

VI. REPORTS, RESOLUTIONS

A. REPORTS

Report No. 1

THE CABINET REPORT OF THE DISTRICT SUPERINTENDENTS

In the Bishops and Connectional Table Call-to-Action Report, the need was identified for all levels of the UMC to align and focus for at least ten years on growing the number of vital congregations in part by employing statistical measures for tracking key performance areas.

When you look back on 2000-2009 in the Holston Conference, this past decade was devastating in terms of membership loss, worship attendance decline, Sunday school and professions of faith fell at rates never seen in previous decades which for over 45 years have experienced steady decline. If the next ten years are like the last ten, we will fall victim to what experts are telling us in that one third of churches across all denominational lines will close. For Holston, this represents almost 300 churches.

- 1) Out of almost 900 churches in the Holston Conference, only 11% are growing congregations.
- 2) Out of 900 churches, we have 150 which average 100 or more in weekly worship attendance and only 57 of the 150 have seen growth in the last 6 years and only 35 of these churches have experienced double digit growth (10% or more). Moreover only 15 churches saw consistent yearly growth over the last 10 years.
- 3) However, we are seeing signs of growth and vitality in many places throughout Holston Conference in small, medium and large size congregations. There is a renewed spirit of the connectionalism and shared ministries happening in many places.
- 4) Through the Cabinet's work and the Call-to-Action Report, we are seeing a great need for all of us to have a sense of urgency about being vital congregations and seeking to be relevant as we move through these next 10 years. Bottom line, we have to change on many levels and change now. Not only is change needed in what we do, but also a change in people's heart, soul and passion about ministry.
- 5) Most of our large membership churches throughout the Holston Conference are declining in membership and more importantly in worship attendance. Several of them have declined at double digit rates. The one bright spot would be the Knoxville area where over the last six years, Powell (87%), Cokesbury (29%), Christ (12%), Fountain City (4%) have grown and started many new worship services and ministries.
- 6) Out of the Box one of the fastest new church starts in United Methodism launched in January and had to add a second worship service in March. Their worship attendance has doubled since its launch. Cokesbury West is one of the largest new church starts in United Methodism. It is in the top 2% with worship attendance averaging in the high 400's
- 7) The decline of strong medium size congregations of which many are now small membership congregations is a cause for concern. To look at the statistics of the last six years is overwhelming and discouraging.
- 8) Therefore, The Council of Bishops and Connectional Table have said that the adaptive challenge for the UMC is: "To redirect the flow of attention, energy, and

resources to an intense concentration on fostering and sustaining an increase in the number of vital congregations effective in making disciples of Jesus Christ for the transformation of the world.” We can talk all we want to, yet it is time to roll up our sleeves and get to work and to see the glass is half full and not half empty.

We can focus on sustaining our current practices continuing the current rate of decline or we can refocus our resources and efforts on vitality. It is time to readapt by listening, discerning, deciding and then acting.

It is time for all of us to work together and to see our greatest strength is in our connection as United Methodists and to break down the barriers of fear and closures to faith and new beginnings. We are called to repent and to reform. The Appointment Cabinet is committed to working with congregations to become vital and healthy. What are you prepared to do that will support vitality and change in the ways that we live and work as a church?

In conversation with the Connectional Table, the Cabinet believes it is best for us to have an Operational Study of our Annual Conference made and delay a study on restructuring the Conference until after the impending changes that may come from the 2012 General Conference.

Grace and Peace,

~ FRED DEARING, III, *Dean of the Cabinet*

**Resolution for Abandonment of
Russell Chapel United Methodist Church**

WHEREAS, Russell Chapel United Methodist Church, located in Lee County, VA, faithfully served the Russell Chapel community for many years; and

Whereas, Russell Chapel United Methodist Church discontinued services several months ago; and

Whereas, Russell Chapel United Methodist Church leaders by way of letter writing, phone calls and other means of contact sought to continue services at the church; and

Whereas, their efforts were met with indifference by the remaining members; and

Whereas, the District Superintendent has recommended abandonment of Russell Chapel United Methodist Church, and that the property be transferred to the Trustees of the Holston Conference of The United Methodist Church, and the membership of Russell Chapel Church be transferred to an appropriate United Methodist Church; and

Whereas, the consent to abandon has been granted by the presiding Bishop, a majority of the District Superintendents, and the Big Stone Gap District Board of Church Location and Building, and all Disciplinary requirements have been met

Therefore, be it resolved, by the Holston Annual Conference, and it is hereby resolved by the authority of the same, that the Russell Chapel United Methodist Church be deemed abandoned effective December 31, 2010, and its real and personal property (including the church building and grounds) be transferred to the Trustees of the Holston Conference of The United Methodist Church.

**Resolution for Abandonment of
Marble City United Methodist Church**

WHEREAS, Marble City United Methodist Church, located in Knoxville, Tennessee, faithfully served the Marble City community for many years; and

Whereas, Marble City United Methodist Church discontinued services several months ago; and

Whereas, Marble City United Methodist Church leaders by way of letter writing, phone calls and other means of contact sought to continue services at the church; and

Whereas, their efforts were met with indifference by the remaining members; and

Whereas, the District Superintendent has recommended abandonment of Marble City United Methodist Church, and that the property be transferred to the Trustees of the Holston Conference of The United Methodist Church, and the membership of Marble City Church be transferred to an appropriate United Methodist Church; and

Whereas, the consent to abandon has been granted by the presiding Bishop, a majority of the District Superintendents, and the Knoxville District Board of Church Location and Building, and all Disciplinary requirements have been met

Therefore, Be it resolved, by the Holston Annual Conference, and it is hereby resolved by the authority of the same, that the Marble City United Methodist Church be deemed abandoned effective June 12, 2011, and its real and personal property (including the church building and grounds) be transferred to the Trustees of the Holston Conference of The United Methodist Church.

The United Methodist Church

Making disciples of Jesus Christ for the transformation of the world

Matthew 28:18-20 – The Great Commission and Matthew 22:36-40 – The Great Commandment

A Call to Action

*The United Methodist Church is called to be a world leader
in developing existing churches and starting new vital congregations
so that we make disciples of Jesus Christ for the transformation of the world*

Disciple making and world transformation occurs through vital congregations

*Vital congregations are Spirit-filled, forward-leaning communities of believers that
welcome all people (Galatians 3:28),
make disciples of Jesus Christ (Matthews 28:18-20), and
serve like Christ through justice and mercy ministries (Micah 6:8; Luke 4:17-21)*

A vital congregation has

*Inviting and inspiring worship
Engaged disciples in mission and outreach
Gifted, equipped and empowered lay leadership
Effective, equipped and inspired clergy leadership
Small groups and strong children's programs and youth ministry*

A vital disciple is a changed follower of Jesus

Matthew 22:36-40 - The Great Commandment

*Disciples worship
Disciples make new disciples
Disciples engage in growing their faith
Disciples engage in mission
Disciples give to mission*

The Call to Action

The United Methodist Church continues to be a spiritual influence in the world for the Gospel. Essential to its ministry are healthy, vital congregations. But what makes a congregation vital and what do vital congregations do? The UMC has many vital congregations and while there are multiple ideas about vitality, we have not verified all of the opinions or reached a broad consensus about which elements constitute the essential characteristics. The United Methodist Council of Bishops and the Connectional Table commissioned a study to better identify the key ministries of vital congregations. The comprehensive study focused on churches in the United States because data was readily available, but it is clear that the spiritual movement in the identified vital churches is characteristic of vital congregations around the world.

The study reviewed the statistics of 33,000 churches and found that nearly 5,000 over a five-year period were growing and engaging a greater percentage of their membership in worship and ministry. They were engaging disciples in worship, in making new disciples, in growing their faith, and in giving generously. It was not only that these things were occurring, but they were evident at a significantly higher rate than in other churches and the vital congregations -- no matter what their size, location, or ethnicity -- demonstrated relative growth trends over a period of several years.

The study further examined these churches and found they shared at least 16 ministries/strategies in common. The study called them "drivers of vitality," and indicated that if churches worked on all 16,

they would move toward vitality or become more vital. The 16 ministries/strategies can be grouped into four areas:

Engagement of disciples in small groups and the number of ministries for children and youth

1. Vital churches have more small groups for all ages.
2. Vital churches have more programs for children.
3. Vital churches have more programs for youth.

Lay leadership

4. Vital churches focus on increasing the effectiveness of lay leaders (understand their role and carrying these roles out effectively).
5. Vital churches have lay leaders who demonstrate a vital personal faith (regular worship, intentional spiritual growth, personal devotional life, and giving of financial resources).
6. Vital churches place an emphasis on rotating lay leadership in order to involve more people over time.
7. Vital churches call, equip, use and support more lay leaders than non vital churches. (Twenty percent or more of their worship attendees describe themselves as current or past leaders in their church).

Pastor

8. Vital pastors give attention to developing, coaching, and mentoring lay leadership to enable laity to increase their ability to carry out ministry.
9. Vital pastors use their influence to increase the participation of others in order to accomplish changes in the church.
10. Vital pastors motivate the congregation to set and achieve significant goals through effective leadership.
11. Vital pastors inspire the congregation through preaching.
12. Vital pastors, when they are serving effectively, stay for a longer period of time. (Short-term appointments of effective pastors decreases the vitality of a congregation).

Worship

13. Vital churches offer a mix of contemporary (newer forms of worship style) and traditional services.
14. Vital churches have preachers who tend to use more topical sermon series in traditional services.
15. Vital churches use more contemporary music (less blended music that includes traditional tunes) in contemporary services.
16. Vital churches use more multi-media in contemporary services (Some congregations in other parts of the world may have limited access or do not use multi-media to the same extent and therefore it may not be as important as it is in some cultures.)

While the study noted that vital churches give more to mission, some have noticed that other types of mission engagement and outreach are not listed as proven “drivers.” This is because, during the past, we have not collected this data consistently across the UMC and therefore the research could not quantitatively substantiate mission engagement. But, in conversations with vital congregations, they tell us that this is an important aspect of their ministry. It also should be noted that while the study alludes to spiritual vitality in the faith of the laity and the inspirational leadership of clergy, one should not see these ministries/strategies as mechanical operations. Rather, they are undergirded or enlivened by a deep and abiding faith in Jesus Christ.

Vital Congregations Are Mission Stations of the Church

In the first-century church, Christ's ministry took root and grew as congregations were established. These congregations became the body of Christ -- transforming lives and communities. They were mission centers for the Gospel of Jesus Christ. Today, every congregation is important to the ministry of The United Methodist Church. The United Methodist congregation is a mission center in the midst of the community. The key to our world being transformed is congregations who are engaging disciples in vital mission and ministry. These congregations are *courageous and forward-leaning* as they transform lives and communities.

Developing a Ministry Plan for Vitality and Fruitfulness

Vital congregations are ministries that recognize a clear calling from God and develop plans and ministries to achieve God's purposes for their congregation. Below is a resource that when used and evaluated consistently over several years will help a congregation become vital or become more vital. Part of the plan calls for setting goals. The Call to Action report indicated that there was a lack of measures within United Methodism and that goals or clear and recognizable fruit was essential for the health of a congregation, a conference and the denomination.

What we measure, receives attention. Across the denomination, we want to give attention to, and therefore we will measure: 1) disciples in worship (worship attendance), 2) disciples making new disciples (number of professions of faith), 3) disciples growing in their faith (number of small groups), 4) disciples engaged in mission (number of disciples doing outreach in the community and the world), and 5) disciples sharing their resources for mission (amount of money given to mission). You will note that these are for the most part not activities, but results, fruit of our ministry. Activity is not always the best measure. Measuring activity, for example ministries done or people contacted, has some value, but it does not indicate if a congregation is achieving the desired outcomes or fruit. A congregation can be quite satisfied with its activity, but if the activity is not producing fruit, then this activity may be the wrong activity, focused internally only or may lack the power of the Holy Spirit. We are measuring the five fruit listed above for the following reasons:

1. While churches may measure different activities and results, we will have five common measurable fruits so that we learn from one another and focus resourcing on achieving particular fruit. There is synergy and power when we do things together.
2. These measures are essential for the body of Christ. They were demonstrated in the Acts 2 Church (Acts 2:41-47) and they are areas of a church's life that are often described in the New Testament.
3. These measures are core to the values of United Methodism -- building up the body of Christ, evangelism and engaging disciples in changing the world.

The Ministry Plan resource will be used by United Methodist congregations around the world that are seeking to become vital, stay vital or increase vitality. The resource will help you to identify your strengths for ministry, your current challenges, and your plan to become more vital. We, as your bishops, district superintendents and denominational leaders, are ready to work with you and support you as you become more vital. There are also resources online to assist your congregation (*web address to be added once the document is finalized*). You are asked to complete this ministry plan and share it with your district superintendent. He/she will share your congregation's commitments with your bishop, who will share this with the General Conference. We look forward to working with you.

—The Leadership of the United Methodist Church.

CONGREGATIONAL MINISTRY PLAN

I know the plans I have for you, says the Lord, plans for your welfare and not for harm, to give you a future with hope (Jeremiah 29:11).

God desires the best for The United Methodist Church and its congregations. God has planned a future with hope for us. God's plans flow from the Holy Spirit and therefore you are called to immerse your planning in prayer, Bible study and testimony.

Before beginning this exercise, spend time praying for wisdom and discernment for your congregation and those preparing the Ministry Plan. You are encouraged to gather together to develop your plan on several evenings or other times that meet your congregation's needs. When you meet, spend time worshiping, praying and studying Bible passages. The following are passages that may enrich your planning: Matthew 28:18-20, *The Great Commission*; Matthew 22:36-40, *The Great Commandment*; Acts 2, *the outpouring of the Holy Spirit and the birth of the church*; I Corinthians 12, *the healthy church is one body and it is the body of Christ*; Ephesians 4:10-13, *Christ has gifted the church through a variety of gifts*; Galatians 3:28, *all are welcome in the body of Christ*; Luke 10:25-37; *the parable of the Good Samaritan*; Micah 6:8, *righteousness and justice are the expectation for God's people*; Luke 4:17-21, *Jesus announces his ministry, which is a calling for the body of Christ today*.

In the midst of prayerful discernment, answer as honestly and candidly as possible in order to gain the fullest sense of where God is working in your midst and where God might be calling you in the future.

Church Name:

Annual Conference:

Date:

Address:

Country:

Pastor:

A. Context for Ministry – *The community and people God has called you to serve*

1. **Community** - Describe the community surrounding your church – the community your congregation is called to partner with and serve.
Who are the people (age, race, educational background, etc.)?

What are the current needs of your community?

What changes are occurring in your community that may impact your future ministry?

2. **Your Church – the body of Christ God has formed you to be and is calling you to become**
What are the strengths of your church?

What are your challenges and threats? (For example: loss of key givers, needed building repairs, declining worship attendance, no or only a few new professions of faith, changing community, etc.)

What are the opportunities for ministry with children, with youth, with adults?

What does your congregation currently value as its most important ministries? Would anyone miss these ministries if your church ceased to exist?

What are some of your vital signs? Complete the chart

People and Ministry	2008	2009	2010
1. Disciples worship Average worship attendance			
2. Disciples make new disciples Number of people who joined by profession of faith			
3. Disciples engage in growing as a disciple Number of small groups, Sunday school classes and Bible studies.			
4. Disciples engage in mission Number of people from the congregation engaged in local, national and international mission/outreach activities			
5. Disciples give to mission The total amount given by local church to other organizations for support of benevolent and charitable ministries (this amount includes apportionments paid and support for all United Methodist and non-United Methodist organizations active in work such as advocacy, education, health, justice, mercy, outreach, and welfare anywhere in the world)			

Review what you have written so far, and write a 50-word description of your church based on the information above.

Now write a 50-word or less description of what you would like your church to be in five years.

B. Building Blocks of a Vital Congregation – *spiritual commitments*

1. Purpose

Why does your church exist? What does Christ call you to be and do in your community at this time? Does your church have a vision or mission statements? If so, what are they? When is the last time these statements were reviewed? Do they reflect your current reality?

2. Principles

What values guide your congregation's decision making? List the four to five key words or phrases that describe your values. Start each phrase with, *we value...*

3. Promise

What can the community consistently trust or expect from you?

4. People

Who is your church passionate about reaching?

C. Setting Vital Church Goals – *Spiritual Guideposts for your future*

Vital congregations engage disciples so that they 1) worship, 2) make new disciples, 3) grow as disciples, 4) serve in mission, and 5) give to mission. Around the world, congregations will identify their commitment in each of these areas. These commitments will be gathered by your annual conference and presented to General Conference as an offering from your congregation. Reviewing the material above and identify a realistic target for each of the five areas for 2012-2015.

People and Ministry	2012	2013	2014	2015
1. Disciples worship Average worship attendance				
2. Disciples make new disciples Number of people who will join by profession of faith				
3. Disciples engage in growing as a disciple Number of small groups, Sunday school classes and Bible studies.				
4. Disciples engage in mission Number of people from the congregation engaged in local, national and international mission/outreach				
5. Disciples give to mission The total amount given by your congregation to other organizations for support of benevolent and charitable ministries (this amount includes apportionments paid and support for all United Methodist and non-United Methodist organizations active in work such as advocacy, education, health, justice, mercy, outreach, and welfare anywhere in the world)				

D. SMART Actions – *what will actions will you take to glorify God*

SMART actions are activities and strategies that help congregations reach their five goals listed above. They are SMART because they are Specific, Measurable, Attainable, Relevant (to your purpose, mission and ministry plan), and Time-framed. An example of a SMART action is: Start a new worship service so that we attract new disciples and grow worship attendance by September 1, 2012. This phrase begins with an action word (Start), describes the activity/strategy (a new worship service), a *so that* phrase that connects your activity to your purpose and goals (so that we attract new disciples and grow worship attendance), and it is time-framed (by September 1). After reviewing 16 ministry strategies on page 2, write 2-3 SMART actions following the model above for each of the vital areas of ministry. Most of your actions should relate to the 16 ministry strategies.

1. Disciples worship

- a.
- b.
- c.

2. Disciples make new disciples (evangelism)

- a.
- b.
- c.

3. Disciples engage in growing as a disciple (small groups and children and youth ministry)

- a.
- b.
- c.

4. Disciples engage in mission (justice and mercy ministry)

- a.
- b.
- c.

5. Disciples give to mission (stewardship)

- a.
- b.
- c.

6. Lay Leadership (What will you do to develop laity to be effective spiritual leaders?)

- a.
- b.
- c.

7. **Clergy Leadership** (What will you do to support and encourage your pastor to be an effective spiritual leader? What will you do to help notice, name and nurture others in your congregation who have gifts for ordained ministry?)

a.

b.

c.

E. Actions, even SMART actions do not move forward unless the goals, action plans and change are linked to appropriate steps (sometimes small steps) and are connected to emotions and accomplishments (hope, aspirations, appropriate honoring of tradition, changed lives, and results). Goals, "drivers," and action plans move forward as they are connected to: 1) stories and testimonies of changed lives, 2) stories that link past traditions with present and future change and action, and 3) stories that communicate hope. Identify the steps, stories, and hopeful signs that will be used with your plans?

1.

2.

3.

Post card that churches complete to share their goals with the General Conference.

People and Ministry	2008	2009	2010	2012	2013	2014	2015
<i>Disciples worship</i> - Average worship attendance							
<i>Disciples make new disciples</i> - Number of people who joined by profession of faith							
<i>Disciples engage in growing their faith</i> - Number of small groups, Sunday school classes and Bible studies							
<i>Disciples engage in mission</i> - Number of people from the congregation engaged in local, national and international mission/outreach activities							
<i>Disciples give to mission</i> - The total amount given by local church to other organizations for support of benevolent and charitable ministries (this amount includes apportionments paid and support for all United Methodist and non-United Methodist organizations active in work such as advocacy, education, health, justice, mercy, outreach, and welfare anywhere in the world)							

Report No. 2

COMMUNICATIONS ADVISORY COUNCIL

Communications Changes

Change is a constant and that certainly applies to Communications.

There have been significant changes in Holston Conference Communications during the past year. Perhaps the most significant was the decision to discontinue the print version of The Call. This decision recognized changes already underway as subscriptions to the print version of The Call declined while subscriptions to The Call2 increased.

Another significant change occurs at Annual Conference. Ron Matthews will retire as Conference Director of Communications and Executive Assistant to the Bishop. This will conclude a 39-year career during which Ron has served as a Pastor, Director of Development at Holston Home for Children, Holston Conference Treasurer, and Maryville District Superintendent. Along the way he also served as a Chaplain in the Army Reserve with service in theatre during Desert Storm. Ron and his wife Pat will reside in Maryville, TN.

We welcome Carol Wilson as the new Director of Communications and Executive Assistant to the Bishop. Carol has served as a Pastor and most recently as the Maryville District Superintendent.

We also welcome Jason Gattis as the new Chair of the Communications Advisory Council (CAC).

Following are other Communications highlights.

The Call (Annette Spence – Editor)

- Eliminated The Call newsprint version for savings of \$24,000 annually
- Redesigned The Call weekly e-news (formerly The Call2)
- Launched a new monthly newsletter for universal download and for postal-mailing to surviving spouses of deceased clergy
- Created a new weekly e-mail report for Extended Cabinet
- Increased Facebook coverage and grew reader base to 1,500-plus
- Placed stories in United Methodist News Service, United Methodist Reporter, Interpreter Magazine, New World Outlook, Knoxville News-Sentinel, Greeneville Sun, Johnson City Press, and other publications

Information Technology (IT) (Brent Sharp – IT Manager)

- Provide staff with help desk support.
- Maintain network infrastructure, network security, and disaster recovery plan.
- Upgrade staff computers and software.
- Maintain all computer equipment repairing or replacing as necessary.
- Maintain Patch software on staff computers and servers.
- Maintain licensing for all software purchases.
- Consolidate SQL Servers to one server as a cost saving solution.
- Help staff members implement video conferencing technology as alternative to travel.
- Preparing to teach staff how to use Office 2010.
- Continue to provide connectivity and e-mail support to the districts.

Multimedia (Donna Hankins – Multimedia Coordinator)

- 81,500 unique visitors visited the Holston Conference website in 2010. A 9% increase over 2009 with well over a half million pages viewed.
- Live streaming implemented for Evangelism Conference annually and in place for other events.
- Continue to assist finance with improving web site communication with churches in utilizing online payment system for apportionment and insurance payments.
- Online automated event registration system is in full swing with thousands of registrants paying online for dozens of events. System is much more reliable than previous non-compliant processes. Continue to research other avenues for cost savings in online transactions.
- Online feedback surveys were implemented for Pastoral Counseling, Calling All Men, and Resurrection.
- Web site programming upgrades underway to secure our web site scripting and improve customization of online content.
- Better prepared for ever-increasing demand of digital communication with disc duplication systems in place. Anticipating reduction in waste and expense of printed materials.
- More videos being distributed online for tremendous cost savings, education, and social networking connections for The Call and other UMC outlets.
- Working with more ministry areas to find ways to tell their stories audio-visually, which then translates to engaging content for the now all digital distribution of most conference news.

Print Media (Millie Meese – Print Media Specialist)

- Print Media produced more than 120 separate products (ranging from logo design and banners to brochures and postcards) for local, District, and Conference projects across Holston Conference in 2010 – all within budget and delivered on time.
- Created original artwork and logos designed specifically for, and unique to, the project or event.
- Print Media continues to promote good stewardship of resources by assisting each group having a design project to look for ways of saving money on the cost of printing. Every project has its own unique audience: some are only interested in printed pieces, while others choose to distribute via several methods.
- Every project requires the best professional graphic design possible in order to be appealing, interesting, and relevant.
- Print Media again generated more than \$17,000 from the production and marketing of the annual Conference Calendar.

~ LARRY MARTIN, *Chair*

Report No. 3
COMMITTEE ON CONGREGATIONAL DEVELOPMENT

In his new book, “Preaching for Church Transformation,” Bill Easum says that, if we are going to transform our cities and towns, we are going to have to think like missionaries. Like Phillip’s witness to the Ethiopian, the conversion of Cornelius, and the evangelization of the city of Antioch – transformation comes when we see the need for a witness well beyond the walls of our churches. To reach a culture where increasing numbers of people claim no religious affiliation at all, we must become “backyard missionaries” to our social networks of family, friends, neighbors and co-workers. And just as we exegete the Scriptures, we must passionately exegete the mission fields around our churches. We must get to know and authentically engage the people who live within one, two, three miles of our churches. As we walk and pray and discover anew God’s mission field for our church, we need to ask and answer three vital questions:

What are the needs of this community?

What are its assets?

And what would a great church look like in this community?

Holston Conference’s Congregational Development Team has a core mission of partnering with and resourcing local churches to make disciples and to transform the culture. We do this through the planting of new churches and the work of renewing and revitalizing churches. Vital partners in all that we do are the twelve Districts of Holston, who help give shape and focus to our work and mission.

Work continued in 2010 and 2011 toward Holston’s goal of starting “15 New Churches in 5 Years.” Beginning with the launching of the Cokesbury West campus in 2009 (a third campus of Cokesbury UMC, Knoxville), “The Remedy” (a daughter church of Fairview UMC, Maryville) began to worship at their new Gill Street site in Alcoa, TN in August, 2010. In January, 2011, “Out of the Box” (a second campus of First UMC, Hillsville, Virginia) launched worship in a large, leased site on Main Street in downtown Hillsville. Together, these three new congregations are worshipping over 700 people per Sunday, including many who were formerly unchurched.

We also celebrate the emergence of four new Hispanic/Latino communities in 2010-2011: Ministerio de Espiritu Santo – a new Hispanic community linked to First UMC, Sevierville, TN; San Juan, a new Hispanic community linked to St. John UMC, Maryville, TN; a new Hispanic community in Greeneville, TN; and a new Hispanic community linked to First UMC, Hillsville, VA. Congregational Development partners with the Hispanic Ministries Team, various Districts, and partnering churches to support these emerging faith communities.

Together, these new communities represent the movement of God’s spirit in Holston as we seek to reach more people, more young people, and more diverse people for Christ.

We are continuing conversations with churches who may feel led to birth a second campus or a daughter church. We are working with Districts to discern the best places to plant new faith communities. We look to demographic information and population growth studies for guidance. But ultimately it must be a spiritual process that guides us in locating a new church. Where is the prevenient spirit of God preparing the soil to receive a new United Methodist church?

Funding for new church starts comes from several sources, all deriving from the faithful giving of Holston churches and its members and friends. The tithe-based apportionment gifts received by Holston Conference from its member churches are an important source of support for starting new churches. Likewise, funding support from partnering churches that help to birth new campuses is critical. And the gifts of Holston members and friends who support the “15 New Churches” (formerly “Be A Builder”) effort are deeply appreciated.

While working to start new churches, Congregational Development also devotes a large and increasing amount of energy and resources to the transformation of existing churches. The Congregational Development Team is launching a major new initiative in 2011 to support and encourage existing communities of faith who desire to become more vital and fruitful. Our efforts will focus on strengthening the leadership capacity of pastors and laity, helping churches to more fully understand and connect with the culture around them, helping churches to define their mission field, and helping them explore potential partnerships in ministry. We will lift up “best practices,” offer peer learning groups, and host conference-wide teaching events for lay and clergy teams from local churches. We will coordinate our efforts closely with the Holston Conference Cabinet and Holston Conference Connectional Ministries. Our goal and purpose is to assist Holston churches that truly desire to reach the growing culture of unchurched and underchurched people who live in our mission fields. Those persons now make up a majority of the population in the 53 county/3 state Holston area.

As we move into this major new emphasis, we give thanks for some great signs of renewal in our churches in the past year. We celebrate the growth at Signal Mountain UMC in the Chattanooga area. Congregational Development partnered with them to build a new worship center and supporting facilities which were consecrated in January, 2011. We partnered with Ebenezer UMC, Knoxville, to help them build new parking facilities and to facilitate their continued growth. We are partnering with Jordan’s Chapel UMC, Pulaski, VA, to help them relocate to a new site and greatly expanded facility. These and other partnerships are witness to God’s work in bringing renewal and growth to Holston churches.

The work of transformation is evidenced in the continued good work of Holston’s African-American Ministries Team. We are excited about plans for the second African-American Churches Leadership Event to be held in Holston in August, 2011. The 2010 event was well received and offered good learning opportunities.

Finally, two tools continue to offer help to congregations throughout Holston. Several new churches entered Holston’s Natural Church Development process in the last year. NCD is a long term process that seeks to move the local church toward greater quality in its ministries and a greater sense of health. As the health of a church increases, so does its capacity to grow. Churches can be recommended for the NCD process by their District Superintendents.

Likewise, our demographics provider, MissionInsite, continues to offer great resource tools that our churches and leaders can utilize to better understand and reach out to their communities. It is available, at no cost, to every church in Holston. Contact sueweber@holston.org to learn how to register for MissionInsite’s services.

We look forward to the year ahead as, together, we seek to transform the culture and reach new people for Jesus Christ.

~ DWIGHT KILBOURNE, *Chair*
~ RICHARD EDWARDS, *Director of Congregational Development*

Report No. 4

BOARD OF HIGHER EDUCATION AND CAMPUS MINISTRY

Dear Members and Friends of Holston Annual Conference,

With great excitement, the Board of Higher Education and Campus Ministry can report that the future continue to looks bright for the Holston Annual Conference. As the campus ministry and conference college reports below will note, the Wesley Foundations and conference colleges of Holston are ongoing places full of authentic Christian community and disciple making.

The strength of the past year for the board was our annual January retreat to Buffalo Mountain Camp. Traditionally, this has been a time for campus ministers and board members to highlight and discuss the successes and needs of campus ministry in Holston. However, I am pleased to report a new component of this past year's retreat. By extending the retreat an extra day, the board provided our campus ministers access to needed resources and support through welcoming Michael McCord from the General Board of Higher Education and Ministry. Furthermore, Michael's one-on-one time with the board proved to be invaluable and the energy of the many ideas, suggestions, and priorities discussed will carry over into new and exciting possibilities for years to come. The board anticipates providing the campus ministers with another speaker and or resource from GBHEM again next year.

Following the retreat, the Board of Higher Education and Campus Ministry reaffirmed its commitment to be an active board dedicated to active results. Some of our ongoing annual work will continue to range from assessing campus ministry needs in Holston to working on our ongoing emphases in the areas of communication and leadership development. This year's work will continue to explore new and develop existing techniques that build upon our board's vision statement of creating an intentional and vital Christian community on each college campus within Holston Conference.

Our board was delighted to offer two \$1,250 scholarships, collected from past United Methodist Student Day offerings, this year to deserving students attending one of our conference colleges. We encourage each and every local church to support the important United Methodist Student Day special offering scheduled to be held this year on November 27.

Finally, our board cannot overemphasize how grateful we are for the vital financial, physical and spiritual support of this annual conference and the local churches in regards to Higher Education and Campus Ministry. We would like to see such support continue to grow, especially at the local church level. So for this upcoming year, may all of us continue to recognize the needs but also the rewards of partnering and supporting the wonderful campus ministries of Holston Annual Conference.

Respectfully submitted,
~ CHRIS BROWN, *Chair*

East Tennessee State University Wesley Foundation

It is with great joy and excitement that I submit my first Annual Conference report as the Director of ETSU Wesley Foundation! My first year could not have been better as I have transitioned well into the very exciting service of Campus Ministry. Part of my successful transition can be attributed to Rev. Jerry Everley, the former Director for 13 years. He left Wesley with a stable, vibrant, and growing ministry and was very supportive and helpful in my transition. Wesley continues to build on the foundations Jerry and the board worked so hard to frame.

The fall semester started out well with Open House. We invited Larry Trotter and the praise band from Concord UMC to kick off our Open House. They "rocked the house". Since then one thing has led to another and here it is Annual Conference 2011! Highlights from the year include:

- Averaging 47 in attendance for our Tuesday night worship service throughout the fall and spring semesters.
- Our annual auction netted \$20,516.84 this year and 10% of those funds were donated to Buffalo Mountain Camp's Capital Development Fund. Since 2001, Wesley has raised over \$218,000 through our annual auction!! Thank you for your past support and continued support for 2011!
- Started a new worship service the meets on Sunday Night. This service is led by student devotions, praise, and worship. After the worship experience, students divide up in small groups to discuss the devotion and have time for prayer and support. Each small group chooses opportunities to serve in local missions throughout the semester.
- Continued with weekly bible studies for fall and spring semesters.
- Experienced a fantastic group of active freshmen who joined Wesley this fall! Many are already taking on leadership roles.
- Started a new program just for freshman. We are using "The Alpha Course" as a catalyst for our weekly discussion and community.
- Participated in two mission trips. Our spring mission trip was to Mountain T.O.P. in Altamont, Tennessee and our summer mission to Detroit, Michigan working with MoTown Missions.
- A fantastic dedicated and talented praise band!
- 32 students attended Divine Rhythm!
- Helped raise funds and build the 4th ETSU Habitat House, participating in the Shepherd's Breakfast, and the American Cancer Society, Relay for Life.
- This fall, students raised \$600.00 for World Vision, donated several pairs of shoes for "Soles for Souls", and donated clothes and food for John Sevier Center in Johnson City.
- Participated in a "party with a purpose", a Super Bowl Party where we raised \$225.00 for "Imagine No Malaria"
- Donated \$620.00 to Coalition for Kids.
- Four alumni are presently attending seminary preparing for ministry. ETSU Wesley provides the Bedford Transou Trust Fund that pays for the students books while attending Seminary.

In December, I attended two continuing education opportunities at the Church of the Resurrection in Leawood, Kansas. One was "A Boot Camp For Campus Ministers" and the other one "Refresh", an annual retreat and seminar for Campus Ministers. At the "Boot Camp" I was intrigued by one of the seminars presented by Rev. Bob Beckwith. Bob is the Director at the University of Georgia (UGA) Wesley Foundation. UGA Wesley has developed a very successful culture of discipleship where everyone is discipled and everyone discipled. The fruits of their ministry and format continue to grow and impact the campus of UGA. In February, I and four students went to UGA to talk with Bob and some of his leadership team to bench mark and gain more vision for ETSU Wesley. We came back with new vision and excitement. Our goal is to continue to develop and foster a culture of discipleship as we invest in each other in one on one encounters and small group formations. Christian leadership and discipleship will be further developed as this model continues to evolve and expand. This model of discipleship grows out of the mission statement that ETSU Wesley coined a few years ago:

To provide a safe Christian community that encourages spiritual and personal growth as students pursue God's call.

I am so thankful for this wonderful opportunity to serve as Director of ETSU Wesley! The ministry opportunities are phenomenal here. The potential is great! Please pray for us as we continue to work with God in the building of a culture of discipleship at ETSU.

~John Ousley, Director

Radford University Wesley Foundation

One of the highlights of our ministry here this year is that we have more students participating in our programs. Attendance and participation across the board are up about 25% from last year. Because there are more students involved, we have a lot more energy and enthusiasm infused into all of our events. Gleaning turnips this Fall was great fun even though many of the gleaners had never tasted a turnip or had any idea that they were so nutritious. After gleaning we experimented with several cooking methods and decided that we were happy to gather them for others. Also during this year our Worship Team has worked diligently to plan more contemporary and relevant monthly worship services to be held here in our building. Encouraging students to participate as readers and speakers has brought about shared ownership and involvement in this aspect of our ministry. Another aspect of our ministry is the ministry of building/facility to offer a sanctuary and safe haven for students to relax and be “at home away from home”. During Summer, 2010, 35 volunteers from 15 United Methodist Churches in Wytheville and Tazewell Districts came together to add a 600 sq. ft. deck onto the back of our facility. What an enjoyable and practical addition this is for our center. All students will benefit from a wonderful outdoor space for study and play, but especially the deck will enable students with mobility issues to be involved with outdoor activities. Phase 2 for Summer, 2011 is to add a ramp which will provide complete accessibility from our parking lot onto the deck and into the rear of our building. This impressive addition has been made possible by the Capital Improvement Grants offered to Wesley Foundations by Holston Conference. Because of rising construction costs, these projects would not have been possible without the volunteer labor of all these workers.

Lastly, I offer my deepest and most sincere gratitude to our local Board and the people of Holston Conference for their commitment to having wheelchair accessible facilities. A few weeks ago we traveled to a nearby Wesley Foundation in a neighboring conference to share worship with their students. As we prepared for worship our student who walks with crutches had to be carried by two of his friends up the stairs to the worship area, and back down again after worship. The Campus Minister and several students apologized for their inaccessibility, but there is no apology for this young man’s indignity at having to be carried bodily up steps which he could manage on his own with appropriate handrails or a ramp. Thanks be to God and to Holston for their acuity and sensitivity that God’s children live and move in many ways and we are mandated to accommodate their needs. We are truly blessed to be part of a Conference that reaches out to the least and the lost around the world and as well reaches out to those of all abilities and needs right here in Holston.

Martee Buchanan, Director

University of Tennessee Chattanooga Wesley Foundation

Greetings from your United Methodist Student Center in Chattanooga, where we are representing Christ and welcoming the collegiate community in Chattanooga into the Kingdom:

This year our students attended a seminar in Washington, DC on the subject of world poverty hosted by the General Board of Church and Society. This trip was held jointly during spring break with the Wesley Foundation at UT-K. Following this event the participants were given the opportunity to meet with members of the TN congressional delegation about the issue.

This trip was good preparation for us as we planned our return to Charleston, SC to continue our work with the United Methodist Relief Center in May. Additionally, we are planning our return to the Dominican Republic to continue our work with school children

in that nation.

Some of our other events during this school year included a special Valentine's dinner prepared for the ladies of the Wesley Center by the men of the Wesley Center. It was a pleasant evening full of good food and fellowship. We offer our thanks to the Rev. Ken Sauer of Eastridge UMC and the Rev. Brian Davis of 1st Centenary UMC for rounding the evening out with a conversation about the things a Father wishes for his daughter and expects from his son.

In March we hosted the confirmation class from St. Luke's UMC in Chattanooga so that they might get an idea of the role United Methodist Campus ministry could play in their future.

It has been a good year in Chattanooga and we look forward to the 2011-12 academic year to come. On behalf of the Students, Alumni, Board and Staff of the Wesley Center we thank you for your continued prayers and support in the year to come.

~ G. KEITH MOORE, *Director*

University of Tennessee Knoxville Wesley Foundation

Greetings to you from your Wesley Foundation at the University of Tennessee at Knoxville! This has been a year of wonderful growth as I complete my third year of campus ministry at UT. We have welcomed many new students into the life of the Wesley Foundation. We seek to be a home away from home by providing a welcoming and nurturing environment on the university campus. Through worship, fellowship, discussion, and service we seek to build an open and diverse Christian community.

Our weekly programs include worship, two free meals, Bible studies, and other small group gatherings. We also enjoy fellowship times through our Friday Night Stuff program, Saturday hikes, and other community outings. Our strong resident program has helped to make the Wesley Foundation home for seven UT students who help to make it a welcoming environment for all.

We have been able to participate with several campus ministry groups for worship and learning events. We have enjoyed ecumenical music and worship events, such as our Ash Wednesday service at the University Center. These collaborative efforts remind us that we are not in competition with one another; rather, we are working side by side in the work of Christ.

We have also welcomed guest speakers to address issues such as our Wesleyan heritage and spiritual formation. The students have been planning fundraising events and exploring ways to become active volunteers in community service agencies in the Knoxville area. Our spring break trip also takes us to Washington, DC, along with the Wesley Foundation at UTC, to explore the issues of world poverty and the UN Millennium Development Goals. This service-learning trip will help pave the way for an upcoming international mission trip.

I am excited to see the many ways that God is working in the lives of these young people and look forward to seeing them help usher in the realm of God. Let us continue to lift them up in prayer, and strive to work together to support them as they seek out their calling in life and faith.

-Rev. Tim Kobler, *Director*

University of Virginia's College at Wise Wesley Foundation

The Wesley Foundation at UVA-Wise is rooted in God's risk-taking love, and is passionate about reaching our campus community with life-changing grace and open-armed acceptance. Students, faculty, staff and community members are all welcome at this United Methodist faith community focused on making disciples of Jesus Christ.

In 2011 we celebrate 50 years of United Methodist ministry at UVa-Wise (formerly Clinch Valley College). Mark your calendars for a big celebration on OCTOBER 1, 2011! As the University has grown, so has the ministry. The Wesley Foundation is a vital part of the UVa-Wise community, and the Board of Directors is currently taking steps to ensure that this campus ministry continues to be an effective means of disciple formation for years to come. The Board adopted a vision this year of “Celebrating God’s love and acceptance at UVa-Wise.” The Board has begun addressing the problem of the ministry having outgrown its current location. The Wesley Foundation currently reaches approximately 120 students weekly through its various programs and ministries. Students arrive the first week of campus and discover there is “no room at the inn,” and never return. The Wesley Foundation looks forward to developing facilities that will meet the demands of the ministry.

The heart of student ministries at Wise is a call to action. Participants are encouraged to change the world by changing their lives and seeking a closer relationship with Jesus Christ. Weekly offerings at the Wesley Foundation include a Sunday evening service (Encounter) that is a curriculum-lead study and discussion, Tuesday evening meal and devotion (often including hands-on service projects), Thursday luncheon prayer group, and Thursday evening Bible and book study. In addition the Wesley students have a heart for outreach and have participated in the following projects this year: making and sending Christmas cards to student soldiers, inviting local shelter residents to come to a “Take My Place” Thanksgiving supper, making tray liners for St. Jude’s children’s hospital, sending homemade blankets to Project Linus, adopting 8 Angel Tree children, collecting Toys for Tots, sending 5 shoeboxes to Operation Christmas Child, and partnering with a local domestic violence and homelessness shelter for a variety of projects including clothing and food donations. Nine students participated in an alternative spring break working with the Society of St. Andrew gleaning over 20,000 pounds of food to give directly to needy families. The Wesley Foundation was recognized by UVa-Wise for hosting the “Program of the Year,” and for outstanding contributions in community service this past academic year. This ministry is vital, and is the hands and feet of Jesus in the campus community. We continue to offer Christ in diverse and meaningful ways to our students, faculty and staff. We are forming young Christian leaders for the church and world, engaging in ministries with the poor, combating poverty, and seeking to engage all people for the sake of Jesus Christ. EVERYONE is welcome at Wesley. Thank you for continuing to support this Wesley Foundation campus ministry that is of vital importance to edifying the United Methodist Church.

~ BETH TIPTON, *Director*

Emory & Henry College Campus Ministry

Grace and peace to you from the Office of Spiritual Life at Emory & Henry College! The 2010-11 academic year has been a time of discernment and growth in the lives of the participants in the Spiritual Life ministries on our campus.

Before the beginning of the fall semester, the student leaders of the Spiritual Life groups gathered for a two-day leadership training and planning workshop which was designed to equip the leaders for their positions and to get them excited about the beginning of the year. Welcoming new students emerged as a top priority. Orientation, The Spark worship service began its second year in ministry to students, faculty and staff in a casual, interactive setting on Sunday mornings. The Emory United Methodist Church also welcomed over fifty students in worship that day. Other special events held in partnership with Emory UMC included Football Sunday, Greek Sunday, and Benefactors Sunday.

Our first Encounter Worship service was the setting for our fall kick-off event featuring the Ralph Jeffers band and speaker Justin Lookadoo. Student groups created to introduce students to all of the Spiritual Life opportunities on campus. Encounter's Sunday evening worship service throughout the fall semester focused on the theme of "These are the Days of Elijah".

Get Centered, a Taize-style worship experience, began its second semester with participants gathering on Thursdays at lunchtime to take a break from their busy schedules in order to relax and to focus on God's presence in their lives.

Campus Christian Fellowship welcomed at least seventy-five persons to its beginning of the year picnic on the lawn of Memorial Chapel. The fruit of this event was evident in the increase in participation in weekly CCF meetings, which include service at Busy Bee's Day Care center, trivia challenges, and programs on topics including appropriate relationship boundaries, world hunger, and service in the mission field. "Will Sing For Food" presented an opportunity for students to exhibit their "talents" while collecting donations to support area food pantries.

Spiritual Life Housing is filled to capacity, with 5 male residents in House 17 and 8 female residents in Inazu House. These students are committed to developing a strong Christian community among residents as well as reaching out to the campus community with events such as Bible Studies and Cinnamon Roll Tuesday, as well as spontaneous acts of hospitality, fellowship, and support.

The Fellowship of Christian Athletes meets on Thursdays for a lunch meeting. Don Montgomery, head football coach, continues to coordinate this group which is facilitated by student leaders from our sports teams including football, men's and women's soccer, men's and women's basketball, and cross country. Participants also include persons who are not involved in athletics at Emory & Henry, but who have participated in High School and wish to continue this connection in college. A new program sponsored by this group is "The Echo," a rally featuring a live band and a inspiring speaker.

Kerygma's year began with a retreat with 17 participants at Camp Dickenson in early September featuring the Rev. Wil Cantrell as speaker, who challenged participants to "Live Out Loud." Regular meetings have included persons in the ministry (professors, area pastors, alumni, etc.) sharing their life stories and how they have answered God's call in their lives.

Higher Ground, a group which began in 2010, offered weekly Bible Studies and discussion groups. It also sponsored a spring "Faith Explosion" rally for students from E&H and area youth groups. Its members also made care packages for members of the military serving abroad.

On September 9th, the Office of Spiritual Life sponsored "Extinguishing Hatred: A Muslim-Christian Dialogue." The Rev. Steven D. Martin, United Methodist Pastor, and Mr. Taneem Aziz, president of the Northeast Tennessee Muslim Community discussed Muslim-Christian relations in the context of the possible burning of the Qu'ran, and the Muslim center being built near ground zero.

In partnership with Student Activities, the Office of Spiritual Life co-sponsored the screening of "Trembling Before G-d" and a discussion with the movie's producer, Sandi DuBowski.

The Theme of Emory & Henry's 2011 Martin Luther King, Jr. Celebration was "Social Action Network: We are All Connected." Sunday evening's worship service featured Bishop James Swanson preaching, and Dr. Steve Jennings, singing and acting as guest conductor for the Concert Choir. On Monday morning, Frank X. Walker, Author, Educator, Affrilachian Poet, addressed the topic "Countering the Reduction of King's

Legacy.” The day continued with several break out sessions, a celebration dinner, and a poetry reading by Mr. Walker. This event was attended by students, faculty and staff, as well as those in surrounding communities. Service opportunities were coordinated by the Appalachian Center for Public Policy and Community Service throughout the weekend.

In January, Emory & Henry was well represented at Divine Rhythm, with several of our students participating in dramas throughout the weekend.

Over Spring Break, five persons represented the College on a mission trip to the Dominican Republic. Hosted by missionaries Damon and Kim Bland, this group led games and activities for students at schools in Sabanetta and spoke at worship services in area chapels each evening.

While supporting the student groups and attending to the needs of students, faculty and staff, I am also responding to God’s call to focus on bringing a sense of unity amidst a community with much diversity. I am attempting to encourage conversation and learning among people with different backgrounds and who hold varying beliefs. My prayer is that we can live together as persons created unique by God and learn from our different experiences so that the community members will be less polarized and in closer relationship with one another and with God.

~ MARY K. BRIGGS, *College Chaplain*

Hiwassee College Campus Ministry

Greetings to you from Hiwassee College, a school rich in history and tradition located in a rural setting near Madisonville, Tennessee. School year 2009-2010 has been a time of challenge and creative problem solving as the school has sought an increase in enrollment while facing the reality of financial insecurity. The students, faculty, and staff have been in honest dialogue surrounding the issues of the day.

The theme of HOPE has surrounded all of the Christian student life activities and programs. The students took hold of the word HOPE in its broadest sense and found that through genuine hope in Christ Jesus they could face the realities of living and working together for the good of the whole. Working with the Chaplain, a small group of dedicated young adults formed the nucleus of the Christian life on the campus.

This group held Bible studies, planned and led worship, provided spiritual counseling to their peers, presented themselves as called children of God and found a HOPE that grew as the school year moved along. They were recognized as leaders on campus in athletic contests, academic programs, in the music program, and in their home churches. These students were positive influences who sought spiritual growth and transformation.

Hiwassee students reached outward as they collected food for the needy, collected money (\$450+) for UMCOR in response to the tragedy in Haiti, visited the local nursing home, volunteered at the Potter’s House (Maryville District Hispanic ministry), gathered winter clothing for students in need, offered physical labor at Buckner Memorial UMC (the campus Chapel), walked in the Relay for Life, walked/ran in the Cure for Cancer fundraiser in Knoxville, attended Divine Rhythm, and gave witness to God’s goodness in all things.

As people of a risen Lord, those on the Hiwassee campus work in HOPE, striving to become the people God has called us to be.

In 1 Timothy, Chapter 4, we are reminded again that **our hope is the living God**. God of grace and God of Glory, grant us that hope.

~ BETTY FURCHES, *Chaplain*

Tennessee Wesleyan College Campus Ministry

Campus ministry continues to be a vital part of campus life at TWC, especially given our record enrollment and the growing diversity of our campus population. The Foundry, our facility dedicated to ministry, continues to see few nights without use by some campus ministry unit or small group.

Highlights from campus ministry at TWC this year include hosting the conference Board of Higher Education and Ministry for their fall meeting, and Al Staggs, Christian impersonator, who visited in October and gave “in character” presentations on the Christian social activists Walter Rauschenbusch and Oscar Romero. The Spring Heritage Day speaker was Rev. Dr. Samuel Wells, dean of the chapel, Duke University. Dr. Wells addressed students both on Christian understandings of death and eternal life and the importance of taking delight in the ordinary experiences of God’s presence in their lives. Once again, we have been enriched by presentations that wed learning to spiritual life in compelling and memorable ways.

Students involved in Wesleyan Christian Fellowship have been actively involved in ministry in the Athens community beyond campus. For instance, the Cooke Ministry Center just a few blocks away offers weekly programs for people in need of Christian fellowship, food, assistance, and other activities. Our students have assisted in serving meals and being present to our neighbors at Cooke. Grace House, a homeless shelter supported by area churches, opened downtown this Spring and has received assistance from TWC students who have spent the night and been present to the needs of the homeless in our area. Still other students have formed a campus Habitat for Humanity organization and spent many Saturdays and Spring Break week building homes in the area. Seventeen students and four chaperones attended Divine Rhythm in January. Much appreciation is extended to Harrison and Shawna Hart for opening their home and their hearts to TWC students in general and WCF in particular. Harrison is Youth Director at Keith Memorial UMC in Athens and has been a tremendous partner in ministry, providing weekly guidance to WCF this year.

~ WILLIAM McDONALD, *Chaplain*

Report No. 5

DISCIPLESHIP TEAM

And they devoted themselves to the apostles’ teaching and the fellowship, to the breaking of bread and the prayers. Acts 2:42

Practice makes perfect. My parents loved (and still love) music and passionately believed that their children should love music as well. So, the story goes that when we were very young, our parents enrolled my brothers and me in weekly piano lessons. This weekly lesson required much practice from us each and every day. “Practice makes perfect!” was often quoted and would overrule our pleadings to play outside or watch TV. Mom and Dad were devoted to making a family band out of us, and they knew that it would take teaching, practice, celebration, and direction for their goal to be achieved. It is the same for us; it takes devotion and practice on our parts to be disciples for Christ. The Discipleship Team practices acts of service which helps us to be disciples and make disciples in so many ways within Holston and beyond.

The Discipleship Team celebrates continued work in alignment with the Four Areas of Focus. Leadership Holston helps to develop principled leaders in our Conference! Training young and old and those who are incarcerated (Disciple Bible Studies in Virginia and

soon in Tennessee prisons) develops principled new leaders. Clergy and lay leadership is necessary for growing and revitalizing congregations, and training effective leaders is an important component of these revitalization efforts. The Poverty Conference in September of 2011 and digging wells in Sudan are ways that we are engaged in ministry with the poor and are working toward improving health globally! The children at our camps and youth at Resurrection are disciple, and many children and youth come to know Christ each year. This fruit is the benefit of principled leaders leading. We practice God's teachings here in Holston, nestled in the mountains of Appalachia and in Holston cities, and send our servants forth to places across the oceans to practice His teachings, teach others and offer Christ.

It is in the practice – service or act of doing – that good work is accomplished through Jesus Christ to glorify God. So, as in most cases, our parents are indeed correct; practice does make perfect. It is by God's grace and mercy that we are able to practice, and it is by His power and might that we are urged onward to practice His teachings, show His mercy, and offer Christ!

~ Deb Holly, Chair

a. African American Ministry Team

Shalom. The African American Ministry Team (AAMT) will facilitate its Second Annual Conference and Training event on August 5th and 6th, 2011, 9:00 a.m. to 3:30 p.m., hosted at the Lennon-Seney United Methodist Church in Knoxville, Tenn. Our theme this year is "Foundations for Growth: Rethink, Re-launch, Renew, Revision."

With the General Commission on Religion and Race of the United Methodist Church, the opportunity for an aspect of Cultural Immersion is deemed desirable for a ministry such as this, that will allow all who are in diversity and who seek diversity to do so in a positive light for the glory of God and for the benefit of all who reverence the Spirit in all God's people for the continued growth and maturation of the Holston Conference and the United Methodist Church at large.

One speaker already confirmed for this year will be Dr. Harold Lewis of the Florida Conference, where he is Director of Black New Church Development. Another speaker will be Dr. Teresa Fry Brown, Professor of Homiletics, at Candler School of Theology.

The AAMT has a website, AAMT@holston.org, to inform of events, activities, and other pertinent information of importance to churches in our connectional system.

The AAMT team looks forward to hosting representation from all our churches at the gathering this year.

~ William Pace, Chair

b. Missions Ministry Team

Again this year, the Missions Ministry Team has sought to provide opportunities for all persons in Holston Conference to be involved in mission work at home and around the world. As we seek to make disciples of Jesus Christ for the transformation of the world, we understand that transformative discipleship can occur through mission opportunities and mission opportunities can truly transform lives amidst the brokenness of humanity.

This year, the Missions Ministry Team acknowledges and expresses tremendous gratitude for the work of Bill Daugherty, Coordinator of Missions for Holston Conference for the past 10 years. Bill retired at the end of December 2010. He was a valuable member of the staff of the Office of Connectional Ministries, and he contributed far more in terms of offering Christ around the world than any of us even know during his tenure on the Conference staff. We are incredibly grateful to God for Bill Daugherty and the leadership he provided in this Conference in the area of Missions ministries. Under his leadership and guidance, our annual Hands-On projects grew beyond anyone's imagination. In addition, Bill worked tirelessly to ensure that Holston was in mission at home, around our region, and – indeed – around the world. Bill, you are greatly missed, and we say thank you from the depths of our hearts for your years of leadership in this Conference.

Two groups of volunteers in Holston deserve special recognition this year. The Holston Conference Disaster Response Team has gained recognition throughout the Southeastern Jurisdiction for their high level of preparedness and effective ministry. We have now been asked to train others because of the expertise that has been developed in Holston, and we are very proud of this highly dedicated group of volunteers who have given so unselfishly of their time and talents this year. Also, the Holston Conference Volunteer Labor Team has continued their history of extensive church and parsonage repairs, which have saved literally thousands and thousands of dollars for local churches in Holston Conference. For both of these groups, their work is ongoing, and your support of their work is greatly appreciated.

During the 2010-2011 Conference year, the Missions Ministry Team was again involved in the collection of Hands-On Kits for a part of our Annual Conference offering. These kits, which were sent to Ishe Anesu in Zimbabwe and to Liberia, provide much-needed food, school supplies, and health kits for the children there. Another benefit of the Hands-On collections each year is that they provide every local church in Holston the opportunity to be involved in missions.

This Conference year has been a year of transition among our Church and Community Workers. Nancy Hobbs retired at the end of 2010, and many persons gathered to honor her significant contributions in the Big Stone Gap District during her years of service there. Beginning April 1, Koni Purscell is now serving at the Church and Community Worker in Big Stone Gap Church and Community Renewal Project, and Holston welcomes Koni into our midst. Randy Hildebrant also left Holston as the youth director at Jubilee Project at the end of December and, as of this writing, is anticipating beginning a new assignment in Nebraska Conference as a Church and Community Worker in June. The youth and members of the Hancock County community will greatly miss Randy, and we are grateful for his years of dedication to the youth in this, the poorest county in Tennessee. At Project Crossroads, Harry Howe and Mark and Linda Stransky continue their ministry of home repair. Harry is currently enrolled in school at Lincoln Memorial University to gain a Physician's Assistant degree so that he can add a component of medical ministry in Smyth County, Virginia. Our Church and Community Workers are persons dedicated to improving the lives of persons right here in our own communities, and we are grateful for their lives of servant leadership among us.

In the area of Volunteers in Mission, we are excited to report that Holston sent out over 100 registered mission teams in 2010. While we celebrate this ministry that is being done all across our world, we would encourage churches to remember to work within the connectional structure of the United Methodist Church and have their mission teams registered and insured through United Methodist Volunteers in Mission (UMVIM) of the SEJ.

In order to help churches be more involved in mission and to get them ready for this service, we have developed a structure within Holston to make training for mission trips more accessible. We now have a trained leader within each district who is available to help individuals and churches get ready for mission service. You can contact the district office to get connected to this individual.

A list of mission trips that Holston churches are taking during 2011 can be found under the Missions page at Holston.org. Feel free to look over this list and contact the team leader if you would like to participate in a trip with another local church.

Holston Annual Conference continues to embrace our brothers and sisters in southern Sudan, as well as other parts of Africa. With the ongoing leadership of Boo and Phyllis Hankins during this year, as well as the arrival of Steve and Diantha Hodges, Holston's work in the newly independent southern Sudan has expanded greatly. We are now able to provide ministry to all 17 churches in and around Yei, Sudan. Boo and Phyllis provide significant leadership for the churches and their pastors, as well as the school in Yei. They are providing ongoing training for the pastors and support for the administration at the school. Steve and Diantha have been classes in gardening and community health (focusing on basic hygiene and nutrition). Your incredibly generous gifts in our Annual Conference offerings have made our work in southern Sudan possible, and we thank God continually for the generosity of the people of Holston.

The Annual Conference offering for 2011 will go toward ongoing work in Africa. We will begin fulfilling a dream of providing an orphanage for the vulnerable children of Yei (an estimated 40% of the population of our school there). In addition, a portion of our offering will go to provide scholarships to Africa University for students from Ishe Anesu in Zimbabwe and from J.J. Roberts School in Liberia, two missions with which Holston has a long-standing relationship.

~ Danny Howe, Chair



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Holston Annual Conference 2012

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Be a 5-Star Church

To qualify for the 5-Star Award, churches must:

1. Pay Fair Share in full
and give at least \$25
in categories 2 through 5:
2. Give to at least one International Advance
3. Give to at least one U.S. Advance
4. Give to at least one UMCOR Advance
5. Give to at least one Conference Advance

International Advance

A. Missionaries Assigned to Holston Conference

	GBGM Code	Holston Project No.
<i>Maria Humbane (William "Bill")</i>		
Country: Zimbabwe	Code: 13071A	148
<i>The Rev. Bill Lovelace</i>		
Country: Ukraine	Code: 11872Z	054
<i>Helen Roberts-Evans</i>		
Country: Liberia	Code: 3021129	705
<i>Missionaries Around the World</i>		
(Any Amount)	Code: 00779Z	075

(Other missionaries may be supported by Holston churches. Inquiry should be made through the Conference Mission Sec.)



B. Africa

1. ISHE ANESU Project, Zimbabwe	Code: 13071A	160
2. Africa University Scholarship		570
3. Imagine No Malaria	Code: 3021190	560
4. Steve & Diantha Hodges, Sudan	Code: 982465	691

C. Bolivia

CURAMERICAS	Code: 010158-2 RA	028
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D. Mexico

"Give Ye Them To Eat" Hunger Program	Code: 007629A	074
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E. Estonia

1. Baltic Mission Center	Code: 010923-N	055
2. Baltic Methodist	Code: 15021B	203
Theological Seminary Scholarship (\$1,500 per year)		

F. Paraguay

New Horizon School	Code: 302-1089	421
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Covenant Relationships

with Missionaries and Persons in Mission

Although Advance salary support for missionaries is needed in any amount, churches wishing to have a Conference Covenant Relationship with a missionary provide \$1,000 per year; churches under 333 members provide \$3 per member per year. A GBGM Covenant Relationship with a missionary requires \$2,500 per year; churches under 333 members provide \$5 per member per year. Covenant Relationship forms and information can be secured from the Conference Mission Secretary. On the conference deposit slip, list the missionary's name, code number, and the amount.

United States Advance

A. Missionaries Assigned to Holston Conference

	GBGM Code	Holston Project No.
<i>Fran Lynch Baxter</i> Alaska Missionary Conference	Code: 982950	032
<i>Rev. & Mrs. David Warden</i> OIMC Parish Partners, Okla.	Code: 583634	056

B. Appalachian Service Project

Code: 982050	092
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C. Appalachian Regional Ministries

Code: 982041	007
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D. Cherokee U.M. Church, Cherokee, NC

Code: 731144	153
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E. Four Corners Native American Ministries, Shiprock, NM

Code: 581254	023
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	GBGM Code	Holston Project No.
F. Henderson Settlement, Frakes, Kentucky	Code: 773365	088
G. Hinton Rural Life Center, Hayesville, NC	Code: 731372	042
H. Red Bird Mission, Inc., Beverly, Kentucky	Code: 773726	010
I. Society of St. Andrew Potato Project, Big Island, VA	Code: 801600	029
J. United Methodist Volunteers in Mission, SEJ Jurisdiction, Birmingham, AL	Code: 901875	043
K. Fran Lynch Baxter Program Support	Code: 931520-355	264



UMCOR Advance

	GBGM Code	Holston Project No.
A. Heifer Project International	Code: 982418	021
B. Heifer Project, Living Gift	Code: 982532	031
C. UMCOR Disaster Response in U.S.	Code: 901670-1	026
D. UMCOR Emergency Relief (Around the World)	Code: 982450-8	050
E. World Hunger / Poverty	Code: 982920	016

Holston Annual Conference Offering

Bishop's Mission Emphasis for:
2012 – Vietnam

Conference Advance

A. Persons in Mission assigned to Holston Conference

		Holston Project No.
<i>TBA</i>	Sneedville, TN	718
<i>Harry Howe</i>	Marion, VA Code: 982926	020
<i>Koni Purscell</i>	Big Stone Gap, VA	701
<i>Fred and Libby Dearing</i>	Sudan	719
<i>Steve and Diantha Hodges</i>	Sudan	683
<i>Bruce & Emy P.*</i>	Middle East (*totally supported by churches of Holston Conference)	008
<i>Mark & Linda Stransky</i>	Marion, VA	571

B. Asbury, Inc.	091
C. Muslim Outreach Team Project	003
1. Rebekah S.	572

D. Campus Ministry and Wesley Foundations (Be sure to indicate which ministry you are supporting)	
1. ETSU	064
2. Radford	127
3. UT Knoxville	305
4. UT Chattanooga	313
5. UVA at Wise	061



E. CONTACT Telephone Ministries

(Be sure to indicate which ministry you are supporting.)

1. Johnson City	063
2. Contact—Concern of NE TN, Inc.	413
3. Contact Helpline, Inc.—Anderson/Blount/Grainger/ Jefferson/Knox/Loudon/Roane/Sevier/Union	183

F. Disaster Relief Within Holston Conference

G. District Advance

H. Habitat for Humanity Ministries

(Be sure to indicate which habitat you are supporting)

1. Anderson Co.	184	3. Jefferson County	145
2. Holston	067	4. Loudon County	099

I. Hispanic Ministries within Holston Conference

1. Galax, VA	541
2. Maryville District	542
3. Morristown District	543

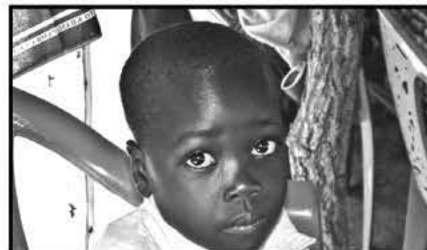
J. Holston Conference Camps

1. Camperships		
Buffalo Mountain	238	Dickenson 437
Lookout	276	Wesley Woods 275
Undesignated	087	
2. Camp Development Funds		
Buffalo Mountain	101	Dickenson 236
Lookout	078	Wesley Woods 113
Undesignated	484	
3. Annual Ministry Funds		
Buffalo Mountain	486	Dickenson 488
Lookout	487	Wesley Woods 489
Undesignated	485	
4. Strength for the Journey Scholarships (HIV/AIDS Retreats)		300

Conference Advance

Continued

K. Holston United Methodist Homes for Children	
1. Dermid Family Services, Bristol, Virginia	103
2. Holston Home, Greeneville, Tennessee	002
L. Neighborhood Centers	
1. Bethlehem Community Center	079
2. Wesley House Community Center	080
M. Conference Colleges Support Fund	546
N. Student Aid, Conference Scholarship Grants	
1. Emory and Henry College	085
2. Hiwassee College	045
3. Tennessee Wesleyan College	125
O. Support for Action Ministries	
1. Agrimissions/OPSAG (CH)	360
2. Angelic Ministries (KN)	637
3. Big Stone Gap Dist. Church & Community Renewal	141
4. CASA of East Tennessee (KN)	493
5. CASA Corridor of East TN (CL)	611
6. CASA of the Tennessee Heartland (OA)	455
7. Coalition for Kids, Inc. (JO)	133
8. Crossroads Medical Mission (AB)	364
9. Emerald Youth Foundation-Just Lead (KN)	014
10. GATE-Gateway to Independence (MA)	612
11. Good Samaritan Ministries, Inc. (JO)	066
12. Green Meadow School of Hope (MA)	576
13. Hope for Healing.org (MO)	577
14. Interfaith Health Clinic (KN)	492
15. Jubilee Project, Inc. (MO)	015
16. Morgan-Scott Project (OA)	013
17. Overhome Ministries (MO)	170
18. Partners for Children/ Child Development Center (KN)	536
19. Plateau Home School (OR)	106
20. Project Crossroads Ministries (AB)	047
21. Serenity Pointe (CH)	669
22. St. Andrews Center (CH)	540
23. Unity Center (CL)	151
24. Volunteer Ministry Center (KN)	614
25. W.S. Hight Community Outreach PACE (CH)	362
26. Wesley Medical Clinic (AB)	674
P. Volunteer Labor Program	
Central Region	128



Holston
Project No.

Q. Volunteer in Mission Projects and Personnel	
Projects approved by the Conference	
1. Travel Team and Expenses	109
2. Mexico Housing Ministry	454
3. New Church Development/ Orphanage in Guatemala	121
4. New Church Development in Latvia	365
5. New Church Development in Costa Rica	161
6. New Church Development in Holston	380
R. World Ministries	
1. Connecting Churches World Evangelism	367
2. English Speaking UMC-Austria	491
—Laura Trent	
3. English Speaking UMC-Prague	716
—Michelle McKinnon-Young	
4. Haiti Water Project	671
5. South Sudan Projects	537
6. Hope for Today-India—Peter Peieria	490
7. Ishe Anesu Scholarships—Maria Humbane	191
8. Magdy Bassaly— Ambassadors for Christ International	501
9. Mary Diana Samuel Orphanage—India	579
10. Operation Classroom/Liberia—Dan Kelley	058
Operation Classroom Shipping	059
11. SIFAT	670
12. The Rescue Ministries—Philippines	676
13. Uhuru Child—Kenya	717
S. "Change for Children"	012
T. Estonia	
1. Camp Gideon	289
2. Christian Care Center	327
3. Lighthouse Ministries	517



Holston Annual Conference 2012

www.holston.org

c. Nurture Ministry Team

Greetings from the Conference Nurture Ministry Team!

The mission of the Nurture Ministry Team is to nurture and support growth in the knowledge, experience, and expression of the love of Christ of the laity and clergy of the Holston Conference. In this past year, we have done that in a variety of ways.

We give thanks for Conference Staff personnel such as Bob Bostick with Older Adults, Randy Pasqua with Camp and Retreat Ministries, Laura Lambert who works with Youth and Young Adult Ministries, and Gaye King who is working with Children and Family Ministries as well as Advocacy Ministries. Pete Rowlett volunteers many hours and much wisdom to Marriage Ministries. Reports from each of these ministry areas can be found in this booklet, I will let them tell their own stories.

We celebrate the work of these ministries as well as other ongoing efforts of the Nurture Team such as Leadership Holston. The inaugural class of Leadership Holston completed its work and was recognized on stage at last year's Annual Conference Session. Our second class has been hard at work and will be recognized during this Annual Conference Session. For those who may not know, Leadership Holston has a three-fold purpose: (1) to help clergy and laity of the Conference together develop and enhance leadership skills, (2) to bring clergy and laity together to learn more about our Conference, and (3) to model how clergy and laity can learn and work together.

Basically, Leadership Holston is a ten-month program that is designed to take 24 people, comprised of both clergy and laity, through a series of workshops, learning opportunities, and hands-on work to further develop their understanding about leadership and their leadership skills, as well as learn more about the Conference itself. We hope this intensive effort will produce better leaders for our local churches first and foremost, but also in our Districts and in the Conference, as the participants put into action and model and teach what they have learned in the program.

Leadership Holston also addresses the General Conference's Quadrennial emphasis on Developing Principled Christian Leaders, and we will soon begin accepting nominations for our third class which will begin in August. We want a full class of 24 participants this next year; we invite you to nominate someone or yourself to participate. If you would like more information on Leadership Holston or any of the ministries under the Nurture Team, please contact me or Anne Travis, the Conference Director of Connectional Ministries.

We have two celebrations for Leadership Holston. The first is that one of the members of our first class, the Rev. Sandra Johnson, will be appointed as a District Superintendent at this Annual Conference Session. The second is that we will be working with Gaye King to develop an offshoot of the program directed specifically at adult workers with children. This program is still in the planning stages, but we are excited for this new step in leadership training.

We also celebrate that the Nurture Team is moving toward another aspect of ministry. It has been a number of years since we have specifically addressed the topic of Worship in our Conference. While we are not certain what direction we will take with this aspect, we believe it is both a necessary and vital part of congregational life, and we need to aid local churches in strengthening their worship services. Given that worship takes on many different styles, some of which are indigenous to the different local communities in our Conference, we are not going to propose a one-size-fits-all program. Instead our goal is to offer resources and opportunities that will inspire, educate, and strengthen what is already happening in the local churches.

While we have much to celebrate, it is with sadness that we announce that the Adult Ministry Team is being disbanded. For over three years, the Adult Ministry Team members worked tirelessly to birth this ministry area. The desire for this team started from a dream and a Task Force. After much study and preparation, the Task Force evolved into a ministry team. But the response to the work of the team was not enough to sustain it. We want to thank The Rev. Cynthia Thompson and her team members for all their time, energy, passion, and determination in setting the wheels in motion. However, after three years, they have expended and exhausted all the energy they can put into this project and with no new leadership stepping up, they have recommended the team be disbanded.

On a note of personal privilege, it has been my honor and pleasure to serve as the Chair of the Nurture Team for the last eight years. My term is complete, and I will rotate off the Team this year. I want to thank all those who have both been associated with the Team and those who have offered their time and energy in this ministry area. We are blessed to have excellent leadership on the Connectional Ministries staff, and without them, we would not be able to offer the quality and depth of ministry we currently see happening in the Conference. I ask your continued prayers for the Team as it continues its work and ministry to the people of the Holston Conference.

~ Jeff Wright, Chair

c.1 Camp and Retreat Ministries



Holston Conference Camping

*"Sharing the Love of Christ
In the Glory of God's Creation"*

Buffalo Mountain Camp
Camp Dickenson
Camp Lookout
Camp Wesley Woods

Dear Holston,

Thank you so very much for the tremendous support you give to your Camp and Retreat Ministries. The lives of both young and old (the in between too) are being touched by the love of Christ at camp. Significant faith decisions are being made during summer camp, confirmation retreats, Discovery events, Strength for the Journey Retreats, Emmaus Walks, local church retreats, and many more occasions. All who work in your camping ministry are honored to serve in the Holston area.

Ed Terry, Camp and Retreat Ministries Board Chair
Randy Pasqua, Holston Conference Camping Director

Camping 2010-2011



Our Summer Camp ministry continues to have a strong impact on the lives of our campers and staff. Although we experienced a 4 % decline in the total number of campers, we served 2,891 children and youth. **Of these campers, 1,104 shared that they had made a first time or a reaffirmation of their faith commitment.** These young disciples are going to transform the world.

In November of 2010, Camp Wesley Woods welcomed a new Director. Mr. John Erdman brings to Wesley Woods a broad experience of camp directing and a deep personal faith.

In July 2011, the Reverend Charles Maynard will move from his position of Camp and Retreat Ministries Director of Development to become the Maryville District Superintendent. Under his guidance, support of the camping ministry has experienced a tremendous increase.

Capital development efforts continue at each of our sites in an effort to care for our current facilities and meet the needs of each of our guests. These are exciting times to serve Holston Conference through Camp and Retreat Ministries.



Sharing the Love of Christ in the Glory of God's Creation

c.2 Children's Ministries Team

One of the goals for the Children's Ministry Team is to provide leadership throughout the conference through networking, trainings, and workshops. Children's Ministry Connection events were scheduled in different regions of the conference providing participants with a variety of programs and resources and an opportunity to network with others.



Last fall a group of Christian educators from the districts attended an intensive three-day workshop offered by Dr. Diana Hynson with the GBOD entitled "Effective Teaching for Transformation." These district representatives are available to consult with teachers and small group leaders in your district and congregation. Contact Gaye King in the conference office if you would like to schedule a consultation.

The United Methodist Publishing House released a new Confirmation resource in the fall entitled CREDO. An introductory workshop was held at the Conference Office led by Rev. Chris Hughes, a contributor to CREDO. We learned about this new resource and were challenged to think about confirmation in a new way. An additional workshop was held in Johnson City. Conference camps are also offering retreat opportunities to assist with this new curriculum.

As a follow-up to the new resource, a new Confirmation Day with the Bishop was held in May with sessions from the new CREDO curriculum. Confirmants learned and worshiped together, and were able to connect with other confirmants and get to know their Bishop. They also spent time on hands-on missions. We plan to make this an annual event.

March Forth for Children is a bi-annual event providing excellent leaders and workshops to enable and uplift those who work with children. Our next event is scheduled for March 2-3, 2012. The design team is working diligently to provide a quality event, and we encourage you to reserve these dates on your calendar.

Since beginning the Safe Sanctuaries emphasis mandated by Annual Conference in 2004, many congregations have worked diligently to implement policies. They have updated policies and provided training regularly. Regretfully, we continue to encounter some churches that have not implemented or updated their policy since the initial training events of 2005. Every church should review its Safe Sanctuary Policy and hold training annually. A current copy of the policy should be on file with your District Office. Training opportunities are available. If you need assistance, contact the conference office.



Change for Children continues to be one of our most successful programs, impacting children both in Holston and Africa. Half of the monies collected stay in Holston funding the Change for Children grant program, and half assists children in Africa. In 2010 Change for Children grants were awarded to 16 churches totaling \$35,200 with the matching amount earmarked for Africa. We wish to thank

each congregation who supported this program. Without your support, these ministries would not happen. In 2010 a total of \$75,698 was contributed – you are making a difference one child at a time!



Lastly, the Children's Ministry Team continues to look for ways to stay connected to your congregation. A new Holston Kids Link e-mail newsletter was implemented this year. If you do not receive it, you may sign up for e-updates at www.holstonkids.org. Additionally, you can visit us on Facebook at Holston Conference Children's Ministries.

~ Gaye King, Associate Director of Connectional Ministries
Children, Family, and Advocacy Ministries

c.3 Conference Council on Youth Ministries (CCYM)

There is much to celebrate in the life of Holston Conference Youth Ministry! Following last year's Annual Conference, we sent 14 youth and adults to Sneedville, TN for a week of mission work with Jubilee Project. We painted a house, replaced a basketball rim, organized clothing from a clothing drive, and did various other projects around the Jubilee Center. Shortly after the mission trip, over 200 youth and adults gathered at Emory & Henry College for Junior and Senior High Assemblies. Our time together was highlighted with worship and fellowship. Youth shared their gifts and talents and led an interest group specifically focused on building youth leadership skills. In July, we sent Anna Caroline Hooper and Laura Lambert as a part of the Southeastern Jurisdiction's delegation to the UMC's Global Convocation on Young People in Berlin, Germany. Delegates spent time learning about the cultures of the participants, the history of Berlin, and also discussing legislation for General Conference. In January, once again, Holston youth took over Gatlinburg for two weekends. Around 12,000 youth and adults sang, prayed, and worshiped together at Resurrection. In April, we spent time at Wesley Woods at Discovery. This event is for high school youth who feel called to ministry; we explored both lay and ordained ministry. Through all of these events, youth have had the opportunities to meet God in new and different ways. Many of these youth have gone back to their local churches with new and renewed passion for their relationships with Christ, and this excitement has encouraged the adults of the congregations as well!

F.Y.I. (FUEL Youth Ministry Institute) will celebrate the completion of the fourth group of youth leaders at Annual Conference. These youth leaders have met together five times throughout the year, have read various books, have learned from excellent presenters, and have developed a unique bond with one another. The FUEL design team also sponsored a Sabbath retreat for youth leaders in the fall where leaders had a chance to rest and listen to God. The design team also offered scholarships to the Youth Worker Summit in December.

And finally, we celebrate that for the fourth year in a row, Holston has led the denomination in giving to the Youth Service Fund (YSF)! We say a very special word of thanks to all of you who have contributed to YSF at Resurrection, through your local church, or through the purchase of magnets. We are thankful for the ministries that have been supported through your giving!

Please continue to keep the youth and youth leaders of our conference in your prayers. We are thankful for your support and pray that our local churches will continue to see youth ministry as a high priority and that youth are not the leaders of the tomorrow's church, but leaders of the church today.

~ Taylor Downey, CCYM President

~ Laura Lambert, Assoc. Director of Connectional Min. for Youth and Young Adults

c.4 Marriage Ministries



Because the well-being of our families, our communities, and our nation are profoundly affected by the success or failure of marriages, we must make every congregation a place where couples can find their marriages strengthened. With the divorce rate in our society hovering around 50%, and with the marriage success rate of church members being similar to that of the general population, we must take seriously our responsibility to assist couples in building healthy marriages. No institutions have a better opportunity to nurture strong marriages than local churches do, and the resources are available.

Pastoral leadership is crucial in creating the setting in which marriages are strengthened. Therefore, Holston Conference is sponsoring an annual "Marriage Enrichment Retreat for Couples in Ministry in Holston Conference." During the six years this event has been held, a total of sixty couples have attended. The 2012 Retreat will be at Buffalo Mountain Retreat Center on April 13-15. "Issues unique to clergy marriages" is one of the topics discussed. The event is jointly funded by the Nurture Team and the Board of Ordained Ministry.

Training is available for those couples who would be interested in providing marriage education and enrichment in their church and community. Contact Anne Travis (annetravis@holson.org) or me (bee.rowlett@gmail.com) if you are interested in exploring this opportunity.

~ Peyton Rowlett, Chair

c.5 Older Adult Ministries

Everyone who reads this report has grown older during the last calendar year by exactly the same number of days as each of the others who have/will read these words. However, some have accomplished a great deal while others will have seemingly only grown older. (It takes no effort to merely grow older; it takes effort to reach out and learn and accomplish purposeful works.) Some have learned a great deal; others have regressed. Some have grown physically stronger while others have become weaker; some have claimed God's goodness while others have denied the very presence of God in their lives; some have been a joyous presence in the human family circle while others have been a disappointment. Comparisons always can be made, especially when the passage of time is

discussed. Yet, as we age, it appears that the majority of humans desire to continue living as long as there is evidence of a positive quality of life.

The Holston Conference encourages its members to be involved in the life of each established congregation for the purpose of Christian fellowship and growth. Still, we are aware that those seeking a positive quality of life need to move beyond their individual congregation for enhancing and nurturing their experience and understanding of Christ. Because of such awareness, it is encouraged that each church provides information to its maturing adults to attend cluster, district, and conference programming designed for their specific age. Organizations are continuing to be formed for the purpose of nurturing our growth through worship, fellowship, study, and travel.

In 2012, the twelfth annual Jubilation event will be held April 15-17 at the MeadowView Conference Resort and Convention Center in Kingsport. The purpose remains the same as the very first gathering: "To provide a ministry for senior adults, aged 55 and over, that nurtures spiritual growth, provides educational opportunities and ways to cope with life issues, promotes involvement in missions, and enhances Christian fellowship." An initial grant from the Margaret Loving Trust provided encouragement; a continuing grant from Asbury, Inc., is assisting in underwriting the quality of the event while keeping the cost as reasonable as possible.

Also, the needs of our aging members are being met in district programming. By the end of December 2011, it is envisioned that each of our twelve districts will have a functioning Older Adult Ministries Team that will be providing a quality program for its aging members. Abingdon, Big Stone Gap, Cleveland, Johnson City, Kingsport, Maryville, Morristown, Tazewell, and Wytheville districts are organized and are providing programs for those eight areas of the conference. Consultations have begun in the remaining four districts with start-up costs to be borne by grant monies for their first year's programming. After their first year, it is envisioned that the specific district will underwrite the cost of program desired by its Older Adult Team.

It seems that this annual conference is aware of each category in its congregations and is attempting to communicate the love of God for each member of its worshipping community. May the Senior Adults of Holston be blessed in the future with financial support to continue its quality program.

~ Frank M. Bostick, Coordinator of Older Adult Ministries

c.6 Young Adult Ministry Team

Greetings brothers and sisters in Christ,

It is my pleasure to report to you from your conference Young Adult Ministry Team. We are the group charged with finding new ways to encourage and connect young adults in ministry and to one another in the Holston Conference. Our goal is to see all young adults welcomed and wanted in our churches.

Over the past year, many people have been helped to be involved in ministry. Scholarships have been provided to help with the cost of mission experiences from the local to international level. Monies have been made available for new young adult-targeted ministries in several churches. These new ministries have ranged from new classes to new technology purchases to further enhance current programs. Many of these new ministries are flourishing.

The goal for the upcoming conference year is to see bigger and better things happen in young adult opportunities. We are working to see more young adults attending and being involved in the ministry of our local churches.

~ Todd Adams, Chair

d. Outreach/Advocacy Ministry Team

Our mission is to examine and raise consciousness about issues of justice, mercy, and kindness in the midst of our complex and constantly changing world. The current economy has had an impact on our budget, but we are still striving to develop and encourage ministry opportunities for members of Holston Conference.

Arising from one of the Four Areas of Focus for the United Methodist Church, we are offering the third regional Poverty Conference on September 9-10, 2011, at First Broad Street United Methodist Church where our theme is "Breaking the Chains of Poverty." One area of interest will be to take a deeper look at what helps and what hurts while striving not to be judgmental or paternalistic. The Poverty Abolition Team Holston (PATH), which emerged out of the first poverty conference in 2009, continues to meet and discuss how to involve more churches in effective ministry with the poor.

Two clergy from Holston Conference, Andrew Amodei and Leann "Lu" Crandall, attended the Young Clergy event in January 2011 at the General Board of Church and Society (GBCS) in Washington, DC. They received an overview of the work of GBSC and plans for the future.

Our Creation Care Team is making plans for the coming year and seeking ways to encourage faithful stewardship of God's world. They will be looking at the carbon footprint of our conference and episcopal office and exploring ways we can make reductions.

With the Virginia Conference and the United Methodist Men, we are in the early stages of bringing the Disciple Bible Study program into the Virginia State prisons, a number of which are located in Holston Conference portion of Virginia. The program is in the beginning stages of being offered in Tennessee, and we hope it will be offered in north Georgia prisons in the future.

Our ministry team offers support to Neighborhood Reconciliation Services in Johnson City, the Virginia Chaplaincy Service, the Peace with Justice Luncheon at Annual Conference, the Virginia Interfaith Center for Public Policy, and grants to address issues around HIV/AIDS. Through the Committee on Status and Role of Women (COSROW) and Religion and Race, monitoring of inclusive participation at Annual Conference is monitored and reported for 2010 and again this year.

We encourage members to be involved in the third Abolishing Poverty Conference in September, the Caring for God's Creation event at Lake Junaluska in April, and the Peace Conference which will focus on issues of poverty and economics in November 2011.

We also continue to encourage every pastor to share God's Renewed Creation: Call to Hope and Action from the Council of Bishops with his or her congregation.

~ Susan Montgomery, chair

e. Stewardship Ministry Team

The Holston Conference stewardship team continues its three-fold focus on equipping pastors to lead the church in generosity and financial stewardship, creating opportunities for laity to learn a theology of giving and practical ways they can help their churches become more generous, and providing stewardship resources to the local churches.

A total of 74 pastors have now attended to the "Texas Intensive Stewardship Training" seminar with Rev. Michael Reeves over the last four years. Two "reunions" of these groups have been held, and we continue to receive reports of exciting results and much "fruit bearing" from those who have received the training. Pastors who have received the

intensive training are being utilized by District Superintendents to share what they have learned with other clergy in their districts. Several churches have started Stewardship Committees, and several have started using the Narrative Budget concept. Giving is up compared with the prior year in many of the churches in which pastors have received training, and at least one church started paying 100% of apportionments when a “trained” pastor was appointed there. In one instance, a church, with a trained pastor, indicated that giving increased by over 25% versus the previous year due to a sermon series on stewardship and the implementation of some basic stewardship strategies.

In the fall of 2010, the Stewardship Team and the Holston Conference Foundation sponsored a stewardship conference within the bounds of Holston titled Funding Your Congregation’s Vision led by Dr. Lovett Weems. The conference, which was held both at First Farragut UMC and Pleasant View UMC (Abingdon, VA), attracted 250 clergy and laity to hear Dr. Weems share a theology of giving and practical means to help congregants respond to God’s goodness through generous living.

On September 24 and 25, 2011, we will offer another stewardship training event for clergy and laity within the bounds of Holston Conference. Our keynote speaker will be J. Clif Christopher, author of *Holy Smoke; Whatever Happened to Tithing?*; and more recently, *It’s Not Your Parents’ Offering Plate*. Clif is a United Methodist minister who, after 20 years in the local church, founded and is president of Horizon Stewardship Company, assisting churches in stewardship ministries and capital fund campaigns.

One of the most significant resources provided by the Holston Conference Stewardship Team to local churches is the weekly “Offertory Moments” composed by Rev. Bill Kilday. These emails provide pastors with a 30- to 60-second stewardship mini-sermon to introduce the offering in worship each week. Pastors in the Big Stone Gap District who have used the offertory moments email on a weekly basis have already seen a 4% increase in giving. You can subscribe to the “Offertory Moments” weekly email and view “Offertory Moments” archives at www.stewardship.holston.org.

In 2011 and 2012, the Stewardship Team plans to continue and improve upon these efforts to help the people of Holston Conference experience the joy of giving in Christ’s name and help their churches fund the vision God has for their ministry.

~ Wil Cantrell, Chair

f. Witness Ministry Team

In 2010 the Witness Team challenged the Holston Annual Conference to get a new focus on Evangelism. We started with the first annual Holston Evangelism Conference with Bishop James Swanson, the Rev. Dr. Bob Pierson, and the Rev. Rudy Rasmus. The event was a great success with approximately 450 people in attendance.

The Witness Team followed this event with a challenge to the 902 churches in Holston to baptize 3000 people between Easter Sunday and Pentecost Sunday. We are happy to report that close to 1500 people were newly introduced and baptized into Christ in those 50 days. This response is a great celebration that we will lead from in 2011.

We have planned our 2nd Annual Holston Evangelism Conference for April 1st and 2nd in Knoxville Tennessee, at Cokesbury Center. Our speakers this year are Bishop James Swanson, the Rev. Charles Kyker, and the Rev. Ken Sloane. Again we will challenge our churches to introduce people to Jesus Christ in an even greater way in 2011 than we did in 2010.

The Witness Team continues to award grants to those churches that are starting new ministries to introduce new people to Christ. Be sure to check out the guidelines for grants and make your submissions. The Church Program Grants application and guidelines can be found at <http://www.holston.org/ministries/connectional-ministries/grants1/>.

Again in 2010 we awarded the Denman Evangelism Awards. We expect 2011 to be the most nominated year in Holston history with all of the baptisms that were done in 2010 and the renewed interest in evangelism across the Conference.

Natural Church Development is still a valuable ministry in Holston. We are now training our own coaches. Contact us if you are interested in learning more about how Natural Church Development can help your church be a healthier, growing environment.

I believe that we will see our conference grow in numbers over the next year, and I believe that growth will be greater than we have seen in previous years. Our membership has a renewed passion to share the Gospel of Jesus Christ, and I am so excited to see the work going on among us. The Witness Team is here to be a resource for you as individual churches; call on us.

~ Ronnie Collins, chair

Churches of Excellence in Evangelism

Abingdon District

GOLD

Anderson Street

SILVER

Addilynn Memorial
Booher's Chapel
Crabtree
First, Marion
Trinity

BRONZE

Blackwell's Chapel
Brumley Gap

Byars Cobbs

Chilhowie

Ebenezer

Elizabeth

John Wesley

Lebanon Memorial

Madam Russell

Mary's Chapel

McCready

Pleasant View

Quarry

Shady Grove

Sinking Springs

South Bristol

State Street

Three Springs

Weaver

Wharf Hill

HONORABLE

MENTION

Abingdon

Aldersgate

Campground

Damascus

Mahanaim

Mt. Olivet

Riverside

St. John

St. Luke

Tate's Chapel

Valley View

Virginia Avenue

Wesley, Mountain City

Big Stone Gap District

GOLD

New Hope
Nickelsville
Seminary
Three Bells

SILVER

Crab Orchard

Culbertson

South Coeburn

St. Paul

BRONZE

Derby

Dungannon

Hales Chapel

Holston View

Ingles Chapel

Nottingham

Smyth Chapel

HONORABLE

MENTION

First, Pennington Gap

Mendota

Trinity, Wise

Churches of Excellence in Evangelism <i>(continued)</i>
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Chattanooga District

<u>GOLD</u>	Harrison	Flintstone	Jones Memorial
Christ	McKendree	Pikeville	New Salem
East Ridge	Signal Mountain	Pleasant Grove	St. Elmo
Hixson	St. John	Red Bank	St. Luke
Randolph	Washington Hills	Trenton	Sulphur Springs
Signal Crest	White Oak		Wells Chapel
Stanley		<u>HONORABLE</u>	Wesley
Wauhatchie	<u>BRONZE</u>	<u>MENTION</u>	
	Brainerd	Bethlehem-Wiley	
<u>SILVER</u>	Brooks Memorial	First Centenary	
Eastdale Village	Chapel Hill	Grace	

Cleveland District

<u>GOLD</u>	Mountain View	First, Cleveland	Wesley Memorial,
Asbury	Spring City	First, Copperhill	Etowah
Keith Memorial	Tasso	Goodfield	
Mt. Carmel	Trinity, Athens	Niota	
Ooltewah	Wesley Memorial,	St. Paul's	
Soddy	Cleveland		
		<u>HONORABLE</u>	
<u>SILVER</u>	<u>BRONZE</u>	<u>MENTION</u>	
Apison	Broad Street	Big Spring	
Daisy	Croft Chapel	First, Dayton	

Johnson City District

<u>GOLD</u>	Limestone Cove	Liberty Hill	Jearoldstown
Boones Creek	Munsey Memorial	Marvins Chapel	St. Paul, Elizabethton
Edgefield	Slagles	Milburnton	
Piney Flats	Taylor Memorial	Pleasant Grove	
Sulphur Springs	Valley View	Telford	
Valley Forge	Wesley Memorial	Watauga	
		<u>HONORABLE</u>	
<u>SILVER</u>	<u>BRONZE</u>	<u>MENTION</u>	
Cherokee	Bethesda, Jonesborough	Cedar Grove	
Fairview	Eden	Embreeville	
First, Johnson City	First, Elizabethton	Grace	
Hunter	Jonesborough		

Kingsport District

<u>GOLD</u>	First Broad Street	Okolona	McFerrin
Crossroads	First, Rogersville	St. Luke	Mt. Carmel
First, Church Hill	Mafair	St. Mark	Otes
Kendricks Creek	Mountain View	Wheeler	Pactolus
Logan's Chapel	St. Matthew		Vermont
Salem		<u>HONORABLE</u>	
	<u>BRONZE</u>	<u>MENTION</u>	
<u>SILVER</u>	Elm Springs	Arcadia	
Cassidy	Fall Branch	Blountville	
Emory	Glen Alpine	Depews Chapel	

Churches of Excellence in Evangelism <i>(continued)</i>
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Knoxville District**GOLD**

Beulah
Christ
Cokesbury
Ebenezer
Faith
Fountain City
Kodak
Piney Grove

St. Mark

SILVER

Bearden
Bethel, Amherst
Emerald Avenue
Lynnwood
Middlebrook Pike
Powell

Sand Branch

BRONZE

Church Street
Lonsdale
New Life
Trinity
Washington Pike

**HONORABLE
MENTION**

Central
Inskip
Pleasant Hill
St. Andrews
Zion

Maryville District**GOLD**

Binfield
Fairview
First, Alcoa
Friendsville
St. John

Peck's Memorial
Pleasant Hill, Blount
Seymour
St. Mark's
Sycamore Tree
Wears Valley

SILVER

Broadway
First, Sevierville
Middle Creek

BRONZE

Buckner Memorial
Bungalow
Burnett Memorial

First, Gatlinburg
First, Maryville
First, Pigeon Forge
First, Sweetwater
Immanuel
Logan's Chapel
Meadow
Middlesettlements
Mountain View
New Salem
Tuckaleechee

Webb's Creek
Wesley Chapel

**HONORABLE
MENTION**

Cedar Bluff
Eden
First, Madisonville
Shults Grove
Williamson Chapel

Morristown District**GOLD**

First, Dandridge
First, Morristown
Midway
Mt. Hebron
Mt. Zion, Afton
Romeo
Shady Grove
Shiloh, Rutledge
St. Clair
Strawberry Plains
Sulphur Springs
Wesley's Chapel,
Dandridge

Baileyton
Burchfield Memorial
Central, Mosheim
Hartman's Chapel
Lawson's Chapel
Liberty Hill
McC Campbell
Oakland
Ottway
Pine Grove
Trinity, Greeneville
Wesley's Chapel,
Greeneville

SILVER

Asbury

BRONZE

Antioch
Bales Chapel

Bethel
Bogart's Chapel
Bruner's Grove
Christ
First, Newport
Grant's Chapel
Harmon's Valley
Hills Union
Mt. Hope
Mt. Pleasant,
Greeneville
Mt. Zion, Dandridge
Noe's Chapel
O & S Chapel
Pruitt Hill
Russellville
Seahorn's Chapel

Zion

**HONORABLE
MENTION**

Bybee
Cedar Grove, New
Market
Chestnut Hill
First, White Pine
George Street
Mary's Chapel
Mt. Carmel, Mosheim
New Market
Rutledge
Talley's Chapel
Tate Chapel

Churches of Excellence in Evangelism <i>(continued)</i>
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Oak Ridge District

<u>GOLD</u>	Kern Memorial	Heiskell	Martel
Cawood	Miller's Chapel	LaFollette	New Tazewell
Trinity	Mt. Hermon	Oliver Springs	Norris
Well Spring	Sinking Springs	Valley View	Rugby Road
	St. Mark		
<u>SILVER</u>	<u>BRONZE</u>	<u>HONORABLE</u>	
Asbury Chapel	Bradbury	<u>MENTION</u>	
Concord	First Farragut	Central	
Haven Chapel	First, Oak Ridge	First, Oneida	
Jacksboro		Hansard's Chapel	

Tazewell District

<u>GOLD</u>	First, Bluefield	Bethany	<u>HONORABLE</u>
Dennison	First, Rich Creek	Boyd's Chapel	<u>MENTION</u>
Mt. Olivet	Mt. Zion, Bland	Christ First	
Shady Grove, Bland	Pleasant Hill, Pearisburg	Ebenezer	Eatons Chapel
Steelesburg	Shady Grove, Pearisburg	First, Pearisburg	Falls Mills
	Thessalia	First, Richlands	Virginia Avenue
<u>SILVER</u>	<u>BRONZE</u>	Goshen	Zion
Dailey's Chapel		Rocky Gap	

Wytheville District

<u>GOLD</u>	First, Pulaski	New Hope	Glenwood, Barren
Door of Heaven	Grahams Forge	Rural Retreat	Springs
Fairview, Rural Retreat	Grove	Savannah	Huddle Memorial
First, Hillsville	Jordan's Chapel	Shiloh	Mt. Olivet, Fries
First, Independence	Max Meadows		Mt. Pleasant
Fort Chiswell	Rockford	<u>HONORABLE</u>	Mt. Vale
Franklin Street	Woodlawn	<u>MENTION</u>	Oak Grove
Morgan's Chapel	<u>BRONZE</u>	Bethany, Independence	Pleasant Hill
Mt. Olive	Bethel, Wytheville	Bishop's Chapel	Providence
<u>SILVER</u>	Cecil's Chapel	Bridle Creek	Sidney
Atkins Memorial	Dublin	Camp Bethel	St. Paul, Wytheville
Auburn	Fries	Central	Summerfield
Belspring	Locust Hill	Draper	
Bethany, Austinville	Mt. Olivet, Galax	Ebenezer	
Brick	Mt. Zion, Wytheville	Fairview, Riner	
		Floyd	

Report No. 6
BOARD OF ORDAINED MINISTRY

This report would be deficient if it did not begin with a word of thanks for the members of the Holston Conference Board of Ordained Ministry. It would be difficult to handle the various responsibilities that concern the Board without a dedicated group of laity and clergy who give their time and effort.

Prior to arriving at annual conference, the Board will have held several sessions of the Local Pastor's Licensing School; reviewed sermons, theological statements and Bible Studies for Provisional and Full Connection candidates; interviewed all candidates for ordained ministry and dealt with various issues having to do with any changes in conference relationships for clergy. A short statement however, does not adequately describe the time committed to preparation and implementation, nor does it exhaust all the areas over which the Board has charge.

One area of concern deals with funding for our seminary students and Local Pastors who are enrolled in the Course of Study. Due to shortfalls in conference giving, this has reduced the amount that the conference receives from the Ministerial Education Fund. Last annual conference, the Board requested and received permission to engage the churches of Holston in a special offering. The date for that offering has been set for September 25, 2011. This offering, further information of which will be released later, will be used to assist with tuition costs for seminary students and those enrolled in the Course of Study. We still believe that an educated pastor is a vital component for a changing, vital church in the 21st century. Hopefully, our churches will generously support this effort so we can assist our students who face the continuing rise of educational costs.

Likewise, the Board will be paying attention to General Conference action related to the Mission Study Committee and the Bishops' "Call To Action" plan for developing vital churches. As someone once was quoted as saying, "the only sure thing to count on is change." Change seems to certainly be blowing across our church, but even with change the Board is of the opinion that God is not finished with the people called Methodists! So the Board of Ordained Ministry and its administrative staff continue to work on behalf of the conference, its laity, its clergy and its churches in cooperation with the Bishop and Cabinet to breathe in the Spirit of God in order to be effective at making disciples for the transformation of the world!

~ REED L. SHELL, *Chair*

Report No. 7
**STEERING COMMITTEE OF THE ORDERS OF ELDERS AND DEACONS AND
FELLOWSHIP OF LOCAL PASTORS AND ASSOCIATE MEMBERS**

The Committee once again sponsored the 2010 Clergy Gathering. It was held at Colonial Heights in Kingsport for the second year. We want to thank Tom Seay, pastor, and the staff and volunteers who provided all who were there with a warm welcome and a great lunch. We also thank John Tate, Conference Treasurer, for sharing the plans for direct invoicing and the tithe method of contributing to the Conference.

2011 will see a change in the Gathering. We will have meetings in the north and south of the Conference. On October 10 we will be meeting at First Farragut and on October 11 the meeting will be held at First Broad Street, Kingsport. We will be changing our times, as well. Both meetings will be held from 1:00pm to 4:00pm. Our program will be led by Bishop Swanson and will center on the Call to Action. We look forward to this new

format for this year and to hearing from our bishop concerning this new emphasis on the revitalization of the church.

As is our custom, the Committee will once again provide gifts for those entering various stages of ministry. This will be during the clergy session of Annual Conference.

Many thanks go to Don Nation, Steward of Clergy Concerns, for his work in assisting the Committee.

~ DENNIE D. HUMPHREYS, *Chair*

Report No. 8

HOLSTON CONFERENCE PASTORAL COUNSELING CENTER

The mission and ministry of the Pastoral Counseling Center is work that helps our Holston Conference grow toward the wholeness that God desires for each of his children, his Church and, in fact, all of God's creation.

The office offers confidential clinical and other types of services which support our clergy, their families and others engaged in ministry in the Holston Conference. The support enables us in the fulfillment of God's purposes for our individual lives as well as those of our families and congregations. Through individual and family therapy and counseling, clergy reflection groups, leadership training and teaching in various settings, clients experience emotional and spiritual support intended to enable greater self-awareness. Out of this awareness comes improved self-understanding and greater spiritual maturity.

The primary counseling office is located in Knoxville, but Laura Shearer, professional counselor and clergy member of Holston, has provided services to our clergy families in many locations this conference year in response to need. Also, three clergy reflection groups have met regularly at Emory and Henry College, in Chattanooga and in Knoxville. Laura also has presented workshops and programs related to wellness, spiritual issues, and clergy leadership issues for the clergy and other conference and district groups in various Holston locations.

Laura considers this support ministry extremely important in the discernment of God's voice, which calls us to wholeness, to community, and to self-discovery. Laura writes, "As we hear, understand and respond to God's call, we discover our true selves. I believe that it is out of this authentic life that we do our best work and find hope for ourselves and others."

"The pressures of life are extreme today, and we are connected as never before to traumas and tragedies experienced not only in our families and community, but also in every other place in the world. The intensity of experience bombards us with the need to process complicated circumstances, often resulting in high levels of stress and feeling overwhelmed. Many need our energy and compassion. Involvement in ministry depletes us emotionally and spiritually. Never has it been more critical that we listen in our hearts for God's voice. We must be intentional about taking time to create space for that. I believe that the ministry I offer extends support for such openness and authenticity with God, which is our deepest need, if we are to be faithful to God's call and our commitment to leadership in our ministry location."

More information about the work of Pastoral Counseling and available services can be found on the Pastoral Counseling Center web page accessed through www.holston.org.

Other groups affiliated with the ministry of the Pastoral Counseling Center include the Conference Wellness Advocacy and Response Team led by Rev. Laurie Jo Cranford and Rev. Mary Parson and Partners in Crisis, a ministry to support spouses of clergy in times of need. Representatives may be contacted through the primary office. Both are valued as part of this ministry.

~ Rev. Laura A. Shearer, M.Ed., LPC, Director
~ Rev. Don Ferguson, Chair of Supervisory Committee

8 a. CWART

The Congregational Wellness Advocacy Response Team (CWART) seeks to serve the congregations and pastors of the Holston Annual Conference in two ways. We serve as the response team who works with congregations immediately following a situation of clergy misconduct as well as work with congregations who are experiencing ongoing turmoil or conflict. We consist of lay persons and clergy from throughout the conference.

Our work as a response team is a short-term, immediate response in order to provide safe and active listening to church members and staff. Our goal is to allow the congregations to be heard, to grieve, and then be able to move forward in the healing process.

In working with churches who are experiencing conflict, our process is more detailed. We receive referrals or requests from District Superintendents as well as pastors. After talking with the lead pastor and Staff-Parish chairperson, we meet with the whole SPR Committee to plan how best to address the needs of the specific congregation.

The goal of both approaches is to promote healthy communication within members of the congregation in order to move toward healing and wholeness. All of our work is confidential.

This year four members of our team participated with other response teams from around the country in sharing information and honing our skills.

We appreciate the opportunities to serve the churches in our conference.

Respectfully submitted,

~Lauri Jo Cranford, Chairperson



Passing the Mantle

Report No. 9**WESLEY LEADERSHIP INSTITUTE**

The Wesley Leadership Institute (WLI) coordinates the continuing education and lifelong leadership development endeavors of the Board of Ordained Ministry for our conference clergy. Our mission is to equip Holston Conference pastoral leadership for faithful, creative and fruitful ministry in the Wesleyan tradition. We seek to bring fuller expression to Paul's words to the Ephesians: "to equip the saints for the work of ministry, for building up the body of Christ" (4:12).

Among the "equipment" that we offer our clergy annually is the convocation at Lake Junaluska. This year's convocation was held February 28-March 3 and concerned the subject of faithful and relevant worship. Darryll Rasnake served for a second year as dean of the convocation, and he assembled a creative and energetic team to assist him in the planning. Heather Murray Elkins, professor of worship and liturgical studies at the seminary at Drew University in New Jersey; Ed Phillips, professor at Candler School of Theology at Emory University in Atlanta; and Dawn Chessier, a pastor in the Holston Conference and a PhD candidate in liturgical studies at Garrett Evangelical Theological Seminary in Evanston, Illinois were the key presenters. The plans for the 2012 Convocation are in the process of being made. Ann Robins will serve as the dean.

We continue to partner with local churches, other conference groups and agencies outside of the Annual Conference, such as the General Board of Discipleship, the Intentional Growth Center at Lake Junaluska and the Alban Institute, by promoting events that they sponsor and offering continuing education credit in accordance with our CEU guidelines. We especially value our ongoing relationship with the Society for Biblical Studies (SBS), and we will be sponsoring with them a travel study pilgrimage to the Holy Land, January 13-27, 2012, which will be led by our very own Bishop Swanson.

We remain convinced that events are most beneficial to our clergy and to the churches and settings in which they serve when a program of continuing education and lifelong leadership development is intentionally planned and pursued by the pastor in conversation and consultation with both the District Superintendent and the local churches' Pastor/Staff-Parish Relations Committees. When all three parties share in a time of open and honest conferencing around areas of strength and potential strengthening, then the possibilities for better equipping our pastoral saints for the work of equipping our congregational saints are made all the more effective.

We are grateful for the leadership that Don Nation and Sue Weber provide through the conference office. They maintain regular contact with our pastors through email and are always eager to help address any of your questions or concerns. Please visit our website (<http://www.holston.org/ministries/wesley-leadership-institute/>) for more information on upcoming events, to check on the availability of grant funding or to log or to track your continuing education record of activities online. And please keep in touch with us and let us know how we can equip you more fully for the work of ministry to which you have been called, for building up the body of Christ, and for offering the world the salvation that comes only through Jesus Christ.

~David Graybeal, Chair,
Wesley Leadership Institute of the Board of Ordained Ministry

Report No. 10

COUNCIL ON FINANCE AND ADMINISTRATION

President's Report

2011

Thank you for your continued generosity and support of our shared ministry!

We could describe 2010 as a time of transition and uncertainty as we have been working diligently in preparation for all of the changes that are taking place within the Holston Conference during 2011, but this is also an opportunity for us to step boldly into God's plans for the Holston Conference. As you know, this body adopted direct invoicing at the 2009 Annual Conference and a new apportionment formula at the 2010 Annual Conference. As of this writing we are encouraged by the faithfulness of giving thus far and the opportunities for dialogue these changes have started throughout the Conference and the local church.

In 2010 we had 655 churches pay 100% of their Conference apportionment. We thank those churches for their continued faithfulness and dedication to our shared ministry. During 2010, the Holston Conference received \$13.6 million in apportionment revenues and spent \$14.4 million. Obviously, this difference was funded by our existing net assets, which is still in excess of our reserve balance policy we created last year, but we know this is not sustainable for the future.

Also, we have already amended the budget to create funding (\$150,000) for a structural study of the Conference staff and associated committees that should begin in 2011. While we do not believe all of this will be spent in 2011, we believe this study will be invaluable in providing direction and consistency to insure that we are providing the proper resources to local churches, are staffed properly, appropriately structured, and help the Holston Conference to equip congregations to make disciples for Jesus Christ. This is an important investment in our future together.

For 2011 and beyond we are encouraged by some of the conversations that are being had throughout our Conference. We are hearing about conversations that reflect unique and creative ways that churches are in ministry by focusing their existing assets and how these assets (people, buildings, and technology) can and are being used to fulfill our mission of making disciples for Jesus Christ. As a part of these conversations, it is apparent that we understand that our giving is another opportunity to honor God and the ways that we give to the Holston Conference, are a manifestation of this by the local church.

Our current data shows that most churches in the Holston Conference are not completing an annual stewardship campaign. As evidenced by my own life, faithful giving is a spiritual discipline and is a way for me to express my gratitude to God for the things that he has done in my life. I hope that every church in 2011 and beyond will begin a year round stewardship plan to allow for this joy to be experienced by everyone in every church throughout our Conference. We, along with the Conference Stewardship Team and the Conference Foundation, are committed to assisting every church in developing a year round stewardship plan. We will be discussing how we can help your church in more detail at the 2012 Annual Conference

In all of these transitions, we are unsure of what our collections will be in 2011 and 2012 and have attempted to provide a realistic budget while also developing plans to handle additional revenues that are realized as a result of our donors' generosity and also to prepare contingency plans in case we have any shortfalls. It is my intent, and I believe of the full board of CCFA, that we will only spend what we receive from the 899 local churches. However, we believe God's plan for the Holston Conference will be completed with or without us.

As a part of the budget recommendation, we have attempted to engage ministry groups and will continue dialogue through the Connectional Table and other venues to make adjustments to our spending plans as we move throughout 2011 and 2012.

While the jury is still out on the impact of all of these changes, I believe that if we become more intentional about our expectations, clearly communicate them, and are accountable to each other, God will do great things in and through us during 2011 and 2012.

Please read about the full CCFA report to understand the impact of all of these changes and the plans for ministry during 2012. Respectfully submitted,

~Charles Stewart, *President*

Recommendations and Guidelines

2012 Apportionments

The Conference Council on Finance and Administration (CCFA) is recommending the continuation of an income based approach for funding the Conference budget for 2012. The Holston Conference currently has an apportionment formula that requires churches to submit 10% of their undesignated income to the Holston Conference to pay for non-benefit related ministries that assist us in Offering Christ to our area and to the world. There are four exclusions to the amount that is included in determining the amount subject to the tithe:

1. Tuition based income (day care, mother's day out, etc.)
2. Pass through donations sent to unrelated organizations (Advance specials, 5th Sunday offerings, UMCOR, etc.) The amount received matches the amount sent directly to the unrelated organization.
3. Endowment gifts (principal only unless earnings are also donor designated and actually used for such purpose.)
4. Designated funds from donor designated gifts or capital related gifts. The balance sheet should contain any remaining amounts on hand at the end of the fiscal year.

A copy of the church tithe and remittance worksheet should be included with each church's monthly remittance by the 10th of the subsequent month for the collections received from the prior month.

Causes Beyond Those Included in Conference Budget

- A. Fifty cents per member is the minimum amount that each district is asked to provide from each church for the purpose of supplementing the funds directly to the Wesley Foundation.
- B. It is recommended that the Annual Conference continue recognition of local churches that give to the five-star program of payments. To qualify we would expect churches to send 10% of their income in compliance with the church tithe and remittance worksheet and at least one Advance Special in each of the four designated lanes with a minimum payment of \$25.00 to each lane (effective in 2012).

District Superintendents

- A. The salary of the district superintendents for 2012 will be \$93,150 which is a 2% increase over the amount paid in 2011, 2010, 2009, and 2008. Previously, the adopted schedule used by the Annual Conference for establishing salaries for the District

Superintendents indicates a 2012 compensation level of \$97,716. In conjunction with this increase and gaps in the existing funding levels, CCFA has established a study group to review this compensation and develop best practices around compensation.

B. The itemized cost of travel for district superintendents in the performance of their duties shall be reimbursed upon requisition to the Office of Financial Services at the IRS recommended rate up to a maximum of 24,000 miles.

C. Actual moving expenses for incoming district superintendents shall be paid from the Cabinet Fund upon requisition to the Conference Treasurer.

D. Direct invoicing costs for the Cabinet shall be paid by the Cabinet budget and the District Superintendent shall be responsible for funding the pastor's share of the insurance.

E. Adequate funding shall be provided by the districts for the office expense of superintendents.

F. The conference designates an amount annually of a cabinet staff person's salary as allowance for parsonage expense excludable for income tax purposes. This amount is to be set after receipt of the Housing Allowance Resolution by the Conference Treasurer.

Office of Financial Services

A. The Office of Financial Services shall carry a fidelity bond of no less than \$1,000,000.

B. The conference treasurer shall provide quarterly reports to each church during the period covered by the report as directed by CCFA.

C. The conference treasurer shall be responsible for accounting for all conference receipts and disbursements in a timely manner. The treasurer's books shall be closed within guidelines of generally accepted accounting principles, with reports provided promptly.

D. The Holston Conference Treasurer shall pay General Church and Southeastern Jurisdictional apportionments at 100%.

E. The Holston Conference shall maintain a cash flow reserve policy equal to 90 days of estimated expenditures.

Policies for Boards, Commissions, and Agencies

A. At the close of each monthly period, the conference treasurer shall deposit to the account of all advanced specials or other designated givings as they shall receive.

B. All requisitions for any funds shall be submitted on approved vouchers and shall bear the signature of the properly authorized representative of the board, commission, team, agency or staff.

C. The standard travel rate for attendance at meetings of conference boards, teams, commissions and agencies shall be the recommended IRS rate for charitable travel (currently 14 cents per mile) and an additional two cents per person per mile for others traveling in the same vehicle for the same board or agency. The travel rate for paid staff employed by the conference shall be the IRS recommended rate per mile per car or actual cost of public transportation, for travel related to the performance of duties of their office(s).

D. Every institution, board, team, committee, agency or other organization of the conference shall annually submit to Holston Conference Council on Finance and Administration a complete financial report for the previous year showing sources of funding, uses of such funding, and balances in all cash and investment accounts. Such financial reports shall have been reviewed or audited by an independent person prior to submission to Holston Conference Council on Finance and Administration.

E. Every district office shall annually submit to Holston Conference Council on Finance and Administration a complete financial report for the previous year showing sources of funding, uses of such funding, and balances in all cash and investment accounts. Such financial reports shall have been reviewed or audited by an independent person prior to submission to Holston Conference Council on Finance and Administration.

Recommendations to the Local Churches

A. It is the policy of the Holston Conference that administrative boards or charge conferences designate annually, in an official resolution, an amount of the pastor's salary as allowance for housing expense (housing exclusion) or for parsonage expenses that are excludable for income tax purposes. This amount is to be set after dialogue between the pastor and the pastor (staff) parish relations committee.

B. Charges of the conference shall pay the moving expenses for incoming pastors.

C. Local churches are urged to pay the expenses for members of the Annual Conference, both lay and clergy, inasmuch as such persons from the church are official members of the conference.

D. Church treasurers are reminded that The Book of Discipline - 2008, ¶624, requires payment of Ministerial Support items, including minimum salary, in the same proportion as the pastor's salary is paid. The primary responsibility rests upon the pastor to ensure full payment of the tithe apportionment.

E. Since both past service and current pension obligations are remitted to the General Board of Pensions each month, and since other conference expenses must be met monthly, it is important that contributions from local churches be sent to the conference treasurer on a monthly basis.

F. We applaud the work of the Holston Conference Foundation in their efforts to promote, attract and manage special gifts, bequests, and endowments for our local churches and our Conference Institutions and Agencies. The Conference Council on Finance and Administration recommends the Foundation as trustworthy, efficient, and effective stewards of investment funds for all churches and institutions. We encourage all to utilize the materials and the expertise the Foundation provides as part of their mission to serve the church and the Holston Conference.

G. CCFA expects each local church to conduct an annual stewardship campaign and to provide year round awareness and teaching opportunities to share information about giving and tithing as part of our Wesleyan heritage. CCFA has partnered with the Conference Stewardship Team and the Conference Foundation to provide information, materials and speakers to assist the local church in performing an annual stewardship campaign and to support stewardship education. We believe that it is vitally important to the spiritual health of our local churches that they have dialogue around the

importance of giving and generosity as part of our overall faith development. CCFA is prepared to assist them in this matter.

H. CCFA further encourages the local churches to support all of our conference related institutions, including Emory and Henry, Hiwassee, and Tennessee Wesleyan Colleges, Holston Home for Children and Asbury Centers by promoting gifts, grants and bequests from our members.

I. CCFA additionally encourages the local churches to promote “Fifth Sunday Offerings” in support of Holston Home and the annual “Mother’s Day Offering” in support of the Circle of Friends Endowment for Asbury Centers.

Miscellaneous Recommendations

A. The Holston Annual Conference shall reimburse the church or institution in which this annual conference session is held for reasonable expenses incurred by that body in the entertainment of the conference, in addition to payments from other sources, upon itemized statements.

B. The publishing of the 2011 Conference Journal has been contracted with United Graphics, Inc., of Knoxville Tennessee. The price of the 2011 Journal will be determined at a later date.

C. The conference will continue the policy by which any church’s administrative board or council wishing to withhold its proportionate share of the National and/or World Council of Churches payment may do so by communicating this action in writing to the conference treasurer. The treasurer will then notify the church of the amount designated for this cause in the local church tithe and will direct all receipts proportionately to the other causes.

D. The conference will not reimburse the members-at-large for actual housing/meals or mileage expenses for the 2012 Annual Conference. We believe serving as an at large delegate to Annual Conference is another way for lay members to serve their church. At-large members of the annual conference are elected to equalize the number of lay members with those clergy who are not serving in the local church or are retired (See ¶ 32. Article I, in the 2008 Book of Discipline). The majority of these clergy do not receive any financial support (per diem) to attend annual conference. We believe that this is an issue of fairness in representation.

E. The Holston Conference Council on Finance and Administration reminds all churches and agencies of the annual conference that the IRS requires a FORM 1099-MISC for every person receiving non-employee compensation of \$600 or more per year. IRS Form W-9 is used to obtain the information for filing the Form 1099-MISC.

~ Charles Stewart, *President*
 Laurence Hesser, *Vice President*
 Kate Bledsoe, *Secretary*
 John Tate, *Treasurer*

REPORT OF THE CONFERENCE TREASURER

The beginning of 2011 has been quite a challenge as we have worked to implement the actions of the Annual Conference with the transition to direct invoicing for pensions and health benefits, a newly adopted policy manual for discontinued properties and several years of backlogged properties, and implemented a new title apportionment formula. We appreciate your patience and understanding as we attempt to implement all of the details associated with these changes.

To assist in your preparation for Annual Conference, I have highlighted several changes, in the Boards that I work with, that are a part of the reports that will be presented at Annual Conference.

Pension and Health Benefits

As I prepare this report, we have issued three separate billings for direct invoicing health insurance and two billings for pension costs. It has become apparent that we must continue to work with local churches, pastors, and SPR committees to more effectively communicate the impact of the Pastor's Support Worksheet on direct invoicing. We will continue to make adjustments to our monthly invoices to insure that they are clear, concise, and able to be matched to the payroll activity that is taking place within the local church.

The Board of Pensions and Health Benefits continues to work to effectively manage the benefit program on behalf of the churches, participants, and retirees of the Holston Conference. As most are aware, these costs continue to rise and we are awaiting any action from the 2012 General Conference that could impact the adopted pension program. We will continue to monitor any changes or modifications to the universal health care bill that was passed, action of the General Conference, and any legal or regulatory changes associated with our benefit programs.

Proposed Changes

In 2012, we will be making a few slight changes to our programs to increase efficiency and improve our programs.

- A transition from AFLAC to Diversified Benefit Group for our section 125 cafeteria plans. The new program will be a premium only plan
- We will also be making H.S.A. contributions to accounts on an annual basis instead of a monthly basis
- Increasing the monthly contribution for employee + 1 enrollees.
- A rate increase for high plan participants of 2%
- A rate increase of 10% for high plan participants that are classified as early retirees
- Wording modifications to our guidelines that more clearly communicate our policies.
- Implementing a years of service program for subsidies for retired participants that was a part of last year's report.

Trustee Actions

During 2010 and the early part of 2011, the Conference Board of Trustees have been active in managing the properties that have reverted to the Holston Conference due to the action of the Annual Conference. Last year, the Annual Conference adopted a new policy that clearly identifies the steps that the Board will take in regards to the liquidation of property and the distribution of any proceeds. To assist in this process, the Board has contracted with Pastor Ed Blair who has an extensive amount of experience in this area. He has been invaluable to the Board in providing recommendations and resources for appropriately managing these assets. As of this writing, we have sold lots that were owned by the former St. Andrews UMC in Chattanooga, donated the former St. Andrews UMC to

the Chattanooga District which in turn gave the property to the St. Andrews Center, sold the former East Lake UMC, and received offers and prepared more properties for sale.

Proposed Changes

At this year's Annual Conference, we will be seeking approval to establish a separate title holding corporation to appropriately manage the associated liability of the properties that are transferred to the Holston Conference as a part of the discontinuance action of the Annual Conference. Please see the Trustee's report to see the full details of this recommendation.

The Trustees will also be seeking approval from the Annual Conference to sell the existing Episcopal Residence and purchase or build a new Episcopal Residence in Blount County. A task force is currently being formed to identify the current needs and provide a recommendation to the Board of Trustees. It is anticipated that bridge financing may be required as the existing residence is prepared for sale and is ultimately sold, but no apportionment dollars will be needed to complete this transaction. Please see the Trustees Report for the full details of this recommendation.

Conference Council on Finance and Administration (CCFA)

2010 Results

During 2010 the Holston Annual Conference had operating expenditures in excess of its operating revenues. For 2010, we collected \$13.6 million while we expended \$14.4 million. We believe that part of this difference is our transition to direct invoicing and the uncertainty surrounding all of the changes, but a majority of this is the culture we have created with some churches in regards to their non-payment of their "fair-share" apportionment. I believe that it is important to constantly provide feedback to leaders within the Holston Conference when churches do not fulfill their responsibilities as laid out by the Book of Discipline.

We will continue to review our collections and appropriate expenditures throughout 2011 to monitor any changes to the 2011 budget as may be necessary.

2012 Budget

In 2012, CCFA is recommending a budget of \$10,600,577. While we are unsure of our total collections for 2011 and 2012, we believe that this is a conservative budget in light of the significant changes that have occurred in the past 2 years. Please review the full CCFA report which details the line-item budget.

During our budget process, we received a report from the Annual Conference Planning Team that requested that the per diem rate and mileage reimbursements for at large delegates be eliminated in 2012. This change will result in reduced expenditures of \$41,000 in the 2012 budget. Please note this change and others that are a part of the recommendations of CCFA that will be adopted by the Annual Conference.

Final Thoughts

During 2011, we have tried to communicate relevant information that will be beneficial in sharing our financial transactions and receipts with all churches, leaders, and members of the Holston Conference. I am hopeful that you would share this information with the appropriate leaders within your church. As always, please let us know if we may be of assistance to your local church as you offer Christ to a broken world.

~ JOHN R. TATE, *Conference Treasurer*

**HOLSTON ANNUAL CONFERENCE
BENEVOLENT GIVING COMPARISON**

Categories	2010	2009	2008
3000 - Peace With Justice	\$ 3,695.70	\$ 4,754.84	\$ 5,338.91
3100 - Native American Ministries	\$ 4,789.47	\$ 5,114.05	\$ 2,643.53
3200 - World Communion	\$ 11,009.14	\$ 11,257.19	\$ 47,972.66
3300 - One Great Hour	\$ 4,920.55	\$ 35,825.35	\$ 4,984.22
3400 - Methodist Student	\$ 54,930.80	\$ 3,961.25	\$ 6,296.34
3500 - Youth Service Fund	\$ 4,081.35	\$ 2,024.00	\$ 7,090.02
3600 - Human Relations Day	\$ 1,325.15	\$ 4,619.85	\$ 12,177.63
4000 - AC Special Sunday Offerings	\$ 482.00	\$ 599.16	\$ 796.50
5000 - International Advance Specials	\$ 133,745.37	\$ 126,911.04	\$ 147,991.95
5100 - United States Advance Specials	\$ 114,977.74	\$ 128,231.28	\$ 131,081.47
5200 - UMCOR	\$ 984,973.34	\$ 93,002.02	\$ 178,276.15
6000 - Conference Initiated Specials	\$ 1,055,799.60	\$ 1,098,718.11	\$ 1,103,854.07
7200 - World Service Special Gifts	\$ 50.00	\$ -	\$ -
Total Benevolences	\$ 2,374,780.21	\$ 1,515,018.14	\$ 1,648,503.45

Holston Conference Membership Statistics - January 1, 2010 - December 31, 2010														
	1	2a	2b	2c	3	4	5a	5b	5c	6	7	8	9	10
DISTRICT NAME	Total Professing Members at Close of Last Year - 2009	Received on Profession of Faith	Restored by Affirmation	Correct Previous Year's Reporting Errors of Professing Membership Numbers by Addition	Transferred In from Other UM Churches	Transferred In from Non-UM Churches	Removed by Charge Conference Action	Withdrawn from Professing Membership	Correct Previous Year's Reporting Errors of Professing Membership Numbers by Subtraction	Transferred Out from Other UM Churches	Transferred Out from Non-UM Churches	Removed by Death	Total Professing Members at Close of this Year - 2010	Gain (Loss) in EOY Membership during 2010
ABINGDON DISTRICT	12,008	152	7	2	78	60	52	26	68	54	43	215	11,849	(159)
BIG STONE GAP DISTRICT	6,082	60	1	2	10	4	3	228	53	16	19	95	5,745	(337)
CHATTANOOGA DISTRICT	21,709	284	49	19	409	226	67	276	45	325	134	254	21,595	(114)
CLEVELAND DISTRICT	12,215	180	8	4	93	114	3	11	35	66	47	171	12,281	66
JOHNSON CITY DISTRICT	12,941	161	10	7	114	104	73	9	196	59	57	163	12,780	(161)
KINGSPORT DISTRICT	12,661	137	6	4	91	67	10	33	12	75	51	177	12,608	(53)
KNOXVILLE DISTRICT	24,466	316	72	2	237	216	10	11	28	139	104	290	24,727	261
MARYVILLE DISTRICT	14,085	243	0	13	196	210	7	82	20	111	46	180	14,301	216
MORRISTOWN DISTRICT	14,173	246	5	61	110	106	64	25	112	77	61	224	14,138	(35)
OAK RIDGE DISTRICT	14,689	152	13	11	146	97	37	37	56	81	62	167	14,668	(21)
TAZEWELL DISTRICT	7,588	95	1	0	30	31	0	3	5	32	14	132	7,559	(29)
WYTHEVILLE DISTRICT	14,008	155	13	8	92	38	0	41	41	71	37	242	13,882	(126)
DISTRICT TOTALS - 2010:	166,625	2,181	185	133	1,606	1,273	326	782	671	1,106	675	2,310	166,133	(492)

HOLSTON CONFERENCE 2012 Budget Proposal AC Approved

Account #/Description	2010 Actual	2011 Adjusted Budget	2012 Budget Request	AC Adjustments	2012 Adopted Budget
102-Apportioned Givings					
Apportionment Revenue	\$13,582,774	\$10,400,000	\$10,535,200		\$10,535,200
Interest Income		\$50,000	\$50,000		\$50,000
Net Assets (Reserve Funds)		\$351,321	\$15,377		\$15,377
Total Revenue		\$10,801,321	\$10,600,577	\$0	\$10,600,577
110 - CABINET					
CABINET					
APPOINTMENT CABINET					
110/010043100 Meeting Expenses	\$17,476	\$17,500	\$17,476	(\$131)	\$17,345
110/010043201 Travel, Meals, Lodging Abingdon	\$11,005	\$11,000	\$11,005	(\$83)	\$10,922
110/010043202 Travel, Meals, Lodging Big Stone Gap	\$13,584	\$13,500	\$13,584	(\$102)	\$13,482
110/010043203 Travel, Meals, Lodging Chattanooga	\$6,396	\$6,400	\$6,396	(\$48)	\$6,348
110/010043204 Travel, Meals, Lodging Cleveland	\$5,239	\$5,300	\$5,239	(\$39)	\$5,200
110/010043205 Travel, Meals, Lodging Johnson City	\$8,870	\$8,875	\$8,870	(\$67)	\$8,804
110/010043206 Travel, Meals, Lodging Kingsport	\$8,220	\$8,225	\$8,220	(\$62)	\$8,158
110/010043207 Travel, Meals, Lodging Knoxville	\$3,002	\$3,000	\$3,002	(\$23)	\$2,979
110/010043208 Travel, Meals, Lodging Maryville	\$4,162	\$4,165	\$4,162	(\$31)	\$4,130
110/010043209 Travel, Meals, Lodging Morristown	\$4,570	\$4,570	\$4,570	(\$34)	\$4,536
110/010043210 Travel, Meals, Lodging Oak Ridge	\$0	\$7,000	\$7,000	(\$53)	\$6,947
110/010043211 Travel, Meals, Lodging Tazewell	\$11,255	\$10,040	\$11,255	(\$84)	\$11,171
110/010043212 Travel, Meals, Lodging Wytheville	\$9,062	\$9,000	\$9,062	(\$68)	\$8,994
110/010043213 Executive Assistant to Bishop	\$877	\$875	\$877	(\$7)	\$870
Sub-total Meeting/Meals/Travel	\$103,717	\$109,450	\$110,717	(\$831)	\$109,886

Account #/Description	2010 Actual	2011 Adjusted Budget	2012 Budget Request	AC Adjustments	2012 Adopted Budget
110/010044200 Continuing Education/Training	\$0	\$0	\$0	\$0	\$0
110/010044202 Intentional Interim Pastors Training	\$0	\$0	\$0	\$0	\$0
110/010046000 Sustentation Payments - Salary Supplements	\$62,914	\$54,256	\$62,914	(\$472)	\$62,442
110/0100460xx Direct Invoicing Transitional Funds	\$47,610	\$360,000	\$100,000	(\$751)	\$99,249
110/010046300 Counseling	\$11,093	\$10,000	\$11,093	(\$83)	\$11,009
110/010046500 Moving Expenses	\$9,819	\$6,750	\$9,819	(\$74)	\$9,745
110/010047702 New DS Training	\$445	\$445	\$445	(\$3)	\$442
110/010049500 Miscellaneous Expense	\$135	\$135	\$135	(\$1)	\$134
Sub-total Cabinet	\$132,015	\$431,586	\$184,405	(\$1,384)	\$183,021
110/990075000 Salaries	\$941,614	\$1,095,864	\$1,117,781	(\$21,917)	\$1,095,864
110/990075010 Housing	\$154,250	included above			
110/990075030 Health Insurance	\$105,624	\$98,400	\$98,400	\$0	\$98,400
110/990075050 Clergy Pension	\$80,405	\$178,626	\$182,199	(\$3,573)	\$178,626
Sub-total Cabinet Salaries	\$1,281,893	\$1,372,890	\$1,398,380	(\$25,490)	\$1,372,890
Total Cabinet	\$1,517,626	\$1,913,926	\$1,693,502	(\$27,705)	\$1,665,797

Account #/Description	2010 Actual	2011 Adjusted Budget	2012 Budget Request	AC Adjustments	2012 Adopted Budget
150 - COMMUNICATIONS					
COMMUNICATIONS MINISTRY TEAM					
General & Administration					
150/011043100 Meeting & Travel Expenses	\$1,011	\$1,000	\$1,011	(\$8)	\$1,004
150/011043400 Postage	\$0	\$0	\$0	\$0	\$0
150/011043700 Dues & Subscriptions	\$709	\$700	\$709	(\$5)	\$704
150/011044200 Continuing Ed and Training	\$199	\$200	\$199	(\$1)	\$198
150/011045500 Communications Hardware/Equipment	\$120	\$120	\$120	(\$1)	\$119
150/011045700 Communications Software	\$1,106	\$1,100	\$1,106	(\$8)	\$1,097
150/011045749 Postage Expenses	\$333	\$340	\$333	(\$3)	\$331
150/011045750 Travel - Director - Communications	\$1,743	\$1,700	\$1,743	(\$13)	\$1,730
150/011049500 Miscellaneous Expense	\$665	\$500	\$665	(\$5)	\$660
Sub-total - General & Admin	\$5,886	\$5,660	\$5,886	(\$44)	\$5,842
Publication Expenses					
150/012043200 Meals & Travel	\$2,867	\$2,800	\$2,867	(\$22)	\$2,845
150/012043300 E-mail hosting for the Call 2	\$901	\$900	\$901	(\$7)	\$894
150/012043400 Postage	\$3,395	\$3,200	\$3,395	(\$25)	\$3,370
150/012043500 Design & Printing	\$8,309	\$8,200	\$8,309	(\$62)	\$8,247
150/012049500 Free Lance Writing/Photo/Misc.	\$1,581	\$1,500	\$1,581	(\$12)	\$1,569
Sub-total Publications Expense	\$17,053	\$16,600	\$17,053	(\$128)	\$16,925

Account #/Description	2010 Actual	2011 Adjusted Budget	2012 Budget Request	AC Adjustments (\$2)	2012 Adopted Budget
150/014043600 Web/Internet Development Expenses	\$200	\$200	\$200	(\$2)	\$198
Sub-total web development expenses	\$200	\$200	\$200	(\$2)	\$198
150/990075000 Salaries	\$145,700	\$143,901	\$146,781		\$146,781
150/990075020 FICA	\$10,090	\$11,008	\$11,229		\$11,229
150/990075030 Health Insurance	\$26,664	\$28,248	\$29,108		\$29,108
150/990075040 Lay Pension	\$5,613	\$8,634	\$8,807		\$8,807
150/990075060 Disability Insurance	\$1,427	\$1,325	\$1,352		\$1,352
Sub-total Communications Salary	\$189,493	\$193,116	\$197,276	\$0	\$197,276
Total Communications	\$212,633	\$215,576	\$220,416	(\$174)	\$220,242
175 - INFORMATION TECHNOLOGY					
INFORMATION TECHNOLOGY					
175/022043204 Travel-Director-Information Technology	\$1,614	\$1,600	\$1,614	(\$12)	\$1,602
175/022043205 Internet T-1 Charges - JC	\$4,510	\$3,500	\$4,510	(\$34)	\$4,476
175/022043206 Internet T-1 Charges- Alcoa	\$765	\$765	\$765	(\$6)	\$759
175/022043207 Office Supplies	\$291	\$275	\$291	(\$2)	\$289
175/022043208 Service/Support	\$9,706	\$9,700	\$9,706	(\$73)	\$9,633
175/022043209 Web Page Hosting	\$5,079	\$5,000	\$5,079	(\$38)	\$5,041
175/022043210 License & Fees - Domain Renewal	\$185	\$185	\$185	(\$1)	\$184
175/022043211 Training	\$0	\$0	\$0	\$0	\$0
175/022043212 Software Purchases	\$9,012	\$9,000	\$9,012	(\$68)	\$8,944
175/022043213 Hardware Purchases/Past Leases	\$19,028	\$19,471	\$19,028	(\$143)	\$18,885
175/022043214 Maintenance	\$2,959	\$2,800	\$2,959	(\$22)	\$2,937
175/022043215 Web-Member Clicks	\$2,189	\$2,000	\$2,189	(\$16)	\$2,173
Sub-total Information Technology	\$55,338	\$54,297	\$55,338	(\$415)	\$54,923

Account #/Description	2010 Actual	2011 Adjusted Budget	2012 Budget Request	AC Adjustments	2012 Adopted Budget
175/990075000 Salaries	\$45,195	\$46,099	\$47,021		\$47,021
175/990075020 FICA	\$3,361	\$3,527	\$3,597		\$3,597
175/990075030 Health Insurance	\$3,696	\$3,888	\$3,978		\$3,978
175/990075040 Lay Pension	\$1,356	\$2,766	\$2,821		\$2,821
175/990075060 Disability Insurance	\$457	\$440	\$449		\$449
Sub-total Information Technology Salaries	\$54,065	\$56,720	\$57,866	\$0	\$57,866
Total Information Technology	\$109,403	\$111,017	\$113,204	(\$415)	\$112,789
260 - DISCIPLESHIP & MINISTRY TEAMS					
DISCIPLESHIP TEAM					
General & Administration					
260/011043200 Meetings, Meals, Travel Expense	\$1,734	\$2,000	\$2,000	(\$15)	\$1,985
260/011043510 General Church Quadrennial Training Event	\$0	\$0	\$4,000	(\$30)	\$3,970
260/011043520 Future Discipleship Programs	\$4,333	\$2,500	\$5,076	(\$38)	\$5,038
260/011043530 Sudan Publications	\$816	\$0	\$0	\$0	\$0
260/011043540 African American Ministry Team	\$4,453	\$2,500	\$4,000	(\$30)	\$3,970
260/011043560 Sudan Scholarships	\$0	\$0	\$0	\$0	\$0
260/011043569 Postage Expenses	\$7,303	\$3,000	\$3,000	(\$23)	\$2,977
260/011043570 Travel - Director - Connectional Ministries	\$11,774	\$10,000	\$10,000	(\$75)	\$9,925
Sub-total - Discipleship Team	\$30,413	\$20,000	\$28,076	(\$211)	\$27,865

Account #/Description	2010 Actual	2011 Adjusted Budget	2012 Budget Request	AC Adjustments	2012 Adopted Budget
Audio Visual Library					
260/023043400 Postage	\$44	\$0	\$0	\$0	\$0
260/023043600 Inventory Purchases	\$207	\$0	\$0	\$0	\$0
Sub-total Audio Visual	\$251	\$0	\$0	\$0	\$0
TOTAL DISCIPLESHIP TEAM	\$30,664	\$20,000	\$28,076	(\$211)	\$27,865
MISSIONS MINISTRY TEAMS					
260/031043100 Meeting Expense	\$842	\$0	\$1,200	(\$9)	\$1,191
260/031043211 Travel-Coordinator-Missions	\$659	\$1,700	\$1,700	(\$13)	\$1,687
260/031043300 Telephone	\$0	\$0	\$0	\$0	\$0
260/031043400 Postage	\$121	\$0	\$0	\$0	\$0
260/031043500 Design & Printing	\$7	\$0	\$0	\$0	\$0
260/031046100 Volunteer Labor Coordinator	\$7,647	\$7,500	\$7,500	(\$56)	\$7,444
Sub-total	\$9,275	\$9,200	\$10,400	(\$75)	\$10,322
General & Administration					
Southeast Jurisdiction Programs					
260/042045022 UMWIM Office	\$1,700	\$1,650	\$1,650	(\$12)	\$1,638
260/042045023 SEJANAM	\$0	\$0	\$0	\$0	\$0
Sub-total	\$1,700	\$1,650	\$1,650	(\$12)	\$1,638

Account #/Description	2010 Actual	2011 Adjusted Budget	2012 Budget Request	AC Adjustments	2012 Adopted Budget
In-Conference Ministries					
260/052041001 In-Conference Ministries	\$3,825	\$2,700	\$2,700	(\$20)	\$2,680
260/052042006 Bridge Refugee	\$170	\$0	\$0	\$0	\$0
260/052045002 Conference Mission Emphasis	\$0	\$1,700	\$1,700	(\$13)	\$1,687
260/052045003 Meet the Missionaries	\$0	\$350	\$350	(\$3)	\$347
260/052045007 Disaster Training Event	\$0	\$400	\$400	(\$3)	\$397
260/052045008 Mission Cultivation	\$638	\$400	\$400	(\$3)	\$397
260/052045009 Church & Community Workers	\$66,667	\$69,904	\$69,904	(\$525)	\$69,379
Sub-total	\$71,300	\$75,454	\$75,454	(\$566)	\$74,888
Volunteers in Mission					
260/062045017 National Volunteer in Mission	\$425	\$0	\$0	\$0	\$0
260/062045018 VIM Committee	\$333	\$450	\$450	(\$3)	\$447
260/062045019 Mission Scholarships	\$500	\$2,500	\$4,000	(\$30)	\$3,970
260/062045020 Mission Intern Team	\$13,500	\$7,000	\$12,000	(\$90)	\$11,910
Sub-total	\$14,758	\$9,950	\$16,450	(\$123)	\$16,327
Native American Ministries "The Gathering"					
260/072045019 Native American Ministries	\$4,282	\$4,250	\$4,250	(\$32)	\$4,218
TOTAL MISSIONS MINISTRY TEAM	\$101,315	\$100,504	\$108,204	(\$812)	\$107,392
NURTURE MINISTRY TEAM					
260/081043100 Meals & Travel	\$214	\$420	\$420	(\$3)	\$417
260/081043101 Leadership Holston	\$2,898	\$2,000	\$4,000	(\$30)	\$3,970
Sub-total Nurture Ministries Expense	\$3,112	\$2,420	\$4,420	(\$33)	\$4,387

Account #/Description	2010 Actual	2011 Adjusted Budget	2012 Budget Request	AC Adjustments	2012 Adopted Budget
Childrens Ministry					
260/081043110 Meeting Expenses	\$91	\$275	\$275	(\$2)	\$273
260/081043120 Consultations and Workshops	\$280	\$500	\$500	(\$4)	\$496
260/081043130 Design & Printing	\$140	\$600	\$600	(\$5)	\$595
260/081043140 Education Resources	\$316	\$600	\$600	(\$5)	\$595
260/081043150 March Forth for Children	\$1,445	\$500	\$3,000	(\$23)	\$2,977
260/081043160 Children's Day	\$1,200	\$0	\$1,600	(\$12)	\$1,588
Emerging Ministries		\$0	\$0	\$0	\$0
Hope for Children of Sudan		\$0	\$0	\$0	\$0
Design & Printing		\$7,200	\$7,200	(\$54)	\$7,146
260/081043180 Travel - Coordinator - Childrens Ministries	\$7,539	\$9,675	\$13,775	(\$103)	\$13,672
Sub-total Children's Ministry Team	\$11,013	\$9,675	\$13,775	(\$103)	\$13,672
Youth Council (Transfer to Designated Accounts)					
260/091043100 Operating CCYM T/O Designated	\$27,115	\$27,115	\$27,115	(\$204)	\$26,911
260/091043110 Emerging Ministries	\$0	\$0	\$0	\$0	\$0
260/091043139 Postage Expenses	\$3,276	\$7,310	\$7,310	(\$55)	\$7,255
260/091043140 Travel - Coordinator - Youth Ministries	\$8,359	\$7,650	\$7,650	(\$57)	\$7,593
Sub-total Council on Youth Ministries	\$38,750	\$42,075	\$42,075	(\$316)	\$41,759
Adult Ministry Teams					
260/100043100 Older Adult Ministry	\$35	\$690	\$1,060	(\$8)	\$1,052
260/100043101 Travel - Coordinator - Older Adult Ministries	\$4,336	\$4,370	\$4,000	(\$30)	\$3,970
260/100043103 Young Adult Meals and Travel	\$173	\$300	\$300	(\$2)	\$298
260/100043104 Supplies and Equipment	\$0	\$750	\$750	(\$6)	\$744
260/100043105 Young Adult Annual Conference Mission and Event	\$0	\$750	\$750	(\$6)	\$744

Account #/Description	2010 Actual	2011 Adjusted Budget	2012 Budget Request	AC Adjustments	2012 Adopted Budget
260/100043106 Young Adult Missions and Outreach	\$700	\$750	\$750	(\$6)	\$744
260/100043107 Young Adult Leadership and Transitions Retreats	\$500	\$3,750	\$3,750	(\$28)	\$3,722
260/100043111 Clergy/Spouse Retreat	\$1,550	\$2,000	\$2,000	(\$15)	\$1,985
260/100043112 Singles Training	\$0	\$0	\$0	\$0	\$0
260/100043113 Training of couples to provide marriage educ ldrship.	\$0	\$500	\$500	(\$4)	\$496
260/100043113 Middle Adult Ministries	\$2,389	\$0	\$0	\$0	\$0
Sub-total Adult Ministry	\$9,683	\$13,860	\$13,860	(\$104)	\$13,756
Camp & Retreat Ministries					
260/11043106 T/O to Designated Camping Account	\$56,380	\$56,400	\$56,400	(\$423)	\$55,977
Sub-total - Camping Staff & Support/Benefits	\$56,380	\$56,400	\$56,400	(\$423)	\$55,977
Staff Support and Benefits					
260/112043101 Salaries and Benefits T/O Designated	\$327,160	\$363,645	\$363,404		\$363,404
Sub-total Camping Staff Support & Benefits	\$327,160	\$363,645	\$363,404	\$0	\$363,404
TOTAL NURTURE TEAM	\$446,098	\$488,075	\$493,934	(\$980)	\$492,954
OUTREACH ADVOCACY TEAM					
260/1121043200 Meetings, Meals, Travel Expenses	\$137	\$800	\$800	(\$6)	\$794
Annual Conference Programs					
260/122045004 Annual Conference Event	\$0	\$187	\$187	(\$1)	\$186
260/122045005 Neighborhood Reconciliation Services	\$4,000	\$4,000	\$4,000	(\$30)	\$3,970
260/122045006 Training and Networking Events	\$1,366	\$2,128	\$2,128	(\$16)	\$2,112
Sub-total	\$5,503	\$7,115	\$7,115	(\$53)	\$7,062

Account #/Description	2010 Actual	2011 Adjusted Budget	2012 Budget Request	AC Adjustments	2012 Adopted Budget
Agencies Funded by Holston Conference					
260/132042003 Appalachian Development Committee	\$2,976	\$3,075	\$3,075	(\$23)	\$3,052
260/132042005 Virginia Interfaith Center for Public Policy	\$2,325	\$2,425	\$2,425	(\$18)	\$2,407
260/132042006 Virginia Chaplaincy Service	\$23,160	\$23,260	\$23,260	(\$175)	\$23,085
260/132042007 W. S. Hight PACE Ministry Chattanooga	\$876	\$1,000	\$1,000	(\$8)	\$992
260/132042008 Poverty Action Team	\$160	\$1,000	\$10,000	(\$75)	\$9,925
Sub-total	\$29,497	\$30,760	\$39,760	(\$298)	\$39,462
Grants/Scholarships within Holston Conference					
260/142045001 COSROW Program Funds	\$0	\$350	\$350	(\$3)	\$347
260/142045002 Holston Camp Scholarships	\$2,125	\$2,125	\$4,000	(\$30)	\$3,970
260/142045003 Handicap Accessibility Grants	\$2,125	\$2,000	\$2,000	(\$15)	\$1,985
O R Environmental Peace Alliance	\$0	\$0	\$0	\$0	\$0
260/142045004 Strength for the Journey	\$1,700	\$0	\$0	\$0	\$0
Sub-total	\$5,950	\$4,475	\$6,350	(\$48)	\$6,302
Religion and Race Ministries					
260/152044103 Ethnic Camping Scholarships	\$1,020	\$1,020	\$2,800	(\$21)	\$2,779
260/152044104 Religion and Race Programs	\$0	\$850	\$850	(\$6)	\$844
260/152044105 Meeting Expenses	\$0	\$300	\$300	(\$2)	\$298
Sub-Total	\$1,020	\$2,170	\$3,950	(\$30)	\$3,920

Account #/Description	2010 Actual	2011 Adjusted Budget	2012 Budget Request	AC Adjustments	2012 Adopted Budget
Sub Team Seed Money					
260/162044101 Health Care Task Force	\$180	\$0	\$0	\$0	\$0
260/162044102 Domestic Violence Task Force	\$1,375	\$1,000	\$1,000	(\$6)	\$992
260/162044103 Prison Ministry	\$0	\$100	\$3,000	(\$23)	\$2,977
260/162044104 Ethnic Minority Local Church Relations	\$4,250	\$3,000	\$5,000	(\$38)	\$4,962
Creation Care Task Force	\$0	\$350	\$1,000	(\$6)	\$992
Tenn Care/Health Task Force	\$0	\$0	\$0	\$0	\$0
260/162044105 Aids Fund Contribution	\$141,932	\$50,094	\$0	\$0	\$0
Sub-total	\$147,737	\$54,544	\$10,000	(\$75)	\$9,925
STEWARDSHIP MINISTRY TEAM					
260/171043101 Meeting Expenses	\$0	\$400	\$400	(\$3)	\$397
260/171043102 Clergy Finance Letter	\$1,151			\$0	\$0
260/171043103 Clergy Letter Mailing	\$0			\$0	\$0
260/171043104 Market Living for Giving	\$612			\$0	\$0
260/171043105 Quadrennial Training Event	\$131			\$0	\$0
260/171043106 Emerging Projects	\$210			\$0	\$0
260/171043107 Stewardship Travel Expenses	\$1,239	\$4,000	\$4,000	(\$30)	\$3,970
260/171043108 Postage Expenses	\$75			\$0	\$0
260/17043109 Contract Services	\$1,000			\$0	\$0
260/1710431xx Plano Event		\$13,500	\$13,500	(\$101)	\$13,399
260/1710431xx Plano Reunion		\$300	\$300	(\$2)	\$298
260/1710431xx Conference Training Event		\$1,050	\$1,050	(\$6)	\$1,042
260/1710431xx Pastor's Mailing		\$750	\$750	(\$6)	\$744
Total Stewardship Ministry Team	\$4,418	\$20,000	\$20,000	(\$150)	\$19,850

Account #/Description	2010 Actual	2011 Adjusted Budget	2012 Budget Request	AC Adjustments	2012 Adopted Budget
WITNESS MINISTRY TEAM					
260/184043100 Meeting Expenses	\$210	\$1,000	\$1,000	(\$8)	\$992
260/184043101 Evangelism-NCD	\$4,163	\$2,000	\$2,000	(\$15)	\$1,985
260/184043102 Smaller Membership Churches/Rural Churches	\$6,398	\$4,500	\$4,500	(\$34)	\$4,466
260/184043103 Church Program Grants	\$23,375	\$27,487	\$37,500	(\$281)	\$37,219
260/18404310x Evangelism Promotion	\$0	\$0	\$0	\$0	\$0
260/184043104 Hispanic Ministries	\$76,010	\$85,000	\$85,000	(\$638)	\$84,362
TOTAL WITNESS MINISTRY TEAM	\$110,156	\$119,987	\$130,000	(\$976)	\$129,024
sub-total Ministry Teams	\$304,281	\$239,051	\$217,175	(\$1,630)	\$215,545
260/990075000 Salaries	\$224,375	\$214,920	\$218,107		\$218,107
260/990075020 FICA	\$15,477	\$15,663	\$14,578		\$14,578
260/990075030 Health Insurance	\$3,696	\$3,888	\$3,978		\$3,978
260/990075040 Lay Pension	\$16,208	\$12,895	\$13,086		\$13,086
260/990075060 Disability Insurance	\$1,685	\$2,500	\$2,550		\$2,550
Sub-Total Ministry Team Salaries	\$261,441	\$249,866	\$252,299	\$0	\$252,299
Total Ministry Teams	\$1,143,799	\$1,097,496	\$1,099,888	(\$3,633)	\$1,096,055

Account #/Description	2010 Actual	2011 Adjusted Budget	2012 Budget Request	AC Adjustments	2012 Adopted Budget
265 - ANNUAL CONFERENCE SESSIONS					
265/033743101 Meeting Expense	\$1,097	\$1,275	\$1,100	(\$8)	\$1,092
265/033743102 At-Large Delegates Expense	\$40,690	\$29,750	\$0	\$41,000	\$41,000
265/033743103 Conference Leaders Housing	\$18,209	\$7,225	\$17,000	(\$128)	\$16,872
265/033743104 Postage	\$5,833	\$4,250	\$4,250	(\$32)	\$4,218
265/033743105 Printing	\$5,403	\$15,725	\$6,000	(\$45)	\$5,955
265/033743106 Supplies/Materials	\$2,222	\$4,250	\$2,500	(\$19)	\$2,481
265/033743107 Program Expense	\$9,564	\$7,650	\$8,000	(\$60)	\$7,940
265/033743108 Honorariums	\$750	\$3,400	\$2,500	(\$19)	\$2,481
265/033743109 Stoles & Bibles for Ordained	\$1,781	\$1,700	\$1,700	(\$13)	\$1,687
265/033743110 New Clergy Training	\$0	\$170	\$0	\$0	\$0
265/033743111 Miscellaneous Expense	\$1,419	\$425	\$425	(\$3)	\$422
265/033743112 Ice Cream Social Event	\$0	\$0	\$0	\$0	\$0
Total Annual Conference Sessions	\$86,969	\$75,820	\$43,475	\$40,674	\$84,149
360 - COMMISSION ON ARCHIVES & HISTORY					
COMMISSION ON ARCHIVES & HISTORY					
360/041041000 Meals & Travel	\$140	\$500	\$500	(\$4)	\$496
360/041041001 Supplies/ Resources	\$0	\$340	\$340	(\$3)	\$337
360/041041002 Contractual Services (Archivist Salary)	\$9,800	\$20,000	\$20,000		\$20,000
360/041041003 Membership Dues	\$200	\$200	\$200	(\$2)	\$198
Total Commission on Archives & History	\$10,140	\$21,040	\$21,040	(\$8)	\$21,032

Account #/Description	2010 Actual	2011 Adjusted Budget	2012 Budget Request	AC Adjustments	2012 Adopted Budget
370 - BOARD OF ORDAINED MINISTRY					
BOARD OF ORDAINED MINISTRY					
COMMITTEES/TASK GROUPS					
370/010043102 Meeting Expense	\$296	\$250	\$250	(\$2)	\$248
370/010043103 Travel/Meals/Lodging	\$3,864	\$4,000	\$4,000	(\$30)	\$3,970
370/010043104 Travel-Director-Clergy Services	\$3,556	\$2,055	\$2,055	(\$15)	\$2,040
370/01004310X Travel Director-Conference Secretary		\$0	\$0	\$0	\$0
370/010043105 Regional & National Meetings	\$350	\$350	\$350	(\$3)	\$347
370/010043106 Postage Expenses	\$49	\$50	\$50	(\$0)	\$50
subtotal	\$8,114	\$6,705	\$6,705	(\$50)	\$6,655
Guidance & Support					
370/010044201 Candidacy Programs Materials	\$0	\$205	\$205	(\$2)	\$203
370/010044202 Clergy & Probationary Mentoring	\$0	\$200	\$200	(\$2)	\$198
subtotal	\$0	\$405	\$405	(\$3)	\$402
Candidate's Preparation					
370/010046001 Ministerial Assessment	\$8,902	\$18,000	\$18,000	(\$135)	\$17,865
370/010046002 Licensing School	\$44	\$50	\$50	(\$0)	\$50
370/010046003 Interviews	\$500	\$500	\$500	(\$4)	\$496
370/010046004 Bishop's Ordination Retreat	\$342	\$50	\$50	(\$0)	\$50
370/010046005 Ordination	\$1,259	\$40	\$40	(\$0)	\$40
370/010046006 Seminary Visits	\$0	\$0	\$0	\$0	\$0
subtotal	\$11,048	\$18,640	\$18,640	(\$140)	\$18,500

Account #/Description	2010 Actual	2011 Adjusted Budget	2012 Budget Request	AC Adjustments	2012 Adopted Budget
Other					
370/010047001 Clergywomen Retreat	\$60	Budgeted under 4	\$0	\$0	\$0
370/010047002 Minister's Wives Retreat	\$0	Budgeted under 4	\$0	\$0	\$0
370/010047003 Partner's In Crisis	\$168	Budgeted under 4	\$0	\$0	\$0
370/010047004 Clergy Testing	\$0		\$0	\$0	\$0
370/010047005 Marriage Enrichment	\$0	Budgeted under 4	\$0	\$0	\$0
370/010047006 African American Ministers Convocation-moved to WLI	\$0	Budgeted under 4	\$0	\$0	\$0
subtotal	\$227	\$0	\$0	\$0	\$0
sub-total Board of Ordained Ministry	\$19,390	\$25,750	\$25,750	(\$193)	\$25,557
370/990075000 Salaries	\$94,684	\$130,657	\$125,265		\$125,265
370/990075010 Housing	\$36,000	included above	included above		
370/990075020 FICA	\$2,810	\$2,699	\$2,341		\$2,341
370/990075030 Health Insurance	\$11,772	\$12,088	\$12,424		\$12,424
370/990075040 Lay Pension	\$1,079	\$2,117	\$1,836		\$1,836
370/990075050 Clergy Pension	\$0	\$15,128	\$15,430		\$15,430
370/990075060 Disability Insurance	\$283	\$300	\$306		\$306
Sub-total BOM Salaries	\$146,629	\$162,989	\$157,602	\$0	\$157,602
Total Board of Ordained Ministry	\$166,018	\$188,739	\$183,352	(\$193)	\$183,158

Account #/Description	2010 Actual	2011 Adjusted Budget	2012 Budget Request	AC Adjustments	2012 Adopted Budget
380 - BOARD OF HIGHER EDUCATION					
BOARD OF HIGHER ED & CAMPUS MINISTRY					
General and Administrative					
380/061043100 Meeting, Meals, Travel Expense	\$949	\$750	\$1,000	(\$8)	\$992
Conference Luncheon				\$0	\$0
380/061043102 BHE/ Ministers Retreat	\$819	\$315	\$1,065	(\$8)	\$1,057
Emerging Ministry Grants				\$0	\$0
380/061043810 Wesley Foundation Moving Expense	\$3,200			\$0	\$0
380/061043800 Campus Ministry Opportunities for Students	\$0	\$1,000	\$0	\$0	\$0
Sub-total General & Administrative	\$4,968	\$2,065	\$2,065	(\$16)	\$2,049
Wesley Foundations					
Programs					
380/062042002 ETSU	\$14,939	\$20,000	\$22,969	(\$172)	\$22,797
380/062042003 Radford University	\$25,500	\$22,300	\$22,969	(\$172)	\$22,797
380/062042004 UT Chattanooga	\$14,701	\$20,000	\$22,969	(\$172)	\$22,797
380/062042005 UT Knoxville	\$38,885	\$29,200	\$22,969	(\$172)	\$22,797
380/062042006 UVA College at Wise	\$17,472	\$20,000	\$22,969	(\$172)	\$22,797
Sub-total Wesley Foundation Program	\$111,497	\$111,500	\$114,845	(\$862)	\$113,983
380/062043001 Capital Improvements	\$42,790	\$34,000	\$34,000	(\$255)	\$33,745
Sub-total Capital Improvements	\$42,790	\$34,000	\$34,000	(\$255)	\$33,745
Sub-total Salaries	\$0	\$0	\$0	\$0	\$0
Subtotal Wesley Foundations	\$159,255	\$147,565	\$150,910	(\$1,133)	\$149,777

Account #/Description		2010 Actual	2011 Adjusted Budget	2012 Budget Request	AC Adjustments	2012 Adopted Budget
Conference Colleges						
380/063042001 Emory & Henry		\$72,250	\$75,300	\$75,300	(\$565)	\$74,735
380/063042002 Hiwassee		\$92,083	\$75,300	\$75,300	(\$565)	\$74,735
380/063042003 Tennessee Wesleyan		\$72,250	\$75,300	\$75,300	(\$565)	\$74,735
380/063043001 E & H Campus Ministry-Chaplain		\$6,800	\$8,000	\$8,000	(\$60)	\$7,940
380/063043002 Hiwassee Campus Ministry-Chaplain		\$6,800	\$8,000	\$8,000	(\$60)	\$7,940
380/063043003 TWC Campus Ministry-Chaplain		\$6,800	\$8,000	\$8,000	(\$60)	\$7,940
Sub-total - Conference Colleges		\$256,983	\$249,900	\$249,900	(\$1,876)	\$248,024
Total Board of Higher Education						
		\$416,238	\$397,465	\$400,810	(\$3,009)	\$397,801
380/990075000 Salaries		\$196,380	\$278,959	\$274,700		\$274,700
380/990075010 Housing		\$72,000	included above			\$0
380/990075020 FICA		\$4,506	\$4,829	\$4,926		\$4,926
380/990075030 Health Insurance		\$34,824	\$36,544	\$37,577		\$37,577
380/990075040 Lay Pension		\$3,714	\$4,829	\$3,864		\$3,864
380/990075050 Clergy Pension		\$12,651	\$36,544	\$34,279		\$34,279
380/990075060 Disability Insurance		\$588	\$500	\$510		\$510
Sub-total Board of Higher Ed Salaries		\$324,662	\$362,205	\$355,856	\$0	\$355,856
Total Board of Higher Education						
		\$740,900	\$759,670	\$756,666	(\$3,009)	\$753,657

Account #/Description	2010 Actual	2011 Adjusted Budget	2012 Budget Request	AC Adjustments	2012 Adopted Budget
480 - GROUPS RELATED TO CAB & BOM					
GROUPS RELATED TO THE CABINET & BOM					
ORDERS					
480/011000001 Office Expense	\$1,750	\$1,000	\$900	(\$7)	\$893
480/011000002 Meetings & Travel	\$125		\$1,000	(\$8)	\$992
480/011000003 Travel-Steward of Clergy Concerns	\$226	\$2,125	\$2,125	(\$16)	\$2,109
480/011000004 Support for Regions			\$1,500	(\$11)	\$1,489
370/010047001 Clergywomen Retreat			\$500	(\$4)	\$496
370/010047002 Minister's Wives Retreat			\$500	(\$4)	\$496
370/010047003 Partner's in Crisis			\$500	(\$4)	\$496
370/010047005 Marriage Enrichment			\$500	(\$4)	\$496
480/011000005 Clergy Connection			\$1,000	(\$8)	\$992
480/011000006 Postage Expenses	\$185	\$400	\$400	(\$3)	\$397
TOTAL ORDERS	\$2,287	\$3,525	\$8,925	(\$67)	\$8,858
WESLEY LEADERSHIP INSTITUTE					
480/012000102 T/O to Designated Account	\$955	\$10,000	\$32,000	(\$240)	\$31,760
Total Transfer to Wesley Institute	\$955	\$10,000	\$32,000	(\$240)	\$31,760
TOTAL- ORDERS, WESLEY INSTITUTE & STAFF					
	\$3,242	\$13,525	\$40,925	(\$307)	\$40,618
PASTORAL COUNSELING CENTER					
Travel/Lodging/Meals					
480/013000201 Travel/Lodging/Meals-Director	\$4,756	\$8,500	\$8,740	(\$66)	\$8,674
480/013000202 Travel/Lodging/Meals-Admin. Asst.	\$3,708	\$300	\$300	(\$2)	\$298

Account #/Description	2010 Actual	2011 Adjusted Budget	2012 Budget Request	AC Adjustments	2012 Adopted Budget
Continuing Education					
480/013000301 Continuing Education-Director	\$1,750	\$3,280	\$4,000	\$0	\$3,970
480/013000302 Continuing Education-Assoc. Director	\$959	Eliminate		(\$30)	\$0
480/013000310 Supervisory Committee	\$264	\$1,000	\$1,000	\$0	\$992
480/013000311 Staff Supervision	\$274	\$720	\$720	(\$5)	\$715
480/013000320 Testing	\$0	\$255	\$255	(\$2)	\$253
480/013000331 Telephone	\$3,989	\$2,400	\$2,400	(\$18)	\$2,382
480/013000332 Office Supplies	\$1,747	\$750	\$750	(\$6)	\$744
480/013000333 Office Rent/Utilities/Maintenance	\$200	\$2,340	\$2,550	(\$19)	\$2,531
480/013000334 Office Equipment/Renovation	\$399	\$680	\$500	(\$4)	\$496
480/013000335 Answering Service	\$0	Eliminate		\$0	\$0
480/013000336 Advocacy Training	\$4,935	\$3,000	\$5,000	(\$38)	\$4,962
480/013000337 Cell Phone Charges	\$1,200	\$0	\$0	\$0	\$0
480/013000xxx Professional Fees		\$895	\$895	(\$7)	\$888
480/013000340 Misc/Contingency/Testing	\$219	\$255	\$400	(\$3)	\$397
subtotal - Pastoral Counseling Office	\$24,400	\$24,375	\$27,510	(\$207)	\$27,303
Total Groups Related to CAB & BOM	\$27,641	\$37,900	\$68,435	(\$514)	\$67,921

Account #/Description	2010 Actual	2011 Adjusted Budget	2012 Budget Request	AC Adjustments	2012 Adopted Budget
480/990075000 Salaries	\$186,589	\$196,458	\$184,489		\$184,489
480/990075010 Housing	\$53,000	included above			\$0
480/990075020 FICA	\$254	\$1,530	\$780		\$780
480/990075030 Health Insurance	\$9,058	\$11,590	\$16,440		\$16,440
480/990075050 Clergy Pension	\$14,923	\$15,000	\$28,409		\$28,409
480/990075060 Disability Insurance	\$331	\$500	\$500		\$500
Sub-total Groups Related Salaries	\$264,156	\$225,078	\$230,618	\$0	\$230,618
Total Groups Related to the Cabinet/BOM Orders	\$291,797	\$262,978	\$299,063	(\$514)	\$298,539
590 - CFA					
GENERAL CHURCH APPORTIONMENTS					
590/011042000 World Service	\$1,167,919	\$1,600,280	\$1,580,084		\$1,580,084
590/012042000 Black College Fund	\$151,147	\$215,641	\$209,096		\$209,096
590/013042000 Africa University Fund	\$33,378	\$48,262	\$46,797		\$46,797
590/014042000 General Administration Fund	\$102,813	\$174,623	\$180,462		\$180,462
590/015042000 Interdenominational Cooperative Fund	\$29,979	\$42,127	\$41,497		\$41,497
590/017042000 Episcopal Fund	\$305,435	\$449,135	\$481,300		\$481,300
590/018041000 Ministerial Education Fund	\$294,116	\$540,613	\$524,242		\$524,242
subtotal - General Church Apportionments	\$2,084,786	\$3,070,681	\$3,063,478	\$0	\$3,063,478
590/019042000 Jurisdictional Conference Fund	\$98,703	\$173,985	\$131,485		\$131,485
TOTAL GEN/JURIS CHURCH APPORTIONMENTS	\$2,183,489	\$3,244,666	\$3,194,963	\$0	\$3,194,963

Account #/Description	2010 Actual	2011 Adjusted Budget	2012 Budget Request	AC Adjustments	2012 Adopted Budget
Travel					
590/021043201 Financial Services Travel	\$6,456	\$7,500	\$7,500	(\$56)	\$7,444
CONFERENCE OFFICES					
590/032143XXX Structural Study & Staff Reorganization					
590/032143100 Office Supplies-JC	\$2,716	\$150,000	\$0	\$0	\$0
590/032143101 Office Supplies-Alcoa	\$9,397	\$11,000	\$11,000	(\$83)	\$10,917
Staff Meetings		\$0	\$0	\$0	\$0
Dues & Subscriptions		\$0	\$0	\$0	\$0
General Conference Travel Costs (2nd Alternate)		\$0	\$11,000	(\$83)	\$10,917
Misc. Expense		\$0	\$0	\$0	\$0
Continuing Education		\$0	\$0	\$0	\$0
590/032143xxx General Conference Shared Costs-Holston		\$15,400	\$0	\$0	\$0
590/032143102 Postage-JC	\$7,302	\$0	\$0	\$0	\$0
590/032143103 Postage-Financial Services	\$1,335	\$3,500	\$6,000	(\$45)	\$5,955
590/032143104 Printing-JC	\$0	\$0	\$0	\$0	\$0
590/032143105 Printing-Alcoa	\$520	\$1,050	\$750	(\$6)	\$744
590/032243101 Utilities-JC	\$3,773	\$0	\$0	\$0	\$0
590/03224310X PAUMCS Support	\$0	\$1,500	\$0	\$0	\$0
590/032243102 Telephone-JC	\$8,577	\$0	\$0	\$0	\$0
590/032243104 Cellular Telephone	\$10,308	\$10,500	\$9,500	(\$71)	\$9,429
590/033343101 Office Rent-JC	\$8,968	\$0	\$0	\$0	\$0
590/033343102 Office Rent-Alcoa	\$109,440	\$115,000	\$115,000	(\$864)	\$114,136

Account #/Description	2010 Actual	2011 Adjusted Budget	2012 Budget Request	AC Adjustments	2012 Adopted Budget
590/033543101 Equipment Purchases	\$0	\$500	\$0	\$0	\$0
590/033543102 Equipment Repairs	\$0	\$500	\$0	\$0	\$0
590/033543103 Maintenance Agreement Charges	\$811	\$1,000	\$1,000	(\$8)	\$992
590/033543104 Copier, Postage Machine Lease	\$13,418	\$12,500	\$13,500	(\$101)	\$13,399
590/033643101 Staff Meetings/Relations	\$3,560	\$3,500	\$4,000	(\$30)	\$3,970
590/033643102 Personnel Resource Team	\$0	\$100	\$250	(\$2)	\$248
590/033643103 Nominations Committee Meeting	\$344	\$450	\$400	(\$3)	\$397
590/033643104 CFA Meeting Expense	\$554	\$750	\$1,000	(\$8)	\$992
590/033643105 Legal Expense	\$443	\$1,500	\$1,500	(\$11)	\$1,489
590/033643106 Audit Expense	\$23,000	\$23,500	\$24,200	(\$182)	\$24,018
590/033643107 Miscellaneous Expense	\$204	\$100	\$100	(\$1)	\$99
subtotal Conference Offices	\$211,128	\$359,850	\$206,700	(\$1,553)	\$205,147
CONFERENCE JOURNALS					
590/033843101 Transfer to Journal Fund	\$12,745	\$12,500	\$7,750	(\$58)	\$7,692
Total Conference Administration	\$223,873	\$372,350	\$214,450	(\$1,611)	\$212,839
590/990075000 Salaries	\$393,516	\$384,314	\$392,000		\$392,000
590/990075020 FICA	\$28,811	\$28,805	\$29,988		\$29,988
590/990075030 Health Insurance	\$37,368	\$35,508	\$40,560		\$40,560
590/990075040 Lay Pension	\$20,990	\$21,145	\$23,520		\$23,520
590/990075060 Disability Insurance	\$3,172	\$3,000	\$3,150		\$3,150
Sub-total Administration Salaries	\$483,857	\$472,772	\$489,218	\$0	\$489,218
Total CFA (with Gcfa Apport)	\$2,891,219	\$4,089,788	\$3,896,631	(\$1,611)	\$3,897,020

Account #/Description	2010 Actual	2011 Adjusted Budget	2012 Budget Request	AC Adjustments	2012 Adopted Budget
591 - BOARD OF LAITY					
SUPPORT GROUPS					
BOARD OF LAY MINISTRY					
591/010043100 Meeting Expense	\$841	\$750	\$1,000	(\$8)	\$992
591/010043700 Dues & Subscriptions	\$100	\$100	\$100	(\$1)	\$99
591/010045501 Assoc. Meeting Expenses	\$0	\$750	\$500	(\$4)	\$496
TOTAL BOARD OF LAITY	\$941	\$1,600	\$1,600	(\$12)	\$1,588
610 - Pension/Trustees/Eq Comp/Epis					
PENSIONS/TRUSTEES/EQ COMP/EPISCOPAL					
BOARD OF PENSIONS/HEALTH BENEFITS					
610/012041000 Post-82 Pensions	\$3,501,423				\$0
610/0120420XX Retiree Health Insurance		\$1,454,219	\$1,500,000		\$1,500,000
610/012042000 Clergy Health Insurance	\$2,841,594				\$0
Total Board of Pensions	\$6,343,017	\$1,454,219	\$1,500,000	\$0	\$1,500,000
Board Of Trustees					
610/021043100 Meals & Travel	\$510	\$500	\$500		\$500
610/021043200 PPTY, LIAB, Auto Insurance	\$38,373	\$36,000	\$40,000		\$40,000
610/021043300 D & O Insurance	\$15,895	\$15,000	\$16,000		\$16,000
610/021043400 Umbrella/B & M Insurance	\$3,273	\$3,500	\$3,500		\$3,500
610/021043500 Worker's Comp Insurance	\$86,447	\$15,000	\$10,000		\$10,000
610/021043600 PACT Contribution	\$0	\$0	\$0		\$0
TOTAL BOARD OF TRUSTEES	\$144,498	\$70,000	\$70,000	\$0	\$70,000

Account #/Description	2010 Actual	2011 Adjusted Budget	2012 Budget Request	AC Adjustments	2012 Adopted Budget
COMMISSION ON EQUITABLE COMPENSATION					
610/031041000 Salary Supplements	\$84,225	\$80,950	\$80,950		\$80,950
610/031041001 Interim Salaries	\$0	\$0	\$0		\$0
610/031041002 Supplements-Dependent Children	\$318	\$2,000	\$2,000		\$2,000
610/031041003 Supplements-Mission Aid	\$60,747	\$50,000	\$50,500		\$50,500
610/031041004 Supplements-Cooperative Parish	\$2,800	\$2,550	\$2,550		\$2,550
610/031041005 Meeting Expense	\$0	\$500	\$500		\$500
610/031041006 Gen & Admin/Misc Expense	\$0	\$0	\$0		\$0
subtotal	\$148,090	\$136,000	\$136,500	\$0	\$136,500
610/041041004 Preservation of Historic Shrines	\$0				\$0
CONFERENCE COMMITTEE ON EPISCOPACY					
610/051041000 Meeting, Meal, & Travel Expense	\$197	\$0	\$1,000	(\$8)	\$992
610/051041001 Meeting Expense	\$0	\$0	\$100	(\$1)	\$99
TOTAL CONF COMMITTEE ON EPISCOPACY	\$197	\$0	\$1,100	(\$8)	\$1,092
EPISCOPAL RESIDENCE COMMITTEE					
610/061041000 Episcopal Residence	\$6,797	\$8,000	\$15,000	(\$113)	\$14,887
TOTAL EPISCOPAL RESIDENCE COMMITTEE	\$6,797	\$8,000	\$15,000	(\$113)	\$14,887
EPISCOPAL DISCRETIONARY FUND					
610/071041000 Bishop's Discretionary Fund	\$2,540	\$2,125	\$2,000	(\$15)	\$1,985
TOTAL EPISCOPAL DISCRETIONARY FUND	\$2,540	\$2,125	\$2,000	(\$15)	\$1,985
610/071047002 Preservation of Historic Shrines	\$251	\$0	\$0		\$0
TOTAL PENSIONS/TRUSTEES/EQ COMP/EPIS	\$6,645,390	\$1,670,344	\$1,724,600	(\$136)	\$1,724,464

Account #/Description	2010 Actual	2011 Adjusted Budget	2012 Budget Request	AC Adjustments	2012 Adopted Budget
620 - CONGREGATIONAL DEVELOPMENT					
CONGREGATIONAL DEVELOPMENT					
620/122046000 Special Ministries Salary Fund	\$121,850	\$100,000	\$100,000	(\$751)	\$99,249
Congregational Development Team					
620/123043100 Meeting Expenses	\$0	\$0	\$0	\$0	\$0
620/123043101 Postage Expenses	\$135	\$500	\$500	(\$4)	\$496
620/123043210 Travel - Director - Church Development	\$8,782	\$7,500	\$7,500	(\$56)	\$7,444
620/123043400 Be-A-Builder Mailings/Promotion (15 new churches mailings)	\$36	\$1,200	\$1,200	(\$9)	\$1,191
620/123043405 New Church Strategy Support	\$1,906	\$2,000	\$2,000	(\$15)	\$1,985
620/123043410 Strategic Revitalization	\$1,000	\$2,000	\$2,000	(\$15)	\$1,985
620/123043415 Natural Church Development	\$2,858	\$2,000	\$1,500	(\$11)	\$1,489
620/123044201 Leadership Training/Coaching Support	\$16,271	\$15,000	\$15,500	(\$16)	\$15,384
620/123044205 Meetings, Meals, Travel Expense	\$236	\$500	\$500	(\$4)	\$496
620/123044206 Design & Printing	\$25	\$500	\$500	(\$4)	\$496
620/123044208 Demographics/Research/Planning	\$8,920	\$10,000	\$9,000	(\$68)	\$8,932
620/123049500 Miscellaneous Expense	\$0	\$500	\$500	(\$4)	\$496
Sub-total Congregational Development Team	\$162,019	\$141,700	\$140,700	(\$1,056)	\$139,644
620/124041000 Church Extension Grants	\$306,720	\$293,257	\$294,257	(\$2,209)	\$292,048
TOTAL CONGREGATIONAL DEVELOPMENT	\$468,739	\$434,957	\$434,957	(\$3,266)	\$431,692

Account #/Description	2010 Actual	2011 Adjusted Budget	2012 Budget Request	AC Adjustments	2012 Adopted Budget
620/990075000 Salaries	\$44,442	\$86,131	\$87,854		\$87,854
620/990075010 Housing	\$40,000	\$0	\$0		\$0
620/990075030 Health Insurance	\$11,496	\$8,200	\$8,220		\$8,220
620/990075050 Clergy Pension	\$5,102	\$14,039	\$14,320		\$14,320
Sub-total Congregational Dev Salaries	\$101,040	\$108,370	\$110,394	\$0	\$110,394
Total Congregational Development	\$569,779	\$543,327	\$545,351	(\$3,265)	\$542,086
Totals	\$14,386,614	\$10,951,321	\$10,600,577	(\$1)	\$10,600,577
Ministry Teams	\$1,143,799	\$1,097,496	\$1,099,688	(\$3,633)	\$1,096,055
Annual Conference	\$86,969	\$75,820	\$43,475	\$40,674	\$84,149
Congregational Development	\$569,779	\$543,327	\$545,351	(\$3,265)	\$542,086
Appointment Cabinet	\$1,517,626	\$1,913,926	\$1,693,502	(\$27,705)	\$1,665,797
General Church & SEJ Apportionments	\$2,183,489	\$3,244,666	\$3,194,963	\$0	\$3,194,963
Higher Education	\$740,900	\$759,670	\$756,666	(\$3,009)	\$753,657
Equitable Compensation	\$148,090	\$136,000	\$136,500	\$0	\$136,500
Trustees	\$144,498	\$70,000	\$70,000	\$0	\$70,000
Pensions & Health	\$6,343,017	\$1,454,219	\$1,500,000	\$0	\$1,500,000
Administration	\$707,730	\$845,122	\$703,668	(\$1,611)	\$702,057
Groups Related to Cabinet	\$291,797	\$262,978	\$299,053	(\$514)	\$298,539
Others	\$508,920	\$548,097	\$557,712	(\$938)	\$556,774
Totals	\$14,386,614	\$10,951,321	\$10,600,577	(\$1)	\$10,600,577

2010 FIVE STAR CHURCHES

To qualify for the Five Star Award, churches must pay the Fair Share in full and support at least one project in each of the four Advance Special categories.

Abingdon District

Abingdon UMC	Laurel Springs UMC	Roberts Chapel UMC
Addilynn Memorial UMC	Lebanon Memorial UMC	Seven Mile Ford UMC
Aldersgate UMC Bristol	Lebanon UMC Chilhowie	Sinking Springs UMC
Brumley Gap UMC	Madam Russell UMC	South Bristol UMC
Byars Cobbs UMC	Mahanaim UMC	St John UMC Mtn City
Carvosso UMC	Meadowview UMC	St Luke UMC
Cedar Bluff/Damascus	Mountain View UMC Chil-	State Street UMC
Charles Wesley UMC	howie	Three Springs UMC
Chilhowie UMC	Paperville UMC	Trinity UMC Bristol
Damascus UMC	Pleasant View UMC Abing-	Wallace UMC
Ebenezer UMC	don	Wesley UMC Mtn City
Emory UMC	Quarry UMC	Wright's Chapel UMC
First UMC Marion	Rich Valley UMC	Wyndale UMC
First UMC Mountain City	Ridgedale UMC	

Big Stone Gap District

Alley's Chapel UMC	Fort Gibson UMC	Pound UMC
Clintwood UMC	Gate City UMC	Prospect UMC
Coeburn UMC	Hales Chapel UMC	Rye Cove UMC
Crab Orchard UMC	Mendota UMC	Seminary UMC
Culbertson's Chapel UMC	Midway Memorial UMC	South Coeburn UMC
East Stone Gap UMC	Miller's Chapel UMC	St Paul UMC
First UMC Jonesville	Mt Vernon UMC	Tacoma UMC
First UMC Pennington Gap	Nickelsville UMC	
Flatwoods UMC	Nottingham UMC	

Chattanooga District

Brainerd UMC	Hixson UMC	Signal Mountain UMC
Brooks Memorial UMC	Lou's Chapel UMC	Sulphur Springs UMC
Burks UMC	McFarland UMC	Trenton UMC
Chapel Hill UMC	Mount Crest UMC	Wauhatchie UMC
Christ UMC	New Salem UMC	Wells Chapel UMC
Dunlap UMC	Pikeville UMC	Wesley UMC
Fairview UMC	Pleasant Grove UMC	Whiteside UMC
First Centenary UMC	Signal Crest UMC	

Cleveland District

Allen Memorial UMC	First UMC Copperhill	Soddy UMC
Apison UMC	Keith Memorial UMC	Spring City UMC
Big Spring UMC	Mars Hill UMC	Tasso UMC
Broad Street UMC	McDonald UMC	Ten Mile UMC
Calhoun UMC	Mt Zion UMC	Union Chapel UMC
Cedar Springs UMC	Oak Grove UMC	Wesley Memorial UMC
Englewood UMC	Ooltewah UMC	Cleveland
Evansville UMC	Red Hill UMC	Wesleyanna UMC
First UMC Cleveland	Savannah UMC	

FIVE STAR CHURCHES *(Continued)***Johnson City District**

Bethesda UMC	Grace UMC	Munsey Memorial UMC
Cedar Grove UMC	Jearoldstown UMC	Piney Flats UMC
Centenary UMC Erwin	Jonesborough UMC	Pleasant Grove UMC
Clear Springs UMC	Liberty Hill UMC	Seviers UMC
Edgefield UMC	Limestone Cove UMC	Taylor Memorial UMC
Embreeville UMC	Marvins Chapel UMC	Unicoi UMC
Enterprise UMC	Milburnton UMC	Valley Forge UMC
Fairview UMC	Mt Wesley UMC	Valley View UMC

Kingsport District

Adams Chapel UMC	Emory UMC Kingsport	Mafair UMC
Arcadia UMC	Fall Branch UMC	McFerrin UMC
Bethel UMC	First Broad Street UMC	Morrison Chapel UMC
Blountville UMC	First UMC Church Hill	Mountain View UMC
Cameron UMC	Glen Alpine UMC	Okolona UMC
Cassidy UMC	Hermon UMC	Otes UMC
Chalybeate Springs UMC	Hulls Chapel UMC	Persia UMC
Clouds Bend UMC	Kendricks Creek UMC	Ross Campground UMC
Community UMC	Kincaid UMC	Salem UMC
Depews Chapel UMC	Kingsley UMC	Vermont UMC
Elm Springs UMC	Logan's Chapel UMC	Wheeler UMC

Knoxville District

Bethel UMC Amherst	Lennon-Seney UMC	Rutherford Memorial UMC
Bethel UMC French Broad	Lonsdale UMC	St Paul UMC Fountain City
Christ UMC Knoxville	Mascot UMC	Zion UMC Knoxville
Church Street UMC	Middlebrook Pike UMC	
Fountain City UMC	Piney Grove UMC Knoxville	
Hopewell UMC	Powell UMC	

Maryville District

Bethel UMC Seymour	Meadow UMC	Shults Grove UMC
Broadway UMC	Middle Creek UMC	St John UMC
Buckner Memorial UMC	Middlesettlements UMC	Tuckaleechee UMC
Bungalow UMC	Mountain View UMC	Union Grove UMC
Burnett Memorial UMC	Murphy's Chapel UMC	Vonore UMC
Camp Ground UMC	Oakland UMC	Walden's Creek UMC
First UMC Gatlinburg	Peck's Memorial UMC	Walland UMC
First UMC Sevierville	Philadelphia UMC	Wears Valley UMC
First UMC Sweetwater	Pleasant Hill UMC Sevier-	Webb's Creek UMC
Friendsville UMC	ville	Williamson Chapel UMC
Green Meadow UMC	Roberts UMC	

FIVE STAR CHURCHES (Continued)**Morristown District**

Bethel UMC	First UMC Newport	New Market UMC
Bewley's Chapel UMC	First UMC White Pine	Noe's Chapel UMC
Bradburn Hill UMC	Hardin's Chapel UMC	Oakland UMC
Burchfield Memorial UMC	Harmon's Valley UMC	Ottway UMC
Bybee UMC	Hills Union UMC	Panther Springs UMC
Carter's Station UMC	Lawson's Chapel UMC	Parrottsville UMC
Cedar Grove UMC New Market	Mary's Chapel UMC	Pine Grove UMC
Cedar Grove UMC Rutledge	McCampbell UMC	Romeo UMC
Centenary UMC	Mooresburg UMC	Shady Grove UMC
Chestnut Hill UMC	Mt Airy UMC	St Clair UMC
Ebenezer UMC	Mt Hebron UMC	Talley's Chapel UMC
Edwards Chapel UMC	Mt Pleasant UMC Greeneville	Tate Chapel UMC
First UMC Bulls Gap	Mt Pleasant UMC Thorn Hill	Trinity UMC Greeneville
First UMC Morristown	Mt Zion UMC	Watkins Chapel UMC
		Weems Chapel UMC
		Wesley's Chapel UMC Dandridge

Oak Ridge District

Asbury Chapel UMC	Heiskell UMC	Sinking Springs UMC
Beaver Ridge UMC	Jacksboro UMC	St Mark UMC Clinton
Cawood UMC	LaFollette UMC	Sunbright UMC
Concord UMC Knox	Lake City UMC	Thompson Chapel UMC
First UMC Oak Ridge	Miller's Chapel UMC Union	Valley View UMC
Good Shepherd UMC	Moore's Gap UMC	Well Spring UMC LaFollette
Harriman UMC	Pleasant Grove UMC Union	
Haven Chapel UMC	Rugby Road UMC	

Tazewell District

Alexander Memorial UMC	First UMC Narrows	Pleasant Hill UMC Pearisburg
Bear Springs UMC	Garden UMC	Riverside UMC
Belfast UMC	Goshen UMC	Rocky Gap UMC
Bethel UMC Bluefield	Green Valley UMC Bastian	Round Bottom UMC
Bland UMC	Green Valley UMC Eggleston	Shady Grove UMC Bland
Boyd's Chapel UMC	Grundy UMC	Shady Grove UMC Pearisburg
Brown's Chapel UMC	Hales Chapel UMC Narrows	Sheffey Memorial UMC
Byrnes Chapel UMC	Keen Mountain UMC	Shiloh UMC Bland
Cedar Bluff UMC Cedar Bluff	Looney's Chapel UMC	Steelesburg UMC
Clearview UMC	Macedonia UMC	Thessalia UMC
Davis UMC	Main Street UMC	Tip Top UMC
Eatons Chapel UMC	Midway UMC Cedar Bluff	Trinity UMC Bland
Ebenezer UMC Bluefield	Mt Hermon UMC Tazewell	Wesley's Chapel UMC Eggleston
Edgewood UMC Pearisburg	Mt Zion UMC Bland	Wrights Valley UMC
Eggleston UMC	New Hope Union UMC	Zion UMC Ceres
First UMC Bluefield	North Tazewell UMC	
First UMC Honaker	Pine Grove UMC Bastian	
	Pisgah UMC	

FIVE STAR CHURCHES *(Continued)*

Wytheville District

Aldersgate UMC	Forest UMC	Mountain Plains UMC
Atkins Memorial UMC	Fort Chiswell UMC	Mt Pleasant UMC
Auburn UMC	Foster Falls UMC	Mt Vale UMC
Belspring UMC	Fries UMC	Mt Zion UMC
Bethel UMC	Fulton UMC	New Mt Olive UMC
Bethel UMC	Gladeville UMC	Olive Branch UMC
Bethel UMC	Glenwood UMC	Parrott UMC
Brick UMC	Glenwood UMC	Pleasant Hill UMC
Bridle Creek UMC	Grahams Forge UMC	Randolph Avenue UMC
Camp Bethel UMC	Groseclose UMC	Rural Retreat UMC
Cold Springs UMC	Grove UMC	Sidney UMC
Crockett's Chapel UMC	Jordan's Chapel UMC	Speedwell UMC
Dublin UMC	Lebanon UMC	St Paul UMC
Fairlawn UMC	Leonard Memorial UMC	Stevens Creek UMC
Fairview UMC	Liberty Hill UMC	Summerfield UMC
Fairview UMC	Locust Hill UMC	Thornspring UMC
Falling Branch UMC	Longview UMC	Trinity UMC Austinville
First UMC Independence	Marvin UMC	West End UMC
First UMC Pulaski	Max Meadows UMC	Willis UMC
Floyd UMC	Morgan's Chapel UMC	Woodlawn UMC



Missions Tent at Annual Conference

Financial Statements

HOLSTON ANNUAL CONFERENCE OF
THE UNITED METHODIST CHURCH,
INCORPORATED

Year Ended December 31, 2010

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INDEPENDENT ACCOUNTANTS' AUDIT REPORT

Council on Finance and Administration
Holston Annual Conference of the
United Methodist Church, Incorporated
Alcoa, Tennessee

We have audited the accompanying statement of financial position of Holston Annual Conference of the United Methodist Church, Incorporated as of December 31, 2010, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Conference'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 in the first paragraph present fairly, in all material respects, the financial position of Holston Annual Conference of the United Methodist Church, Incorporated as of December 31, 2010, 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.

Mitchell Emert & Hill

September 26, 2011

HOLSTON ANNUAL CONFERENCE OF
THE UNITED METHODIST CHURCH, INCORPORATED

STATEMENT OF FINANCIAL POSITION

December 31, 2010

ASSETS

Cash		\$ 2,859,862
Investments:		
Money market accounts	\$ 192,998	
Pooled mutual funds	37,446,120	
Notes receivable	<u>1,625,685</u>	39,264,803
Apportionments receivable		1,195,146
Accounts receivable		9,078
Property and equipment, net of accumulated depreciation		<u>5,073,520</u>
		<u>\$ 48,402,409</u>

LIABILITIES AND NET ASSETS

LIABILITIES

Accounts payable	\$ 622,369	
Due to affiliated organizations	471,120	
Amounts held for others	92,047	
Accrued liabilities	2,691	
Note payable	1,577,877	
Postretirement benefit obligation	<u>20,383,735</u>	
		23,149,839

NET ASSETS

Unrestricted	\$ 21,346,799	
Temporarily restricted	3,798,061	
Permanently restricted	<u>107,710</u>	<u>25,252,571</u>
		<u>\$ 48,402,409</u>

See the accompanying notes to the financial statements.

HOLSTON ANNUAL CONFERENCE OF
THE UNITED METHODIST CHURCH, INCORPORATED

STATEMENT OF ACTIVITIES

Year Ended December 31, 2010

	<u>Unrestricted</u>
SUPPORT AND REVENUE	
Apportionments from member churches	\$ 13,582,774
Contributions	2,709,858
Registration and fees	2,487,627
Pension and insurance payments	6,014,427
Investment income	4,065,901
Miscellaneous income	260,611
	<u>29,121,198</u>
Net assets released from restrictions	247,201
	<u>29,368,399</u>
EXPENSES	
General and jurisdictional apportionments	2,894,522
Appointment cabinet	1,331,062
Ministry teams	1,045,001
Conference missions	789,155
Youth council	572,299
Camping and retreat ministries	2,855,148
Board of Higher Learning	696,247
Outreach advocacy	470,084
Board of Ordained Ministry	154,246
Wesley Institute	28,380
Conference administration	996,792
Health insurance	1,595,351
Pension	4,298,481
Other	839,718
	<u>18,566,487</u>
CHANGE IN NET ASSETS	10,801,912
NET ASSETS AT THE BEGINNING OF THE YEAR, as restated	<u>10,544,887</u>
NET ASSETS AT THE END OF THE YEAR	<u>\$ 21,346,799</u>

See the accompanying notes to the financial statements.

252 HOLSTON ANNUAL CONFERENCE

Temporarily Restricted	Permanently Restricted	Totals
\$ 0	\$ 0	\$ 13,582,774
464,929	0	3,174,787
0	0	2,487,627
0	0	6,014,427
268,258	0	4,334,159
<u>0</u>	<u>0</u>	<u>260,611</u>
733,187	0	29,854,385
<u>(247,201)</u>	<u>0</u>	<u>0</u>
485,986	0	29,854,385
0	0	2,894,522
0	0	1,331,062
0	0	1,045,001
0	0	789,155
0	0	572,299
0	0	2,855,148
0	0	696,247
0	0	470,084
0	0	154,246
0	0	28,380
0	0	996,792
0	0	1,595,351
0	0	4,298,481
<u>0</u>	<u>0</u>	<u>839,718</u>
<u>0</u>	<u>0</u>	<u>18,566,487</u>
485,986	0	11,287,898
<u>3,312,075</u>	<u>107,710</u>	<u>13,964,673</u>
<u>\$ 3,798,061</u>	<u>\$ 107,710</u>	<u>\$ 25,252,571</u>

HOLSTON ANNUAL CONFERENCE OF
THE UNITED METHODIST CHURCH, INCORPORATED

STATEMENT OF CASH FLOWS

Year Ended December 31, 2010

CASH PROVIDED(USED) BY OPERATING ACTIVITIES		
Change in net assets		\$ 11,287,898
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	\$ 89,825	
Donated property	(890,000)	
Unrealized gains from investments	(561,605)	
Decrease in:		
Apportionments receivable	156,255	
Accounts receivable	236,920	
Increase(decrease) in:		
Accounts payable	68,345	
Due to affiliated organizations	308,182	
Amounts held for others	6,395	
Accrued liabilities	(124,088)	
Postretirement benefit obligation	(7,952,064)	(8,661,835)
NET CASH PROVIDED BY OPERATING ACTIVITIES		2,626,063
CASH PROVIDED(USED) BY INVESTING ACTIVITIES		
Increase in investments	(217,606)	
Decrease in notes receivable	86,746	
NET CASH (USED) BY INVESTING ACTIVITIES		(130,860)
CASH PROVIDED(USED) BY FINANCING ACTIVITIES		
Principal payments on long-term debt		(53,335)
NET INCREASE IN CASH		2,441,868
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		610,991
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		<u>\$ 3,052,860</u>

See the accompanying notes to the financial statements.

HOLSTON ANNUAL CONFERENCE OF
THE UNITED METHODIST CHURCH, INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2010

NOTE A - DESCRIPTION OF ORGANIZATION

Holston Annual Conference of the United Methodist Church, Incorporated (the Conference) is one of the basic organizational bodies in the global United Methodist Church. The Conference consists of 12 districts in Tennessee, Georgia, and Virginia and includes approximately 899 United Methodist Churches. The Conference provides administrative and program services to churches, clergy and laypeople within its geographic boundaries. Primary among these services are ordination and assignment of ministers, volunteer training, new church development and the collection and remittance of funds for local, regional and international ministries. Many programs that receive funds from the Conference also receive funds from other sources and those outside revenues and related activities are not included in the accompanying financial statements.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 amounts reported in the financial statements and accompanying notes. Although these estimates are based on management's knowledge of current events and actions they may undertake in the future, actual results could differ from those estimates. Estimates are used when accounting for fair value of pledges, allowances for uncollectible receivables, depreciation, pension plan assets and liabilities, allocation of expenses, and contingencies, among others.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash and interest-bearing deposits. For purposes of the statement of cash flows, the Conference considers cash on deposit with financial institutions and all cash investments with original maturities of three months or less to be cash and cash equivalents.

At December 31, 2010, cash and cash equivalents consisted of the following:

Cash	\$ 2,859,862
Investments: Money market accounts	<u>192,998</u>
	<u>\$ 3,052,860</u>

HOLSTON ANNUAL CONFERENCE OF
THE UNITED METHODIST CHURCH, INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS

(continued)

December 31, 2010

Property and Equipment

Property and equipment are recorded at cost or estimated cost if actual cost is not available. Donated property and equipment are recorded at the estimated fair value at the date of receipt. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets, which range from five to forty years. Depreciation expense for the year ended December 31, 2010 was \$89,825.

The Conference's policy is to capitalize all acquisitions of land, buildings and equipment costing \$2,500 or more.

As required by the United Methodist Church's policy, the Conference receives the church property when churches close. The Conference holds these churches as available for sale with the intention of selling them and using the funds for Conference operations. When received, the Conference records the fair market value of the property as contributions. Total contributions from these churches for the year ended December 31, 2010 was \$890,000.

At December 31, 2010, property and equipment consisted of the following:

Land	\$ 526,629
Buildings	3,611,087
Property held for sale	1,440,000
Equipment	<u>106,412</u>
	5,684,127
Less accumulated depreciation	<u>(610,607)</u>
	<u>\$ 5,073,520</u>

Support and Revenue

Contributions are recorded as support when cash or other assets are received. Contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Gifts of cash and other assets that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support, depending on the nature of the restriction. 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 statement of activities as net assets released from restrictions. Restricted grants and contributions whose restrictions are met in the same reporting period as they are received are reported as unrestricted. Revenue from services is recognized when the service is rendered.

HOLSTON ANNUAL CONFERENCE OF
THE UNITED METHODIST CHURCH, INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS

(continued)

December 31, 2010

Contributions of property and equipment and other long-lived assets with explicit restrictions that specify how the assets are to be used, including cash contributed to acquire such assets, are recorded as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the expiration of donor restrictions is reported when the donated or acquired assets are placed in service.

NOTE C - INVESTMENTS

Investments in equity securities with readily determinable fair values and all investments in debt securities are reported in the accompanying financial statements at fair value. Other investments are reported at cost or, in the case of donated securities, at their estimated fair value on the date of receipt. Investments at December 31, 2010 consisted of the following:

Money market accounts		\$ 192,998
Pooled mutual funds		37,446,120
Notes receivable from member churches:		
Current	\$ 70,799	
Long-term	1,422,245	
Other note receivable:		
Current	47,905	
Long-term	<u>84,736</u>	<u>1,625,685</u>
		<u>\$ 39,264,803</u>

Of the total investments, \$12,193,571 was held at the Holston Conference Foundation and \$27,071,232 was held at the General Board of Pensions

Realized and unrealized gains and losses are determined on the basis of specific identification. Investment income for the year ended December 31, 2010 consisted of the following:

Interest and dividends	\$ 208,224
Unrealized gains	561,605
Realized gain	<u>3,564,330</u>
	<u>\$ 4,334,159</u>

HOLSTON ANNUAL CONFERENCE OF
THE UNITED METHODIST CHURCH, INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS
(continued)

December 31, 2010

NOTE D - INCOME TAX STATUS

The Conference is exempt from federal income taxes under section 501(c)(3) of the U.S. Internal Revenue Code, except on unrelated business income.

NOTE E - LONG-TERM DEBT

Note payable to a bank, due in monthly installments of
\$12,413, including interest of 5.95% per annum,
through February 2018, and the balance due February 19, 2018,
secured by real property and pledge of rental revenue

\$ 1,577,876

Future maturities of long-term debt are as follows:

Year ended December 31,

2011	\$ 56,598
2012	60,059
2013	63,731
2014	67,628
2015	71,764
Thereafter	<u>1,258,096</u>
	<u>\$ 1,577,876</u>

Interest paid during the year was \$83,206, none of which was capitalized.

HOLSTON ANNUAL CONFERENCE OF
THE UNITED METHODIST CHURCH, INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS

(continued)

December 31, 2010

NOTE F - CONCENTRATION OF CREDIT RISK

Financial instruments that potentially subject the Conference to concentrations of credit risk consist primarily of cash and cash equivalents and accounts receivable. Cash and cash equivalents are maintained in demand deposit accounts which, at times, may exceed federally insured limits. The Conference has not experienced any losses and does not believe it is exposed to any significant credit risk on such accounts. By their nature, all such financial instruments involve risk, including the credit risk of nonperformance by counterparties. Exposure to credit risk is managed through various monitoring procedures. At December 31, 2010, the Conference had no major concentrations of credit risk except for uninsured bank deposits, including its investments at the General Board of Pensions and the Holston Conference Foundation.

NOTE G - NET ASSETS

Permanently restricted net assets consist of the following:

Superannuate Endowment (clergy retirement supplement)	\$ <u>107,710</u>
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Temporarily restricted net assets are available for the following purposes:

Builders Club loans	\$ 2,303,331
Builders Club grants	88,132
College Scholarship	1,121,232
Annual Conference Offering-Sudan	161,386
Annual Conference Offering-India	30,635
Annual Conference Offering-Alaska	3,289
Camping Endowment	<u>90,055</u>
	<u>\$ 3,798,061</u>

Unrestricted net assets:

Designated by the Conference for the following purposes:	
Pension	\$ 20,295,485
Camping Endowment	527,689
Superannuate Endowment	87,533

HOLSTON ANNUAL CONFERENCE OF
THE UNITED METHODIST CHURCH, INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS

(continued)

December 31, 2010

Christian Education Day	2,614
Emergency Aid	1,528
Communications	89,547
The Call	24,128
Audio Visual	6,372
Missions Program	1,821
Volunteer Labor	30,156
Sudan Mission Trip	311,785
Disaster Relief	8,821
Hispanic Ministries	18,767
Shipping Kits	34,481
Youth Service Fund	32,453
Youth in Mission	26,069
India Mission Trip	34,135
Evangelism Conference	3,218
March Forth for Children	2,099
Resurrection	70,805
Merit Student Day	2,603
Camping	718,824
Older Adult Ministries	6,035
Jubilation	40,351
Peace with Justice	8,996
Wesley Institute	70,364
Great Small Churches	3,477
Youth Worker Training	2,172
Conference Journals	1,753
Clergy Gathering	3,279
Call to Ministry	1,456
Cross Bearers	2,024
United Methodist Seminar	1,844
Ministerial Education Fund	87,250
Lake Junaluska	1,000
Employee benefits (AFLAC)	4,096
Episcopal Residence Committee	12,706
Episcopal Office	26,628
Cabinet Courtesy Fund	2,789
Change for Children	82,945
New Church Academy	27,019

HOLSTON ANNUAL CONFERENCE OF
THE UNITED METHODIST CHURCH, INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS

(continued)

December 31, 2010

Witness Ministries Future Programs	12,130
Alaska Mission Trip	3,289
15 New Churches	23,937
Aids Fund Scholarship	30,396
Operation Classroom	6,108
Other	<u>5,259</u>
	22,798,232
Undesignated(deficit)	<u>(1,451,433)</u>
	<u>\$ 21,346,799</u>

NOTE H - NET ASSETS RELEASED FROM RESTRICTIONS

Net assets were released from donor restrictions by incurring expenses satisfying the following restricted purposes.

Builders Club Loan Fund	\$ 4,675
Builders Club Grant Fund	15,000
College Scholarship	30,119
Annual Conference Offering-Sudan	168,336
Camping	<u>29,071</u>
	<u>\$ 247,201</u>

HOLSTON ANNUAL CONFERENCE OF
THE UNITED METHODIST CHURCH, INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS

(continued)

December 31, 2010

NOTE I - PENSION PLAN

The Conference and its local churches have three pension plans covering substantially all clergy and lay employees in the Conference. Conference clergy entering service prior to December 31, 1981 are covered by a defined benefit multi-employer pension plan (Pre-82). Conference clergy that have creditable service between January 1, 1982 and December 31, 2006 participate in a pension plan that is a multi-employer defined contribution plan (MPP), but could have unamortized liabilities based upon the annuity rates that have been granted to retirees. Clergy that serve from January 1, 2007 through the present are currently receiving pensionable wages as a part of the Clergy Security Retirement Program (CRSP) which is a defined benefit and defined contribution plan. Each of these three plans are administered by the General Board of Pensions and are rated and required to be funded on an actuarial basis each year. A participant may be enrolled in all three pension plans based upon their years of service.

As a part of the connectional system, and since the pension plans are multi-employer plans, any unfunded liability is not a legal obligation of the Conference, but is an obligation of the United Methodist Church. While the unfunded liability is computed for each conference, the pension plan does not require a conference to fund its liability and the plan does not provide recourse against a conference that fails to fund its liability. However, each conference is required to complete an annual financial plan that determines the funding sources available to retire any deficits and meet current year obligations.

The defined contribution plan is based on the service rendered by the clergy since December 31, 1981. The benefits are funded by the local church or church agency where the clergy is appointed. The plan also provides for voluntary contributions by the clergy. The local church or church agency currently contributes 11% of the clergy's base compensation (up to the denominational average compensation of all clergy in all conferences of the United Methodist Church) to the plan.

Contributions to the various plans in 2010 were as follows:

CRSP-Defined Benefit	\$ 3,161,048
CRSP-Defined Contribution	915,347
Pre-82	<u>665,073</u>
Total	<u>\$ 4,741,468</u>

HOLSTON ANNUAL CONFERENCE OF
THE UNITED METHODIST CHURCH, INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS

(continued)

December 31, 2010

NOTE J - POSTRETIREMENT BENEFITS

The Conference provides medical and dental benefits to eligible retired employees, their spouses and dependents. To be eligible a retiree must have attained the age of 55 and must have participated in the Conference health insurance program for the 10 years immediately preceding retirement, and be covered by the Conference insurance program at the time of retirement. Pastors and their dependents who qualify under these conditions must contribute to the cost of this benefit. Currently the Conference contributes between 0% and 75% of the estimated cost of this benefit dependent upon the years served by the pastor and contributes between 50% and 87.5% for surviving spouses (also based on years of service). During the year ended December 31, 2010, the Conference changed the methodology for its contributions for retiree health insurance. These changes included cost sharing provisions which are scheduled to take place in 2012, an updated mortality basis to anticipate mortality improvements and assumptions that 50% of future retirees will elect the High Plan and 50% will elect the Middle Plan. At December 31, 2010, the unfunded postretirement obligation liability amount was \$20,383,735.

Unfunded postretirement benefit obligation at December 31, 2009	\$ 28,335,799
Reduction due to design plan change	<u>(8,556,605)</u>

Unfunded postretirement benefit obligation at January 1, 2010	<u>\$ 19,779,194</u>
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The change in accumulated postretirement benefit obligation for 2010 was:

Active employees not fully eligible to retire	\$ 4,690,692
Active employees fully eligible to retire	5,592,443
Retirees	<u>9,496,059</u>

Unfunded postretirement benefit obligation at January 1, 2010	19,779,194
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Current year activity:

Service cost	\$ 569,349	
Interest cost	1,186,377	
Benefits paid	<u>(1,151,185)</u>	<u>604,541</u>

Unfunded postretirement benefit obligation at December 31, 2010	<u>\$ 20,383,735</u>
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HOLSTON ANNUAL CONFERENCE OF
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NOTES TO THE FINANCIAL STATEMENTS

(continued)

December 31, 2010

This obligation consists of:

Active employees not fully eligible to retire	\$ 5,575,643
Active employees fully eligible to retire	5,891,666
Retirees	<u>8,916,426</u>
	<u>\$ 20,383,735</u>

The unfunded postretirement benefit obligation at January 1, 2010 reported above differs from the unfunded postretirement benefit reported in the notes to the financial statements for the year ended December 31, 2009 due to a new valuation that was obtained for the year ended December 31, 2010. This new valuation was based on changes made to the plan. The most significant change made to the plan was in the computation of retiree cost sharing. Beginning in 2012, the premium paid by the Conference will be computed based upon the actual number of years of service rather than based on a range of years of service.

The unfunded postretirement benefit obligation at December 31, 2010 is \$20,383,735 of which, \$1,192,087 is a current liability and \$19,191,648 is a non-current liability. Unrecognized amounts and amortization amounts in the following year consist of prior service cost. A medical trend rate of 8.5% is anticipated during 2011 and an ultimate trend rate of 5% is anticipated to be achieved by 2016. The discount rate used to value end of year accumulated postretirement benefit obligation is 6%.

Estimated future benefit payments, net of employee contributions, are:

<u>Year ended December 31,</u>	<u>Estimated net payment</u>
2011	\$ 1,192,087
2012	1,159,246
2013	867,617
2014	845,712
2015	907,798
2016 to 2020	5,444,569

For non-funded plans, employer contributions equal benefit payments for the next fiscal year.

HOLSTON ANNUAL CONFERENCE OF
THE UNITED METHODIST CHURCH, INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS

(continued)

December 31, 2010

NOTE K - EPISCOPAL OFFICE FUNDS

Effective January 1, 2006, the Conference administered the financial affairs for the Episcopal Office of the Holston Conference. Prior to that date, revenue and expenses were accounted for by that office and reported independently of the Conference. The following is a summary of activity for the office for the years ended December 31, 2010 and 2009:

	<u>2010</u>	<u>2009</u>
Balance at the beginning of the year	\$ 24,335	\$ 23,163
Received from General Council	74,800	73,600
Expenses:		
Salaries and related expenses	\$ 59,370	\$ 61,214
Office expenses	10,930	10,876
Other	<u>2,206</u>	<u>339</u>
	<u>72,506</u>	<u>72,429</u>
Balance at the end of the year	<u>\$ 26,629</u>	<u>\$ 24,335</u>

NOTE L - ENDOWMENT

The Conference maintains ten individual funds that have been established for the benefit of various ministries of the Conference. Its endowment includes both donor-restricted funds and funds designated by the Conference Council on Finance and Administration (CCFA) to function as endowments. Net assets associated with endowment funds, including funds designated by the CCFA to function as endowments, are classified and reported based on the existence or absence of donor imposed restrictions.

HOLSTON ANNUAL CONFERENCE OF
THE UNITED METHODIST CHURCH, INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS

(continued)

December 31, 2010

Interpretation of Relevant Law

CCFA, with the assistance of the Holston Conference Foundation, 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 Conference 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 net assets until those amounts are appropriated for expenditure by CCFA in a manner consistent with the standard of prudence prescribed by SPMIFA. In accordance with SPMIFA, CCFA considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of various funds, (2) the purposes of the donor-restricted endowment funds, (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 Conference, and (8) the Conference's investment policies.

Spending Policy

CCFA has a policy of appropriating for distribution each year 0% to 5% of its endowment fund's average fair value of the prior 3 years through the calendar year-end preceding the fiscal year in which the distribution is planned. In establishing this policy, CCFA considered the long-term expected return on its investment assets, the nature and duration of the individual endowment funds, many of which must be maintained in perpetuity because of donor restrictions, and the possible effects of inflation. CCFA expects the current spending policy to allow its endowment funds to grow at a nominal average rate of 3% annually, which is consistent with CCFA's objective to maintain the purchasing power of the endowment assets as well as to provide additional real growth through investment return.

HOLSTON ANNUAL CONFERENCE OF
THE UNITED METHODIST CHURCH, INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS

(continued)

December 31, 2010

Investment Return Objective, Risk Parameters and Strategies

The Conference has adopted investment and spending policies approved by CCFA, for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment funds while also maintaining the purchasing power of those endowment assets over the long-term. Accordingly, the investment process seeks to achieve an after-cost total real rate of return, including investment income as well as capital appreciation, which exceeds the annual distribution with acceptable levels of risk. Endowment assets are invested in a well diversified assets mix, which includes equity and debt securities, that is intended to result in a consistent inflation-protected rate of return that has sufficient liquidity to make an annual distribution of 0% to 5% of a three year market value average, while growing the funds if possible. Investment risk is measured in terms of the total endowment fund; investment assets and allocation between asset classes and strategies are managed to not expose the fund to unacceptable levels of risk.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Conference relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Conference 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 Conference has a policy of appropriating for distribution each year 0 to 5% of its average endowment fund's average fair value of the prior 3 years through the calendar year-end preceding the fiscal year in which the distribution is planned. In establishing this policy, the Conference considered the long-term expected return on its investment assets, the nature and duration of the individual endowment funds, (many of which must be maintained in perpetuity because of donor restrictions), and the possible effects of inflation. The Conference expects the current spending policy to allow its endowment funds to grow at an average rate of 3% annually, which is consistent with the Conference's objective to maintain the purchasing power of the endowment assets as well as to provide additional real growth through investment return.

HOLSTON ANNUAL CONFERENCE OF
THE UNITED METHODIST CHURCH, INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS

(continued)

December 31, 2010

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

	<u>Donor-Restricted Endowments</u>		<u>Board- Designated Endowments</u>	
	<u>Permanently Restricted</u>	<u>Temporarily Restricted</u>	<u>Unrestricted</u>	<u>Total</u>
Endowment net assets at the beginning of the year	\$ 107,710	\$ 85,329	\$ 19,984,475	\$ 20,177,514
Contributions	0	0	1,707	1,707
Investment return:				
Investment income	0	1,351	45,809	47,161
Net appreciation (realized and unrealized)	0	7,612	2,499,295	2,506,907
Other changes:				
Transfers out	<u>0</u>	<u>(4,238)</u>	<u>(3,759,675)</u>	<u>(3,763,913)</u>
Endowment net assets at the end of the year	<u>\$ 107,710</u>	<u>\$ 90,055</u>	<u>\$ 18,771,610</u>	<u>\$ 18,969,376</u>

Endowment net assets are presented in the accompanying financial statements as investments.

NOTE M - RESTATEMENT

Net assets at the beginning of the year have been restated to reflect property held for sale not previously recorded:

Balance at December 31, 2009 as originally reported	\$ 9,994,887
Property held for sale at December 31, 2009	<u>550,000</u>
Balance at January 1, 2010, as restated	<u>\$ 10,544,887</u>

HOLSTON ANNUAL CONFERENCE OF
THE UNITED METHODIST CHURCH, INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS

(continued)

December 31, 2010

NOTE N - SUBSEQUENT EVENTS

Subsequent events have been evaluated through September 26, 2011, the date which the financial statements were available to be issued. On May 10, 2011, the Conference guaranteed a promissory note between Hiwassee College and a bank in the amount of \$777,620. The note matures on June 30, 2012.

Report of the Board of Pensions to the 2011 Session of Holston Annual Conference

BOARD OF PENSIONS GUIDELINES

The United Methodist Church acknowledges that pensions are "deferred compensation" earned at the same time and in the same manner as salary. Of the total compensation package, including salary, housing, utilities, health insurance, death/disability benefits, and other cash or non-cash allowances, the purpose of a pension is to assure retirement with dignity in an often unpredictable future.

To implement our Pension and Benefits Program for 2012, the Board of Pensions submits the following guidance:

1. The Board of Pensions recommends a past service retirement rate of \$530 per year of approved Pre-1982 ministerial service in Holston Annual Conference.
2. The total budget amount to provide for the Ministerial Pension Plan (MPP), the Comprehensive Protection Plan (CPP), and the Health Insurance shall be determined each year. Churches should remit 1/12th of their direct invoice to the conference treasurer each month.
3. The pension rate for the surviving spouse of a ministerial conference member eligible to receive pension benefits for service rendered before January 1, 1982, shall be 70% of the 2012 pension rate.
4. The Contribution Base shall be the active Participant's Plan Compensation as reported on line 12 of their appropriate pastor's support worksheet.
5. The 2012 Plan Compensation shall include cash salary, plus tax-deferred contributions, plus 25% for housing where the minister lives in a parsonage or the cash housing allowance where such is provided.
6. An active participant in CRSP should contribute a minimum 3% of the Plan Compensation as a personal contribution to the Personal Investment Plan (UMPIP). These contributions may be made on a before-tax or after-tax basis. The salary-paying unit must issue the checks. The participant and the salary-paying unit must complete a Before-tax and After-tax Contribution Agreement.
7. The cost of the Comprehensive Protection Plan (CPP) under the new plan will be 3.0 % of the Participant's Plan Compensation for all active full-time ministerial members and full-time local pastors.
8. Continue retirement moving expense, in accordance with our adopted policy which allows for one-time funds up to \$1,500 to be received for associated expenses. See the full policy guidelines that are attached within this report.
9. The Holston Conference Board of Pensions recommends the conference health insurance continue, for active participants with the Blue-Preferred Network with Blue Cross and Blue Shield of Tennessee, which began on January 1, 1999. This program continues to be a cost savings to the subscribers and the churches.
10. The maximum premium rates for 2012 are listed on the Rate Sheet included in this report. These rates may be revised downward if the Board of Pensions and Health Benefits receive favorable claim data and information related to the health programs. Any changes in costs or benefit levels will be mailed as a part of the health statement billings, for active pastors or in a separate mailing for retirees covered by the retiree program. These mailings will be distributed in the fourth quarter of 2011, if necessary.
11. The Holston Conference will utilize the internet to provide participants with relevant information related to their rates and plan data.
12. If participants are interested in changing their health plan they must notify the Conference Pension and Health Administrator in writing of any changes to their plan. The change from the high, middle, or H.S.A. plan must be completed by November 1,

2011, in order to take effect on January 1, 2012. The Conference will anticipate no changes in health coverage if a written request is not received from the Conference.

13. The Conference has implemented a plan for accepting payment for coverages as an ACH check. Churches that initiate an ACH wire, will receive a discount of 2%, on the church portion of their health insurance for paying their bills electronically.

RESERVE BALANCES AND HEALTH INSURANCE

Like most investments around the country our reserve funds have been reduced as a result of the recent economic downturn. As a result, we will continue to monitor our asset allocations to insure that future benefits can be provided to the participants in the various programs. Also as a result of new accounting principles, the Holston Conference has book a charge of approximately \$28 million for post-employment health care benefits. The Board of Pensions is currently taking steps to manage this liability and insure that the benefit programs can be sustained for today and the future. As of December 31, 2011, our reserve balances are \$16,130,687 to pay future pension obligations and \$10,664,563 for paying health insurance claims.

INCAPACITY LEAVE 2011-2012

In accordance with ¶ 357, 2008 Book of Discipline, the Conference Board of Pensions recommends the following active ministers and local pastors be continued subject to the renewal of their eligibility for disability benefits from the Comprehensive Protection Plan for the conference year 2011-2012: Bobby Barton, Janice A. Cate, Thomas A. Conley, Raymond C. Deese, Jr., Gary Franklin Hill, Charles R. McKinney, Mathilda S Merker, Alfred Newman, Lawrence Nuckolls, William Ogle Sr., James Darrell Ray, Helen Esther Shaw, John L. Sheldon, David R. Vaughn, H. Malcolm Wansley, Nancy J. Wilhite, Linda B. Wright, Benny Jon Bishop, David W. Olinger.

SPECIAL GRANTS 2011-2012 CONFERENCE YEAR

“Conference Board of Pensions may make special grants to clergy members or former clergy members and to local pastors or former local pastors of an Annual Conference who have served under appointment in that conference; or to their spouses, former spouses, surviving former spouses, or surviving dependent children (including adult dependent children). A report of such special grants shall be made annually to the Annual Conference”.

¶ 1506.14, The 2008 Book of Discipline

The Holston Conference will continue to provide loans for pastors that have requested incapacity leave, after receiving approval from the joint committee on incapacity until they are approved or denied by the General Board of Pensions. These loans will require the participant to sign a promissory note and the participant can only receive an advance for a maximum of 7 months or until approved for CPP, whichever is earlier.

MINISTERS

None for 2012

DEPENDENT ADULT CHILDREN

Mr. Thomas E. Byrd, birth date 9/25/44, dependent adult son of the Reverend Howard G. Byrd, deceased minister. Based on 13.00 years of service times 25% of the current pension rate.

Mr. Wendell R. Stock, birth date 12/4/58, dependent adult son of the Reverend Shirl F. Stock, deceased local pastor. Based on 5.50 years of service times 25% of the current pension rate.

HEALTH INSURANCE GUIDELINES

The Health Insurance Plan (HIP) of the Conference Philosophy

It is the intent of the Holston Annual Conference (Conference) to provide access to cost effective medical insurance for active clergy, full-time lay staff members who are employed by the local church, full-time Conference staff members, and retired clergy members who retire as a member under Episcopal appointment within this Conference, consistent with sound fiscal policies followed by the Conference and local churches responsible for funding the HIP.

Health Insurance Plans

- A. Active clergy and lay employee self-insured programs
 - ☐ High, Middle, and H.S.A. programs
- B. Early Retiree self insured programs
 - ☐ High, Middle, and H.S.A. programs
- C. Retired clergy fully insured medical supplement

Definitions

- A. *“Under Episcopal appointment within this Conference.”* For purposes of the HIP, “under Episcopal appointment within this Conference” means clergy appointed by the Bishop of this Conference.
- B. *“Years of Service.”* For purposes of the HIP, “years of service” shall include years served under appointment either on a full-time basis or a less than full-time basis, as recognized by the General Board of Pensions. Years will be determined under the appointment year basis. Years served under appointment after retirement will not count toward the HIP subsidy. If a retired clergy member returns to the effective relationship under the provisions of *the Discipline*, years served while in such effective relationship will count toward the HIP subsidy. Years of service credited towards the subsidy paid by the Holston Conference shall be years served while appointed within the Holston Conference.
- C. Members of the Annual Conference taking honorable location or terminating their Conference relationship for any reason shall not be eligible to continue in the Conference insurance program.
- D. *Change in status.* It is the responsibility of the plan participant to notify the Conference immediately if an event occurs that has an impact on the continued participation of a spouse, retiree, person on incapacity, or dependent child. Failure to notify the Conference of a change will result in additional costs or the loss of future benefit opportunities. This would include a divorce, qualification for Medicare, or reduction of hours.
- E. *Blended premium rate.* This is the rate developed by the Conference Board of Pensions and Health Benefits that generates the premium revenue to fund the existing program for active clergy members. This rate does not distinguish between a pastor being enrolled in the employee only, employee plus one or family program. This rate shall be developed annually based upon the number of participants in each group and will be utilized for directly invoicing the church for what was previously the Conference portion (25%) and the church portion (35%) of the premium rate.

Health Insurance Plan Eligibility

The following individuals are eligible to participate in the HIP. See the section below for Financial Responsibility. In order to qualify for the receipt of health insurance benefits, a participant must be considered full-time based upon the number of hours or his/her salary in accordance with the minimum salary associated with their classification as adopted by the Annual Conference each year. For lay employees, it requires 30 hours per week and for

active clergy, it must be at 75% of the minimum salary for their classification as denoted on line #4 of the pastor's support worksheet on file at the Holston Conference.

1. Active Clergy Eligibility

- a. **Clergy** – Every active clergy member under Episcopal appointment within this Conference, including full, probationary, associate, local pastors and members of another denomination or conference, must be enrolled in the active clergy HIP, except where equivalent coverage is available under a spouse's group plan and proof of other creditable group coverage is provided.
 - (i.) **Incapacity Leave** - Clergy appointed to incapacity leave are eligible and must be enrolled in the HIP.
 - (ii.) **Family Leave, Leave of Absence, Sabbatical Leave, Appointed to School** - Clergy appointed to any of these categories are eligible and may participate in the HIP.
- b. **Clergy Spouse and Dependent Children** – If the active clergy member is enrolled in the HIP, the clergy's spouse and unmarried dependent children under the age of 26 or disabled dependent, providing such disabled person(s) are not eligible for Medicare or other government sponsored healthcare programs, are eligible to participate in the HIP.
- c. **Surviving Spouse and Dependent Children** – If an active clergy covered under the HIP dies, the surviving spouse and dependent children of that clergy person are eligible and may choose to participate in the HIP. If the surviving spouse remarries, the surviving spouse and the dependent children are no longer eligible for health insurance benefits through the HIP.
- d. **Divorced Spouse** – The divorced spouse will be allowed to participate in the HIP under the terms of COBRA as outlined within this policy document and in compliance with all regulations that apply to COBRA coverage. The rate schedule will be in accordance with the schedule for lay participants.

2. Retired Clergy Eligibility

If you are appointed to a local church within the Holston Conference then you would be on the active health insurance program, if you meet the qualifications. If you retire, you can only receive a subsidy towards the purchase of the Conference medical supplement as a part of the group program, and no longer be a part of the active program.

- a. **Clergy** - A clergy member who retires under the rules of *the Discipline* while under Episcopal appointment within this Conference shall be eligible to participate in the HIP.
 - (i.) **Medicare Eligible** - All retiree HIP subsidies are calculated based on Medicare eligibility and participation in Medicare Parts A and B. All Medicare eligible retirees must be enrolled in Medicare Parts A and B.
 - (ii.) **Not Medicare Eligible** - Retirees who are not Medicare eligible may participate in the active clergy HIP, but may pay more for premiums than under a Medicare eligible plan.
- b. **Spouse** - The spouse of an eligible clergy must have been married to the retired clergy at the date of retirement to be eligible to participate in the HIP.
 - (i.) **Medicare Eligible** - Spouse HIP subsidies are calculated based on Medicare eligibility and participation in Medicare Parts A and B. All Medicare eligible spouses must be enrolled in Medicare Parts A and B.
 - (ii.) **Not Medicare Eligible** - Spouses who are not Medicare eligible may participate in the active clergy HIP, but may pay more for premiums than under a Medicare eligible plan.
- c. **Surviving Spouse** - At the time that the participant became a surviving spouse, the participant must have been enrolled in the HIP.
 - (i.) **Medicare Eligible** - Surviving spouse HIP subsidies are calculated based on Medicare eligibility and participation in Medicare Part A and B. All Medicare

eligible surviving spouses must be enrolled in Medicare Parts A and B.

- (ii.) *Not Medicare Eligible* - Surviving spouse who are not Medicare eligible may participate in the active clergy HIP, but may pay more for premiums than under a Medicare eligible plan.
- (iii.) *Surviving Spouse Remarries* - If a surviving spouse remarries, the surviving spouse is no longer eligible to participate in the HIP.
- d. **Divorced Spouse** - The divorced spouse of a retired clergy may participate in the HIP under the terms of COBRA coverage under the schedule for lay participants.
- e. **Dependent Children** - If the retired clergy member is a participant in the active clergy program and is enrolled in the HIP, the clergy's spouse and unmarried dependent children under the age of 26 or disabled dependent, providing such disabled person(s) are not eligible for Medicare or other government sponsored healthcare programs, are eligible to participate in the HIP.
- f. **Early retirement** - In order to qualify for early retiree rates and participation, a clergy participant must be able to immediately draw retirement benefits from the General Board of Pensions. If a clergy participant is unable to begin drawing benefits upon retirement status, continuation coverage and the associated rates will be implemented if coverage is desired.

Continuation Coverage

Active clergy participants in the HIP who have their hours reduced at the request of the Cabinet can continue to have access to the plan. The participants will pay 100% of the cost of health insurance, plus a 2% administrative fee.

If any other individual enrolled in the HIP (including lay employees, their spouses and dependent children) loses HIP coverage due to a loss in eligibility resulting from a termination of employment or clergy appointment, reduction in hours of employment, death, divorce or legal separation, Medicare entitlement, or a child's loss of dependent eligibility, such individual may continue to participate in the HIP for the period of time and under the conditions set forth in the Consolidated Budget Reconciliation Act of 1985 (COBRA). Although the HIP is not subject to COBRA, it is the intent of the Conference to allow eligible individuals to continue participation in the HIP under COBRA-like coverage. An individual who elects to continue coverage pursuant to this paragraph will be responsible for timely payment of the full cost of the HIP premiums, plus a 2% administrative fee, on the first day of each month. If payment is not received within 30 days of the due date, coverage will be terminated retroactive to the due date of the missed payment (i.e., the first of the month for which the payment was due).

Financial Responsibility for Health Insurance

The Board of Pensions and Health Benefits is responsible for annually reviewing the HIP premiums and establishing the financial obligations of the parties. Effective January 1, 2011, the Board of Pensions shall annually determine the premium rates for all participants in the various health insurance plans. Such premium rates shall be published in the Book of Reports, Conference Journal, or mailed to the participants in the program.

1. Active Clergy Members

The local church or salary paying unit is responsible for payment of the blended premium rate for all appointed clergy, which will be developed each year and included in the report from the Conference Board of Pensions and Health Benefits, and the remaining costs of the selected program will be invoiced to the local church or local salary paying unit and include the pastor's portion of the health insurance premium.

2. Active Lay Employees

The local church or salary paying unit is responsible for submitting the entire amount (100%) of the premium to the Holston Conference. Any type of employee cost sharing plan

as may be necessary to manage their local benefit costs may be established, so long as it is offered to each eligible employee in a consistent manner that does not discriminate on the basis of job title, hours worked, or classification. Lay employees are not eligible for HIP benefits after retirement or termination of employment with a Holston Conference related agency or institution.

3. Incapacity Leave

Clergy appointed to incapacity leave must be enrolled in the HIP, until they become Medicare eligible. The premium for clergy appointed to incapacity leave will be the responsibility of the Board of Pensions and Health Benefits, and will be split between the Conference and the participant. The Conference will pay 60% of the cost and the clergy member will be responsible for the remaining 40%.

4. Family Leave, Leave of Absence, Sabbatical Leave, Appointed to School

Clergy appointed to any of these categories may participate in the HIP. The premium is at the participant's sole cost.

5. Clergy Retirees

- a. The Board of Pensions and Health Benefits is responsible for subsidizing a portion of the health insurance premiums of the HIP for retirees, as described in the document below.
- b. The retiree is responsible for paying the unsubsidized portion of the health insurance premiums of the HIP, in accordance with the premium schedule.
 - (1) *Medicare Eligible* – For Medicare-eligible retired clergy, spouses and surviving spouses, the subsidy will be subtracted from the adopted premium rate to determine the amount the retiree shall be responsible for paying.
 - (2) *Not Medicare Eligible* – For retired clergy, spouses, surviving spouses and dependent children who are not eligible for Medicare, the subsidy will be subtracted from the premium for the active clergy plan to determine the amount the retiree shall be responsible for paying.
- c. The Board of Pensions and Health Benefits is under no obligation to subsidize any health insurance premiums for retirees unless specifically provided for below and reserves the right to recommend changes in the level of subsidization Changes and Amendments to the HIP.
- d. Lay participants are not allowed to participate in the retiree health insurance program.

6. Extension Ministries

Participants appointed to extension ministries who remain on the Conference payroll will be responsible for payment of 40% of the premium amount, with the Conference paying the remaining 60%. Participants appointed to extension ministries who do not remain on the Conference payroll will be responsible for 100% of the premium amount. In this non-Conference, extension ministry case the participant is typically responsible for payment of 40% of the premium amount and the employer is responsible for the remaining 60%, so long as the Conference receives 100% of the adopted premium amount.

While under appointment to a Conference endorsed or related entity, a participant will remain eligible for service credit for retiree coverage based upon their years of service as determined by the General Board of Pensions for service credit.

7. Sabbatical or Leave of Absence

Participants on an approved leave of absence will be responsible for payment of 100% of the premium amount. Participants on an approved sabbatical are responsible for payment of 40% of the premium amount; the Conference will pay the remaining 60% of the premium.

8. Disability

Participants approved by the General Board of Pensions and Health Benefits for incapacity leave are responsible for payment of 40% of the premium amount; the Conference will pay

the remaining 60%. Once the participant qualifies for Social Security benefits, his/her share of the premium will follow the schedule established for retirees if they are eligible to participate as a retiree.

Surviving Dependents

Surviving dependents will be responsible for paying 40% of the total premium amount until such time as they qualify for Medicare, when their share will reduce to 15%. The Conference will pay the remaining shares in both cases.

HIP Subsidy for Retired Clergy (over 65) and Early retirees and their spouses

Beginning January 1, 2012, the Board of Pensions and Health Benefits will subsidize the health insurance medical supplement and dental program for individuals who meet the eligibility criteria as set forth in the Health Insurance Plan Eligibility section, above, as follows. If a participant meets the eligibility criteria, but does not qualify for a subsidy, the participant may continue to participate in the HIP at the participant's sole cost.

1. For eligible retired clergy with at least 10 Years of Service under Episcopal appointment within this Conference during the 10 years immediately preceding such clergy's date of retirement the Board of Pensions and Health Benefits will subsidize a portion of the HIP health insurance premium as follows, with the participant responsible for paying the unsubsidized portion:
 - (a) For the retired clergy and for each eligible spouse or dependent enrolled in the HIP, a subsidy will be provided in accordance with the schedule included in the 2010 Book of Reports and 2010 Conference Journal. In 2012, the amount of subsidy will be equal to two and a half percent (2.5%) multiplied by the total years of service, up to 30 years, with a maximum cost share of 75% times the adopted premium rate. The remaining balance would be paid by the participant. In 2013, the subsidy will become two percent multiplied by the total years of service, (up to 30 years) with a maximum cost share of 60% times the adopted premium rate.
 - (b) If two eligible retired clergy are married to one another, the subsidy for each retired clergy (and their participating eligible dependents) will be based on the Years of Service of the retired clergy member with the greater number of years of service. Upon the death of either clergy, the subsidy shall continue to be calculated based on the greater number of Years of Service. If the clergy couple divorce, the subsidy for each clergy shall be based on each individual's Years of Service in accordance with the article above.
 - (c) For a surviving spouse of a deceased clergy and their dependents, the subsidy will be calculated to make the participant payment one half of the amount of the premium for a retired minister of the Conference, according to the schedule listed in above.

Delinquencies

Billings for health insurance are processed by the 15th of each month and are for coverage in advance of the service provided (i.e., December's billings are for health insurance coverage provided in January). The bills for both the pastor's portion and the monthly amount directly invoiced shall become due and payable immediately, upon receipt. Unpaid balances that are still due after 30 days shall be subjected to a late fee of 1.5% of the outstanding balance due. Billings that are more than 60 days past due can result in termination of the health insurance coverage provided as a part of the HIP. If the premiums (including the amount directly invoiced) are not paid within 45 calendar days of the due date, a reminder will be sent to the participant with a copy to the District Superintendent (in the case of a clergy participant) noting the amount due. After a total of 60 calendar days past due, a letter will be sent indicating coverage will be terminated the first day of the next month unless the

premiums are paid in full.

Local Church, Related Agency, and Institution Participation Guidelines

All local churches, related agencies and institutions of the Annual Conference will be considered sub-groups of the Conference for insurance purposes. The following requirements will apply:

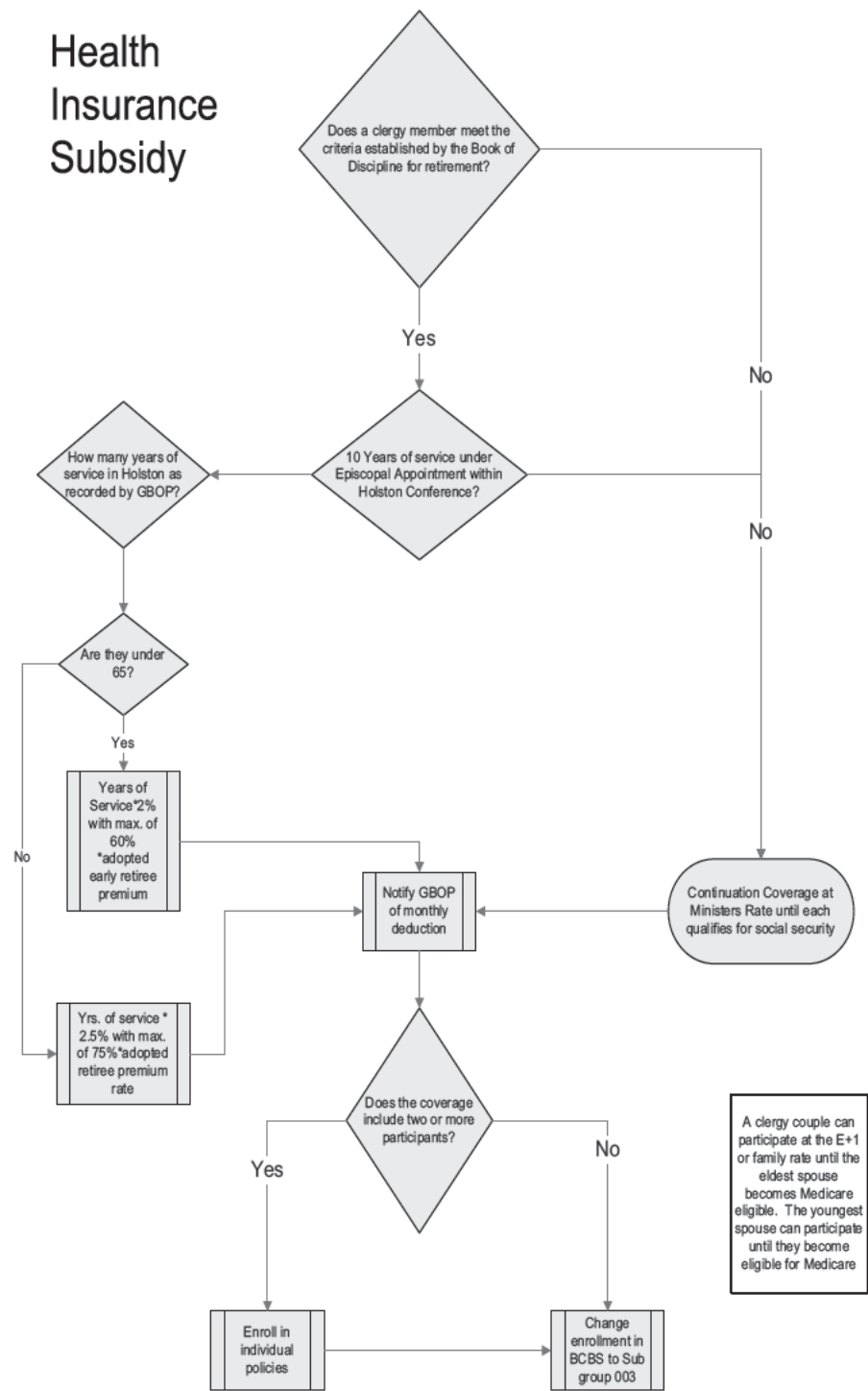
- A. Participants and/or dependents must follow the current guidelines for eligibility and participation.
- B. New enrollments, terminations, and changes in coverage must be sent to the Conference within 15 calendar days for processing. Changes received after the current month's billing will be effective on the first day of the following month.
- C. Local churches, related agencies, and institutions must have 75% of their eligible employees enrolled in the HIP. If they fall below 75%, there will be a grace period of one year for them to find other insurance coverage or reach the 75% enrollment. Local churches, related agencies and institutions who did not meet this guideline as of July 1, 2004, will be allowed to stay on the Conference insurance program, but no new employees can be enrolled unless the 75% enrollment guideline is followed. Employees covered under any creditable group insurance plan will be considered part of the 75% enrollment.
- D. Local churches, related agencies, and institutions are responsible for offering COBRA-like Continuation Coverage, similar to Article III, to all employees leaving employment with them.
- E. Local churches, related agencies, and institutions are required to sign a sub-group contract form with the Conference.

Changes and Amendments to the HIP

The Board of Pensions and Health Benefits, as fiduciary of the Conference Program, is required to authorize changes to the above as it deems reasonable, fair, and within the best interests of the Conference. In order to adequately share information, any changes in the guidelines shall be published in the Book of Reports or mailed to each participant group prior to enactment of any changes in policies or guidelines.

The Conference Board of Pensions and Health Benefits will comply with all of the rules and requirements associated with the policies of our program administrator. This includes a requirement that all changes to coverage will be completed in writing on the appropriate forms.

Health Insurance Subsidy



Clergy Retiree Moving Expense Recommendation

Proposal, Revised February 25, 2011

Currently, the policy for reimbursement of clergy retiree moving expenses is not well documented. In general, the policy has been:

- Applies to retirees and possibly pastors moving to incapacity leave, as well as the spouses of active ministers who died during the year
- Maximum amount \$1,500
- Covers everything from moving books / possessions out of an office (if the pastor does not need to move residence) to a residential move
- Can only be utilized once, but can actually be claimed at any point in the future with adequate proof that it has never been paid before
- Considered qualified business expenses and not counted as income to the claimant
- Claims are difficult to verify, hard to insure they are “qualified moving expenses” from an IRS perspective, and often poorly documented

REVISED Proposed policy for reimbursement of clergy retiree moving expenses:

- Applies to: (1) clergy retirees, (2) surviving spouses / dependents living in the home of an active clergy upon the pastor’s death, and (3) clergy approved for incapacity leave
- Request for reimbursement must be received by the Holston Conference Treasurer no later than 6 months after the retirement or qualifying event above. For clergy retirees who remain in continuous appointment(s) after retirement, the qualifying event will be the termination of their final appointment.
- Reimbursement will be made for all reasonable moving expenses submitted, up to \$1,500
- Moving expense reimbursements will only be considered for relocation of the pastor’s residence or the pastor’s professional office not located in the residence
- Only one request for reimbursement can be made and the total amount that will be paid will not exceed \$1,500
- IRS Form 1099 will be used to report the full amount of the reimbursement as income to the recipient
- It is the responsibility of the requester to determine any deductibility of their moving expenses on their individual tax return

Holston Conference

2012 Rates

	HIGH PLAN MINISTERS		
	Individual Coverage	Employee + Spouse	Family Coverage
Direct Invoice	\$685	\$685	\$685
Minister	\$220	\$485	\$690
Total	\$905	\$1,170	\$1,375

VANCO Discount (\$14) (\$14) (\$14)

	MIDDLE PLAN MINISTERS		
	Individual Coverage	Employee + Spouse	Family Coverage
Direct Invoice	\$685	\$685	\$685
Minister	\$150	\$330	\$460
Total	\$835	\$1,015	\$1,145

VANCO Discount (\$14) (\$14) (\$14)

	H.S.A. MINISTERS		
	Individual Coverage*	Employee + Spouse**	Family Coverage***
Direct Invoice	\$685	\$685	\$685
Minister	\$85	\$90	\$125
Total	\$770	\$775	\$810

*\$600/year contributed to H.S.A. account

**\$1,200/year deposited to H.S.A account

***\$1,200/year deposited to H.S.A account

VANCO Discount (\$14) (\$14) (\$14)

	HIGH PLAN LAY EMPLOYEES		
	Individual Coverage	Employee + Spouse	Family Coverage
Employer	\$330	\$730	\$1,035
Claimant	\$220	\$485	\$690
Total	\$550	\$1,215	\$1,725

VANCO Discount (\$7) (\$14) (\$20)

	MIDDLE PLAN LAY EMPLOYEES		
	Individual Coverage	Employee + Spouse	Family Coverage
Employer	\$325	\$715	\$1,015
Claimant	\$150	\$325	\$460
Total	\$475	\$1,040	\$1,475

VANCO Discount (\$7) (\$14) (\$20)

	H.S.A. LAY EMPLOYEES		
	Individual Coverage*	Employee + Spouse**	Family Coverage**
Employer	\$325	\$715	\$1,015
Claimant	\$85	\$90	\$125
Total	\$410	\$805	\$1,140

*\$600/year contributed to H.S.A. account

**\$1,200/year deposited to H.S.A account

***\$1,200/year deposited to H.S.A account

VANCO Discount (\$7) (\$14) (\$20)

	HIGH PLAN EARLY RETIREES-Minister		
	Individual Coverage	Employee + Spouse**	Family Coverage
Premium	\$600	\$1,315	\$1,865
Conference Subsidy 2% times years of service for Holston Conference service (60% max.)			
VANCO Discount	(\$7)	(\$14)	(\$20)

	MIDDLE PLAN EARLY RETIREES-Minister		
	Individual Coverage	Employee + Spouse**	Family Coverage
Premium	\$490	\$1,065	\$1,505
Conference Subsidy 2% times years of service for Holston Conference service (60% max)			

VANCO Discount (\$7) (\$14) (\$20)

	H.S.A. EARLY RETIREE-Minister		
	Individual Coverage	Employee + Spouse**	Family Coverage***
Premium	\$410	\$805	\$1,140
Conference Subsidy 2% times years of service for Holston Conference service (60% max)			

*\$600/year contributed to H.S.A. account

**\$1,200/year deposited to H.S.A account

***\$1,200/year deposited to H.S.A account

VANCO Discount (\$7) (\$14) (\$20)

Holston Conference

Maximum 2012 Rates

RETIRED MINISTER & SPOUSE/DISABLED MINISTER & SPOUSE			
With Medicare A & B Primary		Not Eligible for Medicare Under 65	
Individual Coverage	Per Month		
Adopted Premium	\$280		
	Conference Subsidy	Participant	Total Premium
30+ years of service	\$210.00	\$70.00	\$280
25 years of service	\$175.00	\$105.00	\$280
20 years of service	\$140.00	\$140.00	\$280
15 years of service	\$105.00	\$175.00	\$280
10 years of service	\$70.00	\$210.00	\$280
*Conference subsidy is 2.5% for each year of service to the Holston Conference with a maximum subsidy of 75%			
These participants will follow the schedule for early retirees and will receive a subsidy based upon the years of service with the Holston Conference.			
To be an early retiree, a participant must be able to begin drawing pension benefits immediately from the General Board of Pensions. Otherwise, the clergy participant and their spouse or dependents must participate under the continuation of coverage program.			
Not eligible for Medicare Over 65			
These participants will be enrolled in the continuation coverage program and their associated rates if they do not have at least 10 years of participation in the Holston Conference Health Insurance program while in active service.			
If the participant participated for more than 10 years, they would receive a subsidy in accordance with the schedule adopted for those participants that are participating in the medical supplement program. The rates charged would be 102% of the highest adopted rates for participants in their participating program.			

SURVIVING SPOUSE OF DECEASED MINISTER*			
With Medicare A & B Primary		Not Eligible for Medicare Under 65	
Individual Coverage	Per Month		
Adopted Premium	\$280.00		
	Conference Subsidy	Participant	Total Premium
30+ years of service	\$252.00	\$28.00	\$280.00
25 years of service	\$231.00	\$49.00	\$280.00
20 years of service	\$184.80	\$95.20	\$280.00
15 years of service	\$138.60	\$141.40	\$280.00
10 years of service	\$92.40	\$187.60	\$280.00
*Conference subsidy is 3.3% for each year of service to the Holston Conference with a maximum subsidy of 90%			
These participants will follow the schedule for early retirees and will receive a subsidy based upon the years of service with the Holston Conference.			
To be an early retiree, a participant must be able to begin drawing pension benefits immediately from the General Board of Pensions. Otherwise, the clergy participant and their spouse or dependents must participate under the continuation of coverage program.			
Not eligible for Medicare Over 65			
These participants will be enrolled in the continuation coverage program and their associated rates if they do not have at least 10 years of participation in the Holston Conference Health Insurance program while in active service.			
If the participant participated for more than 10 years, they would receive a subsidy in accordance with the schedule adopted for those participants that are participating in the medical supplement program. The rates charged would be 102% of the highest adopted rates for participants in their participating program.			

HOLSTON CONFERENCE
Conference Health Insurance Operating Fund
Thru December 31, 2010

	2008	2009	2010	2011 Projected	2012 Projections
Income					
Fair Share Apportionments	\$2,477,170	\$2,842,731	\$2,841,594	\$1,600,000	\$1,500,000
Direct Billings-Church Part	\$0	\$0	\$0	\$4,000,000	\$4,000,000
BCBS Stop-Loss Recoveries+	\$280,069	\$804,152	\$49,392	\$50,000	\$50,000
Premiums Deducted From Retirees	\$156,847	\$333,782	\$281,249	\$285,000	\$300,000
Premium Payments From Active Clergy/Lay	\$5,275,483	\$5,007,899	\$5,223,848	\$2,500,000	\$2,550,000
Rebate from Medicare D Program	\$0	\$175,160	\$0	\$0	\$0
Miscellaneous	\$0	\$0	\$0	\$0	\$0
Total Income	\$8,189,569	\$9,163,723	\$8,396,083	\$8,435,000	\$8,547,600

	2008	2009	2010	2011 Projection	2012 Projection
Adm. Fees to Holston Conf. Admin. Office	\$36,000	\$64,470	\$36,000	\$36,000	\$36,000
Medical, Dental, Drug Claims	\$7,085,948	\$7,425,687	\$5,887,220	\$6,475,942	\$7,123,536
BCBS Fees	\$425,181	\$403,922	\$437,212	\$448,143	\$445,957
AFLAC Premiums paid	\$4,367	\$0	\$0	\$0	\$0
BCBS Premiums (Retirees)	\$1,137,064	\$1,334,892	\$1,368,432	\$1,436,854	\$1,508,696
Stop-Loss Reinsurance Premiums ***	\$256,554	\$300,206	\$189,827	\$195,522	\$208,809
Consultant Fees	\$38,210	\$23,262	\$3,500	\$30,000	\$0
H.S.A. Contributions & Fees		\$45,862	\$56,645	\$57,777	\$59,477
RX Assistance	\$2,800	\$2,173	\$1,730	\$1,500	\$1,500
Miscellaneous	\$105	\$0	\$0	\$0	\$0
Total Expenses	\$8,986,229	\$9,600,473	\$7,980,565	\$8,681,737	\$9,383,975
Excess(-Deficit) Income vs. Expense	(\$796,660)	(\$436,750)	\$415,517	(\$246,737)	(\$836,375)
Health Insurance Reserves-Beginning Balance	\$10,886,032	\$7,715,353	\$9,437,220	\$10,560,529	\$10,560,529
Investment Earnings	(\$2,374,020)	\$2,158,617	\$707,792	\$316,816	\$316,816
Health Insurance Reserves-Ending Balance	\$7,715,353	\$9,437,220	\$10,560,529	\$10,630,608	\$10,040,970

EVIDENCE OF DENTAL COVERAGE Effective Date January 1, 2010	
Covered Services	Coinsurance Percentages
Diagnostic and Preventive Services (Coverage A)	80%
Restorative Services (Coverage B)	80%
Prosthetic and Complex Restorative Services (Coverage C)	50%
Orthodontic Services for Dependents Under age 23	None
Benefit Maximums	\$1,500 per Calendar Year

Holston Conference of the United Methodist Church
January 1, 2012 - December 31, 2012

	High Option	
	In Network	Out of Network
Deductible	\$1000/\$2000	\$2000/\$4000
Out of Pocket Maximum	\$3000/\$6000	\$6000/\$12000
Coinsurance	85%	65%
Office Visit	\$25 per visit	65% after ded
Specialist	\$40 per visit	65% after ded
Hospital Service	85% after ded	65% after ded
Ambulatory Surgical Centers	85% after ded	65% after ded
Durable Medical Equipment	85% after ded	65% after ded
Emergency Care Services	85% after ded	85% after ded
Home Health Care <i>limited to 60 visits per year</i>	85% after ded	65% after ded
Hospice Care	100% after ded	65% after ded
Organ Transplants	85% after ded	65% after ded
Routine Diagnostic Lab, X-Ray & Injections	100%	65% after ded
Rehab Therapy	85% after ded	65% after ded
Preventative Care	\$25 per visit	65% after ded
Chiropractic Services <i>limited to 30 visits per year</i>	\$40 per visit	65% after ded
Skilled Nursing	85% after ded	65% after ded
Therapeutic Services <i>limited to 30-36 visits per therapy per year</i>	85% after ded	65% after ded
Special Accident Benefit	100%	100%
Behavioral Health		
- Inpatient 30 days per year	85% after ded	65% after ded
- Outpatient 40 visits per year	85% after ded	65% after ded
Prescription Drug*	\$15/\$35/\$50	
- Retail (30 day supply)	90 - day supply - 2x copayment amount	
- Mail Order Drug		
Lifetime Maximum	No limit	

* If you receive a brand name drug when a generic is available, you must pay the generic copay plus the cost difference between the brand name drug and the generic drug.

Schedules are subject to change

Holston Conference of the United Methodist Church

January 1, 2012 - December 31, 2012

	Middle Option	
	In Network	Out of Network
Deductible	\$1,500/\$3,000	\$3000/\$6000
Out of Pocket Maximum	\$4,500/\$9,000	\$9000/\$18000
Coinsurance	80%	60%
Office Visit	\$30 per visit	60% after ded
Specialist	\$50 per Visit	60% after ded
Hospital Service	80% after ded	60% after ded
Ambulatory Surgical Centers	80% after ded	60% after ded
Durable Medical Equipment	80% after ded	60% after ded
Emergency Care Services	80% after ded	80% after ded
Home Health Care <i>limited to 60 visits per year</i>	80% after ded	60% after ded
Hospice Care	100% after ded	60% after ded
Organ Transplants	80% after ded	60% after ded
Routine Diagnostic Lab, X-Ray & Injections	100%	60% after ded
Rehab Therapy	80% after ded	60% after ded
Preventative Care	\$30 per visit	60% after ded
Chiropractic Services <i>limited to 30 visits per year</i>	\$50 per visit	60% after ded
Skilled Nursing	80% after ded	60% after ded
Therapeutic Services <i>limited to 30-36 visits per therapy per year</i>	80% after ded	60% after ded
Special Accident Benefit	100%	100%
Behavioral Health		
- Inpatient 30 days per year	80% after ded	60% after ded
- Outpatient 40 visits per year	80% after ded	60% after ded
Prescription Drug*		
- Retail (30 day supply)	\$25/\$40/\$75	
- Mail Order Drug	90 - day supply - 2x co-payment amount	
Lifetime Maximum	No Limit	

* If you receive a brand name drug when a generic is available, you must pay the generic copay plus the cost difference between the brand name drug and the generic drug.

Schedules are subject to change

Holston Conference of the United Methodist Church

January 1, 2012 - December 31, 2012

	HSA Option	
	In Network	Out of Network
Deductible	\$2,000/\$4000	\$4000/\$8000
Out of Pocket Maximum	\$6,000/\$12,000	\$12,000/\$24,000
Coinsurance	70%	50%
Office Visit	Ded and Coins	Ded and Coins
Specialist	Ded and Coins	Ded and Coins
Hospital Service	Ded and Coins	Ded and Coins
Ambulatory Surgical Centers	Ded and Coins	Ded and Coins
Durable Medical Equipment	Ded and Coins	Ded and Coins
Emergency Care Services	Ded and Coins	Ded and Coins
Home Health Care <i>limited to 60 visits per year</i>	Ded and Coins	Ded and Coins
Hospice Care	Ded and Coins	Ded and Coins
Organ Transplants	Ded and Coins	Ded and Coins
Routine Diagnostic Lab, X-Ray & Injections	Ded and Coins	Ded and Coins
Rehab Therapy	Ded and Coins	Ded and Coins
Preventative Care	\$25 per visit	Ded and Coins
Chiropractic Services <i>limited to 30 visits per year</i>	Ded and Coins	Ded and Coins
Skilled Nursing Therapeutic Services <i>limited to 30-36 visits per therapy per year</i>	Ded and Coins	Ded and Coins
Special Accident Benefit	Ded and Coins	Ded and Coins
Behavioral Health - Inpatient 30 days per year - Outpatient 40 visits per year	Ded and Coins Ded and Coins	Ded and Coins Ded and Coins
Prescription Drug* - Retail (30 day supply) - Mail Order Drug	Co-pays apply for Prescriptions occurs only after deductible is met \$25/\$40/\$75 90 - day supply - 2x co-payment amount	
Lifetime Maximum	No Limit	

* If you receive a brand name drug when a generic is available, you must pay the generic copay plus the cost difference between the brand name drug and the generic drug.

Schedules are subject to change

Holston Conference Retirees - Medical

	<u>Medicare Supplement / BlueCross65*</u>
Deductible	N/A
4th qtr ded carryover	N/A
Out of Pocket Max	N/A
Office Visit	100%
In-Patient Facility for 1st 120 days	100%
Outpatient Facility	100%
Professional Outpatient	100%
Professional Inpatient for 1st 120 days	100%
Other Eligible Services	100%
WellCare Services up to a maximum of \$150 per member per year for physical	100%
Skilled Nursing Facility	100%, for 1st 100 days
Home Health Agency (30 days/yr)	100%
Second Surgical Opinions	100%
Outpatient Surgery	100%
Outpatient Diagnostic X-Ray & Lab	100%
Special Accident Care (Facility Charges)	100% / Medically Necessary
within 72 hours of accident	100% / Medically Necessary
after 72 hours	100% / Medically Necessary
TMJ Treatment (limited to \$1,500/yr)	Will be covered under the Dental plan
Chiropractic Services (30 visits/yr)	100% (Subject to Medicare limitations)
Psychiatric Care	
Inpatient Facility (30 days/yr)	100%
Outpatient	100%
Substance Abuse	
Foreign Travel	\$250 copay, then 80% \$50,000 Lifetime Maximum
Lifetime Max	N/A

NOTES:

Currently Medicare is primary and deductible is waived on most services.

* Medicare Supplement / BlueCross65 is a fully insured product and shifts all risk to BCBST.

Schedules are subject to change

PAYMENTS TO ANNUITANTS AND BENEFICIARIES REPORT

December 28, 2009 - December 27, 2010

Annuity payments include pre-1982 service, MPP and CRSP. Amounts from the CPP pooled Account and Special Grants are included for some dependent children, surviving spouses and active ministers on disability leave. Permanent records are on file in the Holston Conference Board of Pensions Office.

		2010
PASTORS-INSIDE*		
Conference Members	\$4,717,147.82	289
Local Pastors	\$270,154.34	54
Active Conference Members on Disability	\$553,380.63	19
Special Grant	\$5,408.50	1
Active Local Pastors on Disability	\$50,825.58	2
SURVIVING SPOUSES-INSIDE*		
Conference Members and Local Pastors	\$1,222,843.95	182
Surviving Spouse Disability Benefit	\$61,484.37	8
DEPENDENT CHILDREN-INSIDE*		
Conference Members Special Grant		0
Special Grant	\$1,388.76	1
Lay Participants	\$2,335.56	2
TOTAL INSIDE	\$6,884,969.51	558
PENSION BENEFIT RESPONSIBILITY-ELSEWHERE**		
Ministerial Members	\$380,313.84	113
Local Pastor	\$31,741.19	9
Surviving Spouses	\$361,715.96	109
TOTAL ELSEWHERE	\$773,770.99	231
OTHER		
Beneficiaries (both inside and elsewhere)	\$241,854.80	56
Beneficiaries receiving disability payments	\$20,033.41	5
QDRO Recipients	\$2,911.28	3
Other	\$55,641.95	9
Participant Lay-Outside	\$24,069.48	1
Participant Lay-Inside	\$53,117.58	2
TOTAL OTHER	\$397,628.50	76
CONFERENCE TOTAL	\$8,056,369.00	865

* Retired from Holston Conference

** Retired from another conference with some Holston Conference service

***Total Recipients 865

Inside 558

Outside 231

Other 76

Report No. 12
BOARD OF TRUSTEES

During the 2010-2011 year, the Board of Trustees of the Holston Conference has been actively managing the properties and the investments of the Conference.

Surplus and Real Property Management

Last year the Annual Conference adopted a policy that clearly identified the complex process for transferring and liquidating surplus real property and Discontinued Church Assets including furnishings and fixtures. The Board has worked diligently over the past twelve months implementing this process. To manage this time consuming process and to provide needed staff support, the Board has contracted with Rev. Edwin Blair. With his assistance, the following progress has been and is being made:

A Church Discontinuance Process Check List has been developed. This tool includes the detailed steps that must be taken when discontinuing a Church and dealing with its assets (both real property and finishing/fixtures). This Check List Form was presented to the Appointment Cabinet and is now in use.

List of all Conference held and District held surplus and/or vacant property.

Site visit, photographing and collect an inventory of furnishings and fixtures.

Securing, stabilizing and protecting all listed property,

Developing and implementing plans for the liquidation and/or future use of said surplus property.

As of the writing of this report, the follow surplus property in the Chattanooga District has been transferred and/or liquidated.

Former St. Andrews UMC transferred to the District and donated to the St. Andrews Center.

Vacant lots near the former St. Andrews UMC have been sold. The proceeds have been used to satisfy debt of the former St Andrews UMC and the balance will be transferred to the Conference.

Sale of the former East Lake UMC to a new Hispanic Neighborhood Ministry.

Below is a listing of properties held and inventoried by the Trustees and notes as to its present status:

Property	District	Visit	Status	Notes
Oak Grove	AB	Pending	Surplus	Site and Title Review pending
Marble City	Knox	Pending	Surplus	Site and Title Review pending
St. Andrew - Church	Chat.	Comp.	Surplus	Liquidated
St. Andrew - Lots	Chat.	Comp.	Surplus	Sold
St. Andrew - PAR.	Chat.	Comp.	Surplus	Listed for sale
Middle Valley - CH	Chat.	Comp.	Surplus	Lease under review
Middle Valley - PAR.	Chat.	Comp.	TBD	Pending Status Change
Forest Ave. UMC	Chat.	Comp.	Surplus	Listed for sale - Offer Pending
Bethel UMC	Chat.	Comp.	Surplus	Furnishing Liq. In process
Trinity UMC Dayton	Cl.	Pending	Surplus	Site and Title Review pending
Fender UMC	MA	Pending	Surplus	Site and Title Review pending
Greenback UMC	MA	Pending	Surplus	Site and Title Review pending
Washington Chapel	KI	Pending	TBD	Pending Status Change
Property	District	Visit	Status	Notes
Mt. Pleasant UMC	AB	Pending	TBD	Pending Status Change
Trinity Lead Mines	WY	Comp.	Surplus	Furnishing Liq. In process

Cumbo UMC	BS	Comp.	Surplus	Auction Planned
Russell's Chapel	BS	Comp.	Surplus	Auction Planned

The Holston Conference Board of Trustees is seeking approval from this Annual Conference for the establishment of a separately incorporated (Tennessee) corporation with IRS 501c3 status (not for profit). The sole purpose of this newly created corporation will be to receive, hold and liquidate real property determined to be "surplus" as defined by the Book of Discipline. The corporation would be established according the mandates of the United Methodist Church. This action would provide for a better flow of property title and may better protect the interest of the Conference.

Conference Center Leasing

At the time of the writing of this report, the Board of Trustees has received notice from the lessee of the Conference Center 1st Floor area stating its intent to terminate its lease with the Conference effective July 1st, 2011. The Board of Trustees staff support is in the process of interviewing and will retain a commercial leasing broker/agency to seek out a new tenant. It is the objective of the Board of Trustees to lease this space as soon as possible, with little or no loss of revenue.

Episcopal Residence

The Board of Trustees of the Holston Conference is seeking approval of the Annual Conference to sell the existing Episcopal Residence and purchase or build a new Episcopal Residence in Blount County, Tennessee. A Task Force is currently being formed to identify the current and future needs and make recommendation to the Board of Trustees. It is expected that "bridge financing" will be required as the former residency is prepared for sale and marketed for sale. The anticipated "bridge financing" will NOT include the use of any Apportionment or Direct Billing Dollars.

Historic Sites

Structural and condition engineering studies were complete on all three of the Conference held Historic Sites. These sites are Acuff's Chapel Site, the Cox House Shrine and Page's Meeting House and Cemetery. Using the information gained by these studies the Board of Trustees Staff is preparing a short and long term maintenance plan for each site. The Board of Trustees continues to work with the caretakers and custodians of these important sites to find funding and resources for further restoration and protection.

Workers Compensation Insurance

The 2008/2009 Annual Conference approved the Board of Trustees' recommendation for a Conference Wide Workers Compensation Policy that all Churches within the Conference would participate in. This plan is now fully implemented and is being refined and improved. The Board of Trustees feels that this plan has and will continue to protect those employed by the connected Body of the Church, each individual Church and the Conference as a whole.

Survey of Insurance Coverage for the Church of the Conference

As a part of the 2011 Charge Conference Reports, each Church of the Conference was directed to submit a copy of its current "Insurance Certificate" listing the insurance coverage each Church maintained. This information has been forwarded to the Board of Trustees. This information will again be requested in 2012. With this information at hand, the Board of Trustees will be able to assess the level of Conference Insurance presently held and make informed recommendations to the Annual Conference related to risk management.

Real Property Assets (not including "Surplus Properties")

Holston Conference Center, Alcoa Tenn.	\$2,800,000.00
Episcopal Residence, Knoxville Tenn.	\$ 650,000.00

The ETSU Wesley Foundation	\$ 780,000.00
The Radford Wesley Foundation	\$ 450,000.00
Acuff's Chapel Shrine	\$ 110,000.00
Cox House	\$ 175,000.00
Page's Meeting House	\$ 35,000.00

Financial Account on Deposit with Holston Conference Foundation

#1172	Trustees Endowment Fund (Restricted)	\$ 388,570.78
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~Gene Frazer, Chairperson

Report No. 13**COMMISSION ON ARCHIVES AND HISTORY**

The Commission would like to remind clergy families in Holston that the Clergy Grave Markers are no longer given to families of deceased clergy, effective June 2010. The Commission still has six markers available for purchase at \$125.00 each. Contact the Conference Office. The Grave Markers are also available from Cokesbury.

For several years, the Holston Conference Archives at Emory and Henry College has been receiving copies of the Charge Conference Reports from the districts. On November 12, 2010, the Commission passed a resolution to discontinue this practice except in the case of discontinued or abandoned churches. The Discipline places the responsibility on the local church or charge to maintain their own Charge Conference files. Each district should hold the district copy of the Charge Conference files for as long as they are useful for reference and then recycle them. It was further resolved to give the districts and local churches opportunity to claim their files from the Archives if they want them. Please make an appointment with the Holston Conference Archivist, Dr. Robert Vejnar, at Emory & Henry to arrange for the removal of any district or local church files. After Dec. 31, 2011, all remaining files at the Archives will be recycled.

The Commission expresses appreciation to the General Commission on Archives and History for their grants of \$2,000.00 each to Cox House and Acuff Chapel for repairs to these Historic Landmarks in Holston. These two priceless pieces of our heritage will need continued maintenance. The Commission commends the Holston Conference Trustees for their emerging efforts for a comprehensive plan for funding and upkeep.

Following a gift from his daughter, Mrs. Sherry Dunham, a copy of the late Rev. Sherman Starling's "History of the Tennessee Conference of the United Brethren in Christ from the Beginning Until the Fall of 1894" was placed in the Archives. This is a most valuable addition to a neglected part of our history.

The Commission commends and encourages Local Church Historians and Church History Committees who maintain active files on their church each year. The collection of pictures, stories, and descriptions of events in the life of the church today will become a treasured historical record in the future. As we "Offer Them Christ" today, may our "ministry of memory" record our efforts for the inspiration of those who follow us.

~ GRADY C. WINEGAR, *Chair*

Report No. 14**COMMISSION ON EQUITABLE COMPENSATION**

The 2008 Book of Discipline, paragraph 625, assigns the Commission on Equitable Compensation with the responsibility of directing the disbursement of the Equitable Compensation Fund.

The primary responsibility for pastoral compensation is with the individual congregation and we strongly encourage each pastoral charge to move toward full support of its pastor. We ask the cabinet to consider charge realignments, mergers or matching ministerial leadership to the category of salary paid by the charge in order to reduce the demand for supplementation of clergy salaries.

The purpose of equitable compensation is to support full-time clergy serving as pastors in the charges of the annual conference. This will be accomplished by:

- a) Recommending conference standards for pastoral support;
- b) Administering funds to be used in base compensation supplementation;
- c) Providing counsel and advisory material on clergy support to district superintendents and committees on staff/pastor/parish relations.

The Commission on Equitable Compensation will accomplish these objectives by:

- a) Performing an annual review and recommendations of minimum salary levels.
- b) Submitting an annual budget request adequate to fund equitable salary needs.
- c) Providing direction and oversight in the disbursement of this fund.
- d) Providing counsel and advisory support to the Cabinet and SPPR committees.

Following are the seven (7) guidelines normally required for Equitable Compensation Support. Following the eligibility guidelines is a section pertaining to Application and Distribution Procedures. These Guidelines and Procedures are not being changed or eliminated. However, at the requests of the Cabinet and of the Implementation Team for Direct Invoicing, they are being suspended for the balance of 2011 and for 2012. As Direct Invoice is in place and continuing, various changes will be taking place in a number of churches and charges. During this period, the Cabinet will work with those affected churches and will wisely distribute the support funds as deemed necessary.

Eligibility Guidelines for Equitable Compensation Support

To be eligible for Equitable Compensation support, a charge should comply with the guidelines regarding fiscal responsibility and other policies of the Conference Commission on Equitable Compensation. These guidelines are as follows:

1. There shall be a Committee on Finance for the charge or for each congregation of the charge making application.
2. There shall be an educational program (approved by the District Superintendent) emphasizing specifically stewardship goals of regular proportionate giving and tithing.

3. There shall be at least a simple income projection and spending plan for the congregation making application for a grant. A copy of that plan is to be attached to the application. No application will be considered complete until that plan is received.
4. The church/charge will have worked with the District Superintendent in reaching agreed upon goals related to its district and conference giving.
5. Requests shall be for a specific length of time, not to exceed four years. A specific written plan for getting off Equitable Compensation Support shall be submitted as a part of the application. The plan should be reviewed and updated at least annually to determine that adequate progress toward the ultimate goal is being achieved and celebrated. The total amount that the charge can expect over the four-year period would be determined up front. (Example: Total amount = \$25,000; year one - \$10,000; year two - \$7,500; year three - \$5,000; year four - \$2,500; year five - \$0.) The charge must annually pick up the 25% decrease from the previous year plus any increase in the minimum salary for its pastor as set by the conference for the coming year.
6. There shall be an annual audit, and a copy of the most recent audit shall accompany the application. No application shall be considered complete without the most recent annual audit being provided.
7. If, due to unusual circumstances, a church requests to be granted funds under the "mission situation" classification, it must substantiate its request by clearly defining its distinctive mission ministry and convince the Cabinet and the Commission on Equitable Compensation that the situation is as deserving of mission support as are other critical mission needs.

Application and Disbursement Procedures

The district superintendent must submit an application for each pastor to receive funds. These forms are available from the Office on Administrative Services. The application must be presented at the Charge Conference, approved and signed by the charge conference secretary, the pastor, and the district superintendent. This requirement is waived on mid-year pastoral changes; however, the district superintendent must sign the application and process it accordingly.

Step 1: The district superintendent is responsible for the recommendation of pastors who are eligible for equitable compensation within his/her respective district. To determine eligibility the following items must be reported on the application form:

- Total compensation from the charge including salary, travel allowance, parsonage utilities, social security payment, pastor's share of medical insurance premiums (including salary reduction, if applicable.)
- Contributions from all other sources at the national, conference, district and local church levels.
- All other income from church sources.

Step 2: The district superintendent will submit applications to the cabinet representative to the Commission on Equitable Compensation for review by the entire cabinet. Once

approved, the applications will be forwarded to the Conference Administrative Services Office for disbursement.

Step 3: The decision of eligibility for and distribution of equitable compensation funds is delegated to the cabinet, which will, insofar as possible, seek to follow the conference guidelines on equitable compensation. The Commission on Equitable Compensation and the Conference Council on Finance and Administration encourage judicious stewardship in the allocation of these funds.

Step 4: The district superintendent shall diligently guide those charges and pastors who receive support in his/her district toward self-sufficiency.

Categories to be Funded and Schedule of Minimum Salary Levels for 2012

The Commission on Equitable Compensation recommends that the minimum salary levels for the year 2012 remain at the same levels as they were for the year 2011. The maximum paid for salary supplement shall not exceed 50% of the minimum salary level.

For full-time service by Conference Members:

Full Member (M.Div.) or equivalent degree	\$37,138
Provisional Member (M.Div.) or equivalent degree	\$35,021
Associate Member	\$33,628

For Service as full-time Pastors:

M.Div.	\$32,471
Completed Studies	\$31,611
Beginning Studies	\$27,404

For Service as Student Pastors:

Seminary Students	\$25,543
College Students	\$22,199

Annual Supplements for Student Pastors with Dependent Children:

Each Dependent Child	\$637
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The Commission on Equitable Compensation requests a budget of \$136,000 for Cabinet use.

Equitable Compensation will be based on the Pastor's Support Worksheet. The office of Administrative Services will send payments directly to the church treasurers rather than to the pastors. The treasurers are to include the funds in the pastor's paychecks and account for them on the pastor's W-2 forms. Equitable compensation supplements shall not be included in the pastor's compensation line item on end-of-year reports.

Charge Categories

Equitable Compensation Charge: A charge in which the proposed equitable salary schedule is not fully paid by the charge, but which possesses the potential to become self-sustaining. Amount of funding will be reduced by 25% per year with the church becoming self-sufficient within four years. Funding beyond four years will be subject to a review by a joint committee of the Cabinet and the Commission on Equitable Compensation.

Mission Aid Ministry: A ministry, rural or urban, where the minimum salary level cannot be paid for by the ministry, either in full or in part; and where there is no realistic expectation of financial independence. It is the responsibility of the district, the pastor serving the ministry and a representative of the related charge conference to justify the designation of such a ministry and why it qualifies for aid. The designation is to be reviewed annually.

Cooperative Parish: A cooperative parish is a group ministry made up of two or more charges for the purpose of enhancing ministry among churches in a specific geographical area. It is expected that any request for equitable salary funds in a cooperative parish shall meet the approved guidelines and standards for equitable compensation.

Qualifications and Requirements

For a pastor to receive Equitable Compensation Supplement, he or she must be under Episcopal appointment as an approved full-time pastor.

A student pastor is a clergy person under Episcopal appointment to serve a pastoral charge while a full-time student in pursuit of a degree and residing within the geographical bounds of the charge. A full-time student is one who is so classified by the school in which the student is enrolled.

A seminary or college student may be appointed full- or part-time as a local pastor to a charge and will receive at least the appropriate minimum salary of the Annual Conference in accordance with paragraph 318.3 of the 2008 Book of Discipline.

The student pastor receiving equitable compensation will be expected to:

- a) Work at least 2 ½ days per week on site.
- b) Work full-time each week the student is not in school.
- c) Be absent from Sunday worship no more than three Sundays per year.

The charge/church receiving salary supplementation must pay at least 50% of the minimum salary, provide housing or a housing allowance for the pastor and offer Sunday school and other local church programs in addition to weekly worship services. A charge not meeting this standard is not eligible for salary supplementation even if served by a student. Students serving a charge in this category will be classified as part-time local pastors and receive only the salary level paid by the charge.

Utility costs should be considered when making appointments. If the utilities are paid by the charge, this should be considered as part of the salary. The utilities should always be in the name of the charge/church and not the pastor. Each charge should provide for its pastor's travel expenses in its budget and provide reimbursement at the standard IRS approved mileage rate for all properly documented travel expenses related to the performance of ministry within the charge.

Steps in Becoming a Self-Supporting Charge/Church

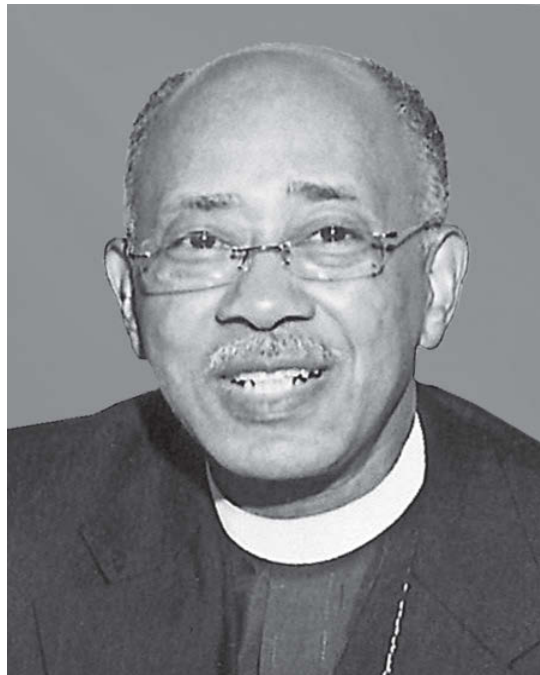
The Cabinet is responsible for the conserving of conference funds by ongoing efforts to move charges to a self-supporting status. It is recommended that each charge receiving supplemental salary establish the goal of reducing the equitable compensation supplement

by 25% per year over a four-year period. The district superintendent will work with the charge to develop a plan and to monitor the implementation of the plan so that the goal of reducing equitable compensation by 25% per year over a four-year period will be realized. The Annual Conference should recognize those charges that succeed and move to a self-supporting status for their achievement.

The District Superintendent will establish and maintain communication with the appropriate charge leaders (i.e. the pastor, the SPPR chairperson, the treasurer, the lay leader, etc...) reminding them of the charge's progress in reducing equitable compensation. This ongoing communication is intended to keep the goal before the charge and to help encourage and enable the charge to reach its goal.

In those situations where this is not possible, it is the responsibility of the Cabinet to consider regrouping of charges, mergers, or the matching of ministerial leadership to the category of salary paid by the charge in order to provide service at minimum expense to the Annual Conference.

~ Danny C. Hensley, Chair



Bishop Warren M. Brown
Mid-Atlantic II Episcopal Area, AME Zion Church
Preached: Ordination and Commissioning Service

Equitable Compensation Funds
Annualized Figures
Effective January 1, 2011

<u>Name</u>	<u>Charge</u>	<u>DI</u>	<u>Salary Supp</u>	<u>Mission Aid</u>	<u>Coop. Parish</u>	<u>Dep. Children</u>	<u>Monthly</u>
Donnie Bailey	Broadford Circuit	AB	\$2,403				\$200.25
Amy Beth Bartee	Wallace/Wyndale	AB	\$8,651				\$720.92
Bill Cahill	Keywood Circuit	AB	\$4,652				\$387.66
Charles L. Leonard	Elizabeth	AB	\$3,821				\$318.42
Robert Nyaga	Jn Wes/Ch Wes	AB	\$2,563				\$213.58
Billy Rines	Damascus Circuit	AB	\$7,500				\$625
J. Michael Teague	Smyth Co Parish	AB			\$600		\$50
Bobby Black	Washington Hills	CH	\$3,080				\$256.67
Sharon Bowers	Randolph/Wells	CH		\$11,987			\$998.92
Edward Ellis	Bethlehem/Wiley	CH	\$4,400				\$366.67
Reece Fauscett	Trenton Coop Par	CH			\$600		\$50.00
Jim Bailes	Emerald Ave	KN			\$600		\$50
Betsy Elifrits Warren	French Broad Ct	KN	\$10,000				\$833.33
Van Sanks	Emerald Ave	KN		\$27,000			\$2250
Janet Edwards	Sevierville Circuit	MA	\$3,645				\$303.75
Joshua Felton	New Salem	MA	\$12,665				\$1,055.42
Jerrold McCormack	Walland	MA	\$4,210				\$350.83
Joe Phillips	Oakdale/Woods Chapel	OA	\$9,475				\$789.53
John Slater	Sunbright	OA	\$9,477				\$789.75
Jack Jenkins	Staffordville Ct.	TA		\$8,000			\$666.67
Maria Grimm	Crockett's Chapel	WY	\$3,568				\$297.33
			\$90,110	\$46,987	\$1,800		

Commission on Equitable Compensation Compensation by District

		Salary Supplement	Mission Aid	Cooperative Parish	Dependent Children	Gross Paid
Donnie Bailey	Broadford Circuit	\$2,403				\$2,403
Amy Beth Bartee	Wallace/Wyndale	\$8,651				\$8,651
Bill Cahill	Keywood Circuit	\$4,652				\$4,652
Charles L. Leonard	Elizabeth	\$3,821				\$3,821
Robert Nyaga	Jn Wes/Ch Wes	\$2,563				\$2,563
Billy Rines	Damascus Circuit	\$7,500				\$7,500
J. Michael Teague	Smyth Co Parish				\$600	\$600
Abingdon District Totals		\$29,590	\$0	\$0	\$600	\$30,190
Bobby Black	Washington Hills	\$3,080				\$3,080
Sharon Bowers	Randolph/Wells	\$11,987				\$11,987
Edward Ellis	Bethlehem/Wiley	\$4,400				\$4,400
Reece Fauscett	Trenton Coop Par				\$600	\$600
Chattanooga District Totals		\$7,480	\$11,987	\$0	\$600	\$20,067
Jim Bailes	Emerald Ave				\$600	\$600
Betsy Elifrits Warren	French Broad Circuit	\$10,000				\$10,000
Van Sanks	Emerald Ave	\$27,000				\$27,000
Knoxville District Totals		\$10,000	\$27,000	\$0	\$600	\$37,600
anet Edwards	Sevierville Circuit	\$3,645				\$3,645
Joshua Felton	New Salem	\$12,665				\$12,665
Jerrold McCormack	Wailand	\$4,210				\$4,210
Maryville District Totals		\$20,520	\$0	\$0	\$0	\$20,520
Joe Phillips	Oakdale/Woods Chapel	\$9,475				\$9,475
John Slater	Sunbright	\$9,477				\$9,477
Oak Ridge District Totals		\$18,952	\$0	\$0	\$0	\$18,952
Jack Jenkins	Staffordsville Ct.	\$8,000				\$8,000
Tazewell District Totals		\$0	\$8,000	0	0	\$8,000
Maria Grimm	Crockett's Chapel	\$3,568				\$3,568
Wytheville District Totals		\$3,568	\$0	\$0	\$0	\$3,568

Report No. 15

COMMITTEE ON NOMINATIONS

Nominees whose names are printed in bold are to be elected by the 2011 Annual Conference.

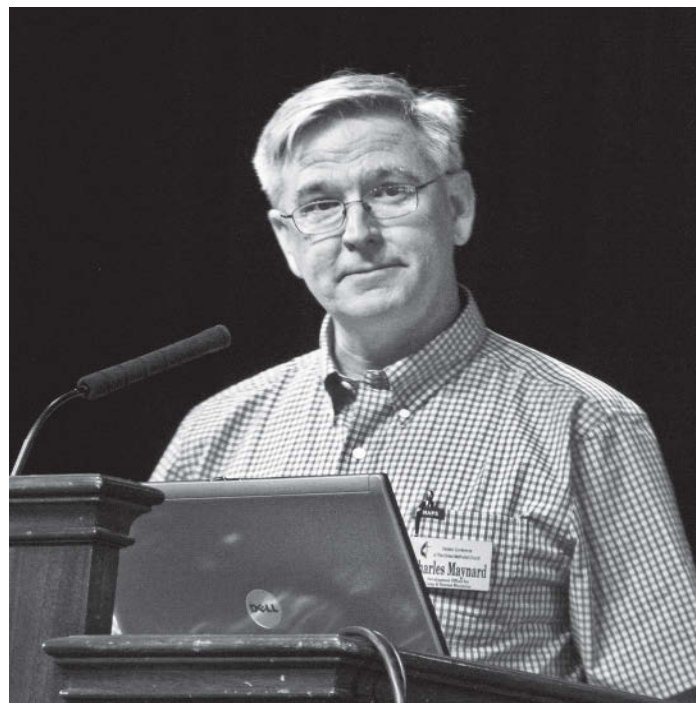
Cabinet representatives will be appointed by the Resident Bishop and shall begin service following the close of the 2011 Annual Conference.

(Conference Organization reference page 39)

Report No. 16

RULES AND ORDER

(Conference Standing Rules reference page 329)



Rev. Charles Maynard recaps,
2011 Holston Annual Conference, through
multifarious scenarios and videos.

Report No 18
CONNECTIONAL TABLE

The Holston Conference Connectional Table (to be referred to as the CT in the remainder of this report) was created by the action of the Annual Conference as a place where the leadership of the conference might come together and have conversation about direction and best practices for our annual conference.

The CT met several times during the 2010-2011 year with the express purpose of discussion around four questions:

1. How shall Mission and Vision guide us?
2. What will be the impact of the new tithe approach to finance our shared ministry (see question #1)?
3. How shall we lead the important work of our conference in a cultural shift from just passing the plate to intentional stewardship (see question #1)?
4. What should be our structure to achieve the Mission and Vision (see question #1)?

The Mission of the church is to make disciples of Jesus Christ for the transformation of the world, and the local church provides the best arena for disciple making to occur (The 2008 Book of Discipline, ¶120). This mission is based on Matt. 28:16-20, on Luke 4, and also on passages in Mark and John.

The Holston Conference Vision Statement: God envisions bold, passionate, and joyful communities of faith where the spiritual hunger to worship God and to serve Christ sets disciples on fire with spirit-filled, risk-taking love for all God's children until Holston Conference reflects the saving grace and redeeming justice of our Lord Jesus Christ. By the time you read this report, we will have met four times since Annual Conference 2010. The CT believes we have been instrumental in leading discussions that have assisted our leaders in leading our conference to implement the following:

1. Positioning ourselves to discover ways we can continue to be in effective and fruitful ministry with all the economic distresses of our day.
2. Developing meaningful ways to help our people understand the need to be faithful stewards of the monetary gifts of God.
3. Celebrating the new energy around starting new congregations and new models for helping congregational revitalization.
4. Learning how to help pastors be more effective in leading congregations to do the work of ministry and laity be more effective in their personal witness.
5. Preparing for the impending impact of The Call to Action for the annual conference, district superintendents, charge conference reporting, and local church vitality.

It is our hope to continue to be the place where meaningful conversations take place with all the leadership entities of our conference.

~Bishop James E. Swanson, Sr., Chair

Report No. 19**BOARD OF LAY MINISTRY**

As Conference Lay Leader I want to remind us that we are all called into ministry, both laity and clergy. Laity has a broad impact that most clergy do not have because we work, go to school, play, and socialize with many different people. Opportunity exists daily for us to live out our faith and proclaim Christ to this world. No one can live out our relationship to God for us. We have to do it ourselves. In our United Methodist itinerancy system where pastors move around, laity is the most constant factor in our churches and therefore, it is vital that we seek to become spiritually engaged laity. In an article from the Lewis Center for Church Leadership by Eugene Blair he lists myths in the church. I am sharing two of those as encouragement and confirmation of our call to ministry.

Myth: It's the pastor's job to get new members. The truth is the more lay members are involved in reaching new people, the greater the attendance growth. Spiritual vitality goes up the more members see themselves as personal evangelists and act like it.

Myth: Church growth is a matter of having the ideal pastor. The truth is a team of spirited, accountable, and committed lay people always trumps whoever the pastor is at any time.

The Annual Conference will be sharing and acting upon a report called "The Call to Action Steering Committee Report". The Call to Action Steering Team accepted the challenge and opportunity from the Council of Bishops to conduct an assessment and offer recommendations leading to reordering the life of the Church for greater effectiveness and vitality in mission. One of the Key Drivers to church vitality specifically involved laity. "Encourage spiritually devoted laypersons to share in leadership roles in every facet of Church life".

To combine the results of much prayer, discernment, and working together of the Call to Action and our own Annual Conference visioning – We need to be spiritually devoted laity that are bold, passionate, and joyful about our relationship with Christ and serving Him.

District Lay Leaders: Each District Lay Leader works with the District Superintendents to explore ways to train and equip laypersons at the local church level. The District Lay Leaders are ready and willing to be a source of information, training, and provide other resources as needed to the local churches within their districts. The local church Lay Leader is a vital link in fostering awareness among local church congregations as to the role of laity in ministry. We as a Board understand that is not enough to teach and to train local church lay leaders and pastors, but that a partnership between the pastor and lay leader needs to occur for effective ministries within our churches.

Lay Speaking Ministries: The Lay Speaking Ministries program is extremely effective in training laypersons for many forms of ministry, not solely for a ministry of speaking. These training events are great tools for persons in leadership roles and laity is encouraged to participate in this vital program.

Lay Members of Annual Conference: The lay member to annual conference should be informed of the actions to take place at annual conference and understand information shared during annual conference. The Board of Lay Ministries provide a Laity Orientation Session at the beginning of Annual Conference session as well as the Orientation guide that appears each year in the Conference Book of Reports. A Reporting Guide is distributed for lay members to use throughout the Annual Conference gathering to record actions and events, and their thought and reactions to those actions and events. This can

serve as a tool to help prepare the report they are responsible for giving to the local church upon their return from Annual Conference. This responsibility is stated in our Book of Discipline: “The lay member of the annual conference, along with the pastor, shall serve as an interpreter of the actions of the annual conference session.”

Our future will be challenging and many opportunities exist to live out our faith in our everyday life. This is many times difficult and discouraging and we grow weary, but we have something that the world cannot give us – Hope and the promise of Salvation. The writer of Ephesians said it long ago: “Now to him who by the power at work within us is able to accomplish abundantly far more than all we can ask or imagine . . .” (3:20)

~ MARY RUTH RICHARDS, *Conference Lay Leader*

Report No. 20

UNITED METHODIST MEN

Men are “stepping up” and being a part of their church, the following examples shows how they relate to the four focuses of the UMC.

In the area of “Developing Principled Christian Leaders,” we have over 500 Youth Service troops meeting in Holston Conference churches which include Boy Scouts and Cub Packs. Our formal partnership agreements also include 4-H, AMACHI, Girl Scouts and Camp Fire USA. Countless hours as volunteers are given as “Bigs” in the Big Brothers Big Sisters AMACHI program. There are also many men that are teaching Sunday School Classes, volunteering to mentor youth in their church, going on Mission Trips, showing them how to produce better crops and improve livestock. These men are helping to develop the minds and bodies of our future church and country.

“Providing New Places of Worship for New People or Revitalizing Existing Places of Worship” is the second focus area in the church. UM Men’s Ministry has also been involved in this area. One example is helping build churches, such as Jordan’s Chapel in Pulaski, VA. Not only are the men and women of this church helping to build their own new church, they also have had help from various men groups throughout Holston. Another example for providing new places of worship are the men who volunteer and support The Upper Room Prayer Line, which for some folks is the only place that they are able to worship; over the phone in prayer.

The third focus area is “Ministry with the Poor.” I think we have been not only supportive but also very involved in this area. This past year the Oak Ridge District Men’s Ministry sponsored a “Produce Drop” through the Society of St. Andrew and gave away over 4,000 watermelons. The churches within the district and several coalitions of churches gathered many volunteers to help with the distribution of the produce. Another example is Valley View-Heiskell church in Clinton, TN gave away over 250 bags of groceries monthly. They were also able to encourage many recipients to help with this program. We have men that are dedicated to the prison ministry and through the General Commission of UM Men’s Ministry we will be seeking volunteers (men and women) to go into the prisons on a weekly basis to teach the Disciple 1 Bible Study. The training for this new outreach ministry will be starting later this year. We have had several men that have been part of the Sudan Mission Trips and are working with our brothers and sisters in Sudan. We have been involved in mission trips within our own area ministry with the poor. We have men working with Habitat for Humanity to build home. Several men groups not only work, but also sponsor Habitat Home projects.

The last focus area is: “Global Health: Stamping out the killer diseases of HIV/AIDS, Malaria, or TB.” Again, men are working with Boy Scouts of America who collected over \$30,000 for the “Nothing But Nets” project last year at the National Jamboree to

buy nets for families in Africa. Men have not only helped raise money, but have given of their time and services to go into these areas to help teach and train how to eliminate these diseases. This past year at our Calling All Men gathering we had 7 of the 16 men that made confidential calls to counsels; sign up for “recovery” programs.

These are just a few examples of how men have been involved in the four areas of focus; there are many others. We have a new website for men and hopefully this is giving them new ideas how they can become more involved in their church; locally, district, conference, nationally and worldwide. We are proud of the 71,926 men in Holston Conference and all they are doing. There is much more for us to do and we will continue to pursue our main goal of: “bringing men to Christ and then help making disciples of them for Him.”

~ MIKE SMITH, *President*

Report No. 21

UNITED METHODIST WOMEN

Since the 2010 Annual Conference, Holston Conference United Methodist Women are busy doing the work of living out our Purpose. The women of Holston more than met our Pledge To Mission of \$345,734.12, which undergirds the Global Ministries of the United Methodist Church. universal.

When we assembled in July at our Conference School of Christian Mission, Colonial Heights United Methodist Church in Kingsport, TN., we studied subjects chosen several years in advance by the United Methodist Women’s Division. Study topics were “For the Love of God: John’s Letters” ; “Mission and Evangelism” ; “The Beauty & Courage of Sudan”. Leaders for these studies were: Tom Binford & Joel Campbell; Mike & Lori Sluder; Nancy Hobbs & Randy Frye; & Marsheine McClurg. John Powers & Margie Ballard were the musicians. Those attending were: 146 adults; 7 children; & 1 Baby.

In August, we met at Church St. United Methodist Church in Knoxville, TN for our third Social Action Workshop on “Immigration”. Rev. James Daugherty, Rev. Tony Collins, & David Jennings were program participants.

We were honored to have Bishop Swanson speak at the Conference UMW Annual Meeting in September. He also installed the Conference Officers and was the Communion Celebrant. Three Mission Directors, Richard Gibson, Wesley House Community Center in Knoxville; Lurone Jennings, Bethlehem Center of Chattanooga; and Randy Hildenbrant of Jubilee Project, Sneedville, TN were guest speakers. John Powers & Margie Ballard were our musicians. Holston’s UMW special mission project for 2010, was Jubilee Project in Sneedville, TN. Total Mission Giving was \$ 25,590.91.

The Theme for 2011 & 2012, “Faith • Hope • Love in Action” begins our series of events in May at Lake Junaluska, NC. The Spiritual Enrichment Experience will be held on Friday and Saturday May 13 & 14. Rev. Sandra Johnson will be the keynote speaker. Brenda Haymore and Amy Lane will provide the music.

The Young Women’s Event follows SEE on Saturday & Sunday, May 14 & 15. Kristen Burkhart will be the keynote speaker and Terri Winkle will lead the music.

Our goal for 2012 as it is every year is to help MISSION COME ALIVE for the women of Holston Conference. We strive to live according to Jesus’ command to us. “whatever you do for one of the least of these children of mine, you do for me.”

~ GEORGIA LISTER, *President*

Report No. 22**ASBURY, INC.****“Providing freedom and security with compassion”**

Asbury, Inc., better known as Asbury Place and affiliated with the Holston Conference, is a 501(c)3 not-for-profit CCRC, Continuing Care Retirement Community, providing services to over 600 seniors in three locations throughout the Holston Conference in Cottages/Patio Homes, Residential Living Apartments, Assisted Living Apartments, Health Care and Memory Support Units. Asbury operates on an annual budget of \$29 million; the majority of our revenue comes from residents through Medicare and Medicaid reimbursements and private insurance. Over 430 full- and part-time employees serve our residents in Johnson City, Maryville, and Kingsport. Over the past several years many changes have occurred at Asbury. Driven by a comprehensive Master Planning process and endorsed by the Asbury, Inc., Board of Directors, Asbury has reinvented itself at each of the three communities, ensuring a solid future of serving the seniors of East Tennessee.

Maryville – Construction has begun on the new St. Clair Villa Apartment Homes. Three new buildings will be located on the Maryville campus to take advantage of the beautiful lake and mountain views. Thirty-six new residents will join the Asbury-Maryville family beginning in January 2012 and enjoy not only a brand new apartment home, but a new community Clubhouse with a full-service Bistro and state-of-the-art fitness center. The future holds plans for a new Assisted Living and Healthcare Center as well.

Kingsport – Baysmont – Baysmont has recently undergone a \$1.75 million renovation of its 27-year-old building, offering new and renewed services for the residents. The addition of a café, theater, enlarged library, and a new wellness center that provides a steam room and massage therapy for both residents and the staff of Asbury have enhanced lifestyle options for residents. During the past year, 15 of the 94 residential living apartments have been completely renovated to include newly remodeled kitchens, tiled showers, and the addition of washers and dryers. The Healthcare Center has also been renovated to reflect a more home-like environment.

Kingsport – Steadman Hill – On this campus, Asbury offers Assisted Living and Memory Care Services, thus completing the continuum of services in Kingsport.

Forest Ridge Manor – Asbury’s commitment to provide services to all seniors, regardless of their economic status, includes Forest Ridge, our HUD community, offering affordable housing options for seniors.

Johnson City – After a painful decision to vacate the old hospital building and cease offering the residential living in the apartments there, the Asbury Board made the decision to focus on the 82-bed Healthcare Center. As part of the comprehensive Master Planning process that Asbury underwent, a new addition to the Healthcare Center is in process that will include a new kitchen, dining room, laundry, beauty salon, staff lounge, and enlarged therapy room. Completion of the addition is planned for December 2011.

As a part of Asbury's mission, we have retained the services of a development/fund raising consultant to assist Asbury in its ability to offer fellowship assistance to residents who need financial assistance, maintain our campus assets, and offer more services to our residents. Over the past year, Asbury has spent over \$90,000 in free and discounted care for seniors. We expect that to increase in the coming years – thus the need to seek donations from those who wish to support Asbury both now and in the future through philanthropic gifts to ensure that Asbury can continue to fulfill this important part of its mission and ensure its future. I close with a story of such a generous soul:

The Asbury communities received a gift from the estate of Nora Frey. Nora Cooper Carter was born in Bristol, Tennessee, on October 6, 1901. It was interesting to note that she was never a resident at any of our communities. She was a humble woman who refused to have her picture taken. We were given the only studio picture in existence that was taken when she was 22 years old. Nora received her teaching certificate from East Tennessee Normal School, now known as East Tennessee State University, and for several years, she taught school (a job she disliked). She spent 20 years working as a sales clerk at H.P. King Company in Bristol, Tennessee (a job she liked). On November 30, 1933, Nora married Floyd F. Frey. They had no children. She liked to crochet and knit, and we were told by a family member that she was very good at this. She loved to drive, but this same family member said that she was a terrible driver. At her request, upon her death on April 17, 1991, her body was donated to the medical school at East Tennessee State University, Johnson City, Tennessee.

Through her generous bequest that was distributed to several Holston Conference ministries,



Asbury has seed money that will be the foundation of a campaign to raise the additional funds needed to purchase two buses for the Maryville and Kingsport communities so that additional transportation services can be provided to the residents at Asbury Place. We thank you, Nora, from the bottom of our hearts. Your generous gift will be appreciated by so many at Asbury in the years to come.

Marjorie Shonnard
VP of Operations, Asbury, Inc.

Report No. 23**Holston United Methodist Home for Children
2010 Report to Annual Conference**

The work of Holston Home, in true Wesleyan tradition, provides a ministry of hope and healing to “orphans of the living,” children who have been rejected by their families, whose behavior is unacceptable to the community, or who have lost hope in a world they don’t understand and are not equipped to deal with. Most of them have no hope for the future. But lives change when you provide a warm, secure place to live; emphasize developing God-given potential; and, most important, teach them about the love of Jesus, the Christ.

Thank you for your part in answering God’s call to disenfranchised, frustrated, alienated, broken children and families. Listed are some of the accomplishments which you have made possible during the past year.

- ★ Fifth Sunday offerings and giving to The Holston Advance grow each year. During 2010, 636 churches have responded to the ministry to help needy children through Holston Home.
- ★ During the year care was provided for 743 children. Thirty-seven children completed 12 years of school, and 31 children made a profession of faith and were baptized.
- ★ Holston Home was reaccredited by the Council on Accreditation. National accreditation measures the agency’s policies, practices, and operations against national best practice standards and testifies to our commitment to high-quality services and ethical practices. The agency has been accredited for the past 12 years.
- ★ Beacon School was monitored by the Department of Education. All student files obtained a perfect score. Title I Monitoring for the 2010 year was approved for future funding.
- ★ The George R. Johnson Equestrian Barn, which was destroyed by fire on December 13, 2009, has been replaced with another barn and is scheduled for dedication on January 20, 2011. Design plans were developed by King Construction of Pennsylvania, and the Board of Trustees selected Hite Construction of Greeneville to build the barn. All funds for construction were secured through insurance, The George R. Johnson Family Trust of Cleveland, grants, and miscellaneous contributions.
- ★ April 22, 2010, was celebrated as Earth Day, and the youth and staff created a walking path to ensure the safety of children between Beacon School and the barn.
- ★ Friends of Children dinners were held in Greeneville, Knoxville, and Kingsport.
- ★ Two NOMADS (Nomads On A Mission Active in Divine Service) groups helped with restoration of the Old Superintendent’s House, painted Bewley Center, and built fences on the farm. These husband-and-wife teams volunteered more than 2,000 hours of hard work. Other volunteer groups gave a total of 18,000 hours of work to Holston Home during the year.
- ★ Art Masker was named “Administrator of the Year” for the Child and Family Division of the United Methodist Association. He will receive recognition at their Convention in San Antonio in March.
- ★ Agency leaders continue to partner with Holston Conference leaders in exploring the potential for an orphanage in Yei, Sudan.

James 1:27 reminds us that "Pure and lasting religion in the sight of God our Father means that we must care for orphans and widows in their troubles..." (NLT) The record of Holston Home's ministry to children, youth, and families; the prayers and the free-will gifts of Holston Conference United Methodists in the pew; the great work of Holston Home Ambassadors; and the support of the pastors prove that Methodists in Holston Conference really care for the children who need our love.

We seek your continued support. We give thanks for your heart connection and pledge to care for as many children as you are willing to underwrite. Your interest determines our future.

Plan to visit our Greeneville campus and experience firsthand the transformation and redemption that is taking place in the lives of children. Then share our story with others in your church. Remember to pray for the children, their families and our staff.

- Arthur S. Masker, President/CEO

- Brenda Parrish-Dickmann, Chair, Board of Trustees

Report No. 24

HOLSTON CONFERENCE FOUNDATION

Despite the bumpy ride during the year, the financial markets ended 2010 with a roar that left many faces smiling. Our official performance numbers are excellent with each fund beating its respective benchmark for the year. Our largest and most popular fund offering, the BALANCED GROWTH FUND was up 13.45% (benchmark 11.24%), while the EQUITY GROWTH FUND was up 16.34% (benchmark 15.14%). Both funds are considered long-term investments and appropriate for endowments, scholarships, etc., where a distribution would be based on a percentage of the market value. Our INTERMEDIATE INCOME FUND was up 6% (benchmark 4.72%). Our SHORT-TERM INCOME FUND, a very popular option for accounts seeking both safety and earnings, was up 2.18%. Account holders in the Money Market Fund should consider moving to this option.

For those not aware, accounts are invested in the Foundation in two broad categories... those held in custodial accounts and those permanently directed as Foundation accounts. Custodial account owners (local churches, institutions) select the fund or mix of fund options they determine are the best match for their account(s). Account owners are free to adjust their investment choices or to move their funds to another fund option at the end of any month (subject to any legal or donor restrictions). Foundation-owned accounts are invested and stewarded by the Foundation Board according to donor-imposed restrictions for their use such as a designated use at a specific local church, a college or seminary scholarship or for mission and outreach priorities. About two-thirds of all the funds held in the Foundation are custodial accounts and most of the rest are donor-restricted endowments and scholarships permanently entrusted to our care.

If your church or agency has new or additional special-purpose funds held in checking or savings accounts or in low-yielding CDs, please contact us so that we can help you

explore other options. If you are an individual interested in learning more about creating a special-purpose endowment, scholarship, or other fund to benefit your church or support other ministry needs, we would be more than happy to assist you in creating a plan that reflects your values. The Foundation is a service ministry to other church ministries and to the people who want to support them through their gifts and plans. We specialize in endowment creation and management. During 2010, the Foundation distributed \$2,418,618 back to churches and ministries, while adding \$3,243,652 in new funds to new and existing accounts.

As 2011 begins, we want to recognize our board of directors and committee members who give of their service, wisdom, time, talent, and funds to support our ministry. These highly respected professionals and church leaders are uncompensated for their time or travel and we are blessed by their leadership and oversight. We especially want to thank Will Pugh for his past two years of service as President and for his continuing service on the board and executive committee. He has provided a steady hand and much wisdom and credibility to our efforts. If you know or meet any of the fine individuals who serve our board, thank them for their efforts and ask them about their experience.

This past year was quite successful and we celebrate the fact that we have now crossed another significant milestone in terms of assets managed in the Foundation. On December 31, 2010, we held \$75,426,409 in 647 accounts. As Alex Hailey once said, "If you see a turtle on a fencepost, it did not get there by itself." We are grateful to you for your faith and trust in the Foundation and look forward to another great year of opportunities to enhance the ministries of our church and spread the Good News gospel of Jesus Christ.

~ David Goodson, President

~ Roger Redding, Executive Director

Report No. 25

CHAPLAIN SERVICE OF THE CHURCHES OF VIRGINIA

Chaplain Ministers to Woman on Death Row and at Execution

On September 23rd, 2010, at 9:13 p.m., Teresa Lewis was pronounced dead – executed by lethal injection at the Greensville Correctional Center in Jarratt, Virginia. The story garnered national and international attention, since this was the first execution of a woman in Virginia since 1912. Lewis had been sentenced to death in 2003 for the October 30, 2002, Pittsylvania County murder-for-hire slayings of her husband and stepson. According to the state, she had used sex and promises of money to persuade two men to kill for her in a failed effort to gain \$250,000 in life insurance. The shooters were both sentenced to life in prison, but the courts determined that Lewis had been the “mastermind” behind the murders, and thus she received the death penalty. The Governor of Virginia and the Supreme Court of the United States both rejected Lewis’s final appeals for clemency.

Teresa Lewis’s attorneys and her many supporters (including Amnesty International and author John Grisham) strongly believed that her life should have been spared due to several mitigating factors. First, Teresa was tested and found to have an extremely low IQ. Second, she was diagnosed as having a personality disorder that caused her to react to life situations in a very gullible and childlike manner. Third, at the time of the crime she was addicted to pain medication and was thus unable to make sound judgments. Perhaps most importantly, one of the shooters wrote a jailhouse letter confessing that it was *he* that masterminded the crime – that he had tricked Teresa Lewis into becoming romantically involved with him and then into assisting with the murders. The other shooter committed suicide while incarcerated. Teresa herself expressed deep remorse and freely admitted her involvement in this horrible crime. She believed that she should spend the rest of her life in prison for her role, but she always denied that she was the mastermind.

Prior to her execution, Teresa Lewis served over seven years in solitary confinement at the Fluvanna Correctional Center for Women. During this time, she developed a strong personal faith in Christ. She was baptized in prison, and she spent nearly all of her waking hours studying her Bible and reading Christian books and materials. Inmates and staff alike testified that hers was no “jailhouse religion.” Teresa spent much of her time encouraging other inmates, often listening to their struggles and then praying with them through the air vents (since she could not see them face to face). She also had a beautiful singing voice, and she would lift that voice up often over the years, singing hymns and gospel songs to lift the spirits of her fellow inmates and even of the staff.

Julie Perry, the Chaplain at the Fluvanna Correctional Center for Women, had the responsibility and privilege of serving as Teresa Lewis’s prison pastor during her final years. Additionally, Teresa asked Chaplain Perry to serve as her spiritual advisor at her execution. Julie agreed to do so, and what she witnessed during Teresa’s final days, hours and minutes amazed her. She states that what she saw was not a woman full of dread, fear or anxiety, but rather a woman that was strong, confident, and filled with faith, peace and even joy. Instead of thinking of herself, Teresa had written out a long list of names of people she wanted to pray for, and that’s what she spent her final days and hours doing – lifting up others in intercessory prayer (including the sentencing judge, the Governor, prison officials, etc.). When friends and supporters came to see her, *she* ended up comforting *them*! Teresa Lewis clung to her strong faith in Jesus Christ right through her final breath. Her life and her death have become a testimony of the saving power and grace of God. Julie Perry states that Teresa made a lasting impression on her life (and on the lives of countless others).

Julie Perry is one of 35 prison Chaplains serving in 32 adult prison facilities and in three juvenile correctional centers across the Commonwealth of Virginia. These Chaplains are hired, supervised and

compensated by Chaplain Service Prison Ministry of Virginia, Inc. For over 90 years this non-profit, inter-denominational ministry has provided Chaplains to Virginia's state prisons. It is a truly unique arrangement in which "the people in the pews" (i.e. the denominations, churches and individuals) assist the state correctional system by providing these "prison pastors." By supporting Chaplain Service, you are following the words of Christ Himself: "I was in prison and you visited me" (Matthew 25:36). Thank you for your ongoing, faithful support!

Ministry contact information:

Rev. Cecil E. McFarland, President
 Chaplain Service Prison Ministry of Virginia, Inc.
 2317 Westwood Ave., 103A
 Richmond, VA 23230
 (804) 358-7650
 E-mail Address: chapservva@aol.com
 Website: www.chaplainservice.org



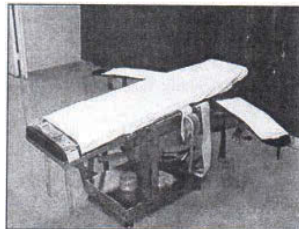
Teresa Lewis



Chaplain Julie Perry



Protesters at Teresa Lewis Execution



Lethal Injection Table in Death Chamber

Report No. 26

Lake Junaluska Assembly, Inc.

There is great excitement at Lake Junaluska these days. We are preparing to celebrate our 100th anniversary in 2013, we are taking advantage of the energy that often accompanies a transition of leadership, and we are beginning to realize the incredible untapped potential that exists in this wonderful place we call Lake Junaluska.

As we prepare for the Centennial Celebration in 2013 we are reflecting on the amazing history of this place and the important relationship we have with the Southeastern Jurisdiction and each of the annual conferences making up the SEJ. **Thank you** for your generous support over the years; we would not be here today if it was not for you and, as you know, we belong to you. We realize that the world has changed, the United Methodist Church is changing, and that the old models of financial support within our church will also need to change. It is our hope that any future financial support that we receive from annual conferences in the SEJ will occur because of who we are and that what we do adds significant value to fulfilling the mission of local congregations, the annual conferences, the Southeastern Jurisdiction, and The United Methodist Church as a whole.

In our efforts to live fully into the potential that exists at Lake Junaluska we have begun a four step process: 1) to clarify and own the mission and vision statements, 2) to develop a strategic plan that will allow us to fulfill that mission and vision, 3) to secure the resources that are necessary to fund the strategic plan, and 4) to fully implement the plan. The Board of Directors of Lake Junaluska Assembly, Inc. affirmed a revised mission statement in March 2011, “The mission of Lake Junaluska is to be **a place of Christian hospitality where lives are transformed through renewal of soul, mind, and body.**” A Strategic Planning Task Force has been appointed by Bishop Goodpaster with the charge of bringing a comprehensive strategic plan to the October board meeting. We are dramatically strengthening our Development program to be ready to provide opportunities for people and organizations to help us fund the new plan. We have already begun to make changes in the way we operate that will continue to be modified and improved as we “move on to perfection,” a good Wesleyan concept.

Of course, one of our greatest challenges is how to appropriately remember the past but boldly embrace the future. We are diligently working to identify those things from our past that must be preserved, at the same time envisioning a future that will require us to do things very differently than we have in the past. We are looking forward to working in partnership with you.

I was attracted to this new position not only because I have come to love this place we call Lake Junaluska but because I see so much potential for this “holy ground” playing a critical role in impacting the world for God and for good. And I am convinced that the potential I see for this place today is only a small fraction of what we can become. I am so grateful for the vision of those who founded Lake Junaluska almost one hundred years ago and am humbled by the opportunity to provide guidance as we enter into the next one hundred years of helping to usher in the Kingdom of God through Lake Junaluska.

The future of Lake Junaluska is indeed very bright.

Ewing, Executive Director

Report No. 28
EMORY & HENRY COLLEGE

Founded in 1836 by the Holston Annual Conference of the Methodist Episcopal Church, Emory & Henry College was named for John Emory, a prominent Methodist bishop of the era, who symbolizes our belief in the union of faith and learning. The College was also named for Patrick Henry, a renowned patriot of the American Revolution and Virginia's first governor, who symbolizes our commitment to freedom and civic virtue.

Located in the Virginia Highlands, the Emory & Henry campus is noted for its beauty as well as its architectural distinction -- the college is only one of a few in the country that's entire central campus is listed on the National Register of Historic Places.

Emory & Henry was the first institution of higher education located in southwestern Virginia and one of the few in the South which have operated for nearly 175 years under the same name and with continued affiliation with its founding organization.

Emory & Henry continues to be recognized by outside observers for its exceptional value, successful student achievements, and superior faculty.

- Emory & Henry was named among the "Top 30 Liberal Arts Colleges and Universities" in the nation by Washington Monthly in 2010. Rated 21st, Emory & Henry was the only Virginia institution included in the respected publication.
- In its first published ranking, Newsweek placed Emory & Henry fourth among all colleges and universities in the nation in providing service learning and community service.
- CBS's MoneyWatch featured Emory & Henry in 2010 as one of the top 25 colleges in the nation with the best professors. E&H was rated 21st in the ranking, which compiled student results from the website ratemyprofessor.com.
- Emory & Henry was named by Student Horizons again in 2010 as one of 100 "Colleges of Distinction," a list recognizing its distinctive abilities to provide excellence in education and to dramatically improve the chances of success for their students. The listing recognizes schools on the basis of student engagement, excellence in teaching and the successful outcomes for students and graduates.
- Emory & Henry was one of only six colleges and universities nationwide to receive the 2009 President's Award, the highest national recognition for commitment to service learning and civic engagement. The award, the first for Virginia, recognized the College's unique approach to community/college partnerships, which have become a national model for civic engagement.
- The Carnegie Foundation for the Advancement of Teaching awarded Emory & Henry the Foundation's "Community Engagement Classification," which ranks it among 200 institutions nationwide that has been recognized for their work in serving communities.
- Emory & Henry is one of only 40 colleges and universities from across the nation listed in Loren Pope's best-selling guide book, "Colleges That Change Lives."
- The College remains accredited with the Commission on Colleges of the Southern Association of College and Schools (SACS). I am privileged to serve as a member of the SACS-COC Board of Trustees from Virginia.
- The University Senate of the United Methodist Church continues to list, without qualification, Emory & Henry College as a United Methodist-related academic institution. I serve as an elected member of the University Senate.

Since taking office in August 2006, we have taken several strategic actions to focus our priorities and continue our forward momentum.

- A Strategic Planning Task Force, with faculty, staff, student, and alumni representatives, developed a vision statement, a list of core values for the institution, and a new strategic plan, which was approved by the Board of Trustees.
- A newly revised core curriculum integrating familiar liberal arts programs with service learning and study abroad opportunities was adopted by the faculty. It is designed to provide our students with broad knowledge, transferrable skills, and a deep sense of value, ethics and civic engagement.
- With input from the college community, a new campus master plan was developed and approved by the Board of Trustees that will help guide future facilities planning and placement.
- More than \$10 million in renovations to Byars Hall and Wiley Hall, the two most historic campus buildings, were completed. Both were designed to be “green” buildings and received LEED (Leadership in Energy and Environmental Design) Silver certification.
- Construction was completed last summer on a new \$5.5 million residence hall, which is helping improve the residential experience for students. The building is scheduled to receive LEED Silver certification.
- The first phase of a \$6.5 million improvement project to Fred Selfe Stadium is complete with installation of artificial turf on Fullerton Field for use by football, soccer, baseball and intramural teams, lighting for night games and practices, perimeter fencing, and a new scoreboard. The second phase includes construction of the new Brooks Field House, which is scheduled to begin this spring.
- Architects are completing construction documents for the new \$17 million Woodrow W. McGlothlin Center for the Arts. The Center will help the College serve a growing number of students seeking degrees in the visual and performing arts while showcasing students and their talents to the larger community.

The Rev. Mary K. Pope Briggs, a 1986 graduate of Emory & Henry College, continues her spiritual outreach to faculty, staff and students of all denominations. In addition, she has revamped much of our Spiritual Life programming. We are pleased that a number of our graduating seniors will attend divinity school next fall at such distinguished destinations as Princeton University and Duke University.

As we make plans to celebrate our 175th year during the 2011-12 academic year, I think that Methodists of the Holston Annual Conference who founded Emory & Henry in 1836 would be impressed that our mission and commitment to the intellectual, spiritual and physical growth of our students has not wavered. They would have to be proud that our relationship with the United Methodist Church remains strong. I know they would be appreciative of the continuing support we receive from the Holston Conference and its pastors and congregations, just as we are.

Inspired by our motto, Increase in Excellence, Emory & Henry College reflects with pride on our 175 year history and remains optimistic about our future together. We hope that you will recommend our special place to others.

~Rosalind Reichard, Ph.D., *President*

Report No. 29**HIWASSEE COLLEGE**

"Hiwassee College, founded in 1849 and associated with the United Methodist Church, is a liberal arts, residential institution of higher education, providing quality education for all students in an atmosphere that promotes intellectual pursuit, spiritual growth, and social and personal responsibility. "

Hiwassee College 's Mission Statement quoted above continues to guide the work of the college as we anticipate the beginning of the 163rd year. With the selection of a new President, Dr. Robin Tricoli, the college makes plans for moving forward in programming, service to the community, and guiding students as they prepare for becoming a vital part of the nation ' s future.

The college recently received the following notification from the Transnational Association of Christian Colleges and Schools: "At the November 7-9, 2010, TRACS accreditation meeting, the Commission voted to accept the staff recommendation that Hiwassee College is now in full compliance with all recommendations that remained from the On-Site Evaluation Team Visit for Candidacy. No further Progress Report is required of the institution. I congratulate Hiwassee College, its administration, faculty and staff on its achievement and for its dedication and commitment to quality Christian higher education." One of the major results of this accreditation status was to once again enable the college to qualify for and receive access to both federal and state financial aid dollars - a benefit the college did not have during the previous two years.

The past year has been a time of many positives that position the college to move forward with renewed excitement and expectations:

- Increases in both fall and spring enrollment;
- The addition of successful baccalaureate programs;
- Increased retention rates over the past year because more students are choosing to remain and complete the baccalaureate degree at Hiwassee;
- Increases in transfer student enrollment;
- The addition of dual enrollment offerings in the three Monroe County high schools (233 students registered for 33 courses during the academic year);
- The inaugural class of 10 students in the dental hygiene program;
- Continued strong enrollments in pre-professional programs, business, criminal justice, equine science, agriculture, and education;
- An increase of approximately 20% in restricted and unrestricted giving.

A new Strategic Plan is being developed to take advantage of the traditional strength of Hiwassee's commitment to quality education in a Christian environment. In addition , the goal is to position the college for sustainability as we move forward in areas of resource development, new program development, environmentally responsible operations, and, most importantly, 11 ensuring that our students develop the necessary skills to be servant leaders in an ever-changing society.

Plans are being implemented for improving certain areas of the campus in order to provide better facilities for students in the way of residence halls and recreational opportunities. Renovation of the swimming pool will serve to attract not only students to the campus, but also community families and summer camps. Volunteer groups will be on campus this summer to work on riding, walking, and exercise trails. Hiwassee has traditionally

provided its facilities to groups from the Monroe County area. Improvements to campus facilities will benefit persons attending cultural events, theatre and music productions, lectures, high school commencements, and activities of the Monroe Area Council for the Arts.

Over the past two years, the college has seen growth in the area of spiritual development. The Christian Student Movement (CSM) has continued with fine Bible teaching. Students are becoming better leaders and beginning to formulate their own theology. The weekly Chapel services continue to challenge the students' thinking. The CSM leaders joined with the Hiwassee choral groups for a spring tour during which they provided leadership in Sunday worship, held concerts in the Orlando Lutheran Center, and spent a day of mission work at the Greater Orlando Christian Service Center. They ministered by working in the food pantry and a clothing thrift store, digging drainage ditches, and singing to over 300 homeless people who came for a free lunch. Students come away from events like this with changed hearts and attitudes and pass along these experiences to students on campus.

While the past few years have been very difficult from a financial standpoint, there is renewed enthusiasm about the future. The college is grateful for the leadership provided by two interim presidents, Dr. Jerry Russell and Dr. Charles Neal. Through a period of reduced budgets, the college benefitted from a wonderful spirit of volunteerism as persons from Knoxville to Chattanooga and various groups of NOMADS could be found on the campus painting, repairing rooms in residence halls, landscaping, providing a system of increased security for the residence halls, refurbishing a rental house on campus, and many other "behind-the-scenes" physical plant improvements. Perhaps one of the most important benefits of this was the impact it made on students who were able to witness first-hand the concept of giving back to the community through servant leadership.

In summary, Hiwassee College continues her commitment to a close and dynamic relationship with the Holston Annual Conference and the United Methodist Church. The belief in and the support of the college by the Conference is greatly appreciated.

Report No. 30

TENNESSEE WESLEYAN COLLEGE

The fall of 2010 saw yet another record setting enrollment for Tennessee Wesleyan College. We opened the fall semester with 1,103 students. The fall also marked the opening of our Center for Servant Leadership. The center serves as the facilitator for enhancing the student experience; engaging students in a commitment to service while identifying and building tomorrow's leaders.

The fall also brought a very enjoyable visit by the University Senate. The team spent several days with us and shared many opportunities for growth and improvement. The overall report of the team was very positive and helpful. This rewarding visit came on the heels of our re-affirmation of accreditation by the Southern Association of College and Schools Commission on Colleges (SACS). The re-affirmation by both associations is very important in the continued growth of the college.

The academic program at the college has been focused on growth and enhancement. The highly regarded nursing program in Knoxville continues to grow. The education department is poised to launch a Masters program in the summer of 2012. In addition,

the business administration department is seeking approval for a total overhaul of its adult learner program.

Our science, math and music programs continue to attract some of the best and brightest students. We continue to enjoy a very high acceptance rate by our graduates into post-baccalaureate programs of study.

Without doubt the largest concern on campus is the selection of the college's 21st president. The search committee continues their work and will bring their recommendation to the Board of Trustees in April. All college constituencies are eager to complete this process and work with our new leader to advance the college into the future. The engagement of the board in this process, as well as, the governance of the institution has been rejuvenated.

The great spirit that is Tennessee Wesleyan College remains evident in its faculty, its staff and most importantly its students. Please come visit our beautiful campus. Thank you for your continued connection and support.

~Stan R. Harrison, *Interim President*

Report No. 31

CANDLER SCHOOL OF THEOLOGY

Candler School of Theology prepares real people to make a real difference in the real world. Our distinctive commitment to authentic discipleship and relevant ministry enables us to develop uniquely well-rounded leaders who are challenged academically, encouraged spiritually, and immersed in Christian service from the first day they arrive on campus.

As one of the 13 official seminaries of The United Methodist Church, Candler is grounded in the Christian faith and shaped by the Wesleyan tradition of evangelical piety, ecumenical openness, and social concern. As a school located in the major metropolitan area of Atlanta, Candler offers students a learning laboratory that reflects the highly diverse communities of our 21st century world. There is no better place for ministry preparation that addresses our major denominational priorities: developing leaders, starting and growing churches, ministry with the poor, and improving global health.

Candler's student body continues to reflect the diversity and breadth of the Christian faithful. Our enrollment stands at 469, with 358 seeking the Master of Divinity, 67 the Master of Theological Studies, 16 the Master of Theology, 14 the Doctor of Theology, and 14 enrolled as Special, Non-Degree students. The total student population is 25% US ethnic minority, 9% international, and 52% women. Forty-six denominations are represented, with 52% of MDiv students being United Methodist. The median age of our entering class of MDiv students is 26, with 57% of total enrollment under thirty.

To ensure that our students are prepared for leadership in an increasingly global context, Candler continues to emphasize internationalizing the curriculum. This year, Candler has academic exchange partnerships with theology schools across five continents and nine countries, including many related to The United Methodist Church.

A hallmark of the Candler MDiv experience, the two-year Contextual Education program shapes our students' pastoral identities by interweaving service at ministry sites and churches with academic analysis in the classroom and spiritual reflection in pastor-led small groups. In any given week, Candler deploys more than 250 ConEd students throughout the region to minister to people in congregations, hospitals, and social service agencies.

Despite today's challenging economic climate, Candler remains committed to making theological education financially possible for our students. Although our operating budget essentially remained flat this year, we increased our total financial aid investment to over \$5 million. Eighty-three percent

of eligible students received Candler-based financial aid, with the average award covering 76 percent of tuition.

Candler draws considerable vitality and inspiration from its relationship with The United Methodist Church. Our ability to fulfill our mission of educating faithful and creative leaders for the church's ministries in the world depends upon your support, gifts, and prayers. Thank you for the countless ways you strengthen this essential ministry in the life of our denomination. We invite you to visit us in person in Atlanta or online at www.candler.emory.edu to see firsthand how Candler prepares real people to make a real difference in the real world.

~Jan Love, Dean and Professor of Christianity and World Politics

Report No. 32

DUKE DIVINITY SCHOOL

With a global financial crisis slowly abating throughout the year, Duke Divinity School successfully overcame significant financial challenges in 2009 while continuing to seek new opportunities to carry out its mission. All the while, the school maintained a hopeful outlook and a strong focus on preparing students to become effective, faithful leaders in the church, the academy, and the world.

Like most other schools across the country, Duke Divinity School saw the value of its endowment – a critical piece of our financial support – decline by more than 25 percent at the worst of the recession. In response, the school sought efficiencies and achieved significant cost savings in the last year to help keep the budget balanced.

At the same time, our community engaged in a period of intense strategic planning to position ourselves as a more flexible institution capable of meeting the needs of a changing church. In September 2009, the faculty approved an official update to our 2006 strategic plan, which aligns with our core mission and will help make the Divinity School a financially stronger institution that is better able to fulfill its role of service and witness to the Triune God by preparing faithful and effective leaders.

We are now working to implement this plan, which includes proposals for new degree programs to address broader constituencies for the Divinity School and respond missionally to the needs of the church.

New degree programs we hope to begin offering in 2011 (all of which would need to be approved by the Association of Theological Schools and Duke University by the summer of 2010) include a master of arts in Christian Studies (M.A.C.S.), a master of arts in Christian practice (M.A.C.P.), and a doctor of ministry (D.Min.). None of these degrees would diminish the school's commitment to existing degree programs, especially our core Master of Divinity program for local church ministers, or to residential learning. Rather, they are meant to fulfill needs of churches and individuals that we are unable to meet with our current offerings.

The M.A.C.S. is a 32-hour graduate theological degree for full-time students, to be completed over eight months of the academic year. The degree is designed for students who have an interest in serious theological study, seek to enrich their vocation, leadership, or service in the church, and want to bring theological reflection to bear on their vocation in the world.

The M.A.C.P. is a graduate theological degree that organizes learning around short-term intensive residential seminars, in conjunction with ongoing group interaction assisted by web-based learning platforms. It is designed for students who are seeking disciplined theological reflection while remaining in a full-time lay ministry context or other professional position.

The D.Min. is intended to enhance the work of Christian leaders serving in local churches, denominational positions, and other faith-based organizations through a combination of theological study, reflection on their experiences in ministry, and/or training in organizational management. Like the M.A.C.P., the degree would be structured on a cohort model that organizes learning around short-term residential seminars as well as ongoing group interaction facilitated by web-based

learning platforms. Therefore, it would allow church leaders and other professionals to pursue intensive advanced study while remaining employed on a full-time basis in their vocational settings.

As Duke Divinity School concluded this period of rigorous strategic planning, it also prepared to welcome a new dean on July 1, 2010.

L. Gregory Jones, who has served as dean of the Divinity School since 1997, was named Duke University's senior advisor for international strategy in the spring 2010 semester. Jones, who continues to oversee Leadership Education at Duke Divinity, will step down as dean at the end of June.

Richard Hays, the George Washington Ivey Professor of New Testament at the Divinity School, will serve as dean for a two-year term while a national search is conducted for Jones' successor. An ordained United Methodist minister, Hays is internationally recognized for his work on the letters of Paul and on New Testament ethics. Read more about this leadership transition on the Divinity School's website at :

www.divinity.duke.edu/news/spotlight/senioradvisor

Meanwhile, the Divinity School continued with its strong tradition of teaching, research, and outreach.

We were pleased to welcome a diverse, energetic, and academically strong group of new students in the fall of 2009. The median grade point average for the entering class was 3.62 out of a possible 4.0. Minority enrollment is 21 percent, and the median student age continues to be low—24 for the entire class and just 23 for the master of divinity students.

Of 151 students seeking the three-year M.Div. degree, 52 percent are United Methodist; 15 percent are Baptist, 8 percent are Anglican or Episcopal; and 4 percent are Presbyterian. Eighteen other denominations round out the M.Div. class.

We also entered the fourth year of our Doctor of Theology program; our Th.D. applications increased this year to more than 100. We now have 35 students enrolled in the program, and we graduated our first student in December 2009.

Early in the spring 2009 semester we launched "Faith & Leadership," the online magazine of Leadership Education at Duke Divinity, which is supported by a grant from Lilly Endowment, Inc. The magazine, which already has developed an enthusiastic following, aims to strengthen the practice of Christian leadership through video interviews with transformative leaders, theological reflections, in-depth articles and stories, and reading lists. Its companion blog, "Call & Response," offers a daily roundup of news and ideas, as well as commentary from several pastors, a seminary president, and experts in the sociology of religion.

Approximately 100 people participated in Duke Divinity School's first Summer Institute in 2009, a week-long program designed to cultivate a community of Christian worship, reflection and action. The Institute, led by world-class scholars and practitioners, focused on a theme of reconciliation and was titled "Shaping the Beloved Community in a Divided World." A second Summer Institute was planned for 2010.

And the Divinity School hosted numerous additional events in 2009 and early 2010 important in the life of the church as well as the academy, including ongoing meetings of our Episcopal Leadership Forum for United Methodist Bishops, a 20th anniversary celebration for our Baptist House of Studies, a 40th anniversary celebration of the Black Seminarians Union, and numerous lectures, sermons, and panel discussions.

We are deeply grateful for the relationships among the United Methodist Church, this Annual Conference, and Duke Divinity School, and we already are looking forward to another year of preparing men and women for Christian ministry. To learn more about Duke Divinity School, please visit our website at www.divinity.duke.edu.

~ L. GREGORY JONES, *Dean*

Report No. 33

GAMMON THEOLOGICAL SEMINARY

Gammon Theological Seminary was established in 1883, first as a department of Religion and Philosophy at Clark University in Atlanta, Georgia by The Methodist Episcopal Church with the assistance of the Freedmen's Aid Society. The school was granted a charter and the name was officially changed to its present form on March 24, 1888. The Rev. Wilbur Patterson Thirkield served as the first president.

Gammon Theological Seminary is one of thirteen accredited theological institutions of The United Methodist Church. Gammon is the only historical predominantly African American theological school related to the United Methodist Church. Dr. Walter H. McKelvey is the President of Gammon Theological Seminary.

Gammon is the United Methodist component of the consortium of theological schools, known as The Interdenominational Theological Center located in Atlanta, Georgia. The seminary is a multi-racial, multi-cultural, and co-educational graduate school of theology. We offer a broad curriculum in the scholar-minister tradition and also offer a holistic educational experience that continues to stress scholarship and service.

Students prepare for administration and leadership, counseling, teaching and preaching and a range of other spiritual and secular roles, with a blend of scholarship in the classroom and practical experience in the community.

The interdisciplinary curriculum integrates theological studies with preparation for the ministry, merging theory with practice to equip the student for scholarship in the academy, service in the parish, and leadership in the community.

Degree programs offered are Master of Divinity; Master of Arts in Christian Education; Master of Arts in Church Music; Doctor of Ministry; Doctor of Ministry with a Specialty in Pastoral Counseling; and Doctor of Theology in Pastoral Counseling. Dual Degrees in Christian Education and Master of Divinity; Church Music and Master of Divinity and Christian Education and Church Music.

Gammon has been known as "The School of the Prophets" and has trained many. Our graduates hold the promise of hundreds of local church ministries around the world and our gifts and graces will continue to honor our historic mission and embrace its promising future. To learn more about Gammon, please visit our website at www.gammonseminary.org.

~ MADELYN C. GREENE, *Alumni & Student Affairs Director*
for DR. WALTER MCKELVEY, *President*

Report No. 35

UNITED THEOLOGICAL SEMINARY

"Spirit led: Renewing the Church!"

www.united.edu

United has one goal: to train dynamic leaders for the ministry of Jesus Christ. As you consider whether God is calling you or someone you know into ministry, we invite you to explore the opportunities at United!

United offers:

- Degree and certificate programs relevant to today's followers of Jesus Christ!
- Emphases in Christian Ministry, Pastoral Care and Church Renewal!
- New: An Online/Hybrid Master of Divinity that meets UMC and ATS standards!
- A growing number of Life-Long Learning courses online and on campus!

- New Doctor of Ministry degree focus groups and mentors!
- Deep learning opportunities for both clergy and laity!
- Appreciative theological reflection on the central teachings of the Bible and the doctrines of the Christian faith!
- Spiritual formation in a variety of cultural contexts, including international communities!
- A technologically advanced, fully accessible, state-of-the art campus!
- A youthful, diverse, widely published faculty committed to the Christian faith!
- Friendly and helpful staff and students!
- A UM matching scholarship program and scholarships for others as well!
- A long-standing commitment to serving the West Virginia Conference!

At United, we are committed to following the Spirit's lead in renewing the Church for the mission of Jesus Christ in the world!

Enrollment at United is growing steadily and we invite you to call, visit or sign up for a class or program that meets your needs!

For more information, contact admissions@united.edu.

Thank you for your prayers, partnership and service in the ministry of Jesus Christ!

~Wendy J. Deichmann, President

4501 Denlinger Road, Dayton, OH 45426, 937-529-2201

www.united.edu

Report No. 36

WESLEY THEOLOGICAL SEMINARY

Wesley Theological Seminary, Washington, DC

Last conference year saw extraordinary growth and changes at Wesley Seminary. We had the largest and youngest entering class in our history. The dynamic weekly worship on campus has been enhanced by our newly refurbished and fully accessible Oxnam Memorial Chapel. We have a new dean in Dr. Amy Oden, a United Methodist. Dr. Oden came from her position as Professor of Church History to lead the Seminary in our transition from Dr. Bruce Birch's retirement. Her gifts for shaping our vision and modeling leadership mark her as an obvious choice to continue in that position. Watch for announcements of a campus celebration of her appointment.

We welcomed Drew Dyson to the James C. Logan Chair in Evangelism. Professor Dyson is shaping new efforts to prepare students for ministry with youth and young adults. Drew is an ordained United Methodist pastor who served churches and worked for the General Board of Discipleship before pursuing his Ph.D. Also new to the faculty is Sam Marullo, Director of Research on Missional Communities and Professor of Sociology. Dr. Marullo is a Deacon in The UMC. He comes to Wesley having chaired the Department of Sociology at Georgetown University while completing a Master of Divinity at Wesley. Dr. Marullo will be directing the Center for Missional Church from the Mount Vernon Square – our new downtown location.

We have dramatically revised the Course of Study School at Wesley, renewing the curriculum and making it easier for pastors to complete the course with alternative scheduling options. A Resource for Church Leaders – The Lewis Center for Church Leadership continues to provide groundbreaking research and resources for church leaders. Their free online newsletter, *Leading Ideas*, is our gift to you and your congregation's

leaders with ideas you can use immediately. Find out more at www.churchleadership.com. Two books on ministry were produced. Dr. Lovett Weems co-authored with Tom Berlin, pastor of Floris UMC, *Bearing Fruit: Ministry With Results*, which gives ministry leaders tools to assess fruitfulness in their ministry. Dr. Michael Koppel and Dr. Denise Dombkowski Hopkins co-authored *Grounded in the Living Word: The Old Testament and Pastoral Care Practices*, which explores the connection between pastoral care and biblical interpretation.

We unveiled a mammoth and unique resource for global theological education in The UMC. Prepared by the Wesley Ministry Network, in cooperation with theological educators in the Central Conferences, the Wesleyan Studies Project is three DVD courses, structured as 12-lesson courses on Methodist History, Methodist Doctrine and Methodist Evangelism with video sessions by more than 50 scholars from 11 countries. They can be ordered at www.wesleyministrynetwork.com.

Next year bears similarly exciting news. We are delighted to add to our faculty this coming year Dr. Cedric Johnson as Assistant Professor of Pastoral Theology. Dr. Johnson is well-published and brings extensive experience in pastoral care and counseling. He is affiliated with the Church of God in Christ, a denomination that grew from the continuing Wesleyan revival. We will renovate the library, making it the center of student life and creating an Information Commons.

We will launch two new tracks in the Doctor of Ministry Program. The first is a cohort of Military Chaplains focused on “Religious Leadership in a Complex, Multi-faith Environment.” The second is “Theological Education from a West African Wesleyan Context.” This has been designed in partnership with our United Methodist brothers and sisters in Liberia to prepare a generation of indigenous theological educators. And this summer, we will launch a portal that includes a collection of courses held on-campus, via distance learning, and Wesley-related events for which active clergy, alumni, professional laypeople and others can earn Continuing Education Units (CEUs).

God’s call is bold. Your seminary should be too. Meet us at www.wesleyseminary.edu.

Rev. Dr. David McAllister-Wilson, President

Report 37

Drew University

My predecessor, Dean Maxine Beach, has said to me that Drew University Theological School is “a special place” on more than one occasion. Since coming to Drew, I have begun to see how right she is. It is a welcoming, hospitable, and caring community. We do not pretend to be a perfect community but we strive hard to welcome all who come through our doors and care for the shalom, the well-being, of each individual and as well as the Common Good.

Drew is “a special place” because of the many ways we seek to equip and empower leaders for Christian ministry through the numerous programs we offer:

- M.Div., S.T.M., M.A., M.A.Min., D.Min., and Ph D.;
- Continuing Education opportunities for pastors and lay people;
- Internships through Communities of Shalom in Shalom zones world wide
- Partnership for Religious Education in Prisons program in a local men’s prison and women’s prison, where Drew students and inmates study and learn together;
- Certification in Spiritual Formation and Camp and Retreat;
- Cross-Cultural Courses in India, Turkey, El Salvador, Mexico, Taize, and Ghana;

- United Methodist Liaison and Deacon Liaison to assist students in their discernment.

In my first weeks, I have begun to visit churches and alumni in the vicinity. I believe very strongly that we can only do theological education with communities, both communities of faith and other kinds of communities that our alumni serve. In many ways, we owe a debt to our churches and other agencies that work with us to train and form our students for leadership.

We take pride in having a faculty that is perhaps one of the most diverse in theological education with an almost equal number of women and men. Our student body is equally diverse. We take seriously our United Methodist identity. Drew is well positioned to be a leading progressive United Methodist seminary. I welcome ongoing dialogue as we work together to shape a vision in equipping the saints for ministry. Together we can make Christian disciples that transform the world.

The Rev. Dr. Kah-Jin Jeffrey Kuan, Ph.D.
 Dean and Professor of Hebrew Bible
 The Theological School, Drew University
 36 Madison Avenue, Madison, NJ 07940
 Email: jkuan@drew.edu; Voice: 973-408-3258

Report 38

Boston University School of Theology

Dear Colleagues in Ministry,

Greetings from Boston University School of Theology, one of your United Methodist partners in mission! We thank you for your prayerful support of us through the past year, and will share some new developments in our School.

News flashes from the School!

- **New Faculty:** We welcomed three new faculty this year and they are already contributing mightily to the life of STH. Dr. Walter Fluker is the Martin Luther King, Jr. Professor of Ethical Leadership. He teaches exciting courses, consults with international organizations on ethical leadership, and leads the Howard Thurman Papers Project, now based at STH. Dr. Christopher Evans is Professor of the History of Christianity and Methodist Studies. He brings expertise in American Christianity and the history and theology of Wesleyan traditions. Besides, he is a great teacher. Dr. Courtney Goto is Assistant Professor of Religious Education, reviving the STH program in educational ministry with her distinctive interest in teaching and the arts. She has recently studied the artful ministry of her Japanese-American UMC congregation, especially its sanctuary art, worship, and Japanese garden.
- **New Curriculum:** The new curriculum – “Faith Engaging the World” – has arrived, and we are discovering the potential of this curriculum to prepare spiritually-centered, prophetic, intelligent, practical religious leaders who can contribute to renewing and transforming the church and the world. Not only are M.Div. and M.T.S. students benefitting from the new curriculum, but we have also launched our new one-year Master of Sacred Theology program for military chaplains, responding to their increasing needs to address issues of ethics, trauma, and conflict transformation.
- **Church Connections:** United Methodist Women will read two books authored or co-authored by our faculty in the UMW Mission Studies this summer: Dana Robert’s *Joy to the World!: Mission in the Age of Global Christianity* and Stephanie Hixon and Tom Porter’s *The Journey: Forgiveness, Restorative Justice and Reconciliation*. In addition, Bryan Stone and his

students continue to initiate and support new church starts; several of our faculty and students have spoken or consulted with church boards and agencies; and our graduates are giving strong leadership in their home churches and conferences.

- **Global Connections:** Travel seminars have studied this year in Ephesus (modern Turkey) and Russia, and the School has collaborated with people in Korea, China, South Africa, Norway, and Australia. Dr. Thomas Thangaraj has been Visiting Professor in Global Christianity and Mission, teaching courses in Images of Christ and Christian Encounters with Hinduism. Professor Dana Robert, Truman Collins Professor of World Christianity and Mission, delivered the opening keynote address in the 100th anniversary of the Edinburgh World Missionary Conference and in the opening convocation of the 2010 Boston Conference: The Changing Contours of World Mission and Christianity. The Reverend Canon Ted Karpf, recently of the World Health Organization, has joined our team as Director of Development. He is already building new global connections that will challenge and stretch us!
- **Contextual Engagement:** The School received a grant of \$200,000 to support its LINC program – Learning in a Nexus of Communities. We continue to build partnerships with local churches and service agencies, as we contextualize theological education at STH. We are grateful to the Arthur Vining Davis Foundations for supporting these efforts.
- **Community Building:** Community life is buzzing with dynamic weekly worship, followed by a community meal, and with daily morning prayer. We have expanded our efforts to strengthen community and spiritual life with the addition of a Spiritual Life Coordinator, the Reverend Robin Olson, and the addition of a Coordinator of Communications and International Student Life, Philippa Mpunzwana.
- **Sustainability Charge:** We have charged ourselves to build toward greater sustainability, having implemented energy conserving practices, designed a green community center for our basement, and launched an intentional living community for some of our students in the “Green House.”

Still to Come!

- **New faculty searches:** We are presently searching for faculty in preaching, pastoral theology, and history of Christianity.
- **People’s History:** The STH People’s History Project continues, and we have had some wonderful oral history interviews with alums this year. Contact the Alumni Office if you are interested in sharing your story with us: (617) 353-2349.
- **Lifelong Learning:** Our work in lifelong learning has just begun, but we have begun collaborations with churches and other educational institutions to respond to the needs of local churches, clergy, and lay leaders. We welcome your ideas.
- **Alumni Networking:** We are decentralizing alumni activity to conferences and regions in order to facilitate the exchange of ideas, knowledge and collaborations. Jaclyn Jones is the point of contact for these efforts to stimulate the connection between alumni and Boston University School of Theology. Jaclyn is reached at sthalum@bu.edu.

We are abundantly grateful for our BU graduates and friends in your conference, and also for our church partners throughout the United Methodist connection. We continue to pray for you and we welcome your prayers for us. We are in this ministry together! Gratefully,

~Mary Elizabeth Moore; Dean, Boston University School of Theology

**COVENANT BETWEEN HOLSTON CONFERENCE AND VIRGINIA CONFERENCE
OF THE UNITED METHODIST CHURCH AND DISCIPLE BIBLE OUTREACH
MINISTRIES OF VIRGINIA, INC.**

STATEMENT OF RELATIONSHIP

THIS STATEMENT OF RELATIONSHIP is made and entered into as of the first day of July, 2011, by and between The Virginia Annual Conference and The Holston Annual Conference of The United Methodist Church ("the Conferences") on the one hand, and Disciple Bible Outreach Ministries of Virginia, Inc., on the other hand.

PRELIMINARY STATEMENT

WHEREAS, The United Methodist Church is a connectional structure maintained through its chain of conferences. The Conferences are two of several conferences, which comprise the General Conference. The Conferences cover the entire State of Virginia.

WHEREAS, members of The United Methodist Church give high priority to Christian mission – local churches and institutional ministries assist in carrying out the Christian mission of The United Methodist Church.

WHEREAS, the Christian mission of The United Methodist Church is performed in part by non-profit corporations organized under the laws of the State of Virginia which cooperate with the Conferences in carrying out the Christian mission of The United Methodist Church.

WHEREAS, the purpose of this Statement of Relationship is to set forth an accurate statement of the relationship between the Conferences and Disciple Bible Outreach Ministries of Virginia, Inc.

NOW THEREFORE, the Conferences hereby agree and covenant with Disciple Bible Outreach Ministries of Virginia, Inc., and Disciple Bible Outreach Ministries of Virginia, Inc. agrees and covenants with the Conferences that this Statement of Relationship is an accurate statement of the relationship between the Conferences and Disciple Bible Outreach Ministries of Virginia, Inc.

COVENANTS

1. Disciple Bible Outreach Ministries of Virginia, Inc. was organized by individual members of The United Methodist Church who are committed to the belief that this organization is needed to perform the ministry set forth in its Articles of Incorporation and Bylaws. The Conferences believe that Disciple Bible Outreach Ministries of Virginia, Inc. will continue to render important Christian ministry and will further the achievement of the Christian mission of both The United Methodist Church and the Conferences.

2. Disciple Bible Outreach Ministries of Virginia, Inc. is related by faith to the Conferences. As such, Disciple Bible Outreach Ministries of Virginia, Inc. is an independent corporation. The relationship of the Conferences to the Disciple Bible Outreach Ministries of Virginia, Inc. is not one of ownership, operation or control of the ministry; and further, the

management of the operations of the Disciple Bible Outreach Ministry is clearly vested in its officers and directors.

3. Since the purpose of Disciple Bible Outreach Ministries of Virginia, Inc. and the Conferences is to carry out the Christian mission of The United Methodist Church, the parties hereby agree to cooperate as follows:

A. The Conferences will provide the following: (i) encouragement and support, including financial support to the extent deemed appropriate and feasible by the Conferences; (ii) authorization for Disciple Bible Outreach ministries of Virginia, Inc. to identify itself as related by faith to The United Methodist Church; and (iii) an opportunity for Disciple Bible Outreach Ministries of Virginia, Inc. to report on the Ministry to each regular session of the Conferences.

B. Disciple Bible Outreach Ministries of Virginia, Inc., as a non-profit, corporate entity, undertakes the following: (i) to operate under the lordship of Jesus Christ and in accordance with The Book of Discipline of The United Methodist Church; (ii) to fulfill its mission in a manner acceptable to the Conferences and (iii) to the extent it deems appropriate, to utilize the services of the Conferences and The United Methodist Church in performing its Ministry.

C. Disciple Bible Outreach Ministries of Virginia, Inc. will upon request, provide the following to the Conferences: (i) a list of names of persons elected by Disciple Bible Outreach Ministries of Virginia, Inc. to serve on its board of Directors in accordance with its Bylaws; (ii) copies of regular operational and financial reports; and (iii) information to the Conferences regarding the ministries' operation and future plans.

D. Disciple Bible Outreach Ministries of Virginia, Inc. shall relate to the structure of the Conferences through the Virginia Annual Conference Common Table for Church Vitality and the Holston Annual Conference Discipleship Ministry Team. The Executive Director of Disciple Bible Outreach Ministries of Virginia, Inc. shall relate to the Office of Ministry and Global Justice of the Virginia Annual Conference and the Office of Connectional Ministries of the Holston Conference.

E. Title to property, both real and personal, shall be held solely by and under the jurisdiction of the Board of Directors of the Disciple Bible Outreach Ministries of Virginia, Inc. The parties will respect any applicable provisions of the Trust Clause (Paragraph 2503.4 and 2503.6 in The 2008 Book of Discipline) and provide evidence that the title to real property, as appropriate, contains the Trust Clause or that a statement is included in the Articles of Incorporation and/or By-laws of the Disciple Bible Outreach Ministry of Virginia, Inc., which covers distribution of assets upon its dissolution.

4. The Conferences are not contractually committed to provide any particular level of financial support to Disciple Bible Outreach Ministries of Virginia, Inc. Such support from the Conferences is voluntary and is determined, from time to time, solely by the Conferences. The Conferences have no authority; to require Disciple Bible Outreach Ministries of Virginia, Inc. to assume any contractual, financial, or other obligation in the name of Disciple Bible Outreach Ministries of Virginia, Inc., nor may the Conferences accept or assume any such obligation in the

name of Disciple Bible Outreach ministries of Virginia, Inc. Similarly, Disciple Bible Outreach Ministries of Virginia, Inc. has no authority to accept or assume any such obligation or responsibility for or with respect to any contract, commitment or liability in the name of the Conferences and shall conduct its ministry in such a manner as not to create any obligation or liability on the part of the Conferences, The United Methodist Church, or any other unit, person or affiliate of United Methodism other than itself. The Conferences shall have no obligation or responsibility for, or with respect to, any contract, commitment or liability of Disciple Bible Outreach Ministries of Virginia, Inc.

5. The Conferences agree that Disciple Bible Outreach Ministries of Virginia, Inc. shall have the right to solicit funds from the local churches of the Conferences to the extent permitted by the policies, rules and procedures of the Conferences, normally requiring permission of Conference Finance and Administration or designation as a Conference Advance Special through an annual conference resolution. Other solicitations, such as solicitation of individuals and entities, whether or not church members or church-related, are matters between Disciple Bible Outreach Ministries of Tennessee, Inc. and the parties solicited and do not require approval by the Conferences.

6. In the event of the dissolution of Disciple Bible Outreach Ministries of Virginia, Inc., its assets may be conveyed to the Conferences in proportion to their financial contributions to the ministry the final year of its operation or as otherwise provided in the Articles of Incorporation and Bylaws of Disciple Bible Outreach ministries of Virginia, Inc.

7. This Statement of Relationship shall be subject to review and amended at such times and in such manner as mutually agreed upon by the Conferences and Disciple Bible Outreach Ministries of Virginia, Inc.

IN WITNESS WHEREOF, the Conferences and Disciple Bible Outreach Ministries of Virginia, Inc. have each caused the Statement of Relationship to be executed in its name as of the respective date set forth below.

**THE VIRGINIA ANNUAL CONFERENCE,
SOUTHEASTERN JURISDICTION OF THE UNITED METHODIST CHURCH**

Date:

by:

Sharon P. Kenner
W. W. Wether

its: President

by:

Robert C. Blui

its: Secretary

**THE HOLSTON ANNUAL CONFERENCE,
SOUTHEASTERN JURISDICTION OF THE UNITED METHODIST CHURCH**

Date:

by:

Janet L. Johnson

its: President

by:

Dan Hagedorn

its: Secretary

DISCIPLE BIBLE OUTREACH MINISTRIES OF VIRGINIA, INC.

Date:

by:

Gene D. Minor

its: President

by:

its: Secretary

**COVENANT BETWEEN HOLSTON CONFERENCE, MEMPHIS CONFERENCE
AND TENNESSEE CONFERENCE OF THE UNITED METHODIST CHURCH AND
DISCIPLE BIBLE OUTREACH MINISTRIES OF TENNESSEE, INC.**

**STATEMENT OF RELATIONSHIP
Disciple Bible Outreach Ministries of Tennessee**

THIS STATEMENT OF RELATIONSHIP is made and entered into as of the first day of July, 2011, by and among The Memphis Annual Conference, The Tennessee Annual Conference, and The Holston Annual Conference, ("the Conferences") on the one hand, and Disciple Bible Outreach Ministries of Tennessee, Inc., on the other hand.

PRELIMINARY STATEMENT

WHEREAS, The United Methodist Church is a connectional structure maintained through its chain of conferences. The Conferences are three of several conferences, which comprise the General Conference. The Conferences cover the entire State of Tennessee.

WHEREAS, members of The United Methodist Church give high priority to Christian mission – local churches and institutional ministries assist in carrying out the Christian mission of The United Methodist Church.

WHEREAS, the Christian mission of The United Methodist Church is performed in part by non-profit corporations organized under the laws of the State of Tennessee which cooperate with the Conferences in carrying out the Christian mission of The United Methodist Church.

WHEREAS, Disciple Bible Outreach Ministries of Tennessee, Inc.'s mission is recruiting, training, and equipping local church volunteers for ministry in prisons, jails and youth development centers.

WHEREAS, the purpose of this Statement of Relationship is to set forth an accurate statement of the relationship between the Conferences and Disciple Bible Outreach Ministries of Tennessee, Inc.

NOW THEREFORE, the Conferences hereby agree and covenant with Disciple Bible Outreach Ministries of Tennessee, Inc., and Disciple Bible Outreach Ministries of Tennessee, Inc. agrees and covenants with the Conferences that this Statement of Relationship is an accurate statement of the relationship between the Conferences and Disciple Bible Outreach Ministries of Tennessee, Inc.

COVENANTS

1. Disciple Bible Outreach Ministries of Tennessee, Inc. was organized by individual members of The United Methodist Church who are committed to the belief that this organization is needed to perform the ministry set forth in its Articles of Incorporation and Bylaws. The Conferences believe that Disciple Bible Outreach Ministries of Tennessee, Inc. will continue to render important Christian ministry and will further the achievement of the Christian mission of both The United Methodist Church and the Conferences.

2. Disciple Bible Outreach Ministries of Tennessee, Inc. is related by faith to the Conferences. As such, Disciple Bible Outreach Ministries of Tennessee, Inc. is an independent corporation. The relationship of the Conferences to the Disciple Bible Outreach Ministries of Tennessee, Inc. is not one of ownership, operation or control of the ministry; and further, the management of the operations of the Disciple Bible Outreach Ministries of Tennessee, Inc. is clearly vested in its officers and directors.

3. Since the purpose of Disciple Bible Outreach Ministries of Tennessee, Inc. and the Conferences is to carry out the Christian mission of The United Methodist Church, the parties hereby agree to cooperate as follows:

A. The Conferences will provide the following: (i) encouragement and support, including financial support to the extent deemed appropriate and feasible by the Conferences; (ii) authorization for Disciple Bible Outreach Ministries of Tennessee, Inc. to identify itself as related by faith to The United Methodist Church; and (iii) an opportunity for Disciple Bible Outreach ministries of Tennessee, Inc. to report on the ministry to each regular annual conference session of the Conferences.

B. Disciple Bible Outreach Ministries of Tennessee, Inc., as a non-profit, corporate entity, undertakes the following: (i) to operate under the lordship of Jesus Christ and in accordance with The Book of Discipline of The United Methodist Church; (ii) to fulfill its mission in a manner acceptable to the Conferences and (iii) to the extent it deems appropriate, to utilize the services of the Conferences and The United Methodist Church in performing its Ministry.

C. Disciple Bible Outreach Ministries of Tennessee, Inc. will upon request, provide the following to the Conferences: (i) a list of names of persons elected by Disciple Bible Outreach Ministries of Tennessee, Inc. to serve on its Board of Directors in accordance with its Bylaws; (ii) copies of regular operational and financial reports; and (iii) information to the Conferences regarding the ministry's operation and future plans.

D. Disciple Bible Outreach Ministries of Tennessee, Inc. shall relate to the structure of the Conferences through each Conference Committee on Connectional Ministries or other appropriate body as designated by each annual conference. The Chairperson of the Board of Directors or Executive Director of Disciple Bible Outreach Ministries of Tennessee, Inc. shall relate to each Conference Committee on Connectional Ministries or other appropriate body as designated by each annual conference.

E. Title to property, both real and personal, shall be held solely by and under the jurisdiction of the Board of Directors of the Disciple Bible Outreach Ministries of Tennessee, Inc. The parties will respect any applicable provisions of the Trust Clause (Paragraph 2503.4 and 2503.6 in The 2008 Book of Discipline) and provide evidence that the title to real property, as appropriate, contains the Trust Clause or that a statement is included in the Articles of Incorporation and/or By-laws of the Disciple Bible Outreach Ministry of Tennessee, Inc., which covers distribution of assets upon its dissolution.

4. The Conferences are not contractually committed to provide any particular level of financial support to Disciple Bible Outreach Ministries of Tennessee, Inc. Such support from the Conferences is voluntary and is determined, from time to time, solely by the Conferences. The Conferences have no authority; to require Disciple Bible Outreach Ministries of Tennessee, Inc. to assume any contractual, financial, or other obligation in the name of Disciple Bible Outreach Ministries of Tennessee, Inc., nor may the Conferences accept or assume any such obligation in the name of Disciple Bible Outreach Ministries of Tennessee, Inc. Similarly, Disciple Bible Outreach Ministries of Tennessee, Inc. has no authority to accept or assume any such obligation or responsibility for or with respect to any contract, commitment or liability in the name of the Conferences and shall conduct its ministry in such a manner as not to create any obligation or liability on the part of the Conferences, The United Methodist Church, or any other unit, person or affiliate of United Methodism other than itself. The Conferences shall have no obligation or responsibility for, or with respect to, any contract, commitment or liability of Disciple Bible Outreach Ministries of Tennessee, Inc. Disciple Bible Outreach Ministries of Tennessee, Inc. agrees to indemnify and hold the Conferences harmless from any and all liabilities that may arise out of this ministry in anyway.

5. The Conferences agree that Disciple Bible Outreach Ministries of Tennessee, Inc. shall have the right to solicit funds from the local churches of the Conferences to the extent permitted by the policies, rules and procedures of the Conferences, normally requiring permission of Conference Finance and Administration or designation as a Conference Advance Special through an annual conference resolution. Other solicitations, such as solicitation of individuals and entities, whether or not church members or church-related, are matters between Disciple Bible Outreach Ministries of Tennessee, Inc. and the parties solicited and do not require approval by the Conferences.

6. In the event of the dissolution of Disciple Bible Outreach Ministries of Tennessee, Inc., its assets may be conveyed to the Conferences in proportion to their financial contributions to the ministry the final year of its operation or as otherwise provided in the Articles of Incorporation and Bylaws of Disciple Bible Outreach ministries of Tennessee, Inc.

7. This Statement of Relationship shall be subject to review and amended at such times and in such manner as mutually agreed upon by the Conferences and Disciple Bible Outreach Ministries of Tennessee, Inc.

IN WITNESS WHEREOF, the Conferences and Disciple Bible Outreach ministries of Tennessee, Inc. have each caused the Statement of Relationship to be executed in its name as of the respective date set forth below.

**THE MEMPHIS ANNUAL CONFERENCE,
SOUTHEASTERN JURISDICTION OF THE UNITED METHODIST CHURCH**

Date: June 8, 2011

by: [Signature]
President (Bishop)

by: [Signature]
Secretary

**THE TENNESSEE ANNUAL CONFERENCE,
SOUTHEASTERN JURISDICTION OF THE UNITED METHODIST CHURCH**

Date: 6-14-2011

by: [Signature]
President (Bishop)

by: B. J. Bush Jr.
Secretary

**THE HOLSTON ANNUAL CONFERENCE,
SOUTHEASTERN JURISDICTION OF THE UNITED METHODIST CHURCH**

Date: _____

by: [Signature]
President (Bishop)

by: [Signature]
Secretary

DISCIPLE BIBLE OUTREACH MINISTRIES OF TENNESSEE, INC.

Date: _____

by: [Signature]
President

by: _____
Secretary

B. RESOLUTIONS

No.1

Resolution submitted to Virginia Annual Conference: A Call for a Continued Moratorium on Uranium Mining and Milling in Virginia

Submitted by Virginia Annual Conference Caretakers of God's Creation Ministry Team. Contacts; Jaydee Hanson, Mt. Olivet United Methodist Church, [Arlington], Environmental Stewardship Chair, 703-241-8825, or Eloise Folkers Nenon, Watson Memorial United Methodist Church, Chatham [Danville] 434-432-4381

The Holy Bible is clear that we are to be good stewards of creation and not pollute our neighborhoods, the planet, and the poor. Genesis 2:15, Isaiah 24, Jeremiah 4:2&7, Micah 6:6-8 and Matthew 22:36-40], and

Threats to the land, water, health of our people for generations to come, as well as that of communities near the mine site which were threatened by proposals to mine and mill uranium in Virginia were debated by the people of our state in the 1970's and 1980's.

The Virginia Annual Conference in 1982 passed a resolution, which called on the Virginia General Assembly to impose a statewide moratorium on uranium mining and milling in Virginia and the Virginia General Assembly passed moratorium legislation in 1983.

Now the possibility of uranium mining and milling is being debated anew. The 2008 session of the General Assembly defeated a bill to allow the establishment of regulations for uranium mining and milling. Nevertheless, despite this vote, later in 2008, the Virginia Coal and Energy Commission voted funds for a study of the feasibility of uranium mining and milling in Virginia.

Uranium has never been mined in the eastern U.S., and research shows that it has never been safely done anywhere in the world in a humid climate such as ours with our heavy rains and hurricanes. Many of the more than 4000 mines sites in the Western United States have been designated Superfund sites by the EPA.

Tremendous uranium mining site problems exist in many areas of the world. Uranium mining and milling sites in Australia, France, Germany, the Czech Republic and many other countries have been linked to serious harms to human health and the environment. Concern in the Western United States about the link between leukemia rates and uranium mill tailings propelled the passage of legislation requiring the Uranium Mill Tailings Remediation Program (UMTRA). This UMTRA program focused specifically on uranium tailings piles in sites mainly in the central western states. In many places, tailings had been placed in unbounded or poorly bounded piles on level to gently sloping ground. Several piles were within city limits and along or close to riverbanks. Dust dispersion of the tailings, and re-use by the community as construction sand and fill, gave rise to significant health risks.

There is no reason for mining in Virginia ever to begin, much less lead to the kinds of problems found among the thousands of mining sites in the West and around the world. A major interdisciplinary study by the Massachusetts Institute of Technology has found that there is no shortage of uranium in the U.S. and the U.S. has large stockpiles of enriched uranium, which can be down blended for uses other than in nuclear weapons.

Even the political leaders of Western states that have long benefited from uranium mining jobs, now view most of the jobs created as being jobs to clean up pollution from the mines and are opposing expansion of mines in the West. US Interior Secretary Salazar has proposed a 20-year moratorium on new mines in watersheds near the Grand Canyon. In the very center of uranium mining in the West, tourism is now worth more than mines.

Likewise, tourism and other industries in Virginia could lose more jobs than the mines would provide.

In 2008, The United Methodist Church General Conference again called for an end to uranium milling in its resolution on “Energy” and for the greatest efforts to be in conservation and renewable energy.

The Virginia Conference in 2008 voted that the major effort in energy policy should be in supporting energy conservation and renewable energy.

The Virginia Conference is preparing to install solar panels on the conference center and is working with its churches through the Green Church initiative to model energy efficiency and the use of renewable resources.

In the Social Principles of the United Methodist Church, paragraph 160, I, The Natural World, we read: *Water, air, soil, minerals, energy resources, plants, animal life, and space are to be valued and conserved because they are God’s creation and not solely, because they are useful to human beings. God has granted us stewardship of creation. We should meet these stewardship duties through acts of loving care and respect.*

Therefore, let us recognize the responsibility of the church and its members to place a high priority on changes in our economic, political, social and technological lifestyle to support a more ecologically equitable and sustainable world leading to a high quality of life for all of God’s creation.

We call upon Governor Robert McDonnell and the members of the Virginia General Assembly, to maintain the 1983 moratorium prohibiting any mining or milling of uranium, as there is no compelling evidence in the intervening years of uranium mining and milling having been done safely in areas as humid as is Virginia.

See EPA,(2006), Geographic Analysis of the Location of Uranium Mines, available at <http://www.epa.gov/radiation/docs/tenorm/402-r-08-005-volii/402-r-08-005-v2-ch2.pdf>

International Atomic Energy Agency, 2004, Long term stabilization of uranium mill tailings sites, available at: <http://www.epa.gov/radiation/docs/neshaps/subpart-w/historical-rulemakings/iaea-ur-mill-tailings.pdf> See page 108 and the next 200 pages for case studies on the problems with uranium mining and mill tailings in Brazil, China, Korea, Russia, Kazakhstan, the Czech Republic, Ukraine, Poland, Canada, France and the US.

Matthew, M.L., (1985)“The current status of the Uranium Mill Tailings Remedial Actions Project”, 7th Symp. on Management of Uranium Mill Tailings, Low-Level Waste and Hazardous Waste, Fort Collins Colorado February 1985, Civil Engineering Department, Colorado State University.

MIT, (2010) The Future of the Nuclear Fuel Cycle, available at <http://web.mit.edu/mitei/docs/spotlights/nuclear-fuel-cycle.pdf>

See for example Arizona State Representative Chabin’s comments at: <http://www.azcentral.com/arizonarepublic/opinions/articles/2011/02/27/20110227chabin-mining-28.html>

See Energy Policy Resolution in the 2008 United Methodist Book of Resolutions available at: <http://www.umc-gbcs.org/site/apps/nlnet/content3.aspx?c=frLJK2PKLqF&b=2954181&ct=4207005¬oc=1>

The United Methodist Church, The Book of Discipline, 2008.

No. 2

JUST REPRESENTATION-PETITIONS TO 2012 GENERAL CONFERENCE

Whereas, The Book of Discipline, Paragraphs 15 and 502.3.d, provides that each annual missionary and provisional conference is entitled to two general conference delegates. In Paragraph 543.8 the central conferences are given power to “fix the boundaries of ...provisional annual conferences...within its bounds...” with no parameters or restrictions. Consequently many small provisional conferences have been formed in Europe and the Philippines for valid missional purposes. Some have as few as 400 members but each is entitled to two General Conference delegates.

Whereas, the practice of forming small provisional conferences has resulted in Europe with 70,786 total members having 42 delegates to the 2012 General Conference, which constitutes an average of 1,685 members per delegate, compared to 11,973 members per delegate for Holston Conference which has 167,621 total members and 14 delegates. The Philippines with 147,354 reported members will have 48 delegates to 2012 General Conference. Europe and the Philippines represent 1.7% of the church membership but will have 9.2% of the 2012 General Conference delegates. The current formula for allocating delegates would produce 22 delegates but with at least two per provisional conference these central conferences now have 90 delegates.

Whereas, this matter is an injustice that needs to be corrected: The Book of Discipline sets a maximum of 1,000 delegates to General Conference; therefore whenever one conference is over-represented another conference must be under-represented. Our present practices have resulted in producing large scale injustice to many conferences in the jurisdictions and Africa.

Therefore, be it resolved that the 2011 session of the Holston Annual Conference hereby authorize the Secretary of our conference to petition the 2012 General Conference of the United Methodist Church as follows:

PETITION 1 – JURISDICTIONAL AND CENTRAL CONFERENCE REPRESENTATION**Re: Paragraph 15, Article III – PROPOSED CONSTITUTIONAL AMENDMENT**

The General Conference shall fix the ratio of representation in the General, jurisdictional, and central conferences from the episcopal areas or annual conferences, missionary conferences, and the provisional annual conferences, computed on a two-factor basis: (1) the number of clergy members of the entity to be represented annual conference and the missionary conference, and (2) the number of professing members in the entity to be represented annual conference and the missionary conference, provided that each annual conference, missionary conference, or provisional annual conference shall be entitled to at least one clergy and one lay delegate in the General Conference and also in the jurisdictional or central conference. The General Conference shall prescribe a process for determining how the delegates allocated to any area are to be distributed among the conferences of the area when an area is made up of more than one conference.

Rationale: This legislation is needed to allow changes in Paragraph 502.3.d for the protection of a just allocation of General Conference delegates. The actual legislative provisions for calculating General Conference delegates should be a disciplinary rather than a constitutional matter. The amended constitutional provision would then properly become a protection for the number of delegates to jurisdictional and central conferences.

PETITION 2 – JUST REPRESENTATION

Paragraph 502.3.d – DISCIPLINARY PETITION

Every annual conference Episcopal area and missionary conference shall be entitled to at least one clergy and one lay delegate. An Episcopal area is composed of the annual, missionary, and provisional annual conferences

over which a single bishop presides. When the number of delegates allocated by the Secretary of the General Conference to any Episcopal area is affected by this or other provisions, the delegates are to be allocated among the affected conferences of an Episcopal area by a committee of representatives of each affected conference of the area, in consultation with the presiding bishop. Delegates so allocated shall be elected by the conference in which they are members in accordance with disciplinary provisions.

Rationale: The bilateral missional decisions of central conferences to form provisional conferences has resulted in 1.7% of our membership having 9.2% of General Conference delegates (90 delegates rather than 22 under our present formula). Since the total number of delegates is limited to 1,000 every over representation must cause an equal under representation and injustice for larger conferences. The minimum guarantee of two General Conference delegates should be reserved for only those conferences that are formed by the General Conference.

(Please note: This provision will be effective if and only if the petition amending Paragraph 15 of the Constitution is approved by General Conference and the members of the annual conferences and certified by the Council of Bishops.)

For Legislative Committee information:

Attached are complete details of the membership and 2012 delegation numbers for all conferences.

This RESOLUTION is respectfully submitted by the following members of the 2011 Holston Annual Conference:

Del J. Holley, Jr., phone 865-609-9892, EMAIL: del.holley@knoxcounty.org (Colonial Heights UMC, Knoxville)

Dennie D. Humphreys, phone 423-745-2612, EMAIL: dhumphreys@keithumc.org (Keith UMC, Athens)

J. Lee Stewart, phone 423-303-1720, EMAIL: lstewart@southernheritagebank.com (First UMC, Cleveland)

David Johnson, phone 423-472-5978, EMAIL: therogermay@aol.com (Wesley Memorial UMC, Cleveland)

Ken Webb, phone 423-280-8658, EMAIL: sparky2172@aol.com (Wesley Memorial UMC, Cleveland)

and the following laity:

Mark Lay, phone 423-476-5581, EMAIL: mlay@akksll.com (First UMC, Cleveland)

Jim & Jean Henderson, phone 423-472-6428, EMAIL: jimjeanhenderson@bellsouth.net (Wesley UMC, Cleveland)

Gerry & Betsy Kersey phone, 423-479-2066, EMAIL: betsykersey@bellsouth.net (Broad St. UMC, Cleveland)

No. 3

**Resolution on unity among United Methodists in Holston Conference
during the American Civil War Sesquicentennial**

Whereas we realize that 2010 to 2015 marks 150 years (the sesquicentennial) since the 5 year division and war between the northern and southern states of the United States;

Whereas we realize that there has been and will be sesquicentennial observances and commemorations honoring the people, in the north and south, involved in this important chapter of the history of this country;

Whereas the Holston Annual Conference has the intent to foster and support unity among United Methodists in southwest Virginia and east Tennessee especially during this period of American Civil War sesquicentennial commemoration and observance;

Whereas we are cognizant of the fact that slavery still exists in the world, with individuals of sacred worth, oftentimes children, being sold for sex, child labor, and military service, (as reported in the 2011 January/February of the Interpreter magazine) and is rightfully abhorred, mourned, and opposed by our denomination and its practice and trafficking outlawed by all civilized government authorities;

Whereas we are cognizant that American legalized race-based slavery of Africans in the South, wherein millions of persons of African descent were deemed non-human, available for ownership as personal property, and forced to live a life and to labor with no control over their own bodies from cradle to grave, was just as, if not more, harmful and evil as slavery's modern-day manifestations;

Whereas we know that conscientious and reasonable Christians cannot at once oppose current forms of the evil of slavery while defending and/or celebrating our own nation's history of legalized slavery;

Whereas we recognize we are living within the southern part of the United States that seceded 150 years ago to form the Confederate States of America and fought to preserve legalized slavery against the northern states;

Whereas, by our good Christian conscience, we recognize that legalized slavery and the secession from the union to maintain that institution did not represent the best of American ideals and the support for such by Christian churches did not represent the best of the Christian tradition, a tradition that cannot exist without an affirmation of equality and openness to unity across clan, race, nation, and family barriers;

Whereas we realize the tendency is present on the part of Americans to ignore and deny the evil of slavery that the Confederacy was formed to protect;

Whereas we have seen that tendency recently expressed in 1) the current Virginia governor's break with past administrations in his omission of any mention of slavery when first announcing a statewide recognition of April 2010 as Virginia's Confederate history month, which he corrected after an uproar from sensitive and considerate citizens, 2) a fourth grade Virginia public school textbook had to be corrected when it was discovered in October of 2010 that it erroneously claimed "thousands of Southern blacks fought in the confederate ranks," and finally 3) the December 2010 festive South Carolina Secession Ball, sponsored by the Confederate Heritage Trust and the Sons of Confederate Veterans;

Whereas we recognize that sesquicentennial commemorations and observances, when

handled poorly, alienate and offend, without good cause, thousands of valued members of the denomination and the broader Christian community who, in agreement with Christ, identify with the enslaved persons victimized by American legalized slavery;

Whereas we also recognize Christians can courageously stand on Christian principle like the First Baptist Church in Columbia, South Carolina that denied the request of the South Carolina Civil War Sesquicentennial Advisory Board to display the original Ordinance of Secession at the site where it was adopted, saying that the original meeting was held at that cite, not by invitation of the church, but by order of the South Carolina legislature;

Now therefore be it resolved by the Holston Annual Conference that during this time of Civil War sesquicentennial:

1. European-American and African-American church leaders be in dialogue about the propriety of particularly controversial sesquicentennial commemorations, if they arise, and be guided in their participation or opposition to such commemorations in light of the principles and concerns set forth in this resolution.
2. European-American United Methodists in Holston Conference accept the challenge to approach all commemorations and observances with caution and if they participate, do so with, among other sentiments, an attitude of respect for African-Americans today and for the memory of those people who were enslaved until their deaths or the end of the Civil War.
3. African-American United Methodists in Holston Conference accept the challenge to forgive the confederate leaders and soldiers who defended the enslavement of their ancestors, realizing that misguided rebellion and subjugation of fellow human beings are temptations common unto all human beings.
4. United Methodist churches meet, work, and worship together across racial lines to display the forgiveness and recognition of equality necessary for a strong spiritual union.

Doug Crockett, Clergy member; 3/1/2011