaders and leaders of the Adventist Church in Haiti and their diaconal organization, ADRA (Adventist Development and Relief Agency). CONASPEH received tools from ADRA, and 40 out of the first 80 houses that the Adventist Church of Puerto Rico plans to send to Haiti, are going to be used by CONASPEH.

Honduras - In the months after the coup d'état in Honduras and the November 2009 elections, there has been an increase in human rights violations. According to the U.S. State Department, since January 2010, nine journalists have been killed and several more have been kidnapped, tortured, and have experienced death threats. As targeted assassinations and human rights abuses escalate, the U.S. has reinstated full military cooperation with the government of Honduras, fueling the current crisis.

During the Regional Assembly of the Alabama-Northwest Region in April 2010, the Region approved the initiation of a partnership with the Christian Commission for Development (CCD) and their Theological Community, as well as the Evangelical and Reformed Church of Honduras (IERH). They agreed to work together to train pastors and lay leaders in both countries on how to carry out God's mission in today's world, and to support each other as they work on advocacy issues related to racism, migration, human rights, and hardship created by the economic crisis.

Mexico - The Joint Table for Mission Development which includes the Alliance of Evangelical Christian Churches of Mexico (AICE), the Fraternity of Evangelical Christian

Churches (CICE), and the Christian Congregational Churches of Mexico (ICCM), agreed on the establishment of a partnership with the Arizona Region of the Christian Church (Disciples of Christ). At the end of August, Regional Minister of Arizona, Dennis Williams and Alex Dely from Arizona's Global Mission Team, traveled to Aguascalientes, Mexico along with the LAC Area Executive to reaffirm their commitment to the partnership with the three national churches of Mexico. The representatives from the Joint Table and the Arizona Region shared the challenges they face, including stewardship, church mission for the 21st century, ecumenical relations, violence in Mexico, the new anti-immigration laws and economic difficulties. They also shared about possible methods of mutual accompaniment in areas such as evangelism, stewardship, training church leaders, microcredit projects, border issues and worship. The Rev. Manuel Tovar, President of AICE, Rev. Josué Martinez, President of CICE, and Mr. Miguel Villa, Superintendent of ICCM participated in the Arizona Regional Assembly in October 2010.

SOUTHERN ASIA

The region of Southern Asia hit the world news several times this year with natural calamities and communal riots. The threat of 'Quran burning' by a Florida pastor did long lasting damage in Southern Asia where the majority of the world's Muslim population lives. Whether he really burned the Quran or not did not matter. The very thought, talk, and posturing to desecrate the holy scripture of a large number of the people of Southern Asia was enough to trigger violent demonstrations in different parts of the region. The demonstrations claimed several lives and caused damages to Christian institutions and churches, in places like Kashmir, Afghanistan, and parts of Indonesia. Global Ministries' partner, the Communion of Churches in Indonesia (PGI) has expressed very serious concerns about the backlash that the minority Christian community there is threatened with.

Afghanistan: Global Ministries' partner in Afghanistan, the International Assistance Mission was devastated by a major tragedy this summer in which ten of its workers were brutally killed by some unidentified assailants while returning from conducting an eye camp in the remote northeastern village of Nuristan. This killing was strongly condemned by the local communities including the local Taliban and the Afghan government. It is learned that the killers were outsiders and the motive is suspected to be robbery.

Bhutan: The Church in Bhutan is less than three decades old. The tiny Christian presence there was confined to a great extent to the immigrant communities from Nepal, with smaller yet growing number of converts from ethnic Bhutanese. Until a few years ago, the Church there remained underground and in the last four to five years it is slowly becoming visible. The newly formed National Christian Council of Bhutan has applied to the government for registration as a religious body which would allow them more freedom and is eagerly awaiting the government's response. Among the issues faced by the people of Bhutan are extreme poverty in rural and remote parts of the

country, lack of educational opportunities, and the denial of citizenship to ethnic Nepalese who have been living there for generations are serious ones.

East Timor: The Protestant Church of East Timor (IPTL) continues its efforts to reorganize its administrative and program priorities so as to revitalize the local congregations. Our missionaries Carlos Madrazo and Tom Liddle are assisting in the implementation and monitoring of the various programs. Monica Liddle works at the Los Palos medical clinic. This clinic receives on an average 120 outpatients a day, most of them children brought from far off remote villages. Until our missionary Monica started working there, the clinic had no doctor but only a male nurse who wasn't even able to complete his nursing training. Monica's presence as a medical doctor meets one of the deepest needs in this area of East Timor. The Lisa Dila school project, started in 2004 under the partnership with the Northern Plains Conference of UCC, continues to progress well. Plans are being made to expand this school with a high school and vocational training sections.

India: In March, the leaders of the Racial and Ethnic Minorities Ministries of the Christian Church (Disciples of Christ) went on a two weeks mission exposure trip to India along with Bob Shebeck and James Vijayakumar. They participated in a seminar organized by the Church of North India (CNI) on "Dalit and Tribal Pastoral Praxis" which was aimed at highlighting and addressing the issues faced by the Dalit and Tribal minorities in India. The other places visited by the group were the Mission Hospital in Mungeli where Global Ministries missionaries Anil and Teresa Henry are working; Jackman Memorial Hospital in Bilaspur; the Madras Diocese of the Church of South India; Tamilnadu Theological Seminary, Unemployed Young Peoples' Association, Inba Illam and CREATE in Madurai; the tsunami rehabilitation and housing projects through the Peace Trust in Kanyakumari district; and Marathi Mission institutions in Mumbai.

Indonesia: Two major disasters hit Indonesia in October, first a devastating earthquake followed by a tsunami that killed more than 300 people in the western part of Sumatra Island. Several hundred people are still missing and many more are displaced. Almost simultaneously the Mount Merapi volcano in the Java Island erupted, killing almost a hundred people and displacing several thousands. There have been at least two successive eruptions causing more damage and displacement. Our partner, Church World Service, has been assisting the victims in both these disasters with emergency relief.

Laos: The afterschool programs at the Children's Development Centers which were developed and are being coordinated and supervised by Global Ministries missionary Xuyen Dangers continues to grow. The first batch of twenty social workers coming from these centers graduated from the university in July 2010. Also in 2010, two much needed secondary boarding schools were built with support from Global Ministries in the northern provinces of Odumxai and Pongsalay.

Pakistan: In the middle of July 2010 most parts of Pakistan were hit hard by heavy floods which were the worst in the known history of Pakistan. Several thousands of

people were killed, houses, crops, and properties were lost or damaged and millions rendered homeless. Our partner CWS –P/A continues to provide relief and recovery assistance.

Sri Lanka: After the end of the civil war in May 2010, the northern and eastern parts of the country are in need of reconstruction and rehabilitation. Thousands of people still continue to live in the relief camps. The Church of the American Ceylon Mission, Global Ministries' partner in that region has started repairing and reconstructing some of the houses and community centers in the Wanni region in the east. They are also providing counseling and essential supplies to people in some of the relief camps.

MIDDLE EAST AND EUROPE

“Tell it!” In the Middle East and Europe, there were many times in 2010 when Global Ministries has been present and met God’s people and creation at the point of deepest need. Mainstream media offers us a limited perspective on the realities throughout these regions, but Global Ministries’ work and partnerships offer a wider vista—providing alternatives to promote better understanding and opportunities to respond.

First, through visits to the Middle East, Global Ministries staff could visit partners and stand in solidarity. The presence of Global Ministries staff has a significant impact on the sense of partnership and extends the relationship between our churches and our partners. Such trips are also an opportunity to learn about the context of partners’ ministries—political, economic, and social, including interfaith, as well as to make a pastoral visit to our mission personnel. Visits to historical and Biblical sites, especially in Israel/Palestine, in addition to the spiritual journey, afford particularly poignant opportunities for theological reflection on Christian response to the contexts of our partners. Encounter with many partners included work Global Ministries supports among Palestinian refugees in Lebanon; Iraqi refugees in Syria; primary and university education with Armenian Protestants, theological education in Beirut at the Near East School of Theology; meetings with ecumenical and interfaith partners throughout the region; and a better understanding of the current realities in Israel/Palestine.

One such visit to the Middle East took place at the time when President Obama convened a meeting of Middle East leaders to re-launch Middle East peace talks, on September 2, 2010 in Washington. US Jews, Christians and Muslims, including the UCC and Disciples, are engaged in advocacy with the US administration to be a fair and persistent party to negotiations, particularly through the National Interreligious Leadership Initiative (NILI) and Churches for Middle East Peace (CMEP). Later in September, NILI colleagues met with administration and State Department officials in Washington to voice support for peace and concerns about the urgent need for peace and the continuing deterioration of circumstances. Such advocacy and concern comes from 2000 years of Biblical/Christian history in the region, 162 years of mission ties and presence dating back to the appointment of Rev. Dr. James and Julia Barclay as missionaries to Jerusalem, current relationships with Middle Eastern Christians and others, and our church’s concern for peace and justice in the world. The Disciples

continue to be active in this issue, and to promote a peaceful and just resolution to the Arab-Israeli-Palestinian conflict. For Palestinians, the most important initiative has been the *Palestine Kairos* document entitled, “A Moment of Truth.” In the Kairos document, which was launched in December 2009, Palestinian Christians call on the church to speak truth, stating that the Church’s mission is to pray, serve, and be prophetic, speaking for the oppressed, proclaiming the “Kingdom of God, a kingdom of justice, peace and dignity.”

A pastoral letter by Sharon Watkins and Geoffrey Black in April 2010 invited our churches to make a “Kairos Commitment” which involves the following action steps: commit to read, study, and reflect on the “Message of Hope” with your fellow church members; commit to visit the region to learn more about the situation on the ground; commit to advocate with the US government; and commit to support denominational partners in Palestine, and to avoid products that are produced in illegal Israeli settlements in the West Bank.

The Disciples are also engaged deeply in interfaith dialogue, particularly with the Jewish community and the Muslim community. In 2010, there was renewed—and negative—attention on Islam when Terry Jones issued his call to burn the Qur’an, and the debate over Park51. There was concern around the world among Christians who live in majority-Muslim contexts that there would be serious repercussions against the Christian community as a result of Jones’ call. In fact, one of the first statements issued against Pastor Jones in early August was from the Egyptian Protestant Churches. A few days later, the Interfaith Relations Commission of the National Council of Churches in the US, issued a statement entitled, “As the observance of Ramadan begins, a call for respect for Muslim neighbors.” The statement read, in part, “We as Christians are troubled by fellow Christians in the United States who are expressing intolerance against Muslims in words and deeds.... Such open acts of hatred are not a witness to Christian faith...They contradict the ministry of Christ and the witness of the church in the world. We ask all Christians to promote respect and love of neighbor, and to speak out against extremist ideas, working with Muslims as appropriate, in order to live out the commandment to love our neighbor, and to promote peace.” Valuable interfaith resources, and recommended readings on many topics related to interfaith relations and the Middle East are available on the Global Ministries Middle East and Europe website [www.globalministries.org/mee].

The Disciples Quadrennial Assembly (QA) was held in Greensboro, NC, July 23-27, 2010. The Middle East and Europe office facilitated the presence of four international sisters: Raysa Soylemez (Turkey), Josipa Mihajlovic (Bosnia and Herzegovina), Jovana Savic (Serbia), and Maha Shehadeh (Palestine). Each of these four women spoke at the Global Ministries’ booth and presented something about their work and ministry contexts at workshops during the QA, as well as participating fully throughout the Assembly. Raysa and Maha also had the chance to itinerate in Disciples’ Regions in conjunction with their time in the US—Raysa in Kentucky, and Maha in the Illinois and Wisconsin Region. The Regions also contributed generously toward covering the

expenses associated with the women's participation. From all accounts, the presence of the international sisters was meaningful and very impactful.

Global Ministries welcomed two new board members from the Middle East and Europe this year. Representing long-standing partners, Dr. Mira Rizek is the General Secretary of the YWCA of Palestine, and the Rev. Balázs Ódor is the Ecumenical Officer of the Reformed Church in Hungary. Both began their terms on the Global Ministries Board of Directors in 2010.

In Global Ministries' ongoing effort to "Tell it!," the work highlighted above, and the work of partners and mission personnel throughout the region, help to tell stories and inform our churches about the contexts and responses of churches in Poland and Hungary, the United Kingdom and France, Italy and Germany, as well as Lebanon and Syria, Israel/Palestine, Turkey and Egypt, Iraq, and throughout the Middle East and Europe. It is up to Disciples in the US and Canada to hear it, and to respond through critical presence.

EAST ASIA AND THE PACIFIC REGION

In the last six months, there have been many natural disasters, struggles, and challenges in East Asia and the Pacific: the Philippines had a peaceful election, but extrajudicial killings are still going on; North Korea was blamed for a South Korean naval vessel sank in March 2010, and US military exercises at sea around the Korean Peninsula have escalated, churches on both sides work hard for the reunification of North and South Korea; natural disasters occurred in many provinces in China and the northern part of North Korea, and many thousands of people have been left homeless; several partners had their general assemblies and elected their new leadership; and the Presbyterian Church in the Republic of Korea (PROK), Global Ministries' partner in East Asia, joined us to support sisters and brothers in Haiti;

East Asia

The Christian Conference of Asia (CCA) held its 13th Triennial General Assembly, April 14-21, 2010, in Kuala Lumpur, Malaysia. Rev. Henriette Hutabarat Lebang from Indonesia was elected as the General Secretary of CCA. She is the first woman to be elected to this position since CCA was founded at the Malayan capital in 1959.

Pacific

The Fourth Pacific Church Leaders Meeting was held in Auckland, Aotearoa New Zealand, August 6-13, 2010. Delegates examined the theme of "the Cry to Sing the Lord's Song in Oceania" from the perspectives of ecumenism, climate change, governance and human rights, HIV and AIDS, women and youth. The North American Asia and Pacific Forum Delegation visited Fiji on November 15-21, 2010, including the participation of Xiaoling Zhu and James Vijayakumar, Global Ministries area executives. Ecumenical partners discussed future opportunities to work in mission together. Mr. Aaron Wiggins will serve as mission personnel for the Pacific Council of Churches (PCC) for the next 4 years.

Australia

In solidarity with Palestinian Christians, the National Council of Churches in Australia (NCCA) has asked its member Churches and the wider Australian community to consider a boycott of goods produced by Israeli settlements in the Occupied Palestinian Territories.

China

China Christian Council (CCC) hosted a seminar on Reconstruction of Theological Thinking and Building-up Harmonious Churches in Nanjing, July 28-29, 2010. A 7.1-magnitude earthquake hit Yushu, Qinghai, northwest China's Province on April 14, 2010. As of April 20, 2010, 2,064 people were killed and more than 10,000 injured. Since July 2010, floods in China have left more than 740 people dead with hundreds of people missing. On August 7, 2010, Zhouqu, Gansu Province had mudslides, which resulted in the death of 1,117 people, 76 injured, 267 missing, 200 families left homeless,. The government has transferred 45,000 people to safer areas. Through The Amity Foundation, our partner in China, Global Ministries participated in disaster relief activities.

Hong Kong

Hong Kong Christian Council (HKCC) actively promotes ecumenism and resource sharing on local, regional and international levels. In June and July 2010, the HKCC ran the annual Ecumenical Summer Institute for university and theological students to expose them to the ecumenical movement with opportunities for involvement in justice and social concerns. August 24, 2010, a 21-member Hong Kong tour group aboard a bus was hijacked by a dismissed Filipino policeman in Manila. Eight people were killed and 7 wounded due to the poor handling of this situation by Manila police.

Taiwan

Since 1965, there has been a steady population shift in Taiwan; people from the countryside have been migrating to big city centers, especially among indigenous people. The tribal congregations are being most affected by this migration. Leaders of these congregations are working to help churches in the city centers to understand the customs and encourage their financial support. Many have done so and have enjoyed the fellowship between city and indigenous churches.

Micronesia

The bi-annual General Assembly of the Micronesian Council of the United Church of Christ (MC-UCC) was held April 28-29, 2010, in Kosrae at the Lelu Church. The assembly is concerned about the health care in Hawaii and passed a resolution calling for a MCUCC Women's Assembly. The Assembly elected the leadership of MCUCC for the next two years: Rev. Shelton Neth, Moderator, Rev. Wie Fiti, General Secretary, Lawson Matouto, Treasurer, and Nena Kilafwasru, Secretary.

Philippines

Presidential election, legislative elections and local elections in the Philippines were held on Monday, May 10, 2010. Benigno Aquino III was elected as the President of the Philippines. The elections were peaceful, but extrajudicial killings are still going on. The National Council of Churches in the Philippines (NCCP) has elected Rev. Fr. Rex Reyes of the Episcopal Church in the Philippines as Secretary-General. The United Church of Christ had a successful 9th Quadrennial Assembly at Silliman University Church, May 25-29, 2010. The Rev. Bishop Reuel Norman O. Marigza was elected as General Secretary for the term June 1, 2010 to May 31, 2014. The General Assembly also decided to add Middle Luzon Jurisdiction to join the original six Jurisdictions.

South Korea

The Ecology Community Movement Center (ECMC) of the Presbyterian Church of Republic of Korea (PROK) has been praying and working for the realization of God's life, peace, and justice in South Korea through its various programs and advocacy work for the protection and sustainability of the environment. The major advocacy work of the ECMC is focused on opposing the Four Rivers Project that will transform the four major rivers in South Korea into transport and business waterways connecting Seoul City to Pusan City.

South and North Korea

This region has become extremely unstable at this time due to the recent artillery barrage by North Korea that targeted Yeonpyeong Island in South Korea killing 4 and injuring many others on November 23, 2010. On November 24, 2010 PROK (Presbyterian Church in the Republic of Korea) issued a statement urging the two Korean authorities not to extend the vindictive situation but to resolve it peacefully. On December 1, 2010, PROK began its signature campaign to gather support for the making of a Peace Treaty, and as of date has more than 12,000 signatures. Global Ministries fully supports the PROK position that the Korean people should have the right to make their own decision for the future of their country and for the peace of the Korean peninsula. Global Ministries stands with our brothers and sisters in solitary for a better and peaceful future.

MISSION INTERPRETATION AND CONSTITUENCY RELATIONSHIPS

Be a Global Mission Church Workbook Revision. A revised version of the Be a Global Mission Church workbook was completed. The booklet was improved by adding some of the content of the Guide to Global Ministries as well as a program staff listing. A photocopied version that saves money and allows for continued updates has been in circulation. A Spanish version of the newly revised Be a Global Mission Church workbook was produced and used during the Hispanic gathering in July 2010. The response to this new Spanish resource was very positive.

Weekly Global Ministries Updates. These e-mail updates are reaching over 12,000 constituents and providing a tangible link to the work that Disciples and UCC members are doing around the world through Global Ministries. According to statistics from the

company who sends the Global Ministries updates, approximately 75% of those e-mails are being opened. This is a very encouraging percentage.

Mission LIVE Webinars. The Mission Interpretation offices in Cleveland and Indianapolis have had quite a bit of success using the webinar technology to allow returning missionaries and area executives who have visited partners to tell the story of how Disciples and UCC are involved in God's mission. During a webinar a PowerPoint presentation is seen on the computer screen. Participants can see the presenter in a video window and hear the person's voice as they share their PowerPoint. At the end of the presentation, participants can ask questions through the chat window.

Be a Global Mission Church Pilgrimage for Disciples Racial/Ethnic Constituent Leaders. On March 7-22, 2010 the Disciples racial/ethnic constituent leaders, (Timothy James – National Convocation, Huberto Pimentel – Hispanic Ministries and Geunhee Yu – North American Pacific Asian Disciples (NAPAD), traveled to India for a Be a Global Mission Church pilgrimage. During the pilgrimage conversations were planned to determine ways to better resource racial ethnic congregations in global mission.

Haiti Videos. In partnership with the Disciples Communication Ministry, two video clips were produced on Haiti. The first was an interview with Felix Ortiz after his first trip to Haiti after the earthquake. The second was an interview with Kim and Patrick Bentrutt during their debriefing time in Indianapolis shortly after they left Haiti. An initial brainstorming session was held to discuss the next big Global Ministries video project and plans were made to begin the project with a Haiti video. The project is unique in that it has built into it a capacity building component. National Council of Spiritual Evangelical Churches of Haiti (CONASPEH) will identify key leaders to receive training in operating Flip video cameras. Five cameras have been purchased and the PIC video team filmed the trainees as they used the cameras to tell their story and the story of the people and CONASPEH communities that they represent during their visit in November.

Ministries and Mission Interpreters. At the writing of this report, there are 1,000 trained UCC (420) and Disciples (580) MMI's. In July of 2010 an e-mail survey was sent out to 921 MMIs (522 Disciples and 399 UCCs). The intent of the questionnaire was to see how the MMI training and network communications could be improved. The results will be used to plan the next phase of the MMI initiative. A total of 120 Disciples and UCC gathered in Cleveland, Ohio for the national MissionWorks/MMI training event on October 7-10, 2010. Several other decentralized training events were held during the course of 2010: Fort Worth, TX in May and San Diego in September.

Be a Global Mission Region Immersion Trip Follow-up Consultation. Global Ministries was invited to meet with the College of Regional Ministers to hear the testimonies of how the Immersion trips have impacted the ministries of the Regional Ministers and to brainstorm about how to continue the momentum and follow-up on the global mission commitment in each Region. The meeting was extremely positive. To date 26 out of 33 regions have participated in the pilgrimages. It was decided that there

will be one more Immersion Trip to enable the Regions who weren't able to participate to do so. This trip is planned for Central America in May of 2011.

Staff Pairings with Disciples Regions and Summer Events. The staff pairings with Disciples Region continued through the 2010 regional assemblies cycle. Staff was present at 26 of 33 events. They were involved in various ways during these gatherings throughout the year. Their presence is appreciated and expected. The Mission Interpretation Executive attended seven Regional Assemblies. The display area and workshops at Quadrennial were organized by the Mission Interpretation Office. The display area provided an opportunity for International sisters to tell the story of their ministries and interaction with Quadrennial attendees. The workshops were well attended. The Executive also resourced the Racial Ethnic events that were divided up amongst the staff and attended the NAPAD Convocation.

College of Missions Summer Intern. Kimberley Proctor served as a College of Mission Summer Intern with the Mission Interpretation Office. Her main project was in the area of developing short video mission moments and training the staff to use Flip Video Cameras for interviews during Overseas trips. Kimberley interviewed staff and posted those interviews on YouTube and linked them to the Global Ministries website. Her presence and skill in video work has greatly increased the capacity of staff to use video equipment. The Mission Interpretation Office is now producing video interviews of missionaries and partners who come through the Indianapolis office for posting on the Global Ministries website.

Disciples Communicators Forum. The Council on General Ministries asked that a regular Forum of the Communicators from all the General Units work on implementing some of the suggestions that were given by an outside firm who audited Disciples General Ministries Communication at the request and expense of the Council on General Ministries. The Mission Interpretation Executive has participated in the meetings and work of the Forum.

Advocacy - Congo. Global Ministries, the Center for Research on the Congo (Urbana, IL) and the Church Federation of Greater Indianapolis sponsored a Symposium in Indianapolis, IN entitled —Resource Wars in Democratic Republic of Congo (DRC) and their Impacts on Women and Children" that was held in Indianapolis, Indiana, on May 21-22. The symposium was organized to educate participants and mobilize them for possible advocacy on several but interrelated fronts, including: (1) cessation of the pillaging of the country's natural resources; (2) cessation of crimes against humanity committed on Congolese women and children in the process of predatory economic practices by certain proxy states in cohort with a number of companies in the industrialized world; (3) exposure of the leaders of the elite network on the looting of DRC natural resources and in the killing of innocent Congolese, especially women, children, and the elderly; and (4) the development of participatory democracy in D.R.C. under the rule of law and the reconstruction of a strong economy that reflects the country's immense resources. Plenary presentations were given by Professor Georges Nzolngola-Ntalaja (professor emeritus of African Studies, Howard University,

Washington, D.C.), Mr. Keith H. Snow (award-winning independent journalist and photographer), and Ms. Muadi Mukenge (Regional Director for Sub Saharan Africa, Global Fund).

Advocacy - Human Trafficking. Global Ministries have started conversations with the UCC's Justice and Witness Ministries and Disciples Women Ministries on ways to partner to strengthen the two denominations education and advocacy on Human Trafficking. Both associates are currently gathering educational and advocacy resources that will be on the web by the end of the year and evaluating trafficking campaigns that Global Ministries can invite local congregations to support.

Advocacy - Bi-Lingual National Border's Conference. Global Ministries staff is working with other leaders of the UCC and Disciples of Christ to plan a Bi-Lingual National Border's Conference in San Diego, CA, February 10-13, 2011. Global Ministries, UCC Justice and Witness, Disciples Home Mission, and the Central Office for Hispanic Ministries are co-sponsoring the event. The event is entitled, —Turning Walls into Tables...A BORDER Experience. It will be held at Casa De Oración (Disciples of Christ) Church. The goals of the conference are to help Disciples of Christ and United Church of Christ congregations to better understand the Mexico and United States border issues, to equip participants as advocates for immigration reform and provide a platform for partners in mission, including Mexico partners, to share their experience and testimony of the border. The conference will have plenary presenters and workshops from partners in mission who are working on Mexico/United States border concerns in Texas, Arizona, and California. Church partners in Mexico will share their understanding of the border and how the United States immigration law impacts their ministries and communities. The Church World Service Immigration and Refugee Program staff responsible for Washington, DC Policy, Jen Smyers, will give a presentation on immigration policy and the work of the ecumenical community on immigration reform. The Romero Center will lead the group on a one day immersion trip to the San Diego/Tijuana border. The visit to the border will provide participants with the opportunity to encounter the wall of separation and to hear from Mexican leaders about the impact of the United States immigration law on their country. The visit to the border will be designed to encourage meaningful conversations about immigration patterns and about NAFTA, with its problems and responses that directly impact the immigration concerns of the United States.

Honduras Immersion into Ministry Pilgrimage. In coordination with the Latin American and Caribbean area office, the Indianapolis Program Associate for Advocacy and Education organized a Honduras Immersion into Ministry: Exposure and Advocacy Fact Finding Pilgrimage for newly ordained African Americans Disciple (ordained between 2005-2010). The purpose of the pilgrimage is to develop a new generation of leaders with a holistic approach to mission, expose participants to the economic, political, social and religious realities of the Evangelical and Reform Church in Honduras and the Christian Commission for Development, and motivate participants to be advocates for Honduras in their local congregation and community. This trip is being

funded by a grant from the Disciples Black Leadership Grant and Global Ministries. The pilgrimage will be January 12-19, 2010.

MISSION PERSONNEL

As a movement for wholeness in a fragmented world, the Division of Overseas Ministries/Global Ministries participates in a ministry which attempts to break the divide among God's children by partnering with overseas partner churches in the sending and receiving of missionaries. The exchange of people and gifts serve to help unite people across geographical, racial, gender, and economic barriers. Also, other important aspects of this ministry include the presence of missionaries in congregations as they share the ministries of the partner churches and the people to people pilgrimages, which offer individuals and congregations opportunities to cross boundaries and share the love of God as they receive the love of God from those they encounter.

Missionaries are participating in ministries of Critical Presence in 43 countries around the world. They are engaged in a variety of ministries such as: theological education, leadership development, community and development work, human rights, health ministries, children's ministries, and pastoral ministries.

A total of 126 missionaries served in those 43 countries in 2010, which included 56 fully-supported missionaries, 8 global mission interns, 13 long-term volunteers, and 49 associates. In addition, 14 individuals served as short-term volunteers.

Nineteen persons, including 7 re-appointees, were appointed in 2010 to church and/or church-related institutions around the world. Terms varied from fully supported to long-term volunteer staff. This distribution by area of total appointments was Africa 8; East Asia and the Pacific 2; Europe 4; Latin America and the Caribbean 4; Middle East 1; Southern Asia 0.

The one new global mission intern supported by Week of Compassion funds is: Kristine Tisinger, South Africa.

Five new long-term volunteers (one year and longer) were appointed in 2010: Elizabeth Beach, Swaziland; Marilyn Cooper and Glenn Hebert, Ecuador; Emily Goldthwaite Fries, Jordan; and Ann Nichols, Zambia.

There were sixteen short-term volunteers (two weeks to eleven months) appointed in 2010. A list of names and term dates are available upon request.

The overseas associate category is a recognition normally given to members of the Christian Church (Disciples of Christ) and the United Church of Christ who are serving outside of the United States and Canada with a church, ecumenical institution or project that involves a ministry that is in accordance with the mission principles of the Common Global Ministries Board. There were three new associate appointments in 2010: Bonnie Carenen, Indonesia; Tod and Ana Gobledale, United Kingdom.

Eight individuals completed their service with the Common Global Ministries Board in the category of regular appointees: Donna Dudley, Angola; Patrick and Kimberley Bentrout, Haiti; Justino Perez-Ojeda and Zaida Rivera-Rivera, Mexico; Paul Pierce and Kathleen Kamphoefner, Egypt; Salvador Martinez, Thailand.

One individual resigned his service with the Common Global Ministries Board in the category of regular appointee: Ian Alexander, Israel/Palestine.

Five individuals completed their terms as global mission interns: Emily Christmas and Carla Giger, South Africa; Sandra Lee-Takei, Japan; Erin McKinney, Dominican Republic; Alan Dicken, Honduras.

Fourteen individuals completed short-term volunteer assignments (ranging from 2 weeks to 11 months) in 2010. A list of names is available upon request.

Missionary Relationships

From January 1 to December 31, 2010, fifteen missionary units were involved in a ministry of critical presence through missionary visits and relationship building: Jon and Dawn Barnes, South Africa (5 months of interpretation); Mark Behle, Lesotho (5 months of interpretation); Donna Dudley, Angola (2 months of interpretation); Emily Christmas, South Africa (2 months of interpretation); Carla Giger, South Africa (2 months of interpretation); Elena Huegel, Chile (1 month of interpretation); Laslo and Coralyn Medyesy, Hungary (2 months of interpretation); Sandra Lee-Takei, Japan (3 months of interpretation); Patrick and Kimberly Bentrout, Haiti (6 months of interpretation); Anil Henry, India (3 months of interpretation); Salvador Martinez, Thailand (6 months of interpretation); Michael and Doreen McFarlane, China (4 months of interpretation); Erin McKinney, Dominican Republic (2 months of interpretation); Zoltan Szucs, Hungary (4 months of interpretation), and Alan Dicken, Honduras (1 month of interpretation). Of those visits, 144 were to UCC congregations and 99 to Disciples congregations. (16 congregations were visited per missionary unit.) There were a total of 573 missionary presentations done. (38 presentations were given per missionary unit with an average of 12 presentations per month of interpretation.)

People-to-People Pilgrimages

The People to People Pilgrimage Office organized and/or assisted in the facilitation of a total of 99 pilgrimages in 2010. Five of the 99 were canceled due to major natural disasters and political unrest. There were 13 more trips in 2010 than in 2009. Following is a list of pilgrimages by area: Africa 20; East Asia and the Pacific 6; Latin America and the Caribbean 55; the Middle East and Europe 7; and Southern Asia 6. As of December 2, 2010, 55 People to People Pilgrimages had been scheduled for 2011.

RESOURCE DEVELOPMENT

Special Giving and Ministry with Donors: In 2010 the Global Ministries Resource Development Office, in close coordination with the Financial Development Office of Wider Church Ministries/Global Ministries in Cleveland, continued to raise direct and planned gifts for the work of Global Ministries. The priorities for special giving categories for both direct and planned gifts are the following: (1) unrestricted gifts; (2) gifts for missionary and long-term volunteer support, including gifts for new missionary appointments; and, (3) restricted gifts for donor-specified partner programs or theme-based designations

In 2010 one notes a significant increase in designated direct gifts. This is in great part due to designated giving for the critical situations in Haiti and Chile in early 2010; in both places Global Ministries has long-standing partnerships with many mission connections to both Haiti and Chile in UCC and Disciple churches and judicatories. The higher level of numbers of donors (individuals, UCC/Disciple churches and judicatories, and other organizations) reported in 2009 as compared to 2008 is maintained for the period 2010 as compared to 2009, especially in the church/judicatory category.

In 2010, the following DOM permanent fund was established in support of the work of Global Ministries, facilitated by the Office of Resource Development:

The Thomas Newton and Elma Alexander Hill Family Fund for India, a DOM permanent fund established by Miss Marjorie Hill, former missionary to India, reinforces the legacy of vital contributions of the Hill Family for two generations to God's Christian mission in India; and, at that same time, will provide resources for that work to continue in the future.

Promotion, Appeals, and Special Campaigns: In addition to its normally scheduled appeals (Global Ministries Spring Appeal, the WCM Annual Appeal to UCC constituents, and the Indianapolis Year-End Appeal), campaigns (special giving promotion throughout the year and Alternative Christmas campaign), and fundraising/development activities carried out by Indianapolis and Cleveland development staff (donor visits, donor cultivation, solicitation and stewardship activities and events), the Office of Resource Development, together with the Office of Financial Development in Cleveland, carried out the following 2010 special campaigns and appeals:

The ***Critical Presence in Critical Times (CPCT) Special Appeal***, launched in September 2009 for gifts through December 2010 offset the downturn in earnings from WCM and DOM permanent funds through the receipt of approximately \$105,000 over and above gifts from 128 donors. These funds were applied to Global Ministries 2010 operating budgets in Indianapolis and Cleveland.

In 2010 Resource/Financial Development emphasized a specific aspect of special giving each month through their ***Monthly Giving Emphases***. The monthly emphases include: GoodSearch (January); Tribute Giving (February); Wills and Estate Planning (March); Matching Gifts (April); Special Giving for

Vacation Bible School and youth camp summer activities (May); Nonconventional and Innovative Giving Options (June); Child Sponsorship (July); Critical Presence in Critical Times Special Appeal (August); Charitable Gift Annuities (September); Alternative Christmas (October); Tribute giving and social network giving (November); and Special Giving for Missionary Appointments (December). Each monthly emphasis is reinforced through informational paragraphs in gift thank-you letters, specific website information, group emails to Global Ministries constituents, announcements in the weekly email Global Ministries Updates, and through taglines on development staff emails and correspondence.

FINANCE

As of October 31, 2010 the Division of Overseas Ministries (DOM) total revenue from all sources (budget and designated) is estimated at nearly \$5.7 million, up approximately \$254 thousand from 2009. Budgeted revenue was down nearly \$76 thousand and designated giving was up \$330 thousand.

It is projected that the budget revenue as of December 31, 2010 could be down nearly \$187 thousand from the 2010 approved budget. With budget expenses expected to be underspent slightly, DOM is projecting a budget deficit and use of reserves of nearly \$65 thousand.

Of the total revenue thus far in 2010, just over \$2 million or 36% is designated giving for special programs, projects, capital and new church funding. \$1.2 million or 21% is from Wider Church Ministries of the United Church of Christ as part of the funding of our joint work together as Global Ministries. The balance of the revenue, \$2.4 million or 43%, comes from Disciples Mission Fund (DMF), DOM Endowment distributions, United Christian Missionary Society (UCMS) endowment distributions, Christian Church Foundation (CCF) fund distributions, operating fund gifts and miscellaneous income. DMF (including the special day offerings) and the endowment revenues made up 20% and 18%, respectively, of the revenue. The remaining 5% came from the operating fund gifts from individuals and congregations, reimbursements and interest income.

The DOM Endowment assets are invested with the CCF in the Beasley Growth Fund and the Campbell Multi-strategy Fund. Annually DOM takes a draw, which is 5% of the average prior 20 quarter rolling market values of the total investment. This is used to support operations and designated spending based on the restriction of the endowment. In 2010, this draw was \$660,367 (*2009 was \$670,248*).

An independent audit is performed annually of the financial records and accounting systems of DOM. The audit is scheduled for February 2011. A complete audit will be provided for the Yearbook once the auditor's report to the finance committee of the board of directors the financial results of the audit and address any material internal control weaknesses or suggested improvement to internal controls in a management letter. As part of full disclosure and accountability, DOM wishes to disclose the 2010

salary (including housing allowance) of the president of \$107,000 (*no increases given in 2010*)

CHILD SPONSORSHIP

The Global Ministries Child Sponsorship program's vital mission is to make this world a better place for disadvantaged and destitute children around the world. Through sponsorships and working with 15 partner organizations, Disciples and UCC local congregations and members share the responsibilities of aiding more than one thousand needy children around the world at this time. In addition, sponsors in 2010 year have shown their cheerfulness by giving more than \$300,000 through the program for needy international children/centers.

It is the Global Ministries Child Sponsorship Program's charge to share in the love of Jesus by providing financial assistant to international partners' children by way of individual donors. Support and love from Global Ministries' sponsors have allowed thousands of children over the years an opportunity to receive life-changing hope. Many of these children never dared to dream of what they wanted in life because they knew their parents or guardians could not afford to provide them with basic meals or routine schooling; however, because of sponsors they can now have hope.

A 7.0 magnitude earthquake hit Haiti on January 12, 2010 at 4:43 p.m. It lasted for approximately 35 seconds and was blamed for killing hundreds of thousands and injuring thousands of the three million people living in Port-au-Prince and surrounding communities. Haiti is the western hemisphere's poorest nation and a country with a child sponsorship site. More than \$15,000 was sent to our partners as emergency funds for children. Local Disciples and UCC churches and members provided assistance to approximately 140 Haitian children shortly after the earthquake.

The critical presence through the sponsorship program has been witnessed over and over this year. This is most vividly representative in a letter written by Frankie, an 11 year old boy living in in Manchester, Jamaica. He wrote the following: "I stay at the Mt. Olivet Boys' Home and attend the primary school. The assistance we get is for school stuff, books and school clothes. I want to thank Global Ministries for providing us with food, clothes and money. Things would be a little better for us if we could see our families more. My family lives very far from here and I don't get to see them often. The only time I see them is when I go for the holidays." Mt. Olivet is a small center of the United Church in Jamaica and the Cayman Islands that provides residential living for boys from problem home situations as well as boys living in the streets.

This fall we had the challenge of finding sponsors for twin girls in Zimbabwe. Nomatter and her twin Rumbidzai arrived at Mt. Selinda Home of the United Church of Christ in Zimbabwe when they were three weeks old because their mother died of malaria when they were seven days old and their father was unemployed and unable to care for them. Twins are historically considered bad luck and in the past were left to die; however, the social welfare person brought them to the Home. Sponsors were located for the girls

within a week. Many of the children living at Mt. Selinda have been orphaned because of HIV/AIDS and are now suffering from this virus. Sponsors from all of Global Ministries' centers have expressed how proud they are to support children and to be a part of the Child Sponsorship program.

The General Board has reviewed Report No. 1110 from Division of Overseas Ministries. The report is submitted to the General Assembly for consideration and discussion. No action is required. (Discussion time 12 minutes)

Division of Overseas Ministries of the Christian Church (Disciples of Christ), Inc.

Statements of Financial Position December 31, 2010 and 2009

Assets

	2010	2009
Cash	\$ 2,916,251	\$ 2,920,586
Receivables	529,697	453,974
Prepaid expenses	359	2,502
Investments	14,008,624	12,952,018
Furniture and equipment - net of accumulated depreciation of \$258,002 and \$241,010	54,367	46,207
Beneficial interest in assets held by Christian Church Foundation	889,431	828,011
Interest in United Christian Missionary Society	18,835,641	17,759,118
Total assets	\$ 37,234,370	\$ 34,962,416

Liabilities

Missionary deposits	\$ 12,909	\$ 3,188
Accounts payable and accrued expenses	40,109	22,656
Capital lease obligation	15,637	19,545
Wider Church Ministries	105,283	209,673
Amounts held for others	94,679	88,321
Annuities payable	8,863	15,923
Postretirement healthcare liability	89,687	97,477
Total liabilities	367,167	456,783

Net Assets

Unrestricted

Budget fund	899,967	797,497
Special fund	2,843,474	2,690,409
Annuity fund	13,693	26,446
Capital	143,100	189,951
Board restricted endowment fund	12,591,332	11,607,230
Total	16,491,566	15,311,533

Temporarily Restricted

Endowment fund	118,692	75,098
Interest in United Christian Missionary Society	15,595,708	14,527,496
Total	15,714,400	14,602,594

Permanently Restricted

Endowment fund	531,873	531,873
Beneficial interest in assets held by Christian Church Foundation	889,431	828,011
Interest in United Christian Missionary Society	3,239,933	3,231,622
Total	4,661,237	4,591,506
Total net assets	36,867,203	34,505,633

Total liabilities and net assets	\$ 37,234,370	\$ 34,962,416

Division of Overseas Ministries of the Christian Church (Disciples of Christ), Inc.

Statements of Activities Years Ended December 31, 2010 and 2009

	2010			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenue, Gains and Other Support				
Disciples Mission Fund Distributions from OGMP -				
Treasury Services	\$ 1,411,522	\$ -	\$ -	\$ 1,411,522
Other offerings and contributions	1,431,561	-	-	1,431,561
Offerings - Week of Compassion	776,318	-	-	776,318
Distributions from United Christian Missionary				
Society	889,393	-	-	889,393
Wider Church Ministries	1,586,747	-	-	1,586,747
Contributions and bequests	443,989	-	-	443,989
Investment income	609,009	11,223	-	620,232
	<u>7,148,539</u>	<u>11,223</u>	<u>-</u>	<u>7,159,762</u>
Net assets released from restrictions	14,337	(14,337)	-	-
Total revenue, gains and other support	<u>7,162,876</u>	<u>(3,114)</u>	<u>-</u>	<u>7,159,762</u>
Expenses				
Program expenses				
Mission Personnel Office	586,314	-	-	586,314
Africa	1,498,744	-	-	1,498,744
East Asia and Pacific	544,486	-	-	544,486
Latin America and Caribbean	1,659,048	-	-	1,659,048
Middle East/Europe	519,793	-	-	519,793
Southern Asia	385,764	-	-	385,764
General program	436,873	-	-	436,873
Capital and New Church	7,516	-	-	7,516
Total program expenses	<u>5,638,538</u>	<u>-</u>	<u>-</u>	<u>5,638,538</u>
General and administrative	923,630	-	-	923,630
Resource development	336,330	-	-	336,330
Total expenses	<u>6,898,498</u>	<u>-</u>	<u>-</u>	<u>6,898,498</u>
Change in Net Assets Before Other Changes	<u>264,378</u>	<u>(3,114)</u>	<u>-</u>	<u>261,264</u>
Other Changes				
Change in interest in United Christian Missionary				
Society	-	1,068,212	8,311	1,076,523
Change in beneficial interest in assets held by CCF	-	-	61,420	61,420
Realized and unrealized gains on investments	928,408	46,708	-	975,116
Change in value of split-interest agreements	(12,753)	-	-	(12,753)
	<u>915,655</u>	<u>1,114,920</u>	<u>69,731</u>	<u>2,100,306</u>
Change in Net Assets	<u>1,180,033</u>	<u>1,111,806</u>	<u>69,731</u>	<u>2,361,570</u>
Net Assets, Beginning of Year	<u>15,311,533</u>	<u>14,602,594</u>	<u>4,591,506</u>	<u>34,505,633</u>
Net Assets, End of Year	<u>\$ 16,491,566</u>	<u>\$ 15,714,400</u>	<u>\$ 4,661,237</u>	<u>\$ 36,867,203</u>

2009			
Unrestricted	Temporarily Restricted	Permanently Restricted	Total
\$ 1,490,558	\$ -	\$ -	\$ 1,490,558
1,456,776	-	-	1,456,776
544,982	-	-	544,982
1,072,572	-	-	1,072,572
1,788,576	-	-	1,788,576
360,783	-	-	360,783
569,477	19,557	-	589,034
7,283,724	19,557	-	7,303,281
26,598	(26,598)	-	-
7,310,322	(7,041)	-	7,303,281
577,372	-	-	577,372
1,586,844	-	-	1,586,844
500,647	-	-	500,647
1,450,874	-	-	1,450,874
480,023	-	-	480,023
451,398	-	-	451,398
440,700	-	-	440,700
36,404	-	-	36,404
5,524,262	-	-	5,524,262
1,034,668	-	-	1,034,668
356,294	-	-	356,294
6,915,224	-	-	6,915,224
395,098	(7,041)	-	388,057
-	2,446,089	12,444	2,458,533
-	-	107,201	107,201
2,003,394	80,539	-	2,083,933
5,019	-	-	5,019
2,008,413	2,526,628	119,645	4,654,686
2,403,511	2,519,587	119,645	5,042,743
12,908,022	12,083,007	4,471,861	29,462,890
\$ 15,311,533	\$ 14,602,594	\$ 4,591,506	\$ 34,505,633

Division of Overseas Ministries of the Christian Church (Disciples of Christ), Inc.

Statements of Cash Flows Years Ended December 31, 2010 and 2009

	<u>2010</u>	<u>2009</u>
Operating Activities		
Change in net assets	\$ 2,361,570	\$ 5,042,743
Items not requiring (providing) cash		
Depreciation	21,956	14,289
Realized and unrealized gains on investments	(975,116)	(2,083,933)
Loss on disposal of furniture and equipment	-	314
Changes in		
Receivables	(75,723)	71,066
Prepaid expenses	2,143	6,180
Beneficial interest in assets held by CCF	(61,420)	(107,201)
Interest in United Christian Missionary Society	(1,076,523)	(2,458,533)
Missionary deposits	9,721	2,538
Accounts payable and accrued expenses	17,453	(10,023)
Wider Church Ministries payable	(104,390)	(105,857)
Postretirement healthcare liability	(7,790)	(16,655)
Annuities payable	(7,060)	(739)
Amounts held for others	(455)	(794)
Net cash provided by operating activities	<u>104,366</u>	<u>353,395</u>
Investing Activities		
Purchase of office equipment	(30,116)	(22,117)
Purchase of investments	(139,303)	(84,332)
Sales and maturities of investments	64,626	112,991
Net cash provided by (used in) investing activities	<u>(104,793)</u>	<u>6,542</u>
Financing Activity - payment on capital lease	<u>(3,908)</u>	<u>(4,182)</u>
Net Increase (Decrease) in Cash	(4,335)	355,755
Cash, Beginning of Year	<u>2,920,586</u>	<u>2,564,831</u>
Cash, End of Year	<u>\$ 2,916,251</u>	<u>\$ 2,920,586</u>

HIGHER EDUCATION AND LEADERSHIP MINISTRIES
Dennis Landon, President

HELM'S MISSION AND PURPOSE

With the whole church, Higher Education and Leadership Ministries works to help proclaim and embody the reign of God and to be part of the human transformation that is the mission of both the Church of Jesus Christ by developing and nurturing leaders who will renew and transform the church in the coming generations.

HELM AND THE PRIORITIES OF THE CHRISTIAN CHURCH (DISCIPLES OF CHRIST)

HELM responds to the mission priorities of the Christian Church (Disciples of Christ—new congregation establishment, congregational transformation, becoming a reconciling and anti-racist church, and leader development—by making those priorities inform all our activities. Thus:

- We work to add value for church leadership to both the undergraduate and ministerial educational experiences.*
- We support ministries with students as they provide a locale for exploring and refining vocation.*
- We seek in our entire ministry to nurture and embody the values, knowledge, and practice that will nurture leaders who will help congregations—and the ministries that support congregations—to be creative, faithful, and mission-driven.*

RESOURCES FUNDING HELM'S MINISTRIES

HELM funds its ministries through a variety of sources (2009 Figures):

From Designated and Non-Designated Investments	61%
From Disciples Mission Fund and related sources	23%
From Individual Gifts (Annual Fund)	11%
From Fees and Program Income	5%

DIRECT LEADER DEVELOPMENT PROGRAMMING

UNDERGRADUATE EDUCATION

GOAL: *HELM will create programs to identify, support and nurture undergraduate students with strong potential for church leadership—both lay and ordained—in partnership with congregations and other Disciples and ecumenical agencies.*

HELM Leadership Fellows

We received six new fellows into the Leadership Fellows program: Christina Cheon, Irvine, CA, Chapman University; Luke Ehrhardt, West Des Moines, IA, Iowa State University; Christina Hunt, Bartlett, TN, University of Tennessee; Seth Rash, Macon, MO, Texas Christian University; David Stonebraker, Girard, OH, Hiram College; Paige Westerhausen, Girard, IL, Culver-Stockton College. The new Fellows join 19 returning Fellows. More than 25% of the fellows are people of color.

The Tenth HELM Leadership Fellows Conference was held November 5-7 at La Foret Conference Center in Colorado Springs, CO. The conference focused on how to talk about one's personal faith. Former Leadership Fellow Joe Blosser, Visiting Professor of Religion and Ethics at De Paul University; Sara Steenhouse, a new church planter from Lafayette, CA; and Chesla Nicholson, an M.Div. student at Christian Theological Seminary, were the resource leaders. All three were Disciples Leadership Institute leaders.

We continue to follow the progress of the HELM fellows into church leadership. Of the 2010 graduates, two of them are studying at DDH-Vanderbilt, is in Madagascar with the Peace Corps, another participates in Teach for America, and another is a music teacher in Boston.

In the past ten years more than 70 students have graduated or are currently participating in the program. Thirteen graduates serve as ministers in congregations or are currently preparing for ministry. Two of last year's graduates began M.Div. studies this past fall. A dozen other graduates are serving in fields like social work, social justice, teaching, and environmental action. HELM Leadership Fellows have served as denominational volunteers with the Disciples Leadership Institute, Share 2010 Planning Team, North American Asian and Pacific Disciples, the Student Ecumenical Partnership, the Young Adult Commission, Global Ministries, Disciples Men, the 2020 Vision Team, the Task Force on Undergraduate Education, and more. A listing of all the graduates is at www.helmdisciples.org/lfalumni.htm.

Funding: Scholarships funded from 9 designated funds
Annual Conference from designated funds that allow non-scholarship use and from Ethnic Minority Ministry Fund
Staff Support from Operating Fund

THEOLOGICAL EDUCATION

GOAL: HELM will pursue long-term projects to identify, nurture and support potential leaders of Disciples congregations and institutions.

The Bethany Fellowships

The Bethany Fellowships, funded under the Lilly Endowment's Transition to Ministry project, provides peer support and training in spiritual disciplines to pastors in their first few years in congregational leadership. HELM is the titular grantee for the program, which will begin its third five-year grant period in 2011, but a separate staff and a Bethany Fellowships board of directors supervises the program. As grantee, HELM staff supervise the program's finances and reporting to Lilly. Last year we requested an increase in the fee we receive for these services to \$8,000. We recently renegotiated again, taking into account our overhead expenses as well as staff time, and the fee will be \$10,000 in 2011. We believe Bethany Fellowships is an exemplary program, and very consistent with HELM's mission and ministry.

Funding: From Lilly Endowment; no funding from HELM

HELM Ministerial Student Grants

We are soliciting proposals for the third year of the HELM Ministerial Students Grant program. This program provides small grants for M.Div. students to pursue interests and opportunities outside the curriculum that will strengthen their capacity for congregational leadership. The deadline for 2011 proposals is January 15, 2011.

We awarded three Ministerial Student Grants in 2010 for projects including (1) intensive Spanish study in order to lead a weekly Spanish worship service, (2) travel to China as part of Global Ministries' People-to-People program, and (3) development of a program to educate youth and young adults in personal finance, stewardship, and fiscal responsibility in a Christian context.

Ministerial Student Grants are awarded in partnership with the Pension Fund of the Christian Church, which since 1998 has shared a portion of an endowment they hold (the Hughey-Peery Endowment) that the donor wished to be used to benefit ministerial students.

Funding: Hughey-Peery Endowment held by Pension Fund
Staff Support from HELM Operating Fund

Goal: HELM will work with emerging leaders to help us become a pro-reconciling and inclusive church.

Disciples Leadership Institute

DLI is designed to bridge cultural and racial barriers and to bring together younger leaders from new congregations and established congregations for in-depth and intentional conversation around the most basic elements of Christian faith and experience. A number of DLI participants have already moved into significant leadership positions within the church.

I am thrilled to report that HELM has received a grant from Reconciliation Ministries to plan in 2011 for restarting the Disciples Leadership Institute in 2012. The grant will enable us to assemble a planning team not only to prepare for a national conference in 2012, but to use that conference to train leaders to replicate the DLI experience in regional settings. We are also in conversation with Reconciliation Ministries around an ongoing partnership and possible future grants.

Funding: In 2011, \$3,000 grant from Reconciliation Ministries; \$3,754 from
Ethnic Minority Ministries Fund
Staff Support from HELM Operating Fund

COOPERATIVE LEADER DEVELOPMENT PROGRAMMING

UNDERGRADUATE EDUCATION

GOAL: *HELM will create recruitment initiatives, coordinated with the undergraduate institutions, to increase the proportion of Disciples students within the student bodies of Disciples-related colleges and universities.*

The executive committee of the Council of Colleges and Universities is working with marketing and branding consultants to develop a marketing plan for Disciples-related colleges and universities. HELM is not involved in this effort.

GOAL: *HELM will assist partners throughout the church in efforts to develop and nurture leadership.*

Young Adult Commission

HELM has been a partner with Disciples Home Missions in the work of the Young Adult Commission, but we have reduced our already limited participation in response to our budget issues. In addition, Disciples Home Mission, with its own budget issues, has ended the staff position that included work with the YAC. We are not sure what the future holds. The Young Adult Commission organized an event held in Las Vegas, NV, in October that drew approximately 40 participants. HELM Director Jose Morales, Jr., was a keynote speaker at the event.

Funding: No funding or staff support from HELM in 2011

First Christian Church, Winterset, Iowa

Linda Plengemeier, Harry Ratliff (HELM investment advisor) and I made our annual visit to the congregation on May 13-14, 2101. We continue to enjoy a healthy and productive partnership with the Winterset congregation. We both manage the endowment and administer the Taylor Scholarship program, and have helped the congregation award more than \$1 million in scholarships during the past 15 years.

We are presently working on a major revision of the Taylor Scholarships application process and materials, in consultation with the congregation's scholarship committee. We believe the changes will make the process easier for the applicants, the congregation, and HELM in 2010-2011. The congregation awards \$50,000-\$60,000 in scholarships each year to undergraduate, graduate students, and trade school students.

Funding: No direct funding from HELM

Hyde Park Christian Church, Austin, Texas

The Hyde Park Christian Church of Austin, Texas, in cooperation with HELM, also participates in the distribution of around \$50,000 in scholarships annually to Disciples students in Austin through the Alvin and Elsie East Scholarship program. We are the holders of this endowment. We receive and processed applications and forward the files to the Hyde Park congregation, which interviews applicants and makes scholarship recommendations.

Funding: No direct funding from HELM
Staff Support from HELM Operating Fund

Exploration of a Project to Nurture Fully Bi-lingual Church Leaders

We continue to explore an initiative to nurture fully bilingual church leaders, possibly in cooperation among HELM, La Iglesia Cristiana (Discipulos de Cristo) in Puerto Rico, and Disciples-related colleges and universities. The project might involve exchange of students between the mainland and Puerto Rico for language study, and supplementary programs through the churches.

Funding: No proposed funding in 2011

T. A. Abbott Award

I presented the 2010 T.A. Abbott Award for Faculty Excellence to Dr. Linda Davis, professor of management technology at William Woods University, on October 7.

Funding: \$1000 award from T.A. Abbott Fund
Staff support from T.A. Abbott Fund

Council of Colleges and Universities

The situation regarding the Council of Colleges and Universities has not changed fundamentally from what we have reported previously. The council has not met in 2010, but its *ad hoc* executive committee has gathered several times and their minutes have been shared with the HELM board. The executive committee has engaged marketing and

branding consultants to create recruitment “tool kit” for use of the schools in marketing to Disciples prospective students.

Following the General Board meeting last April, we transferred the remainder of the College/University Grant Fund and the Undergraduate Interpretation Fund (approximately \$91,000) to Lynchburg College for the use of the Council of Colleges and Universities. Lynchburg also receives the periodic disbursements from the Disciples Mission Fund that previously flowed into those funds. Dr. Charles Warren, former president of Lynchburg College, was engaged as Director of the council, but resigned shortly after his appointment and was replaced on an interim basis by Guy Waldrop, former Kentucky regional minister.

The council is scheduled to meet while the presidents are attending the annual gathering of the Council of Independent Colleges in Palm Springs, CA, on January 4. Todd Adams, Associate General Minister and President, will represent Sharon Watkins and the church at this meeting.

The HELM board of directors has approved the revised covenant between the individual colleges and universities and the church, following clarification by the Office of General Minister and President regarding how the process will proceed.

At this point, HELM is fulfilling roles in regard to the relationship between the undergraduate institutions and the church that are clearly ours: We are gathering the required enrollment and other data that propel the higher education segment of the Disciples Mission Fund allocations; we are organizing the higher education part of the exhibit hall at the 2011 General Assembly; we are assisting chaplains and church relations directors as needs arise; and we have helped coordinate the promotion of the 2010 Thanksgiving Special Offering. The only remaining function, which we have handled in the past, is promotion, marketing and student recruitment, and that is now in the hands of the council. I don't know whether this division of labor is for the short or the long term.

Funding: No proposed funding for the council in 2011

THEOLOGICAL EDUCATION

GOAL: *HELM will facilitate cooperation between the church and its institutions of theological education in their joint responsibility for the recruitment, education and nurture of the church's leaders.*

Disciples Seminarians Conference

The planning group for the 2011 Disciples Seminarians Conference (March 31-April 3, at the Scarritt-Bennett Center in Nashville) met in Indianapolis on November 19, 2010. HELM coordinates the planning and management of the conference on behalf of all the General Ministries. This will be a major project for HELM during the first quarter of 2011.

Funding: Estimate \$16,000 from General Ministries

Estimate \$8,000 from registration fees
Estimate \$12,000 from Polity Fund

Theological Institution Admissions Officers

The theological institution admissions officers did not meet in 2010. It is clear that HELM will need to be more proactive in arranging for this gathering—assuming the admissions officers still see it as useful—now that the *de facto* dean of the admissions officers has retired.

Funding: Staff support from HELM Operating Fund

Disciples Scholars Breakfast at AAR and/or SBL

Chalice Press has decided not to sponsor Disciples scholars breakfast meetings at the 2010 AAR and SBL meetings, due to the relatively low participation at the breakfasts in 2009 and financial limitations. Chalice has been the financial sponsor of these events, with HELM doing the promotion and organization. Chalice anticipates resuming the breakfasts when the AAR and SBL begin to meet together again in 2011.

Funding: Breakfast subsidy from Chalice/CBP
Staff support from HELM Operating Fund

Association of Disciples for Theological Discussion

ADTD met October 8-10, 2010, at Christian Theological Seminary in Indianapolis. The Association is now in its sixth year as a self-sustaining organization, with HELM providing administrative and financial services.

Funding: Annual Meetings self-funded
Staff support from HELM Operating Fund

Council on Theological Education

The council will meet March 16-18 in St. Louis.

Funding: Meeting support from HELM Operating Fund

The Hope Partnership for Missional Transformation

I continue to be excited about the developing partnership among HELM, Church Extension, and Disciples Home Missions around the critical need for the training and support of pastoral leaders who will work directly on the possibility of new life for some of the 80% of Disciples congregations that are in both numerical and missional decline.

A number of elements of this project are falling into place, many of them arising out of the experience of Church Extension and its staff, who work with both new congregations and

congregations at the end of their ministries. The elements of this project, which now has the official name above, include:

- Tools to assess the readiness and ability of a congregation to re-center its life on mission outward, rather than internal maintenance, and the ability of pastoral candidates to provide the leadership such an effort requires.
- A training process—using learnings from, but not identical too—the current church planter training.
- A coaching structure that will provide direct assistance to the “turnaround” leaders through a complex and stressful process.
- Peer groups to support leaders in their spiritual, personal, and professional health.

We are working with regional structures and all available partners to ensure a comprehensive approach where we can. Leaders from CE and DHE have already held one regional meeting with congregations, pastoral leaders, regional ministers, and others on the West Coast.

Obviously, the three partners bring different gifts to the partnership, and HELM is not in a position, or likely to be in a position, to bring significant financial resources. For the immediate future, we have committed \$10,000 in 2011 from unrestricted fund income to employ staff on a one-year contract to help get the partnership’s work fully underway. The other partners have committed similar sums for this purpose, and we have a grant from the Oreon E. Scott Foundation to complete the employment costs. For the longer term, work is already under-way—under the leadership of retired CE president Jim Powell—to raise the funds needed to propel this effort, and response so far is encouraging.

There are many questions, and we are proceeding cautiously, but we are proceeding with responsible speed. It would be hard to overstate the urgency of the situation.

Funding: HELM - \$10,000 from Pruett Fund for Ministerial Education

GOAL: *HELM will help lead efforts to respond to the needs of non-ordained pastoral leaders, and to the church’s need for them.*

STUDENT MINISTRIES

GOAL: *We will develop national linkages among students and student groups with the aim of nurturing students for church leadership.*

Council on Ministries in Higher Education

The council will meet February 11-13, 2011, in St. Louis.

Funding: Meeting support from HELM Operating Fund

Student Ecumenical Partnership Team (STEP)

The Student Ecumenical Partnership includes Disciples and UCC undergraduate students and continues to work to develop a national network of students and those committed to ministry with students in order to provide support for student ministries.

Funding: Spainhower Campus Ministry Fund
McAllister Campus Ministry Fund
Post-Color-Iden Campus Ministry Fund

Share 2010

Share 2010 took place June 29-July 2 at Texas Christian University. Planned by the STEP Team and Disciples and UCC staff, the week-long gathering of 40 Disciples and UCC undergraduate students and 20 campus ministers and resource people explored new resources for student ministries, provided new settings and elements for worship, engaged in service projects in the Dallas-Fort Worth area, and welcomed denominational leaders, including Geoffrey Black, the General Minister and President of the UCC.

To finance the conference HELM received a grant from the Oreon E. Scott Foundation; TCU received a grant from the now-defunct College/University Grant Fund; and The United Church of Christ provided significant support as well.

Feedback and evaluations of the conference were excellent and enthusiastic, and we look toward planning for Share 2012 in 18 months.

Funding: Spainhower Campus Ministry Fund
McAllister Campus Ministry Fund
Post-Color-Iden Campus Ministry Fund
External grants

Ecumenical Campus Ministry Team (ECMT)

ECMT, the organization of staff professionals in student ministries representing several Protestant denominations, met October 20-21 in New York.

ECMT has begun a program of consultation and training for ecumenical campus ministries focusing on capacity building, fund-raising and board development. Dr. Galen Hora, former ECLA staff, and a fund-raising professional, has been engaged to provide consultation and workshops. The response to the offer of his services has been nearly overwhelming, and he is currently planning a series of regional events, beginning in early 2011, that will bring the opportunity within a short drive any interested ministry.

This project is funded using accumulated funds and will require no additional contributions from the participating denominations (Presbyterian Church, USA; Christian Church (Disciples of Christ); United Methodist Church; Evangelical Lutheran Church in America;

Episcopal Church; United Church of Christ). The response is beyond our expectations, and we are very pleased we can provide this service at a time when campus ministries need help to become self-sustaining.

Funding: No HELM funding at this time

DIVERSITY AND PARTNERSHIP

I am excited about the work of the board's Committee on Diversity and Partnership and the help they expect to give us in making the modeling and promotion of full diversity an integral part of our mission to nurture transforming leaders. The committee will bring an oral progress report to this meeting, and will have a full formal report to the board in May 2011.

COMMUNICATIONS

The Intersection

HELM's communication efforts added a significant asset in August with the acquisition of The Intersection, a year-old web site and social network created for members of the Christian Church (Disciples of Christ) and a larger ecumenical community. The Intersection was created by *DisciplesWorld* magazine, then managed by former staffer Rebecca Bowman Woods following the magazine's closure. We acquired the site at no cost, and keeping the site online costs approximately \$50/month. We immediately updated the look, changed the site's URL to disciplesintersection.org, and sold enough advertising during the first month to sustain operations for a year.

Our vision for The Intersection includes using the site as an online platform for congregational revitalization programs and providing an outlet for a Disciples' brand of "citizen journalism." Providing content for the site remains a challenge, but our plan is that work of the Hope Partnership will generate stories for posting on the site as well as interaction with participants.

As of December 21, the Intersection has 920 members, having added 56 members since our acquisition. The site counts on volunteers for content and moderation; several of those volunteers, both lay and clergy, have been extremely helpful in the transition.

Funding: Costs of maintaining site covered through August 2011 by advertising revenue

Digital newsletter

The eighth digital version of "Tomorrow's Leaders Today," HELM newsletter, was sent in early October. The listserv currently includes approximately 1,550 subscribers.

Funding: Staff support from HELM Operating Fund

Social media

HELM has a Facebook group with approximately 225 friends or followers, and our Twitter feed has 117 followers. We continue to promote social media as another way to follow our ministry.

RESOURCE DEVELOPMENT AND FINANCE

It appears that 2011 will be the year when the accelerating decline in denominational support catches up with us. We project a larger-than-budgeted deficit at the end of 2010 (\$42,731, or about 10% of our operating expenses) and we are presenting a budget with a deficit equal to 5.5% of expenditures, or \$22,361, and that is in spite of reducing expenditures overall by 3.5%.

But we don't know whether even a big proportional increase in our fund-raising will respond to the problem we face. This is why in 2011 we will begin a strategic planning process that will look at everything about this ministry—our mission itself, the denominational context and the accelerating decline of denominational resources and energy, all revenue sources, fundraising options, staffing options and coming staff transitions, facilities, everything—not in order to secure HELM's survival, but to discover what a faithful ministry of leader development will mean in a set of rapidly changing contexts.

The General Board has reviewed Report No. 1111 from Higher Education and Leadership Ministries. The report is submitted to the General Assembly for consideration and discussion. No action is required. (Discussion time 12 minutes)

**HIGHER EDUCATION AND LEADERSHIP MINISTRIES
OF THE CHRISTIAN CHURCH (DISCIPLES OF CHRIST)
DECEMBER 31, 2009**

MARE AND COMPANY
CERTIFIED PUBLIC ACCOUNTANTS
330 North Fourth Street, Suite 304
St. Louis, Missouri 63102-2008

April 29, 2010

INDEPENDENT AUDITOR'S REPORT

The Board of Directors
Higher Education and Leadership Ministries
of the Christian Church (Disciples of Christ)
St. Louis, Missouri

We have audited the accompanying statement of financial position of Higher Education and Leadership Ministries of the Christian Church (Disciples of Christ), (HELM), (a nonprofit organization), as of December 31, 2009, and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of HELM's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of HELM as of December 31, 2009, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Mare and Company

HIGHER EDUCATION AND LEADERSHIP MINISTRIES
OF THE CHRISTIAN CHURCH (DISCIPLES OF CHRIST)
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2009
EXHIBIT A

	December 31, 2009	<i>Comparative Totals For 2008</i>
<u>Assets</u>		
<u>Current Assets</u>		
Cash	\$ 942,021	\$ 56,549
Contributions receivable - Disciples Mission Fund	26,221	38,291
Other contributions receivable	10,103	10,541
Interest receivable	4,930	7,943
Prepaid expenses	10,182	35,695
<u>Total Current Assets</u>	<u>\$ 993,457</u>	<u>\$ 149,019</u>
<u>Fixed Assets</u>		
Furnishings and equipment	\$ 48,101	\$ 48,101
Accumulated depreciation	(40,899)	(37,537)
<u>Total Fixed Assets</u>	<u>\$ 7,202</u>	<u>\$ 10,564</u>
<u>Investments</u>		
Certificates of deposit and Church Extension notes	\$ 225,000	\$ 434,000
Money funds held by broker	194,020	296,983
Government and corporate bonds	706,692	577,131
Mutual funds and alternative investments	691,049	370,679
Common stocks	1,932,723	1,859,611
<u>Total Investments</u>	<u>\$ 3,749,484</u>	<u>\$ 3,538,404</u>
<u>Total Assets</u>	<u>\$ 4,750,143</u>	<u>\$ 3,697,987</u>
<u>Liabilities And Net Assets</u>		
<u>Liabilities</u>		
Accounts payable	\$ 4,704	\$ 1,658
Loan payable - Lindell Bank	300,000	450,000
Funds held for Bethany Fellowships	1,248,431	504,339
<u>Total Liabilities</u>	<u>\$ 1,553,135</u>	<u>\$ 955,997</u>
<u>Net Assets</u>		
Unrestricted	\$ 1,413,998	\$ 615,724
Temporarily restricted	647,252	765,228
Permanently restricted	1,135,758	1,361,038
<u>Total Net Assets</u>	<u>\$ 3,197,008</u>	<u>\$ 2,741,990</u>
<u>Total Liabilities And Net Assets</u>	<u>\$ 4,750,143</u>	<u>\$ 3,697,987</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

HIGHER EDUCATION AND LEADERSHIP MINISTRIES
OF THE CHRISTIAN CHURCH (DISCIPLES OF CHRIST)
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2009
EXHIBIT B

	Unrestricted	Temporarily Restricted	Permanently Restricted	Year Ended December 31, 2009	Comparative Totals For 2008
<u>Revenues, Gains And Other Support</u>					
Revenue and Other Support					
Disciples Mission Fund Contributions					
General allocation	\$ 166,678	\$	\$	\$ 166,678	\$ 181,575
Other allocations	60,209			60,209	56,383
Designated allocations	22,954			22,954	25,177
Annual Fund and other contributions	179,348	6,619	120,718	306,685	141,487
Other income	19,095			19,095	11,917
Interest and dividends – net of fees	29,628			29,628	52,236
Investment allocations	410,944	(64,946)	(345,998)		
Net assets released from restrictions	59,649	(59,649)			
<u>Total Revenues and Other Support</u>	<u>\$ 948,505</u>	<u>\$ (117,976)</u>	<u>\$ (225,280)</u>	<u>\$ 605,249</u>	<u>\$ 468,775</u>
Realized and Unrealized Gains					
from Investments - Net	522,852			522,852	
<u>Total Revenues, Gains And Other Support</u>	<u>\$ 1,471,357</u>	<u>\$ (117,976)</u>	<u>\$ (225,280)</u>	<u>\$ 1,128,101</u>	<u>\$ 468,775</u>
<u>Expenses And Losses</u>					
Expenses					
Program services	\$ 505,715	\$	\$	\$ 505,715	\$ 483,517
Management and general	146,270			146,270	151,884
Fundraising	21,098			21,098	24,207
<u>Total Expenses</u>	<u>\$ 673,083</u>	<u>\$</u>	<u>\$</u>	<u>\$ 673,083</u>	<u>\$ 659,608</u>
Realized and Unrealized Losses					
from Investments					1,689,674
<u>Total Expenses And Losses</u>	<u>\$ 673,083</u>	<u>\$</u>	<u>\$</u>	<u>\$ 673,083</u>	<u>\$ 2,349,282</u>
<u>Change In Net Assets</u>	<u>\$ 798,274</u>	<u>\$ (117,976)</u>	<u>\$ (225,280)</u>	<u>\$ 455,018</u>	<u>\$ (1,880,507)</u>
<u>Net Assets - Beginning Of Year</u>	<u>615,724</u>	<u>765,228</u>	<u>1,361,038</u>	<u>2,741,990</u>	<u>4,622,497</u>
<u>Net Assets - End Of Year</u>	<u>\$ 1,413,998</u>	<u>\$ 647,252</u>	<u>\$ 1,135,758</u>	<u>\$ 3,197,008</u>	<u>\$ 2,741,990</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

**HIGHER EDUCATION AND LEADERSHIP MINISTRIES
OF THE CHRISTIAN CHURCH (DISCIPLES OF CHRIST)
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2009
EXHIBIT C**

	Program Services	Management And General	Fundraising	Year Ended December 31, 2009	Comparative Totals For 2008
Salaries	\$ 141,931	\$ 73,591	\$ 10,622	\$ 226,144	\$ 220,303
Employee benefits	42,227	26,315	3,527	72,069	63,718
Payroll taxes	7,103	3,435	499	11,037	10,592
Dues and subscriptions	104	66	9	179	542
Communications	5,516	3,100	1,666	10,282	13,080
Maintenance and supplies	7,752	4,393	774	12,919	12,866
Professional fees	2,226	9,061	223	11,510	13,433
Office rental expense	32,869	18,626	3,287	54,782	58,557
Depreciation	2,017	1,143	202	3,362	4,116
Travel and meetings	8,511	6,053	289	14,853	27,285
Other expenses		51		51	979
Council expenses	2,103			2,103	2,019
NCC education and leadership ministries	500			500	2,625
Campus ministry					
Colleges and universities					
Theological education	7,582			7,582	1,147
General Assembly	3,199			3,199	
General services	435	436		871	922
Designated scholarship grants	63,676			63,676	72,449
College and university grants	17,325			17,325	33,793
Higher education interpretation grants	42,164			42,164	21,914
Postgraduate support	3,694			3,694	5,538
Seminarian grants	9,961			9,961	2,000
Programmatic endowment awards	37,064			37,064	22,010
Institutional endowment awards	8,666			8,666	19,920
Scholarship endowment awards	59,090			59,090	49,800
Total Expenses	\$ 505,715	\$ 146,270	\$ 21,098	\$ 673,083	\$ 659,608

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

**HIGHER EDUCATION AND LEADERSHIP MINISTRIES
OF THE CHRISTIAN CHURCH (DISCIPLES OF CHRIST)
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2009
EXHIBIT D**

	Year Ended December 31, 2009	Comparative Totals For 2008
<u>Cash Flows From Operating Activities</u>		
Change in net assets	\$ 455,018	\$ (1,880,507)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Contributions of marketable securities	(54,862)	
Realized and unrealized losses (gains) on investments	(522,852)	1,689,674
Depreciation	3,362	4,116
Decrease (increase) in operating assets:		
Contributions receivable - Disciples Mission Fund	12,070	(1,376)
Other contributions receivable	438	4,794
Interest receivable	3,013	10,312
Prepaid expenses	25,513	(26,928)
Increase (decrease) in operating liabilities:		
Accounts payable	3,046	(2,022)
Funds held for Bethany Fellowships	744,092	(133,515)
<u>Net Cash Flows From Operating Activities</u>	<u>\$ 668,838</u>	<u>\$ (335,452)</u>
<u>Cash Flows From Investing Activities</u>		
Purchases of fixed assets	\$	\$ (1,210)
Proceeds from sales of marketable securities	1,174,234	2,319,494
Purchases of marketable securities	(1,119,563)	(2,273,690)
Net redemptions of certificates of deposit and Church Extension notes	209,000	100,000
<u>Net Cash Flows From Investing Activities</u>	<u>\$ 263,671</u>	<u>\$ 144,594</u>
<u>Cash Flows From Financing Activities</u>		
Net draws (payments) on loan payable - Lindell Bank	\$ (150,000)	\$ 300,000
<u>Net Cash Flows From Financing Activities</u>	<u>\$ (150,000)</u>	<u>\$ 300,000</u>
<u>Increase (Decrease) In Cash And Cash Equivalents</u>	<u>\$ 782,509</u>	<u>\$ 109,142</u>
<u>Cash And Cash Equivalents - Beginning Of Year</u>	<u>353,532</u>	<u>244,390</u>
<u>Cash And Cash Equivalents - End Of Year</u>	<u>\$ 1,136,041</u>	<u>\$ 353,532</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 - ORGANIZATIONAL DATA

The Higher Education and Leadership Ministries of the Christian Church (Disciples of Christ), (HELM), is a unit of the Christian Church (Disciples of Christ). HELM's mission is to nurture men and women, both lay and clergy, for transformational leadership in the Church and the wider human community in partnership with the Church's institutions of higher education and with its congregations, regions and general ministries. HELM accomplishes this mission by funding scholarships, providing grants to certain institutions, and offering programs and activities related to its mission. In 1977, a special unit of the Christian Church (Disciples of Christ) was created, The Division of Higher Education (Disciples of Christ), dedicated to the nurturing of higher education institutions. In 2004, the organization's name was changed to Higher Education and Leadership Ministries to reflect the organization's expanded ministry. Currently, HELM is affiliated with 17 universities and colleges and 10 theological institutions.

HELM is located in St. Louis, Missouri, and is exempt from Federal income tax under the provisions of Section 501(c)(3) of the Internal Revenue Code, pursuant to a group exemption letter issued in 1959 to the General Assembly of the Christian Church (Disciples of Christ).

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

A) Basis of Accounting

These financial statements have been prepared utilizing the accrual basis of accounting. These financial statements use the accounting presentation set forth in Statement of Financial Accounting Standards (SFAS) No. 117 *Financial Statements of Not-for-Profit Organizations* as supplemented by the AICPA Audit and Accounting Guide *Not-for-Profit Organizations* (June 1, 1996), prepared by the American Institute of Certified Public Accountants' Not-for-Profit Organizations Committee.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A) Basis of Accounting (Continued)

HELM also follows the guidance set forth in SFAS No. 116, *Accounting for Contributions Received and Contributions Made*, which requires unconditional promises to give beyond one year to be recorded at discounted present values, and all contributions to be recorded as income in the year they are made and classified according to the specified intentions of the donors. HELM has established a policy to record support that is restricted by the donor but whose restriction expires in the same reporting period as unrestricted contributions.

In accordance with SFAS No. 124 *Accounting for Certain Investments Held by Not-for-Profit Organizations*, those investments in securities with readily available market values are valued at market. Investments received by gift are recorded at their respective market values.

HELM classifies its net assets under three categories in accordance with SFAS No. 117. These classifications and the associated funds are as follows:

Unrestricted Net Assets are those resources that are used in the daily operations of HELM or at the discretion of management and the Board of Directors.

Temporarily Restricted Net Assets are those resources that are restricted to particular purposes by outside parties. The use of these funds is limited to those purposes approved by the donors of these net assets. Net assets released from restrictions are amounts transferred for scholarships or operations in accordance with the donors' wishes. The following is a schedule of those funds which comprise the Temporarily Restricted Net Assets of HELM:

<u>Restricted Scholarship Funds</u>	
Fisher-Downing Scholarship Fund	\$ 6,619
Alvin and Elsie East College Scholarship Fund	560,461
Tougaloo Institutional Earnings	11,047
Burnet Christian Church Scholarship Trust Earnings	4,415
Tougaloo Scholarship Earnings	64,710
<u>Total Temporarily Restricted Net Assets</u>	<u>\$ 647,252</u>

Permanently Restricted Net Assets are endowments. An endowment, consisting of the original donation and any additions thereto (the principal), must be maintained in perpetuity. HELM has historically accepted an endowment with the understanding that all additional gifts and a fixed percentage of investment income or losses (calculated using a three-year moving

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A) Basis of Accounting (Continued)

average) are to be allocated to principal. A percentage of investment income is also transferred to HELM's Operating Fund to partially offset administrative costs. The following is a schedule of those endowment funds which comprise the Permanently Restricted Net Assets of HELM:

<u>General Endowment</u>	<u>\$ 27,392</u>
<u>Programmatic Endowments</u>	
Ethnic Minority Ministries	\$ 63,788
James I. Spainhower Campus Ministry	11,697
Raymond McCallister Campus Ministries	38,072
Polity Orientation	38,359
T. A. Abbott Award	11,912
	<u>\$ 163,828</u>
<u>Institutional Endowments</u>	
Letterman Trust	\$ 7,041
Post-Coler-Iden Memorial	52,774
Tougaloo Trust	165,707
	<u>\$ 225,522</u>
<u>Scholarship Endowments</u>	
Aline and Arnold Abrams Scholarship	\$ 22,796
Beasley Scholarship	85,351
Burnet Christian Church Scholarship Trust	21,711
HELM Capital Composite	130,179
Church of Christ Uniting Scholarship	15,256
Ann E. Dickerson	49,463
William Gilbert and Anna Florence Leonard Jones	24,991
Palm Lake Christian Church	67,776
Sherman and Lora Hanson Scholarship	21,431
Oklahoma Capital	21,661
Rollen and Lecta Robinson	80,703
HELM Seminarian Scholarship	19,917
Magdalena Stukey	16,380
Tougaloo Scholarship	22,474
Clyde M. West Scholarship	18,927
Olhauser Scholarship	50,000
Kenwood Christian Church Scholarship	50,000
	<u>\$ 719,016</u>
<u>Total Permanently Restricted Net Assets</u>	<u>\$ 1,135,758</u>

Investment allocations from endowments that designate income for operating purposes are recorded directly in the Unrestricted Operating Fund. Investment allocations from endowments that designate income for purposes other than operations are recorded in the related Endowment Earnings Funds until expended for the designated purposes.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B) Cash and Cash Equivalents

For the purpose of the Statement of Cash Flows, cash and cash equivalents include cash and money funds on deposit with brokers. Investment with an initial maturity of three months or less are also considered to be cash equivalents.

At December 31, 2009, HELM had, as part of its money market funds held at Lindell Bank and Trust, substantially all of the \$905,500 proceeds of the second Bethany Fellowship described in Note 5. In 2010, these cash equivalents were invested in long-term certificates of deposit scheduled to mature during the term of the new agreement.

C) Contributions Receivable

HELM expects to collect in full all amounts recorded as contributions receivable at December 31, 2009. Accordingly, no allowance for uncollectible accounts receivable has been recorded in these financial statements. Since all contributions receivable are expected to be collected within one year, no discounts have been recorded.

D) Fixed Assets

Major acquisitions of furniture and equipment are valued at cost when purchased or at fair value if donated. Fixed assets are depreciated on a straight-line basis over the assets' estimated useful lives. Depreciation for 2009 was \$3,362.

E) Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make certain estimates and assumptions that affect the reported assets, liabilities, and activities as of and for the year ended December 31, 2009. Accordingly, actual results could differ from those estimates.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F) Interest and Income Taxes

For purposes of the Statement of Cash Flows, HELM paid a total of \$17,570 for interest during the year ended December 31, 2009. No amounts were paid for income taxes.

NOTE 3 – INVESTMENTS

Investments as of December 31, 2009, consisted of the following:

	<u>Market</u>	<u>Cost</u>
Certificates of deposit and Church Extension notes	\$ 225,000	\$ 225,000
Money funds held by broker	194,020	194,020
Government and corporate bonds	706,692	693,976
Mutual funds and alternative investments	691,049	736,135
Common stocks	1,932,723	1,788,265
	<u>\$ 3,749,484</u>	<u>\$ 3,637,396</u>

Income from investments totaled \$78,725 for the year ended December 31, 2009. HELM has borrowed funds from Lindell Bank and Trust to maintain the composition of its portfolio of long-term securities. Investment income is shown net of the appropriate amount of interest paid on the loan, which totaled \$18,834. Investment income is also shown net of money manager and brokerage fees, which totaled \$31,035. HELM recognized net realized and unrealized gains of \$522,852 on its investments during the year ended December 31, 2009.

Investments in certificates of deposits, Church Extension notes, and money funds held by brokers are recorded at cost values. Government and corporate bonds, mutual funds and alternative investments, and common stocks are reported at market values in accordance with SFAS No. 124. At December 31, 2009, HELM held a 3.25% note issued on August 18, 2008 by the Church Extension. The note had a face amount of \$125,000 and a maturity date of February 18, 2010. In February 2010, this note was replaced by \$125,000 of notes with tiered maturities extending through February 18, 2015. Such notes are not publicly traded, but are expected to be collected in full for the stated amounts. Accordingly, these notes are reported at cost value in accordance with SFAS No. 124.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE 4 - LOAN PAYABLE - LINDELL BANK

On June 20, 2001, HELM entered into a credit agreement with Lindell Bank and Trust whereby HELM has been provided a line of credit of up to \$500,000. On November 25, 2009, this agreement was extended through the maturity date. Interest, charged at a variable rate, is to be paid monthly and the principal balance is due on November 25, 2010, if no prior demands are made by the lender. The loan is secured by securities held by HELM at Merrill Lynch. During the year ended December 31, 2009, interest on the line of credit totaling \$18,834 was allocated entirely against its investment income. At December 31, 2009, the applicable interest rate for the line of credit was 5.25% and the outstanding balance was \$300,000.

NOTE 5 - FUNDS HELD FOR BETHANY FELLOWSHIPS

In 2005, HELM received \$909,500 from Lilly Endowment, Inc. to fund a program beginning on March 1, 2005. Under terms of the grant agreement, this program was originally projected to end as of March 31, 2010, but has been modified to extend through December 31, 2010. At December 31, 2009, \$342,931 of funds remained under this grant. In December 2009, \$905,500 of funds from a second grant from the Lilly Foundation was disbursed to HELM. These funds are intended to extend the Bethany Fellowships program through December 31, 2015.

The Bethany Fellowships program provides support for ministers in their first five years of congregational leadership. Disbursements for the program are made in accordance with a grant agreement between HELM and Lilly Endowment, Inc. HELM manages the finances and oversees the financial and program reporting and collects a nominal annual fee for its administration of the program. At December 31, 2009, HELM held funds totaling \$1,248,431 for Bethany Fellowships.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE 6 - NET ASSETS RELEASED FROM RESTRICTIONS

In 2009, Temporarily Restricted Net Assets were released for the following purposes:

Restricted scholarship grants	\$ 52,981
Institutional endowments	3,168
Scholarship endowments	3,500
	<u>\$ 59,649</u>

NOTE 7 - PENSION PLAN

Employees of HELM participate in a contributory, defined benefit pension plan administered by the Pension Plan of The Christian Church (Disciples of Christ). Pension expense was \$31,296 for the year ended December 31, 2009. As of December 31, 2009, the date of the latest actuarial valuation of the Plan, the market value of Plan assets exceeded the actuarial value of vested benefits. All prior service costs have been funded.

NOTE 8 - TAYLOR SCHOLARSHIP FUND

In 1992, HELM and the First Christian Church of Winterset, Iowa, reached an agreement whereby HELM is to manage the assets of the Church's Charles W. and Lois H. Taylor Scholarship Fund. However, control of the Fund's net assets and activities is retained by the Church. Consequently, the assets, liabilities, and activities of the Fund are not recorded in these financial statements. According to the agreement, HELM invests the assets of the Fund within the guidelines set forth by the Church. Those guidelines state that a percentage of a moving average of the investment portfolio's value be distributed each year. HELM makes disbursements for scholarships to those students designated by the Church. Fixed percentages of the annual distribution are made available for scholarships and a fixed percentage is paid to the Church's Building Fund. A fixed percentage of the annual distribution is also paid to HELM for its management of these funds. In 2009, HELM charged the Fund \$6,640 for its service.

NOTE 9 - LEASES

In April 2003, HELM entered in a lease with Golfview Members, L.L.C. for office space. The term of the initial lease was from May 15, 2003 through October 14, 2008. On November 8, 2007, the lease was amended to extend the term through October 31, 2013 with ratable rent increases during the extended time period.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE 9 - LEASES (CONTINUED)

HELM also has operating leases on a copier within monthly payments through November 2010 and a postal mailing system with quarterly payments through December 2011.

Lease payments charged to expense totaled \$62,825 in 2009. A schedule of HELM's future minimum annual lease payments under its leases is as follows:

Year Ended December 31,	
2010	\$ 59,098
2011	\$ 57,423
2012	\$ 55,575
2013	\$ 47,250

NOTE 10 - CONCENTRATIONS

HELM receives a significant portion of its public support from Disciples Mission Fund allocations through the Christian Church (Disciples of Christ). During the year ended December 31, 2009, HELM received a total of \$249,841 of Disciples Mission Fund allocations for its operations and for funding the College/University grant program.

In the course of its ministry and its administration of the Bethany Fellowships described in Note 4, HELM has operating funds and investments in certificates of deposit at Lindell Bank and Trust in excess of insured limits. At December 31, 2009, HELM had \$1,078,112 on deposit with Lindell Bank and Trust, of which \$250,000 was insured by the F.D.I.C.

NOTE 11 – RELATED PARTY TRANSACTIONS

The Church Extension is a separate branch of the General Assembly of the Christian Church which offers mission-driven capital planning and funding services to Disciples of Christ congregations. Church Extension's primary investment obligations are in the form of term and demand notes issued to members and units of the Christian Church (Disciples of Christ). At December 31, 2009, HELM held a note receivable in the face amount of \$125,000 from the Church Extension.

No. 1112

**REPORT OF THE
NATIONAL CONVOCATION**

**TIMOTHY M. JAMES
ADMINISTRATIVE SECRETARY**

To the Moderator, Larry Brown and
Members of the Administrative Committee,

The National Convocation is present and active in the life and ministry of the Christian Church (Disciples of Christ). We endeavor to be in the movement for wholeness in a fragmented world and welcome all to the table as God has welcomed us. We are witnessing the Pastoral Table, for all intense and purposes come into its own. The quest for wholeness and unity is accomplished by collaboration and cooperation. This quest is also expressed in our Pro/Reconciliation-Anti/Racism initiative, where we encourage our members to be leaders and advocates. We appreciated the diversity and broad church support of the 21st Biennial Session of the National Convocation at Oklahoma City.

Transformation and Congregational Revitalization, the second piece of the 20/20 Vision, is now an emphasis within the National Convocation. Transformation and DMF support were major points of reference in the State of the National Convocation report at Oklahoma City. Transformation was the focus at the District II TCMF Conference/Revival September 10-12, 2010, at Dallas Texas, resourced and keynoted by the Administrative Secretary. Transformation was the theme at the Pastors Conference in San Diego, California, where we were informed and encouraged to seek to be transforming in the turbulent seas in which we exist as Christian communities. The National Convocation is challenged to be a vital part and participant in the transformation and revitalization of one thousand leaders and congregations.

The General Board has reviewed Report No. 1112 from the National Convocation. The report is submitted to the General Assembly for consideration and discussion. No action is required. (Discussion time 12 minutes)

NORTH AMERICAN PACIFIC/ASIAN DISCIPLES MINISTRIES

Geunhee Yu, Executive Pastor

130 E. Washington Street, Indianapolis, IN 46204

Telephone: (317)713-2685. Email: gyu@dhm.disciples.org

NAPAD Ministry Team:

Geunhee Yu, Executive Pastor

Jeannie Lee, Administrative Assistant

General Ministry:

Kim Tran (part time & deployed) – Director of Vietnamese Ministry.

Lian Jiang (part time & deployed) – Director of Chinese Ministry.

Jinsuk Chun (part time & deployed) – Director of NAPAD Ministry, Pacific Southwest Region.

Daniel K. Lee (part time & deployed) – Coordinator of NAPAD Ministry, Northern Calif.-Nevada Region.

Saitumua Tafaoialii (part time & deployed) – Coordinator of Samoan Ministry

John D. Roh (part time & deployed) – Consultant for NAPAD Ministry of Church Extension.

Soo Yun (part time & deployed) – Coordinator for Women ministry, Baldwin Park, CA

Educational Ministry:

Timothy S. Lee. Professor and Director of Asian/Korean Church Studies Program, Brite Divinity School, Fort Worth, TX

Young Sook Kim. Director of Korean Church Studies, Disciples Seminary Foundation Claremont, CA.

Mission of NAPAD.

The North American Pacific/Asian Disciples of the Christian Church (Disciples of Christ) affirms the cultures and heritages of Pacific/Asian peoples within the historic and living Christian faith. As part of the Christian Church (Disciples of Christ), we join with other Disciples in the total mission of the church, to recognize and promote the gifts and presence of North American Pacific/Asian Disciples in the life and work of the Church.

Purpose of NAPAD.

1. To participate in God's mission through the various expressions of the Christian Church (Disciples of Christ) in the United States and Canada.
2. To contribute to the wholeness and unity of the Christian Church (Disciples of Christ) in the United States and Canada.
3. To advocate for Pacific/Asian Disciples within and outside the Christian Church (Disciples of Christ) in the United States and Canada.
4. To share the gifts and traditions of Pacific/Asian Disciples with the wider church.

The NAPAD ministry in the year 2010 has been thriving in accordance with the Disciples identity, "...a movement for wholeness in a fragmented world...." The ministry of NAPAD is faithfully on the frontline of accomplishment of the four mission priorities of the

Church: *Becoming a Pro-Reconciling and Anti-Racist Church; New Church Establishment; Congregational Transformation; Leadership Development.*

I. Becoming a Pro-Reconciling and Anti-Racist Church.

North American Pacific/Asian Disciples is composed of vastly diverse people in ethnicity and language and culture. Within NAPAD community, there are fourteen significantly different ethnic/language groups. Nevertheless, we all come together to become one true community of faith. The very presence of NAPAD in the Christian Church (Disciples of Christ) is a catalyst to be *“a movement for wholeness in a fragmented world.”*

1. The Ministry of North American Pacific/Asian Disciples, as of January 1st, 2010, has become a new body of self-determination and free standing on equal footing with the General Ministries of Christian Church (Disciples of Christ). (GB-09-0644).
2. NAPAD Life.
 - a. 16th NAPAD Convocation was held at Seattle University campus, August 4–7, 2010, Seattle, WA. - 185 representatives participated.
 - b. Had Pre-Convocation event for Youth Leadership Development (8/3-4): 45 youth leaders participated.
 - c. New Bylaws was adopted and new Board of Directors appointed: *Timothy Lee* (Moderator), *Jinsuk Chun* (Moderator-elect), *Cindy Kim-Hengst* (Secretary/Treasurer), *Janet Casey-Allen*, *Glenn Carson*(CGM representative), *Susan Gonzales-Dewey*(CRM representative), *Sandhy Jha*, *JoAnne Kagiwada*, *Paulo Lealaitafea*, *April Lewton*, *Gideon Yu*. Ex-officio: *Lian Jiang*, *Sharon Watkins*, *Geunhee Yu*.
 - d. Observed David Kagiwada Memorial Sunday and NAPAD Ministry Week, September 12-18.
3. Korean Disciples Convocation (KDC) had its annual retreat for ministers: 63 pastors attended. January 18–21, Los Angeles – Rev. Sungdoh Ee (Los Angeles Ch. C.) was elected as President.
 - a. Mid-America Korean Disciples held an annual retreat of pastors, April 8–10, Galen, IL. – 25 participated.
 - b. Northern Calif. NAPAD ministers had bi-monthly gatherings.
4. Executive Pastor is to retire from his ministry on November 22, 2011. The Board of Directors (Dr. Timothy Lee, Chair) has approved the proposal at its meeting on Dec. 3–5, Indianapolis. The Search Committee for Executive Pastor was appointed (Ms. Cynthia Kim-Hengst, Chair).
5. The members of NAPAD Ministry Team have been engaged in variety of initiatives and actions of the church in regard to anti-racism and pro-reconciliation. The Executive Pastor has served on:
 - a. Commission on Reconciliation Ministry (April Johnson, Minister).
 - b. General Board – Governance Committee.
 - c. Task Force on Immigration Issues (Jennifer Riggs, Convener).
 - d. Brite Divinity School, Board of Directors.
 - e. Pastoral Table (Sharon Watkins, Convener) – *“The GMP convenes “a table with Racial/Ethnic ministry executives for an ongoing conversation about pastoral matters of the larger church. The pastoral table...will provide the*

church with a formal covenantal forum to witness as a whole, share wisdom and address concerns.” (GB-090643)

6. India Immersion Trip: Executive Pastor, with two other executives of racial ethnic ministries (Timothy James of National Convocation and Huberto Pimentel of Hispanic Ministries) made a cultural immersion trip under auspices of a full sponsorship of DOM/Global Ministries, March 7–22. The trip was made in line with the implementation of “Be a global mission church” of the Global Ministries for NAPAD churches.

II. New Church Establishment.

1. Goal of NAPAD ministries is to have 250 healthy congregations by the year 2020. In partnership with New Church Ministry of Church Extension and Regional committees of New Church Development, we have established twelve (12) new congregations and **eleven (11)** missions.

Under the excellent leadership of our ministry team, specifically of, *Lian Jiang, Kim Tran, Jinsuk Chun, John D. Roh, Daniel Lee and Saitumua Tafaoialii* twelve new congregations were established or adopted:

- Three Samoan churches: Eirere Samoan (*Faalili Oteneru, Pastor*) in Las Vegas, NV; Via Dolorosa Congreg. (*Taulau Tupua, Pastor*) in Modesto, CA; First Samoan CC (*Momoli Papalii, Pastor*) in Long Beach, CA. In addition, three new missions are in California.
 - Three Zo/Burmese churches: First Zo (*Kamkhuol Taithul, Pastor*) in Atlanta, GA; Zo Ch. Church (*Kham Khen Pau, Pastor*) in Fort Wayne, IN; a Zo mission (*Sei K. Lian. Minister*) in Tulsa, Ok.
 - Five Korean churches: New Israel (*Byungkil Suh*) in L.A.; Jesus Vision (*Jaejoog Kim*) in L.A.; New Heaven (*Joel Kim*) in Long Beach, CA; Good Neighbor (*Chung S. Kim*) in Atlanta; New Life (*Joseph Ahn*) in Los Angeles, CA; In addition, five missions are in Southern California and three in Chicago.
 - One Cambodian church: Cambodian CC (*Sarith Pheng*) in Long Beach, CA.
2. Recruit and training of new church planters: Five Asian ministers have served as coaches of new church planters in partnership with New Church Ministry – *John D. Roh, Lian Jiang, Kim Tran, Jongkook Hong, and Jinsuk Chun*. Thirteen pastoral leaders of NAPAD are ready to go for new church start.

III. Congregational Transformation and Pastoral Care.

1. Pastoral care of NAPAD ministers and congregations.
For the purpose of pastoral care and nurture, the Executive Pastor with the Ministry Team made ninety-eight visits with ministers and sixty-two visits with congregations, plus 612 contacts made by means of (e)mail and telephone.
2. Korean Disciples Convocation (KDC) held its 12th annual conference and retreat on January 18 – 21 at Wilshire Korean Christian Church, Los Angeles. Sixty pastors and twenty lay leaders participated in workshops on congregational growth and transformation and new church establishment.
3. Coordinated and sponsored of regional gatherings of NAPAD ministers and lay leaders on congregational transformation and growth: thirty-five of PSWR attended, and fifteen pastoral leaders of other west coast churches attended.

4. Sponsored Fellowship of Korean Disciples Ministers of Mid-America (Tae-Young Rhee, Moderator) to hold their quarterly gatherings in Chicago. Participated are pastoral leaders of Korean Disciples churches in Indiana, Illinois, Ohio, Missouri, and Minnesota. Workshops on church growth and transformation offered.

IV. Leadership Development.

1. Two NAPAD ministers were ordained: Hyung-Cheol Yang (Chicago), July 18; Chung-Seong Kim (Atlanta), November 14.
2. Eight NAPAD ministers attended at Pastors Conference of General Minister and President in San Diego, September 21–23.
3. Twelve pastors established their ministerial standing in Disciples of Christ by transferring of their credentials from other faith communions.
4. New staff added to the Ministry Team.
 - a. Women's ministry: Soo Yun was appointed as Coordinator for NAPAD Women's Ministry (part-time & deployed) with IDWM's matching grant, May 1.
 - b. Youth and Young Adult ministry: Jae-Hyung Cho was appointed as a contracted staff for youth ministry and Y/A leadership development.
5. Youth Leadership Training: Two training events were held for Youth and Young Adult leaders.
 - a. Pre-convocation event for youth leadership training. August 3–4 at Gwynwood Camp in Olympia, WA. (45 attended).
 - b. Youth Leadership Retreat, held in Santa Cruz, CA. December 27–30. (55 attended).
6. Scholarships awarded for leadership development: Youngki Choi (Kagiwada Fund) and Einstein Cabalteja (Soongook Choi Fund), both of San Francisco Theological Seminary, Southern Campus. Three D. Min students received scholarships: John Chun and Younsu Nam and Myungsun Kang of Claremont School of Theology.

V. Concerns.

1. Pastoral leader development.

Due to significant differences in language and ethnicity and culture, leadership (lay & clergy) development for ministry in NAPAD churches at English-only seminaries is limited and ineffective and even problematic. It is urgent to establish a seminary, or M. Div. courses that will concentrate on pastoral leadership of multiracial churches. Requirement of fluency in English language (TOEFL) hinders the foreign-born students in getting theological education at Disciples seminaries. The demand for pastoral leadership is great, but the supply is meager.

2. Funding for new church establishment.

The demand and need for new church start in Pacific/Asian communities is very high, but support and funding is scanty. Resources, human and material, for new church ministry are to be secured.

3. *Health Care of Pastors.*

Over 65% of NAPAD ministers do not have health care plans and insurance. This rate is much higher than the nationwide rate of uninsured families. We have to pay close attention to this concern and find a solution adequately.

4. *Facility for ministry.*

Most (75%) of NAPAD churches are without their own physical facility for ministry. They are “nested” in someone else’s buildings. It imposes enormous hindrances on their effort to establish and grow in ministry.

The General Board has reviewed Report No. 1113 from North American Pacific/Asian Disciples Ministries. The report is submitted to the General Assembly for consideration and discussion. No action is required. (Discussion time 12 minutes)

**North American Pacific/Asian Disciples
Statement of Financial Position
December 31, 2010**

Assets

Cash and cash equivalents	479,554.00
Account Receivable with OGMP	23,503.00
Account Receivable - Other	2,711.00
Prepaid Expenses	1,136.00
Furniture and Equipment	<u>4,297.00</u>
 Total assets	 <u><u>511,201.00</u></u>

Liabilities

Account Payables	29,799.00

Net Assets

Unrestricted	427,258.00
Temporarily restricted	<u>54,144.00</u>
 Total net assets	 <u><u>481,402.00</u></u>
 Total liabilities and net assets	 <u><u>511,201.00</u></u>

**North American Pacific/Asian Disciples
Statement of Activities
December 31, 2010**

	Unrestricted		Temporarily restricted			
	Operating Fund	NAPAD Convocation	American Asian Ministers Scholarship	Soongook Choi Fund	David Kagiwada Fund	Total Funds
Revenue, and other support						
Distributions from OGMP Treasury Services and offerings and contributions	261,440.00	27,260.00	-	1,181.00	1,141.00	291,022.00
Interest Income	2,363.00	-	-	2,017.00	2,648.00	7,028.00
Registration	-	27,402.00	-	-	-	27,402.00
Total revenue, and other support	263,803.00	54,662.00	0.00	3,198.00	3,789.00	325,452.00
Expenses						
Salaries and Benefits	160,643.00	-	-	-	-	160,643.00
NAPAD Convocation	-	67,875.00	-	-	-	67,875.00
Travel	12,938.00	-	-	-	-	12,938.00
Program	41,297.00	-	-	-	-	41,297.00
Program - Mission Imperative	29,355.00	-	-	-	-	29,355.00
Administrative charges	9,093.00	-	-	-	-	9,093.00
Office Supplies and Postage	2,616.00	-	-	-	-	2,616.00
Depreciation	1,273.00	-	-	-	-	1,273.00
Scholarships	-	-	4,731.00	3,000.00	2,800.00	10,531.00
Total expenses	257,215.00	67,875.00	4,731.00	3,000.00	2,800.00	335,621.00
Changes in net assets	6,588.00	-13,213.00	-4,731.00	198.00	989.00	-10,169.00
Net assets, beginning of year	438,489.00	-4,606.00	43,168.00	8,844.00	5,676.00	491,571.00
Net assets, end of year	445,077.00	-17,819.00	38,437.00	9,042.00	6,665.00	481,402.00

No. 1114

Disciples Women of the Christian Church (Disciples of Christ)

Disciples Women are grateful for the ministry of Adonna Bowman and all she has guided them to accomplish through January 2011. Adonna completed her ministry in Office of Disciples Women (ODW) as she helped to prepare Patricia Donahoo to take on the role of executive director. The executive director works closely with Sheila Spencer, the Program Merger Staff Director.

Disciples Women have been active on many fronts and face opportunities and challenges in the time to come. As we move forward we are in search for a part-time staff person who will be dedicated to managing advocacy programs and initiatives, an executive assistant, a Quadrennial Assembly Coordinator, and a Quadrennial Assembly Assistant.

In November 2010, Disciples Home Missions (DHM) and Disciples Women (International Disciples Women's Ministries, the governing body, and Office of Disciples Women, the administrative arm) revised Principles of Mutuality to ensure Disciples Women and DHM may continue to respond effectively to God's mission in the world through the Christian Church (Disciples of Christ) in the United States and Canada. At the present time Disciples Women relates to the General Board and General Assembly of the Christian Church through DHM and its Board of Directors with its activities being communicated in both verbal and written form. Disciples Women partners with DHM in ministries with and by women, and is one of the constituencies with whom DHM works "to fulfill its mission of connecting people to the life-changing love of God by developing partnerships that strengthen congregations and leaders to make a difference in the world by revealing the light of Christ." Close working relationships are maintained between Disciples Women and DHM through the staff of the ODW. The work and ministry of ODW will be determined and directed by the Executive Committee of Disciples Women.

Historically Disciples women have contributed, on average, 10% annually of all Disciples Mission Fund giving. Funding for Disciples Women's Ministry is through 20% of the Disciples Mission Fund received by DHM. Additional funding is through a portion of the giving through Blessing Boxes. These funds are budgeted and administered by the Disciples Women Executive Committee.

The Leadership Apprentice Program is a leadership development program aimed at equipping all Disciples women of color to serve in their home congregations, in regional, and in general areas of church life. Participants are encouraged to discover their God given gifts and talents, receive leadership training opportunities, and learn the rich history of the ministries of the Disciples women. This ministry has affected the lives of

many women and has prepared them for leadership all over the country. These leadership positions include officers and leaders for Christian Church Foundation, Disciples Home Missions, Regional Women's Ministry, Office of Disciples Women, Disciples Mission Fund, Chapman University, National Convocation, NAPAD, and Hispanic Women's Ministries.

Human Trafficking is the advocacy priority for the quadrennium. Trafficking in persons is a global, widespread and illegal practice which violates basic human rights through the use of force, coercion, fraud or abduction to exploit the person for profit or service. Trafficking is the fastest-growing and currently tied with arms dealing as the second largest criminal industry in the world today and claims up to 27 million adults and children worldwide. Disciples Women will continue working to provide resources for education and advocacy through a multitude of organizations to seek an end to this criminal and abusive practice.

Disciples Women has produced the first in a series of DVD studies with printed guides entitled "*Wisdom of Women*" to capture the history of women in the denomination, share the wisdom gained, and empower us to live into the future. This study is designed to be used by women and men in a variety of settings.

Just Women is the official study resource for Disciples women provided by International Disciples Women's Ministries and the ODW and is a quarterly publication. After the previous publisher ceased operations, Disciples Women took over the task of publication for this much needed resource. As of the fall of 2010, a complete cycle of the magazine has been published under this ownership.

Woman-to-Woman Worldwide (WWW) responds to the call for church women to experience solidarity with one another, to affirm the unity of the church in Jesus Christ and to join the common struggle for justice and peace in the world today. These international, ecumenical and personal mission field experiences encourage faithful women to see the world through new eyes and bring that perspective back to their congregation and community. The 2010 experience in Turkey was an opportunity to identify critical issues and suggest ideas to initiate action in partnership with Turkish women. In 2011 the WWW trip will be to the Congo.

Disciples Women addresses the four priorities of the 2020 Vision by informing new congregations about resources for women's ministries; providing resources to strengthen and transform women's ministries in existing congregations; training and developing leaders in women of all ages including tweeners (14-17) and young adults; encouraging and seeking to assure diversity through all aspects of women's ministries.

The General Board has reviewed Report No. 1114 from the Office of Disciples Women. The report is submitted to the General Assembly for consideration and discussion. No action is required. (Discussion time 12 minutes)

No. 1115

PENSION FUND OF THE CHRISTIAN CHURCH (DISCIPLES OF CHRIST)

JAMES P. HAMLETT, PRESIDENT

130 E. WASHINGTON

INDIANAPOLIS, IN 46204-3659

PH: 317.713.2633 FAX: 317.364.4071

Service Center: 317.364.4504 Toll Free: 866.495.7322

E-MAIL: jhamlett@pension.disciples.org

REPORT TO THE GENERAL BOARD

2010 ANNUAL REPORT

The Pension Fund of the Christian Church (Disciples of Christ) continues to provide effective, compassionate service to members, congregations and wider ministries of the church on behalf of those dedicated saints who serve so faithfully. For the Pension Fund's ministry, wholeness in a fragmented world is the outcome that we seek to achieve for all who look to it for financial support. Since 1895, the Pension Fund, founded as the Board of Ministerial Relief, has provided support to persons serving the church as ministers or lay employees. The Pension Fund provides retirement, disability and survivor benefits through the Pension Plan as well as related financial services to enable participants to live comfortably in their retirement years. It also administers health and wellness programs on behalf of the Church.

The Pension Fund seeks, in all of its activities, to serve in a manner consistent with its core values – Trust, Security and Compassion. These values form the basis of our Ministerial Relief and Assistance programs, which provide support for ministers and others who retire with little or no pension, due to their service to congregations that offered low salaries or minimal pension dues contributions. Support for these deserving saints of the Church is sustained by direct gifts, Disciples Mission Fund dollars and earnings on Endowment Funds.

The Pension Fund continued its recovery from the worst market decline in more than eighty years. Notwithstanding news accounts of financial challenges among church pension plans, the Pension Fund expanded its reserve position and remained fully funded for all retirement pension programs. No participant in the Pension Fund, Tax Deferred or Benefit Accumulation accounts lost a penny of value, nor were benefits reduced or delayed in payment. The Pension Fund remains one of the most well funded retirement programs in existence.

1. CONTRACTUAL PROGRAMS

- a. The Pension Fund was able achieve substantial recovery in asset values in 2009. Total return for 2009 was 20.84%. Assets under management grew from \$2 billion at the beginning of the year to \$2.35 billion. While historic reserves were partially restored, they did not reach the level that is necessary for

approval of Special Apportionments in 2010. However, there has been no decrease in pensions or pension credits. Over the past ten years, pensions and pension credits have been increased an average of approximately 5% per year through Special Apportionments. This is well ahead of rates of inflation and consistent with our objective of enhancing the financial well being of our retirees and active members.

- b. As indicated above, positive investment performance enabled the restoration of some reserves, but not sufficiently to enable the declaration of Good Experience Credits in 2010. However, all accounts were maintained at full value and no investor suffered any loss during the economic downturn. Throughout the market downturn, the primary focus of the Pension Fund has been on the protection of assets for the benefit of those we serve. Further restoration of reserves is the goal. Until reserves have been adequately restored, it is likely that future Good Experience Credits will be substantially reduced or foregone.
- c. The Pension Fund serves as trustee of the Christian Church (Disciples of Christ) Health Care Benefit Trust and as such administers Churchwide Health Care, Dental and Flexible Spending Account programs on behalf of the Church. Churchwide Health Care is a “self funded program” meaning that premiums must cover actual claims experience. In each of the past four years, Churchwide Health Care has been able to reduce the operating deficit. At December 2004, the deficit stood at \$5.4 million and the program was facing demise. At the end of 2010, the deficit has been greatly reduced and, exclusive of the \$1.4 million in funds received in the Heartbeats of Faith Campaign, stands just over \$850,000.

We give thanks for the strong support of those who worked so diligently on the campaign. While we have discontinued promotion efforts, we continue to encourage every congregation and organization of the Church to focus on health and wellness activities among employees. We also encourage every congregation to consider using Churchwide Health Care for their clergy and lay employees. We believe it is an excellent health care program, one that is fairly priced to the benefits and markets in which we serve. For more information, check our website - www.discipleshealth.org.

- d. The Pension Fund continues to offer Churchwide Accident Insurance and Long Term Care insurance to participants of the Pension Plan and related programs. Churchwide Accident Insurance is provided through Reliance Standard Life Insurance Company. Long Term Care insurance is provided by CNA Insurance Company. All billing and services related to the Long Term Care insurance is provided directly by CNA.

2. CONTRACTUAL PROGRAMS - INTERNATIONAL

The Pension Fund provides access to membership in the Pension Plan by clergy and lay employees of congregations in Canada, Puerto Rico, Mexico and certain other

service areas. The Pension Fund was successful in its efforts to restore full benefits in the Pension Plan - Canada and was able to declare a 3.5% special apportionment for Canada pensioners and active employees designed to partially offset the tax impact of the current account structure. We are delighted with the result and trust those served feel well supported. In 2011, we expect to launch growth efforts in Canada among pastors and lay employees throughout the Stone Campbell heritage ministries. In 2010, we completed compliance review for participants from Puerto Rico and continue to serve pastors in Puerto Rico as part of the U. S. Plan. Other changes may be made in the future with respect to participation, reporting and taxation as dictated by the applicable laws and regulations.

3. INVESTMENTS

During 2010, total net assets of the Pension Fund rose from \$2.35 billion to \$2.55 billion. Growth was achieved in large measure through the adherence to sound long term investment strategies properly adjusted to the market circumstances. The Pension Fund continues to maintain a fully-invested policy with long-term asset allocation of 55% equities, 30% fixed income and 15% alternative investments. However, we continue to monitor liquidity objectives and stand ready to take additional actions to preserve our ability to make pension payments when due and respond to other financial events as they unfold. Even though the investment climate remains unsettled, the Pension Fund is well positioned to outperform the investment benchmarks by which we measure our results. We believe the portfolio is positioned for further recovery in the months and years ahead. Long term investment strategies, although frequently reviewed, rarely shift as a result of market fluctuations.

4. 2010 FINANCIAL OVERVIEW

The 2010 actuarial valuation and financial audit are in process and when completed will be reported to the directors. We are grateful that the Pension Fund was able to outperform most of the benchmarks used to evaluate performance. We are equally grateful that all programs are fully funded on an actuarial basis.

5. MINISTERIAL RELIEF AND ASSISTANCE

The Pension Fund distributed \$1.7 million in Ministerial Relief and Assistance in 2009 of behalf of the Christian Church (Disciples of Christ). Only 16.8% of the Ministerial Relief and Assistance funds came from congregations through Disciples Mission Funding. Another 23.6% was contributed directly by concerned individuals. The remainder was derived from earnings on the Endowment Fund for Ministerial Relief and Assistance or funds previously placed in escrow for these purposes.

Supplemental Gift Pensions are gift distributions to those retirees who have extremely low pensions. It is a way for the Church to assist those who are most affected by economic turmoil. The Pension Fund was unable to increase supplemental gift pensions for qualifying pension retirees and surviving spouses this year. In the future, increases will be possible only when additional resources from gifts from individuals and additional income from Endowment Funds allow. Reductions in Disciples Mission Funding have a direct impact upon the benefits that can be provided for these worthy servants.

The “Thirteenth Check,” which is a gift to all persons on the Ministerial Relief roll and some of the most needy on the low pension roll, was sent between Thanksgiving and Christmas. The Indianapolis General Assembly offering for this purpose, along with contributions from individuals and churches, provided the gift funds for 2009 and 2010. We are gratified that the generosity of the assembly participants and other supporters enabled the 13th checks to be increased over prior years. We give thanks for the generosity of all donors who made this increase possible, even as we prepare for another offering at the Nashville General Assembly.

6. GOVERNANCE

The Board of Directors and Staff of the Pension Fund are keenly aware of their fiduciary responsibilities to the Church and those served. The Pension Fund was created to provide a unique ministry to clergy and lay employees on behalf of congregations and their members. The Pension Fund seeks to fulfill these responsibilities, with compassion, wisdom and prudence.

The Board of Directors of the Pension Fund of the Christian Church (Disciples of Christ) adheres to practices intended to provide oversight and accountability. These are consistent with practices now required of public corporations. In this respect:

- a. The Board of Directors has assigned to its Financial Affairs Committee the function of “audit committee” through which independent auditors report directly to the board. This committee includes at least one person who is a financial expert (e.g., a CPA).
- b. The Board of Directors enforces their written “Conflict of Interest Policy, a written board member evaluation policy and a board member education policy.”
- c. The independent auditor is required to provide the directors with a management letter addressing any material internal control weaknesses or suggesting improvements to internal controls.
- d. The Pension Fund staff is required to provide written response to each issue raised in the management letter as to the steps taken or to address or resolve the issue or the rationale for disagreement with the conclusions presented.
- e. Each standing committee has a written committee charter approved and periodically reviewed by the Board of Directors.
- f. The President and Treasurer certify in writing to the Board of Directors the “appropriateness” of the financial statements and disclosures contained in periodic reports prepared in accordance with accounting conventions appropriate to the Pension Fund, and that such financial statements and disclosures fairly present, in all material respects, the operations and financial condition of the organization.
- g. Staff and Directors enforce their historic prohibition on the extension of credit to any director or executive officer except as “de minimus” reimbursable charges

may arise in the normal course of business.

7. KEY FOCUS

The Pension Fund is a unique financial services ministry, focusing its efforts and resources toward the care and support of clergy and lay employees of the Christian Church (Disciples of Christ). The Directors and Staff believe the Pension Fund fulfills its historic mandate when it functions as an innkeeper (Luke 10:35) assisting whomever the Church presents for care.

Because of the unique nature of the Pension Fund's ministry, one can describe its activities within the context of the mission goals of the Christian Church (Disciples of Christ), although most impacts are tangential rather than direct initiatives. For example:

The Pension Fund seeks to support the establishment of new congregations by assisting the pastors with subsidized health care. New congregation pastors may qualify for three years of health care premium subsidy on a declining basis, beginning with a year of full subsidy, if the congregation agrees to continue in Churchwide Health Care following the subsidy period. However, reductions in gifts which make this support possible could cause a reduction in access to this service in future years.

The Pension Fund believes that revitalization of congregations will require vibrant and healthy clergy. Addressing stress, depression, spiritual healing and the life choices these issues bring, which reduce effectiveness and cause illness, is the new ministerial relief issue of our day. Staff, directors, consultants, and other key participants are working to form strategies to address these issues. Success in this arena will benefit congregations, the clergy, Churchwide Health Care and the Church.

Leadership development is crucial to the growth and vitality of the Church. Pension Fund efforts in this area are related to our efforts to develop a financial net through Pension Plan membership and health care resources. Pension Fund will continue to work on this task in the years ahead. Of particular concern is the enrollment and support of seminarians and pastors of racial/ethnic heritage historically not served well.

To enhance our ability to serve the Church effectively, the staff and directors continues to address systemic racism within the organization, board membership, staffing, and culturally sensitive service capabilities. A multi-cultural staff team is working with outside guidance to assist in this process. Our goal is to serve all constituencies with equal vigor and effectiveness. This is essential to broadening our ability to serve throughout all of our church family.

Finally, the Pension Fund believes that its efforts can best assist in the achievement of wholeness in a fragmented world by seeking to promote and support the work of healthy vibrant ministry leaders. We celebrate and give thanks for the faithful efforts of clergy and lay employees.

8. TAX INFORMATION

The Pension Fund continues to keep its constituents informed of changes in tax laws and government regulations. The Pension Fund continues to work with the Church Alliance, an interdenominational coalition of pension boards, to understand and respond to issues which could affect the services, reporting and taxation requirements which relate to the programs and services offered by the Pension Fund. The Church Alliance expects to be actively engaged on several issues in 2008 and beyond.

9. OTHER SERVICES

In addition to those services already described, the Pension Fund provides other services to those who serve the church and its organizations. These include the conducting of workshops and seminars on Financial Planning and Preparation for Retirement and administering a Churchwide Accident Insurance program.

10. CLOSING WORD

The Board of Directors and Staff of the Pension Fund are grateful for the opportunity to serve the Church, its ministers and lay employees. There is no secret that effects of the recession are severe and long lasting. Concern about the safety of pensions and retirement savings remain for some participants. This is quite understandable. To address such concerns, regular call in question and answer programs were provided in 2009. We anticipate further sessions will be scheduled throughout 2010. We believe that these call in opportunities provide participants with a unique opportunity to raise questions directly with staff and hear those of other participants.

Pension Fund staff and directors continue their efforts to protect the pensions and retirement savings of all participants. We ask God's continuing guidance and your trust as we continue to focus on our ability to serve our constituents. This ministry is an expression of Thanksgiving from a grateful Church to those who accepted the call to the ministry, as clergy or lay employees, and who have carried out that ministry faithfully.

The General Board has reviewed Report No. 1115 from the Pension Fund. The report is submitted to the General Assembly for consideration and discussion. No action is required. (Discussion time 12 minutes)

Pension Fund of the Christian Church (Disciples of Christ), Inc.

Combined Financial Statements and
Supplemental Schedules as of and for the
Years Ended December 31, 2010 and 2009
and Independent Auditors' Report

**PENSION FUND OF THE CHRISTIAN CHURCH
(DISCIPLES OF CHRIST), INC.**

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**PENSION FUND OF THE CHRISTIAN CHURCH
(DISCIPLES OF CHRIST), INC.**

**COMBINED STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
DECEMBER 31, 2010 AND 2009**

	2010	2009
ASSETS		
CASH	\$ 10,674,548	\$ 12,354,576
COLLATERAL UNDER SECURITIES LENDING AGREEMENT	207,074,742	186,831,466
INVESTMENTS:		
Short-term	287,848,407	296,633,741
Fixed income:		
U.S. treasury and government agency bonds	462,292,282	343,413,026
Industrial bonds	342,713,085	380,750,481
Utility bonds	12,673,068	10,902,900
	817,678,435	735,066,407
Equities:		
Mutual fund	58,916,761	64,681,533
Common stock	1,164,058,676	1,034,198,608
	1,222,975,437	1,098,880,141
Other:		
Private equity:		
Emerging market	14,756,860	12,539,877
Fund of funds	82,455,586	81,448,857
Venture capital	34,420,043	29,416,182
Real estate	55,151,558	41,271,878
Joint Investment Trusts	157,314	
Private company preferred stock	22,332,126	15,332,126
	209,273,487	180,008,920
Total investments	2,537,775,766	2,310,589,209
OTHER ASSETS:		
Interest and dividends receivable on investments	10,427,604	9,427,649
Amounts receivable on securities transactions	21,539,520	4,114,698
Foreign exchange contracts	115,877,762	102,493,227
Pension Fund Canada Trust	10,194,967	9,282,761
Other	1,275,873	980,659
Total other assets	159,315,726	126,298,994
TOTAL ASSETS	2,914,840,782	2,636,074,245

(Continued)

**PENSION FUND OF THE CHRISTIAN CHURCH
(DISCIPLES OF CHRIST), INC.**

**COMBINED STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
DECEMBER 31, 2010 AND 2009**

	2010	2009
LIABILITIES		
AMOUNTS DUE ON SECURITIES TRANSACTIONS	\$ 22,749,512	\$ 12,356,532
PAYABLE UNDER SECURITIES LENDING AGREEMENT	207,074,742	186,831,466
FOREIGN EXCHANGE CONTRACTS	116,353,931	102,173,327
HEALTH CARE CLAIMS PAYABLE	1,640,467	1,617,258
UNEARNED HEALTH CARE PREMIUMS	421,427	314,133
ESCROW FUNDS AND OTHER LIABILITIES	<u>4,444,568</u>	<u>7,121,620</u>
TOTAL LIABILITIES	<u>352,684,647</u>	<u>310,414,336</u>
NET ASSETS AVAILABLE FOR BENEFITS		
PENSION PLAN FUND	1,674,747,787	1,685,548,706
ADDITIONAL BENEFITS FUND	442,127,501	444,498,382
ANNUITY FUND	6,726,653	7,334,871
ENDOWMENT FUND	30,432,518	30,086,819
GENERAL RESERVE FUND	395,142,171	145,761,662
MINISTERIAL RELIEF AND ASSISTANCE FUND	2,466,130	2,361,688
PENSION FUND CANADA TRUST	10,629,078	10,191,486
HEALTH CARE BENEFIT TRUST	<u>(115,703)</u>	<u>(123,705)</u>
TOTAL NET ASSETS AVAILABLE FOR BENEFITS	<u>\$ 2,562,156,135</u>	<u>\$ 2,325,659,909</u>

See notes to combined financial statements.

**PENSION FUND OF THE CHRISTIAN CHURCH
(DISCIPLES OF CHRIST), INC.**

**COMBINED STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
YEARS ENDED DECEMBER 31, 2010 AND 2009**

	Pension Plan Fund	Additional Benefits Fund	Annuity Fund	Endowment Fund	General Reserve Fund	Ministerial Relief and Assistance Fund	Pension Fund Totals	Pension Fund Canada Trust	Health Care Benefit Trust	2010 Totals	2009 Totals
ADDITIONS:											
Pension plan dues	\$ 19,752,735	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 19,752,735	\$ 50,121	\$ -	\$ 19,802,856	\$ 20,376,933
Additional benefits deposits		25,710,566					25,710,566			25,710,566	24,308,973
Annuity agreements issued										-	31,359
Gift receipts:											
Church Finance Council						287,692	287,692			287,692	323,181
Other gifts and offerings						442,420	442,420		24,146	466,566	478,455
Bequests and gifts				345,699			345,699			345,699	317,835
Health care premiums									20,884,893	20,884,893	21,145,661
Net investment gain					355,479,095		355,479,095	903,221	19,525	356,401,841	434,180,216
Interest credited to funds	75,598,716	14,386,255			(90,962,499)	977,528				-	
Total additions	95,351,451	40,096,821	-	345,699	264,516,596	1,707,640	402,018,207	953,342	20,928,564	423,900,113	501,162,613
DEDUCTIONS:											
Pension plan benefits	105,550,994						105,550,994	436,745		105,987,739	105,934,033
Annuity payments			608,218				608,218			608,218	673,303
Additional benefits withdrawals		42,467,702					42,467,702			42,467,702	40,672,301
Pension plan membership payouts	601,376						601,376			601,376	624,587
Supplemental gift benefits						523,626	523,626	6,841		530,467	609,061
Other ministerial relief and assistance						1,077,717	1,077,717	5,550		1,083,267	1,072,014
Special gifts						1,855	1,855			1,855	1,611
Health care claims									20,199,690	20,199,690	20,164,871
Management and general expense					15,136,087		15,136,087	66,614	720,872	15,923,573	14,078,560
Total deductions	106,152,370	42,467,702	608,218	-	15,136,087	1,603,198	165,967,575	515,750	20,920,562	187,403,887	183,830,341
NET INCREASE (DECREASE)	(10,800,919)	(2,370,881)	(608,218)	345,699	249,380,509	104,442	236,050,632	437,592	8,002	236,496,226	317,332,272
NET ASSETS AVAILABLE FOR BENEFITS — Beginning of year	1,685,548,706	444,498,382	7,334,871	30,086,819	145,761,662	2,361,688	2,315,592,128	10,191,486	(123,705)	2,325,659,909	2,008,327,637
FUND TRANSFERS										-	
NET ASSETS AVAILABLE FOR BENEFITS — End of year	<u>\$ 1,674,747,787</u>	<u>\$ 442,127,501</u>	<u>\$ 6,726,653</u>	<u>\$ 30,432,518</u>	<u>\$ 395,142,171</u>	<u>\$ 2,466,130</u>	<u>\$ 2,551,642,760</u>	<u>\$ 10,629,078</u>	<u>\$ (115,703)</u>	<u>\$ 2,562,156,135</u>	<u>\$ 2,325,659,909</u>

See notes to financial statements.

PENSION FUND OF THE CHRISTIAN CHURCH (DISCIPLES OF CHRIST), INC.

NOTES TO COMBINED FINANCIAL STATEMENTS

1. NATURE OF OPERATIONS

The Pension Fund of the Christian Church (Disciples of Christ), Inc. (the “Pension Fund”) was organized to provide benefits to its members who are employed in serving the church and related organizations. It is incorporated as a not-for-profit organization under the laws of the State of Indiana. Benefits provided by the Pension Fund include retirement, disability and death benefits, supplemental pensions and support, healthcare, and participation in additional benefits programs. Such benefits are provided through member contributions, gifts and special apportionments from Pension Fund operations.

The Pension Fund is a Church Plan as defined in Section 414 (e) of the Internal Revenue Code (the “Code”) and in Title 1 of the Employee Retirement Income Security Act of 1974 (“ERISA”), as amended. The Pension Fund has not elected to be subject to ERISA.

By virtue of its inclusion in the group exemption ruling of the General Assembly of the Christian Church (Disciples of Christ), the Pension Fund is exempt from federal income taxes under Section 501(c)(3) of the Code.

In the event of termination of the Pension Fund, the Board of Directors of the Pension Fund would determine the priority order of participating members’ claims to the assets of the Pension Fund.

The Pension Fund groups its plans and operations for reporting and managing purposes into funds that are briefly described as follows:

- a. *Pension Plan Fund* — Reserves required to meet the Defined Benefit Pension Plan (the “Plan”) member retirement, death and disability benefit obligations. Contributions are made to the Pension Plan Fund by its members and participating churches or organizations based upon a specified percentage of members’ compensation and are credited to the members’ individual accounts. The Plan provides for retirement benefits generally at age 65 based upon such accrued pension credits and includes provisions for early retirement, disability and death benefits. Certain members of the Plan are fully vested immediately while others vest after two years of participation.
- b. *Additional Benefits Fund* — Program established under provisions of the Pension Plan to accept funds from the membership so as to provide additional benefits. Such amounts earn stipulated rates of interest and are subject to withdrawal on demand, periodically or on a specified date, under rules and regulations adopted by the Board of Directors.
- c. *Annuity Fund* — Funds received from donors and members to purchase annuities and make periodic annuity payments as specified.
- d. *Endowment Fund* — Gift funds including those received through estates, bequests or memorials, which are restricted and are to be retained for designated purposes.

- e. *General Reserve Fund* — Effective January 1, 2008 the reserves that were previously allocated for reporting purposes to the individual fund balances noted above were consolidated into a single General Reserve Fund. This unencumbered reserve fund accumulates net investment income and realized and unrealized gains and losses. These funds are expendable for current operating and capital purposes as well as allocations for special apportionments and good experience credits upon Board approval.
- f. *Ministerial Relief and Assistance Fund* — Gifts and gift allocations of the church for the express purpose of meeting members' needs, such as supplemental gift pensions, ministerial relief, emergency aid and other services.
- g. *Pension Fund Canada Trust* — Effective January 1, 2006, the Pension Fund Canada Trust began to execute the operations of the Pension Plan Fund as it pertains to members and beneficiaries in the fund who reside in Canada. The Pension Fund Canada Trust maintains separate reserves to meet the benefit obligations of the Pension Plan Fund in Canada. Canadian members and beneficiaries are entitled to substantially the same benefits as U.S. members and beneficiaries based upon the same contribution percentage.
- h. *Health Care Benefit Trust* — Effective September 1, 2003, the Health Care Benefit Trust began to execute the operations of the former Health Care Fund and Health Care Claims Reserve Fund. In connection therewith, the Health Care Benefit Trust captures premiums received by members and claims paid to members to provide healthcare benefits (up to \$225,000, per occurrence) pursuant to a church wide self-funded healthcare program.

The Pension Fund serves as the Trustee of the Health Care Benefit Trust and the Pension Fund Canada Trust (collectively, the "Trusts"). As a result, the accompanying combined financial statements include the accounts of the Pension Fund and the Trusts. All significant transactions between the Pension Fund and the Trusts have been eliminated.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting — The accompanying combined financial statements are prepared under the accrual method of accounting, in accordance with accounting principles generally accepted in the United States of America.

Investment Valuation, Income Recognition and Presentation — Investments are stated at fair value, except for private company preferred stock, which is stated at cost. If available, quoted market prices are used to value investments. Purchases and sales of investments are recorded on a trade-date basis. Realized gains and losses on investments, recorded as the difference between proceeds received and carrying value, and net unrealized gains and losses on investments for the year are reflected in the combined statement of changes in net assets available for benefits as net investment gain or loss. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Investments with original maturities of one year or less are reported as short-term investments.

Valuation of Investments (Securities with No Quoted Market Prices) — Certain investments held by the Pension Fund do not have quoted market prices available. Such investments are valued at estimated fair value. Fair values for such investments are based on market value information provided by the investment brokers or managers of the investment funds.

Derivative Financial Instruments — The Pension Fund’s assets and liabilities include certain derivative financial instruments, including treasury and other interest rate futures contracts, options and forward currency exchange contracts. These financial instruments with off-balance-sheet market risk are used to enhance the overall yield of investments and are entered into as alternatives to investments in actual U.S. treasury securities or other investments. These financial instruments are also used on a daily basis to maintain the Pension Fund’s long-term asset class target allocations of the investment portfolio. Credit loss exposure exists in the event of nonperformance by the other parties, principally large brokerage firms, to such instruments. The gross and net credit risk associated with the related counterparties on open futures and option positions is insignificant. The market risk for these open futures and option positions is directly linked with exchange rates or market interest rates as the underlying securities bear a fixed rate of interest.

A futures contract is a contractual agreement to make or take delivery of a standardized quantity of a specified grade or type of commodity or financial instrument at a specified future date in accordance with terms specified by a regulated future exchange. Upon entering into a futures contract, the Pension Fund deposits U.S. treasury bills or other short-term investments as a margin deposit required under the futures contract. Subsequent payments are then made or received by the Pension Fund, depending on the daily fluctuation in the value of the underlying contracts. Interest rate futures contracts and options are valued at the settlement price established daily by the exchange on which they are traded. The carrying values of these derivative financial positions are adjusted to net fair market value based on fiscal year-end settle prices as determined by the Pension Fund’s investment manager.

An option contract is a contract in which the writer of the option grants the buyer of the option the right to purchase from, or sell to, the writer a designated instrument at a specified price within a specified period of time. When the Pension Fund purchases or writes an option, an amount equal to the premium paid or received by the plan is recorded as an asset or liability and is subsequently adjusted to the current market value of the option purchased or written. Gain or loss is recognized when the option contract expires or is closed. The carrying value of these derivative financial instruments are adjusted to net fair market value based on fiscal year-end settle prices as determined by the Pension Fund’s investment manager.

Forward currency exchange contracts are open contracts for the purchase or sale of foreign currencies and are included in other assets and liabilities based upon translated exchange rates effected at the end of the reporting period. The fair values associated with the foreign currency contracts have been estimated by valuing the net position of the contracts using the applicable spot rates and forward rates as of the reporting date.

Health Care Claims Payable — Health care claims payable are recorded as expense when the related claim is incurred by the participant.

Estimates — The preparation of combined financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, disclosure of contingent assets and liabilities, and the actuarial present value of accumulated plan benefits and changes therein at the date of the financial statements. Actual results could differ from those estimates.

Payment of Benefits — Benefit payments to participants are recorded upon distribution.

Risks and Uncertainties — The Pension Fund utilizes various investment instruments. Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the combined financial statements.

New Accounting Pronouncements — In January 2010, the FASB issued and the Pension Fund adopted ASU No. 2010-06, *Fair Value Measurements and Disclosures* (ASU No. 2010-06), which amends ASC 820 (originally issued as FASB Statement No. 157, *Fair Value Measurements*), adding new disclosure requirements for Levels 1 and 2, separate disclosures of purchases, sales, issuances, and settlements relating to Level 3 measurements and clarification of existing fair value disclosures. ASU No. 2010-06 is effective for periods beginning after December 15, 2009, except for the requirement to provide Level 3 activity of purchases, sales, issuances, and settlements on a gross basis, which will be effective for fiscal years beginning after December 15, 2010.

3. INVESTMENTS

The following schedule summarizes net investment gains/(losses) for the years ended December 31:

	2010	2009
Interest and dividend income	\$ 64,680,800	\$ 52,050,464
Securities lending fees	781,487	908,788
Net realized and unrealized gains (losses) on investments	<u>290,939,554</u>	<u>381,220,964</u>
Net investment gain (loss)	<u>\$356,401,841</u>	<u>\$434,180,216</u>

Investments (including investments bought and sold, as well as held during the year) appreciated (depreciated) in fair value for the years ended December 31 as follows:

	2010	2009
Short-term investments	\$ 751,217	\$ 8,182,191
Other investments:		
Fixed income	107,998,565	160,591,735
Equities	170,915,735	278,191,167
Other	<u>11,274,037</u>	<u>(65,744,129)</u>
Net appreciation (depreciation)	<u>\$290,939,554</u>	<u>\$381,220,964</u>

Included in U.S. treasury and government agency bonds are written futures and option contracts. Open forward and written option positions as of December 31 are summarized below:

	Notional Value Liability	
	2010	2009
Written Options:		
SWAP — fixed income	\$ (373,954)	\$ (184,962)
U.S. equities	(42,732)	
Futures	(39,000)	

Included in short term investments are futures contracts. The notional value of open futures positions were \$7,132,006.13 and \$8,957,938.21 as of December 31 2010 and 2009 respectively. The Pension Fund's exposure on these contracts is equal to a margin deposit of approximately 10% of the notional value.

The Pension Fund's investments include certain investments that do not have quoted market prices available. These include investments in private equity partnerships, private company preferred stock, and a joint investment trust. In the absence of readily ascertainable market values, the amounts used by the Pension Fund were supplied by management of the funds. The market value of these types of investments that do not have quoted market prices available were \$209,273,487 and \$180,008,920 as of December 31, 2010 and 2009, respectively, which represent approximately 7% of total assets as of December 31, 2010 and 2009. However, because of the inherent uncertainty of valuation, those estimated market values may differ significantly from the values that would have been used had a ready market for the securities existed.

Fair Value Measurements and Disclosures — On January 1, 2008, the Pension Fund adopted Accounting Standards Codification (ASC) 820-10 (formerly FAS 157), *Fair Value Measurements and Disclosures*. ASC 820-10 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under ASC 820-10 are described below. Additionally, the disclosures below include those required by ASU 2010-06.

Basis of Fair Value Measurement

Level 1 — Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities;

Level 2 — Quoted prices in markets that are not considered to be active or financial instruments for which all significant inputs are observable, either directly or indirectly;

Level 3 — Prices or valuations that require inputs that are both significant to the fair value measurement and unobservable.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

For the investment assets classified as Level 2 or 3 in the following tables as of December 31, 2010 and 2009, the following valuation techniques and inputs were used:

- Fixed income investments – Net Asset Values provided by fund manager are used to determine market value
- Private Equity Funds – Market values are provided by fund managers
- Joint Investment Trusts – Market values are provided by the sponsoring foundation
- Private company preferred stock - the cost of investment in this private investment as of December 31, 2010 and 2009 is used as the market value
- Pension Fund Canada Trust – Net Asset Values provided by the fund manager who controls all assets of this trust are used to determine market value

The following tables set forth by level within the fair value hierarchy the Pension Fund's investment assets and investment liabilities at fair value, as of December 31, 2010 and 2009. As required by ASC 820-10, assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

Total Pension Fund investment assets at fair value classified within level 3 were \$209,273,487 and \$180,008,920, as of December 31, 2010 and 2009, respectively, which consists of the Pension Fund's private equity partnerships, a private company preferred stock investment and a joint investment trust.

Investment Assets at Fair Value as of December 31, 2010				
	Level 1	Level 2	Level 3	Total
Cash and short-term investments	\$ 279,539,698	\$ 18,983,257	\$ -	\$ 298,522,955
Fixed income investments:				
Global Institutional Bond Fund	63,015,025			63,015,025
International:				
NonUS government bonds	73,154,250			73,154,250
Supranational issues	18,850,326			18,850,326
NonUS corporate bonds	18,454,239			18,454,239
Private placements more than 1 year	16,312,005			16,312,005
Gov't of Canada — direct (canadian)	14,594,334			14,594,334
Other	65,070,468			65,070,468
Total international fixed income investments	206,435,622	-	-	206,435,622
Domestic:				
Inflation indexed securities	183,608,750			183,608,750
Banking & finance	61,226,586			61,226,586
Industrial	43,447,621			43,447,621
US Regulated Investment Co (Topic 820 L3)		78,096,842		78,096,842
Other	181,847,989			181,847,989
Total domestic fixed income investments	470,130,946	78,096,842	-	548,227,788
Total fixed income investments	\$ 739,581,593	\$ 78,096,842	\$ -	\$ 817,678,435
Collateral under securities lending agreement	\$ 207,074,742	\$ -	\$ -	\$ 207,074,742
Institutional Mutual Fund (Foreign Equity Series)	58,916,761			58,916,761
Common and preferred stocks:				
Preferred securities	10,648,311			10,648,311
Convertible securities	20,766,636			20,766,636
International:				
Technology	40,554,274			40,554,274
Financial services	35,847,741			35,847,741
Basic industries	29,835,319			29,835,319
Energy	28,263,845			28,263,845
Capital goods	21,268,498			21,268,498
Consumer services	20,641,357			20,641,357
Other	161,948,589			161,948,589
Total international stocks	338,359,623	-	-	338,359,623
Domestic				
Financial services	75,408,955			75,408,955
Technology	54,835,800			54,835,800
Consumer services	44,629,390			44,629,390
Health care	39,731,127			39,731,127
Other	579,678,834			579,678,834
Total domestic stocks	794,284,106	-	-	794,284,106
Total common and preferred stocks	\$ 1,164,058,676	\$ -	\$ -	\$ 1,164,058,676
Private Equity Funds	\$ -	\$ -	\$ 186,784,047	\$ 186,784,047
Joint Investment Trusts			157,314	157,314
Private company preferred stock			22,332,126	22,332,126
Interest and dividends receivable on investments	10,427,604			10,427,604
Amounts receivable on securities transactions	21,539,520			21,539,520
Foreign exchange contracts	115,877,762			115,877,762
Pension Fund Canada Trust		10,194,967		10,194,967
Total investment assets at fair value	\$ 2,597,016,356	\$ 107,275,066	\$ 209,273,487	\$ 2,913,564,909

Investment Liabilities at Fair Value as of December 31, 2010				
	Level 1	Level 2	Level 3	Total
Amounts due on securities transactions	\$ 22,749,512			\$ 22,749,512
Amounts payable under securities lending agreement	207,074,742			207,074,742
Foreign exchange contracts	116,353,931			116,353,931
	<u>\$ 346,178,185</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 346,178,185</u>
Investment Assets at Fair Value as of December 31, 2009				
	Level 1	Level 2	Level 3	Total
Cash and short-term investments	\$ 308,988,317	\$ -	\$ -	\$ 308,988,317
Fixed income investments	688,510,090	46,556,317		735,066,407
Collateral under securities lending agreement	186,831,466			186,831,466
Mutual Funds	64,681,533			64,681,533
Common stock	1,034,198,608			1,034,198,608
Private Equity			\$ 164,676,794	164,676,794
Private company preferred stock			15,332,126	15,332,126
Interest and dividends receivable on investments	9,427,649			9,427,649
Amounts receivable on securities transactions	4,114,698			4,114,698
Foreign exchange contracts	102,493,227			102,493,227
Pension Fund Canada Trust	9,282,761			9,282,761
Total investment assets at fair value	<u>\$ 2,408,528,349</u>	<u>\$ 46,556,317</u>	<u>\$ 180,008,920</u>	<u>\$ 2,635,093,586</u>
Investment Liabilities at Fair Value as of December 31, 2009				
	Level 1	Level 2	Level 3	Total
Amounts due on securities transactions	\$ 12,356,532	\$ -	\$ -	\$ 12,356,532
Amounts payable under securities lending agreement	186,831,466			186,831,466
Foreign exchange contracts	102,173,327			102,173,327
	<u>\$ 301,361,325</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 301,361,325</u>

Level 3 Gains and Losses — The tables below set forth a summary of changes in the fair value of Pension Fund's level 3 investment assets for the year ended December 31, 2010 and 2009. As reflected in the table below, the net unrealized gain/(loss) on level 3 investment assets and investment liabilities was \$11,274,037 and (\$56,095,369) for the years ended December 31, 2010 and 2009, respectively.

Year Ended December 31, 2010				
	Private Equity	Private Company Preferred Stock	Joint Investment Trusts	Total
Balance, beginning of year	\$ 164,676,794	\$ 15,332,126		\$ 180,008,920
Realized gains	9,497,345			9,497,345
Unrealized gains	11,274,037			11,274,037
Purchases	20,705,864	7,000,000	\$ 157,314	27,863,178
Settlements	<u>(19,369,993)</u>			<u>(19,369,993)</u>
Balance, end of year	<u>\$ 186,784,047</u>	<u>\$ 22,332,126</u>	<u>\$ 157,314</u>	<u>\$ 209,273,487</u>

Year Ended December 31, 2009			
	Private Equity	Private Company Preferred Stock	Total
Balance, beginning of year	\$ 209,483,541	\$ 8,333,328	\$ 217,816,869
Realized gains	3,971,798		3,971,798
Unrealized losses	(56,095,369)		(56,095,369)
Purchases and settlements	<u>7,316,824</u>	<u>6,998,798</u>	<u>14,315,622</u>
Balance, end of year	<u>\$ 164,676,794</u>	<u>\$ 15,332,126</u>	<u>\$ 180,008,920</u>

4. SECURITIES LENDING

The Pension Fund participates in a securities lending program through its master custodian bank, Bank of New York Mellon, in which the Pension Fund lends securities to brokers who collateralize the loans with either U.S. securities or foreign securities that must be collateralized equal to 102% of the fair market value of the U.S. security and/or 106% of the non-U.S. loaned security (including accrued interest, if any). Fees earned from participation in the program are recorded as investment income. In accordance with ASC 860 (formerly FAS 140), *Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities*, the Pension Fund continues to carry the loaned securities as investments. In addition, the Pension Fund has recorded an asset and offsetting liability of \$207,074,742 and \$186,831,466 as of December 31, 2010 and 2009, respectively, to reflect the cash collateral and the related liability under the securities lending agreement. Non-cash collateral, primarily consisting of securities issued or guaranteed by the United States Government or its agencies or instrumentalities, for securities on loan was \$11,367,365 and \$12,594,960 as of December 31, 2010 and 2009, respectively.

5. ACTUARIAL VALUATION OF PENSION PLAN FUND

Actuarial valuations were performed by an outside actuary as of December 31, 2010 and 2009, to determine the adequacy of reserves of the Pension Plan Fund to cover the present value of accumulated benefits as of such date, which is that amount that results from applying actuarial assumptions to adjust the accumulated benefits to reflect the time value of money (through discounts for interest) and the probability of payment by means of decrements (such as for death, disability, or retirement) between the valuation date and the expected date of payment. It is at least reasonably possible that the actuarial assumptions used to calculate the actuarial present value of accumulated benefits will change in the near term, and the effect of such change could be significant.

The more significant assumptions underlying the actuarial computations used in the valuation as of December 31, 2010 and 2009, are as follows:

Assumed rate of return on investments:	5% per annum, compounded annually
Investment and administrative expense loading:	0.5% of net assets per annum, compounded annually
Mortality basis (Ministers):	2000 Individual Annuity Mortality Table with ages set back one year for males and with no age adjustment for females; 2009: 1983 Individual Annuity Mortality Table
Mortality basis (Lay Employees):	RP2000 Annuity Mortality Table with no age adjustment for either male or female; 2009: 1983 Group Annuity Mortality Table
Retirement of present and future disability pensioners and inactive members:	Latest of age 65, immediately, or date disability pension benefits are scheduled to terminate
Salary increase:	3% per annum, compounded annually; 2009: 4% per annum, compounded annually

The foregoing actuarial assumptions are based on the presumption that the Plan will continue. If the Plan were to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated plan benefits.

The actuarial benefit information used in the actuarial valuations is as of December 31 of the Plan year. The actuarial present value of accumulated plan benefits and changes in accumulated plan benefits as of December 31, 2010 and 2009, are as follows:

	2010	2009
Actuarial present value of accumulated plan benefits:		
Participants and/or beneficiaries currently receiving payments	\$ 1,065,085,188	\$ 1,075,320,207
Other participants	<u>528,370,841</u>	<u>555,440,827</u>
Total vested benefits	1,593,456,029	1,630,761,034
Nonvested benefits	<u>8,168,385</u>	<u>7,084,516</u>
Total actuarial present value of accumulated plan benefits	<u>\$ 1,601,624,414</u>	<u>\$ 1,637,845,550</u>
Actuarial present value of accumulated plan benefits — beginning of year	\$ 1,637,845,550	\$ 1,656,588,634
Increase (decrease) during the year attributable to:		
Benefits accumulated and experience gains or losses	24,030,541	9,714,557
Increase in interest due to the decrease in the discount period	70,017,908	71,975,051
Benefits paid	(105,550,994)	(105,494,893)
Increase due to actuarial assumption changes prior to 2007 evaluation		5,062,201
(Decrease) due to actuarial assumption changes based on 2007 evaluation	<u>(24,718,591)</u>	<u> </u>
Actuarial present value of accumulated plan benefits — end of year	<u>\$ 1,601,624,414</u>	<u>\$ 1,637,845,550</u>

Effective December 31, 2010, pursuant to a recently completed actuarial evaluation, the Board of Directors approved changes to certain provisions for future experience changes. The actuarial present value decreased for present pensioners (other than disability pensioners prior to retirement) by \$11,139,212. The actuarial present value decreased for pensions and disability benefits for future pensioners and present disability pensioners not yet retired by \$13,579,379.

Effective December 31, 2009, pursuant to a recently completed actuarial evaluation, the Board of Directors approved changes to certain provisions for future experience changes. The actuarial present value increased to 6.75% (from 6.5% in 2008) for present pensioners (other than disability pensioners prior to retirement) resulting in an increase of \$2,444,877. The actuarial present value increased to 10.5% (from 10% in 2008) for pensions and disability benefits for future pensioners and present disability pensioners not yet retired resulting in an increase of \$2,617,324.

6. POSTRETIREMENT PLAN

The Pension Fund provides postretirement healthcare coverage to certain eligible administrative staff retirees through its participation in the church wide defined-benefit health plan which it administers. It continues to fund benefit costs on a pay-as-you-go basis and, for the years ended December 31, 2010 and 2009, the Pension Fund made benefit payments to the church wide health plan of approximately \$47,214 and \$56,390, respectively.

As of December 31, 2010 and 2009, the related accumulated postretirement benefit obligation was \$600,504 and \$581,300, respectively. This liability was calculated using premium costs rather than claims experience, based on the nature of the church wide plan.

The weighted-average discount rate used in determining the accumulated postretirement benefit obligation was 7%. For measurement purposes, a 10% annual rate of increase in the per capita cost of covered healthcare benefits was assumed for the years ended December 31, 2010 and 2009. The rate was assumed to decrease gradually to 5% by the year 2011 and remain level thereafter.

7. COMMITMENTS

The Pension Fund is a limited partner in real estate private equity partnerships to which it is committed to invest up to \$150,000,000. As of December 31, 2010, the remaining outstanding commitment under which funds may be requested from time to time was approximately \$57,640,000.

The Pension Fund is a limited partner in venture capital partnerships to which it is committed to invest up to \$95,000,000. As of December 31, 2010, the remaining outstanding commitment under which funds may be requested from time to time was approximately \$6,090,000.

The Pension Fund is a limited partner in buyout private equity partnerships to which it is committed to invest up to \$85,000,000. As of December 31, 2010, the remaining outstanding commitment under which funds may be requested from time to time was approximately \$16,320,000.

The Pension Fund is a limited partner in special situation private equity partnerships to which it is committed to invest up to \$95,000,000. As of December 31, 2010, the remaining outstanding commitment under which funds may be requested from time to time was approximately \$42,120,000.

The Pension Fund is a limited partner in a natural resources partnership to which it is committed to invest up to \$15,000,000. As of December 31, 2010, the remaining outstanding commitment under which funds may be requested from time to time was approximately \$15,000,000.

8. SUBSEQUENT EVENTS

Management has evaluated subsequent events and transactions through April 4, 2011, the date of issuance of these financial statements, for possible adjustments or disclosures in the financial statements. Through this date, the Company did not identify any matters which would require adjustment or disclosure in the financial statements.

9. NET ASSET VALUE (NAV) PER SHARE

In accordance with ASU No. 2009-12, *Fair Value Measurements and Disclosures: Investments in Certain Entities That Calculate Net Asset per Share (or Its Equivalent)*, the disclosures below include the category, fair value, redemption frequency and redemption notice period for those assets whose fair value is estimated using the net asset value per share as of December 31, 2010.

The following table for December 31, 2010, sets forth a summary of the Plan's investments with a reported NAV.

	Fair Value Estimated Using Net Asset Value per Share				
	December 31, 2010				
		Unfunded	Redemption	Other	Redemption
Investment	Fair Value *	Commitment	Frequency	Restrictions	Notice
					Period
Short-term Institutional Fund	\$ 1,991,717	None	Immediate	None	None
Investment grade corporate Institutional Fund	16,395,468	None	Immediate	None	None
Short-term floating NAV portfolio Institutional Fund	596,072	None	Immediate	None	None
Asset backed securities Institutional Fund	1,996,188	None	Immediate	None	None
Emerging Markets local currency Institutional Fund	696,892	None	Immediate	None	None
U.S. government Institutional Fund	17,030,383	None	Immediate	None	None
Mortgage portfolio Institutional Fund	40,658,980	None	Immediate	None	None
Municipal Securities Institutional Fund	2,273,498	None	Immediate	None	None
Real return bond portfolio Institutional Fund	3,949,203	None	Immediate	None	None
Emerging Markets Institutional Fund	2,992,718	None	Immediate	None	None
International Institutional Fund	7,149,562	None	Immediate	None	None
High Yield Institutional Fund	1,349,418	None	Immediate	None	None
Global Advantage Institutional Fund	63,015,025	None	Immediate	None	None
Foreign Equity Series Mutual Fund	<u>58,916,761</u>	None	Immediate	None	None
Total	<u>\$219,011,885</u>				

* The fair values of the investments have been estimated using the net asset value of the investment.

The investment strategies of each of the above institutional funds is to gain actively managed diversified exposure to the applicable sector of the fixed income market.

The investment strategy of the Foreign Equity Series Mutual Fund is to gain actively managed diversified exposure to the international equity markets.

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