

## IX. REPORTS OF CONFERENCE BOARDS AND AGENCIES

[Editor's Note: The following reports are reprinted from the *2013 Book of Reports*. To find actions taken or changes made in the reports, refer to Section IV. DAILY PROCEEDINGS of this *Journal*. The report from the Council on Finance and Administration will be found in Section VII. FINANCIAL REPORTS of this *Journal*.]

### COMMITTEE ON RULES

The Rules Committee welcomed new lay members Judy Craun and Carl Stinett. The committee also received information that Rae Seeley was no longer a clergy member of the committee and Devin Livingston had moved to Maryland and resigned as a lay member.

Since the Annual Conference will be electing delegates to General and Jurisdictional Conference in 2015, the committee reviewed the process for nominating and electing lay and clergy delegates. The rules for clergy nominations were changed substantially last year. A Clergy Nomination Form was developed that basically conforms to the Lay Nomination Form. A place will be provided to indicate whether or not the nominee is self-nominated. If not, there will be space provided for the two clergy making the nomination. The form shall also include the statement of those eligible to be nominated from III.C.1.a. of the Conference Rules. These Clergy Nomination Forms will be posted on the conference website in January and must be returned to the director of Connectional Ministries no later than March 1. The nominations will be reviewed and compiled by the Clergy Nomination Review Committee and a booklet of clergy nominations posted on the conference website, with printed copies available at cost from the office of Connectional Ministries.

The Rules Committee proposes to bring the lay nomination process in line with the clergy nominations by posting the booklet of lay nominations on the conference website and making printed copies available at cost from the office of Connectional Ministries. For both clergy and lay nominees, an alphabetical listing will be provided in the *Book of Reports*.

The committee also reviewed sections III.F. and G. of the Rules and recommended changes to allow for electronic balloting. As required by the conference Rules, the committee designated Bart Weakley as a representative to the Clergy Nomination Review Committee and Sue Lewis as a representative to the Lay Delegate Nomination Committee.

In other business, the committee approved editorial changes to remove the Virginia United Methodist Assembly Center as a conference agency, to remove the membership phase-in language of the Board of Church and Society, the Board of the Laity, and the Commission on Ethnic Minority Concerns and Advocacy, and to reflect the new membership structure of the Common Table.

The Rules Committee created a task force to review procedures for dealing with Annual Conference resolutions during the next conference year.

### RECOMMENDATIONS

The recommended changes to the Standing Rules are:

I.C.3.u. Delete Virginia United Methodist Assembly Center, Inc.

I.C.5.c.v. Delete Virginia United Methodist Assembly Center, Inc.

III.E.2. In the fourth sentence delete "then" and add "review and" after "shall" so that it reads "The committee shall review and compile all nomination forms alphabetically according to the last name of the nominee." Replace the last sentence with "This lay nomination booklet will be made available on the conference website. Printed copies will be available at cost from the office of the director of Connectional Ministries. An alphabetical listing will be included in the *Book of Reports*."

III.F.2. Preparation of Official Clergy and Lay Ballots. Delete and renumber.

III.F.4. Voting Areas. In the second sentence replace "distributed to and collected" with "cast".

III.F.5. Distribution of Ballots. Delete and renumber.

III.F.9. Handling of Ballots after Counting and Recording. Add the word "results" after the second and third ballot in that section.

III.G.1. Appointment of Chief Tellers, Assistant Chief Tellers, and Tellers. Delete the last sentence.

V.A.4.a. Church and Society. Delete the third, fourth, fifth and sixth sentences relating to yearly changes. Add the following sentence: "The total membership shall be 20 (10 lay persons and 10 clergy)."

V.A.4.f. Laity. In the third sentence change "Lay Speaking" to "Lay Servant." In the next to the last sentence, delete "Beginning in 2012" so that the sentence reads "The Board of Laity shall nominate to the Annual Conference for election a layperson to be the conference Lay Leader for the ensuing four years."

V.B.2. Assembly Center, Virginia United Methodist. Delete and renumber.

V.B.9. Ethnic Minority Concerns and Advocacy, Commission on. Delete the final paragraph.

-The Rev. Stephen G. Bray, Chair

### CABINET

The Virginia Conference Cabinet is ably guided by the spiritual leadership provided by Bishop Cho and by our Vision Statement: "to make disciples of Jesus Christ for the transformation of the world by equipping its local churches for ministry and by providing a connection for ministry beyond the local church; all to the glory of God." Yet, within that foundation lies a colorful patchwork quilt containing 16 individual and unique squares, or districts. Each square/district contains a lively mixture of people, ministries and churches with varying degrees of hopes and fears, accomplishments and challenges, joys and sorrows.

The result makes up our Virginia Conference quilt of colorful and lasting beauty, pleasing to God.

Alexandria: Under the skilled leadership of the Rev. Ken Jackson, the Alexandria District has worked diligently to equip our local churches to be effective and vital communities in making disciples of Christ for the transformation of the world. Ministry highlights include the launch of a second ministry site by the Aldersgate congregation, the ongoing ministry of Spirit and Life church, a focus on new and revitalized

community ministry, a successful Leadership Training Day, missional outreach in the form of a bi-district UVMIM team of 55 youth and their adult leaders to Costa Rica and on-going bi-district young adult ministries.

Arlington: Central UMC's pastor, the Rev. Richard Cobb, won recognition from Arlington County for life-transforming work with the homeless. Under Cobb's leadership, Central made the radical shift from serving themselves to serving "the least" in their community. The district partnered with Floris UMC (and many others) to gain approval to launch a Floris satellite site in Reston to reach more people and younger people as the population grows due to metro development.

Charlottesville: Our new church start, Restoration UMC, is beginning to gain momentum and is trying many innovative approaches to reach the unchurched. We participated in a district-wide Stop Hunger Now event, where we packaged meals at five different churches. The district offered a workshop on prayer. Youth had their annual retreat and also packaged meals for Stop Hunger Now and made blankets for Project Linus. We are continuing plans to have an apartment building in the Charlottesville District that would support the ministry of Heart Havens.

Danville: The district is focused on the mission of the Church. Charge conferences, leadership training and strategic use of resources are all directed to support the work of the district in its self-identification as a "mission team" comprised of 73 local churches. We faithfully contribute to the work of the Henry Fork Service Center, located within the bounds of the Danville District; have sent two district work teams to the Choctaw Mission near Philadelphia, Miss.; are watching, and encouraging the amazing success of the Helping Hands Thrift Store in Danville (established by several congregations in the city). These are but a few of the ongoing and new initiatives directed to living out our call to ministry.

Eastern Shore: For the charge conference season, all the churches of the district were called to pray the boundaries of their churches so that the entire Eastern Shore was bathed in prayer. Our District Conference was a time of giving testimony to the ways God was visibly at work in our churches and on the district. One witness to God's work is a district mission called Una Familia. Melfa UMC, in partnership with Guadalupe Marquez, began an after-school program for Latino children living in Dreamland trailer park. Mentors from around the district and Melfa UMC pick up more than 60 children every Wednesday night, feed them a snack supper, offer them English as a second language class and homework assistance in a Christian environment. We are experiencing the kingdom of God breaking through in these children, their families and the volunteers who serve this wonderful ministry!

Elizabeth River: Several of the new things include The Gathering in Virginia Beach, which has moved to a new location. This has helped attendance to soar to more than 200. Ebenezer UMC in Suffolk has started an exciting Latino ministry with David Jaiminez, a pastor from Mexico who has come to serve Christ in the Latino community in northern Suffolk. Community UMC in Virginia Beach has added a Thursday night neighborhood service, where persons from the neighborhood are invited and have begun to come and the service has grown.

Farmville: A missional strategist is someone who colors outside the lines in doing ministry. Farmville did away with the district Common Table structure, replaced with a district Connectional Leadership Team which meets monthly to strategize ministry for the district. Our district-wide annual training is now taken out to the nine Connectional Circles (geographical grouping of churches). The Farmville District has had a five percent increase in worship attendance.

Fredericksburg: The three-year-old Fredericksburg District is well on its way to living into our vision of "Spiritual Heartfelt Unity, Making Disciples, Equipping Laity for Ministry and Reaching Neighbors Near and Far." The congregations of our 13-county geographic area are learning to embrace transitioning from an "outpost frontier" mentality into a front-line hospitality posture. With more than one-third of our congregations having completed "Reaching New People" training, our members have been renewed and revived. Our 40-day prayer vigil led us with excitement and confidence in the construction of a Community Center and Mission Training Center. With prayer and spiritual confidence, we are introducing to the community The Heartwood Center. We are at the early stages of the construction planning phase, but will kick off several ministries at the Community Center site this summer. We are also growing into our international ministry partnership with the Evangelical Methodist Church in El Salvador.

Harrisonburg: The district moved into a new office April 1 with double the room. The District Charge Conference approved a new district parsonage. We added a new staff person centering on mission work. The Harrisonburg District has a team going to Belize in June and has sent at least three teams to Clio, S.C., to build bathrooms for a Lumbee Indian Church. Sadly, Oak Grove UMC was destroyed by fire, but rebuilding plans are underway. We have re-organized our Lay Servant Program and have 102 Lay Servants. Dr. Mickey Efrid from Duke University taught a one-day course on Revelation. There was a pulpit exchange. Life in the Shenandoah Valley is good as we make disciples to transform the world.

James River: The district is in the process of restructuring around the areas of training, ministers' meetings and mission. Our new vision statement is "Disciples Making Disciples." We have created a new staff position to focus on revitalizing existing churches and forming new faith communities. The district has a goal of two new church starts in the next three years, including a multi-ethnic community growing out of Virginia State University's student ministries.

Lynchburg: This year has been a season of change as we have worked to live out Bishop's Cho's challenge to our conference: "No spiritual vitality, no vital congregations." To strengthen our churches, the district has experienced many changes in leadership and organization: We have added a prayer team to our Common Table and a new Spiritual Life director, Paul Greer, to our staff. We have strengthened our Park View Community Mission, continuing to provide two weeks of food to more than 600 families per month. United Methodist Family Services is opening a new regional center to provide counseling and resources for our children and youth. Beulah Retreat Center, with help and support from the Charlottesville District, is being transformed into a prayer retreat center.

Richmond: The Richmond District has celebrated the growth and vitality of two of its ministries: Shalom Farms and the Pace Campus Ministry at VCU. Shalom Farms is a ministry that seeks to grow fresh vegetables for use in food pantries and school markets in urban Richmond; there is a special emphasis on education for volunteer groups about creation care and sustainable agriculture. There has been continued growth in the number of volunteers and the amount of food produced. Pace Campus Ministry has broadened its schedule of worship and Bible study beyond the fall and spring semesters; these ministries began taking place year-round. In addition, outreach has included post-college young adults. The result has been amazing growth in attendance and energy. Pace envisions the creation of a new faith community that goes beyond a traditional campus ministry. Both Shalom Farms and Pace Campus Ministry are supported by both volunteers and financial contributions from Richmond District churches.

Roanoke: District leadership through its Common Table has engaged in an intentional process of visioning led by Martha Stokes, conference director of Inclusivity and Lay Leadership. The Roanoke District has engaged in mission to our communities through the Community Outreach Program and Shalom Zone: Grace Ministries (which has graduated several classes of the Bridges out of Poverty program), with young adults through the Wesley Foundation at Virginia Tech, through the programs and resources of Alta Mons, and across the globe through youth and United Methodist Volunteers In Mission (UMVIM) trips to Helping Hands in West Virginia, the Rice and Beans Project in Costa Rica and the Boca Costa Medical Mission in Guatemala.

Staunton: Our Bishop's call to prayerful living has met with a resonant response on the Staunton District, with many of our laity expressing a long-held passion for answering this essential need. Accordingly, we are delighted that our district has been blessed to be one of the

very first to host a Discipleship Circle, a new model for developing relationships between lay and clergy participants to enhance spiritual disciplines. The initial response is encouraging. In the fall, the district welcomed Beth Christian as director of Congregational Resources. She is now hard at work in helping our churches assess their communities' needs, develop lay leadership teams and create new ministries. Her energetic and hopeful spirit has been very well-received and we look forward to a fruitful partnership.

Winchester: This year the Winchester District sent four UMVIM teams to Haiti continuing a quadrennial commitment to ministry on the island of La Gonave. Last fall the district celebrated a "Change the World" day at the Clark County Fairgrounds, hosting a potato drop, a Stop Hunger Now event and an evening of worship with the Rev. Clarence Brown preaching. In May, we hosted a worship workshop with Dr. Marcia McFee. The Winchester District celebrates again a growing worship attendance, increasing professions of faith and rising apportionment payments.

York River: The district continues living into its now three-year-old identity. Suburban and rural congregations see similar challenges and opportunities to be Christ in our various communities. This year we have been blessed by a clergy retreat and follow-up laity-clergy workshops, "From Vision to Vitality," led by retired Bishop Peter Weaver. Our Ministry Effectiveness Team is providing practical training to meet parish ministry needs. District churches are using the rich information available through Mission Insite to see more clearly, just who God has put in front of us to know and welcome and serve. We have been stretched through the "Reaching More People" workshops led by Jim Griffith. A number of churches are benefiting from long-term coaching relationships to examine their habits and refine their methods for "making more and better disciples of Jesus."

In addition to Bishop Cho and our 16 district squares, the Virginia Conference Cabinet Quilt also includes valuable contributions from Assistant to the Bishop the Rev. Tom Joyce, conference Lay Leader Warren Harper, director of Connectional Ministries the Rev. Marc Brown, conference Treasurer David Dommissee, conference director of Congregational Excellence the Rev. Mark Ogren, and the retiring, who will be greatly missed, Rev. Beth Downs, director of the Center for Clergy Excellence.

Our Cabinet suffered a great loss this year upon the passing of Rev. Ken Jackson, who was a mentor and friend to so many across the Virginia Conference. His energy, thoughtful reflection and spirit-filled witness will be greatly missed. Our heartfelt prayers continue for his wife, Gail, and for the Jackson family.

Sadly, we say goodbye to four other colleagues, Beth Downs, Tammy Estep, Brad Philips and Joe Carson. Their contributions and lively personalities will be missed. Joyfully we welcome the Revs. Jeffrey Mickle, Seonyoung Kim, Alex Joyner, Wayne Snead and Meredith McNabb to our Cabinet and look forward to their presence.

The Cabinet is committed to living out our calling to make disciples of Jesus Christ for the transformation of the world by equipping its local churches for ministry and by providing a connection for ministry beyond the local church; all to the glory of God. With the guidance and leadership of Bishop Cho we will be faithful in our service, bold in our leadership and trusting in the amazing grace provided by our Lord and Savior Jesus Christ.

*-The Rev. Larry Davies, Dean of the Cabinet*

## VIRGINIA HISTORICAL SOCIETY

In its 82nd year of service to Virginia Methodists, and now United Methodists, the Virginia Conference Historical Society continues its mission to interpret and celebrate our heritage, working to ensure that it inspires current and future generations.

The Society's journal, "Heritage," is under new editorship, as Myra Lindsey succeeds Boyd Lucas in that role. We encourage each congregation to be sure that its church library includes a subscription to this publication.

Conference Archivist Stephanie Davis responds to a heavy volume of requests for information and assistance while continuing to accession for the Archives both materials mandated by the *Book of Discipline* and items donated by individuals out of a sense of stewardship.

Virginia Society delegates will attend the 2014 Southeastern Jurisdiction Historical society annual meeting at Wofford College in South Carolina in June, after which the society for the entire denomination will meet at that location, presenting its annual Memory Award to the Virginia Conference's Patti B. Russell.

The Historical society has created three foundations which provide preservation and interpretation of sites and structures of significance for Virginia and American Methodism. The foundations and the scope of their efforts are reported below.

*-Dr. Stephen Mansfield, President*

### The Old Brunswick Circuit Foundation

The Old Brunswick Circuit Foundation, a tax-exempt 501 (c)(3) organization, serves to identify, preserve and interpret sites of historic significance on the Old Brunswick Circuit, the oldest, extant circuit of the United Methodist Church.

Known by many as the "Cradle of Methodism," this region, located in Brunswick and Mecklenburg counties, has within it a rich history, as evidenced in part by the existence of several significant properties, including the stone foundation, obelisk and surrounding site of the Ebenezer Academy, the first Methodist school in America, near Warfield, which is now open for self-guided visits; the Rev. Edward Dromgoole House, home of an Irish-born circuit rider who hosted Bishop Francis Asbury on many of his visits to the churches of the Brunswick Circuit, near Valentines; and the original site of Randolph-Macon College in Boydton.

The work of historic preservation and interpretation of these sites, as well as several other important sites, is the heart and soul of the Foundation's work. Through personal gifts, grants and membership fees, the organization is committed to telling the story of Methodist beginnings in this area, which at the time of Bishop Asbury was the American frontier. We believe it is important for present and future generations of United Methodists to understand the events that occurred in this area and be able to actually take a walk into history by visiting the sites.

The Foundation is busily engaged in the work of preservation at the Dromgoole House, even as exciting plans unfold for the opening of the site to the public on the 10th anniversary of the Old Brunswick Circuit Foundation, which is scheduled for Saturday, Sept. 13, beginning at 10:30 am. The "Cradle of Methodism" will be the theme of the keynote address, which will be followed by a visit by the Rev. Dromgoole, historically interpreted by the Rev. Gary Ziegler, and a hearty fellowship luncheon on the grounds. We hope many visitors will come from across the conference on that day to walk through this amazingly well-preserved 1790s home, unique to its time as the only circuit rider home still standing within the Virginia Conference.

After that, we hope many other visits will take place by confirmation classes and others who will be encouraged to take the "Cradle of Methodism Driving Tour" now being developed by the Foundation. Many other exciting long-term plans for the utilization of this property are in the works and will be announced in the near future.

Efforts toward the preservation and interpretation of significant structures at the Old Randolph-Macon College site and its successor school, the Boydton Institute, are in the developmental stage. The availability of funding will be a significant factor in how these plans unfold.

For more information, visit [www.oldbrunswick.org](http://www.oldbrunswick.org).

*-Rev. Dr. John T. Martin Jr., President*

### **The Old Stone Church Foundation**

The Old Stone Church Foundation is responsible for the care and preservation of Methodism's Old Stone Church site in Leesburg, the first Methodist-owned property in America. Members of the Foundation help support this mission. We are grateful for those who maintain their membership in the Old Stone Church Foundation year after year. Phase II of the Brick Prayer Garden was dedicated on the Old Stone Church site in May, 2013.

The Annual Meeting was held on The Old Stone Church Site on Sept. 18, 2013. Board members elected were: Charles Williams, Carole Poland, Lou Legard, Marjorie Williams, Shirlita West, James Roberts, John Creamer and myself. The next Annual Meeting for the Foundation will be held on Sept. 13 at the Old Stone Church site in Leesburg.

Membership in the Old Stone Church Foundation is open to all who share its purposes and who make tax-deductible contributions for the care and preservation of the Old Stone Church site.

*-Ralph Carver, President*

### **William Watters Foundation**

The William Watters Foundation was established by the Virginia Conference Historical Society in 1996 to protect and preserve the small Adams-Wren-Watters Cemetery in McLean, where William Watters, the first American-born itinerant Methodist Minister, and his wife are buried. The cemetery, a circular plot 90 feet in diameter and one-quarter acre in area, is located at 6430 Linway Terrace (off Old Dominion Drive) in McLean. It has been registered as the United Methodist Historical site No. 7 since 1970.

For additional information, write to The William Watters Foundation, P.O. Box 6144, McLean, VA 22106-6144.

*-E. Jean Balcom, President*

## **BOARD OF LAITY**

The Board of Laity is continuing to create a culture of call by engaging, equipping and empowering laity so that we might effectively partner with each other and our pastors to live out God's call on our lives.

Associate Conference Lay Leader Larry Creamer leads a team of the board for Engaging (Holistic Stewardship) and is developing a culture of call for all laity focusing on prayers, presence, gifts, service and witness, identifying networking and learning opportunities for district lay leaders and local church lay leaders, establishing and giving oversight to various means of communication between members of the Board of Laity (i.e. e-mail groups, articles for the Advocate and other print communications, conference website).

The Associate Conference Lay Leader for Equipping (Leadership Excellence) is currently yet to be appointed from the board. This office is responsible for developing and offering training to new district lay leaders overseeing Lay Servant/Speaking Ministries, developing resources for district and local church lay leaders, and resourcing local church leadership development and nominations committees.

Martha Stokes, director of the conference Center for Lay Leadership Excellence, has created with the Board's blessing the "3E All to Hear God's Call, The Role of Lay Leader," a presentation on the equipping, encouraging, and empowering role of the local church lay leader. This is a valuable resource for local churches to use in training lay leaders.

Associate Conference Lay Leader Johnnie Morris leads a team for Empowering (Shared Ministry) and is strengthening lay-clergy partnerships for ministry ("Partners in Ministry Empowering Shared Ministry" has launched this year), advocating for the laity and promoting Laity Sunday, encouraging the presence of the district lay leaders, associate district lay leaders, or other laity involved in district ministries at all local church charge conferences and the assessment of needs of district and local church lay leaders in order to better support their service.

Lay Servant Ministries, led by Johnnie Draughon, have had a year of new and fruitful ministry. The 2012 General Conference officially passed the name change from Lay Speaking Ministries to Lay Servant Ministries. Draughon and district directors have begun to implement the new structure and courses reflective of the 2012 *Book of Discipline* requirements.

Extremely exciting is our invitation from the Virginia Conference to welcome the 2015 meeting of Association of Conference Directors of Lay Servant Ministries, to be held in Williamsburg Jan. 22-25. Plans are currently underway, and we look forward to welcoming them to our conference.

The Lay Servant Academy, led by David Bailey and district directors, spent endless hours creating the 2014 Academy full of new material and experiences. More than 200 participants and staff – with 68 persons attending that had not been in ten years and 28 new Basic Course attendees – was very rewarding for all. The mini-courses and new and continued course offerings continues to draw individuals from all districts. Word has continued to spread to all areas of ministry not just those interested in Lay Servant certification. It is an opportunity unparalleled.

The Board of Laity celebrated a very dedicated member this past year whose term of office has ended: Kathy Lutman of the Winchester District ended her term after years of faithful service to the district and the conference. I thank her for her many gifts. In addition we have celebrated new faces joining the board: Larry Scheuble is the new Winchester District Lay Leader, and Robert Forrest is the new Charlottesville District Lay Leader. We also welcomed Brian Bachrach, the Young People's Representative co-chair, Young Adult Council; and Clayton Payne, Young People's Representative co-chair, Young Adult Council. The board also welcomes the Rev. Danny Kesner from the Charlottesville District as our Cabinet Representative.

Thank you to Martha Stokes and Cindy Ingroff from the conference office for invaluable assistance and gifted wisdom. My partner in ministry, Bishop Young Jin Cho, has been a tremendous mentor to me. I thank him for his ministry among us, as clergy and laity we look excitedly forward to a new conference year together as one in prayer and spiritual growth.

*-Warren R. Harper, Conference Lay Leader*

## **UNITED METHODIST WOMEN**

United Methodist Women has completed its first year as an autonomous organization and has continued to be God's hands in the world.

In February, members attended United Methodist Day at the General Assembly in Richmond, sitting in on legislative committees, meeting and speaking with our senators and delegates, and learning more about how best to be involved. In May, we had "Tea with Jesus" under the leadership of the Rev. Dawn-Marie Singleton. We hosted the president of Cambodia's Methodist Women at our breakfast during Annual Conference and heard her story of survival in a war-torn country. Many members attended Mission Encounter in July and learned about "The Roma of Europe;" about "Poverty" and about "Living Sacramentally Walking Justly." In September we presented a Young Women's Event at Blackstone with the awesome title "If You Want to Make God Laugh, Tell Him Your Plans" with Megan Collins as leader. Why not sponsor a young woman from your church for next year's event Sept. 18-19?

At our 2013 Annual Meeting, held in October, we were honored to have Dr. Betty Whitehurst, who challenged us to look at who is the least among us, and what we are doing for them, to give them hope and relieve their pain. The Rev. Walt Whitehurst gave us a "to-do" list: continue to support the work of United Methodist Women, follow where God is calling us, and support those who are going into all the

world. We also were inspired by the Rev. Lynn Litchfield, who shared her work in prison ministry and reminded us to heed Jesus' command in Matthew 25 to visit persons in prison.

Also during 2013, we celebrated two organizations which have been a blessing to the people of Virginia. We celebrated the Centennial of Ferrum College, begun in 1913 when the Woman's Missionary Society announced the decision to build a school at Ferrum in western Franklin County. At that time, many families in this rural region were poor and lacked electricity, indoor plumbing and other modern conveniences we take for granted, but our visionary founders were rich in optimism, faith and the sense of mission that enabled Ferrum Training School to open its doors to needy mountain children and not only survive, but flourish over the next evolutionary century!

And in November, we celebrated the 75th year of Wesley Community Service Center, the only United Methodist Women National Project in Virginia. This mission was begun by Methodist Women to fill a need of children in the Portsmouth area. During the Celebration Luncheon, we heard of the many success stories of the organization, including one from a gentleman who credited the Center with saving his life and putting him on the path for success.

United Methodist Women have served communities in many ways through giving of our time and our offerings. Our Mission Giving in 2013 was \$682,049.45, and included \$72,879.82 for UMW projects, \$103,077 for Virginia projects, \$30,000 for Virginia Grants, \$10,000 for Ferrum College, all made possible because of the belief and dedication to mission work that United Methodist Women hold dear.

This will be another great year. We look forward to serving God and encouraging other women to join us as we continue being God's hands in a hurting world, fulfilling our vision and commitment to "Faith, Hope and Love in Action" on behalf of women, children and youth around the world.

*-Joyce Winston, President*

## UNITED METHODIST MEN

The primary purpose of United Methodist Men (UMMen) is to declare the centrality of Christ in the lives of men and in all their relationships. Accordingly, the conference UMMen works with the General Commission of United Methodist Men (GCUMM) and district and local units in developing programs to meet the needs and interests of men of all ages.

The support to the General Commission and the Virginia Conference for ministry to men through men is done mainly through the annual charter and EMS (Every Man's Shares) renewals, in accordance with the *Book of Discipline*.

The charter is the connectional link that binds our UMMen local units together in ministry with all those in the other annual conferences and the vital enabling part of our existence.

The full conference cabinet consists of 42 members, broken down as follows: Six elected officers, currently 13 of the 16 district presidents, 11 appointed positions, six past-presidents and the Bishop as an honorary member.

In addition to the cabinet meetings, we have a spring leadership training and business day. We also have our annual Men's Breakfast during Annual Conference.

We sponsor a men's spiritual retreat the first full weekend in November. This year the leader will be Dan Schaffer, with the theme "Will my life count? Leaving a Legacy."

Our goals for 2014 are:

- Try to get the number of charters of conference men's groups over 300;
- Promote the Model Understanding Men's Ministry and encourage men to become Men's Ministry Specialists;
- Continue to support Disciple Bible Outreach Ministries in Virginia;
- Promote the fifth generation of Wesleyan Building Brothers.

*-Jeff Hall President*

## EQUITABLE COMPENSATION COMMISSION

The Equitable Compensation Commission continues to provide financial aid to those churches requiring supplementation to strengthen their ministries in the communities in which they are located and to provide minimum salary or salary supplementation for the pastors. Equitable Compensation support in the amount of \$425,721 was provided to 54 charges in 2013. A schedule of salary supplementation appropriations for 2013 has been provided to the conference secretary for publication in the Journal.

There were 12 charges receiving salary and pension supplementation in 2013 that will not require assistance in 2014. These are Mount Pleasant (Charlottesville), Concord (Danville), Swain Memorial (Eastern Shore), Greensville (James River), Monumental (James River), Wakefield (James River), Fairview (Lynchburg), St Johns (Staunton), Pleasant View (Staunton), Welltown (Winchester), Warren (Winchester), and St James (York River). These charges and their superintendents are commended for their success in providing a ministry in the communities they serve that has enabled them to grow spiritually in their stewardship.

### Equitable Compensation Financial Report

	Year Ending 2011	Year Ending 2012	Year Ending 2013
Apportioned	550,000	550,000	550,000
Uncollected Apportionment	59,647	56,355	58,798
<b>Apportionment Income</b>	<b>490,353</b>	<b>493,645</b>	<b>491,202</b>
<i>Percent Collected</i>	<i>89.2%</i>	<i>89.8%</i>	<i>89.3%</i>
Grants	410,572	442,445	425,721
Meeting Expense & Other	318	383	449
<b>Total Expenses</b>	<b>410,890</b>	<b>442,829</b>	<b>426,170</b>
<b>Receipts Over (Under) Expenses</b>	<b>79,463</b>	<b>50,817</b>	<b>50,031</b>

## RECOMMENDATIONS

1. The Equitable Compensation Fund apportionment for 2015 be \$500,000.
2. The Minimum Compensation Schedule for 2015 be:
  - a. Full Connection Pastors..... \$40,000
  - b. Provisional and Associate Members.....\$36,500
  - c. Local Pastors.....\$34,000

## 3. The Floor Schedule for 2015 be:

- a. Full Connection Pastors.....\$28,000
- b. Provisional and Associate Members.....\$25,600
- c. Local Pastors.....\$24,000

## COMMISSION ON EQUITABLE COMPENSATION POLICIES AND PROCEDURES

## 1. The Philosophy of and the Purpose for the Equitable Compensation Program.

a. "Ordained ministers are called by God to a lifetime of servant leadership in specialized ministries among the people of God. Ordained ministers are called to interpret to the Church the needs, concerns, and hopes of the world and the promise of God for creation. Within these specialized ministries, deacons are called to ministries of Word and Service, and elders are called to ministries of Service, Word, Sacrament, and Order. Through these distinctive functions ordained ministers devote themselves wholly to the work of the Church and to the up building of the ministry of all Christians. They do this through the careful study of Scripture and its faithful interpretation; through effective proclamation of the gospel and responsible administration of the sacraments; through diligent pastoral leadership of their congregations for fruitful discipleship; and by following the guidance of the Holy Spirit in witnessing beyond the congregation in the local community and to the ends of the earth. The ordained ministry is defined by its faithful commitment to servant leadership following the example of Jesus Christ, by its passion for the hallowing of life, and by its concern to link all local ministries with the widest boundaries of the Christian community." *The Book of Discipline 2012* (§139)

b. "It is the purpose of the commission on equitable compensation to support full-clergy serving as pastors in the charges of the annual conference by: (a) recommending conference standards for pastoral support; (b) administering funds to be used in base compensation supplementation; and (c) providing counsel and advisory material on pastoral support to district superintendents and committees on pastor-parish relations; (d) submitting an arrearage policy to be adopted by the annual conference. For pastors receiving equitable compensation, once the base compensation supplementation has been received by the pastor, the annual conference shall have no further financial obligation or responsibility to the pastor, the charge or anyone else regarding the pastor's compensation." *The Book of Discipline 2012* (§625.2)

c. Assumption of the obligations of the itinerancy, required to be made at the time of admission into the Conference, put the church under the counter obligation of providing support for the entire ministry of the church. In view of the expectation which the church holds for its clergy in the area of professional separation and competence, it is incumbent upon the church to see that compensation is adequate for the professional and personal requirements of its clergy, and that they are determined and administered in a manner appropriate to a professional understanding of the ministerial vocation.

## 2. Types of Equitable Compensation Support:

a. Minimum Compensation Support: The commission annually proposes to the Annual Conference a schedule of minimum compensation for ministers by the various statuses of conference relationship and floor schedule to be met by the charge. In approving this schedule, the Conference guarantees each of its ministers a certain minimum compensation. Unless a minister voluntarily waives this right, he/she is entitled to an appointment where the compensation, including supplements from the conference, district, and other sources will be at least the minimum for his/her category.

b. Compensation supplementation is support provided to charges which require support in addition to that called for by the Minimum Compensation program. Such charges fall into two groups:

- (1) Charges with part-time or retired pastors.
- (2) Charges where there is a need for compensation higher than the minimum.

## 3. Money for the Equitable Compensation Fund:

a. The grants and administrative expenses of the commission are borne by the Equitable Compensation Fund.

b. Annually the commission estimates the amount needed for Equitable Compensation grants, and with the concurrence of the Council on Finance and Administration, recommends an amount to the Annual Conference to be apportioned to the districts and charges of the conference.

c. As set forth in *The Book of Discipline 2012* (§622) "When the apportionments for bishops, district superintendents, conference claimants, and the Equitable Compensation Fund for the several districts and charges have been determined, payments made to the same in each pastoral charge shall be exactly proportional to the amount paid on the clergy base compensation. (§818.3) The treasurer or treasurers of each pastoral charge shall accordingly make proportional distribution of the funds raised in that charge for the support of the ordained ministry and shall remit monthly if practicable and quarterly at the latest the items for bishops, district superintendents, conference claimants, and the Equitable Compensation Fund to the proper treasurer or treasurers."

4. For Equitable Compensation purposes, the term "compensation" includes the amounts of ministerial support designated as salary and accountable reimbursement.

5. The Minimum Compensation Schedule, including the Floor, shall be recommended by the commission and the schedule, as approved by the Annual Conference, shall be published in the conference Journal.

## 6. Eligibility for Minimum Compensation Support:

a. The clergy must be rendering full-time service, that is their efforts must fully satisfy the Disciplinary description of the office of the minister and they must, in the judgment of his/her district superintendent, be rendering full-time service to the charge to which they have been appointed as pastor or associate pastor.

b. The "floor" is the minimum the charge must pay (obtained from sources other than Equitable Compensation Fund) in order to be eligible to receive minimum salary support.

## 7. Eligibility for Salary Supplementation:

a. All charges are eligible with special considerations made for ethnic pastors serving ethnic ministries.

b. The application must be supported by a recommendation of the district superintendent.

c. The commission strongly discourages applications from charges whose compensation is above the Conference Average Compensation (CAC).

8. Charges receiving support from the Equitable Compensation Commission are encouraged to take steps regularly toward becoming self-supporting and toward the increasing of the total level of support of their ministers. The following actions should encourage these steps:

a. The district superintendents will annually review each application for Equitable Compensation aid with the appropriate charge conference.

b. Equitable Compensation aid to each full-time pastor will be reduced \$1 for each \$2 increase established and paid by the charge. When salary paid by the church exceeds the minimum applicable level the Equitable Compensation support will cease, unless the Equitable Compensation Commission waives this requirement under special circumstances.

9. How applications for aid are submitted:
  - a. All applications shall be submitted on forms provided by the commission.
  - b. Applications shall include the name and district of the charge, the number of churches on the charge, the name and ministerial category of the minister, a statement of whether the minister is serving full or part time, together with all amounts of ministerial support listed by source both for the period ending and the period beginning. The application shall state the total salary needed for the minister and the amount of aid necessary to obtain that total.
  - c. Applications shall be prepared, signed by the chair of the staff-parish relationship committee of the charge and the district superintendent.
  - d. A copy of the current church/charge budget must be submitted with the application along with a copy of the most recent audited financial statements.
  - e. Applications shall be submitted to the conference treasurer who shall provide each member of the commission with a copy of each application at least one week before the meeting at which the application will be considered.
  - f. Applications are generally submitted in February and May for support to begin on July 1st. Mid-appointment year requests are submitted by Oct. 31. The deadline for such applications is listed each year in the Conference Calendar.
10. How appropriations are made:
  - a. The Commission meets twice during the appointment-making process in conjunction with the Cabinet's schedule to review applications for Equitable Compensation Grants. The Commission also meets in November to review any mid-appointment year requests.
  - b. Requirements which a charge must meet in order to receive Minimum Compensation Support may be waived by a two-thirds vote of the commission.
  - c. Compensation Supplementation will be granted by action of the commission on recommendations of the district superintendent in the categories described in Paragraph 7.
11. Methods of Payment:
  - a. Minimum compensation support and supplementation will be paid through Electronic Funds Transfer (EFT) by the conference treasurer to the charge receiving aid by the 10th day of each month.
  - b. If a charge fails to maintain a current status on Pension payments to VUMPI, the Conference Treasurer's Office shall send the Equitable Compensation Support directly to VUMPI until such arrearages are satisfied.
  - c. The commission chairperson shall keep the conference treasurer regularly informed as to the appropriations made by the commission and any changes in payments which may be necessary because of appointments or changes in ministerial status.

### **‘ALL THINGS NEW’ – EQUIPPING VITAL CONGREGATIONS**

In 2012, the Bishop's All Things New – Equipping Vital Congregations Task Force was formed for the purpose of developing a systemic response to the ongoing Virginia Conference priority of leadership development through “All Things New” and the denominational focus on Vital Congregations. More than 75 people from across the conference have been involved in the work of the task force and its work teams in a process that has a goal of discipleship formation and congregational vitality.

One of the results of this work has been the creation of the conference's [www.evc.vaumc.org](http://www.evc.vaumc.org) website, which eliminates the replication of data entry for charge conference forms and year-end reporting while providing real-time data for use by congregations.

A discipleship model that will enable congregational leaders to connect with and resource each other across the conference is the process of being “beta-tested.” This model will begin on different districts during the remainder of 2014, with the goal of becoming a grass-roots, conference-wide resource in 2015. More information about this “Discipleship Circles” model of leadership development will be shared as it is developed and implemented.

It is important to note that a Prayer Ministry Team has undergirded the entire ministry focus of All Things New – Equipping Vital Congregations. As the work of the Bishop's Task Force continues forward, you are invited to join in prayer for the vitality of the congregations of the Virginia Conference and the fruitfulness of our connected ministry together.

*-The Rev. Larry Davies, Chair*

### **COMMON TABLE FOR CHURCH VITALITY**

The Common Table for Church Vitality is responsible for coordinating and prioritizing the ministries and resources of the Virginia Conference in accordance with the conference's mission statement: “The mission of the Virginia Annual Conference is to make disciples of Jesus Christ for the transformation of the world by equipping its local churches for ministry and by providing a connection for ministry beyond the local church; all to the glory of God.”

During the 2013-2014 conference year, the connected mission of the 1,187 churches of the Virginia Conference has been realized through the following ministries that are either amenable to Common Table or partnered with Common Table.

- Equipping local churches for ministry:
- Bishop's All Things New – Equipping Vital Congregations Task Force – Work teams are implementing a Virginia Conference systemic response to the Council of Bishops' ten-year emphasis on congregational vitality
  - Bishop's Convocation on Prayer – Convocation for persons who seek to learn more about spiritual disciplines and how to apply these disciplines in their lives and congregations
  - 5 Talent Academy – Semi-annual gatherings of conference-wide church leadership through on-site video conferencing in the areas of worship, evangelism, ministry with the poor, stewardship, discipleship and new faith communities
  - Small, Mid-size and Large Church Leadership – Training events offered for church leadership from similar size congregations
  - Young Adult Think Tank – Gatherings of young adult leaders from around the conference to identify and develop strategies for equipping congregations to reach young adults
  - Regional Schools for Children's Ministries – Training offered around the conference for persons who oversee congregational ministries with children
  - Licensing School – For persons receiving first-time appointments
  - Annual Conference Sessions – For more than 3,000 clergy and lay members
  - Commission on Disabilities Program and Accessibility Grants – Grants for congregations that are seeking intentional ministry responses to persons with disability and accessibility concerns
  - Annual Conference Sessions Support – Communications and technical support for the annual gathering of the churches of the Virginia Conference
    - Planning and coordination
    - On-site Information Technology staff support

- Annual Conference session publications (ordination bulletin, memorial service bulletin, etc.)
- Annual Conference session Daily Advocate newsletter
- Database Management – Daily oversight and resourcing of the Virginia Conference website and supporting web-based communications
- Charge Conference Web-Based Reports – Charge Conference reports housed on the Virginia Conference developed [www.evc.vaumc.org](http://www.evc.vaumc.org) website. Information entered on this website is saved on an annual basis to assist with the automation of required charge conference data reporting for local congregations.
- Mary and Paul Seminar – Gathering of more than 60 persons from various ethnic backgrounds providing information and strategic interaction on how to discern and equip persons for ministry from within their demographic heritage.
- Seminary Visitation – Teams of Cabinet, Board of Ordained Ministry, staff and recent graduate representatives hold on-site annual visits with Virginia Conference students and other interested students at the following seminaries: Duke Divinity School, Candler School of Theology, Gammon, Union Presbyterian, Samuel DeWitt Proctor School of Theology at Virginia Union, Eastern Mennonite and Wesley Theological Seminary.
- New Church Leadership Institute – Training designed to help pastors in areas of new church starts and revitalization was offered at the United Methodist Center in Glen Allen
- Media Relations – Coaching and support for conference, district and local church leadership in areas of media relations, crisis communications and spokesperson training
- Rethink Church – Training and resources for congregations that are discerning how to connect with their communities in new ways
- Sexual Ethics Training – Conference mandated training for clergy
- Virginia Clergy Leadership Program – a spiritually based leadership program for clergy with a demonstrated history of effectiveness
- Harambee – Participation by 22 people from Virginia in last summer's Harambee youth event, sponsored by the Southeastern Jurisdiction Black Methodists for Church Renewal
- Lay Servant Academy – In February 177 laity received training to be equipped to carry out the mission of the church through ministries of leading, caring and communicating through Basic, Advanced and mini-courses
- How to Reach New People workshop – A two-day workshop designed to help church teams create a six-month plan for reaching new people
- Calling 21 intern program – Young adults serve as interns in conference churches to learn more about congregational ministry and reflect on how God's calling is being discerned in their lives
- Candidacy Summit – Provides opportunities for persons considering ordained ministry to learn more about the process and discern God's call upon their lives
- Cultivating Young Leaders – Workshop for persons who work with young people in helping to discern their life strengths
- LEAD – A week-long conference youth event that will be designed to help youth learn and cultivate their leadership skills for ministry
- Conference Communication and IT Resources
  - Virginia United Methodist Advocate monthly magazine (print and digital)
  - Sunday Advocate
  - e-Advocate weekly e-mail newsletter
  - Conference Facebook page
  - Conference Twitter account
  - Conference Journal
  - Directory of the Ministry
  - Clergy Pictorial Directory online
  - "Mission Opportunities" booklet
  - "Neighbors" quarterly outreach newsletter for use by local churches
  - Video production
  - Conference website, [www.vaumc.org](http://www.vaumc.org)
  - Conference Vital Congregations website, [www.evcvaumc.org](http://www.evcvaumc.org)
  - ClergyNet, LaityNet and other E-mail groups

Providing a connection for ministry beyond the local church:

- Initiatives of Hope – Virginia Conference Mission Initiatives with Brazil, Cambodia and Mozambique
- New Faith Communities – Conference financial salary and ministry support in planting of new congregations across the Virginia Conference (total of 26 new full- and part-time faith communities begun since 2008)
- Campus Ministry – A total budget of \$813,000 for seven Wesley Foundations and 15 partnerships or affiliations with ecumenical campus ministries in Virginia
  - Initial (First three years of conference support) and Sustaining Ministry Grants (Ongoing conference support) – A total of \$162,600 in funding for 38 outreach ministries of conference churches seeking to establish community ministries beyond their current financial capacity with funding from Common Table, Commission on Ethnic Minority Concerns and Advocacy and Church Extension Fund
  - Conference Benevolence Grants – A total of \$195,000 in funding for Chaplain Service Prison Ministry of Virginia, Virginia Council of Churches, Virginia Interfaith Center for Public Policy, Disciple Bible Outreach Prison Ministry of Virginia, Industrial and Commercial Ministries, Society of St. Andrew and Just Neighbors Ministry is being recommended for 2015
  - United Methodist Volunteer In Mission Training – For leaders of UMVIM teams from across the conference (required for all first-time team leaders and other interested persons)
  - Early Response Team Training - For ministry teams that respond during the first phase of disaster relief providing Christian presence
  - United Methodist Day at General Assembly – Annual gathering of persons from across the conference to learn and advocate for legislative concerns.
  - United Methodist Women Spiritual Life Retreat – Annual gathering of United Methodist Women for a time of disciplined growth and reflection
  - United Methodist Women Annual Meeting – Gathering of United Methodist Women from across the Virginia Conference to conduct annual ministry concerns
  - United Methodist Men Annual Meeting – Gathering of United Methodist Men from across the Virginia Conference to conduct annual ministry concerns
  - District Training Events – Conference staff provide support for district training events as requested
  - Voices of Youth – Conference youth mission choir that engages in mission learning opportunities and shares invitation to mission through song
  - Conference Middle School Fall Retreat – Annual gathering of Virginia Conference middle school youths for a time for fellowship and



## learning

- Conference High School Retreat – Annual gathering of Virginia Conference senior high youths for a time of fellowship and learning
- Youth Seminar – Mission and justice based seminar for youths that will be offered in Washington, D.C. (formerly the U.N. Seminar)
- Helping Hands – Two-day mission experience for rising fourth- through sixth-graders, parents and adult leaders
- Mission Encounter – Two mission education events offering participants the opportunity to learn more about being called to live missional lives as followers of Jesus Christ (formerly School of Christian Mission)
- All God's Children Camps – Two Virginia Conference sponsored camps for children of incarcerated parents
- Camp Rainbow Connection – Two Virginia Conference sponsored week-long respite camps for individuals with intellectual disabilities
- Church and Community Workers – The conference is a partner in salary support for three General Board of Global Ministries mission personnel assigned within the Virginia Conference to the Roanoke Community Outreach Program, Henry Fork Center in Rocky Mount and Shalom Zone: Grace Ministries Project in Roanoke
- Conference Advance Specials – Ministries chosen for special emphasis by the Virginia Conference Board of Global Ministries.

Conference Advance Specials provide individuals and churches an opportunity to know that 100 percent of their gifts go directly to the designated ministry.

These ministries have been implemented by the following conference agencies: Board of Church and Society, Church Development Team, Board of Communications, Board of Discipleship, Board of Global Ministries, Board of Higher Education and Campus Ministries, Board of Laity, Board of Ordained Ministry, Commission on Disabilities, Commission on Ethnic Minority Concerns and Advocacy and Commission on Status and Role of Women.

The Common Table expresses appreciation for the ministry of all the Connectional Ministries and other Conference staff who resource the ministries of the Virginia Conference.

### RECOMMENDATIONS

1. Approve the following recommendations by the following boards:
  - a) By the Board of Discipleship regarding the observance and special offering for Christian Education Sunday
  - b) By the Board of Discipleship regarding the recommendation and endorsement of Gregory B. West as a General Evangelist according to the standards set by the General Board of Discipleship
  - c) By the Board of Global Ministries regarding the continuation of Conference Relationship Agreements
  - d) By the Board of Global Ministries regarding special offerings for Heart Havens, United Methodist Family Services of Virginia, and Virginia United Methodist Homes, Inc.
  - e) By the Board of Global Ministries regarding Advance Special Offering.
2. Common Table recommends the Virginia Conference approve a conference-wide initiative to raise funds for Imagine No Malaria for the 2014-2015 conference year.

-The Rev. Marc Brown, Chair

## CONFERENCE LEADERSHIP DISCOVERY AND DEVELOPMENT TEAM

### Nominations

#### Common Table for Church Vitality

*CLDDT Nominated*  
*Clergy*  
Chris Bennett

*Bishop Nominated*  
*Lay*  
Iris Gunter Smith

#### Board of Church and Society

*Clergy*  
Morris Fleischer  
Calvin Hughes  
Craig Muffley  
Joe Torrence

*Lay*  
Jaydee Hanson  
Suzanne Shrader

#### Church Development Team

*CLDDT Nominated*  
Chase Adams  
Lydia Rodriguez

*Bishop Nominated*  
David Bonney  
Livingstone Dore

#### Board of Discipleship

*Directing Board*  
John Hall  
Don Jamison  
*Conference Awareness Team*  
Jeffrey Smith  
*Best Practices Group*  
Karen Workman

#### Board of Global Ministries

*Clergy*  
Gilbert Elder  
John Hemming

*Lay*  
Ann Klotz  
Paige Williams

#### Board of Higher Education Ministries

Eugene Kim  
Jeremy Lambert

**Virginia United Methodist Assembly Center**

Jeane Dunkum  
Glen Huff  
Donna Mott

**Virginia United Methodist Communications, Inc.**

*Clergy*  
Mike Browder  
Eileen Gilmer  
Lynda Moore  
Sandra Benton Plasters

*Lay*  
Jill Gaynor  
Amanda Smith

**Commission on Disabilities**

*Clergy*  
Margaret Packard

*Lay*  
Dorothy Crowder  
Sylvia Massie  
Vicki Poindexter

**Equitable Compensation Commission**

*Clergy*  
Wilhelmina Sumpter

*Lay*  
Bernard Carpenter  
Pat Harding  
Dolly Huffman

**Commission on Ethnic Minority Concerns and Advocacy**

*Clergy*  
Don Gibson  
Terry Hendricks  
Chenda Lee  
Gary Miller  
Michelle Kim

*At Large*  
Gustavo de Segovia Molley

*Lay*  
Tianna Durbin  
Saundra Green  
Minoka Guenesekera  
Lori Valentine de Segovia

**Council on Finance and Administration**

*Clergy*  
Steve Summers

*Lay*  
Jim Cole  
Martha Dodd-Slippery  
Bret Hrbek  
Malcolm White

**United Methodist Foundation**

Warner Bonderman  
Will Robinson  
Ralph Rowley  
Jim Smith  
W. Richard Smith III

**Virginia United Methodist Pension and Health Benefits, Inc.**

*Lay*  
Stacey Anthony  
Beth Holloway  
James Mallory

**Committee on Rules**

*Clergy*  
Joshua King

*Lay*

**Commission on the Status and Role of Women**

*Clergy*  
Mary Dadisman

*Lay*  
Amanda Thomas

**Conference Trustees**

*Clergy*  
Clyde Nelson  
*Cabinet nominee*

*Lay*  
Beth Godwin-Jones  
Sue Lewis

**Bishop's Foundation**  
(nominated by Cabinet)

*Clergy*

*Lay*  
Kevin Bruny

**Virginia United Methodist Housing Development Corp.**

*Clergy*  
Clyde Nelson

*Lay*  
Robert Bain

J. Robert Regan

Julius Malinowski  
David Brown

**Society of St. Andrew**  
*(nominated by Cabinet)*  
Steve Jennings  
Jennifer Revoir  
Ann Vest

**Randolph Macon Academy**  
Eric Carlson  
Glenn R. Carrington  
Rodney Deane Jr.  
Lucy Hooper  
Maj. Gen. David Puster

**Shenandoah University**  
Pamela A. Bell  
John B. Peters  
John D. Stokely Jr.

**Virginia Wesleyan College**  
Alexandra Arias  
Susan Torma Beverly  
Deborah H. Butler  
William H. George  
William W. Granger III  
Deborah M. Paxson  
Joseph R. Thomas

**Farmville Wesley Foundation**  
Ford Behne  
Josh Blakely  
Ray Brastow  
Alan Combs  
Dave Culler  
Jordan Harless  
Eric Hougland  
Marisa Hume  
Michael Kendall  
Amy Moore  
Bob Parks  
Lynn Page  
Jeff Postans  
Bill Schall  
Richard Stoner  
Brittney Wagner  
Joyce Ward

**The Wesley Foundation at the University of Virginia**  
Theresa Carroll  
Sarah Clifton  
Josh Crockett  
Emily Dean  
Tom Frost  
Kathleen Jockel  
Patty Milici  
Doug Rosson  
Sandra Thornton  
David Vaughan

**The Wesley Foundation at Virginia Tech**  
Kelly Beeken  
Jim Gresham  
Ross Meachum

## **BOARD OF HIGHER EDUCATION AND CAMPUS MINISTRIES**

I want to share some parting reflections as I rotate off of the Board. In the spirit of Stephen Covey, let's begin with the end in mind: There is great promise in campus ministry and the Board of Higher Education and Campus Ministries.

I got onto the Board when it was called the Board of Higher Education Ministries. This name was specifically vague, as was the purpose of the Board and its relationship to the remaining conference boards and agencies.

The Board was streamlined from about 50 members to less than 20. This made our work easier and more efficient. There was a discernment

team for campus ministry, followed by an implementation team. There was an improved relationship between the district superintendents and the campus ministries. The flow chart of the relationship of the Board to the rest of the conference was greatly simplified. It was a wonderful illustration of the power of simplicity.

We took first shot at a system called metrics to tell the story of the campus ministries in our conference. We are taking a second shot at its implementation so the wonderful dream and hard work of the metrics can be realized.

The Board is heading in the right direction. It is more accountable, and will be more fruitful because of it. It will continue to reach a segment of the population that many, maybe most, of our congregations are missing: young adults in colleges and universities. Don't worry about how this will affect the future church, because it is affecting the present church in mighty ways to the glory of God.

I see our campus ministries continuing the wonderful traditions that have paved the way on campuses across Virginia. I see novel ministries like RISE in Harrisonburg, the Pace Center at VCU in Richmond, and Virginia State in Petersburg. I see the ways our campus ministries can partner with the schools they serve to meet the physical needs of hungry student as at Virginia Tech.

I will miss serving on the Board but am excited about what God is doing and will continue to do in and through the students involved with our campus ministries!

To the campus ministers and chaplains, the faculty and staff at all the schools we serve, the students gripped by grace I bless you in the name of Christ Jesus, who showed us what it means to serve and to lay down our lives for others that they may find true life in him.

*-Chris Andress, President*

## UNITED METHODIST-RELATED SCHOOLS

### Ferrum College

Ferrum College's spring semester culminated with graduation in May, the final event of our year and half long 100th anniversary celebrations honoring in particular the visionary Methodist women who were responsible for our founding as a training school in 1913. Ferrum treasures this heritage and is grateful for the blessings bestowed upon us through this enduring relationship.

Although our actual Centennial events have wound down, the momentum of The Centennial Campaign, the centerpiece of our 100th anniversary efforts, will continue for another year. We are confident that we will surpass our \$25 million goal to support academic programs, additional classroom and science lab facilities, endowed professorships, scholarships, and the all-important \$1 million endowed chaplaincy component of the campaign that will help ensure the strength and continuity of our Dean of the Chapel position. We particularly thank United Methodist Women for their strong commitment to this effort.

We were thrilled to welcome Dr. Jan C. Nicholson, our new Dean of the Chapel, who arrived on campus in January to replace Wes Astin, who retired last year. She received her Master of Divinity degree from Duke, and her Doctor of Ministry degree from Wesley Theological Seminary. Jan immediately began reaching out to students, faculty and staff. On Feb. 8, only a month after her arrival, she led an inspirational Founders Day gathering of nearly 400 students and college and community volunteers who attended a service of worship and music in Vaughn Chapel in conjunction with our annual Stop Hunger Now event. The volunteers were so enthused following the service that they ended up packing 57,500 meals for impoverished schools on the African continent, well above the goal of 50,000.

Dr. Nicholson asked that her office be located in Franklin Hall, the student center in the heart of campus. She has quickly become a presence there, and has established Bible study groups and weekly Tuesday afternoon services in Vaughn Chapel. She immediately started meeting individually and in groups with students, faculty and staff and began connecting with area clergy and United Methodist women.

Campus ministry at Ferrum College is blossoming under Jan's capable guidance. Our annual United Methodist's Women's Day on campus in June presented the opportunity for many in the conference to meet her.

In March, Meggie Meidlinger, from Uganda-based Doors' Ministries, visited campus and spoke to students, faculty and staff. During her visit, Ferrum students helped raise funds for the organization by selling jewelry hand made by Ugandan women as part of the Doors' Jubilee Jewelry program. Proceeds from the sales go back to the women to help them support their families and supplement their meager incomes.

In April, through the generosity of an endowment originally funded by the late Rev. Wasena "Buddy" Wright and his wife, Patricia G. Wright, Ferrum was privileged to bring Jim Winkler to campus as featured speaker in the bi-annual Wright Endowed Lecture Series. Winkler, former General Secretary of the United Methodist General Board of Church and Society and a lay member of the Virginia Conference, was recently elected general secretary/president of the National Council of Churches. He is the latest in a distinguished group of prominent theologians, religious, authors and scholars whose presence on the Ferrum campus has been made possible by the selflessness of the Wrights' and the many others who contribute to the endowment.

As we begin "100 years and counting," we are blessed by strong support from alumni, friends, foundations and The United Methodist Church to help us build a better college, a stronger community, and a world filled with opportunities. Together, Ferrum will continue to thrive and succeed. We always want to thank the members of the Virginia Conference who recommend Ferrum to potential students, and ask you to continue to remember our campus community and our students in your prayers.

*-Dr. Jennifer L. Braaten, President*

### Randolph College

I am honored to join Randolph College as its tenth president, after having served Denison University in Ohio as executive vice president and provost. My first year is proving to be an outstanding year for Randolph College. I am pleased to share positive news in enrollment: Randolph College is experiencing its largest enrollment since 2008, including its largest first-year class in 28 years! The students are strong academically as well. The average GPA of our entering first-years is the highest since our transition to co-education. In addition, support from the college's alumnae and alumni has increased yet again, both in terms of actual dollars as well as the percentage of this group who give back to the school. Combined with the energy and enthusiasm on campus, it is clear that Randolph College is full of momentum.

Students continue to enjoy the enhancements to facilities on campus. The newly renovated Student Center and new Michaels Plaza are popular social gathering spots. Students are also pleased with the enhancements in recent years to residence halls and are excited to begin using the recently acquired Grosvenor Apartments starting in fall. Plans are being made for an extensive renovation of Wright Hall and an expansion of Cheatham Dining Hall; both projects will begin this summer.

A focus for the college this year and the next several years will be the strengthening and stronger integration into our advising model of co-curricular programs. Our advising program, known as the "Randolph Plan," is a model advising program. We hope to improve upon it by asking our students to perform community service, participate in internships and externships, engage in student research, and study abroad earlier in their academic career. Then advisors will encourage students to use these experiences to better inform their course selections, all so that we might better help students find their place in the world.

The rankings continue to be positive, with the college being named a "best college" by U.S. News and World Report, Forbes, The Princeton Review and The Washington Monthly. Most importantly, we provide this educational experience at an affordable cost to our

students, thanks to Randolph College providing more than \$12 million in institutional grants to students.

All of us at Randolph College remain thankful for the strong relationship that exists between the college and the Virginia Conference. Over the past year we have strengthened our involvement with the church and the spiritual development of our students. We have a larger campus presence of the chaplain, the Rev. Jennifer Moore, a United Methodist pastor. She is new to campus, but in her short time has become more deeply involved in the lives of our students and is offering various services to them. We hope to find ways to increase her involvement.

I am also thankful to Lynchburg District Superintendent, the Rev. Larry Davies, and the Rev. John Peters of the Association of Educational Institutions for their wise counsel as we strive to maintain the strong relationship between the college and the conference.

*-Bradley W. Bateman, President*

### **Randolph-Macon Academy**

Randolph-Macon Academy (R-MA) is the only co-ed boarding school in Virginia affiliated with The United Methodist Church. As such, we strive to teach our students solid Christian values that will sustain them through life's challenges. Our beliefs and values are woven into our culture through a weekly chapel service, blessings before meals and major events, a strong commitment to community service, and the compulsory Bible classes students take in order to graduate. At the same time, these values are presented in a way that is considerate of the fact that we have students from a dozen different countries at our school. It is a unique institution, with a blend of college-prep academics, military leadership and Christian values. I am humbly grateful that God has called me to serve here.

Our Lord has certainly blessed Randolph-Macon Academy over the past year. The Class of 2013 saw 71 students graduate, with more than 250 college acceptances and more than \$7.3 million in college scholarship offers. Last year R-MA was designated as a Falcon Foundation School — a college-prep school for the U.S. Air Force Academy in Colorado. Our first year in the program we had two students enroll; this year we have five. All seven have received appointments to the Air Force Academy.

Our 350-plus students served more than 10,000 hours of community service at our school and in our local area, assisting with activities such as Stop Hunger Now, roadside clean-up and collecting food for the Salvation Army. Our Air Force JROTC program earned an "Exceeds Standards" rating from the U.S. Air Force — that is the highest ranking achievable on our on-site inspection. Our STEM (Science, Technology, Engineering and Math) program has taken root and is sending students to regional and national competitions. Our endowment, while modest in size, continues to grow. It has indeed been an incredible year.

We owe all of this success to God, who guides us and provides for us, and to the support of wonderful people like you. Your prayers and financial support have made it possible for us to provide scholarships to our United Methodist students; without those scholarships many students would be unable to attend R-MA. You are making an investment and a difference in the lives of young men and women, every day.

Please continue to keep our school in your prayers. And if you know of a student entering grades 6 through 12 next year, one who might benefit from a school focused on "Knowledge, Leadership and Character," please refer them to Randolph-Macon Academy for either our regular school year or our summer programs. God bless you all.

*-Maj. Gen. Maurice H. Forsyth, USAF (Ret.), President*

### **Randolph-Macon College**

Randolph-Macon College (R-MC) is a selective, co-educational, nationally recognized liberal arts college located in Ashland, just minutes north of Richmond and 90 miles south of Washington, D.C. The college achieves its mission of "developing the minds and character of its students" by balancing a demanding academic program with individualized attention or "moments of connection" between its exceptional faculty and students. The student-faculty ratio is 11:1 and the average class size is 15 students. The college has an outstanding reputation for its national and international internships, study abroad programs and undergraduate research opportunities.

Randolph-Macon College integrates an exceptional, individualized education with an intentional, personalized four-year career program called "The Edge," which is focused on preparing our students for careers and post-graduate success. Faculty serve as mentors and offer important advising, while instilling important career success strategies and life skills in the classroom. "The Edge," a cornerstone program within the Center for Personal and Career Development, offers our students the tools they need to lead the pack and have a "competitive advantage" after graduation.

R-MC also offers a "Four-Year Degree Guarantee," which pledges in writing that freshmen who meet all necessary requirements will graduate within four calendar years. If not, Randolph-Macon will waive tuition costs for courses needed to complete the degree. Currently, 95 percent of Randolph-Macon graduates complete their degrees in four years or less.

The 2013-2014 academic year began with a total enrollment of 1,325 students. Nineteen states and five foreign countries are represented in the Class of 2017; 51 percent of the students are male and 49 percent are female. In addition, 21 percent of the 410 students are minorities, and 34 percent are Presidential Scholars, R-MC's signature scholarship that recognizes students who demonstrate the highest levels of academic achievement and leadership.

Randolph-Macon's Building Extraordinary capitol campaign is in high gear toward its \$100 million goal, with over 97 percent of gifts raised to date. The campaign, which launched in 2011, is designed to support facilities, greater opportunities for faculty and students in and out of the classroom, and programs that support the continued improvement of student outcomes through career and graduate school preparation. The goals for the campaign were set forth by the college's strategic and master plans.

Brock Commons, a new student center, was completed in summer 2013 and is the new "hub" of activity on campus. Brock Commons includes a movie theater, campus bookstore, dining services with an open café, balcony, portico with tables, student mailroom and multi-purpose rooms and spaces to support campus camaraderie. Construction of Brock Commons was made possible by a \$5 million gift from Joan and Macon F. Brock Jr. ('64) and by the generous support from numerous alumni and friends of the college. During summer 2013, construction began on Birdsong Hall, a residence for upperclassmen. This three-story facility, which is scheduled to open this summer, will provide 30 suite-style residences, plus common areas, study rooms and a two-story, 3,280-square-foot multipurpose room. Birdsong Hall, which will border the football/lacrosse field, is named for Constance and Thomas Birdsong ('49) and The Birdsong Corp.; construction is made possible through their \$2 million gift.

Renovations to Copley Science Center, which took place during 2013, include a new roof and window replacements. In addition, a new Psychological Sciences Complex was created in Smithy Hall. Fundraising is underway for a new science building, which will connect to the Copley Science Center on the northwest side. This three-story, 2,700-square-foot facility, with state-of-the-art teaching laboratories, plus classrooms, faculty offices and the Office of Pre-Health Advising, will also house the biology, environmental science/geology and chemistry departments.

Randolph-Macon's pre-med program continues to flourish. In April 2013, the college announced its Guaranteed Admission Agreement with the Virginia Commonwealth University (VCU) Nursing Program. In October 2013, the college formed a Guaranteed Admission Agreement

with the George Washington University School of Nursing and established an Early Assurance Program with the Eastern Virginia Medical School (EVMS) Physician Assistant program. In addition, the college has medical school partnerships with George Washington University, EVMS and VCU.

R-MC's January Term is a four-week session in which students can immerse themselves in other cultures, conduct a regional, national or international internship or take an on-campus course in a specific area of interest. In 2014 students studied abroad in Austria, Germany, England, France, Japan, Greece, Turkey and Italy. J-term not only offers global educational opportunities, but life-changing experiences. January term internships that provide unique opportunities for our students would not be possible without the support of Randolph-Macon alumni who offer students one-of-a-kind experiences. Other students gained experience interning at companies and non-profits such as Bon Secours St. Mary's Hospital, Mailing Services, Inc., the Children's Theatre of Virginia, Genworth Financial Services and the Cultural Arts Center in Glen Allen.

The A. Purnell Bailey Pre-Ministerial Scholarship Program, designed to support students who express an interest in a Christian vocation in ordained ministry, established in 2004, continues to flourish. A limited number of select students are awarded this scholarship each year and receive half-tuition for the first two years and full tuition for the junior and senior years; mentoring; and assistance in fulfilling the requirements needed for acceptance into seminary in The United Methodist Church. Two internships in a ministry setting are also mandatory during the students' college careers.

Student outreach through community service continues to be an important aspect of a Randolph-Macon College education. The SERVE program (Students Engaged in Responsible Volunteer Experiences), in the Office of Student Life, is an integral part of Randolph-Macon's community engagement and leadership initiatives. R-MC coordinates dynamic opportunities for service and service-learning to help students explore the root causes and contexts of social needs through connections with the greater community. Students are actively engaged in Habitat for Humanity and the American Cancer Society Relay for Life, and in April, students volunteer for "Macon a Difference Day," which is held annually in conjunction with Earth Day.

At R-MC, students bond with their peers, faculty mentors and alumni to build meaningful relationships that last a lifetime.

*-Robert R. Lindgren, President*

### **Shenandoah University**

With 4,000 undergraduate students, Shenandoah University educates and inspires students through its College of Arts and Sciences, Harry F. Byrd Jr. School of Business, Shenandoah Conservatory, Eleanor Wade Custer School of Nursing, Bernard J. Dunn School of Pharmacy and School of Health Professions. As a proud United Methodist institution, Shenandoah continues to collaborate within The Four Areas of Focus initiative of The United Methodist Church to engage the church's mission "to make disciples of Jesus Christ for the transformation of the world" and to reach beyond the university to engage the world.

The JustFaith (Justice and Faith) Christian Leadership Program continues to educate and inspire new leaders in local congregations. This year, subsequent to the United Methodist Committee on Relief (UMCOR) Early Response Team training in 2012, our students were trained as United Methodist Volunteers in Mission (UMVIM) team leaders. Nicholas Ruxton and Emily Howdyshe, certified during that training, led a mission team in January to work with Bahamas Methodist Habitat.

The JustFaith cohort made pilgrimage to Iona, Scotland, and Taize, France, in May. The students sought to encounter God through music, ecology, worship, community and time spent in solitude. We are currently seeking partner congregations and districts so the student pilgrims can share their learning with others upon their return — in the hope of inspiring deeper mutuality and learning across our connection.

University Chapel continues to utilize the gifts and talents of our dynamic student leaders to lead, inspire and teach us as we worship at the university and in the Winchester community, making worship experiences unique each year. The Harambee Gospel Choir has been revitalized and the University Choir has grown. Both choirs are blessed with the gifts of Music Conservatory students, as well as students from health professions graduate programs and many undergraduate majors outside the Conservatory.

We continue our partnership with the Winchester Area Temporary Thermal Shelter (WATTS) by serving meals every Sunday night throughout the 18-week season. As our students have learned the names and the stories of our WATTS friends, they have been inspired to do more. This year, led by Alex Woody, a senior Religion major, we raised more than \$6,000 on All Saints Day as nearly 50 students, faculty, staff, trustees and members of the administration slept in boxes in the middle of campus. This was our first fundraiser for WATTS, and we have begun to plan the second "Living in a Box" in November.

Additionally, this year we have continued our partnership with the Salvation Army to serve meals four days a week, and we have started a new relationship with the Winchester Rescue Mission. Finally, Spiritual Life now has a voting seat in the Winchester Continuum of Care. One or more students will be invited to attend the meetings with the Spiritual Life staff member in order to learn about the systemic issues surrounding homelessness and poverty.

Each year, many health professions students travel to Nicaragua, Guatemala, Brazil and Honduras, many leaving the country for the first time. These students use their education and skills to provide life-giving medical care for their patients. These moments inspire our students to see beyond their own financial well-being, to become empathetic of the needs of others, and to recognize their calling and passion to provide healthcare for our brothers and sisters around the globe.

I cannot end without mentioning the retirement of Dr. John Copenhaver after nearly 30 years as a Religion faculty member of the university. His prophetic words and powerful witness have inspired countless students, faculty and staff members. With John's retirement, we are pleased to welcome Kevin and Meredith Minister to the Shenandoah University family, as they have jointly accepted the Religion faculty position.

It is my joy to announce that we installed three new trustees at the October meeting of the board: Pamela A. Bell, The Rev. John Peters and John Stokely Jr. joined our team, dedicated to making a difference in the lives of our students.

We are grateful for the continued relationship with the Virginia Conference as together we seek to make an impact at the local, national and global levels. I can assure you that Shenandoah University is embodying the mission of The United Methodist Church as we simultaneously seek to engage our calling to educate and inspire leaders for our church and the world.

*-Dr. Tracy Fitzsimmons, President*

## **CAMPUS MINISTRIES**

### **ARISE/United College Ministries in Northern Virginia**

Worship. Serve. Gather. Grow. These four words have shaped the identity of United College Ministries in Northern Virginia (also known as ARISE campus ministry at George Mason) in the 2013-2014 academic year. They tell the story of what we do, how we do it and why we exist. At one of our leadership team meetings a student described them as the four basic parts of a Christian community where we can live out our faith together and invite others to be a part of it. This is the important Kingdom building work that your support helps to make possible. Thank you!

Providing excellence in worship continues to be a focus of this ministry. When we re-launched this ministry last year, we started out with a guitarist, an intern, a campus minister and a lot of prayer. Now we have a set-up team, a welcome team, an A/V team, a full band and trained student leaders willing to lead various aspects of worship. We are continuing to find ways to lead students deeper in their faith.

Finding ways to serve others, as a response to God's abundant grace in our lives through mission/service opportunities is another key area of this ministry. In 2013, and again in 2014, we have been able to take students to New York City to participate in Hurricane Sandy relief. We have been able to partner with local churches to attend events like Grace ministries and we have become "regulars" at the Lamb Center. Through new partnerships with organizations on campus we were able to host 60 students at our second annual Stop Hunger Now meal-packaging event. These events and others like it have empowered ARISE to connect with students in the George Mason community who may never come to a worship service.

Through small groups and our committed group of student leaders, we have a solid sense of community on campus. We share meals together, go to basketball games together or just hang out. Also, as a full-time campus minister, I have been able to keep multiple standing appointments with students where real discipleship happens.

I believe that what makes this ministry unique is its ability to be present and provide a positive experience of Christianity in the lives of students in a diverse setting. We are also able to empower those willing to explore their faith, to go deeper in it, and discover God's unique call on their life. I encourage each of you to keep posted on the happenings of this ministry through our website, [www.arise.gmu.edu](http://www.arise.gmu.edu), and through [www.facebook.com/arise-gmu](http://www.facebook.com/arise-gmu).

*-The Rev. Mark Montgomery, Director*

### **Campus Christian Community at the University of Mary Washington**

The Campus Christian Community (CCC) is an ecumenical campus ministry on the campus of the University of Mary Washington in Fredericksburg. It is supported by the Presbyterians, United Methodists, Episcopalians and Lutherans.

The mission of the CCC is: "Welcoming all people, the Campus Christian Community witnesses to the love and power of God in Jesus Christ. The CCC ministers with students, faculty, and staff of Mary Washington College and the surrounding community through worship, study, fellowship, and service, and provides a forum to explore and question issues of faith and life."

This motto continues to serve as a guide for all we do together as a Christian community and reflects our ultimate objective to incarnate God's love and mercy to all people.

Our primary weekly meeting continues to be our Thursday evening Table Talk program. Every Thursday from 5-7 p.m., 30-50 students gather to enjoy a meal provided by one of our supporting churches and engage in conversation about a topic of interest and concern. I speak at many of these meetings but often we will welcome guest speakers from the college community who will speak from their experience and academic expertise. Each week a major part of our Thursday evenings is our time of sharing and prayer. Students will open their lives up to one another and listen to stories of joy and prayers of concern.

We had ten student leaders plan and implement the program for this past year at the CCC. Every Monday evening, these student leaders meet to brainstorm ministry ideas and plan the details of the CCC events. It was exciting to watch these students learn how to work together and listen to each other's opinions.

Several small groups met weekly this year including a men's group and a women's group. These are mainly support groups that focus on relationship building, discussion and prayer. We also had Friday evening activities, which is a casual gathering of college students, watching a movie together, playing board games or just spending an hour or two together at the end of a busy week.

We continued our Coffeeology program, which met on Sunday nights. It is a time to drink coffee and talk theology in a very open, supportive and creative way and follows our evening worship/Bible study. We had a very nice turnout for this weekly program of honest questioning and healthy interaction on a variety of theological topics.

Young adulthood is a very dynamic time in life. These young people are moving out of adolescence and beginning their final move into full adulthood. It is not an easy time as they begin to make their own decisions about what they will believe and how they will live. It is so important that the church has a presence among students as they make this often bewildering transition. It is my hope that the church will continue to increase its sense of commitment toward this next generation of church and community leaders.

*-The Rev. Robert Azzarito*

### **Wesley Foundation for Hampden-Sydney and Longwood**

In faithful response to God's love for all creation, the Wesley Foundation in Farmville exists in order to be an expression of this love, primarily to and with the students. We seek to enable students to commit their lives to Jesus Christ and to live out that commitment in a life of love and service. In addition, we seek to be in ministry to and with the faculty and staff, larger college community and local United Methodist churches.

We have had a great year at the Wesley Foundation serving Longwood University and Hampden-Sydney College. Our Board and Student Leadership Council (SLC) continue to take steps toward a proactive approach to funding the ministry here. The Board and SLC have come up with new fundraising ideas and have worked together to engage the local and campus communities. This engagement has resulted not only in increased funding, but also increased involvement by these communities. We have also worked hard on increasing participation by implementing a commitment form that is signed by each Board member. The form outlines what is expected of each Board member, and because of this, Board members have stepped up their presence at the major weekly gathering. The result is students feel more connected to the local Board. Each year we also have several Board members participate in our spring break mission trip. The Board continues to be supportive and encouraging through the implementation of building-use policies and staff support. Our Board chair, Jeff Postans, is committed to a strong, functional and involved Board.

As always, missions have been a big part of our faith community at the Wesley Foundation. Some of our mission efforts have been focused on the Farmville area. They have included FACES food pantry and the Local Habitat for Humanity. The Wesley Foundation has a strong partnership with the local Habitat and we have contributed many hours of service toward the completion of a home next to campus. These local mission events have made it possible for students not interested in a week-long trip to experience the transformation that can take place through service to others.

We are also involved with Homework Buddies at Journey UMC in Amelia County. Several students travel to Journey on Wednesdays and Thursday and help with their after-school program. This year for our spring break mission trip we traveled back to Guntersville, Ala. We have served this area in the past for tornado recovery efforts. This year we went back and worked with CASA (Care Assurance System for the Aging and Homebound) of Marshall County.

The heart and soul of our full-time program continues to be our weekly Tuesday Fellowship Dinner. Farmville District churches, groups and individuals provide meals that are followed by a time of worship that is designed to be contemporary and interactive. There is also time in our Tuesday night schedule for small-group discussion and prayer. It is a time of community building and fellowship that serves as the base

of our ministry.

We also offer a student-led Bible study and men and women's small groups on campus that are designed to challenge and support students. There is a late-night men's Bible study on the campus of Hampden-Sydney. This Bible study takes place in the baseball team locker room and involves mostly athletes. We try to stay connected to the Hampden-Sydney campus by scheduling large group events there at least once a month. In the second semester, we added a Wednesday morning prayer breakfast, which has become a great time of prayer for students before their 8 a.m. classes.

Students, staff, Board and the local Christian community have come together and been an expression of the love of God in Christ to Longwood and Hampden-Sydney. We continue to seek God's guidance in the coming year and pray that our campus ministry will continue to make disciples of Jesus Christ for the transformation of the world.

*-The Rev. Rich Meiser, Campus Minister*

### **RISE: A United Methodist Faith Community**

As we reflect on the past year, we celebrate countless beautiful moments, ministries and relationships. We continue to marvel at all that God is doing in and through this movement of love called RISE! Although we'd like to share the story of every ministry, moment, worship service, and changed life, we simply do not have the space in the *Book of Reports*. Thus, we've decided to use this opportunity to highlight RISE's amazing Intern Team. The Intern Team enables college-age individuals to grow and be transformed as leaders. They serve alongside of RISE's Core Leadership Team in a number of capacities, but also have their own unique journeys of self-work and self-discovery. Their voices are inspirational, and we believe they speak to the indescribable importance and transforming power of campus ministry and church planting. The following reflections were submitted by some of our interns; they are all between the ages of 19-22 and are enrolled in colleges and universities throughout the Harrisonburg area.

*-The Rev. Amanda Garber*

"My internship at RISE has been both a learning and a healing process. It has not only redefined what I know of connection, but also inspired me to take risks and ask the hard questions. As I'm finding out, not all of those questions have cut and dry answers. But the point is not the answer, it's in the asking. It's in the risk of "what if?" It's in that vulnerable space between two people the first time they share their stories together. What I've learned is that we are so afraid of the unknown. Our human fear has the power to paralyze our efforts of ever taking another step forward. It's almost funny how freaked out we can get when we are faced with the uncertainty of a friend's reaction, a test result, our own future plans... Because isn't God the grandest enigma of all? When God invites us into relationship, God welcomes us into infinite mystery. And that space is not always the easiest to sit in. Being an intern at RISE has taught me how to actively seek out, live, and journey with others in those unknown moments. Of course it may be uncomfortable and scary, but I've found that something incredible happens nearly every time – relationships, connection, understanding, development, restoration can be built from trusting God's urges to leap wholeheartedly into these opportunities. When we take the initiative to stand up to our fear, we create a more secure space for others to stand with us, and every step we take together is a step toward a restored creation." – Kelsey Barnes

"My internship at RISE has taught me two main things about God: He WILL always pull you back in and He most definitely knows what He's doing. You see it's kind of a funny story about how I got to RISE, a divine intervention hands down. And before I even really knew what was going on, I was going to be an intern. Had this not happened, who knows where I would be in my faith walk after coming to college. As an intern, I now had a responsibility, a job to do, and not only that, but a place to belong. A place where people would always be excited to see me and a place where I could be the hands and feet again. Being an intern allowed me to experience the church from behind the scenes if you will. It gave me a chance to show my community that young adults still care, and want to be involved in a faith community. From showing up on Sunday to help lead my ministry focus, children's time, to our intern chat meetings, to simply being a presence in my community and on my campus, RISE gave me a church to belong to, a way to show God's love to others, and the means to be involved that I had seriously missed before coming to RISE. And not only that, but as an intern I've also learned valuable leadership skills, specific to a faith community, that you cannot learn in a classroom. I'm looking forward to going home this summer to use these skills to help out at my home church and seeing what I can do further down the road, in whichever church I get called to. Being an intern at RISE is what I needed to continue walking with Christ, and He put me just where I needed to be." – Paige Moore

"This internship has meant so much to me this school year especially with the journey I have been through in the several years prior. One of the largest parts of the internship has been the interactions with the other interns and my focus ministry. In working with the other interns, I have built new friends with students at James Madison University that would not have occurred without the RISE Community and the internship. Since I go to Eastern Mennonite, minimal interactions occur between the two communities outside of stores and community events. The internship has helped me to see even better how the greater Harrisonburg community can come together through getting to know more JMU, Bridgewater College and Blue Ridge Community College students through the activities of my internship, such as my focus ministry. Also through my focus ministry of RISE and Shine, I get to interact with more people in the community and see the ways that God reaches out to make a difference of the lives of those in the community. I have really learned how much God is in our community and finds ways for us to work together, regardless of our school, background, or where we are from, to serve others through God." – Macon Rowley

"My internship at RISE has taught me that God is in the little things. Yes, He's in the churches and at worship, and powerfully so, but He is in so much more than that. He's in all the little acts of love we perform. Whether it's being there when a friend needs you, helping a new coworker, picking something up for someone who dropped it, or just smiling at a stranger, God is there because love is there. Jesus said that the most important command is to love God and love your neighbor, and as long as you focus on that I don't think you can go too far wrong." – Derek Engle

"This internship at RISE has been an incredible opportunity for me to grow both in my spiritual journey and as a leader in my church. College has been quite challenging for me because in four years of education I am expected to somehow know what I am going to do with the rest of my life! Through this internship I have met many different people who are doing incredible work in the Harrisonburg area, and that has helped to show me that as long as I trust that God has my back I will figure out what he wants me to do. As someone who grew up in a more traditional United Methodist Church, RISE has given me a new perspective on what church life can look like and how there are many different ways a church can interact with the surrounding community. I am honored to have been a part of the intern team while RISE continues on this journey." – Alexis Ward

"There is hope in community. My first time meeting the other interns, they made me feel welcome and excited to join them. When I shared my concerns and anxieties about beginning to seek donations from businesses in the area with another intern, she took me by surprise. She offered to come with me the first time around as support and encouragement. Giving me a little more confidence with each visit, I felt great by the time we were done for the day! The majority of the hotels we spoke with that day agreed to donate to our Rise and Shine ministry, which seeks to support members of our community in need. All we had to do was ask! God's presence has been evident throughout these experiences and I look forward to many more." – Julie Butt

"Love Packs' is a ministry that has not only expanded my horizons in terms of community, but that has also allowed me to learn more about



myself and others in the process. This ministry has given me the ability to reach out into the James Madison University and Harrisonburg communities in order to ask for help. One of the greatest things I have learned through this ministry is that people are so willing to drop what they are doing and support the cause. Eradicating child hunger at Spotswood Elementary School has been a challenge only because the more students we reach, the more donations we need. Regardless of our need, though, God never ceases to amaze me with how He provides. Every week there are volunteers to help pack, food stocked high on the shelves and an atmosphere filled with open hearts and minds. The experiences I have had are incredible and cannot fully be expressed through words. I am excited to say I love packing the backpacks for Spotswood Elementary school and have been touched and amazed by the kindness of people. By filling the mouths of the hungry I feel that I am glorifying God and making a difference in people's lives. The joy I feel is immense and I know God is working through me. I cannot fully express my gratitude for those who have helped me through this process; it truly means so much to me and the RISE community." – Kayla Knox

"This year I have had the opportunity to serve as an intern at RISE, with a mission focus in marketing and visual art. I feel that RISE has given me a great chance to show how God works and communicates through the visual arts. This internship has shown me that my talents are important in the community and can serve as a means to bring people together, and bring people closer to God as well. As students, we are often confined in our community thinking, thinking only about our own campus. RISE has been able to show me the importance and beauty in the Harrisonburg community, and makes me aware of the people in Harrisonburg who need to be shown grace and love. As interns we have learned about the importance of our own stories through Donald Miller's Storyline, which bring clarity to our experiences and the ways in which God has shaped our lives. We also took the StrengthsFinder test which revealed our greatest strengths, and taught us how to use our strengths as leaders in our community. These two activities have taught us how we can use our gifts in a church setting leadership setting, and how God can use us in many capacities. This internship has been incredibly helpful in my journey, both making me a better leader and a better community member." – Virginia Ingram

### **Tidewater Wesley Foundation at Old Dominion University**

The Tidewater Wesley Foundation continues to host several opportunities for fellowship, service, study, hospitality and worship. Our most successful programs include a Monday morning Breakfast Bible Study at the Dining Hall, our Tuesday Table Talk and lunch program, Thursday evening Bible study and Friday evening worship.

For the second year in a row, we offered "Ashes to Go" on Ash Wednesday in front of the Starbucks in the Student Center and offered a public witness to our faith. We have partnered with several other campus organizations on community service projects, a community Homecoming carnival, and co-sponsored a trip with Old Dominion University (ODU) to do "Alternative Spring Break" with the Bahamas Methodist Habitat for Humanity. Our student leadership team has offered movie nights and game nights to offer a safe alternative to the college party scene.

My position as the chairperson of the University Chaplains Association, as well as my participation in the Sexual Assault Response Team, has enabled me to be an emissary for The United Methodist Church. I have been able to demonstrate that The United Methodist Church cares about the spiritual needs of faculty and staff. I am excited by the ways that university chaplains are included in the life of ODU. This includes our participation in threat assessment teams, housing services and hosting joint programs with counseling services and residence life.

In November, we offered a Thanksgiving lunch to the campus safety personnel, counseling services and the Student Engagement and Enrollment Service. Nearly 230 students, faculty and staff joined us. For the first time in the many years we have offered this "thank you" meal we ran out of food – despite having six turkeys, 20 pies and many pans of green beans, sweet potatoes and collards. Staff members continue to thank us for remembering their service to the students at ODU and are great champions for our ministry across campus.

In March, a diverse group of 15 students, staff and faculty traveled to Eleuthera, the Bahamas, to build homes with Bahamas Methodist Habitat. Our co-sponsorship with the University is the first faith-based service trip that ODU has offered and is breaking new ground for our campus ministry as we continue to strengthen our ties with students and with the university. This partnership lives out our belief that evangelism does not always have to be direct, but occurs in the natural relationships and conversations between Christians and non-Christians as they work side by side.

Our concert ministry has been put on hold as we continue to develop a framework for providing safe, liability free, programs that fulfill The United Methodist Church's mission "to make disciples of Jesus Christ."

I know that, as the Annual Conference reviews its commitment to campus ministry, our continued outreach to students at ODU and all of our colleges and universities will continue to grow as we fulfill our baptismal covenant to raise up a new generation of Christian leaders.

After six years of serving in this present appointment and in consultation with the conference BHEM and local board, I have decided to return to the local church after 2014 Annual Conference. I thank all of you for your prayers and your support.

*–The Rev. John Haynes Jr., Director*

### **United Campus Ministries at Christopher Newport University**

Thanks to generous year-end gifts, United Campus Ministries at Christopher Newport University finished 2013 in the black: \$43,211 income vs. \$41,349 expenses. However, we fell short of our budget by \$2,768.

United Campus Ministries provided the following in 2013-2014:

- An ordained campus minister, available to serve the university's needs in a wide variety of ways. (presentations to CNU classes and organizations, serving in the capacity of chaplain for university events including memorial services, participation on advisory boards for academic departments, presentations to community groups, preaching in local congregations);
- A ministry center, utilized by students and community members;
- Weekly student-meetings with suppers and Bible study/fellowship;
- Several events in partnership with other student-groups on campus;
- Tutoring in conversational English for non-native speakers (20 student-volunteers served 30 English learners);
- Two pre-med students were part of a medical team to Haiti;
- Three students participated in the College Conference at Montreat, N.C.;
- Participants in the annual CROP Walk;
- A Stop Hunger Now event, where 20 students packaged more than 20,000 meals;
- 12 students who provided dinner and worship for the homeless;
- UCM students who regularly participate in worship in local congregations, including singing in the choir;
- 25 CNU students participated in Days of Service at Makemie Woods Camp;
- The "Free Exam Snacks" ministry, which provides more than 1,500 direct contacts between local congregations and CNU students each semester;
- The annual Festival of Church Music, a showcase for the ministry and a fun event for local congregations and community members (300 participants this year);

- Worship on campus in Pope Chapel;
- “Theologues,” an avenue for clergy and non-clergy to gather monthly to discuss books in contemporary theology;
- Clergy visits to the university, including conversation with President Paul Trible.

United Campus Ministry provides a ministry of grace on a public university campus, witnessing to the love of God for all people. We are incredibly grateful for the generosity of our supporters. Without your support, we would not be able to provide for the breadth of mission that this ministry affords. Thank you!

*-Suzy Cothran, Campus Minister*

### **Pace Campus Ministry/Wesley Foundation at Virginia Commonwealth**

Another year and it is extremely humbling to recognize what our God is doing at Virginia Commonwealth University (VCU). In July, we revamped “Flight 222” and brought forth “The Life Center,” an intentional outreach to the VCU community. Utilizing a special grant from the conference Office of Church Development, we infused four new persons into our worship team and the results have been wonderful to behold. Since last summer, more than 3,700 young adults have been in Sunday worship with us! That’s an average of 107 per Sunday, with a high of 238!

God is doing some marvelous and wondrous things at Pace! Remember, “You Don’t Have To Walk Alone.”

Our Monday night offering, Drop Zone, is still growing as young adults seek to integrate biblical understanding into their lives. Many are grappling with life issues that transform an encounter with the Living Word into lifestyle changes. In this non-judgmental environment, there is no pressure to become like someone else, just a call to live a life pleasing to our Christ. We have had to move this Bible Study to the main sanctuary because we constantly have more than 95 persons each Monday night, and a high of 137!

We facilitate other ministry opportunities throughout the week as well as offer opportunities for VCU’s student body to enter into service to the community. Three denominations offer additional Bible studies through the Pace Center, and the Highland Support Project offers specialized mission opportunities to Guatemala.

*-The Rev. James “JD” Daniely, Director*

### **United Campus Ministries at Virginia State University**

As always, United Campus Ministries at Virginia State University (VSU) is extremely grateful for the support of the Virginia Conference and the James River District for their prayerful and generous support of our work!

The 2013-2014 year has been yet another year of blessings for our students. We were delighted to have been awarded a grant by the Lilly Endowment totaling \$100,000 over the next five years to fund a new campus ministry community service initiative. These funds were given to support a program called Oikonomia: A Service Program for Future Church Leaders, which will provide financial support for students engaged in coordinating community service and local mission projects in conjunction with fellow VSU students and members of local churches. We are extremely excited about and grateful for this opportunity.

God’s grace and a harvest of dedicated students have sustained our Sunday worship services, which continue to be held at 2 p.m. on campus in Foster Hall, the student commons building. Our Avodah music ministry, and Chara performing arts ministry, continue to provide opportunities for student participation and leadership. A new ministry, Girlz at the Gate, consists of young women who rise every weekday morning at 5:30 to walk around campus and pray on behalf of our university! These young women also lead intercessory prayer during our worship services to the glory of God.

Our Wednesday Night Bible Study takes place at 6:30 p.m. on the second floor of Jones Dining Hall, allowing our students to enjoy their dinner during a time of feasting on the Word of God. An additional student led Bible study, “What’s the Word,” was developed in October and meets on Fridays at 7:30 p.m. This wonderful new class provided a number of our gifted and anointed students an opportunity to inspire one another in an interactive and powerful way.

Our partnership with Communities In Schools at Ettrick Elementary, via our Men of Troy mentoring program, has continued for the fourth year due to the diligence of a faithful crew of VSU male students. We have been blessed to work with the Virginia Mentoring Partnership in workshops and training sessions, which have assisted our mentors in becoming even more effective in their mission of serving forth and fifth grade students as positive role models and guides towards the development of strong, minds, bodies and spirits. We were blessed to continue our participation with the Downtown Churches United’s annual Walk Against Hunger. We contribute a donation of \$450 and serve the hungry on a couple of occasions during the year with the Bermuda Hundred UMC of Chester. Our ministry was also very instrumental in coordinating the collection and distribution of 800 lunches, in partnership with a host of local churches, during the 2013 “VSU Cares” free dental clinic held last June.

It has been an exciting year! We continue to strive towards our mission due to your faithful efforts! We cannot thank you enough for your prayerful support!

*-The Rev. Delano Douglas, Director*

### **Virginia Wesleyan College**

Trustees, faculty, staff and students of Virginia Wesleyan College (VWC) are grateful for our connection to the Virginia Conference. At the center of our campus is a statue of John Wesley, a wonderful reminder of our roots in Methodism.

Each fall we welcome more than 425 freshmen to be in community with us at VWC. Our aim is to create an atmosphere where the students can learn and be challenged, where they are called to health in body, mind and spirit, where they experience servant leadership and finally are sent out as world-changers.

Here are some of the highlights from this academic year:

- Dr. Craig Wansink and Dr. Terry Lindvall led a spiritual pilgrimage to Greece and Turkey, following the footsteps of the Apostle Paul.
- The college’s 8th Annual On-Campus Winter Homeless Shelter was once again a transformative experience, not only for the shelter guests but for students, faculty and staff who volunteered for this unique event. Many students who volunteer for the shelter are enrolled in a Winter Session course that addresses the sociological underpinnings of homelessness and encourages students to look beyond stereotypes about the homeless.
- Ten students took a course on Methodism with Dr. Lindvall and myself. Dr. Sandi Billy, director of the Center of Sacred Music, led a hymn-sing of Charles Wesley hymns and visited Monumental UMC.
- Installation of a Veterans’ Memorial to honor those who have served. It is a space where people can gather in fellowship or for quiet reflection. VWC is a participant in the “Yellow Ribbon Program” offering a full range of veterans support services — from financial aid benefits and early registration opportunities to counseling and career services.
- College President Billy Greer announced that VWC has entered into its first-ever formal agreement with NATO-ACT (North Atlantic Treaty Organization-Allied Command Transformation). Under this agreement, Virginia Wesleyan is offering up to 25 “International Student

Grants” of \$9,000 per semester (\$18,000 per year) to dependents of NATO-ACT employees stationed in Norfolk.

- Four recent gifts to VWC for which we are extremely grateful:

- The Goode family gave a \$5 million challenge gift to be put toward the construction of a new academic building devoted to the arts;

- The Birdsong Corp. and George and Sue Birdsong have made a gift of \$1 million to Virginia Wesleyan College for the Outdoor Athletic Complex’s synthetic turf field;

- An anonymous donor gave a second \$1 million gift to help students experience the world by giving them an opportunity to study in a foreign country;

- The Board of Missions for the Elizabeth River District gave \$3,000 for a second year to help students experience a mission trip to Nicaragua. This generous gift from the Elizabeth River District provided scholarship funds for nine VWC students. Each year our Mission Team serves at the House of Hope, a ministry that helps women and children to find freedom from prostitution and human trafficking. The good news of Jesus is preached and lived out in this ministry and many women who were once trapped now actively offer Christ to others who are still in their desperate way of life.

Marlin Ministries is a growing Christian community on campus. We encourage students to be a part of our weekly worship gathering on Sundays as well as participate in any one of 14 different Christian gatherings during the week. Four Life Groups are an experience in Christian community where we share life together while studying the Bible, praying and serving together each week. The vision statement for Marlin Ministries reads: “Discovering who we are in God’s eyes; Experiencing Jesus’ love and grace together and Living by the Spirit and sharing Jesus’ ministry with everyone.”

Just before Annual Conference, a group of VWC students traveled to Oxford University with Dr. Lindvall and Dr. Ben Haller to study C. S. Lewis and J.R.R. Tolkien. I was also with them, sharing with the group about the beginnings of the Wesleyan revival while preparing with Dr. Lindvall for a future class at Oxford on Methodism.

In connection with the Virginia Conference, we continue to host our annual Continuing Education Seminar for Clergy. Dr. Lindvall, C. S. Lewis Endowed Chair of Communications and Christian Thought, presented on: “Sanctified Laughter: A Theology, History, and Practice of Humor and Satire.” Our speaker for the Spring of 2015 will be the Rev. Jorge Acevedo of Grace UMC in Florida, March 16-17.

*-Greg West, Chaplain*

### **William and Mary Wesley Foundation**

In January, our new leadership team began work: Marni Robins, President; Victoria Gum, Discipleship; Jannette Morris, Service; Andrew Bresson, Communications; Carolyn Hartley and Dominique Rowsinski, Fellowship. It is a joy and a privilege to serve with such dedicated and compassionate people of faith.

We continued to welcome the wider community in fellowship and service to God and one another. Our Sunday Night Dinner continues to be the mainstay of our programming ministry. Programs range from “Can Jesus Come to My Dorm Room?” to wonderful worship, including an amazing All Saints Worship, and even a celebration led by the Ballroom Dancing Club. We also hosted a discussion with faculty about the relationship between academics and faith.

We led worship for the York River District United Methodist Men’s Prayer Breakfast, and we continue to preach and lead worship in local churches. We also traveled to Swan Quarter, N.C., during Spring Break to do home repair work through North Carolina Disaster Recovery.

We started a new outreach to students called The Doubters Club, where we gather at the coffee shop on campus and openly share questions, doubts and thoughts on faith. Our guiding statement is a rabbinical saying, “Why ruin a great question with an answer?” Each semester we offer the hospitality of lemonade and cookies, not only to the incoming freshmen and their families at move-in, but to the entire campus community at different times throughout the year. At the end of each year we carry out Operation Taco, to offer some food and grace to the students celebrating the end of the school year. In addition we have small groups focused around Reza Aslan’s book *Zealot*, as well as Nadia Bolz-Weber’s book, *Pastrix*, and Shane Claiborne’s book, *The Irresistible Revolution*. This spring we partnered with the Lutheran and Episcopal campus ministries to bring the Rev. Nadia Bolz-Weber to campus and with the Baptist Collegiate Ministry to bring Shane Claiborne. Both events proved to be meaningful times of conversation, sharing and growth for the campus community and beyond.

In addition, we are partnering with Oxfam to host a hunger banquet, as well as making the Potato Drop the concluding event of Hunger Awareness Week on campus. We are also partnering with Oxfam to go work in Richmond with Shalom Farms for a day-long service event. We also took the lead in the planning and implementation of another wonderful Service of Lessons and Carols hosted by the Christian Campus Ministers at William and Mary and held at Williamsburg UMC.

We reach out beyond the campus to our local churches as well. Williamsburg UMC continues to be a place of worship and community for many of our students, and there are strong bonds between the life of the church and Wesley, as evidenced by students continuing to participate in the worship, Sunday School and mission projects, as well as helping out with the homeless shelter and helping host the Messiah concert this year. Students have strong bonds to Wellspring UMC as well, another place of meaningful worship as well as service. Students participated in a Wellspring mission trip to Petersburg this semester. Groups from Wellspring and Williamsburg UMC also provide meals and participate in our Sunday Night Dinners and Programs.

We presently have one student entering into the candidacy process, and two students were accepted to participate in the Fund for Theological Education Vocational Conference.

It is an honor and a privilege to serve as the campus minister here. The young adults and the entire Wesley community do an amazing job of living out the love and grace of God! It shows through the lives changed, the faith that grows and the calls to ministry that are answered.

*-The Rev. Max Blalock, Campus Minister*

### **Wesley Foundation at Virginia Tech**

After a semester of discernment about where God was calling Wesley at Virginia Tech to be in ministry, this year has been one of change, newness and intentionality. Feeling that our ministry needed more intentionality with regard to outreach, worship and discipleship, students decided to embark on a challenging, yet very exciting, journey. Seeking to grow in faith and passion, Wesley at Virginia Tech launched several new ministries, revitalized some old ones and continued to excel in fellowship and missions.

As we continue to “Love Out Loud” in everything that we do, students invited and engaged new students through outreach in some creative ways. Due to this renewed emphasis and intentionality we have had one of the largest groups of new students in the past several years. These new students have quickly become engaged and are developing ways to enhance our ministry even more!

Desiring to be more intentional about worship, we launched our new worship service, “Foundations,” on Wednesday nights. Bringing in a new worship leader, using our amazing space, and creating fresh ideas allowed what was once a “program”-oriented ministry develop a sense of worship as a faith community. We have seen relative success in our first several months and look forward to the ways the Spirit will lead us as we try to grow and cultivate our worship experience.

We also launched a new “Mission Weekend” with the youth of the Roanoke District, in March. More than 150 youth attended a weekend

of worship, fellowship, mission and reflection. (This is due to the success of leading the Fredericksburg District's Youth Retreat the past two years.)

One of the largest and most exciting new ministries is the launching of "209 Manna Ministries." One of our students, Kelly Berry, a member at Fredericksburg UMC, heard of a need on campus: some of our students with "food insecurity;" their access to adequate food is limited by a lack of money and other resources at times. With passion and drive, Kelly created a student food pantry for these students at Virginia Tech. The support and love we have received from the university has been amazing. While presenting her idea to the heads of all the departments of Student Affairs, the only question from our vice president was, "When will it open?" Partnering with groups all over campus to stock the pantry, "209 Manna Ministries" opened its doors (inside our Wesley building) on Nov. 7! We have already served many students and the university (Dean of Students and Division of Student Affairs) continues to send students who have need our way. We are currently trying to advertise that we are here and hope for more students to realize this source of support. We anticipate the opportunity to serve more than 200 students a week through this ministry.

Our new small-group ministry, "Communities of Grace," is seeing a larger number of students seeking to be in intentional community. The revitalization of this ministry has seen a shift in our community building and authentic relationships.

We continue many of our other ministries. Whether it is through handing out 300-plus hot dogs to students downtown at bars, more than 2,000 grilled cheese sandwiches in the library during Finals week, leading worship at local churches in the Virginia Conference and the Fredericksburg District Youth Retreat, our Spring Break mission trip, FUN143 (a tutoring/mentoring program at a local trailer park), or our regular weekly activities, the students at Wesley are truly seeking to "Love Out Loud."

The Wesley Foundation at Virginia Tech strives to be a vibrant part of our United Methodist connection in ways that students can passionately enter into fellowship, discipleship, outreach, worship and mission, while being a faithful witness to the love of God for all of our neighbors. As you can see, campus ministry is vital to the lives of our young adults and, at Tech, we are committed to providing a space where doubt and struggle, hope and joy are a healthy and authentic part of students' faith journeys.

*-Bret Gresham, Campus Minister*

### **The Wesley Foundation at the University of Virginia**

Reflections from students and recent graduates . . .

"At Wesley, I feel like I'm a part of something bigger than the UVA community, bigger than the demands of my classes and my commitments outside of class. I've always been a spiritual person, but now I'm starting to learn what it truly means to be a Christian and a United Methodist." – Hannah Crockett ('17)

"A place to be and a place to become. . . For me, at least, the being really needed to come first. Before I came to Wesley, I was part of another Christian organization. While it was great in a lot of ways, I never felt I could truly be myself, or at least not be fully accepted as myself, there. I could question biblical passages or organizational beliefs, but there was a sense that the questioning should eventually lead me to adopt a specific set of beliefs. I was presented with one limited vision of Christianity and when I didn't agree, my natural tendency was to push away. If that was Christianity, maybe I wasn't Christian. Wesley provided a place I could be without the pressure of expectations about where I would eventually end up; I didn't need to have it all figured out to claim a Christian identity. We have been accepted in this community, and it is this grand acceptance of who we are now that allows us to become anything else. Because I was accepted, I was able to become someone who could see God in all manner of places I hadn't before – in the snow that brought me to this community first year and in the people who kept me here." – Lauren Huff ('13)

"I can say I really miss the times at Wesley, and being on the mailing list and Facebook groups makes it even more so. Every now and then I read Deborah's sermons and find it a much needed break from the pace here. Perhaps there's something to be said for "Come for the food, and stay for Jesus." – Abel Yang ('12), baptized at Wesley in 2011, writing from his home in Singapore

"How will I ensure that my life will be successful and when I look back one day, how will I measure my success? If this Wesley community has taught me one thing, it's that I don't want my success to be measured by status or dollar signs or the reaction I get when I tell people what I do for a living. I want it to be measured by its significance." – Erica Ridgell ('14)

"Wesley became more than a home away from home for me, and it helped me refocus my relatively quiet Christian life in a way that I would have never anticipated. The students I met there remain some of my closest friends, and living there for two years in intentional Christian community was formative in my spiritual growth. The community nurtured a call to ministry that I received the first semester of my first year and I went through the certification process for ordination while I was there. Whether it is a call to ministry in the church or simply a desire to find that place where God will meet you where you are on your faith journey, Wesley fosters a community that gives students a space to listen to these calls." – Ryan LaRock ('13)

"How can God be so a part of my beliefs and love for other people and be so a part of other people's discrimination and confusion? Instead of struggling with this question, for a while I just pouted. Bible verses were used to kick people out of the church. I thought, Fine, I don't need the Bible then to be faithful. I'll just be spiritual and feel God in all the other stuff. The stuff that can't be used against those I love. The Wesley Foundation pulled me out of that temper tantrum and invited me to join in again. Wesley is a place where I can be Christian without giving up other parts of myself: all at once accepting, intellectual, feminist and mystified by God's unending love." – Natalie Roper ('13)

"I didn't start coming to Wesley until my second year. First year, I tried a bunch of different Christian fellowships and all kinds of churches. I wasn't sure what I was looking for. I remember the first time I came to Wesley, I looked around and saw how everyone was interacting with each other and joking around and laughing and smiling, and I thought, I want to be a part of that." – Alex Ziehm ('15)

Thanks be to God for the witness of these students and alumni! Look around at Annual Conference and you'll see leaders who were once part of the Wesley Foundation at the University of Virginia. New District Superintendent Alex Joyner and new director of our Center for Clergy Excellence, Meredith McNabb, are wonderful examples. So are students Carly Sawyer and Christine Dennis, both serving as Calling 21 interns this summer. Campus ministry challenges people at a critical time in their lives and nourishes God's call for them. YOU support this ministry and it is changing lives, changing our church and changing the world. Thank you!

Stay tuned for our new vision and plans; visit <http://wesleyatuva.org>.

*-The Rev. Deborah Lewis, Campus Minister and Director*

### **CHURCH DEVELOPMENT TEAM**

The Church Development Team (CDT) has been working hard to fulfill its mission to assist in creating new faith communities and supporting the work of vitality in existing churches under "All Things New."

The 5 Talent Academy continues to offer training opportunities related to worship, financial stewardship, discipleship, evangelism and ministry with the poor. We continue to offer these events via web-based simulcast to regional locations throughout the conference, which helps reduce travel time and allows church leaders to participate with other churches located in their region. The 5 Talent Academy offers

two events per year, one in the fall and one held in late winter or early spring. In October, Dr. Constance Cherry provided guidance to help us become better “architects” of our weekly worship services. In March, noted author and financial stewardship consultant Clif Christopher provided practical keys to developing a culture of generosity within our congregations. Our next (October) session of the Academy will focus on evangelism. Typically, our 5 Talent events also include either a panel or small group discussion designed to assist participants with sharing ideas and clarifying next steps. Attendance at the 5 Talent Academy events continues to climb.

The Equipping Planter team directs the invitation, discernment and training of planters of new faith communities for the Virginia Conference. Those who are interested in planting engage in a process of discernment as to each person’s gifts for this unique ministry. The first stage is the New Church Leadership Institute, which is held annually each fall. We had 27 participants this past November. Some who attend this event decide that they wish to explore this call more deeply. These prepare a self-reflective paper and are interviewed by members of the CDT. Summaries of these interviews are given to the Cabinet, to help inform their appointment of planters of new faith communities. Once appointed, church planters attend training during the summer of their appointment, and coaches are assigned to help guide their ministry.

The New Faith Community subgroup of the CDT continues to help create a culture of excellence, fruitfulness and vitality in the area of new faith community development in our conference. This year we have continued to resource and encourage recently initiated new faith communities, local churches, district Boards of Mission and their equivalents, the Cabinet and others in our conference to live out “All Things New” through the planting of new faith communities. The New Faith Community subgroup is eager to work with local churches and groups of local churches who are discerning where, when and how to give birth to a new faith community. We continue to be available to work with district Boards of Mission or their equivalents in the new faith community discernment process. In addition to resourcing our conference in the area of new faith community development, the New Faith Community subgroup also receives, reviews and makes recommendations to the CDT and the Common Table regarding funding for new faith community development proposals. This year we received multiple proposals that were reviewed and given careful consideration. We remain prayerful and excited about the future of new faith community development within our conference.

We would like to thank Mark Ogren and Pat Hickman for their efforts that help make “All Things New” in the Virginia Conference.

*-The Rev. Wayne Snead, Chair*

## BOARD OF DISCIPLESHIP

The directing board of the conference Board of Discipleship (BOD) is happy to report that a few churches are currently working with Regional Network Leaders in exploring new ways to achieve Vital Congregation goals. In addition to that work, the Board is also in conversation with the Small Church Leadership Team and the Board of Laity as we explore ways that we can work together to further support and equip our churches.

For a second year the BOD has been involved with the Bishop’s Convocation on Prayer. As a follow-up to this year’s convocation, three separate regional trainings will take place so that even more people can experience new practices in prayer and spiritual disciplines. Our hope is to reach people, especially laity, a little closer to home and to help them to better understand the many creative and inspiring ways we can pray.

Grants through the Christian Education Offering were awarded to the United Methodist Community Outreach Program of Roanoke Tutoring Program and to the BOD convocation follow-up training. Another teaching ministry, The School for Children’s Ministries on the Road, has entered its second year with great success. Four region events in 2014 will equip about 150 Christian educators throughout the conference.

### Older Adults

“Change” was the theme that ran throughout the 2014 Wisdom and Grace Conference sponsored by the Southeastern Jurisdiction Association for Older Adults (SEJAOA). There were four from Virginia in attendance. Three members of our Older Adult Council (OAC) were elected to serve as Virginia’s representatives to the SEJAOA Board of Directors: Carol Bookwalter (Chair of the conference Older Adult Council), Nancy Miller and Randy Harlow. Throughout the year, members of the Council worked on worship suggestions and materials around the theme of “Walking the Walk, Knowing the Verse, Living the Word” for Older Adult Recognition Sunday, celebrated on the first Sunday of May (May 4).

Planning continues for a three-part “train-the-trainer” program to support those leading Older Adult Ministries in the local church. The three sessions will focus on life-long spiritual formation for older adults, programming ideas and end-of-life issues (living well).

Discussions are being held with Camp Overlook to determine how the OAC might partner in the “Young at Heart” days held each June and with future programming for older adults. Similar initial conversations have been held with other district camps.

Plans are also underway on an “Old-Time Revival” model of a day apart for older adults in the Richmond District, which could be replicated across the conference.

### Youth Ministry

Last summer, the group took a year off from LEAD (a ten-day intensive leadership development event). This decision was made as it seemed as if the market for people seeking such an event was fully saturated. Our group looks forward to hosting LEAD 2014 this July/August and serving another group of young people across our conference. It seems as if this event may be held every other year from this point forward.

Fall brought with it a great round of retreats. Both junior and senior high students enjoyed hearing from Margot Starbuck about Small Things With Great Love: Adventures in Loving Your Neighbor. Many students, youth directors, young adults and staff spent time sharing thoughts with the hashtag #NeighborLove. Stereoreel wrote a song based on the theme of our conference retreat, “Teach Us to Love.” These partners in ministry made our fall wonderful. It was truly a gift from God that all who participated in the December retreat made it home safely as a big December storm was bearing down on us.

In February, a group of 22 youth directors (paid and volunteer), clergy, campus ministers and other interested parties came together for an event called Cultivating Young Leaders. This opportunity gave participants a chance to learn about Living Your Strengths, a tool to encourage individuals to harness the gifts and graces God has given us.

### Young Adult Ministry

The Young Adult Council continues to think big and strive for results. It has been our great joy to be in ministry within the conference over the last year. We have hosted/facilitated the “Think Tank” events and are looking forward to having a finished product that can be taken to the church to help in reaching of young people within our local congregations.

Also, the Council has been in the process of strategizing tangible ways to partner with the vision of the conference in the area of prayer and

spiritual faithfulness. To this end, we have drafted a young Adult Prayer Convent which will be sent out to help churches, individuals and the Council be faithful in prayer that is both God-centered and mission-minded.

The council continues to reach out in new and exciting ways, with the planning of new future events that seek to equip local leadership. We are finalizing this planning and hope to produce a young adult ministry event in the coming conference year that will offer young people conference-wide a chance to come and be a part of the conference ministry vision.

While implementing many new endeavors, the Council has also taken this year to put more emphasis on being a source of connection for young adult ministry within the conference, working to seamlessly unite both campus ministry and the work of the Council to produce a unified ministry team. Additionally, we continue to support current ministry projects such as a young adult banquet, ConnecXion mission opportunities and spiritual retreats.

### RECOMMENDATIONS

- The Board of Discipleship recommends that each church in the Virginia Conference observe a Christian Education Sunday in the fall of 2014, and promote and receive a Christian Education offering (50 percent of which will remain in the district for teaching ministries while the other 50 percent will support teaching ministries through the conference).

- The Board of Discipleship continues to recommend and endorse Gregory B. West as a General Evangelist according to the standards set by the General Board of Discipleship.

*-Beth Christian, Chair*

### BOARD OF CHURCH AND SOCIETY

The Board has reorganized its work around four areas: Criminal Justice and Mercy Ministries; Caretakers of God's Creation, Eradicate Poverty and Peace and Non-Violence. We are basically following the framework of the 2009 Pastoral Letter of the United Methodist Bishops, which recognizes these areas as intertwined and needing common actions.

To accomplish the work assigned to us by the Virginia Conference and the General Conference with limited funds, we have begun doing much of our work via conference call, meeting as a full board only twice a year.

One of our main activities each year is the General Assembly Advocacy Day on the first Thursday in February, co-sponsored with the Virginia Conference United Methodist Women. This year's United Methodist Day was dedicated to Elivira Shaw, who nearly 30 years ago had a vision that led to this annual advocacy day. Ms. Shaw died last year after years of advocating for justice for the poor and care for the environment. She is missed by the conference Board, but her vision continues to inspire us. This year more than 250 people attended our Advocacy Day this year.

Our Criminal Justice and Mercy Ministries work area has been busy with its on-going ministries in Virginia's prisons, which now reaches inmates in many prisons across Virginia. The Commonwealth's new emphasis on re-entry opens up more areas for helping former prisoners to return to their communities and begin productive lives. More volunteers are needed to help with both the in-prison ministries and in finding housing, employment, education/job training, health care and counselling for former prisoners to help them reintegrate back into society. To help promote more networking, a brochure listing all prisons, chaplains and contact information is planned.

The Caretakers of God's Creation work area continues to promote the conference's Green Church Initiative. We now have some 100 churches in Virginia that have Caretakers of God's Creation teams and 50 have had their church council formally vote to be a "Green Church." The Caretakers work area has continued to promote energy conservation and renewable energy sources. It has worked to promote knowledge of a new law that allows churches to partner with private companies to install solar panels on churches. The commercial partner can receive the federal solar credit that churches, as non-profits, cannot. The work area has continued to support the Virginia moratorium on uranium mining as directed in the 2012 Annual Conference-approved resolution. Caretakers is also researching the environmental effects of "fracking" shale deposits in Virginia to release natural gas. The work area also urges congregations to support the "Festival of God's Creation Sunday" at a time near Earth Day (April 22) or World Environment Day (June 6).

The Eradicate Poverty work area is promoting a pilot JustFaith program, which seeks to train leaders for social outreach ministries on a broad range of justice issues and practices. If this proves successful, efforts will be made to make the program more widely available across the conference. An extensive resource list on understanding and responding to poverty is nearing completion. This will be made available soon and efforts will be made to promote more networking to increase the efficiency and effectiveness of our witness.

The Peace and Nonviolence work area continues to work to promote a culture of nonviolence in Virginia. This work area is also assigned to work on the issues of immigration for the board and will partner with the General Board of Church and Society to follow up on activities started in 2012 on immigration at Grace UMC in Manassas. The work area is planning an interfaith team of religious leaders – Christian, Muslim and Jewish – to travel together to Israel and Palestine in 2015.

The Peace with Justice Offering, one of the six "required" general church offerings, is promoted by the conference Board as we share in 50 percent of the offering taken by Virginia Conference churches. We have used our conference share of the offering in the past to promote activities that help congregations educate about peace as a Christian calling and have also funded projects to help end poverty and promote caretaking of God's creation. The part of the offering that the General Church receives has recently been used to promote peace-making projects in countries of Africa that have suffered years of civil war. The members of our conference Board are working to increase the offering from our churches so that more of these important projects can be funded.

More free resources from the Board are available on the conference website. Informational and advocacy handouts and bulletin inserts addressing the death penalty, immigration, minimum wage, predatory lending, restoration of voting rights, and wage theft can be easily downloaded. Many resources for Caretakers of God's Creation, as well as applications and guidelines for Peace with Justice Grants, are also available online. In addition, ten resolutions adopted by the Annual Conference and related to the Board's work are also available. All of these can be found at [www.vaumc.org/2013JusticeMission](http://www.vaumc.org/2013JusticeMission).

This year the Board is submitting three resolutions for your consideration – "Ban the Box," "Combat Poverty With Wages" and "Fracturing oil and gas containing rock is a new threat to God's Creation in Virginia."

We are devising ways to better link our efforts with those of the conference Board of Global Ministries. We understand the collective work of the two boards to be a partnership where the Board of Church and Society seeks to bring the whole of the gospel to the society, including governments, through social justice ministries rooted in our Social Principles, while the conference Board of Global Ministries works to assist the church in making disciples of Jesus Christ, strengthening Christian congregations and communities, and alleviating human suffering through mercy ministries. Both approaches are needed, and all of our work is to bring "social holiness" to God's world.

*-Jaydee Hanson and Hunter Mabry, co-chairs*

## VIRGINIA UNITED METHODIST COMMUNICATIONS

“The mission of Virginia United Methodist Communications, Inc., is to assist faith communities in communications and related technologies, empowering their mission to make disciples of Jesus Christ.” The art of communication is telling the timeless story of Jesus Christ. I love the great hymn We’ve A Story to Tell to the Nations: “We’ve a story to tell to the nations, that shall turn their hearts to the right, a story of truth and mercy, a story of peace and light, a story of peace and light.” (United Methodist Hymnal, pg. 569)

The methods by which we have told that story have changed in many ways through time, but the message we tell of Christ’s love for the world is indeed timeless. As I come to the end of my 10 years on the Board of Communications, I think about how much the method of communications has changed just in one decade. From a flip-phone to a smart-phone that does more than my very first computer, the dawn of Facebook and the ever-changing world of social media through Instagram, Pinterest, Snap Chat, Twitter and so many more programs I cannot list them all. More long-time print publications are “going digital” so that they can be read on computers, tablets and other mobile devices. All of this as I write this report on the 25th anniversary of the World Wide Web. The story has not changed, but how we communicate it has.

Your Board of Communications has continued to find ways to get the tools of communication into the hands of members and clergy in our local churches. Now more than ever, if we are going to be relevant to new generations and new faith communities, the biggest way we are going to connect is through evangelistic communication. Recently the PBS Show Frontline aired a piece called “Generation Like.” It talked about the use of social media by teens today: “Today’s teens don’t need to be chased down by corporations. They’re putting themselves online for anyone to see. They tell the world what they think is cool — starting with their own online profiles. Likes, follows, re-tweets and favorites are the social currency of this generation.” ([www.pbs.org/frontline](http://www.pbs.org/frontline))

The Board of Communications is seeking to provide training and tools to help churches to have a genuine and authentic social media presence. Yet while creating a digital evangelism ministry, we must balance with those who still utilize classic experiences of print communication. There are more and more resources available to lay out a plan to tell your faith community’s story and how it connects to the larger story of the Church and Jesus Christ.

We are blessed with the best Communications staff in the connection and are blessed by the hard work they do. This past year, through their work, the conference website has been updated. New logos for our conference and its various ministries have been created to help identify and unify the work of the Virginia Conference. The staff has produced top-notch communications pieces that have been used across a broad array of media options. And they have received national awards for this work, including 10 honors at the 2013 annual meeting of the United Methodist Association of Communicators (UMAC): Conference Graphic Designer Cathryn Wooton won first place in Visual Design Print or Electronic for her work on the Virginia United Methodist Advocate magazine; first place in Artwork for her April 2013 Advocate cover for “What It Means to Be United Methodist” (depicting a “Cross and Flame casserole”); first place in Logos/Branding for the new Virginia Conference logos; and first place in Publicity/Advertising Single Piece for the conference 2013 Ministries With Young People Resource Guide. Wooton also won a Best in Class award of excellence for Visual Design for her work on the Advocate. Director of Communications Linda Rhodes won first place in the Photography category for her photo of Bishop Young Jin Cho at the July 2012 Consecration Service at Lake Junaluska, N.C. Advocate Editor Neill Caldwell won first place for Writing in the Blog Division for his daily record of the first conference UMMVIM team trip to Cambodia in January 2013. The video, “Seeing Jesus in Cambodia,” produced by Caldwell and Rhodes about the Cambodia mission trip, won second place in the Videos category. The Advocate magazine was awarded second place in the Print/Magazine category, and the 2013-2014 Mission Opportunities booklet — produced jointly with the conference office of Justice and Missional Excellence — was second in the Print/Special Publications category.

We continue to look for new ways to be in partnership and ministry with the local faith communities and our conference boards and agencies. If we can help you tell the story in any way, please contact your Board of Communications.

*-The Rev. Bill McClung, President*

## COMMISSION ON DISABILITIES

The Commission on Disabilities (COD) is the primary resource and advocate for persons with disabilities throughout the Virginia Conference. We recognize the obvious needs of persons with disabilities such as mobility, visual, speech and hearing deficits, and are aware of the need to be more pro-active for those with intellectual and emotional challenges.

The task begins with enhancing awareness among our pastors, churches and congregations of opportunities for effective Christian ministry with and for all of God’s children. We are hopeful that the Virginia Conference will designate Disability Awareness as one of its foci during this quadrennial. This would be consistent with 2012 General Conference action.

The 2013 Camp Rainbow Connection theme was “As We Serve.” About 125 campers interacted with Blackstone area emergency and law enforcement personnel as part of their experience. The 89 staff volunteers ranged in age from 16 to 80-something. A total of \$17,500 in scholarships assisted campers who could not otherwise attend. A new camp coordinator, Stacy Roberts, began work on Feb. 1. This seasonal, part-time position is funded through the support of the Common Table and contributions to the COD and CRC.

Following a lengthy period of discernment, the Council voted to end our partnership with Camp Loud and Clear. The COD was instrumental in the development of this camp for children who are deaf or hard of hearing. We expect to hear great things as CLC continues to foster the gifts and graces of its staff and campers.

Revs. Jin Wook Oh and Randy Williams attended the 2013 meeting of the United Methodist Association of Ministers with Disabilities.

The COD offers accessibility, program and respite grants for local churches in support of ministries with disabled persons. Please visit the conference website at [www.vaumc.org](http://www.vaumc.org) under “Center for Lay Leadership Excellence”/“Disabilities” for applications and Accessibility Audits.

*-The Rev. Charles W. Townsend, Chair*

## COMMISSION ON ETHNIC MINORITY CONCERNS AND ADVOCACY

The Commission on Ethnic Minority Concerns and Advocacy (CEMCA) continues to work to live into the reality of a new structure by identifying objectives and strategies towards its mission of serving as a prophetic voice for the full and equal participation of ethnic and racial minorities into the total life and mission of the Virginia Annual Conference. We covet your prayers as we continue to strive to overcome both antipathy and, more challengingly, apathy toward this mission.

With an influx of new members, we decided to survey our members to discern their understanding of who we are and what our priorities should be as a result of this understanding. To help determine an action plan for the future, we invited Giovanni Arroyo, team leader for Monitoring and Advocacy at the General Commission on Religion and Race, to facilitate our fall meeting. As a result of that time together and the survey results, two important realities were reinforced:

- The absolute necessity to partner more closely with existing conference bodies, i.e., the Cabinet, Ethnic Clergy Recruitment Task Force, Cross Racial/Cultural Appointment Resource Team and the Board of Ordained Ministry.
- And with that, the need to formulate strategies and opportunities to work with districts and local faith community connections for increased awareness and intercultural competency.



During the 2013 conference year, CEMCA awarded a grant of \$5,000 to Healing Spirit, a support program connected to the Mattaponi Healing Eagle Clinic on the Mattaponi Reservation. This award was made possible due to generosity toward the Native American Ministries offering fund. In addition, CEMCA was able to assist the Asian-American Ministers Association in hosting the fifth annual Asian-American Ministers and Family Retreat in December.

We are indebted to the enthusiasm and fresh ideas the Commission as a whole has brought to this process, among both new and experienced members. With their help, your prayers and support, and the guidance of the Holy Spirit, we look forward to continuing the work of living fully into this vision and further engaging the strategies we have identified in the 2014 conference year.

*-JD Daniely and Jake Paysour, Co-Chairs*

## COMMISSION ON THE STATUS AND ROLE OF WOMEN

The Commission on the Status and Role of Women (COSROW) encourages participation of women in the fuller life of The United Methodist Church. To support our mission, during 2013 Annual Conference COSROW collected data on participation of women, minorities, youth and young adults and persons with disabilities in the leadership roles of the church as represented by on-stage and at-the-microphone presence. The data indicates intentionality on the part of those who coordinated planned segments, such as worship services, to be inclusive.

Observed participation during Annual Conference was 28.1% female and 71.8% male. Ethnic, youth, and young adult participation increased from 2012. Clergy and laity participation remained stable and comparable to one another.

MissionInsite data for the Virginia Conference suggests we can improve diversity in leadership. We are called to reflect God's diversity and encourage opportunities for all God's people to come to the table. Is the participation at Annual Conference reflective of our United Methodist Church membership? Do these percentages reflect the percentages of different stakeholders in our pews? More importantly, do these percentages reflect the diversity of neighbors God has placed our congregations in the midst of? What can we do to encourage greater female participation and participation of those who are not Caucasian? How can we continue to encourage youth and young adult participation? We are here to serve God's people.

The chart included with our report (below) gives an overview of several data points from the 2013 Annual Conference collection of information. COSROW has annually had the opportunity to collect data from each session of the Annual Conference in order to help see, understand and improve the Virginia Conference's inclusivity and recognition of diversity. With greater awareness comes the opportunity for greater participation by all God's children. With greater participation there is a greater possibility for all of us to participate in our mandate to go into the world to make disciples for Christ.

*-Shan Sixbey, Laity Chair*

### PARTICIPATION IN ANNUAL CONFERENCE SESSION LEADERSHIP AND DISCUSSIONS

(103 participants)

MALE (74)	FEMALE (29)
<b>71.8%</b>	<b>28.1%</b>

OBSERVED ETHNICITY

WHITE (92)	OTHER (11)
<b>89.3%</b>	<b>10.7%</b>

MEMBERSHIP STATUS

CLERGY (58)	LAITY (45)
<b>56.3%</b>	<b>43.7%</b>

OBSERVED AGE DISBURSEMENT

YOUTH/YOUNG ADULT (18)	OLDER ADULT (85)
<b>17.5%</b>	<b>82.5%</b>

## BOARD OF GLOBAL MINISTRIES

The conference Board of Global Ministries, seeks to develop leaders, create opportunities and empower congregations to join in God's mission at local, national and international levels. To that end, the Board has traditionally been divided into several teams which are tasked with particular responsibilities (reports follow).

During this past year, the Board of Global Ministries has been involved in a process of evaluation and discernment: 1) to identify concrete achievable goals/tasks for this quadrennium and a common vision and purpose for the Board as it moves forward; and 2) to revise and implement an operating structure which will allow for effective and efficient ministry. We continue to seek the leading of the Holy Spirit in meeting the challenges of being and living as God's people engaged in God's mission in the world.

*-The Rev. Veronica Barrell, Chair*

### MISSION INTERPRETATION TEAM

The Mission Interpretation Team of the Board of Global Ministries is tasked with interpreting the mission outreach of The United Methodist Church to local congregations and districts. Two major tools that accomplish this are the Mission Encounter (formerly called the School of Christian Mission) and Voices of Youth. Our team consists of elected clergy and laity as well as those persons serving as District Mission Coordinators and United Methodist Women Education and Interpretation Coordinators. Mission Mentors, trained and commissioned at 2011 Annual Conference, are additional interpreters of mission available upon contact.

Mission Encounter 2014 is a cooperative school offered by the Board of Global Ministries and the United Methodist Women to help us understand God's work in our world and our involvement as United Methodists. Two sessions will be offered: July 25-27 and July 28-30 at Blackstone. Children are offered separate "mission trip" sessions, giving them an opportunity to participate in hands on mission projects to help them understand and grow in awareness of local, national and global work done in the name of Christ by United Methodists. Youth are invited to attend and will participate in regular classes with additional special activities.

Voices of Youth (VOY) is a mission program of the Virginia Conference designed to connect high school youth with those in need through music and mission. VOY has traveled every summer for three or four weeks, both within and outside the U.S., since 1985. This summer Voices of Youth will travel to the Island of Nassau in the Bahamas to work with Bahamas Methodist Habitat for one week and then tour in host churches around the conference. Contact VOY Coordinator Jenn Dixon at [coordinator@voyva.org](mailto:coordinator@voyva.org).

The annual meeting of the Mission Interpretation Team will be held on July 27, at the conclusion of the Mission Encounter weekend.

*-The Rev. Judy Fender, Chair*



### UNITED METHODIST VOLUNTEERS IN MISSION

In 2013, 13 United Methodist Volunteers In Mission (UMVIM) team leader trainings were held around the conference, with 150 people completing the training. Trainings provide leaders with best practices for short-term mission teams. Trained leaders comply with Safe Sanctuary guidelines, register their teams and take insurance through the Southeastern Jurisdiction (SEJ) UMVIM office and serve in an UMVIM project. The Virginia Conference had more teams registered and insured through UMVIM SEJ last year than any other conference in the jurisdiction!

Last summer a Facebook page for UMVIM within the conference was created at [www.facebook.com/VirginiaUMVIM](http://www.facebook.com/VirginiaUMVIM). By year's end, there were more than 500 people engaged on the page. This Facebook page is a place for inspiration, information and connection. Team leaders are invited to share the specifics about their trip: i.e. church or district sending the team, location and ministry project particulars by e-mailing the conference UMVIM coordinator who will post to the Facebook page. Others are invited to pray for the team and those they'll be serving. Teams looking for additional information are invited to "recruit" via the Facebook page.

We have Virginia UMVIM t-shirts for sale at training events and at Annual Conference. We believe it is another way for teams to offer a "silent witness" as they serve.

We are working to create a recertification class for veteran team leaders. We are exploring the potential for a large UMVIM event for the conference in 2015. We are planning to offer conference short-term mission teams again in 2015, opening up domestic and international mission opportunities to those active in smaller churches and charges who might otherwise not be able to participate.

Our prayer is that we truly embrace and live the UMVIM mission statement based on 1 John 3:18: "Christian Love in Action."

*-Forrest White, UMVIM Coordinator*

### COMMITTEE ON MISSION PERSONNEL

The Committee on Mission Personnel (CCMP) is a committee committed to mission service. Members guide and mentor interested persons through the application and discernment process for mission service and assist them in identifying, within the conference, congregations for missionary financial support.

There is a specific process by which the Mission Personnel Unit of the General Board of Global Ministries receives applications for persons interested in full-time missionary service. Applicants can access the Personnel Information Form (PIF—Application for Missionary Service) and other application materials from the Virginia Conference website under Ministries/Center for Justice and Missional Excellence/Committee on Mission Personnel (CCMP)/Related Documentation. For more information, call The Center for Justice and Missional Excellence at (804) 521-1144.

We encourage all congregations, as well as individuals, in the Virginia Conference to help support a missionary. To learn more about becoming a covenant partner with a missionary, send an e-mail to [mission@vaumc.org](mailto:mission@vaumc.org), or call 1-800-768-6040, or (804) 521-1100, ext. 144.

*-Joanne Maughlin, Chair*

### HEALTH AND RELIEF TEAM

The Health and Relief Team is currently working with the United Methodist Global AIDS Fund to develop ways of educating members of the local church of the serious and pandemic problem with HIV and AIDS. Our goal is to help people understand this disease and means of prevention. The Health and Relief team will continue to identify ways that our local churches may become involved in the eventual eradication of HIV and AIDS around the globe.

The Health and Relief team will continue to be involved in direct ministries to human needs and our work with Faith Community Nursing, Disaster Relief, Virginia Interfaith Committee on Mental Illness Ministries and other ministries within the Virginia Conference, as well as continue our relationship with our five conference-related agencies.

*-The Rev. Dr. Donna Mott, Chair*

### HEART HAVENS

#### Expansion

- Discussions continue with the Charlottesville District about having a residential program in that area.

#### Grants (total \$89,989):

- Department of Rail and Transportation Grant \$76,512 (vans for Colonial Beach and Richmond homes)
- The Greater Lynchburg Community Trust Grant \$10,227 \*awarded in 2012 and funds received in 2013 (van for the Lynchburg 2 home)
- Gatchell Family Foundation \$2,000 (operating)
- \$250 GTECH (operating)
- \$1,000 Virginia United Methodist Foundation (van for the Kilmarnock home)

#### Special Events

- Motorcycle Rally-Ride for Independence

#### Other:

- BBB Accredited Charity Seal
- Volunteer totals captured: 516 hours and 3,395 miles driven
- Mary Beth Graff Home received a whole house generator; funds for this purchase and installation were raised by the residents and local churches and civic groups.
- Re-constructed our website with portals for staff and board members.

*-Jennifer Boyden-Barrett, Executive Director*

### VIRGINIA UNITED METHODIST HOMES, INC.

The 950 employees of Virginia United Methodist Homes, Inc. (VUMH) continue to strive each day to fulfill our mission of providing facilities, services and programs to enhance the quality of life of the more than 1,200 individuals who call one of our communities home.

Fulfilling this mission is no small task! We provide services to our residents 24 hours per day, 365 days per year, and nothing can stop the wonderfully dedicated people I work with, day in and day out, from doing their good work. As our organization has grown, our greatest motivator has been, and always will be, providing our residents with the best services possible in an environment of their choosing.

Our employees work hard to fulfill our mission, but from time to time, extra effort is required. One example of this occurred in January. Our communities on the Eastern Shore and Norfolk, and our Virginia United Methodist Homes of Williamsburg, Inc. community, WindsorMeade of Williamsburg, experienced a significant snow fall. As one can imagine, the snow made commuting to and from work very difficult for everyone in the region. As I talked with our community leadership teams during this event, I was told of many employees who left the comfort of their homes prior to the snow to make sure they were at work to ensure the safety and well-being of our residents. During

this particular snow storm, I know of three employees who each walked more than a mile so they could serve our residents during this time.

This is but one illustration of the commitment of the people that I work with every day. In my nearly 23 years of service to VUMH, I cannot count the number of times I have witnessed or heard of similar stories of service by our employees who do this work for one collective reason – to make certain that we fulfill our mission to those we serve.

Please join me in honoring these dedicated VUMH employees by making a gift, in their honor, to the VUMH Samaritan Program for Benevolent Care between Mother's Day and Father's Day. This past year VUMH provided more than \$805,500 in benevolent care to residents in our communities. Each gift we receive helps us continue our mission to provide facilities, services and programs to our residents who have outlived their own personal assets.

*-Christopher P. Henderson, President and CEO*

### **WESLEY HOUSING DEVELOPMENT CORP.**

Wesley Housing seeks to preserve, develop, own, and operate affordable housing and sustain quality communities for families and individuals who might otherwise face homelessness. Our residents include low- and moderate-income families, children, seniors, and individuals, including those with chronic diseases or disabilities. Since 1974, we have developed 25 communities in six Northern Virginia locales to provide more than 20,000 residents with affordable housing in stable, quality communities. We currently manage 19 properties plus four Community Resource Centers (CRCs) and four special needs Resident Services Centers.

#### **Real Estate Development Projects**

- Pierce Queen Apartments (Arlington): Progress continues on the pre-construction phase of the project that will preserve and renovate two garden apartment buildings and construct a new 12-story residential tower. The mixed-income project will create new affordable housing, preserving 76 housing units as affordable for 60 years in a neighborhood where gentrification threatens affordability.

- Lynhaven Apartments (Alexandria) and William Watters Apartments (Arlington): The 49 units of the two communities have received approvals for major renovation that will upgrade kitchens and baths and improve energy efficiency and water conservation using sustainable materials.

#### **Resident Services/Special Projects**

- Wesley Housing's Resident Services programs help children achieve academic success and support adults in their efforts to earn higher wages and attain economic independence. Resident services staff offer supportive services: nutrition, food assistance, and linkages to public and nonprofit service providers. In December, 80 children participated in the four CRC's After School Programs and 255 households received food distributed from food banks and churches.

- The Housing Stability and Eviction Prevention Program brings together Wesley Housing's property management and resident services teams to help keep families and individuals housed even in the midst of financial setbacks. In 2013, 110 residents at risk of eviction remained housed as a result of the program.

- 152 low-income Wesley Housing family members and children in 48 households had a special holiday because of hundreds of gifts from churches, companies, and volunteers who participated in our 2013 Adopt-A-Family Program; 369 toys from Toys for Tots and \$15 gift cards for teens were distributed; 88 laundry baskets filled with laundry supplies were given to each of the Coppermine Place residents — seniors or individuals with disabilities.

*-Shelley S. Murphy, President/CEO*

### **INITIATIVES OF HOPE**

Brazil: As a result of the meetings between the leadership of the Brazil Methodist Church and the Initiative of Hope country chairs (current and former), David Vaughn and Dot Ivey, the partnership is now looking at new ways to join in mission while continuing support of the Shade and Fresh Water Project and the John Wesley Medical Boat. New areas of collaboration potentially include worship experience, children's/worship music and collaboration between Methodist Universities in Brazil and Virginia.

A young adult team from Brazil spent two weeks in Virginia targeting "unchurched" in Roanoke, worked with RISE in Harrisonburg, and Connexion NOVA – northern Virginia young adult forum. In addition, two teams from Virginia went to Belo Horizonte and Manaus partnering in the Shade and Fresh Water Projects in those locations.

Mozambique: This was a year of reconnection with the partnership between the United Methodist Church of Mozambique and the Virginia Conference. In October, Glenn Rowley and Molly Wilmarth, IOH country chair, met with Bishop Nhanala and her staff. The purpose of the meeting was to re-engage and generate a new vision for the partnership, cultivating a ministry of presence with emphasis on nurturing and growing relationships, and listening in community for how we might work together toward the common goal of building the church, both in Mozambique and Virginia.

In April, we began to hear reports of civil unrest and violence in Mozambique, due to friction between Renamo forces and the governing forces of Frelimo. The Virginia Conference continues to lift Mozambique in prayers for peace and reconciliation.

Two teams went to Mozambique in 2013. Annandale sent a team to help with the construction of the men's dormitory at the Cambine Seminary and provide a three-day seminar for the seminary students and local pastors, led by Rev. Dr. Clarence Brown. A team from Warrenton went to the Pemba area to assist with drinking water well ministry. And \$50,000 of the Virginia Conference offerings went toward classroom construction and building repairs for the Janene Pennel Secondary School in Bungane.

Cambodia: The 2013 trip to Cambodia served as an opportunity to see the ministries at work there, as well as listen for the opportunities where the Virginia conference can partner with this mission conference. The Rev. Sam NeSmith led a second team to Cambodia in January this year. The greatest needs are education teams – to teach Bible stories, to lead vacation Bible schools and to teach the locals how to lead these types of programs. A delegation from Cambodia participated in 2013 Annual Conference and visited a number of local churches. Cambodian guests and conference representatives from around the connection participated in the 2014 Cambodia Consultation in May, hosted by Aldersgate UMC in Alexandria.

*-Erin McKenney and the Rev. Rebecca Rumburg, Co-Chairs*

### **RECOMMENDATIONS**

That the Relationship Agreements as presented to the Health and Relief Team between the Virginia Conference and Heart Havens, Inc.; United Methodist Family Services of Virginia; Virginia United Methodist Homes, Inc.; Virginia United Methodist Housing Development Corporation; and Wesley Housing Development Corporation, be continued.

#### **Advance Specials 2014-2015**

#### **INTERNATIONAL**

Mozambique: Chicuco Rural Hospital, Advance #09734A

Mozambique: Cambine Agriculture Program, Advance #3020561

Congo: North Katanga Wings of the Morning, Advance #08597A  
 Chile: Methodist Construction Projects, Advance #3020485  
 Liberia: Ganta United Methodist Hospital, Advance #15080N  
 Haiti: Haiti Emergency Projects, Advance #418325  
 Cambodia: Mission Initiative, Advance #00230A  
 Cambodia: Street Children Ministry, Advance #14921A  
 Macedonia: Macedonia in Mission Together, Advance #00220A  
 Brazil: Ministry with Children, Shade and Fresh Water Project, Advance #11580A  
 Israel: Bethlehem Bible College, Advance #12017A  
 Russia: Russia Mission Initiative, Ukraine, Moldova, Advance #14053A  
 Sierra Leone: Child Rescue Program, Advance #14377A  
 Sudan: Sudan Emergency, Advance #184385  
 Global: Anti-Human Trafficking, Advance #333615  
 Global: The Medicine Box, Advance #982630  
 Global: Sustainable Agriculture, Advance #982188  
 Guatemala: Highland Support Project, Advance #15022A  
 Mexico: Give Ye Them To Eat, Advance #07629A  
 Mozambique: Evangelization and Church Expansion Ministry, Advance #12580A

## **NATIONAL**

Mississippi: Choctaw United Methodist Mission, Advance #761544  
 USA: Project Crossroads, Advance #781380  
 District of Columbia: Christ House, Advance #381215  
 Kentucky: Red Bird Mission, Inc., Beverly, Advance #773726  
 Kentucky: Henderson Settlement, Frakes, Advance #773365  
 Florida: Cornerstone Family Ministries, Advance #751202  
 South Dakota: Tree of Life Ministry, Advance #123615  
 Tennessee: Jubilee Project, Inc., Sneedville, Advance #781350  
 USA: Justice for Our Neighbors Immigration Ministry, Advance #901285  
 USA: Volunteers in Mission, Southeastern Jurisdiction, Advance #901875  
 USA: Society of St. Andrew, Advance #801600  
 USA: Response and Recovery to Natural Disaster, Advance #901670

## **VIRGINIA**

### **New Advances:**

Community Revitalization by Youth (CRY), #5003  
 Rising Hope United Methodist Mission Church, #5043  
 Continuing:  
 Shalom Zone: Grace Ministries, #5046  
 Tuesday's Table, #5024  
 Disciple Bible Outreach Ministries of Virginia, #5029  
 Henry Fork Service Center, #5008  
 United Methodist Community Outreach Program of Roanoke, #5004  
 Virginia Conference Disaster Response and Recovery, #5037  
 Caretakers of God's Creation, #5016  
 Agape Christian Children's Community Center, Inc, #5020  
 GRACE Ministries of The United Methodist Church, #5035  
 ESL and Immigrant Ministries Childcare Support, #5036  
 Teens Opposing Poverty, Inc. (TOPS), #5010  
 Heart Havens, #6442  
 Park View Community Mission, #5019  
 Wesley Community Center, #5025  
 Helping Hands Mission Camp, #5026  
 Just Neighbors Ministry, Advance #803002  
 Pathways Virginia Advance #504

## **SITE SELECTION COMMITTEE**

By previous Annual Conference action, the following sites and dates have been approved for Annual Conference:

<b>Roanoke</b>	<b>June 19-21, 2015</b>
<b>Roanoke</b>	<b>June 17-19, 2016</b>
<b>Hampton</b>	<b>June 16-18, 2017</b>
<b>Hampton</b>	<b>June 15-17, 2018</b>

The Site Selection Committee is charged with finding a location for Annual Conference which is set five years in advance. The Committee recommends that Annual Conference be held in Roanoke on:

**June 21-23, 2019**  
**June 19-21, 2020**

We are often asked about holding Annual Conference at other facilities. Roanoke and Hampton are currently the only facilities which are able to meet our requirements. We continue to have contact with and review other facilities, but have not found any others that are able to meet the needs for holding Annual Conference. By way of reminder, we have the following requirements:

- Meeting space and restaurants for 4,000 people;
- Parking spaces for 2,000 to 3,000 cars;
- 1,500 hotel rooms;
- Meeting space for Clergy Executive Session for 1,000 people;

- Meeting space for Laity Session for 1,000 people;
- Two banquet areas for 500 people;
- Break-out areas and display area of 30,000 square feet;
- Ease of moving participants between the various areas.

The Site Selection Committee, along with the Annual Conference planner and the chair of the Common Table, have reviewed a number of potential locations across the state and found they either do not meet the stated requirements or are not available during the month of June.

*-The Rev. Doug Geeting, President*

## COMMITTEE ON THE EPISCOPACY

The functions of the Committee on Episcopacy are listed in the *2012 Book of Discipline* (§637.3.f) in that listing reads: To engage in annual consultation and appraisal of the balance of the bishop's relationship and responsibilities to the area and annual conference, the jurisdiction, general Church boards and agencies, and other areas of specialized ministry, including, at all levels, concern for the inclusiveness of the Church and its ministry with respect to sex, race and national origin, and understanding and implementation of the consultation process in appointment-making.

The Southeastern Jurisdiction (SEJ) Committee on Episcopacy appointed a task force comprised of three laypersons from the committee and three bishops to establish an evaluation process that would be used by Committees on Episcopacy in all 13 SEJ episcopal areas. That process is now in place; review and evaluation began in the first quarter of 2014 by the Committee on Episcopacy.

At each quarterly meeting, a different portion of the evaluation will be emphasized. Invited guests who work closely with the Bishop will assist the committee in the evaluation process. Our desire is to support the ministries of our bishops by providing encouragement and immediate feedback.

Our work is confidential, but we want you to know about this evaluation process that has been put in place to assist our bishops and the committees as we do the work that we have been charged with.

The episcopal residence is in good condition with only minor repairs normally associated with a new house. The final landscaping was to be completed in the spring.

*-Shirley Cauffman, Chair*

## BOARD OF ORDAINED MINISTRY

The Board of Ordained Ministry enables disciples of Jesus Christ to become effective clergy and certified lay professionals. To this end, the Board assists these persons in the areas of call, development and collegial support.

Our full report on changes in conference relationship has been reported to the Clergy Executive Session for its action.

As the current quadrennium began, the Board adopted three priorities:

- A culture of excellence among clergy leaders as we strive for effectiveness;
- More candidates being recommended their first time applying for provisional membership;
- Stronger clarity about the diversity of gifts for ministry that are needed at present and into the near future within the bounds of the Virginia Conference.

February marked the launch of the first cohort of clergy participating in the Virginia Clergy Leadership Program. Twenty clergy were accepted into the 18-month program. This program is rooted in the understanding and practice of leadership in Christ, so that clergy will be radically open to the transformational power of God in their lives and practice of ministry. Believing that fruitful clergy leadership is grounded in deep spiritual maturity, participants will be able to:

- Develop the interpersonal and leadership perspectives and skills to actualize missional potential in their faith community;
- Sharpen vocational competencies in evangelism and disciple-making, worship leadership and preaching, and mission.

Funding for the first cohort of this program was provided by "All Things New" Campaign Funds, the Bishops' Foundation and the Virginia United Methodist Foundation. The Board is grateful to these groups for providing this funding. Bishop Cho is seeking donors to endow this program for the future.

Based on the 2013 clergy age trends report of the Lewis Center for Church Leadership, the Virginia Conference has the highest number of young clergy under the age of 35 when you include licensed local pastors, provisional members, deacons and elders.

In the area of call, the Calling 21 program continues to cultivate local churches that will serve as calling-congregations and host summer interns. This summer there will be eight interns serving: Basic (S), Braddock Street (W), Culpeper (C), Jackson Street (L), Lane Memorial (L), St. Luke's (YR), Rocky Mount (D), and a cluster of churches in the Eastern Shore District which includes the Leemont Charge, St. John's UMC, the Horntown Charge and Melfa UMC. A \$12,500 grant from the Forum for Theological Exploration was received this year to fund interns in non-white congregations.

An Exploration Event for high school students, called SERVE, will be held in partnership with Randolph-Macon College Aug. 3-5. Registration information is on the conference website.

Also new this year was the Candidacy Summit for all those seeking certified candidacy. More than 80 potential candidates participated in the July and January summits.

At the annual fall Board meeting, consultants addressed the intersection of physical, mental and spiritual health. The work of the Board also includes sponsoring the annual Licensing School for all first-time appointments, examining persons seeking credentialing as ministers of other denominations and transfers, interviewing those seeking retirement, reviewing requests for extension appointments, visiting students at eight seminaries, awarding scholarships and service loans to seminary students, providing continuing education assistance to clergy, guiding provisional members on their journey, promoting lay professional certification, ongoing ethics training, assisting those on clergy medical leave and conference relationship matters.

The Board expresses its deep appreciation to the Rev. Beth Downs for her leadership of the Center for Clergy Excellence for the past 16 years.

*-The Rev. Ed Walker, Chair*

## CONFERENCE TRUSTEES

The Conference Board of Trustees met for their regularly scheduled meetings.

The sale of Shiloh United Methodist Church (abandoned), in Bath County, was completed in 2013. The Cabinet will bring a recommendation to the Annual Conference as to the disposition of the net proceeds from the sale.

The Conference Trustees continue to address property issues related to discontinued and/or abandoned United Methodist churches in the Virginia Conference.

The Articles of Incorporation of the Board of Trustees of the Virginia Annual Conference of The United Methodist Church, Inc., have been amended and are in agreement with *The Book of Discipline 2012*.

Maintenance, replacement and repairs on/to the United Methodist Center in Glen Allen have been completed or are in the process of being completed: painting in the public areas; replacement of monitor software for the HVAC (heating and cooling) system. Repair, re-painting, and treatment for rust on the exterior trusses/railings will be made as the weather permits. Extensive repairs to the parking lot, including re-marking and re-stripping, will be made as the weather permits.

The Board of Trustees reported to the 2013 Annual Conference that the initial loan for the construction of the United Methodist Center matured in 2012, and that the Conference Trustees continued the financing of the \$2,016,000 balance with SunTrust Bank at an interest rate of 3.25%. The balance of the loan from SunTrust Bank for the construction of the United Methodist Center was paid off in 2013.

The Trustees elected the following officers for the coming year: Sallye E. H. Bowen, president; Carl L. Moravitz, vice president; Clyde T. Nelson, secretary; David Dommissie, treasurer.

*-Sallye E. H. Bowen, President*

## WELLNESS MINISTRIES

The 12 months since the 2013 Annual Conference have been an extremely busy and productive time – both for Virginia Conference Wellness Ministries (VCWM) and for our clergy, lay employees and their families – the people we serve.

VCWM continues to administer a contract between Virginia United Methodist Pensions, Inc., (VUMPI) and Health Advocate, Inc., providing health plan participants, spouses, children to age 26, parents and in-laws access to a broad range of wellness and advocacy services. Engagement has increased significantly, as participants become better acquainted with this tremendous asset.

During 2013, approximately 600 clergy, lay employees and spouses received physical examinations with accompanying blood tests. In doing so, they practiced both self-care and good stewardship. Annual wellness physicals and laboratory tests are covered 100 percent (no cost share, no co-pay) by all VUMPI-sponsored active health plans. Additional preventive or wellness procedures which might be ordered by a physician on the basis of established clinical guidelines – such as age and gender – are also fully covered.

Thanks to Wellness 100, the program through which participants and spouses can lower their personal health plan premiums, 215 individuals are saving a combined total of almost \$39,000 during 2014. To qualify for reductions in personal premiums, participants and spouses undergo a physical examination with blood panel, complete an online Personal Health Assessment, and accrue 50 additional points by selecting from a wide variety of options, including online wellness courses for which they also may receive Continuing Education Units at no cost. For details, visit [www.VCWMministries.org](http://www.VCWMministries.org).

In continuing support of Bishop Cho's initiative on prayer, and VCWM's accompanying emphasis on spiritual health, 2014's Wellness 100 program now includes a new and streamlined process for individuals to report their practice of spiritual disciplines. Additionally, health plan members actively enrolled in Weight Watchers can now report their participation directly to VCWM and receive wellness points for their engagement. We know how busy our participants are, and continually seek ways to offer wellness and advocacy services that are both timely and user-friendly.

Quality control is a top priority of VCWM. We value the role our participants play in helping to identify ways our programs can be enhanced and improved. In March, an electronic survey gauged customer satisfaction. Those results have been analyzed by VCWM, and shared with VUMPI and Health Advocate, with the goal of providing our participants the best in wellness programming.

Looking forward to 2015 and beyond, we are hopeful all eligible health plan participants and their families will take full advantage of the broad range of wellness and advocacy services provided by VCWM and Health Advocate. Whether assisting itinerating clergy with finding a physician in their new community, helping with the transfer of medical records, scheduling appointments, providing personal coaching, resolving claims issues, or offering eldercare advice and Medicare program interpretation, VCWM and Health Advocate will continue to provide services that our health plan participants – and their families – can count on!

VCWM is hopeful that all clergy and laity might come to understand self-care as a question of Christian stewardship. Life is a gift from God, and the way we treat the gift can say a lot about our relationship with the Giver. As always, we request your prayers and welcome your feedback. E-mail [VCWM@VCWMministries.org](mailto:VCWM@VCWMministries.org), or call (540) 946-6544.

*-Donald C. Yesukaitis, President, and the Rev. Charles F. Reynolds, Executive Director*

## THE BISHOPS' FOUNDATION

The Bishops' Foundation was created by action of 2011 Annual Conference to provide training for leadership development of both laity and clergy in the areas of evangelism and preaching. Three predecessor organizations, the Goodson Foundation for Preaching (which supported from 1999-2009 the Academy for Preaching), the Stockton Endowment for Evangelism and the Pennel Endowment, merged and formed the assets of the Bishops' Foundation. The foundation is led by a board of directors (five clergy and four laity) nominated by the Cabinet, with endowment funds invested with the Virginia United Methodist Foundation.

The Bishops' Foundation is not a funding source for scholarships or local church financial assistance, but is an event-sponsoring or co-sponsoring organization that supports the training of both lay and clergy. In 2013-2014, we financially supported the first-ever Clergy Leadership Program. A proposal for a preaching event similar to the Academy for Preaching is being considered and has tentatively been set for a date of Sept. 15-18, 2015. This small-group event is designed to encourage and inspire those who have engaged in preaching for many years and to assist those in the formative years of their preaching, seeking to raise the level of vital preaching in our congregations.

The Foundation is also reviewing incorporation issues, and clarified our investment policy. The board remains interested in addressing the "gaps" that may exist in current conference ministry programming to foster opportunities for young adult laity and clergy to help the church in reaching their generation.

*-The Rev. David A. Rash, Chair*

## SMALL CHURCH LEADERSHIP TEAM

Our Small Church Leadership Team, consisting of clergy and lay representatives throughout the conference, is in our second year of working together to encourage and empower churches in the Virginia Conference with less than 150 in average worship attendance.

As we began sharing experiences and witnessing to God's work in our churches, we came to realize the importance of small churches in contributing to success toward our common United Methodist mission of "making disciples for Jesus Christ for the transformation of the world."

At 2013 Annual Conference, team members staffed a table to distribute information concerning the significant work of small churches. The goal was to encourage those in small congregations to share stories about how God was using them to reach others in the name of Christ. Several visitors to the table left specific accounts attesting to the goodness of God in blessing their efforts. The team was so impressed with

the response to witnessing to God's blessings in their churches that we created a blog for the purpose of sharing stories on a broader scale. The blog is appropriately named "Kingdom Sightings" and is available at [www.vaumc.org/kingdomsightings](http://www.vaumc.org/kingdomsightings). Team members agreed to offer stories to get the blog off to a good start but it is open to everyone. Reading and sharing stories of our faith is a centuries-old proven method to witness to God's blessings. The team believes that God will use the blog as a means to "sow seeds" of inspiration through the ideas and ministries that are shared.

As we have celebrated the great work that small churches can do, we have also begun the process of reaffirming our primary mission from Matthew 28: "Go therefore and make disciples of all nations ..." In thinking about our mission, we have had several very productive conversations with the Board of Discipleship and the Board of Laity as how to provide the necessary resources to small churches to enable a "revival" in embracing the foundations of our faith — praising God for God's goodness and sharing this good news with others. One promising idea is to develop a coaching model to assist our churches.

The team gives thanks to God for the encouragement that we feel to continue our work.

*-Bobby Thompson, Chair*

### THE PELL FOUNDATION

The Josephus Daniels Pell Foundation continues to award grants to individuals who are attending United Methodist- related seminaries in preparation for the ordained ministry through the Virginia Conference. Over the past years the Pell Foundation has distributed nearly \$1 million to defray the cost of a seminary education. For the 2013-14 academic year nine students from our conference benefited from the \$50,000 grant.

Students in seminary should contact our conference Board of Ordained Ministry to submit an application for a grant or to check to see if you meet the criteria.

We continue to take a prudent and long term view of our investments portfolio as well as the distribution of the income. It is amazing what Mr. Pell accomplished through his one-time enduring gift to assist students preparing for the ordained ministry.

I want to thank our current Board of Directors for their diligent attention to the management of this gift. The Board includes: William Young Jr. (vice president), Roger Amole (secretary/treasurer), the Rev. Paul Baker, the Rev. Mary Beth Blinn, James Branscome, J. Peter Clements, Betty Forbes and the Rev. Dr. Steven Summers.

As I or any member of the Board can be of further help about the purpose of the Josephus Daniels Pell Foundation, contact me directly.

*-The Rev. Dr. Gregory L. Adkins, President*

### RETIRED CLERGY HOUSING CORP.

In 1932 a program caring for retired clergy in the Virginia Conference was initiated by clergy and lay-persons with a goal to provide housing for needy retired clergy who were retiring and had insufficient funds to purchase or rent a home. It was a program that emphasized a "caring for each other whose needs were evident." Since that time and now into our 82nd year, we still provide facilities which support this "caring for each other" concept.

Today we have 24 homes, one of which is empty at this writing, which are available for clergy who are retiring and have insufficient funds. These are located in Danville, Roanoke, Lynchburg, Raphine, Bridgewater, Edinburg, Winchester, Richmond and Hampton. Most are now located in communities that provide living conditions geared to older citizens, providing lawn care, snow removal, fitness centers and some cases indoor swimming pools that make life easier. Of course, those living in these retirement communities pay a bit more for these conveniences which, in some cases, provide for health benefits that may be required by an individual's physician.

The Virginia Conference is the only conference of The United Methodist Church which provides this kind of living accommodations. I have checked with other conferences, especially in our Southeastern Jurisdiction, and none have a program that helps as we do. So it is with deep gratitude to the clergy and laypersons of our conference who help the Board of Retired Clergy Housing provide this program.

If you have property or wish to provide funds for the future of this program, the members of this Board would like for you to consider this cause. Contact me for assistance in the necessary steps, or for a brochure through which you can become a member. A program is also provided through the "Covenant of Gratitude" for you to assist our needs yearly. This covenant enlists your support for those being ordained as provisional members by contributing \$1 for each of those ordained. For the clergy of our conference this provides a "caring for each other" and for the laity this provides an "appreciation for the clergy who have served our conference so faithfully over the years."

*-Dr. Thomas L. Coffman, President*

### PREACHERS' RELIEF SOCIETY

In 2013, the Preachers' Relief Society made monetary grants to several clergy and one clergy widow to aid them in coping with severe financial difficulties. In recent years the largest single cause of financial stress has been related to unfunded healthcare costs.

The work of the Society is currently funded primarily by returns on its investments. However, the Society is grateful for contributions. It is particularly thankful to two clergy members of the conference, now deceased, who made provision for the Society to receive funds on a regular basis after their deaths. Persons interested in supporting the Society should contact one of the board members or send their contributions directly to Larry Field, Scott and Stringfellow, 2101 Parks Ave. 402 Pavilion Center, Virginia Beach, VA 23541. Members of the board are: Robert Baker, Jim Bergdoll (secretary), Salleye Bowen, Robert Cofield Jr. (vice president), Katherine Kidwell, Dane Mills (treasurer), Harold White Sr. and myself.

*-The Rev. Robert T. Casey, President*

### SOCIETY FOR WESLEYAN STUDIES

The Society for Wesleyan Studies (SWS) was established in 1983 to renew Wesleyan themes in the life of the Virginia Conference and in The United Methodist Church.

For 30 years, the society has sponsored events devoted to the study of issues related to the history, theology, practice and mission of John and Charles Wesley and the Wesleyan tradition. We seek to understand more thoroughly the richness of our unique heritage, and to do so with an eye toward applying those resources in the service of the contemporary church in its ongoing mission and ministry. We welcome all interested laity and clergy at our events and to contribute to the mission of the society. Continuing education credit is available at all our events.

SWS sponsors one or two public events annually. In recent years, we have given special attention to introducing the conference to some of the younger and most promising of a new generation of Wesleyan scholars/church-persons. In an effort to bring our unique Wesleyan heritage to bear upon the present challenges to evangelism in American culture, the society hosted Dr. Laceye Warner in the fall of 2013. Dr. Warner, professor of Evangelism and Methodist Studies from Duke Divinity School, addressed the topic of "Spreading Scriptural Holiness: Wesleyan Evangelistic Practices for the 21st Century."

In years to come the Society will continue to search out the best-informed contemporary guides to our Wesleyan tradition, in order to make accessible to the disciples and churches of the Virginia Conference our distinctive heritage of faith and practice as a vital resource for “making disciples of Jesus Christ for the transformation of the world.” We hope you will join us for our events as we explore together our living Wesleyan legacy.

*-R. Bruce Johnson, President*

### **ASSOCIATION OF RETIRED MINISTERS AND SPOUSES**

The Association of Retired Ministers and Spouses, Widow and Widowers (ARMS) continues to strive to reach its goal to “provide a voice and fellowship for persons in the retired relationship while maintaining a vital connection with the Virginia Conference.” It helps maintain a sense of continued value for those in the retired relationship by providing opportunities to utilize time, talents and abilities to pursue common interests.

Founded in 2003 with the support and encouragement of the conference Board of Pensions, the ARMS Board is working to strengthen its annual retreat, which will be held Oct. 8-9 at Blackstone. This past year’s retreat was well done by coordinators Larry and Gale Cannon and had an attendance of more than 100. One of the greatest values of the retreat is the rich fellowship it affords retirees and spouses as they “catch up” with all that is taking place in the lives of each other and in the life of the conference. The 2014 retreat will be coordinated by Jack and Marianne Martin. Expect even greater opportunities for fellowship and relaxation.

The ARMS Board, elected each year at the annual meeting, is grateful to John Fuller, new director of Virginia United Methodist Pensions, Inc. He and the dedicated staff of Patricia Hutchinson, Nancy Blair and Judy Astrella are always available for the financial support provided to help cover operating expenses for the ARMS retreat.

One of the significant events for ARMS members is the banquet sponsored by the Board of Pensions given during Annual Conference. This special afternoon together continues to grow and provide ARMS with the opportunity to honor our new retirees. We are grateful to the Board of Pensions for this generous gift.

“To ARMS,” a quarterly newsletter written, edited and published by Pat and Dick Faris, is sent to all retirees/spouses/widows/widowers or whom addresses are available. “To ARMS” is designed to maintain contact with ARMS members and provide an opportunity to share news of and for members. We encourage all members to send short items for consideration by the editors for publication. The newsletter is provided on line unless specifically requested.

The ARMS Board of Directors solicits suggestions and thoughts for consideration in future planning. Remember, all retirees/spouses/widows/widowers are automatically members of ARMS. However, to help ARMS provide a broader range of opportunities, it is imperative for retirees to contribute an annual membership fee.

*-Mike and Joyce Payne, Co-Presidents*

### **VIRGINIA CHAPTER, PROFESSIONAL ASSOCIATION OF UNITED METHODIST CHURCH SECRETARIES**

The purpose of the Professional Association of United Methodist Church Secretaries (PAUMCS) is to provide a supportive base for the unity and fellowship of its members in order to provide individual growth, professional development, continuous education and spiritual enrichment. PAUMCS promotes and encourages the training and support of United Methodist church secretaries; serves as an advocate for emerging concerns that affect church secretaries; encourages and assists in the establishment of chapters of church secretaries, within or across jurisdictional and annual conference boundaries, and assists in coordinating the program and work of these chapters.

Legislation was adopted at the 1988 General Conference which states that the General Conference of Finance and Administration (GCFA) has the authority and responsibility to provide guidance and consultation for continuing education of church secretaries, including establishment of professional standards, training and certification programs and to provide assistance to the PAUMCS (2008 *Book of Discipline*, ¶807.19).

The Virginia Chapter of PAUMCS sponsors two meetings each year: a one-day fall training event and a two-day spring spiritual growth retreat. Members are persons presently or previously, full-time or part-time, paid or volunteer, engaged in administrative work in any local church or agency of The United Methodist Church.

Highlights of Virginia PAUMCS activities in 2013-2014 include a six-page mailing sent to the administrative staff of the 1,200 charges of the Virginia Conference and our spring training/spiritual growth retreat in April, led by the Rev. Roger Dowdy, founder/director of CROSS-PATHS Ministries. Dowdy led participants in an exploration of how music can be woven into worship and provided information about the role of ordained deacons in The United Methodist Church.

One exciting development this year is Virginia PAUMCS’ partnership with the Vital Congregations Data Team. Two of our members, Sandra Fulcher and Karen Albrow, served on the team and were instrumental in the development of and training that took place for the new Equipping Vital Congregations system. In addition, the fall 2013 “Experience Your Conference Connection” event offered EVC training for 75 secretaries, administrators and pastors in the use of the system for charge conference reports.

If you have administrative staff in your church, either paid or volunteer, we encourage you to help them become a part of Virginia PAUMCS for their professional growth, to the benefit of your church!

*-Beverly Myers, President*

### **VIRGINIA UNITED METHODIST CREDIT UNION**

John Wesley was among the first to organize financial cooperatives among the faithful in the Methodist movement and it is in the spirit of Wesley that in 1952 the Virginia United Methodist Credit Union was established by a group of clergy who pooled their financial resources to help one other. As we celebrate 62 years of service in 2014, our membership has grown to include United Methodist churches, church members, clergy, organizations, agencies and institutions within the Virginia Conference.

The Credit Union is a full-service financial institution operated solely to serve the financial needs of member/owners. Its all-volunteer board of directors is comprised of a cross-section of lay and clergy. We help our members by providing quality financial products and services, including savings and checking accounts, loans, Visa credit cards, online services and resources to assist members with personal financial management. We sponsor scholarships for college bound students and have partnered with several conference churches to establish Jubilee Assistance Funds, a program that assists churches with short-term help for persons in need during a financial crisis, as well as financial management tools to guide them toward long-term financial stability.

The church loan program helps conference churches with the refinancing of current loans, loans for parsonages, renovations, vans and buses. We also offer project loans (up to \$50,000 unsecured) and Visa credit cards for church business.

The Credit Union’s goal is to be the premier financial institution and primary resource for encouraging sound stewardship principles and

helping Virginia United Methodist churches, individuals and institutions “to earn all they can and save all they can so they can give all they can” as servants of Christ in the world.

*-The Rev. Alvin J. Horton, Chair*

## VIRGINIA UNITED METHODIST FOUNDATION

The Virginia United Methodist Foundation exists to serve local churches and conference agencies in their efforts to expand their programs and ministries through planned giving and endowment funds. We help local churches and agencies create lasting ministries into the future. The Foundation also exists to invest monies for local churches, agencies and districts. For both endowment and investment funds we invest in accordance with the socially responsible investing principles of the *Book of Discipline*.

This past year was a very exciting one for the Foundation. For 2013 we had established several goals that included: greatly increasing our visitations to churches in the Virginia Conference, hiring an additional officer to help us meet that goal, increase awareness throughout the conference as to the mission and role of the Foundation, create a Grants Fund to give something back to the churches we serve, continue our partnerships with Heart Havens, UMFS and United Methodist Homes, and increase the assets under management with Merrill Lynch Global Consulting Group. I can say that with the Lord's help and the help of many others, we have accomplished most of those initial goals and added several more along the way.

We hired Steph Clark in June and he has been a major asset to the Foundation. His systematic analysis of churches in the conference has been incredibly useful. He has worked diligently on creating presentation materials and assorted marketing pieces that we have used to create what we call an “endowment toolbox” that is very helpful in putting together presentations to churches. Most importantly he has helped ramp up our entire visitation efforts. The number of church visits to both existing and new contacts has been accelerating to the point that together, Steph and I are visiting about 30 churches a month, as opposed to about eight to ten when we were a one-person shop.

Assets have grown from \$38 million at the beginning of the year to more than \$44 million at the end of 2013. We are estimating assets under management to be \$46 million for 2014.

Our committees are strong and effective. That was one of the goals we initiated in our retreat in 2013. We have continued our partnerships with UMFS, Methodist Homes and Heart Havens. Together we had tables at 2013 Annual Conference and sponsored a breakfast on Sunday morning.

We created a Grants Fund to provide support for the churches in the conference and to raise the awareness of the Foundation throughout the conference. We made our first grants to five ministries in November 2013 totaling \$7,700.

We established a Gift Acceptance Policy. That committee has been very active in fleshing out the parameters of that policy. We partnered with 5 Talent Academy to sponsor the Rev. Clif Christopher, a well-known speaker on stewardship, in March. We created a new look for our website that will make it more useful for visitors and those interested in our services. Visit [www.VAUMFGifts.org](http://www.VAUMFGifts.org) to see the new look.

Our investment managers, Merrill Lynch Global Consulting Group, had a very successful 2013, with churches, agencies and districts benefiting from their excellent performance numbers.

It has been a truly incredible year. But I have to say that 2014 looks to be even more exciting. We have three major initiatives: the implementation of a new and lower fee schedule, changing from our current accounting system to a more sophisticated and client focused system, and the creation of a Development Fund, which will provide United Methodists in Virginia with an attractive investment vehicle and also permit the Foundation to lend monies to churches at an attractive interest rate. We will also continue to provide the very best services that we can to our existing churches, agency and district relationships and work towards adding many others throughout 2014.

None of this could happen without the Lord's help. I thank the Lord for the opportunity to be a part of the effort.

*-Dave Thompson, President*

## CHAPLAIN SERVICE PRISON MINISTRY OF VIRGINIA

Did you know...

- That chaplains in Virginia's state prisons are not state employees, are not compensated with any taxpayer money and receive no state benefits (such as retirement or healthcare)?
- That in 1920, Methodists and other Christian denominations in Virginia came together to form Chaplain Service – as their prison ministry arm – so they could provide chaplains to the state prisons?
- That the chaplains in Virginia's state prisons have for 94 years been compensated by you – the “people in the pews” – and that they continue to serve as your “missionaries” to these mission fields in our own back yards?
- That today we have 32 chaplains serving in 32 state prisons across the Commonwealth, reaching nearly 30,000 incarcerated men and women with the good news of Jesus Christ?
- That due to the struggling economy, Chaplain Service was forced in 2012-2013 to eliminate the remaining chaplains serving in the state juvenile correctional system and to reduce both hours and wages for the chaplains serving in the state adult correctional system? This has led to a “chaplaincy crisis” in which the chaplains find it much more difficult to provide adequate ministry to inmates and also have great difficulty supporting themselves and their families.
- That Chaplain Service has now entered a rebuilding phase? Our goals are to restore full-time chaplaincy to all major adult facilities, to restore adequate chaplaincy to the smaller facilities, to restore the wages of our chaplains (so that they will be comparable to those of chaplains in other states and in the federal prison system and to the salaries of pastors serving in churches). We would also like to eventually be able to provide some benefits to the chaplains.
- That you and your church can do something to help us as we rebuild? We need churches to consider adding Chaplain Service as a regular line item in their own budgets – to enhance what is contributed on the denominational level. We now have “designated/restricted giving” – a process where you or your church can give one-time or ongoing gifts that are earmarked for a particular nearby state prison and chaplain? Yes, you can actually “adopt” a chaplain as your prison missionary and help us pay him/her for additional work hours, making the ministry more effective at that facility and bringing more incarcerated individuals to the Lord. (Checks are made out to “Chaplain Service” and the name of the prison facility is written on the memo line.) We are also looking for clergy and lay persons at various churches in the areas surrounding the state prisons that will help us form “ministry councils.” These groups will help educate the community about the work of the chaplain, will help with recruiting volunteers, and will also help with raising designated funds to assist the chaplain.

Please contact us and let us know if you would like more information about any of these items or opportunities. This vitally important prison ministry continues to need your help and support. We must remember that Jesus counted prisoners among “the least of these” that we must reach out to, and that He specifically said (in Matthew 25) that “I was in prison and you visited me.” Won't you help us reach a prisoner with the amazing, life changing grace of our Lord Jesus Christ?

*-The Rev. J. Randy Myers, President*



## VIRGINIA COUNCIL OF CHURCHES

Your Virginia Council of Churches remains strong albeit on very fragile financial footing. Changes in the refugee program have exacerbated our financial structure, creating a significant unexpected loss of revenue forces additional cutbacks. Continuing declines to revenue have created the need to reduce our staff to part-time and cut all other areas of our budget in an effort to control expenses.

In May, we presented the Council's "2014 Faith in Action Award" hosted by Fredericksburg UMC, to Father Nicholas G. Bacalis, with Richmond Caritas, and our Lifetime Ecumenist Award to Bishop Paul Loverde of the Arlington Diocese.

In October, our ecumenical retreat addressed fear within a culture of fear with the Rev. Dr. Charles Kimball, author of *When Religion Becomes Evil*.

The Council continues to support LARCUM (Lutherans, Episcopalians, Roman Catholics, and United Methodists), the National Workshop on Christian Unity, The Week of Prayer for Christian Unity, and other expressions of ecumenism within the Commonwealth. Bishop Mauney's challenge to the denominations is bringing a new generation of ecumenists. This challenge is bringing new excitement and energy to the Council as we discern God's call in the 21st Century.

We continue to work with Virginia VOAD (Voluntary Organizations Active in Disaster), the Virginia Department of Emergency Management and the federal Department of Homeland Security in helping the faith-based community prepare for and respond to disasters. During 2013 resources were stretched in the Commonwealth and voluntary organizations as we responded to tornados, hurricanes and flooding.

We continue to stand with our Native American brothers and sisters of the six Virginia tribes as they continue to seek federal recognition. The Council joined with other religious leaders in providing testimony for the second Congressional Hearing on Solitary Confinement in February.

Our partnership with the Virginia Interfaith Center for Public Policy and the Virginia Catholic Conference helps give voice to our shared concerns for justice on the floor of the General Assembly.

Our Rural Family Development Program continues to serve children of migrant farm workers on the Eastern Shore.

Officers are: Bishop James Mauney, president; the Rev. Jenee Gilchrist, vice president; the Rev. David Shumate, treasurer; and the Rev. Kate Costa, secretary. In 2013, we said goodbye to board members the Rev. David McKee, the Rev. Richard Short, Bishop Neff Powell, the Rev. Tom Joyce and celebrated the life of Bishop Thomas Hoyt. We welcome Bishop Mark Bourlakas, the Rev. David L. Chapman, and the Rev. Warren Lesane to our board.

For more information, call (804) 321-3300 or visit our website, [www.vacouncilofchurches.org](http://www.vacouncilofchurches.org).

*-The Rev. Jonathan M. Barton, General Minister*

## INDUSTRIAL AND COMMERCIAL MINISTRIES

Industrial and Commercial Ministries (ICM) is grateful for the support of the Virginia Conference. This past year was an exciting one for us. Chaplain Training seminars were held in Hampton, Harrisonburg and Charlottesville. The Labor Day offering was the largest in several years, thanks to many United Methodist churches and individuals and much prayer.

ICM is currently rebuilding the local chapter in Lynchburg. Strong growth in Shenandoah Valley Chapter (Harrisonburg) and in Hampton Chapter contributed largely to an increase in chaplains. Renewed efforts are underway in National Capital Area Chapter (Northern Virginia).

Jesus met the people where they were in their daily lives and volunteer ICM Chaplains, as a "caring presence," meet working men and women each week where they work. For many of the working men and women this is the only time they experience God's love in their lives. Many feel that they are unworthy of God's love. Chaplains are there for them, not judging but rather listening and referring them to resources that can be of help to them in many types of problems: family situations, substance abuse, financial difficulties are just a few. ICM Chaplains are a mission of the local church, right within the community.

How can you help ICM expand and grow?

- 1) Pray for ICM and our chaplains;
- 2) Consider holding a Chaplain Training Seminar in your church or district;
- 3) Join ICM as a financial supporter;
- 4) Asking your local church to take part in ICM's Labor Day Offering on Sunday, Aug. 31.

*-Wayne Wright, Director*

## SOCIETY OF ST. ANDREW

The Society of St. Andrew (SoSA) celebrates its 35th year in 2014! This important ministry, started by the Virginia Conference, has grown into the premier gleaning organization in the nation. Each year millions of people are blessed by this ministry of saving and distributing highly nutritious food to our brothers and sisters in need. Also each year tens of thousands of volunteers and supporters are able to "live their faith" by joining in this vital and successful ministry.

The Potato and Produce Project, the Gleaning Network and Harvest of Hope all had spectacular years in 2013 and are off to great starts in 2014. The ancient Biblical practice of "gleaning" is alive and well and proving extremely effective and relevant in today's world.

SoSA not only provides food to those in need, we provide the highly nutritious fresh fruits and vegetables so important in any diet. For many of the poor in America, SoSA is their only source of fresh produce. At a time when the number of hungry in the U.S. has grown significantly, the need for this ministry has never been greater.

The last 12 months have been marked by huge successes and challenges met:

- All three programs, the Potato and Produce Project, the Gleaning Network and Harvest of Hope, experienced excellent program performance in 2013;
- SoSA saved and distributed 32.5 million pounds of fresh produce. All of this food would have otherwise gone to waste;
- The Potato Project distributed more than 9.3 million pounds of produce all across the country;
- The Gleaning Network saved and distributed more than 23 million pounds of healthy food;
- More than 37,300 volunteers put their faith into action by volunteering in SoSA's Gleaning Network and using the biblical practice of gleaning to help feed the hungry;
- More than 6,100 separate gleaning events were conducted throughout the country, providing hands-on opportunities for people to be involved in the ministry;
- Food was distributed nationwide and in every county in the Virginia Conference;
- The ministry touched the lives of millions of people all across the country;
- Hundreds of churches across the country joined in SoSA's ministry for the very first time;
- SoSA's influence has played a key role in national associations such as the Alliance to End Hunger, NAHO (National Anti-Hunger Organizations), the Congressional Hunger Center and others. SoSA's voice is now heard in national hunger policy discussions;

- SoSA's Harvest of Hope program continued to have more than 500 participants in a dozen work/study/mission retreats;
- SoSA hosted a "Day of Gleaning" on behalf of the Governor and First Lady of Virginia as gleaning events were held all across the Commonwealth on a single day;
- More than 96 million servings of fresh produce were provided at a cost of about two cents a serving;
- Our belief in good stewardship of all resources resulted in a total overhead of less than 3.5 percent;
- In April, SoSA helped host the first-ever Virginia Urban Agriculture Summit in conjunction with other food policy interested partners.

We are called to love "in deed and in truth" and that has been SoSA's ministry for more than 35 years. That ministry happens because many others take that calling to heart. Volunteers, churches, individuals, farmers, feeding agencies, transporters, Board members, staff and financial partners, all comprise a thriving network to feed the hungry in our land. The leadership demonstrated by the Virginia Conference continues to be a blessing to this ministry and to all those in need of food, for the body and the spirit.

*-Steven M. Waldmann, Executive Director*

## **VIRGINIA UNITED METHODIST ASSEMBLY CENTER/BLACKSTONE**

The Virginia United Methodist Assembly Center (VUMAC), doing business as the Blackstone Conference and Retreat Center, continues its focus of serving the conference and retreat needs of the Virginia Conference. In 2011 the deed was conveyed from the conference Trustees to the center's Board of Directors. This decision was made by the Annual Conference in order that VUMAC have every opportunity to move forward and make VUMAC financially stable. The Board of Directors pledged to care for the facility and to equip it to serve the entire Virginia Conference. Sam McCracken was hired as executive director on July 1, 2011.

In 2013, VUMAC saw many uplifting and progressive changes:

- A Biomass Boiler and heating system was installed and became fully operable, replacing the old and inefficient fuel oil-burning boiler. Included in the installation was the renovation of the historic boiler house, which continues to house the main heating unit. This new system burns local pine chips and grass pellets as fuel. It is estimated to save more than \$90,000 annually from not having to purchase fuel oil.

- In addition to heating the building, the new Biomass Boiler also heats all water for the building and swimming pool. The pool is back up to 85 degrees Fahrenheit for swimming and is well used by guests, the community and, at times, Fort Pickett military.

- A challenge grant from The Titmus Foundation – a \$50,000 matching dollar-for-dollar grant to assist in restoration of the historic building's front portico – was met. The desperately needed restoration work for the front portico was to begin in spring.

- Restoration of the water-damaged wicker room will be completed with the portico restoration this year.

- In 2013, Blackstone hosted 13,407 overnight guests, up from 2012's count at 12,969 guests. VUMAC served 33,325 meals while it hosted 201 meetings and events. BCRC has an annual Operating Budget of \$1.15 million. Attendance for 2013 included United Methodist Women, United Methodist Men, conference Board of Ordained Ministry interviews, Blackstone Chamber of Commerce luncheon, Richmond Emmaus, Lay Servant Academy, Uptown Quilt Guild, conference Clergy Spouses' Retreat, Episcopal Youth Community, Virginia Star Quilters, Ocran UMW, Trinity UMC Handbell Choir, Blackstone Community Chorus, Southside Emmaus, Lynchburg District Clergy Retreat, The Women's Gathering, Changing Your Life Ministries Bible Study, Camp Rainbow Connection, Nottoway High Class Reunion, Blackstone High School Class Reunion, Blackstone College for Girls Alumni-Alumnae Homecoming, Woodlake UMW, Farmville District UMW Day, Kaleidoscope Choir Camp, Civil Air Patrol Chaplains, Stop Hunger Now Staff Retreat, Blackstone Rotary, plus numerous weddings, receptions, funerals and reunions. United Methodist highlights included more than 300 at the annual Minister's Convocation in January, close to 200 guests at the Lay Servant Academy in February, Farmville District youth and children's retreats, York River District Youth Retreat, James River District Youth Retreat and Fredericksburg Youth Retreat, the Clergy Spouses' Retreat, United Methodist Women's Spiritual Life Retreat, with close to 200 guests in May, the conference Mission Encounter, more than 250 campers and volunteers for Camp Rainbow Connection, and the United Methodist Women's annual meeting in October with more than 200 guests participating.

- In November, youth and leaders from across Virginia attended the Virginia United Methodist Men's Scouting Fellowship. The event was open to any Boy Scout or Girl Scout units. Those attending enjoyed the opportunity to work on projects that led to rank advancement while camping on the property. During this time the United Methodist Men held their annual Spiritual Retreat, with close to 200 men at this annual event.

- For more than 21 years, Blackstone has celebrated the Christmas season with Evening at Blackstone. This past year the tradition continued, even when challenged with an incredible weekend snow storm. Guests enjoyed Christmas decorations, festivities and traditional holiday cuisine. Best of all was the return of the Hunts. This champion fiddling family of nine performed a wide spectrum of musical genres, ranging from Celtic to country to rock and included a diverse repertoire of original compositions.

Blackstone stands ready to host your next conference, retreat or event need whether it be for children, youth or adults. To make VUMAC financially stable and to continue all necessary renovations and upgrades, we look forward to more events scheduled and held here. VUMAC continues to be able to handle the largest of gatherings or the smallest meeting needs efficiently. Contact Cyndi Schnell at (434) 292-5308 to get your name and group on the calendar. Contact Sam McCracken or any Board member if you would like your church or group to have a program on what is happening at Blackstone and how VUMAC can help you.

In our commitment to "Let Every Soul Be Jesus' Guest!" we hope to have the opportunity to serve you.

*-The Rev. Tommy Herndon, Chair*

## **AFRICA UNIVERSITY ENDOWMENT FUND**

The 2012 Annual Conference approved a goal to raise \$1 million over three years for the Africa University Endowment Fund to secure the university as a solid institution of higher learning with a long future. A number of churches and individuals have responded, but much work needs to be done. The Rev. Dr. Stephen Hundley originally offered to lead this effort; however, he was appointed to serve on-loan in the California-Pacific Conference, and has not been available to provide leadership. Now, the Virginia Annual Conference is being asked to affirm the Rev. Clarence Brown and Judge Willard Douglas as leaders for this important work. Further, we ask all Virginia United Methodists to respond to this important work with their generous and faithful gifts. May God bless the ministry of Africa University!

*-The Rev. Steven R. Jones, for the Council of Finance and Administration*

## VIRGINIA UNITED METHODIST PENSIONS, INC .

### Section I: Reports

#### **Report 1: Role & Responsibilities of Virginia United Methodist Pensions, Inc.**

*The Book of Discipline* of The United Methodist Church directs each annual conference to establish a conference board of pension, auxiliary to the General Board of Pension and Health Benefits of the United Methodist Church (GBOPHB), to have charge of the interests and work of providing for and contributing to the support, relief, assistance, and pensioning of clergy and their families, other church workers, and lay employees of The United Methodist Church, its institutions, organizations, and agencies within each annual conference except as otherwise provided for by the GBOPHB.

On June 22, 1965, the Virginia Annual Conference of The United Methodist Church (VAUMC) established and incorporated the Virginia Methodist Pensions, Incorporation, (subsequently renamed on Feb. 2, 1971, to Virginia United Methodist Pensions, Inc., (VUMPI) as its conference board of pension.

VUMPI, in conjunction with the GBOPHB, develops and administers the numerous employee pension and benefit plans sponsored by the Virginia Conference. Some plans are employer-paid, while others are voluntary and 100 percent participant-paid:

#### **GBOPHB Plans**

Ministers Reserve Pension Fund (Pre-82)  
Ministerial Pension Plan (MPP)  
Clergy Retirement Security Program –  
Defined Benefit (CRSP-DB)  
Clergy Retirement Security Program –  
Defined Contribution (CRSP-DC)  
United Methodist Personal Investment  
Plan (UMPIP)  
Comprehensive Protection Plan (CPP)

#### **VUMPI Plans**

Health  
Prescription  
Dental  
Supplemental Life  
Voluntary Life  
Long Term Care  
Healthcare Flexible Spending  
Account  
Dependent Care Flexible Spending  
Account

#### **Report 2: The Health Care Marketplace**

The Affordable Care Act (“ACA”), signed into law in 2010, includes numerous provisions that are intended to expand coverage, control health care costs and improve the health care delivery system. The most significant provisions of the law took effect in 2014, with the implementation of the individual mandate to have health insurance coverage and the establishment of state and federal health insurance Exchanges. The initial text of the law also included an “employer mandate” provision requiring that employers with 50 or more full-time equivalent employees (FTEs) offer affordable health care coverage meeting minimum coverage standards to all full-time employees. This requirement has since been relaxed; the employer mandate has been delayed until Jan. 1, 2015 for businesses with more than 100 employees, and until Jan. 1, 2016 for businesses with more than 50 employees. Based upon guidance received from the GBOPHB’s legal counsel, we interpret the relevant “employer” for purposes of the employer mandate to be the local church or other employing ministry or agency.

For purposes of the individual mandate, all active clergy, clergy spouses and children who are enrolled in one of the Virginia Conference-sponsored health insurance plans will be in compliance with the law’s requirement to have qualifying health care coverage. All retired clergy, spouses and eligible dependents who are enrolled in the health plan for retired clergy not yet eligible for Medicare are similarly in compliance with ACA’s individual mandate. Finally, all retired clergy and their spouses eligible for and enrolled in Medicare will have met the requirements of the individual mandate.

The changing dynamics of the health care marketplace create new challenges and opportunities for VUMPI in its efforts to maintain adequate and sustainable health care coverage programs for clergy and retirees of the Virginia Annual Conference. VUMPI will continue to monitor the marketplace in order to identify any opportunities for improvement in the Conference-sponsored health benefits programs, and to recognize and respond to emerging challenges.

#### **Report 3: VUMPI Financial Reserve Strategy**

The health benefit plans administered by VUMPI for the benefit of active clergy in the Virginia Conference are self-funded health plans. Because VUMPI assumes the financial liability associated with payment of medical claims under the terms of those plans, VUMPI maintains a financial reserve recognizing the potential for claims which exceed the funding made available through apportionments and participant contributions. VUMPI’s financial reserve also supports the projected financial liability associated with the health plan made available to retired Virginia Conference clergy, as well as the pension funding obligations and other financial obligations.

The annual increase in total health benefits cost for employees in the US has outpaced overall inflation for more than a decade. As a result, the financial burden of maintaining health benefit programs for Virginia Conference clergy has increased, as has been the case for nearly all U.S. employers that offer health benefits to their employees. At the same time, VUMPI continues to fund the denominational pension programs for the benefit of Virginia Conference clergy. VUMPI recognizes the increasing burden of clergy benefits apportionments, and has aggressively pursued the development of creative strategies that will help to mitigate this ongoing financial burden on local churches and others in the Virginia Conference. One such strategy has been developed, and is being implemented in 2015.

Under the terms of the new financial reserve strategy, the VUMPI Board of Directors has identified a portion of VUMPI’s financial reserve that will be dedicated to partial reduction of the Pre-1982 pension apportionment. For each year from 2015 through 2021, VUMPI will liquidate \$420,000 from its financial reserve. The recommended Pre-1982 pension apportionment will, correspondingly, reflect a \$420,000 reduction from the actual pension funding obligation for each year during that period. In total, the Pre-1982 pension apportionments over that seven-year period will reflect a reduction in excess of \$2.9 million. As a result of this strategy, the recommended 2015 Pre-1982 pension apportionment reflects a 26% reduction compared to prior year. Total recommended clergy benefits apportionments for 2015 are less than the total for 2014.

#### **Report 4: Denominational Average Compensation**

Several of the pension and welfare plans incorporate the Denominational Average Compensation (“DAC”) into the formula for determining the plan benefit. The formula VUMPI uses for funding those plans relies on the DAC, as well.

As reported by the GBOPHB, the DAC is projected to increase from 2014 to 2015, as follows:

Denominational Average Compensation	
2014	\$65,186
2015	\$66,259

### **Report 5: Pension Plan Structure**

There are four components to the Clergy Retirement Security Program (CRSP):

- A. Ministers Reserve Pension Fund (Pre-82) for service and benefits accrued on and/or prior to December 31, 1981.
- B. Ministerial Pension Plan (MPP) for service and benefits accrued on and/or after Jan. 1, 1982 through Dec. 31, 2006.
- C. Clergy Retirement Security Program - Defined Benefit Plan (CRSP-DB) for service and benefits accrued on and/or after Jan. 1, 2007.
- D. Clergy Retirement Security Program - Defined Contribution Plan (CRSP-DC) for service and benefits accrued on and/or after Jan. 1, 2007.

The GBOPHB refers to plans A – C above as Defined Benefit (DB) pension plans. That is, each year an eligible clergy member of the Virginia Conference served/serves and received/receives pension credit, the applicable plan will pay a certain benefit, or “defined” monthly income during retirement. Hence, the term “defined benefit.” Defined Benefit plans do not maintain participant account balances since the employer, or in our case, the GBOPHB, has the responsibility to manage the funds in a manner sufficient to pay the monthly defined benefit.

Simultaneous to the GBOPHB calculating each participant’s defined benefit, it calculates each annual conference’s cost to provide these defined benefits. The GBOPHB bills each annual conference the amount due. Each annual conference, or in our case, VUMPI, then in-turn bills and apportions our local churches for the cost of these plans.

In addition to these defined benefit plans, annual conferences provide their clergy pension benefits from the CRSP-DC, a defined contribution (“DC”) plan. Each year an eligible clergy member of the Virginia Conference serves and receives pension credit, the Virginia Conference determines how much pension contribution each clergy participant will receive in his/her pension account. Hence, the term defined contribution. VUMPI bills local churches for the required amount of pension contribution, then in-turn, makes monthly contributions into the clergy CRSP-DC accounts.

### **Report 6: Welfare Plans Structure**

The welfare plans made available to Virginia Conference clergy include the Comprehensive Protection Plan (“CPP”) sponsored by the General Board, as well as supplemental benefits sponsored independently by VUMPI. The CPP disability benefits are as follows:

- For Clergy disabled on or after Jan. 1, 2002, the 2015 CPP disability benefit equals 70 percent of Plan Compensation, with compensation capped at 200 percent of the DAC.
- For Clergy disabled prior to Jan. 1, 2002, they will continue to receive the same CPP disability benefit and conference disability supplement per the plan document in-force at the time their disability claim originated.

The following generally describes the death benefit amounts payable under the CPP to eligible participants and their beneficiaries:

**Active Participant Death Benefits:** payable upon the death of an eligible active CPP participant, as follows:

- Participant: \$50,000, payable in 12 monthly installments or one lump sum
- Spouse of active participant: 20% of DAC in the year of death
- Surviving spouse of active participant: 15% of DAC in the year of death
- Child of active participant: 10% of DAC in the year of death
- Annual surviving spouse annuity benefit of 20% of DAC, less the annuity benefit payable from CRSP and other Church-related sources
- Annual surviving child benefit of 10% of DAC, payable in 12 monthly installments (for those age 17 and younger; benefits are paid through the month in which the child attains age 18)
- Annual surviving child educational benefit up to 20% of DAC, payable in equal installments (for those age 18 through 24 and attending school full-time)

**Retired Participant Death Benefits:** to be eligible for death benefits in retirement, a clergyperson must have been covered in CPP for a specified number of years. The 2012 General Conference approved a change to the CPP program which increases the length of service requirement for retirees. Retirees with 25 or more years of enrollment in CPP are eligible for the death benefits in retirement, and the eligibility criteria for those with fewer than 25 years in CPP is phased in with one-year increments, as detailed in the table below:

Retirement Year	CPP Enrollment Requirement for Death Benefit Eligibility
2013	6 of last 10 years
2014	7 of last 10 years
2015	8 of last 11 years
2016	9 of last 12 years
2017	10 of last 13 years
2018	11 of last 14 years
2019+	12 of last 15 years

The death benefit amounts associated with retired participants are detailed in the table below:

Plan Provision	Clergy Who Retired Before January 1, 2013	Clergy Who Retire January 1, 2013 or Later
Death of retired participant	30% of DAC in the year of death	\$20,000
Death of retiree's spouse	20% of DAC in the year of death	\$15,000
Death of retiree's surviving spouse	15% of DAC in the year of death	\$10,000
Death of retiree's child	10% of DAC in the year of death	\$8,000
Annual surviving child benefit, payable in 12 monthly installments	10% of DAC	10% of DAC
Annual surviving child educational benefit, payable in installments	20% of DAC	20% of DAC

The Conference Supplemental Death Benefit for all active full-time clergy under episcopal appointment, and who are enrolled in CPP, is \$25,000. This Conference Supplemental Death Benefit is payable in addition to the CPP death benefit. During retirement, a \$5,000

Conference Supplemental Death Benefit will be payable to CPP participants, in addition to the CPP death benefit. The beneficiary will receive the Conference Supplemental Death Benefit payable in one lump sum. The Conference pays the entire cost of this Supplemental Death Benefit.

In combination, the CPP and Conference Supplemental Death Benefit provide total death benefits as follows:

- \$75,000 to beneficiaries of active clergy participants
- 30% of the DAC + \$5,000 (or \$25,000 for those retiring Jan. 1, 2013 or later) to beneficiaries of retired clergy participants

#### Gift Benefit

VUMPI currently elects to provide a \$1,500 gift at the time of retirement or disability (once awarded disability benefits under the Comprehensive Protection Plan) to each clergyperson who has served, immediately prior to retirement, at least ten consecutive years of service in a full-time Virginia Conference episcopal appointment in the Virginia Conference with pension credit. Further, a gift to the family of each clergyperson meeting the eligibility criteria above who dies in active service is paid in the same amount as the gift to retired or disabled clergypersons.

### Section II: Recommendations

#### Recommendation 1: 2015 Pension and Health Plan Apportionment Recommendations

For 2015, VUMPI recommends a total Clergy Benefit Apportionment of \$17,320,000. This total includes funding for the Pre-1982 pension, the Active Clergy Health Plan (which includes health care coverage for eligible clergy on medical leave and widowed spouses of active clergy) and the Retired Clergy Health Plan. The apportionment total is allocated among these components as follows:

#### Clergy Benefits Apportionment Recommendations - 2015

Active Clergy Health	\$9,710,000
Retired Clergy Health	\$6,060,000
Pension Liability Assessment – Pre-1982	\$1,550,000
Total Clergy Benefit Apportionments	\$17,320,000

VUMPI recommends the above Active Clergy Health and Retired Clergy Health apportionments as part of its broad strategy focused on maintaining adequate health plans for Virginia Conference active and retired clergy, while moderating the financial impact on local churches and individual participants to the extent possible. Increases in Clergy Health apportionments that would otherwise be needed due to increasing health care costs are mitigated, in part, by increases in participant contributions. For 2015, VUMPI is recommending modest increases in participant contributions, but no plan design changes are recommended.

VUMPI will continue to bill conference-responsible salary-paying-units (such as Extension Ministries) in 2015. The amount billed will be \$11,671 for each eligible clergyperson, plus their applicable Participant Contributions for active clergy as noted in Recommendation 3: 2015 Participant Contribution Recommendations.

The Pension Liability Assessment associated with the Pre-1982 pension program is calculated by the General Board of Pension, and represents the projected funding liability that VUMPI is required to meet in 2015. Changes in each year's assessment are driven by multiple factors, including actual and projected investment earnings on pension assets held on behalf of the Virginia Conference at the General Board of Pension. The relatively lower apportionment in 2015 associated with the Pre-1982 pension is primarily the result of VUMPI's financial reserve strategy described in Report 3, which relies on VUMPI's reserve to reduce the financial burden of clergy benefit apportionments on churches in the Virginia Conference. As a result of the development and implementation of this strategy, VUMPI is able to recommend a Pre-1982 pension apportionment which is \$420,000 lower than it would otherwise be required to be. VUMPI anticipates being able to maintain this strategy, along with resulting reduction in the Pre-1982 pension apportionment, through 2021, at which point the Pre-1982 pension program is scheduled to be fully funded.

#### Recommendation 2: 2015 Pre-1982 Pension Past Service Rate

The Pre-1982 pension provides a benefit to all eligible clergy who have served in the Virginia Conference prior to 1982. This program pays the greater of the following:

- An annual benefit equal to the Past Service Rate (PSR) time years of pre-1982 service, or
- An annuity amount based upon the participant's cash balance in his or her Defined Benefit Service Money Account

The Virginia Annual Conference establishes the PSR each year. For 2015, VUMPI recommends that the PSR be increased from \$561 to \$562.

#### Recommendation 3: 2015 Participant Contribution Recommendations

As part of the broad strategy intended to ensure the long-term viability of adequate and affordable health care plans, VUMPI is recommending a 3% increase in participant contributions, resulting in the following monthly participant contribution rates for 2015:

##### Active Clergy:

Medical				Dental		
	HMO	PPO	CMCP		Core	Major
Individual	\$113	\$102	\$90	Individual	\$13	\$34
Family	\$351	\$318	\$294	Family	\$56	\$105

Note: Active clergy have the opportunity to earn a \$15 reduction in Individual contribution rate or \$30 reduction in Family contribution rate through participation in the Virginia Conference Wellness Ministry's wellness program.

##### Clergy on Voluntary Leave and Sabbatical:

Medical			Dental		
	HMO	PPO		Core	Major
Individual	\$687	\$626	Individual	\$31	\$60
Family	\$1,852	\$1,659	Family	\$58	\$131



**Clergy on Medical Leave with CPP Benefits & Under Age 65 Surviving Spouses of Clergy**

Medical (\$500 deductible)		Dental		
	PPO		Core	Major
Individual	\$112	Individual	\$13	\$34
Family	\$180	Family	\$56	\$105

**Clergy Retired Under ¶358.2.a (With 20 Years of Service) or ¶358.3 (Prior to Age 62 With Fewer Than 30 Years of Service)**

Medical (\$750 deductible)		Dental		
	PPO		Core	Major
Individual	\$626	Individual	\$31	\$60
Family	\$1,659	Family	\$58	\$131

**Retired Clergy Under Age 65 – Retired Under ¶358.1, ¶358.2b, ¶358.2c, or ¶358.3****Family Tier - Personal Monthly Contributions**

Years of Service	PPO	Dental Core	Dental Major
10-14	\$1,607	\$58	\$131
15-19	\$1,301	\$58	\$131
20-24	\$995	\$58	\$131
25-29	\$690	\$58	\$131
30+	\$381	\$58	\$131

**Individual Tier - Personal Monthly Contributions**

Years of Service	PPO	Dental Core	Dental Major
10-14	\$698	\$31	\$60
15-19	\$567	\$31	\$60
20-24	\$433	\$31	\$60
25-29	\$301	\$31	\$60
30+	\$167	\$31	\$60

**Retired Clergy Age 65 or Over – Retired Under ¶358.1, ¶358.2b, ¶358.2c, or ¶358.3**

In 2015, Virginia Conference retirees who are eligible for Medicare and are eligible for Conference-sponsored health insurance benefits will continue to have the option to enroll in a Medicare Supplemental plan and a prescription drug plan. These plans will remain the same as the plans made available to eligible retirees in 2014. The participant contributions for this coverage are as follows:

**Medicare Supplemental Plan - Personal Monthly Contributions**

Years of Service	Individual	Family
10-14	\$489	\$976
15-19	\$398	\$788
20-24	\$303	\$600
25-29	\$210	\$418
30+	\$116	\$233

Virginia Conference clergy members earn a year of service towards his or her Total Years of VAUMC Service as indicated in the coverage options above for each year that Virginia Annual Conference health plan eligibility is met.

If an eligible clergyperson does not elect coverage options during the annual open enrollment period, the default enrollment option is the prior year's plan selections (except for Flexible Spending Account or Dependent Care Spending Account contributions), and enrollees will be subject to the associated individual personal contribution rates.

If not selected during the open enrollment period, no Flexible Spending Account contributions can be made during 2015, in accordance with federal laws.

All who are eligible to enroll in a Virginia Conference health plan are strongly encouraged to participate in online open enrollment in the fall of 2014. Details will be distributed through normal annual open enrollment means.

Active clergy with at least 10 consecutive full-time years of VAUMC service, and who are going on approved leave or taking an Extension Ministry appointment, can "freeze" those consecutive years of service until such time as they return to full-time service or retire from the Virginia Conference. Clergy desiring to freeze their years of service under this provision are required to pay a Clergy Retiree Health Plan Monthly Access Fee. As part of the recommended participant contributions for 2015, VUMPI recommends that the Clergy Retiree Health Plan Monthly Access Fee remain at \$20 per month for 2015.

#### **Recommendation 4: 2015 CRSP/CPP/Supplemental Plan Funding Recommendations** **Clergy Retirement Security Program (CRSP)**

The 2015 CRSP Contribution from the local churches and/or salary-paying-units for each appointed eligible clergy member under episcopal appointment at that location shall be:

- For the Defined Contribution component of CRSP: Plan Compensation (base salary plus housing allowance or parsonage rate in accordance with the Internal Revenue Service), times 3%.
- For the Defined Benefit component of CRSP: Plan Compensation (base salary plus housing allowance or parsonage rate in accordance with the Internal Revenue Service, up to 135% of the Denominational Average Compensation (“DAC”)) times 9%.

Local churches and salary-paying units are to make their monthly CRSP payments to VUMPI.

#### **Comprehensive Protection Plan (CPP)**

The 2015 CPP contribution from the local churches and/or salary-paying-units for each appointed eligible full-time clergy member under episcopal appointment at that location shall be:

Plan Compensation (base salary plus housing allowance or parsonage rate in accordance with the Internal Revenue Service, up to 200% of the Denominational Average Compensation) times 4.4%.

Local churches and salary-paying units are to make their monthly CPP payments to VUMPI.

If, for any reason, CPP contributions are more than 30 days in arrears, participation in the CPP is suspended. If contributions are more than six consecutive months in arrears, participation in the CPP is terminated. For terminated participants, readmission into the CPP requires payment of seven months of contributions and submission of medical statement of good health.

Erroneously enrolled clergy who are ineligible to participate in the CPP have no right to benefits under the CPP. Eligible clergy who have not been properly enrolled in the CPP have no rights under the CPP until after proper enrollment.

#### **Recommendation 5: 2015 Comprehensive Funding Plan**

##### **Virginia Annual Conference**

##### **2015 Comprehensive Benefit Funding Plan Summary**

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

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

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

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

CRSP consists of both a defined benefit (DB) plan, which provides a monthly benefit at retirement based upon years of credited service to the Church, and a defined contribution (DC) plan, which provides a retirement account balance established and funded by annual conferences. The Clergy Retirement Security Program (CRSP-DB) annuities total liability as of January 1, 2013 is \$923.7 million, while total plan assets are \$978.5 million, resulting in a current plan funded ratio of 106%. The Virginia Conference portion of the liability is 3.98% and the 2015 contribution is \$4,608,346. The conference anticipates that the amount will be completely funded by direct billing. Additionally, General Conference 2012 approved a change to CRSP that provides each annual conference the discretion to determine whether to cover three-quarter and/or half-time clergy. The Virginia Annual Conference has elected to continue covering clergy serving half time or more in 2015.

Effective Jan. 1, 2014, the CRSP-DC plan was reduced from a 3% to a 2% of plan compensation non-matching contribution. Clergy will have the opportunity to earn up to an additional 1% CRSP-DC contribution by contributing at least 1% of their plan compensation to UMPIP. Therefore, if a participant contributes at least 1% of plan compensation to UMPIP, the individual will receive a CRSP-DC contribution of 3%, which is unchanged from 2013 and prior. The 2013 CRSP-DC contribution was \$1,513,297 and was funded by direct billing to local churches. It is anticipated that increases for future years will average approximately 2%, due to the general level of clergy salary increases.

#### **Ministerial Pension Plan (MPP)**

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

The Ministerial Pension Plan (MPP) annuities total liability as of January 1, 2013 is \$2.7 billion, while total plan assets are \$3.0 billion, resulting in a current plan funded ratio of 109%. There is no required contribution for 2015. The Virginia Conference's portion of the total liability is 3.26%. Future MPP annuitants have a total account balance of \$4.4 billion and the Virginia Conference's portion of that balance is \$158.06 million or 3.61% of the total.

#### **Pre-1982 Plan**

Plan Overview: Supplement One to the Clergy Retirement Security Program (CRSP), also known as the Pre-82 Plan, provides clergy with a pension for their years of ministry with The United Methodist Church prior to 1982. The Pre-82 Plan was replaced by MPP effective January 1, 1982. When participants enter a Retired relationship with the Conference, and does not terminate, the minimum benefit payable to them is based on the following two factors: 1) years of service with pension credit and 2) Conference pension rate. Years of Service with pension credit are approved by each Conference on the recommendation of the Conference Board of Pensions in accordance with plan provisions and *The Book of Discipline*. The pension rate, also called the past service rate (or “PSR”), is the dollar amount chosen by the Conference as the amount payable for each approved year of Service with pension credit. Typically, the pension rate changes from year to year. The number of years of Service with pension credit is multiplied by the PSR, and the product is the minimum annual benefit payable to those eligible for Pre-82 Plan benefits. In certain situations the benefit received from the Pre-82 plan may vary based on the applicability

of what is referred to as Defined Benefit Service Money (DBSM), which is the defined contribution feature of the Pre-1982 Plan. At the time that a participant retires, the DBSM account is converted to a life-based benefit. At that point the participant's benefit is the greater of the PSR benefit or DBSM benefit. As the conference increases the PSR, the participant's benefit is recalculated. The DBSM based benefit does not change.

The 2015 Past Service Rate (PSR) recommended to the Virginia Annual Conference will be \$562.00, representing a .18% increase from the 2014 rate. The conference expects future increases to be approximately .50%, which is a rate of increase that recognizes the reality of inflation while demonstrating appropriate stewardship of the conference's financial resources.

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

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

Funding Plan Liability	\$68,808,909	
Assets in the Plan	\$56,109,020	
Funded status	\$(12,699,889)	represents an 82% funded ratio
Funded Status as of 12/31/2015	\$(10,436,570)	

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

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

Present value of incoming new money \$11,263,615

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

### **Active Health Benefit Program**

Plan Overview: The Virginia Conference offers a self-Insured program health benefits program to active participants.

During 2013, the total cost of the program was \$11,519,322 and was funded by apportionments and direct billing to local churches. The projected average increase for future years is expected to be 5%. Plan design strategies will be pursued in order to mitigate trend increases and maintain an annual increase averaging approximately 5%.

### **Post-Retirement Medical Benefit Program (PRM)**

Plan Overview: The Virginia Conference post-retiree medical plan currently offered is a Medicare coordinating plan.

The current annual cost is anticipated to be \$7,527,413 with the funding sources to be apportionments and direct billing to participants.

Based on the most recent PRM valuation dated 1/1/2013, following is the funded position of the post-retiree medical benefits:

Accumulated Post Retirement Obligation (APBO) or net conference cost	\$94,821,405
Expected Post Retirement Obligation (EPBO) or net conference cost	\$115,131,039
Service Cost (SC) or net conference cost	\$1,526,045
Assets designated for PRM	\$0

These values are based on a 5.70% long term discount rate, 7.00% long-term expected return, and a current increase trend of 8.00% decreasing to 5.00% by 2017.

### **Comprehensive Protection Plan (CPP)**

Plan Overview: The Comprehensive Protection Plan (CPP) provides death, long-term disability and other welfare benefits for eligible clergy of The United Methodist Church and their families and is an Internal Revenue Code 414(e) "church plan" funded by plan sponsor insurance premiums. Generally, you are eligible to participate in CPP if your conference or salary-paying unit sponsors the plan and you satisfy the eligibility requirements which include full-time episcopal appointment and plan compensation equal to or greater than 60% of the Denominational Average Compensation, or the Conference Average Compensation (whichever is less). The Virginia Annual Conference has also elected to make some clergy who are appointed at least 50% eligible for CPP.

For 2015, the Virginia Conference anticipates a required contribution to the Comprehensive Protection Plan of \$1,513,297, which will be funded by direct billing to local churches. The anticipated average increase in future years is expected to be 2.00% per year due to the expected rate of increase in overall compensation.

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

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

Other Conference Defined Contribution Type Obligations

Plan Overview: The Virginia Conference currently offers a supplemental life insurance (DC-type obligation) plan made available to clergy enrolled in CPP. The contribution for 2015 is estimated to be approximately \$240,000 with the funding sources to be direct billing to local churches. There is no anticipated required contribution increase in future years because the cost of this obligation is based on mortality assumptions, and no changes are expected to those assumptions.

Conclusion:

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

### **Recommendation 6: 2015 Housing Allowance/Exclusion**

Resolutions Relating to Rental/Housing Allowances for Retired, Disabled, or Former Clergypersons of the Virginia Conference

The Virginia Conference (the "Conference") adopts the following resolutions relating to rental/housing allowances for active, retired, terminated, or disabled clergypersons of the Conference:

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

WHEREAS, the practice of the Church and of this Conference was and is to provide active Clergypersons with a parsonage or a rental/



housing allowance as part of their gross compensation;

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

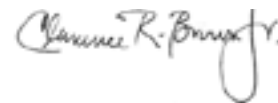
WHEREAS, the Internal Revenue Service has recognized the Conference (or its predecessors) as an appropriate organization to designate a rental/housing allowance for Clergypersons who are or were members of this Conference and are eligible to receive such deferred compensation;

NOW, THEREFORE, BE IT RESOLVED:

THAT an amount equal to 100% of the pension, severance, or disability payments received from plans authorized under *The Book of Discipline* of The United Methodist Church (the “*Discipline*”), which includes all such payments from the General Board of Pension and Health Benefits (“GBOPHB”), during the period January 1, 2015 through December 31, 2015 by each active, retired, terminated, or disabled Clergyperson who is or was a member of the Conference, or its predecessors, be and hereby is designated as a rental/housing allowance for each such Clergyperson; and

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

NOTE: The rental/housing allowance that may be excluded from a Clergyperson’s gross income in any year for federal (and, in most cases, state) income tax purposes is limited under Internal Revenue Code section 107(2), and regulations thereunder, to the least of: (a) the amount of the rental/housing allowance designated by the Clergyperson’s employer or other appropriate body of the Church (such as this Conference in the foregoing resolutions) for such year; (b) the amount actually expended by the Clergyperson to rent or provide a home in such year; or (c) the fair rental value of the home, including furnishings and appurtenances (such as a garage), plus the cost of utilities in such year. Each clergyperson or former clergyperson is urged to consult with his or her own tax advisor to determine what deferred compensation is eligible to be claimed as a housing allowance exclusion.



*The Rev. Dr. Clarence Brown Jr., Chair*

## RESOLUTIONS

### **Resolution 1: “Change Book of Discipline Reference to Homosexuality”**

Whereas, as stated in the opening sentence of ¶161F in *The Book of Discipline of The United Methodist Church*, “We affirm that all persons are individuals of sacred worth, created in the image of God.”

Whereas we declare that the following statement found later in ¶161F in the *Book of Discipline* “The United Methodist Church does not condone the practice of homosexuality and considers this practice incompatible with Christian teaching” is inconsistent with the first statement.

Whereas medical science has established that homosexuality is a state of being and not a choice and therefore homosexuals are part of God’s creation. [See Amicus Brief filed by American Medical Association, American Psychological Association, American Academy of Pediatrics and other related organizations, Hollingsworth vs Perry.]

Whereas Scripture is not referring to the loving, consensual, victimless relationships we speak of today.

Whereas the words used by Paul as applied to homosexuality are the result of translations and interpretations, these passages are therefore open to alternative interpretations.

Whereas Christian marriage is offered to sinners, even when the sin is extreme, but we do not offer it to homosexuals who are living out their lives in love as created by God.

Whereas the General Conference has failed to explain why a loving, monogamous relationship is inconsistent with Christian teaching.

Whereas the current policies, laws, doctrine and practices of the United Methodist church as documented in the *Book of Discipline* relating to homosexual relationships creates a double standard thereby promoting discrimination and creating the circumstances that lead to the very behaviors among homosexuals that are abhorred in the Bible, both of which are in direct conflict with Jesus’ teachings. [“Judge not lest you be judged” (Matthew 7:1); “Let the one without sin among you cast the first stone” (John 8:7); “Love the Lord your God with all your heart and with all your soul and with all your mind. This is the first and greatest commandment. And the second is like it: Love your neighbor as yourself. All the Law and the Prophets hang on these two commandments.” (Matthew 22: 37-40); and many other references.]

Therefore, be it resolved that the Virginia Annual Conference petition the 2016 General Conference of The United Methodist Church to expunge the sentence “The United Methodist Church does not condone the practice of homosexuality and considers this practice incompatible with Christian teaching” and the attendant references to and penalties for homosexuality detailed in ¶¶341.6, 2702.1 and 304.4 from the *Book of Discipline* and all people be accepted into The United Methodist Church to truly embrace “Open Hearts. Open Minds. Open Doors.” as Christ would have us live.

*-Submitted by Craig Searls, The Church of the Good Shepherd UMC*

*Co-signers: Jody Bilas – Floris UMC; Greg Bingham – The Church of the Good Shepherd UMC; Glenn Birch – Duncan Memorial UMC (Ashland); Marilyn Bursch – The Church of the Good Shepherd UMC; Kristen Carter – The Church of the Good Shepherd UMC; Debbie Caspari – Floris UMC; Heather Cogdell – Church of the Good Shepherd UMC; Peg Coll – The Church of the Good Shepherd UMC; Marian Davis – The Church of the Good Shepherd UMC; Darlene Dickerson – The Church of the Good Shepherd UMC; Fielden Dickerson – The Church of the Good Shepherd UMC; Jane Euler – The Church of the Good Shepherd UMC; Joan Fletcher – The Church of the Good Shepherd UMC; Diane Frost – The Church of the Good Shepherd UMC; Jim Frost – The Church of the Good Shepherd UMC; Lyn Hanke – The Church of the Good Shepherd UMC; Myron Hanke – The Church of the Good Shepherd UMC; Bob Harkness – The Church of the Good Shepherd UMC; Tina Harkness – The Church of the Good Shepherd UMC; Lyn Hodnett – Duncan Memorial UMC (Ashland); Patty Icke – The Church of the Good Shepherd UMC; Ginny Johnson – The Church of the Good Shepherd UMC; Charlotte Jones – Duncan Memorial UMC (Ashland); Laurie Juliana – The Church of the Good Shepherd UMC; Bev Kinego*

– *The Church of the Good Shepherd UMC*; Judy Knoke – *The Church of the Good Shepherd UMC*; Sandy Long – *The Church of the Good Shepherd UMC*; Jim Lovelace – *The Church of the Good Shepherd UMC*; Kathy Lovelace – *The Church of the Good Shepherd UMC*; Joyce Lynn – *The Church of the Good Shepherd UMC*; Mikayla Lynn – *The Church of the Good Shepherd UMC*; Nicole Lynn – *The Church of the Good Shepherd UMC*; Steve Lynn – *The Church of the Good Shepherd UMC*; Denise Marcone – *Floris UMC*; Ray Martin – *Duncan Memorial UMC (Ashland)*; Laura May – *The Church of the Good Shepherd UMC*; Ted May – *The Church of the Good Shepherd UMC*; Hugh McIntosh – *The Church of the Good Shepherd UMC*; Brian Moores – *Duncan Memorial UMC (Ashland)*; Erica O'Brien – *Floris UMC*; Sean O'Brien – *Floris UMC*; Scott O'Brien – *The Church of the Good Shepherd UMC*; Allison Percy – *The Church of the Good Shepherd UMC*; Dante Ricci – *Vale UMC*; Quintin Ricci – *Vale UMC*; Susan Ricci – *Vale UMC*; Jamie Scoggins – *Arcola UMC*; Susan Shearouse – *Duncan Memorial UMC (Ashland)*; Elizabeth Sims – *Duncan Memorial UMC (Ashland)*; Paul Speek – *The Church of the Good Shepherd UMC*; Ula Speek – *The Church of the Good Shepherd UMC*; Barbara Sprout – *Floris UMC*; David Swager – *Duncan Memorial UMC, Ashland*; Teri Taylor – *Floris UMC*; Amy Tompkins – *Duncan Memorial UMC (Ashland)*; Robert Tompkins – *Duncan Memorial UMC (Ashland)*; Margie Turbyfill – *Duncan Memorial UMC (Ashland)*; Jimmie Warren – *The Church of the Good Shepherd UMC*; Sue Warrick – *The Church of the Good Shepherd UMC*; Sue Watson – *Duncan Memorial UMC (Ashland)*; John Weis – *The Church of the Good Shepherd UMC*; Dan Whitford – *The Church of the Good Shepherd UMC*; Carolyn Wilkerson – *Duncan Memorial UMC (Ashland)*; Anna Willard – *Floris UMC*; Betty Wood – *The Church of the Good Shepherd UMC*; Milton Wood – *The Church of the Good Shepherd UMC*

### **Resolution 2: “Investments in Fossil Fuel Companies”**

Whereas in earnest gratitude and reverence for all that God has created, and a desire to relieve pain and suffering in the world, it is time to realign financial investments of the church with the spirit of the Word and the teachings of our Lord and savior Jesus Christ by divesting from fossil fuel companies and reinvesting in institutions that promote a healthy, sustainable world.

Whereas Genesis 1 tells us that God made all things and all living things step by step, each creation dependent on the previous creation, culminating in the creation of man whom He made to rule over all Creation, all of which he is completely and utterly dependent upon.

Whereas Genesis 9 tells us of the covenant that God made not only with Noah, but with all of humanity, and with every living creature alive today, and with all future generations; the past few generations have burned so much of the earth's energy reserves that we are on the verge of irreversibly rendering the entire earth inhospitable for life as it has existed for all of recorded history.

Whereas Jesus calls us in Matthew 25:31-46 to care for the least of these, climate change is creating a reality where more and more people are hungry, thirsty, and homeless so that the current trend of fossil fuel extraction and consumption will result in the most massive human rights violation the world has ever seen.

Whereas the fossil fuel industry (coal, oil, and gas) is poised to extract and sell for consumption reserves that will result in the release of five times the uppermost amount of CO<sub>2</sub> that scientists estimate to be the threshold to avoid ecological disaster.

Whereas the warming oceans are acidifying, killing off coral reefs, crustaceans, fish and other life, while a billion people depend on fish for their primary source of protein.

Whereas we are called to love one another, then it is morally and theologically wrong to profit from the destruction of creation. Because we are a covenant people and affirm Jesus's call to love our neighbors as ourselves, we recognize our obligation as people of faith to take into account how our decisions and activities affect all of creation now and into the future.

Therefore, be it resolved that the Council on Finance and Administration of the Virginia Conference of The United Methodist Church take the following actions:

1. The Board of Pensions and Health Benefits, the First United Methodist Church Endowment Fund and any other investment immediately stop any new investments in fossil fuel companies and instruct asset managers in their work for the church to do the same.
2. Ensure that within five years none of its directly held or commingled assets includes holdings of equities or corporate bonds in fossil fuel companies as determined by the Carbon Tracker list.<sup>1</sup>
3. Incorporate, into existing financial reports, regular updates detailing progress made towards full divestment. These would be available to the public.
4. Inform those fossil fuel companies of the passage and implementation of this resolution.

*-Submitted by Katherine Layton*

#### **Footnotes:**

- 1.) A current list of coal, gas and oil companies can be found through the website [www.carbontracker.org](http://www.carbontracker.org).

### **Resolution 3: “Defeat Poverty With Wages”**

Whereas, in our 21st Century of affluence there is no justification for the curse of poverty: Yet poverty persists: Almost half of all people on earth – more than 3 billion – live on less than \$2.50 a day and 22,000 children die each day due to poverty; 48.8 million people in the United States live below the federal poverty line, and 12 out of every 100 Virginians live in poverty.<sup>1</sup> How can we move from commiserating about the poor to overcoming poverty?

Whereas for Christians, vital guidance is provided by our basic biblical and theological affirmations — such as Genesis 1:27 which declares that all persons are created in the image of God and therefore have inherent dignity; Jeremiah 22:13-16 which declares that we cannot claim to know God and not give poor workers their due wages, and Mark 12:31 which testifies to Jesus' teaching that the second greatest commandment is “You shall love your neighbor as yourself,” a teaching that includes loving those living in poverty as much as we love ourselves.

Whereas, we receive important guidance also from our United Methodist heritage: From John Wesley who showed concern for the physical and spiritual welfare of persons, emphasized social holiness, initiated social reform and brought hope to the working class; from our social creeds dating from 1908 which have advocated a living wage; from our Social Principles which affirm the right of every person “to a job at a living wage” and call us to support the poor, challenge the rich and advocate policies that will alleviate poverty,<sup>2</sup> and from our General Conference resolutions in which The United Methodist Church has adopted “the living wage as a model for justice in the world and in the household of faith” and pronounced support for efforts “to raise the minimum wage to a living wage and index it to inflation.”<sup>3</sup>

Whereas, in addition, we receive important guidance from an analysis of contemporary realities: Amid an economic recession, our church pantries, community food banks and several anti-hunger organizations have received unprecedented requests for food and basic household supplies. Our churches have responded with extraordinary generosity. Yet we know that these much needed mercy ministries, which help to meet urgent immediate needs, do not address the root causes of poverty and therefore do not provide long-term solutions.

Whereas hunger, perhaps the most urgent manifestation of poverty, is caused not by the lack of food in our society but by the inequitable distribution of resources, leading to the poor being unable to obtain sufficient food and other basic necessities: According to the latest available national data, in 2011 there were 10.4 million persons in the U.S. classified as “working poor” — persons who worked but whose income fell below the official poverty level.<sup>4</sup> In Virginia, in addition to the 219,000 who were unemployed at the end of 2013,<sup>5</sup> there were 123,000 “working poor,” 39 percent of whom earned the minimum wage of \$7.25/hour, and 61 percent of whom earned less than this

minimum wage. This is nearly twice the number of “working poor” in 2000. Among the 50 states and the District of Columbia, Virginia now has the fifth-highest rate of hourly-paid workers earning at or below the federal minimum wage.<sup>6</sup>

Whereas the above figures understate the number of persons living in poverty: A worker earning the current minimum wage and working full time will earn only \$15,080 a year. With only this level of income, a two-person family will be living in poverty as defined in the federal Poverty Guidelines used to determine financial eligibility for federal assistance. Minimum wage income is also far below the living wage of \$21,927 required to cover typical expenses for just one adult for food, medical needs, transportation and taxes, and only about one-third of the income needed to cover such expenses plus child care for a family of two adults and two children.<sup>7</sup>

Whereas the growth of poverty is largely due to the current minimum wage of \$7.25/hour (last set in 2009) having less buying power than the minimum wage of 45 years ago: If the minimum wage of \$1.60/hour in 1968 had kept pace with the cost of living, the minimum wage today would be \$10.71/hour, providing an annual income of \$22,276.80 — which would be over \$7,000 more than provided by the current minimum wage. Our nation’s failure to keep the minimum wage tied to the cost of living has resulted in millions of families now being mired in poverty. In view of the obvious inadequacy of the current federal minimum wage, 21 states have raised their minimum wage beyond the federal level to help struggling workers, boost consumer spending and expand business operations.<sup>8</sup> Proposals to raise the minimum wage are under consideration in at least 16 other states.<sup>9</sup> In addition, as of Jan. 1, 2013, at least nine states had indexed their minimum wage to keep pace with the cost of inflation.

Whereas some critics downplay raising the minimum wage, and indexing it to the cost of inflation, by questionable arguments that this would cause unemployment and/or an increase in the price of consumer goods: This argument has been around since the Fair Labor Standards Act of 1938, which requires the payment of minimum wages, and it is an argument that some make whenever there is a proposal to raise the minimum wage. But a study by the non-partisan Economic Policy Institute concluded that the indexing of the minimum wage that took effect in nine states in 2013 boosted pay for nearly one million workers and generated more than \$183 million in new consumer spending.<sup>10</sup> In January of this year a letter signed by more than 600 economists, including seven Nobel Laureates and eight American Economic Association presidents, urged President Obama and congressional leaders to raise the minimum wage and index it to protect against inflation.<sup>11</sup> Another analysis by the Economic Policy Institute found that raising the minimum wage to \$10.10 would expand the U.S. economy by about \$35 billion over the phase in period and create 85,000 new jobs.<sup>12</sup> Such policies help lift families out of poverty, build a strong middle class and grow a vibrant economy — because an increase in the minimum wage leads to more consumer spending and more prosperous businesses.

Whereas the issue of inadequate minimum wages is an issue of injustice: We must seek to abolish poverty by paying adequate wages so that no one is condemned to the despair, tension and bitterness of slavery to poverty. Policies and systems that perpetuate poverty must be changed.

Therefore, be it resolved that, in view of the above and in affirmation of the justice ministry to which we are called, this 232nd Session of the Virginia Annual Conference of The United Methodist Church hereby takes the following actions:

1. Calls upon our federal and state governments to begin an immediate and significant phased increase in the minimum wage for adult workers, indexed to inflation, with the goal of the minimum wage being a living wage by or before 2019.<sup>13</sup>
2. Requests Bishop Cho to communicate adoption of No. 1 above to President Obama and members of the Virginia Congressional delegation, and to the Virginia Governor and members of the Virginia General Assembly.
3. Encourages our clergy and lay members to join in this justice mission by contacting their congressional and state legislators, urging implementation of point No. 1 above, and requests the Board of Church and Society to provide appropriate assistance that will facilitate prompt and effective communication with these public officials.

*– Submitted by Hunter Mabry on behalf of the Board of Church and Society.*

#### Footnotes:

1. Global Issues: Facts and Stats, Jan. 7, 2013. [www.globalissues.org/article/26/poverty-facts-and-stats](http://www.globalissues.org/article/26/poverty-facts-and-stats) (4 Feb. 2014) and “Poverty: 2000 to 2012,” American Community Survey Briefs, U.S. Census Bureau, September 2013 [www.census.gov/hhes/www/poverty](http://www.census.gov/hhes/www/poverty) (4Feb2014).
  2. Social Principles of The United Methodist Church 2009-2012, ¶ 163/IV/c, e.
  3. Book of Resolutions of the United Methodist Church 2008, #4101 (p.608) and #4135 (p.629).
  4. Bureau of Labor Statistics. [www.bls.gov/cps/earnings.htm#workpoor](http://www.bls.gov/cps/earnings.htm#workpoor) (4 Feb 2014).
  5. “Virginia Unemployment,” [www.deptofnumbers.com/unemployment/virginia/](http://www.deptofnumbers.com/unemployment/virginia/) (4 Feb 2014).
  6. “Minimum Wage Workers in Virginia 2013,” Bureau of Labor Statistics, U.S. Department of Labor. [www.bls.gov/ro3/va.htm](http://www.bls.gov/ro3/va.htm) (4 Feb 2014). The states having a higher rate of hourly-paid workers earning at or below the federal minimum wage were Idaho (7.7%), Texas (7.5%), Oklahoma (7.2%) and Louisiana (7.1%), followed by Virginia (6.8%). In Alaska, Oregon, California, Montana and Washington states less than 2.0% of hourly paid workers earned only the federal minimum wage or less. Currently, the minimum wage in Virginia is the same as the federal minimum wage of \$7.25/hour.
  8. <http://livingwage.mit.edu/states/51> (26 Jan 2013).
  9. As of 1 January, 2014, the following states have set the minimum wage higher than the federal minimum: Washington (\$9.32), Oregon (\$9.10), California (\$9), Vermont (\$8.73), Connecticut (\$8.70), Illinois (\$8.25), New Jersey (\$8.25), Nevada (\$8.25), Colorado (\$8), New York (\$8.00), Massachusetts (\$8), Rhode Island (\$8), Ohio (\$7.95), Arizona (\$7.90), Montana (\$7.90), Florida (\$7.79), Alaska (\$7.75), Maine (\$7.50), Missouri (\$7.50), New Mexico (\$7.50), and Michigan (\$7.40). [www.usatoday.com/story/money/business/2013/12/29/states-raising-minimum-wage/42221773](http://www.usatoday.com/story/money/business/2013/12/29/states-raising-minimum-wage/42221773) (4 Feb 2014).
  10. “A look at minimum wage legislation in states,” The Washington Post, 26 Jan 2014. [www.washingtonpost.com](http://www.washingtonpost.com) (4 Feb 2014).
  11. “It pays for states to raise bar on minimum wage,” Politico (3 Jan 2013). [www.politico.com/story/2013/01/it-pays-for-states-to-raise-bar-on-minimum-wage-85735.html](http://www.politico.com/story/2013/01/it-pays-for-states-to-raise-bar-on-minimum-wage-85735.html). The nine states that indexed their minimum wage to the cost of living are: Arizona, Colorado, Florida, Missouri, Montana, Ohio, Oregon, Vermont and Washington.
  12. “Over 600 Economists Sign Letter in Support of \$10.10 Minimum Wage,” [www.epi.org/minimum-wage-statement](http://www.epi.org/minimum-wage-statement) (5 Feb 2014).
  13. “Raising the Federal Minimum Wage to \$10.10 Would Lift Wages for Millions and Provide a Modest Economic Boost,” [www.epi.org/publication/raising-federal-minimum-wage-to-1010/](http://www.epi.org/publication/raising-federal-minimum-wage-to-1010/) (15 Jan 2014).
- The current living wage required to support one adult in Virginia is \$10.54/hour, and to support a family of two adults and two children is \$20.88/hour. But regional variations in the cost of living need to be taken into account in determining what constitutes a living wage for a particular locality — e.g., the living wage required to support one adult in Fairfax city is \$13.22/hour and \$7.73/hour in Danville city; for a family of two adults and two children, \$24.49/hour in Fairfax city and \$17.92/hour in Danville city. <http://livingwage.mit.edu/states/51> (4 Feb 2014).

#### **Resolution 4: “Hydraulic Fracturing Oil and Gas”**

Whereas, new methods of extracting oil and gas from rock formations using hydraulic fracturing of oil and gas containing shale formations are being proposed for use in Virginia, including the George Washington National Forest and areas around the Rappahannock River and on the Northern Neck;

Whereas, oil and gas hydro-“fracking” brings with it a complexity of impacts: economic, environmental, property values, health, traffic, road conditions, and relationships among members of the community;

Whereas, natural gas companies use proprietary blends of chemicals to force the gas out of the shale rock, and are exempt from reporting

the chemicals under the Safe Drinking Water Act amendments, it is known that chemicals coming out of wells include bromide and chloride salts, radionuclides including strontium and barium, and volatile organic compounds including cancer causing benzene, toluene and ethylbenzene;

Whereas, United Methodists lift up the Bible, which states “The earth is the Lord’s and the fullness thereof, the world, and all who live in it” (Psalm 24:1-2);

Whereas, the United Methodist Social Principles call us to care for God’s Creation through our stewardship of water, air, soil, minerals, plants (§160.A), use of energy resources (§160.B), care for animal life (§160.C) and global climate stewardship (§160.D), and contains statements on rural life (§162.P), sustainable agriculture (§162.Q) and the many facets of the economic community (§163), including property (§163.A), consumption (§163.D), family farms (§163.H) and corporate responsibility (§163.I);

Whereas, water utilities such as those in Fairfax County and Washington, D.C., question whether even such large water utilities can adequately filter out from their water chemicals used in fracking, and

Whereas, people on the Northern Neck are concerned about the damage to roads and the environment from fracking equipment and the effects of the chemicals used to extract oil and gas from the shale formations,

Therefore be it resolved that

1. Virginia Conference United Methodists become familiar with the contents of the Social Principles outlined above.
2. Virginia Conference United Methodists be intentional in engaging their faith principles, respectfully and constructively, in conversations and decisions about methods used by fossil fuel extracting industries, including hydro-fracturing.
3. We urge a moratorium on hydro-fracturing for gas and oil in Virginia until the environmental issues, damage to our water supplies, and local economic impacts can be further explored.
4. We further suggest that the churches in the Virginia Conference refrain from leasing their property for oil and gas fracking until safer methods of fracking gas and oil can be found.
5. We encourage dialogue within the church so that we can to educate ourselves about how oil and gas extraction from the earth by hydrofracturing affects God’s creation in communities where fracking could occur and in communities downstream from fracking sites.
6. We direct the conference Board of Church and Society to convene meetings on the issues raised by hydrofracturing in areas near the George Washington National Forest and the Northern Neck where hydrofracturing is proposed.

*-Submitted by Frances Wilkins and Suzanne Shrader, Warsaw UMC, on behalf of the Board of Church and Society.*

Footnotes:

1. Robert McCarthy, “Fracking in George Washington National Forest could threaten D.C. area drinking water” The Washington Post, Feb. 1, 2014. [www.washingtonpost.com/local/fracking-in-george-washington-national-forest-could-threaten-dc-area-drinking-water/2014/02/01/834cb8d2-8ad5-11e3-916e-e01534b1e132\\_story.html](http://www.washingtonpost.com/local/fracking-in-george-washington-national-forest-could-threaten-dc-area-drinking-water/2014/02/01/834cb8d2-8ad5-11e3-916e-e01534b1e132_story.html)
2. Renss Greene, “Former Del. Pollard suggests [Northern Neck] localities take a ‘conservative’ approach to hydrofracturing” Rappahannock Record, Feb. 20, 2014. [www.rrecord.com/-news/2014/2-20-14/news1a.asp](http://www.rrecord.com/-news/2014/2-20-14/news1a.asp)
3. “The Fracturing of Pennsylvania,” The New York Times Magazine, Nov. 20, 2011, available at: [www.nytimes.com/2011/11/20/magazine/fracking-amwell-township.html?pagewanted=all&\\_r=0](http://www.nytimes.com/2011/11/20/magazine/fracking-amwell-township.html?pagewanted=all&_r=0)

### **Resolution 5: “Ban the Box”**

Whereas Scripture teaches us to provide a refuge for the outcasts and that in welcoming a stranger we welcome Christ into our midst;<sup>1</sup>

Whereas our Social Principles “affirm all persons as equally valuable in the sight of God” and support the basic rights of all persons to equal access to employment;<sup>2</sup>

Whereas the majority of the over 325,000 ex-felons in Virginia who have completed all court-imposed punishment find it almost impossible to obtain gainful employment because most employers use a check box on their job applications to ask if the applicant has a felony conviction/arrest record – and then pass over applicants who check that box, even though the vast majority of such offenses were nonviolent and the ex-offenders have since tried to turned their lives around;

Whereas the inability to obtain employment makes it impossible for ex-offenders to support themselves and their families, and thereby contributes to a vicious cycle of higher unemployment, increased crime, more recidivism and higher taxes to support imprisonment;

Whereas this vicious cycle begins early in life for a large segment of our population – as revealed by recent studies which have found that by age 23, half of all black males and 40 percent of all white males have been arrested – and thereby virtually destroying the lives of such persons and depriving our nation of contributions they could make to our society;<sup>3</sup>

Whereas these trends affect not only men but also women, with the number of women in prison nationally “increasing at a rate fifty percent higher for women than for men since 1980,” and among all persons incarcerated in Virginia seven percent are women – with such women who are the head of a single parent household facing especially daunting challenges upon their release;<sup>4</sup>

Whereas 10 states and over 50 cities including, in Virginia, Newport News, Norfolk, Portsmouth, Richmond and Petersburg, have enacted “ban the box” policies to eliminate questions about an applicant’s criminal history from the initial employment application so that selection of persons to be interviewed will be based on skills and qualifications for a specific job position;<sup>5</sup>

Whereas in October 2013, Target, our nation’s third largest retailer, announced it would remove questions about criminal history from its job applications, thereby joining several other employers who have taken steps to end hiring exclusions that make it nearly impossible for anyone with a criminal record to get a job, even if that offense be in the distant past;<sup>6</sup>

Whereas deferring questions about any criminal history or conducting a criminal background check until after an applicant is selected for an interview, given a conditional offer of employment or found otherwise qualified for the job will provide an opportunity for applicants to demonstrate their qualifications and enable employers to select the most qualified applicants;

Whereas jobs relating to public safety, handling finances or requiring contact with vulnerable populations such as working with children and the elderly will continue under law to require full criminal background checks prior to employment, and

Whereas, as some perceptive members of the clergy have pointed out, while banning the box is about fairness for people with records, it is also good for the “economy and for the safety of our communities to ensure we’re maximizing job opportunities for everyone.”<sup>7</sup>

Be it hereby resolved by this 232nd session of the Virginia Annual Conference of The United Methodist Church that:

1. We commend the states, municipalities and private employers who have eliminated questions about past criminal history from their initial job applications in order to provide all job applicants an opportunity to be considered on the basis of their qualifications for a specific job.
2. We call upon our Virginia state legislators to enact legislation banning questions about criminal history from the initial job application for public and private employment so that questions about criminal history or conducting a criminal background check can be deferred until after an applicant has been selected for an interview, given a conditional offer of employment or otherwise found qualified for a specific job.
3. We urge private employers to follow the example of those private employers who have already banned the box from their employment applications.

4. We urge our clergy and lay members to contact their state legislators, urging support of a ban the box policy for Virginia.
5. We authorize the Board of Church and Society to join with other like-minded groups in a campaign to ban the box in Virginia and request that it keep the Conference updated on progress toward this goal.

*- Submitted by Dot Ivey on behalf of the Board of Church and Society*

Footnotes:

1. Isaiah 16:4; Matthew 25:31-46.
2. Social Principles of The United Methodist Church 2013-2016, ¶162.
3. "Study: Half of all black males, 40 percent of all white males arrested by age 23," Press Release, University of South Carolina, 6 January 2014. [www.eurekalert.org/pub\\_releases/2014-01/uosc-sho010314.php](http://www.eurekalert.org/pub_releases/2014-01/uosc-sho010314.php) (8 Feb 2014).
4. "Fact Sheet: Trends in U.S. Corrections," The Sentencing Project. [www.sentencingproject.org](http://www.sentencingproject.org); "State Responsible Offender Demographic Profile FY2012," Virginia Department of Corrections, May 2013. <http://vadoc.virginia.gov/about/facts/default.shtm> (11 Feb 2014).
5. The ten states that have enacted 'ban the box' policies are: California, Colorado, Connecticut, Hawaii, Illinois, Maryland, Massachusetts, Minnesota, New Mexico and Rhode Island. Other cities that have enacted this ban include Atlanta, Austin, Boston, Chicago, Cincinnati, Detroit, Durham, Memphis, Philadelphia, San Francisco, Seattle, and Washington, D.C. <http://bantheboxcampaign.org/?p=20>; National Employment Law Project, [www.nelp.org/index.php/content/content\\_issues/category/criminal\\_records\\_and\\_employment/](http://www.nelp.org/index.php/content/content_issues/category/criminal_records_and_employment/) (8 Feb 2014).
6. "Target to ban criminal history box on job applications," Star Tribune (Minneapolis, 26 October 2013). [www.startribune.com/business/229310141.html](http://www.startribune.com/business/229310141.html) (8 Feb 2014).
7. Father Gregory Boyle and Rev. Joseph Clopton, "Fair hiring policy gets an unfair rap", The Sacramento Bee, [www.sacbee.com/2013/09/10/5721634/another-view-fair-hiring-policy.html](http://www.sacbee.com/2013/09/10/5721634/another-view-fair-hiring-policy.html) (8 Feb 2014).

### **Resolution 6: "Political Speech and Ideology"**

Whereas: The United States of America was formed on the basis of a two party system of politics and it is a great thing. It is critically important that the balance of conservatives and liberals be a fifty-fifty balance. When the politicians take the country too far to the left, the conservatives bring the country back to the right and when the politicians take the country too far to the right, the liberals bring the country back to the left.

It is equally important that the congregation be fifty-fifty as well. The church is where we bring the two sides together. The church is where we work together side by side. The rich learn the needs of the poor. The poor learn how to work and obtain opportunities they would not otherwise have. Great will be the day when the richest man in the world is on my left and the poorest man in the world is on my right and three of us will worship God together, pray together, take communion together, work together to serve God. We must recognize and appreciate all parts of the body of Christ. The right arm and the left arm must work together. The sanctuary and the pulpit are reserved for speaking the word of God without the opportunity for response.

Political discussion is welcome and encouraged outside of the sanctuary so that we may have discussion and hear from all parts of the body. To unify the congregation of the Virginia Conference of The United Methodist Church, therefore, be it resolved that:

1. Political speech shall not be allowed from the pulpit or in the sanctuary of God and that no one may use the church for their own personal political agenda.

2. Political ideology may not be used to discriminate in the hiring or promotion of any clergy or at any local church.

*-Submitted by Thomas R. Wade, Lay Leader and lay representative, Bon Air UMC*

### **Resolution 7: "Virginia Conference and General Conference Membership"**

Whereas: Lay representatives and delegates to the Virginia Annual Conference of The United Methodist Church or to the United Methodist General Conference cannot be free of conflict of interest if they are related to Virginia clergy or if they are on the non-clergy staff at a local church or at the district or conference office. These individuals should be free to make votes without emotion based on a familial contact or obligation to a superior in the clergy. We need to protect the integrity of our process and we need to protect the family of clergy and church staff from possible conflict.

Therefore be it resolved that:

1. No lay representative or delegate to the Virginia Annual Conference of The United Methodist Church or the United Methodist General Conference be of direct familial relationship to any Virginia United Methodist clergy. Specifically let this familial relationship be defined as parent, child, sibling or sibling in-law.

2. No lay representative or delegate to the Virginia Annual Conference of The United Methodist Church or the United Methodist General Conference may be non-clergy staff at any local church or at any district or conference office.

*-Submitted by Thomas R. Wade, Lay Leader and lay representative, Bon Air UMC*

**VIRGINIA UNITED METHODIST PENSIONS INC. AUDIT REPORT****L.P. MARTIN & COMPANY**

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ROBERT C. JOHNSON, C.P.A.  
LEE P. MARTIN, C.P.A. (1948-76)

November 7, 2013

To the Finance and Audit Committee  
Virginia United Methodist Pensions, Inc.  
Richmond, Virginia

Dear Committee Members:

We have audited the financial statements of Virginia United Methodist Pensions, Inc. (the Plan) for the year ended December 31, 2012, and have issued our report thereon dated November 7, 2013. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated January 25, 2013, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities. Our responsibility is to plan and perform the audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement. As part of our audit, we considered the internal control of the Plan. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control. We are responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures specifically to identify such matters.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing as addressed in our engagement letter dated January 25, 2013.

The Finance and Audit Committee  
November 7, 2013  
Page 2

### Significant Audit Findings

#### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Plan are described in Note 2 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2012. We noted no transactions entered into by the Organization during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were as follows:

Fair Value of Investments  
Health, Disability and Life Insurance Plan Benefit Obligations  
Pension Plan Benefit Obligations

Management's estimate of each of the accounting estimates is based on historical information and current facts and circumstances. We evaluated the key factors and assumptions used to develop the accounting estimates in determining that each is reasonable in relation to the financial statements taken as a whole.

The disclosures in the financial statements are neutral, consistent, and clear. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were as follows:

The disclosure of cash and investments in Note 3 to the financial statements.  
The disclosure of concentration of credit risk in Note 4 to the financial statements.  
The disclosure of plan benefit obligations in Notes 6 and 7 to the financial statements, including the disclosure of factors which create some uncertainty about the Organization's ability to continue to fund current operations.

#### *Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

The Finance and Audit Committee  
November 7, 2013  
Page 3

*Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

*Disagreements with Management*

For purposes of this letter, professional standards define a disagreement with management as a difference of opinion regarding a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

*Management Representations*

We have requested certain representations from management that are included in the management representation letter dated November 7, 2013.

*Management Consultations with Other Independent Accountants*

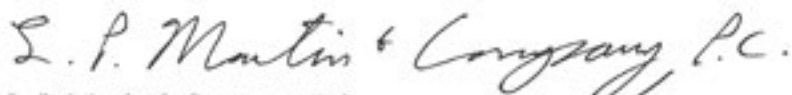
In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion". If a consultation involves application of an accounting principle to the Organization's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

*Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Organization's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of Plan management and the Finance and Audit Committee and is not intended to be and should not be used by anyone other than these specified parties.

Yours truly,

  
L. P. Martin & Company, P.C.



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LEE P. MARTIN, C.P.A. (1948-76)

**Independent Auditor's Report**

To the Board of Directors  
Virginia United Methodist Pensions, Inc.

**Report on the Financial Statements**

We have audited the accompanying financial statements of Virginia United Methodist Pensions, Inc. (the "Plan"), which comprise the statements of net assets available for collective plan benefits as of December 31, 2012 and 2011, and the related statements of changes in net assets available for collective plan benefits for the years then ended, and the related notes to the financial statements.

**Management's Responsibility for the Financial Statements**

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

**Auditor's Responsibility**

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

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

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial status of the Plan as of December 31, 2012 and 2011, and the changes in its financial status for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*L. P. Martin & Company, P.C.*

Glen Allen, Virginia  
November 7, 2013

VIRGINIA UNITED METHODIST PENSIONS, INC.STATEMENTS OF NET ASSETS AVAILABLE FOR COLLECTIVE PLAN BENEFITSDECEMBER 31, 2012 AND 2011

	<u>2012</u>	<u>2011</u>
<u>ASSETS</u>		
<u>INVESTMENTS, At Fair Value:</u>		
Investments held by the General Board of Pension and Health Benefits of the United Methodist Church	\$ 19,585,730	\$ 16,701,207
Investments held by Wilmington Trust, Including Cash Equivalents of \$388,341 in 2012 and \$118,007 in 2011	18,639,749	16,886,957
Investments held by Private Advisors	42,044	2,053,158
Real Estate	<u>4,000</u>	<u>4,000</u>
TOTAL INVESTMENTS	38,271,523	35,645,322
Cash	<u>972,123</u>	<u>521,701</u>
TOTAL CASH AND INVESTMENTS	39,243,646	36,167,023
<u>RECEIVABLES:</u>		
Employer Contributions - Virginia Annual Conference	1,922,451	1,528,881
Participant Contributions	163,943	137,095
Medicare Retiree Drug Subsidy	135,388	152,297
Other	-	47,619
Prepaid Expenses	27,376	13,938
Property and Equipment, less Accumulated Depreciation of \$31,845 in 2012 and \$32,749 in 2011	<u>9,271</u>	<u>14,119</u>
TOTAL ASSETS	41,502,075	38,060,972
<u>LIABILITIES</u>		
Benefits and Administrative Expenses Payable	<u>160,832</u>	<u>135,421</u>
NET ASSETS AVAILABLE FOR BENEFITS	<u>\$ 41,341,243</u>	<u>\$ 37,925,551</u>

The accompanying notes are an integral part of these statements.

VIRGINIA UNITED METHODIST PENSIONS, INC.STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR COLLECTIVE PLAN BENEFITSYEARS ENDED DECEMBER 31, 2012 AND 2011

	<u>2012</u>	<u>2011</u>
<b>ADDITIONS:</b>		
Contributions:		
Participating Employers	\$ 14,678,035	\$ 13,429,593
Participants	6,553,539	6,792,000
Clergy Retirement Security Program and Comprehensive Protection Plan Direct Bill	<u>7,419,181</u>	<u>7,298,943</u>
TOTAL CONTRIBUTIONS	<u>28,650,755</u>	<u>27,520,536</u>
Investment Income (Loss):		
Net Appreciation (Depreciation) in Fair Value of Investments	4,235,173	(927,677)
Interest and Dividends	412,892	376,207
Less: Investment Expense	<u>(108,994)</u>	<u>(99,965)</u>
TOTAL INVESTMENT INCOME (LOSS)	<u>4,539,071</u>	<u>(651,435)</u>
 TOTAL ADDITIONS	 <u>33,189,826</u>	 <u>26,869,101</u>
<b>DEDUCTIONS:</b>		
Benefits Paid to or on Behalf of Participants:		
Health Care	19,173,597	17,853,857
Clergy Retirement Security Program and Comprehensive Protection Plan Direct Bill	7,273,333	8,800,966
Pre-1982 Pension Plan	1,901,992	3,071,107
Medical Reimbursement Account	534,272	576,225
Disability and Death	177,793	220,615
Group Life Insurance	100,650	94,334
Dependent Care Spending Account	56,817	40,447
Clergy Retirement Gifts	48,000	54,000
Comprehensive Protection Plan	<u>6,048</u>	<u>6,820</u>
TOTAL BENEFITS PAID	<u>29,272,502</u>	<u>30,718,371</u>
Administrative Expenses	<u>501,632</u>	<u>554,749</u>
 TOTAL DEDUCTIONS	 <u>29,774,134</u>	 <u>31,273,120</u>
 NET INCREASE (DECREASE) IN PLAN NET ASSETS	 3,415,692	 (4,404,019)
<b>NET ASSETS AVAILABLE FOR BENEFITS:</b>		
BEGINNING OF YEAR	<u>37,925,551</u>	<u>42,329,570</u>
END OF YEAR	<u>\$ 41,341,243</u>	<u>\$ 37,925,551</u>

The accompanying notes are an integral part of these statements.

VIRGINIA UNITED METHODIST PENSIONS, INC.NOTES TO THE FINANCIAL STATEMENTSYEARS ENDED DECEMBER 31, 2012 AND 2011NOTE 1 - DESCRIPTION OF PLAN

The following description of the collective employee benefit plans provided by Virginia United Methodist Pensions, Inc. (the "Plan") provides only general information. Participants should refer to the summary plan description published in the Journal of the Virginia Annual Conference for a more complete description of the Plans' provisions. These benefits are determined by an adoption agreement between the Virginia Annual Conference and the General Board of Pension and Health Benefits of the United Methodist Church (GBOP).

General - The Plan provides health and other benefits to all eligible pastors and lay employees of the Virginia Annual Conference. The Plan is exempt from the provisions of the Employee Retirement Income Security Act of 1974 (ERISA). The health and other benefits may be terminated at any time by the Virginia Annual Conference and GBOP in accordance with the various plan documents.

Benefits - The Plan provides medical, dental, prescription drug, and other benefits to all eligible pastors, including retired pastors and their spouses who are under age 65, disabled and widowed spouses of active pastors, and lay employees of the Virginia Annual Conference. The Plan provides a Medicare supplement and a prescription drug card to retired pastors and their spouses who are over age 65. The Plan provides life and disability benefits to ministers who are members of the comprehensive protection plan offered by GBOP.

The Plan also provides for a \$1,500 gift benefit at the time of retirement to each ministerial member, full-time local pastor or diaconal minister who has served at least ten years in the Virginia Annual Conference with pension credit. The gift benefit is also paid to the families of ministers who die in active service.

Virginia United Methodist Pensions, Inc. is responsible for funding the past service costs of the Pre-1982 Ministers' Pension Plan of Virginia Annual Conference (the Pre-1982 Plan). The Pre-1982 Plan is a separate and distinct pension plan. Neither its assets nor its benefit obligations (with the exception of those arising from past service costs) are included in these financial statements. These past service requirements are being funded over 40 years. Related contributions to the Pre-1982 Plan totaled \$1,901,992 in 2012 and \$3,071,107 in 2011.

The Plan funds contribution arrearages of certain churches to the Comprehensive Protection Plan and the Clergy Retirement Security Program. These plans are also separate and distinct plans; neither their assets nor their benefit obligations are included in these financial statements. Related arrearage contributions amount to \$0 for the Clergy Retirement Security Program and \$6,048 and \$6,820 for the Comprehensive Protection Plan for the years ended December 31, 2012 and 2011, respectively.

(Continued)

VIRGINIA UNITED METHODIST PENSIONS, INC.NOTES TO THE FINANCIAL STATEMENTSYEARS ENDED DECEMBER 31, 2012 AND 2011NOTE 1 - DESCRIPTION OF PLAN, (Continued)

Vesting - Participants are 100% vested upon entry into the various benefit plans.

CRSP/CPP - On behalf of GBOP, effective April 1, 2006, the Plan started billing Clergy Retirement Security Program and Comprehensive Protection Plan participants and remitting contributions collected to GBOP.

Contributions - Participant contributions, which vary based on class of employee, are determined by the Virginia Annual Conference each year. The employer contribution is in the form of local church apportionments that are also determined by the Virginia Annual Conference each year. Post employment benefits are funded by local church and retiree contributions, which are also determined by the Virginia Annual Conference.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of additions and deductions during the reporting period. Actual results could differ from those estimates. Estimates of benefit obligations are critical in relation to these financial statements.

Valuation of Investments and Income Recognition - The Plan's investments are stated at fair value. Listed stocks and securities are valued at closing quotations, while unlisted securities are valued at the most recent bid price. Purchases and sales of securities are recorded on a trade-date basis. Unrealized gains and losses are recognized in the period in which they occur. Interest and dividends are recognized in the period earned, and realized gains or losses on securities are recorded in the period of sale.

Appreciation and depreciation on assets held for investment during the year are based on the fair value at the end of the Plan year as compared to the fair value at the beginning of the Plan year for investments acquired in a previous Plan year. For investments acquired during the year, appreciation and depreciation are calculated by determining the difference between fair value at the end of the Plan year and the cost basis of the investments. Gain or loss on investments disposed of (realized) during the year is calculated by comparing the sales proceeds with the cost basis for all investment disposals.

(Continued)

VIRGINIA UNITED METHODIST PENSIONS, INC.

NOTES TO THE FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2012 AND 2011

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

Health Claims Incurred But Not Reported - The Plan's benefit obligations for current benefit coverage include estimated amounts for health claims incurred but not yet reported at year-end. Such estimates are based on historical experience of the Plan. Claims above \$150,000 per participant during 2012 and 2011 through December 31, 2012 are covered by the insurance carrier.

Receivables - Receivables primarily represent benefit contributions due from participants and participant employers. The Plan bills participants and participant employers, substantially all of whom are individuals or local United Methodist churches, located throughout the Virginia Annual Conference. The Plan provides an allowance for doubtful collections that is based upon a review of outstanding receivables, historical collection information, and existing economic conditions. Delinquent receivables are written off based on individual credit evaluation and specific circumstances of the participant or participant employer. No allowance is deemed necessary as of December 31, 2012 or 2011. Due to uncertainties in the receivables collection process, it is at least reasonably possible that management's estimate of its allowance for doubtful collections will change within the near term.

Property and Equipment - Office furniture and equipment is stated at cost. Office furniture and equipment is depreciated over lives ranging from five to ten years using the straight-line method. The costs of major improvements are capitalized, while costs of maintenance and repairs, which do not improve or extend the lives of the respective properties, are expensed currently.

Income Taxes - Management of the Plan believes that the Plan is currently designed and being operated in compliance with the applicable requirements of the Internal Revenue Code. Therefore, they believe that the Plan is qualified and the related trust is tax-exempt as of the financial statement date.

NOTE 3 - CASH AND INVESTMENTS

The Plan's cash and investments are summarized as follows:

	<u>2012</u> <u>Fair Value</u>	<u>2011</u> <u>Fair Value</u>
Held by GBOP:		
Domestic Stock Fund	\$ 5,940,464	\$ 5,598,166
Domestic Bond Fund	7,437,085	5,475,378
International Stock Fund	5,309,954	4,836,877
Short-Term Investment Fund	249,346	220,824
Multiple Asset Fund	648,881	569,962

(Continued)

VIRGINIA UNITED METHODIST PENSIONS, INC.NOTES TO THE FINANCIAL STATEMENTSYEARS ENDED DECEMBER 31, 2012 AND 2011NOTE 3 - CASH AND INVESTMENTS, (Continued)

	<u>2012</u> <u>Fair Value</u>	<u>2011</u> <u>Fair Value</u>
Held by Wilmington Trust:		
Common Stocks and Convertibles Portfolio:		
Commercial Services and Supplies	\$ 227,528	\$ -
Machinery	137,696	-
Specialty Realty	96,069	-
Oil, Gas, and Consumable Fuels	59,179	-
Commercial Banks	207,353	-
Insurance	106,153	-
REITS	203,641	-
Health Care Providers and Services	111,148	-
Electronic Equipment/Instrument	59,766	-
IT Services	65,308	-
All sectors, individually less than \$50,000	712,003	-
Energy	-	80,599
Consumer Staples	-	40,606
Health Care	-	143,988
Consumer Discretionary	-	384,233
Industrials	-	208,949
Information Technology	-	208,596
Materials	-	57,022
Financials	-	366,646
Utilities	-	29,025
Miscellaneous	-	143,598
Vanguard Bond Index Fund	3,768,678	3,625,700
Vanguard Emerging Markets Fund	632,638	542,849
Vanguard Large Cap Index Fund	9,528,185	10,491,044
Vanguard Small Cap Growth Fund	520,113	446,095
John Hancock Global Strategies Fund	405,448	-
Mutual Hedge Frontier Legends Fund	144,000	-
Palmer Square Absolute Return Fund	400,149	-
Robeco Boston Partners Research Fund	155,314	-
TFS Market Neutral Fund	152,539	-
Eaton Vance Global Absolute Return Fund	149,682	-
Pimco All Asset Institutional Fund	408,818	-
Cash Equivalents	388,341	118,007

(Continued)



VIRGINIA UNITED METHODIST PENSIONS, INC.NOTES TO THE FINANCIAL STATEMENTSYEARS ENDED DECEMBER 31, 2012 AND 2011NOTE 3 - CASH AND INVESTMENTS, (Continued)

	<u>2012</u> <u>Fair Value</u>	<u>2011</u> <u>Fair Value</u>
Held by Private Advisors:		
Private Advisors Stable Value Fund	\$ 42,044	\$ 2,053,158
Real Estate	<u>4,000</u>	<u>4,000</u>
TOTAL INVESTMENTS	38,271,523	35,645,322
Deposited with Virginia United Methodist Credit Union	963,504	513,090
Deposited with First Community Bank	5,564	5,560
Deposited with Union First Market Bank	2,855	2,851
Petty Cash	<u>200</u>	<u>200</u>
TOTAL CASH AND INVESTMENTS	<u>\$ 39,243,646</u>	<u>\$ 36,167,023</u>

GBOP investments represent funds managed by the General Board of Pension and Health Benefits of the United Methodist Church. Subsequent to December 31, 2012, the Plan transferred all of the investments held by Wilmington Trust to SunTrust Bank.

Net appreciation (depreciation) in fair value is as follows:

	<u>Year Ended December 31,</u> <u>2012</u>	<u>2011</u>
Investments Held by the GBOP	\$ 2,479,894	\$ (771,136)
Investments Held by Wilmington Trust	1,706,261	(165,621)
Investments Held by Private Advisors	<u>49,018</u>	<u>9,080</u>
TOTAL	<u>\$ 4,235,173</u>	<u>\$ (927,677)</u>

(Continued)



VIRGINIA UNITED METHODIST PENSIONS, INC.NOTES TO THE FINANCIAL STATEMENTSYEARS ENDED DECEMBER 31, 2012 AND 2011NOTE 3 - CASH AND INVESTMENTS. (Continued)

The Plan's investments are reported at fair value in the accompanying statements of net assets available for collective plan benefits.

		Fair Value Measurements Using:	
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Unobservable Inputs (Level 3)
	Fair Value		
<u>December 31, 2012</u>			
Mutual Funds	\$ 35,851,294	\$ 35,851,294	\$ -
Common Stock	1,985,844	1,985,844	-
Hedge Fund	42,044	42,044	-
Cash Equivalents	388,341	388,341	-
Real Estate	4,000	-	4,000
Total	<u>\$ 38,271,523</u>	<u>\$ 38,267,523</u>	<u>\$ 4,000</u>
<u>December 31, 2011</u>			
Mutual Funds	\$ 31,806,895	\$ 31,806,895	\$ -
Common Stock	1,663,262	1,663,262	-
Hedge Fund	2,053,158	2,053,158	-
Cash Equivalents	118,007	118,007	-
Real Estate	4,000	-	4,000
Total	<u>\$ 35,645,322</u>	<u>\$ 35,641,322</u>	<u>\$ 4,000</u>

Generally accepted accounting principles establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, Level 2 inputs consist of observable inputs other than quoted prices for identical assets, and Level 3 inputs have the lowest priority. The Plan uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Plan measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. No Level 2 inputs were available to the Plan, and Level 3 inputs were only used when Level 1 or Level 2 inputs were not available.

(Continued)

VIRGINIA UNITED METHODIST PENSIONS, INC.NOTES TO THE FINANCIAL STATEMENTSYEARS ENDED DECEMBER 31, 2012 AND 2011NOTE 3 - CASH AND INVESTMENTS, (Continued)*Level 1 Fair Value Measurements*

The fair values of mutual funds and the hedge fund are based on quoted net asset values of the shares held by the Plan at year-end. The fair values of common stock and cash equivalents are based on quoted market prices.

*Level 3 Fair Value Measurements*

The real estate is not actively traded and significant other observable inputs are not available. Thus, the fair value of the real estate is determined by using the most recent real estate tax assessed value less estimated cost to dispose of the real estate.

The following table provides further details of the Level 3 fair value measurements.

## Fair Value Measurements Using Significant Unobservable Inputs (Level 3)

December 31, 2012

Beginning Balance	\$ 4,000
Total Gains or Losses (Realized and Unrealized) Included in	
Changes in Net Assets Available for Collective Plan Benefits	-
Purchases, Sales, Issuances, and Settlements (Net)	-
Ending Balance	<u>\$ 4,000</u>

December 31, 2011

Beginning Balance	\$ 4,000
Total Gains or Losses (Realized and Unrealized) Included in	
Changes in Net Assets Available for Collective Plan Benefits	-
Purchases, Sales, Issuances, and Settlements (Net)	-
Ending Balance	<u>\$ 4,000</u>

(Continued)

VIRGINIA UNITED METHODIST PENSIONS, INC.NOTES TO THE FINANCIAL STATEMENTSYEARS ENDED DECEMBER 31, 2012 AND 2011NOTE 4 - CONCENTRATION OF CREDIT RISK

Financial instruments that potentially subject the Plan to concentrations of credit risk consist principally of cash and investments. As of December 31, 2012, the Plan has \$824,284 of cash deposits in excess of federally insured limits being held by a federally insured financial depository institution. All of the investments of the Plan are held by Wilmington Trust in a custodial investment account, the General Board of Pension and Health Benefits of the United Methodist Church and Private Advisors in an offshore hedge fund.

The Plan's investments, in general, are exposed to various risks, such as interest rate, credit and overall market volatility risks. In addition, due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statement of net assets.

NOTE 5 - RELATED PARTY TRANSACTIONS

The Plan rents its office facilities from the Virginia Annual Conference on a month-to-month basis. Related party rent amounted to \$23,700 and \$23,100 in 2012 and 2011, respectively. The General Board of Pension and Health Benefits of the United Methodist Church maintains investments for the pension plan and provides actuarial information.

(Continued)

VIRGINIA UNITED METHODIST PENSIONS, INC.NOTES TO THE FINANCIAL STATEMENTSYEARS ENDED DECEMBER 31, 2012 AND 2011NOTE 6 - BENEFIT OBLIGATIONS (CONFERENCE AND RETIREES' HEALTH, DISABILITY AND LIFE INSURANCE PLANS)

Benefit obligations and changes therein are summarized as follows:

	<u>December 31,</u>	
	<u>2012</u>	<u>2011</u>
Amounts Currently Payable to or for Participants, Beneficiaries, and Dependents:		
Health Claims Payable (Receivable)	\$ (92,453)	\$ 155,620
Disability Claims Payable	<u>44,834</u>	<u>56,073</u>
<b>TOTAL AMOUNTS CURRENTLY PAYABLE (RECEIVABLE)</b>	<u>(47,619)</u>	<u>211,693</u>
Other Obligations for Current Benefit Coverage, at Present Value of Estimated Amounts:		
Claims Incurred but not Reported	1,318,536	1,351,966
Retiree's Gift Benefit	<u>423,530</u>	<u>423,530</u>
<b>TOTAL OTHER OBLIGATIONS FOR CURRENT BENEFIT COVERAGE</b>	<u>1,742,066</u>	<u>1,775,496</u>
<b>TOTAL BENEFIT OBLIGATIONS</b>	<u>\$ 1,694,447</u>	<u>\$ 1,987,189</u>
Amounts Currently Payable to or for Participants, Beneficiaries, and Dependents:		
Balance, Beginning of Year	\$ 211,693	\$ 3,984
Claims Reported and Approved for Payment	19,136,590	18,338,589
Claims Paid	<u>(19,395,902)</u>	<u>(18,130,880)</u>
<b>BALANCE, END OF YEAR</b>	<u>(47,619)</u>	<u>211,693</u>
Other Obligations for Current Benefit Coverage, at Present Value of Estimated Amounts:		
Balance, Beginning of Year	1,775,496	1,543,617
Net Change During the Year:		
Claims Incurred but not Reported	<u>(33,430)</u>	<u>231,879</u>
<b>BALANCE, END OF YEAR</b>	<u>1,742,066</u>	<u>1,775,496</u>
<b>TOTAL BENEFIT OBLIGATIONS, END OF YEAR</b>	<u>\$ 1,694,447</u>	<u>\$ 1,987,189</u>

(Continued)

VIRGINIA UNITED METHODIST PENSIONS, INC.NOTES TO THE FINANCIAL STATEMENTSYEARS ENDED DECEMBER 31, 2012 AND 2011NOTE 6 - BENEFIT OBLIGATIONS (CONFERENCE AND RETIREES' HEALTH, DISABILITY AND LIFE INSURANCE PLANS), (Continued)

The Plan provides post retirement health and life insurance coverage to eligible pastors and lay employees of the Virginia Annual Conference. In the latest actuarial valuations as of January 1, 2013 and 2012, the consulting actuaries, AON Hewitt, reported the expected post retirement benefit obligation (EPBO), net of the Medicare Part D.1 subsidy, as of December 31, 2012 and 2011 as follows:

	<u>December 31,</u>	
	<u>2012</u>	<u>2011</u>
Clergy & Lay	\$ 92,825,980	\$ 99,412,019

Using various actuarial assumptions, the expected number of retired participants is projected for each year into the future. Costs are projected for each future year at each age using trend and aging assumptions. The projected costs are multiplied by the expected number of retirees in each future year to produce expected benefits payments and retiree contributions. These payments are then discounted using an assumed discount rate of 4.5% (5.7% in the prior year) to determine the EPBO. The trend rates for medical benefits, including prescription drugs, are 7.5% for 2012, 8.5% for 2013, grading down to an ultimate rate of 5.0% in 2023. The effect of a 1% increase in the trend rates would result in an increase in the EPBO as of December 31, 2012 in the amount of \$24,126,695.

NOTE 7 - PENSION PLAN BENEFIT OBLIGATIONS

The Plan is responsible for funding the past service costs of the Pre-1982 Plan. Plan management's current policy is to fund payment of prior service cost payments from each year's apportionment (employers' contributions).

The related benefit obligation as of December 31, 2012 and 2011, and the changes therein for the years then ended are summarized as follows:

	<u>December 31,</u>	
	<u>2012</u>	<u>2011</u>
Accumulated Plan Benefits:		
Vested Benefits:		
Participants Currently Receiving Payments	\$ 52,918,825	\$ 51,649,242
Other Participants	15,393,905	15,687,051
TOTAL ACCUMULATED PLAN BENEFITS	68,312,730	67,336,293
AMOUNT FUNDED	(56,109,020)	(53,670,597)
NET ACCUMULATED PLAN BENEFITS	\$ 12,203,710	\$ 13,665,696

(Continued)

VIRGINIA UNITED METHODIST PENSIONS, INC.NOTES TO THE FINANCIAL STATEMENTSYEARS ENDED DECEMBER 31, 2012 AND 2011NOTE 7 - PENSION PLAN BENEFIT OBLIGATIONS, (Continued)

	<u>Year Ended December 31,</u>	
	<u>2012</u>	<u>2011</u>
Accumulated Plan Benefits at the Beginning of Year	\$ 13,665,696	\$ 12,931,161
Estimated Increase (Decrease) During the Year		
Attributable to:		
Actuarial Change in Accumulated Plan Benefits		
at the Beginning of Year	34,489	(504,959)
Actuarial (Gain) Loss	(553,496)	3,440,767
Increase for Interest Due to Decrease in Discount Period	959,013	869,834
Payment of Past Service Costs	(1,901,992)	(3,071,107)
NET INCREASE (DECREASE)	(1,461,986)	734,535
ACCUMULATED PLAN BENEFITS AT END OF YEAR	\$ 12,203,710	\$ 13,665,696

The actuarial gain for 2012 primarily represents the net of the asset growth rate gain less the mortality and other demographic assumptions loss and the defined benefit service money loss. The actuarial loss for 2011 primarily represents the net of the defined benefit service money gain plus the past service rate change gain less the asset growth rate loss, the mortality and other demographic assumptions loss and the mortality assumption change loss.

For the 2012 actuarial valuation, the mortality assumption changed from the RP-2000 Mortality Table, with generational projection using Scale AA to the RP-2000 Mortality Table, with generational projection using Scale BB. For 2011, the mortality assumption changed from the RP-2000 Mortality Table unprojected to the RP-2000 Mortality Table, with generational projection using Scale AA. The retirement rate assumption for ages 70 and 71 changed from 50% to 30%. Lastly, the funding method changed from the aggregate cost method to the projected unit credit cost method.

The Plan relies primarily on actuarial information provided by the General Board of Pension and Health Benefits of the United Methodist Church (GBOP) in determining the reported benefit obligation and changes therein.

The GBOP, as a matter of its own policy, has changed certain retirement plan provisions from guaranteed to market-based yield agreements, and vice versa. Therefore, it should be expected that these changes in policy will have a direct effect on the Plan's benefit obligations. These changes may result in material changes in the cost of retirement plan benefits, thus commensurate increases in plan funding obligations. These increases are projected to be significant. These factors create some uncertainty about the Plan's ability to continue to fund current operations. The accompanying financial statements do not include any adjustments related to these contingencies.

(Continued)

VIRGINIA UNITED METHODIST PENSIONS, INC.NOTES TO THE FINANCIAL STATEMENTSYEARS ENDED DECEMBER 31, 2012 AND 2011NOTE 8 - ADMINISTRATIVE EXPENSES

Administrative expenses for the years ended December 31, 2012 and 2011 are summarized as follows:

	<u>2012</u>	<u>2011</u>
Depreciation	\$ 4,160	\$ 4,756
Insurance and Bonding	24,206	25,277
Meetings and Seminars	44,034	42,007
Miscellaneous	13,823	34,357
Office Supplies, Postage, Printing	16,859	17,507
Professional Services	40,604	47,110
Rent	23,700	23,100
Repairs and Maintenance	2,735	1,679
Staff Salaries and Benefits	310,251	332,129
Taxes - Payroll	19,086	18,589
Telephone	1,481	3,480
Travel	<u>693</u>	<u>4,758</u>
 TOTAL ADMINISTRATIVE EXPENSES	 <u>\$ 501,632</u>	 <u>\$ 554,749</u>

NOTE 9 - SUBSEQUENT EVENTS

The preparation of the financial statements includes an evaluation of subsequent events through November 7, 2013, which is the date that the financial statements were available to be issued. Subsequent to December 31, 2012, the Plan transferred all of the investments held by Wilmington Trust to SunTrust Bank.

# VIRGINIA UNITED METHODIST FOUNDATION AUDIT REPORT

## L.P. MARTIN & COMPANY

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MEMBERS  
VIRGINIA SOCIETY OF  
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ROBERT G. JOHNSON, C.P.A.  
LEE P. MARTIN, C.P.A. (1946-78)

### Independent Auditor's Report

To the Board of Directors  
The United Methodist Foundation  
of The Virginia Conference, Inc.

#### **Report on the Financial Statements**

We have audited the accompanying financial statements of The United Methodist Foundation of The Virginia Conference, Inc., which comprise the statements of financial position as of December 31, 2013 and 2012, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

#### **Management's Responsibility for the Financial Statements**

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

#### **Auditor's Responsibility**

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

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

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The United Methodist Foundation of The Virginia Conference, Inc. as of December 31, 2013 and 2012, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

*L. P. Martin & Company, P.C.*



THE UNITED METHODIST FOUNDATION OF THE VIRGINIA  
CONFERENCE, INC.

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2013 AND 2012

ASSETS

	<u>2013</u>	<u>2012</u>
Cash	\$ 57,488	\$ 96,672
Investments	44,640,598	38,776,286
Property and Equipment, Net of Accumulated Depreciation of \$33,206 and \$21,862, respectively	45,663	27,980
Prepaid Expenses	<u>13,960</u>	<u>2,272</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 44,757,709</u></b>	<b><u>\$ 38,903,210</u></b>

LIABILITIES AND NET ASSETS

LIABILITIES:

Investment Funds Payable to Investors	\$ 41,868,028	\$ 36,206,732
Charitable Gift Annuities/Trust Obligation	331,477	471,993
Third Party Annuities Obligation	128,094	94,681
Accounts Payable and Accrued Expenses	<u>5,428</u>	<u>14,033</u>
<b>TOTAL LIABILITIES</b>	<b><u>42,333,027</u></b>	<b><u>36,787,439</u></b>

NET ASSETS:

Unrestricted	1,769,266	1,486,621
Temporarily Restricted	313,433	289,167
Permanently Restricted	<u>341,983</u>	<u>339,983</u>
<b>TOTAL NET ASSETS</b>	<b><u>2,424,682</u></b>	<b><u>2,115,771</u></b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$ 44,757,709</u></b>	<b><u>\$ 38,903,210</u></b>

## VIRGINIA UNITED METHODIST FOUNDATION AUDIT REPORT

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THE UNITED METHODIST FOUNDATION OF THE VIRGINIA  
CONFERENCE, INC.

STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2013

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
<u>REVENUE AND SUPPORT:</u>				
Administrative Fees	\$ 342,035	\$ -	\$ -	\$ 342,035
Contributions	22,539	-	2,000	24,539
Miscellaneous Income	3,837	-	-	3,837
Investment Income	<u>246,328</u>	<u>69,193</u>	<u>-</u>	<u>315,521</u>
	614,739	69,193	2,000	685,932
Change in Value of Charitable Gift Annuities/Trust Obligation	<u>(33,413)</u>	<u>(44,927)</u>	<u>-</u>	<u>(78,340)</u>
 TOTAL REVENUE AND SUPPORT	 <u>581,326</u>	 <u>24,266</u>	 <u>2,000</u>	 <u>607,592</u>
 <u>EXPENSES:</u>				
Personnel	167,439	-	-	167,439
Professional Fees	25,524	-	-	25,524
General and Administrative	<u>105,718</u>	<u>-</u>	<u>-</u>	<u>105,718</u>
 TOTAL EXPENSES	 <u>298,681</u>	 <u>-</u>	 <u>-</u>	 <u>298,681</u>
 CHANGE IN NET ASSETS	 282,645	 24,266	 2,000	 308,911
 NET ASSETS, BEGINNING OF YEAR	 <u>1,486,621</u>	 <u>289,167</u>	 <u>339,983</u>	 <u>2,115,771</u>
 NET ASSETS, END OF YEAR	 <u>\$1,769,266</u>	 <u>\$ 313,433</u>	 <u>\$ 341,983</u>	 <u>\$ 2,424,682</u>

The accompanying notes are an integral part of this statement.

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THE UNITED METHODIST FOUNDATION OF THE VIRGINIA  
CONFERENCE, INC.

STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2012

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
<b><u>REVENUE AND SUPPORT:</u></b>				
Administrative Fees	\$ 313,451	\$ -	\$ -	\$ 313,451
Contributions	14,387	-	-	14,387
Miscellaneous Income	87,709	-	-	87,709
Investment Income	<u>159,204</u>	<u>79,180</u>	<u>-</u>	<u>238,384</u>
	574,751	79,180	-	653,931
Change in Value of Charitable Gift Annuities/Trust Obligation	<u>(18,258)</u>	<u>(55,342)</u>	<u>-</u>	<u>(73,600)</u>
<b>TOTAL REVENUE AND SUPPORT</b>	<u>556,493</u>	<u>23,838</u>	<u>-</u>	<u>580,331</u>
<b><u>EXPENSES:</u></b>				
Personnel	71,638	-	-	71,638
Professional Fees	25,542	-	-	25,542
General and Administrative	<u>79,162</u>	<u>-</u>	<u>-</u>	<u>79,162</u>
<b>TOTAL EXPENSES</b>	<u>176,342</u>	<u>-</u>	<u>-</u>	<u>176,342</u>
<b>CHANGE IN NET ASSETS</b>	380,151	23,838	-	403,989
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>1,106,470</u>	<u>265,329</u>	<u>339,983</u>	<u>1,711,782</u>
<b>NET ASSETS, END OF YEAR</b>	<u>\$1,486,621</u>	<u>\$ 289,167</u>	<u>\$ 339,983</u>	<u>\$ 2,115,771</u>

The accompanying notes are an integral part of this statement.

THE UNITED METHODIST FOUNDATION OF THE VIRGINIA  
CONFERENCE, INC.

STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2013 AND 2012

	<u>2013</u>	<u>2012</u>
<u>OPERATING ACTIVITIES:</u>		
Change in Net Assets	\$ 308,911	\$ 403,989
Adjustments to Reconcile Change in Net Assets to Net Cash		
<u>Provided (Used) by Operating Activities:</u>		
Realized and Unrealized Gains	(308,087)	(233,534)
Depreciation	11,344	7,938
Increase in Prepaid Expenses	(11,688)	(2,272)
Decrease in Accounts Payable		
and Accrued Expenses	(8,605)	(70,306)
Increase in Third Party Annuities Obligation	33,413	18,258
Decrease in Charitable Gift		
Annuities/Trust Obligation	(140,516)	(19,985)
 NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	 <u>(115,228)</u>	 <u>104,088</u>
<u>INVESTING ACTIVITIES:</u>		
Proceeds from Sale of Investments	27,974,955	27,192,202
Purchase of Investments	(29,131,604)	(28,494,316)
Purchase of Property and Equipment	(29,027)	(1,686)
 NET CASH USED BY INVESTING ACTIVITIES	 <u>(1,185,676)</u>	 <u>(1,303,800)</u>
<u>FINANCING ACTIVITIES:</u>		
Funds Received from Investors Including Investment Earnings	4,586,317	5,208,251
Funds Withdrawn by Investors Including Administrative Fees	(3,324,597)	(3,905,210)
Payments on Note Payable	-	(17,661)
 NET CASH PROVIDED BY FINANCING ACTIVITIES	 <u>1,261,720</u>	 <u>1,285,380</u>
 INCREASE (DECREASE) IN CASH	 (39,184)	 85,668
CASH, BEGINNING OF YEAR	<u>96,672</u>	<u>11,004</u>
CASH, END OF YEAR	<u>\$ 57,488</u>	<u>\$ 96,672</u>

The accompanying notes are an integral part of these statements.

THE UNITED METHODIST FOUNDATION OF THE VIRGINIA  
CONFERENCE, INC.

NOTES TO THE FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2013 AND 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization - The United Methodist Foundation of The Virginia Conference, Inc. (the Foundation) is a non-stock, not-for-profit corporation organized under the laws of the Commonwealth of Virginia in 1970. The purpose of the Foundation is to provide the opportunity for the group investment of funds by churches, agencies and individuals (the Investors) associated with The Virginia Annual Conference of The United Methodist Church. The Foundation also assists local Virginia United Methodist Churches in developing endowment programs as well as assisting individuals in implementing gifts for endowment. The investors are offered the opportunity to invest in one of five separate fund types, including the Balanced Fund, the Stock Fund, the Short Intermediate Term Fixed Fund, the Short Term Fixed Fund (eliminated July 2013), and the Money Market Fund. Also, the investors are offered the opportunity to establish Endowment Funds.

Individual investor accounts, including Endowment Fund accounts, are adjusted at the end of each month to reflect each investor's share of the net change in the market value of the fund in addition to reflecting the specific contribution or withdrawal by each investor. Investment funds administered by the Foundation on behalf of an investor are expendable at the discretion of the contributing investor. Accordingly, such funds are presented as a liability in the accompanying financial statements.

Basis of Presentation - Revenues and support are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor-imposed stipulation or by law. Expirations of temporary restrictions on net assets (i.e., the donor stipulated purposes have been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets.

Recognition of Contributions - Contributions are recorded at their estimated fair value when the donor makes a promise to give to the Foundation that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

(Continued)

THE UNITED METHODIST FOUNDATION OF THE VIRGINIA  
CONFERENCE, INC.

NOTES TO THE FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2013 AND 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

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

Investments - All investments in mutual and other funds are valued at fair value as determined by the investment management firms holding the assets. Purchases and sales of securities are recorded on a trade-date basis. Unrealized gains and losses are recognized in the period in which they occur. Interest and dividends are recognized in the period earned, and realized gains or losses on securities are recorded in the period of sale.

Cash and Cash Equivalents - For purposes of the statement of cash flows, the Foundation's definition of cash and cash equivalents includes items such as short-term, highly liquid investments with maturities of three months or less at date of purchase. Included in cash at December 31, 2013 and 2012 is \$32,476 and \$52,761, respectively, held by the Virginia United Methodist Credit Union.

Property and Equipment - Property and equipment is stated at cost, or the estimated fair value at the date of contribution. Expenditures for maintenance, repairs and minor renewals are expensed when incurred. Depreciation is recorded using the straight-line method.

Tax Status - The Foundation is a not-for-profit organization and is exempt from Federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code.

Contributed Materials and Services - During the years ended December 31, 2013 and 2012, the value of contributed materials and the value of contributed services that either (a) created or enhanced a nonfinancial asset or (b) required specialized skills, was provided by individuals possessing those skills, and would have been purchased if not contributed was not material to the financial statements and has not been recognized.

(Continued)

THE UNITED METHODIST FOUNDATION OF THE VIRGINIA  
CONFERENCE, INC.

NOTES TO THE FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2013 AND 2012

NOTE 2 - INVESTMENTS

Fair value of investments at December 31, 2013 and 2012 are composed of the following:

	Fair Value Measurements at 2013 Reporting Date Using: Quoted Prices in Active Markets for Identical Assets (Level 1)	Fair Value Measurements at 2012 Reporting Date Using: Quoted Prices in Active Markets for Identical Assets (Level 1)
Money Market Funds	\$ 3,161,194	\$ 2,935,046
Equities - Multiple Sectors	29,249,135	20,079,023
U.S. Government Securities	8,106,203	10,424,612
Corporate Bonds - Multiple Sectors	2,245,229	2,079,807
Mutual Funds - Fixed and Equity	1,797,104	2,503,715
FEG Absolute Access TEI Fund LLC	81,733	754,083
	<u>\$ 44,640,598</u>	<u>\$ 38,776,286</u>

Generally accepted accounting principles establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, Level 2 inputs consist of observable inputs other than quoted prices for identical assets, and Level 3 inputs have the lowest priority. The Foundation uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Foundation measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value.

*Level 1 Fair Value Measurements*

The fair values of mutual funds, U.S. government securities, corporate bonds and corporate stocks are based on quoted market prices.

(Continued)

THE UNITED METHODIST FOUNDATION OF THE VIRGINIA  
CONFERENCE, INC.

NOTES TO THE FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2013 AND 2012

NOTE 2 - INVESTMENTS, (Continued)

Fair value of investments at December 31, 2013 are held for the following purposes:

Funds Administered on Behalf of Investors:		
Regular Accounts	\$ 41,438,148	
Charitable Gift Annuities	408,624	
Gift Account	<u>21,256</u>	
Total Investment Funds Held For Investors		\$ 41,868,028
Funds Held on Behalf of the Foundation:		
Regular Account	317,009	
Endowments	1,788,238	
Charitable Gift Annuities/Trust	<u>667,323</u>	
Total Investment Funds Held for the Foundation		<u>2,772,570</u>
Total Investments Held		<u>\$ 44,640,598</u>

Fair value of investments at December 31, 2012 are held for the following purposes:

Funds Administered on Behalf of Investors:		
Regular Accounts	\$ 35,748,810	
Charitable Gift Annuities	452,727	
Gift Account	<u>5,195</u>	
Total Investment Funds Held For Investors		\$ 36,206,732
Funds Held on Behalf of the Foundation:		
Regular Account	204,049	
Endowments	1,604,345	
Charitable Gift Annuities/Trust	<u>761,160</u>	
Total Investment Funds Held for the Foundation		<u>2,569,554</u>
Total Investments Held		<u>\$ 38,776,286</u>

(Continued)



THE UNITED METHODIST FOUNDATION OF THE VIRGINIA  
CONFERENCE, INC.

NOTES TO THE FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2013 AND 2012

NOTE 2 - INVESTMENTS, (Continued)

The total investment gains for the year ended December 31, 2013 were \$5,567,024 of which \$2,899,455 represent unrealized gains and \$1,808,208 represent realized gains. The total investment gains for the year ended December 31, 2012 were \$3,583,847 of which \$2,045,857 represent unrealized gains and \$646,427 represent realized gains. For the year ended December 31, 2013, \$246,119 of the investment gains were classified as unrestricted, \$69,193 as temporarily restricted, and \$5,251,712 were credited to the benefit of investment accounts held for investors. For the year ended December 31, 2012, \$159,204 of the investment gains were classified as unrestricted, \$79,180 as temporarily restricted, and \$3,345,463 were credited to the investment accounts held for investors.

NOTE 3 - CONCENTRATION OF CREDIT RISK

Financial instruments which potentially subject the Foundation to concentrations of credit risk consist primarily of investments and cash. The Foundation places its investments and its cash and cash equivalents with creditworthy institutions and diversifies its holdings among entities, thereby limiting the amount of credit exposure to any one entity.

The Foundation's investments, in general, are exposed to various risks, such as interest rate, credit and overall market volatility risks. In addition, due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statement of financial position.

(Continued)

THE UNITED METHODIST FOUNDATION OF THE VIRGINIA  
CONFERENCE, INC.

NOTES TO THE FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2013 AND 2012

NOTE 4 - INVESTMENT FUNDS HELD FOR INVESTORS

The following schedule reflects the activity in the investment funds held for investors during the years ended December 31, 2013 and 2012:

	<u>2013</u>	<u>2012</u>
Investment Funds Payable to Investors, Beginning of Year	\$ 36,206,732	\$ 32,444,940
Funds Received From Investors	3,734,181	4,321,541
Distributions to Investors	(2,701,107)	(3,386,515)
Investment Return	5,251,712	3,345,463
Administrative Fees	(281,455)	(205,246)
Administrative Fees - Foundation	<u>(342,035)</u>	<u>(313,451)</u>
Investment Funds Payable to Investors, End of Year	<u>\$ 41,868,028</u>	<u>\$ 36,206,732</u>

NOTE 5 - RESTRICTED NET ASSETS

Temporarily restricted net assets at December 31, 2013 and 2012, are available for the following purposes or periods:

	<u>2013</u>	<u>2012</u>
Charitable Gift Annuities/Trust to be Received in Subsequent Periods	<u>\$ 313,433</u>	<u>\$ 289,167</u>

Permanently restricted net assets of \$341,983 and \$339,983 at December 31, 2013 and 2012, respectively, are required to be invested in perpetuity. These net assets represent eight endowment funds whereby the Foundation is named as the beneficiary.

(Continued)

THE UNITED METHODIST FOUNDATION OF THE VIRGINIA  
CONFERENCE, INC.

NOTES TO THE FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2013 AND 2012

NOTE 6 - CHARITABLE GIFT ANNUITIES/TRUST OBLIGATION

At December 31, 2013 and 2012, the Foundation has been the recipient of several charitable gift annuities and a trust naming the Foundation as the primary beneficiary of the annuities and trust. All such annuity/trust funds are administered by the Foundation and are included in the investments held for the Foundation in the accompanying financial statements. Under the terms of the charitable gift annuity and trust agreements, the Foundation is required to make annuity distributions to the donors and the donors' spouses over their lifetimes.

A summary of the change in value of the charitable gifts and annuities/trust obligation for the years ended December 31, 2013 and 2012 is as follows:

	Charitable Gifts	Annuities/Trust Obligation	Charitable Gifts, Net
Balances, December 31, 2011	\$ 757,307	\$ 491,978	\$ 265,329
Annuity Payments	(75,327)	(75,327)	-
Investment Return - Temporarily Restricted	79,180	-	79,180
Increase in Obligation	-	55,342	(55,342)
Balances, December 31, 2012	761,160	471,993	289,167
Annuity Contributions	56,137	33,724	22,413
Annuity Payments	(219,167)	(219,167)	-
Investment Return - Temporarily Restricted	69,193	-	69,193
Increase in Obligation	-	44,927	(44,927)
Balances, December 31, 2013	<u>\$ 667,323</u>	<u>\$ 331,477</u>	<u>\$ 335,846</u>

Of the \$335,846 net charitable gifts as of December 31, 2013, \$313,433 is temporarily restricted and \$22,413 is unrestricted.

Estimated future annuity/trust obligations based on the life expectancies of the donors and the donors' spouses are discounted at the rate established by the Internal Revenue Code at the gift date.

(Continued)

THE UNITED METHODIST FOUNDATION OF THE VIRGINIA  
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NOTES TO THE FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2013 AND 2012

NOTE 7 - THIRD PARTY ANNUITIES OBLIGATION

The Foundation has entered into annuity agreements with multiple individuals for which the Foundation is not the beneficiary. The charitable gift annuity agreements which have been entered into, read that the Foundation will pay a monthly/quarterly/annual distribution to the donors until their death. The Foundation is responsible for making payments to the donors even if the fair value of their original gifts has been completely liquidated. The Foundation has calculated the payout liability based on the current fair values and life expectancies of the donors. For the charitable gift annuities which have an expected payout liability greater than the gift fair value as of December 31, 2013, a third party annuities obligation of \$128,094 (\$94,681 as of December 31, 2012) has been recorded and is reflected in the accompanying statements of financial position.

NOTE 8 - RELATED PARTY TRANSACTIONS

The following is a summary of transactions with the Virginia Annual Conference of the United Methodist Church, which is affiliated with the Foundation, for the years ended December 31, 2013 and 2012:

	<u>2013</u>	<u>2012</u>
Rent Expense	\$ 10,200	\$ 9,900
Administrative Services Expense	\$ 31,200	\$ 30,000

As of December 31, 2013 and 2012, \$2,974,781 and \$2,644,157, respectively of the investments of the Virginia Annual Conference are administered by the Foundation.

NOTE 9 - OPERATING LEASE

The Foundation leases office space from the Virginia Annual Conference of the United Methodist Church under an annual lease. Rent expense was \$10,200 and \$9,900 for 2013 and 2012, respectively.

NOTE 10 - PENSION EXPENSE

The Foundation offers a defined contribution pension plan through the General Board of Pensions of the United Methodist Church to all full-time employees. The pension plan is funded by both employer and employee contributions. Total 2013 and 2012 employer contributions were \$11,812 and \$2,729, respectively.

(Continued)

THE UNITED METHODIST FOUNDATION OF THE VIRGINIA  
CONFERENCE, INC.

NOTES TO THE FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2013 AND 2012

NOTE 11 - SUBSEQUENT EVENTS

The preparation of the financial statements includes an evaluation of subsequent events through August 6, 2014, which is the date that the financial statements were available to be issued.

NOTE 12 - ENDOWMENT FUNDS

The Foundation's endowment consists of eleven individual funds established to support the operating activities of the Foundation. The endowment includes both donor-restricted endowment funds and funds designated by the Board of Directors to function as endowments. As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Directors of the Foundation has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as unrestricted net assets. In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

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

(Continued)

THE UNITED METHODIST FOUNDATION OF THE VIRGINIA  
CONFERENCE, INC.

NOTES TO THE FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2013 AND 2012

NOTE 12 - ENDOWMENT FUNDS, (Continued)

The following schedule summarizes the endowment net asset composition as of December 31, 2013:

	<u>Unrestricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor-restricted endowment funds	\$ -	\$ 341,983	\$ 341,983
Board-designated endowment funds	<u>1,446,255</u>	<u>-</u>	<u>1,446,255</u>
Total Endowment Funds	<u>\$ 1,446,255</u>	<u>\$ 341,983</u>	<u>\$ 1,788,238</u>

The following schedule summarizes the changes in endowment net assets for the year ended December 31, 2013:

	<u>Unrestricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 1,264,362	\$ 339,983	\$ 1,604,345
Investment Return	239,498	-	239,498
Contributions	20,000	2,000	22,000
Appropriation of endowment assets for expenditure	<u>(77,605)</u>	<u>-</u>	<u>(77,605)</u>
Endowment net assets, end of year	<u>\$ 1,446,255</u>	<u>\$ 341,983</u>	<u>\$ 1,788,238</u>

Permanently restricted net assets in the amount of \$341,983 are required to be retained permanently by explicit donor stipulation.

(Continued)

THE UNITED METHODIST FOUNDATION OF THE VIRGINIA  
CONFERENCE, INC.

NOTES TO THE FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2013 AND 2012

NOTE 12 - ENDOWMENT FUNDS, (Continued)

The following schedule summarizes the endowment net asset composition as of December 31, 2012:

	<u>Unrestricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor-restricted endowment funds	\$ (6,869)	\$ 339,983	\$ 333,114
Board-designated endowment funds	<u>1,271,231</u>	<u>-</u>	<u>1,271,231</u>
Total Endowment Funds	<u>\$ 1,264,362</u>	<u>\$ 339,983</u>	<u>\$ 1,604,345</u>

The following schedule summarizes the changes in endowment net assets for the year ended December 31, 2012:

	<u>Unrestricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 1,175,190	\$ 339,983	\$ 1,515,173
Investment Return	154,623	-	154,623
Contributions	10,000	-	10,000
Appropriation of endowment assets for expenditure	<u>(75,451)</u>	<u>-</u>	<u>(75,451)</u>
Endowment net assets, end of year	<u>\$ 1,264,362</u>	<u>\$ 339,983</u>	<u>\$ 1,604,345</u>

Permanently restricted net assets in the amount of \$339,983 are required to be retained permanently by explicit donor stipulation.

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Foundation to retain as a fund of perpetual duration. In accordance with generally accepted accounting principles, deficiencies of this nature that are reported in unrestricted net assets were \$6,869 as of December 31, 2012. These deficiencies resulted from unfavorable market fluctuations that occurred shortly after the investment of new permanently restricted contributions and continued appropriation for certain programs that was deemed prudent by the Board of Directors.