



ANNUAL REPORT
September 2014 to
August 2015



Annual Report of the Executive Director

The period from September 2014 to June 2015 was full and with its share of successes and opportunities. The following summary comprises the Annual Report of the Executive Director.

Gatherings and Events

Travel Dates and Speaking Engagements – September 2014 – June 2015

September 19-22 – AB Women’s Cruise

October 18 – Women of Color in Ministry, Harlem, NY

October 20 – Professional Ministries Team Meeting, Valley Forge, PA

October 28 – Pastoral Excellence Network, Bon Secours, MD

November 16 – Unity Day Guest Preacher, Providence Baptist Church, Baltimore, MD

January 9-12 – ABSW Womanist Symposium, Berkeley, CA

January 10 – Guest Preacher, McGee Avenue Baptist Church, Oakland, CA

January 18 – Guest Preacher, New Beginnings Christian Fellowship, Reston, VA

January 19 – Evergreen MLK Day Observance, Reston, VA

January 24 – NE Regional Leadership Conference, Leominster, MA

February 2-4 – Board of Governors Meeting, Unity Village, MO

February 11-13 – ABHMS Board Retreat, Charlotte, NC

February 22 – Black History Month Guest Preacher, FBC Worcester, MA

March 11-13 – McKee Consultation, Atlanta, GA

April 7-10 – National Leadership Committee Meeting, Green Lake, WI

April 13-16 – Prairie Pastors Conference, Bellevue, NE

May 5 – Pastoral Excellence Network, Burlingame, CA

May 10 – Mother’s Day Guest Preacher, West Medford Baptist Church, West Medford, MA

May 17 – Women’s Day Guest Preacher, Olney Street Baptist Church, Providence, RI

May 18 – Professional Ministries Team Meeting, Valley Forge, PA

May 30 – Portuguese Speaking Caucus Meeting, Framingham, MA

June 10 – Hampton Ministers Conference, Hampton, VA

June 24-25 – Ministers Council Annual Meeting, Overland Park, KS

June 26-28 – ABCUSA Mission Summit, Overland Park, KS

The Women of Color in Ministry Conference was another opportunity to showcase the partnership between the Ministers Council and ABWIM, as our partnership made possible my invitation to attend. Through that gathering, I had the opportunity to connect with Rev. Dr. Valerie Miles-Tribble, professor at American Baptist Seminary of the West (ABSW). Through this connection I was invited to preach the closing session of the 2015 Womanist Symposium at ABSW. In January 2016, I will have the privilege of serving as a guest lecturer for the Womanist D. Min. cohort teaching an intensive winter session course in Transformational Leadership.

Another highlight of my travels was the opportunity to preach the MLK Day Observance for the Evergreen Association of ABCUSA. However this was not the only engagement in which I was able to connect with our regions. The New England Regional Executives convened the New England Leadership Conference in which I was asked to conduct a workshop on the work of the Pastoral Relations Committee. In April, I had the privilege of attending the Prairie Pastors Conference convened by the Mid-American, Dakotas, Central, and Nebraska Regions. In the National Leadership Committee meeting of ABCUSA, I had the opportunity to also meet with the New Regional executive of DC in hopes of reestablishing the Ministers Council in that region.

Serving as retreat leader for the ABHMS Board provided an additional opportunities to connect with partners. So too did a gathering with African American staff at the McKee Consultation, and the Professional Ministries Team meeting, where denominational leaders share their work in support of pastoral and professional ministry. These gatherings provided me with the opportunity to remain connected to and engage in the denomination, demonstrating that the Ministers Council is committed to serving as a vital part of the ABC family.

Updates

Organizational

Joyce Moon was hired as a full-time Executive Assistant in July. In addition to serving as assistant, Joyce handles membership management responsibilities, coordinating efforts between the national office and our local chapters. Joyce is also the administrative interface between the Ministers Council and the administrative functions of ABCUSA.

The Together in Ministry (TIM) Capital Campaign was completed in 2014. A separate report details the outcome, but comments here are in order. The Ministers Council embarked upon an unprecedented effort to raise funds for TIM program continuation. To our credit, \$146,000 in cash was raised as net proceeds for the campaign, with \$76,680 in in-kind donated services. This is a solid accomplishment.

At issue, in hindsight, was program administration and associated costs. Because of programmatic cost overruns, there was a negative impact to the Ministers Council. We were approved, in 2011, to divert \$150,000 of TIM program funds to cover the cost of a capital campaign, expenses estimated to total \$136,000. However, the TIM program exceeded its expenditures, funding more TIM groups and generating more expenses than monies available. As a result, only \$68,000 was available to cover campaign expenses. The remaining capital campaign expenses were subsequently satisfied by campaign proceeds.

In addition, the \$150,000 approved to cover capital campaign expense was communicated as campaign proceeds, contrary to the intent of the diverted funds. Thus, reported numbers suggested that the campaign had raised nearly \$300,000 in cash, which was inaccurate.

Because accounting records clearly show that \$146,000 was contributed to the TIM campaign, these contributions have been honored and the Ministers Council has set aside \$146,000 from our general endowment for the creation of a Together in Ministry Endowment Fund. At this juncture, all donors who had made but not yet fulfilled pledges to the Together in Ministry Capital Campaign were contacted in writing in hopes that they would fulfil pledges. As of April 30, an additional \$2175.00 for the capital campaign was received. These monies will be added to the TIM endowment. Based on the stated parameters of the capital campaign, a 3% annual draw would be made available to support continuing TIM programming. The Board of Governors will determine when that draw should begin.

Continuing in the organizational updates, two individuals were contracted for their services during this period. Patricia Bonner Duval Associates was contracted for Fund Development expertise. Ms. Duval worked with me to write grant proposals to submit to various foundations. Her efforts allowed us to maximize the grant award from the Imago Dei Foundation, which awarded the Ministers Council \$30,000 in 2015 and \$15,000 in 2016 for the 7Rs of Sanctuary program. Ms. Duval researched, developed and submitted proposals to Chatlos, Lynch, Boston Baptist Social Union (BBSU), Templeton, and Nathan Cummings Foundations. Chatlos and BBSU declined to fund. We are awaiting responses from other foundations.

The Ministers Council also contracted Rev. David Ball, Attorney, to assist with completing the process of securing group tax exemption status for individual Ministers Council chapters. Investigation uncovered that the Ministers Council had never filed for group exemption for chapters, and while the national organization was tax exempt as a recognized non-profit entity, the same could not be said for affiliated chapters. Rev. Ball investigated the process and then issued letters to chapters. Through the process, it was learned that a number of chapters have their non-profit status through their regions, meaning that while the national organization is an autonomous entity; the regional chapters in this instances are not. Oregon, Metro Chicago, Upstate New York and Valley Forge have requested group tax exemption coverage through the Ministers Council. Rev. Ball will be completing this filing on our behalf.

As a result of the restructuring vote during the 2014 Senate/Annual Meeting, the Ministers Council began operating under the new bylaws structure on January 1. The first Board of Governors meeting was held in February, with the Ministries Team monthly meetings beginning in the spring.

Partnerships

The Ministers Council applied for and was selected as a Partner Organization for the Management Consulting Field Experience Program through Babson College. The objective of the project was for a team of four MBA students to identify opportunities which the Ministers Council could leverage to grow towards sustainability, and to rank opportunities based on strategic value, ease of execution and expected risk. The opportunities identified fell into three categories:

- Options for growing membership participation as well as pricing models, board and donor participation/base counts;
- Research-supported options for developing revenue-generating products or service; and

Options for evolving existing definitions which drive or limit the brand as it exists today, to anticipate ministers' needs and reposition the organization within the marketplace.

The project solicited input through surveys and personal interviews from members and non-members. Tabulated findings yielded several recommendations regarding the desired directions of the Ministers Council. Chiefly, what was most valued was:

- Advocacy – mediating or leading on difficult issues; representing ministers' interests.
- Professional Development – shared materials; best practices; publications; engaging with thought leaders; great mentoring opportunities; workshops and seminars.

Facilitation – support groups; networking; collaboration; resource partnerships.

Project results were presented to the Board of Governors in December and the Board continued discussions in February. Conversations will continue so that the Ministers Council is positioned to take advantage of positioning recommendations.

The Ministers Council was also approached by Gordon Conwell Theological Seminary to collaborate on the development of a Master of Theology degree program in Leadership. The proposed Th. M. is seen as a stepping stone to a D. Min. or Ph.D. program. Conversations are continuing. The program would begin in 2016. The partnership would afford tuition scholarships for Ministers Council members.

Successes

The Ministers Council was awarded a \$30,000 grant from the Imago Dei Foundation for the pilot implementation of the 7Rs of Sanctuary program in Massachusetts. The program features a three day retreat and then up to four day-long follow up sessions for a cohort of clergy to learn and adopt a way-of-life process for incorporating spiritual practices in ways that help participants achieve greater effectiveness in their leadership, while realizing increased well-being. The first retreat will be held September 28-30 in Arlington, MA.

The Ministers Council launched an Annual Giving campaign as part of our continuing efforts to expand fund development. Donors and partner organizations were contacted and asked to participate. The Ministers Council yielded \$7,458.15, including a \$1000 gift from the Office of the General Secretary and \$500 gift from the American Baptist Foundation.

Opportunities

- Last year, I noted that the Ministers Council had an opportunity to survey constituents (members and non-members) to better understand the needs of clergy so that we might be better positioned to serve. This was accomplished through the Babson College study. The study demonstrated that regardless of affiliation, people saw value in an organization that would serve clergy. What was undetermined was whether this value and mission would be best accomplished as an autonomous membership-based organization or as a merged entity in the denomination.

This is a question that the Ministers Council may be forced to address in the short term given the financial challenges that continue to confront us.

In addition, the Babson study suggested that we must decide whether to focus efforts on facilitation, professional development, or advocacy and voice. Due to personnel constraints, the Ministers Council is unable to do all of these things. Therefore, we need to investigate whether we are best served to choose one option and empower Regional Affiliates or partners to pursue the others. Such decisions, based on strategic value, will help us to prioritize around more tactical and operational options, and making these decisions must be the work of the Board of Governors in the months to come.

Until that time, the Ministers Council must continue its current course of action – promoting connectivity to and membership in the Ministers Council, while ensuring financial sustainability. This brings me to a challenging paradox.

The desire to have Ministers Council involvement and participation is high. Invitations for speaking engagements and requests for involvement have increased in this past year. Likewise, the opportunities to partner with ABC “family members” are high. Through this year, I have worked directly with 10 Regional Executives, the Office of the General Secretary, International Ministries, ABHMS, MMBB, American Baptist Foundation, American Baptist Women, American Baptist Women in Ministry, and American Baptist Extension Corporation. The Ministers Council is a highly recognized and sought after partner. In addition, the request for Ministers Council information is high. There are more than 2600 subscribers to the Ministers Council newsletter and more than 1100 members of the Ministers Council Facebook page, with new requests being received weekly.

However, these requests and desires to partner have not translated into membership. The current number of regular Ministers Council members is 837, which is down from 1193 in 2014. People seek connection with the Ministers Council, but are not seeking membership in the Ministers Council. Promotions designed to encourage early renewals in the fall of 2014 were only marginally successful. In May, we reached out directly to each chapter that has experienced membership erosion. Unfortunately, this tactic has not substantively changed the membership numbers. If our strategy is to be a membership-based organization, then we must find ways to parlay our influence into membership.

Continued fund raising and fund development efforts were seen as opportunities in last year's report. This remains true in this report. Again, based on the strategy to be an autonomous Affiliated Member Organization (AMO) of the ABCUSA, we must raise sustaining funds. Unfortunately, fund raising has been lackluster. The capital campaign did not yield the desired results. Moreover, the Annual Campaign to date has yielded only 30% of forecasted contribution revenues. While a number of grant requests remain undecided, grant funds are programmatically allocated and do not substantially support operational expenses. On the plus side, we have performed well in controlling expenses, coming in under our expense budget in 2014. Expenses are not the issue. The lack of revenue is. Our draw on the endowment to cover expenses for which there are no off-setting revenues continues over 13%. Advanced mathematics is not required to determine the future given such a "burn rate."

Needs

The need is clear and remains unchanged from last year. The Ministers Council needs to continue its efforts to identify new sources of revenue and increase its financial support base for sustainability. I remain optimistic that our streamlined governance structure will make it possible for the organization to be more responsive, but without financial support, the organization cannot survive in the long term, which would be a travesty.

The Ministers Council is an important voice in ABCUSA. We are recognized as representing ministerial leaders. Our involvement is sought on matters of professional development and effectiveness. We are invited to lead and to share. Through our social media and communications platforms, we represent the largest organized constituency of the ABCUSA. What this year has demonstrated is that the Ministers Council is valued and needed. Now we must find a way to ensure that our impact and influence continues.

I appreciate you and I am grateful to God for this opportunity to serve. Thank you for your continued support.



Rev. Debora Jackson, DMin
Executive Director

Annual Report of the Ministers Council President

What a year this has been! The Annual Meeting last August at the American Baptist Assembly in Green Lake, Wisconsin is when the Senate met and voted to change the By-Laws of the Ministers Council. It was decided to change the structure of the organization to create three groups to do the work of the Ministers Council. First, there would be a Board of Governors who would carry the legal responsibilities of the organization and would consist of nine people. This is similar to the Executive Committee of the past but with more power to make decisions throughout the year. Second, there would be a Ministries Team made up of the representatives from all the local chapters and they will focus on the program aspects of the Ministers Council. This is similar to the Senate of the past and they still have some big decision making power but are mostly focused on the program aspects of the organization. Third, there would be a Development Council made up of six people who would focus on the financial health of the organization and lead in raising funds. These were major changes and this year has been a process of living into these changes.

We also created a list of Standing Rules to deal with things like dues and membership, etc. and ones that could be easily changed as is necessary. We will be reviewing how some of these have worked this year and then look at adjusting them as is appropriate.

The Board of Governors has met monthly by Go To Meeting Conferences to discuss and make decisions through the year. We also met in February at the Unity Village site that we will have our Retreat this year following the Mission Summit/Biennial with Rev. Dr. Heather Entrekin of Central Baptist Theological Seminary. We have had a research team at Babson College do an extensive study of our Ministers Council and we met with their team in December to discuss their findings. One key finding was an affirmation of the role of colleagues in ministry being crucial to the participation of others in the Ministers Council. Relational support of those who share the ministry is most important in the health and well being of clergy.

We continue to be dedicated to assisting clergy to find one another for support, encouragement and to challenge one another to thrive and not just survive in the ministry. We are aware that many clergy are leaving the ministry within the first five years due to the various pressures demanded. We believe that those who find colleagues to walk with them are far more likely to be able to sustain themselves and make it past the first five years.

Your Ministers Council remains the main group within American Baptist Churches/USA that has the sole purpose to support those called into the ministry and so we continue to seek ways to help.

We are no longer blessed by the large financial resources that we had for ten years from the Lilly Foundation and so our financial situation remains very difficult. We continue to seek ways to raise for funds to help sustain our work. The most important income that we receive is from our members and so we hope that all ministers in the ABC will take time to join us. We have made the dues fit a sliding scale so those who make more pay more and those who make less pay less.

As we prepare to meet for our Annual Meeting in late June this year just before the Mission Summit/Biennial we continue to give thanks to our Executive Director, Rev. Dr. Debora Jackson for her tireless efforts on our behalf and to Joyce Moon for her dedicated service in the

office in Valley Forge. May God grant us wisdom as we enter the new year.

Rev. Doug Harris, President

Annual Report of the Ministries Team

Major organizational changes in the Ministers Council (MC) were voted on and passed in August of 2014. The changes included the creation of a new Ministries Team, beginning in January of 2015. The Ministries Team (MT) is composed of all the representatives from local MC chapters—the Local Chapter Representatives. (Previously, the Local Chapter Representatives were known as Senators.) The team has a dual purpose: to have a voice in governing MC affairs along with the Board of Governors and to plan and carry out programs for MC members that fulfill the mission of the organization. The MT is to be active throughout the year, not just at annual meetings. A Coordinator for the Ministries Team was elected in 2014 to lead the group.

In the fall of 2014, as Coordinator for the MT, I consulted with several people who I knew would be Local Chapter Representatives in the new organizational structure. I wanted to know what they thought would establish the MT on a solid footing. They strongly suggested that we begin with building the team itself rather than focusing too soon on program work. The goal would be to have gathered a strong group by our first face-to-face meeting in June of 2015. By January 2015, I had assembled an initial list of those who would serve as Local Chapter Representatives for the coming year. I expected the list to gradually grow with time.

Since the beginning of 2015, the Ministries Team has had four meetings on conference call. MC leaders and I have continued to reach out to local MC chapters and build our team. Some of the chapters are just beginning to understand how the new organizational structure affects them and what the role of a Local Chapter Representative is. The response has been good; the local chapter representatives who participate seem energized to continue building the team.

In hopes of strengthening the team we did have, I inquired early in February whether we could carry out a simple initiative for Lent—to produce a brief written devotion for each week of Lent. Individual team members agreed to do this, one for each week, and carried it out beautifully. Joyce Moon in the MC office made sure that the devotions were sent each week by email blast to all on the MC list. It was encouraging to see team members engaged in this way.

At this mid-point in 2015, a list of Local Chapter Representatives numbers 28, plus the Coordinator. I expect it to grow. We are poised to begin planning our work for 2015-2016 at our annual meeting in June.

Rev. Holly Vincent Bean, Coordinator

Annual Report of the Development Council

This group, charged with fund development, marketing, and advising on budget and investments, is new to the Ministers Council structure. Only the Chair of the Council was nominated and approved at the 2014 Senate. Identifying and recruiting additional members of the Development Council is the current challenge.

While that process goes on, Executive Director Debora Jackson is using paid consultants and ABCUSA Development Staff to identify sources of income beyond the membership. We are grateful to Dr. Jackson and Pat Bonner Duvall for their success in obtaining a \$30,000 grant for 2015 and a \$15,000 grant for 2016 from the Imago Dei Foundation for the 7Rs of Sanctuary program.

A pressing need for long-term development is to create capacity for regular giving within the Ministers Council and among friends of ministerial leaders. Three steps were taken with this in mind.

The "Together In Ministry" Capital Campaign was completed in March of 2015, with reminders of outstanding pledges and a final thank you note and appeal. Unfortunately, we are dealing with a lack of clarity on accounting for the three-year campaign. We continue to discuss the records with the accounting office of ABCUSA and are investigating alternative budget management options for the future. \$146,000 was raised in cash and pledges and \$76,680 in in-kind donations.

The first Annual Fund Appeal was initiated in May of 2015. \$7458.15 was raised.

Members of the Governing Board pledged to contribute as they are able each year to both the Annual Fund and the Scholarship Fund. The Scholarship Fund will be used to offset the expense of bringing the Governing Board members to meetings and will be available for underwriting expenses of Local Chapter Representatives whose Chapters are in need of assistance.

There is much yet to do in bringing together an effective Development Council and nurturing a culture of giving within the Ministers Council. Your prayers are welcomed, as are your recommendations.

Respectfully submitted,

The Rev. Dr. Darla Dee Turlington
Chairperson

Annual Report of the American Baptist Women in Ministry

As the National Director of ABWIM, I am included on the Board of Governors, recognizing the challenges women in professional ministry continue to face, which relates to the Ministers Council commitment to professional and ethical standards in ministry.

So what does the landscape look like?

Thirty years ago, there were no women serving as Executive Ministers. That changed on September 1, 1985 when the Rev. Kathryn Baker became the first woman called to serve the American Baptist Churches of Niagara Frontier, one of 87 candidates who were considered!

It took four years before a second woman was called to an executive minister position. In those early years, women began to slowly emerge in executive leadership positions. After fifteen years, only five women had been called to serve as Executive Minister. In recent years the landscape of leadership has begun to dramatically change. In 2014 two women were called to executive minister positions: Rev. Yvonne Carter and Rev. Marie Onwubuariri. This year has already seen the calling of the Rev. Dr. Cheryl Dudley. Altogether fourteen women have now been called into executive minister leadership, each the first woman Executive Minister to serve her region. Today, seven of those are currently serving. A new landscape of leadership is emerging!

Kathryn Baker – Niagara Frontier 1985 – 1993
Yamina Apolinaris – Puerto Rico 1989 - 2000
Linda Spoolstra – Massachusetts 1990 - 2003
Louise B. Barger – Rocky Mountains 1993 - 2004
Mildred Myren – Metro Chicago 1993 - 2000
Susan Gillies – Nebraska 2000 - 2010
Marcia Patton – Evergreen 2004 -
Judy Allbee – Connecticut 2005 -
Liliana Da Valle – Rhode Island 2007 - 2011
Joan Friesen – Indianapolis 2009 -
Soozi Whitten Ford – Indiana/Kentucky 2012 -
Yvonne Carter – Cleveland Baptist Association 2014 -
Marie Onwubuariri – Wisconsin 2014 -
Cheryl Dudley – Metro New York 2015 -

As this new leadership has emerged women have brought a different dimension to leadership even as they have lived out their unique gifts and calling. This new leadership gives us a new way of imaging leadership and imagining what it means to be a leader. This new way is creative, collaborative, and highly connective.

When Kathryn Baker first accepted the call to serve as Executive Minister, she was not trying to break ground or make a statement. She was simply striving to be faithful to her God-given call and use her God-given gifts in ministry. The women who have been called and are currently serving as Executive Ministers are all likewise striving to live out their call and use their gifts in ministry.

Looking at the landscape of the emergence of women into Regional Executive Ministry leadership gives us one lens to view how women in ministry are doing. Clearly there is movement forward and progress being made. Nevertheless, the most recent figures from ABCIS (American Baptist Church Information System) indicate that for women seeking to fulfill calls to the senior or solo pastoral role, the journey continues to be challenging.

Moreover, compensation reports from MMBB indicate a continuing disparity in compensation between male and female clergy. While we celebrate the movement of women both into the pulpit and into executive leadership positions, much work remains to be done.

Addressing these challenges has been both the WIM Action Learning Team chaired by Rev. Christine Smith, the WIM Mission Table Team chaired by Rev. Nikita McCalister and the ABWIM Advisory Team, of which Rev. Jackie Saxon is the Convenor.

Together we can partner to change the landscape so that we all can live out our call and share our gifts in ever new ways.

Your Partner in Christ,
Rev. Dr. Patricia Hernandez,
National Director, American Baptist Women in Ministry

Annual Report of Members-At-Large

"What an honor it has been to be selected to continue my leadership as an At-large member of the new Board of Governors structure. While I will miss the small ministry groups that we had in the Senate, I understand the need to change.

Many of the changes were a challenge for all of us but I think they have helped us focus on the mission of the Minister's Council more intently. That is, we have returned to our roots of strengthening Minister's in every aspect of their ministries. Through the inclusion of workshops and retreat opportunities, we have increased the spiritual formation and self-care aspects that we often neglect while, we ministers, are taking care of others.

In addition, the move to working meetings throughout the year has helped the leadership grow strong and bond together through face-to-face and various technological mediums (i.e. Phone/Video Conferencing). I look forward to the time each month because it helps me grow as I listen and share ideas that will help us minister to others better. I thank you again for selecting me to serve the Nation Minister's Council in this way. God bless you!"

Rev. Jabulani McCalister

This has been a year of change for the Ministers Council. Following our change of by-laws and Standing Rules in August of 2014, the Executive Committee assumed the task of preparing to become the Board of Governors. Starting in January of this year, we were reduced in numbers and begun to have monthly meeting with the use of technology. So, our work became more labor intense.

As a part of this new board of Governors, my specific charge was to lead the planning of our first Annual Meeting. With the Senate not in existence anymore, the Annual Meeting becomes now a very important event to gather ALL of our members at one place. The planning, with the assistance of a skilled and dedicated team of people, led us to design a retreat format and engage Dr. Heather Enriken as our facilitator.

I praise God for Dr. Enriken and her creative and devoted ways, for all the members of my planning team, for my peers in the Board of Governors, and very specially for Joyce Moon and Debora Jackson, without whose wisdom and organizational skills my job would have been impossible.

Rev. Dr. Liliana Da Valle

Financial Report for 2014

MINISTERS COUNCIL Revenue and Expenses during 2014

Revenue

Grants and gifts	\$ 44,617.00
Investment Income	\$ 57,783.00
Membership dues	\$ 53,542.00
Net realized and unrealized gains on investments	\$ - <u>\$ (4,962.00)</u>
Subtotal	\$ 150,980.00
Net assets released from restrictions	<u>0</u>

Total Revenue from Operations \$ **150,980**

Expenses

Salaries and benefits	\$ 133,366.00
Professional fees	\$ 32,087.00
Travel and conference	\$ 23,588.00
Other operating expenses	\$ 54,546.00
Depreciation expense	<u>\$ 722.00</u>

Total Expenses from Operations \$ **244,309**

Net Income / (Expense) from Operations \$ (93,329)

Net Income / (Expense) from Endowment
Investments \$ 52,820

Change in Net Assets \$ (40,509)

MINISTERS COUNCIL
 Statements of Financial Position
 December 31, 2014

Current assets:

Cash	\$ 55,648.00
Investment in American Baptist Foundation	

Common Investment Fund	\$1,219,440.00
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Accounts Receivable	\$ 981.25
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Prepaid Expenses and Other	\$ 104.10
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Total Current assets	\$1,276,173.35
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Furniture and equipment, at cost	
Less accumulated depreciation	

Furniture and equipment, net	<u>\$ 2,026.00</u>
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Total assets	\$1,278,199.35
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Current liabilities:

Accounts payable and accrued expenses	\$ 7,255.00
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Deferred Revenue	\$ 7,145.00
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Due to related parties	<u>\$ 21,153.00</u>
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Total liabilities	\$ 35,553.00
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Net assets:

Unrestricted	\$1,236,625.00
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Board Designated	<u>\$ 6,021.00</u>
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Total Unrestricted	\$1,242,646.00
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Total liabilities and net assets	\$1,278,199.00
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Report of the Budget Review Officer

From a financial point of view the year 2014 was positive on the expense side, but quite negative on the income side.

On the positive side is the fact that the Ministers Council did operate within the budget passed for the year. Notably, Salaries & Wages came in \$34,327, under budget. We celebrate the diligence that made this possible. There are also a couple of caveats for consideration: two line items showed notable variance. Due to the retirement of our former office Secretary, Sue Sechrist, for health reasons, we had to find an interim replacement. This accounts for the Professional Consulting fee variance of \$9,769, at line item # 75300. This ought not to be a recurring feature. We are fortunate in that the interim replacement was Ms. Joyce Moon, who has now become our invaluable office secretary. The other significant budget variance was at line item # 83100, Travel for the Executive Director. We had budgeted \$10,000. The actual expense was \$23,339. Consideration needs to be given to whether we are budgeting adequately for this item. A figure of \$10,000 hardly seems adequate. The communication of our Executive Director with our constituency is a vital aspect of our reason to be. If, as we should, we promote ourselves as providing service to our constituency, then we must expect our Executive Director to travel and represent us. These variances noted, it must be emphasized, we did live within our budget in 2014.

Now to the income side of the ledger; this is where our major financial issues confront us. We had budgeted a withdrawal from invested funds of \$183,437, for 2014. The actual withdrawal was just a few dollars over that amount. This withdrawal represented c. 14.5% of the portfolio value of c. \$1.25 million. This is unsustainable: The general rule of thumb for withdrawal from investments is not more than 5%. Our planned, excessive draw on invested funds was further exacerbated by the fact that our investments did not perform well in 2014. The return was under 5%. The net effect of this is that we eroded some \$92,000 of principal.

The balance in our invested funds on December 2014 was \$1,278, 200; down from \$1,370,419, at the end of 2013. In past years we have been more fortunate on investment income and realized a higher rate of return. This had the affect of ameliorating our excessive withdrawals in those years. Not so this year.

We face stark reality. It is imperative we redress this situation. Were we to base our budget upon income from dues and 5% of our investments, based upon current factors, we would have an income amount of C. \$110,000. How could we as the professional society for ABC clergy possibly minister effectively on such an amount?

There are, as I see it, four basic challenges. We must decrease our withdrawal from investments to not more than 5%. We must increase income from dues. We must also find other sources of income. We should endeavor to enlarge our endowment.

Respectfully submitted.

Brian S. Dixon.