
JOURNAL

**TWENTY-EIGHTH
GENERAL ASSEMBLY
OF THE
CHURCH OF THE NAZARENE**

EDITED BY DAVID WILSON

MEETINGS HELD IN
THE INDIANA CONVENTION CENTER
INDIANAPOLIS, INDIANA, USA

23-27 JUNE 2013

JOURNAL
OF THE
TWENTY-EIGHTH
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DIRECTORY

2009-2013

**CHURCH OF THE NAZARENE
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17001 Prairie Star Parkway Lenexa, KS 66220
USA**

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Paul G. Cunningham, Emeritus
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Vice President, HANS-GÜNTER MOHN

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John Q. Dickey Sr.

Mark E. Holcomb
Elimelec Juanta Castro
Dance G. Mathebula
H. David McKellips
Walliere Pierre
Jose R. Santos
Daniel W. Spait

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Yong-Hwa Im
Ronald Khumalo

James M. Kraemer
Rose H. Mahlalela
Arlindo D. Mondlane
Felipe Luis Morales
Keith A. Pardue
Olga Y. Robles Montanez

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Minister

Layperson

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Emanuel David Simas Araujo
Dance G. Mathebula
Arlindo D. Mondlane

Ronald Khumalo
Rose H. Mahlalela
John M. Ngombe

ASIA-PACIFIC REGION

Yong-Hwa Im

Shionel Blas A. Gesite

CANADA REGION

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EURASIA REGION

Sukamal Biswas

Rob Kegel

Hans-Günter Mohn

Paul D. Tarrant

*MESOAMERICA REGION**

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Rebeca Alvarado-Ortiz

Ely Camas Perez

Carmen Luisa Checo de Acosta

Walliere Pierre

Elimelec Juanta Castro

Olga Y. Robles Montanez

Felipe Luis Morales

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James M. Kraemer

Larry McIntire

NORTHWEST USA REGION

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Joel K. Pearsall

SOUTH AMERICA REGION

Amadeu Aparecido Teixeira

Gerson Rueda

Jesus Bernat

Jose R. Santos

SOUTH CENTRAL USA REGION

H. David McKellips

Keith A. Pardue

SOUTHEAST USA REGION

Larry D. Dennis

Charles A. Davis Jr.

Dwight M. Gunter II

Dennis L. Moore

SOUTHWEST USA REGION

John H. Calhoun

Daniel W. Spait

EDUCATION

Dan L. Boone

Bob Brower

NAZARENE MISSIONS INTERNATIONAL

Jennifer E. Brown

NAZARENE YOUTH INTERNATIONAL

Mark E. Holcomb

GENERAL COURT OF APPEALS

Mary R. Paul, *Chairperson*

Ted R. Lee

* Due to the merger of the Caribbean and the Mexico and Central America regions, the General Board members previously elected for these regions by the 2009 General Assembly were approved by the General Board to serve through the conclusion of the 2009-2013 quadrennium. Each of those two regions had four members.

John H. Calhoun, *Secretary*
Dan L. Boone

Duane E. Srader

BOARD OF TRUSTEES
NAZARENE THEOLOGICAL SEMINARY
KANSAS CITY, MISSOURI, USA

District Superintendent

Steve Borger, *Northwest U.S.A.*
Larry Dahl, *Canada*
Geoffrey Kunselman, *East Central U.S.A.*
Larry W. Leonard, *Southeast U.S.A.*
Kenneth Mills, *Eastern U.S.A.*
Jeren Rowell, *North Central U.S.A.*
John Seaman, *Central U.S.A.*
Orlando Serrano, *Southwest U.S.A.*
Duane Srader, *South Central U.S.A.*

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Rick W. Harvey
Larry C. Lott
Mary Margaret Reed
Bayse “Bud” H. Reedy Jr.
David W. Sharpes
Kevin M. Ulmet
Samuel C. W. Vassel

Laypersons-at-Large

Chad Cook
James R. Couchenour
Howard Hendrick
Dennis L. Johnson

Grace Kim
Brad Moore
Gerald Skinner

Ex-officio: David Busic, *President*;
Carla Sunberg, *Alumni Association President*

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NAZARENE BIBLE COLLEGE – COLORADO SPRINGS,
COLORADO, USA

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Peggy L. Stark-Wilson, *Secretary*
Roy E. Rogers, *Chairperson*
J. Phillip Fuller, *Vice Chairperson*

J. David McClung, *Treasurer*
Homer R. McKnight

Dan R. Copp, *Education Commissioner*
Stan A. Toler, *General Superintendent (Adviser)*

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D. Randy Berkner
Jim C. Bond
Wayne H. Brown
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Moises Champo
Arlene J. Chenoweth
Kent R. Conrad
Jacqueline Frey
Mark L. Fuller

Gay L. Leonard
John R. Nells
Bonnie J. Perry
David M. Ralph
Jim W. Spear
Forrest C. Stone
Charles A. Tillman
Stephen R. Ward
Larry W. White
Lenny Wisehart

Jerome Hancock

GLOBAL NAZARENE MISSIONS INTERNATIONAL COUNCIL

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Cheryl Adams, <i>South Central USA</i>	Peggy Hatter, <i>Southeast USA</i>
Donnamie Ali, <i>Mesoamerica</i>	Rob Kegel, <i>Eurasia</i>
Cesar Oswaldo Alonzo, <i>Mesoamerica</i>	Haroldo Millet Neves, <i>South America</i>
Richard Bahan, <i>Canada</i>	Ezekiel Mnisi, <i>Africa</i>
Martha Bean, <i>Central USA</i>	Gerald Myers, <i>Southwest USA</i>
Lola Brickey, <i>East Central USA</i>	Ran Kim, <i>Asia-Pacific</i>
Eunice Brubaker, <i>North Central USA</i>	Sandra Sisler, <i>Eastern USA</i>
Daniel D. Ketchum, <i>Global Nazarene Missions International Director</i>	
Verne Ward III, <i>Global Mission Director</i>	
Eugénio R. Duarte, <i>General Superintendent (Adviser)</i>	

GLOBAL NAZARENE YOUTH INTERNATIONAL COUNCIL

Global NYI Council

Mark E. Holcomb, *President (USA/Canada)*
David Gonzalez, *Vice President (Mesoamerica)*
Charles Brodhead, *USA/Canada (Regional Representative)*
Erika Diones, *Early Youth Member-at-large (Asia-Pacific)*
Danny Dyer, *USA/Canada (Regional Representative)*
Jean David Larochelle, *South America (Regional President)*
Acy Lodja, *Asia-Pacific (Regional President)*
Jimmy De Gouveia, *South America (Regional Coordinator)*
Milton Madhu, *Eurasia (Regional President)*
Ana Celia Martinez, *Mesoamerica (Regional Co-President)*
Young-Min Park, *Young Adult Member-at-large (USA/Canada)*
Kenneth Phiri, *Africa (Regional President)*
Rudolph Prescod, *Mesoamerica (Regional Co-President)*
Jennifer Rae, *Senior Youth Member-at-large (Eurasia)*
Scott Armstrong, *Mesoamerica (Regional Coordinator)*
Sabine Wielk, *Eurasia (Regional Coordinator)*
Brian Woolery, *Asia-Pacific (Regional Coordinator)*
TBA, *Africa (Regional Coordinator)*

USA/Canada Council

Danny Dyer, *President (South Central USA)*
Charles Brodhead, *Vice President (Southwest USA)*
Roger Bonzo, *Secretary (East Central USA)*
Jonathan Elliot, *Senior Youth Member-at-large*
Kara Evans, *Early Youth Member-at-large*
Shawn Evans, *Central USA*
Bob Keuther, *Eastern USA*

Young-Min Park, *Young Adult Member-at-large*

Helen Thiessen, *Canada*

Fred Toomey, *North Central USA*

Richard Vasquez, *Northwest USA*

Greg Wells, *Southeast USA*

Gary Hartke, *Nazarene Youth International Director*

Eugénio R. Duarte, *General Superintendent (Adviser)*

**GENERAL ASSEMBLY OFFICERS
2013**

Board of General Superintendents

Jerry D. Porter
Jesse C. Middendorf
J. K. Warrick

Eugénio R. Duarte
David W. Graves
Stan A. Toler

General Secretary

David P. Wilson

General Treasurer

Marilyn J. McCool

Parliamentarian

Ann Rempel

Assembly Staff

Cindy Armstrong
Tom Barnes
Rachael Baruth
Mary Bramhall
Crystal Browning
Betty Cooper
Patrick Crislip
Daniel Davis
Diana Favand
Joseph Foltz
Cathy Haworth
Galen Hayse
Stan Ingersol
Meri Janssen-Bond
Karen Jones
Ruth Lail
Dawn Langdon
Fred LaPlante
Mark Lenzen
Caleb Long
Mark Marvin
Shirley Marvin
TJ McNew

Nancy McPherson
Tim McPherson
Allison Metcalf
Keith Metcalf
Steven Metcalf
Susan Metcalf
Marolyn Miner
Melinda Morgan
Beth Nichols
Renee Parish
Debbie Sherwood
Stephanie Sherwood
Roberta Simmons
Sue Skeen
Jolyn Stark
Dawn Stemen
Michael Thompson
Pam Uhl
Judy Veigl
Caren Warner
Becky Warren
Roland Weber
Sadie Welhoff

Readers

Roger L. Hahn

Gay L. Leonard

Coordinator of General Assembly Arrangements
Diane Miller

Media Support

Bartha

David J. Felter, *Coordinator*

Coordinator of Technology Support
Mike Fetting

Coordinator of Delegate Services
Christina Park

Coordinator of Music
Roger Allen

Leonard Budd

Coordinators of Simultaneous Interpretation Services
Sueanne Skeen

HISTORICAL DATA

VOTE RECORD OF THE GENERAL ASSEMBLY SESSIONS

<i>Number</i>	<i>Dates</i>	<i>Year</i>	<i>Location</i>	<i>Secretary</i>	<i>Vote Record</i>
1 st	October 10-17	1907	Chicago, Illinois	Robert Pierce	No record
2 nd	October 8-14	1908	Pilot Point, Texas	Robert Pierce	166
3 rd	October 5-14	1911	Nashville, Tennessee	F. C. Epperson	154
4 th	Sept. 30-Oct. 11	1915	Kansas City, Missouri	F. M. Mendell	220
5 th	Sept. 25-Oct. 6	1919	Kansas City, Missouri	E. J. Fleming	212
6 th	Sept. 20-Oct. 2	1923	Kansas City, Missouri	E. J. Fleming	296
7 th	June 13-25	1928	Columbus, Ohio	E. J. Fleming	393
8 th	June 12-23	1932	Wichita, Kansas	E. J. Fleming	468
9 th	June 21-29	1936	Kansas City, Missouri	E. J. Fleming	485
10 th	June 16-24	1940	Oklahoma City, Oklahoma	C. W. Jones	572
11 th	June 18-23	1944	Minneapolis, Minnesota	C. W. Jones	559
12 th	June 20-27	1948	St. Louis, Missouri	S. T. Ludwig	626
13 th	June 22-27	1952	Kansas City, Missouri	S. T. Ludwig	624
14 th	June 17-22	1956	Kansas City, Missouri	S. T. Ludwig	694
15 th	June 19-24	1960	Kansas City, Missouri	S. T. Ludwig	668
16 th	June 21-27	1964	Portland, Oregon	B. Edgar Johnson	672
17 th	June 16-21	1968	Kansas City, Missouri	B. Edgar Johnson	677
18 th	June 18-23	1972	Miami Beach, Florida	B. Edgar Johnson	650
19 th	June 20-25	1976	Dallas, Texas	B. Edgar Johnson	752
20 th	June 23-27	1980	Kansas City, Missouri	B. Edgar Johnson	766
21 st	June 23-28	1985	Anaheim, California	B. Edgar Johnson	801
22 nd	June 25-30	1989	Indianapolis, Indiana	B. Edgar Johnson	750
23 rd	July 25-30	1993	Indianapolis, Indiana	Jack Stone	871
24 th	June 22-27	1997	San Antonio, Texas	Jack Stone	908
25 th	June 20-29	2001	Indianapolis, Indiana	Jack Stone	995
26 th	June 26-30	2005	Indianapolis, Indiana	Jack Stone	942
27 th	June 28-July 2	2009	Orlando, Florida	David P. Wilson	966
28 th	June 22-27	2013	Indianapolis, Indiana	David P. Wilson	1197

GENERAL SUPERINTENDENTS

The following have been elected to the office of general superintendent:

Phineas F. Bresee	1907, 1908, 1911, 1915
Hiram F. Reynolds	1907, 1908, 1911, 1915, 1919, 1923, 1928, emeritus 1932
Edgar P. Ellyson	1908
Edward F. Walker	1911, 1915
William C. Wilson	1915
John W. Goodwin	1916 (by district superintendents), 1919, 1923, 1928, 1932, 1936, emeritus 1940

Roy T. Williams	1916 (by district superintendents), 1919, 1923, 1928, 1932, 1936, 1940, 1944
James B. Chapman	1928, 1932, 1936, 1940, 1944
Joseph G. Morrison	1936
Orval J. Nease	1940, 1948
Howard V. Miller	1940, 1944, 1948
Hardy C. Powers	1944, 1948, 1952, 1956, 1960, 1964, emeritus 1968
G. B. Williamson	1946 (by district superintendents), 1948, 1952, 1956, 1960, 1964, emeritus 1968
Samuel Young	1948, 1952, 1956, 1960, 1964, 1968, emeritus 1972
Daniel I. Vanderpool	1949 (by district superintendents), 1952, 1956, 1960, emeritus 1964
Hugh C. Benner	1952, 1956, 1960, 1964, emeritus 1968
V. H. Lewis	1960, 1964, 1968, 1972, 1976, 1980, emeritus 1985
George Coulter	1964, 1968, 1972, 1976, emeritus 1980
Edward Lawlor	1968, 1972, emeritus 1976
Eugene L. Stowe	1968, 1972, 1976, 1980, 1985, 1989, emeritus 1993
Orville Jenkins	1968, 1972, 1976, 1980, emeritus 1985
Charles Strickland	1972, 1976, 1980, 1985
William M. Greathouse	1976, 1980, 1985, emeritus 1989
Jerald D. Johnson	1980, 1985, 1989, 1993, emeritus 1997
John A. Knight	1985, 1989, 1993, 1997, emeritus 2001
Raymond W. Hurn	1985, 1989, emeritus 1993
William J. Prince	1989, 1993, 1997, emeritus 2001
Donald D. Owens	1989, 1993, emeritus 1997
James H. Diehl	1993, 1997, 2001, 2005, emeritus 2009
Paul G. Cunningham	1993, 1997, 2001, 2005, emeritus 2009
Jerry D. Porter	1997, 2001, 2005, 2009, 2013
Jim L. Bond	1997, 2001, emeritus 2005
W. Talmadge Johnson	2001, emeritus 2005
Jesse C. Middendorf	2001, 2005, 2009, emeritus 2013
Nina G. Gunter	2005, emerita 2009
J. K. Warrick	2005, 2009, 2013
Eugenio Duarte	2009, 2013
David W. Graves	2009, 2013
Stanley A. Toler	2009, emeritus 2013
David A. Busic	2013
Gustavo A. Crocker	2013

CHRONOLOGICAL OUTLINE

1887. July. People's Evangelical Church organized in Providence, Rhode Island.

1888. Congregations of The Holiness Church, a California-based denomination, are organized in Texas by Revs. Thomas and Dennis Rogers.

1890. March. People's evangelical Church leads other New England holiness churches in organizing a new denomination, the Central Evangelical Holiness Association.

1894. January. Utica Avenue Pentecostal Tabernacle organized at Brooklyn, New York, by Rev. William Howard Hoople.

1894. July. First congregation of the New Testament Church of Christ organized at Milan, Tennessee, by Rev. R. L. Harris.

1895. October. First Church of the Nazarene, Los Angeles, California, organized under the leadership of Rev. Phineas F. Bresee and Dr. J. P. Widney.

1895. December. The Association of Pentecostal Churches of America was organized at Brooklyn, New York.

1896. November. Merger of the Central Evangelical Holiness Association and the Association of Pentecostal Churches of America. The name of the latter is retained as that of the united body.

1898. First annual assembly of the Church of the Nazarene involves three congregations and some urban missions. A manual and a church paper are authorized.

1898. Pentecostal Mission organized in Nashville, Tennessee, by Rev. J. O. McClurkan.

1901. First Independent Holiness Church organized at Van Alstyne, Texas, by Rev. C. B. Jernigan. As it grows, it absorbs the Texas congregations of The Holiness Church.

1904. November. At Rising Star, Texas, representatives of the Independent Holiness Church and the New Testament Church of Christ agree on a joint manual under which their bodies can unite as the Holiness Church of Christ.

1905. First delegated meeting of the Holiness Church of Christ finalizes the merger.

1906. Visit of the "Three Wise Men of the East" - Revs. H. N. Brown, J. N. Short, A. B. Riggs - to the annual Assembly of the Church of the Nazarene at Los Angeles, California.

1906. September. First distinctively holiness church in Scotland conducts its first service in the Great Eastern Roads Hall, Glasgow, being organized by Rev. George Sharpe. The Pentecostal Church of Scotland, a new denomination, grows out of this movement.

1907. April. Visit of Revs. P. F. Bresee, H. D. Brown, C. W. Ruth, and E. A. Girvin to the annual meeting of the Association of Pentecostal Churches of America at Brooklyn, New York.

1907. October. First General Assembly of the Pentecostal Church of the Nazarene at Chicago. The tenth annual meeting of the Association of Pentecostal Churches of America and the tenth general assembly of the Church of the Nazarene was held jointly in Chicago, Illinois, where their negotiations were completed, a union effected, and a new name for the united body was selected.

1908. October. The second General Assembly, held at Pilot Point, Texas, effects the merger of the Holiness Church of Christ with the Pentecostal Nazarenes.

1911. October. Third General Assembly held at Nashville, Tennessee. This was the first delegated General Assembly. Nazarene Publishing House and *Herald of Holiness* are authorized.

1915. February. Union of the Pentecostal Mission organization of Tennessee with the Pentecostal Church of the Nazarene at Nashville, Tennessee.

1915. October. Fourth General Assembly of the Pentecostal Church of the Nazarene held at Kansas City, Missouri. Woman's Missionary Society authorized.

1915. November. The Pentecostal Church of Scotland unites with the Pentecostal Church of the Nazarene.

1919. October. Fifth General Assembly of the Pentecostal Church of the Nazarene held at Kansas City, Missouri. Name changed to Church of the Nazarene.

1923. October. Sixth General Assembly of the Church of the Nazarene held at Kansas City, Missouri. Nazarene Young Peoples' Society authorized. Department of Church Schools created. The General Board is authorized. General Budget plan established.

1928. June. Seventh General Assembly held at Columbus, Ohio. Church Constitution adopted.

1932. June. Eighth General Assembly held at Wichita, Kansas.

1936. June. Ninth General Assembly held at Kansas City, Missouri.

1940. June. Tenth General Assembly held at Oklahoma City, Oklahoma.

1944. June. Eleventh General Assembly held at Minneapolis, Minnesota. Authorized a graduate theological seminary, a radio program, and the Spanish Department.

1948. June. Twelfth General Assembly held at St. Louis, Missouri. Mid-Century Crusade for Souls launched.

1950. Portions of the Hephzibah Faith Missionary Association unite with the Church of the Nazarene, bringing new mission work in South Africa.

1952. June. Thirteenth General Assembly held at Kansas City, Missouri.

1952. October 29. The union of the International Holiness Mission with the Church of the Nazarene was consummated at Leeds, England.

1955. June 11. The union of the Calvary Holiness Church with the Church of the Nazarene was consummated at Manchester, England.

1956. June. Fourteenth General Assembly held at Kansas City, Missouri.

1958. September 7. The union of the Gospel Workers Church of Canada with the Church of the Nazarene was consummated.

1960. June. Fifteenth General Assembly held at Kansas City, Missouri.

1964. June. Sixteenth General Assembly held at Portland, Oregon. Authorizes two new junior colleges and a Bible school.

1968. June. Seventeenth General Assembly held at Kansas City, Missouri.

1972. June. Eighteenth General Assembly held at Miami Beach, Florida. Change of Special Rules to permit church membership for divorced persons “at such a time as they have given evidence of their regeneration and awareness of their understanding of the sanctity of Christian marriage.”

1976. June. Nineteenth General Assembly held at Dallas, Texas. Revision of General and Special Rules; changes in General Board Structure to create a Division of Christian Life (by merging the departments of Church Schools and Youth); making the Communications and Stewardship Commissions into Departments of the General Board.

1980. June. Twentieth General Assembly held at Kansas City, Missouri. Defined “region” and created 15 world regions for the church. General Board membership altered to reflect representation by regions. General Board given authority to reorganize its various Headquarters offices into divisions.

1985. June. Twenty-first General Assembly held at Anaheim, California. Adopted a new General Board and headquarters department/division structure. Assigned election of general officers to General Board. Created a second order of ministry – the deacon – and clarified ministerial “credentials” and “roles.” Provided for Regional Councils. Added explanatory paragraphs to the Article of Faith on Sin and Depravity.

1988. April. An indigenous Church of the Nazarene in Nigeria unites with the international Church of the Nazarene.

1989. June. Twenty-second General Assembly held at Indianapolis, Indiana. Adopted new Article of Faith on “The Church,” accepted new procedure for reviewing the call of a pastor.

1993. July. Twenty-third General Assembly held at Indianapolis, Indiana. Repositioned NYI separately from Sunday School Ministries. Adopted the report of the Divorce and the Ministry Study Committee, emphasizing the biblical plan for the permanence of marriage, but providing

that where divorce and remarriage has occurred, the marriage partners, upon genuine repentance of their sins, are not automatically disqualified from serving as ministers. Changed district categories from four to three, strengthened the authority of regional councils, and authorized the creation of a USA National Board. Accepted new language on such “sanctity of life” issues as genetic engineering, euthanasia, allowing to die, and abortion.

1997. June. Twenty-fourth General Assembly held in San Antonio, Texas. Created “*Holiness Today*” magazine by merging the *Herald of Holiness* and *World Mission* magazines. Altered process for amending the Special Rules to two-thirds “present and voting.” Gave flexibility to world regions in structuring themselves. Approved concept of “life long learning” for ministers and agreed to record continuing education achievements on ministerial records.

2001. June. Twenty-fifth General Assembly held in Indianapolis, Indiana. Changed regional membership criteria for nomination of General Board members (*Manual* paragraph 330.2), thereby decreasing number of General Board members (42).

2005. June. Twenty-sixth General Assembly held in Indianapolis, Indiana. Elected the first woman (Nina G. Gunter) to the Board of General Superintendents. Changed the amendment process for the church constitution from a two-thirds vote of registered General Assembly delegates to a two-thirds vote of delegates present and voting. Voted to allow use of leavened bread in the sacrament of the Lord’s Supper. Voted to place the *Manual* on the internet.

2008. Global Ministry Center relocated to Lenexa, Kansas, in September. On October 5, denominational Centennial Celebrations held in 24 time zones around the world.

2009. June. Twenty-seventh General Assembly held in Orlando, Florida. The first African (Eugenio Duarte, Cape Verde) is elected to the Board of General Superintendents. An abbreviated “global” *Manual* is authorized.

2013. June. Twenty-eighth General Assembly held in Indianapolis, Indiana. The first Latin American (Gustavo Crocker, Guatemala) is elected to the Board of General Superintendents. Authorized simultaneous sites for future General Assemblies.

ROLL OF DELEGATES

Delegation	Ministerial Delegates	Ministerial Alternates	Lay Delegates	Lay Alternates
General Superintendent	Eugenio Duarte David Graves Jesse Middendorf Jerry Porter Stan Toler J.K. Warrick	Administration, Ex-Officio	Marilyn McCool Bonnie Perry Ken Roney Gerald Smith	
General Superintendent Emeritus	Jim Bond Paul Cunningham James Diehl Nina Gunter Jerald Johnson W. Talmadge Johnson Donald Owens Eugene Stowe			
Education	David Busic Ruben Fernandez Harold Graves Jr. Seung-An Im			
Administration, Ex-Officio	Gary Bond Bob Broadbooks Filimao Chambo Dan Copp Gustavo Crocker David Felter Gary Hartke Mark Holcomb Dale Jones Daniel Ketchum Mark Lail K. Clair MacMillan Merritt Nielson L. Carlos Saenz Christian Sarmiento Woodie Stevens Don Walter Verne Ward Philip Weatherill David Wilson			

Delegation	Ministerial Delegates	Ministerial Alternates	Lay Delegates	Lay Alternates
Africa Delegation				
Education			Winnie Nlengethwa	
Missionary	Friday Ganda Stephane Tibi			
Africa Voting Delegation				
Angola Centro	NO DELEGATION			
Angola Cunene	Guilherme Marcial			
Angola Lubango	Bernardo Cambinda		Jorge Fernando	
Benin Atlantic Coast	Moise Toumoudagou		Clement Yekpon	
Benin Pendjari	Norbert Touboudagou		Raoule Yarigo	
Benin/Togo	Chabi Judicael			
Botswana	Lovemore Chikova			
Cape Verde	David Araujo Armando De Sa Nogueira (Ivan Duarte)	Austolino Levy Socorro Fontes* Aderito Ferreira	Alvaro Andrade Orlando Crispim Daniel Monteiro	Fernanda Mosso João Gomes Lodovina Dias
Cote d'Ivoire South	NO DELEGATION			
Dem. Rep. of the Congo Central North Kivu	Jaques Balibanga		Olivier Sagatwa	
Dem. Rep. of the Congo Rutshuru/Masisi	NO DELEGATION			
Dem. Rep. of the Congo South Katanga	NO DELEGATION			
Dem. Rep. of the Congo South Kivu	Mwenelwata Munyololo			
Ethiopia Aleta Selam	NO DELEGATION			
Ethiopia Bansa-Bona	NO DELEGATION			
Ethiopia South Central	NO DELEGATION			

Delegation	Ministerial Delegates	Ministerial Alternates	Lay Delegates	Lay Alternates
Ethiopia West Central	NO DELEGATION			
Kenya Central	NO DELEGATION			
Kenya Eastern	Augustus Musili			
Kenya Lake Victoria	NO DELEGATION			
Kenya Mount Kenya	Martin M'amuru		(Veranadol Karambu)	Nataly Iruki*
Kenya Rift Valley	NO DELEGATION			
Lesotho	Johannes Mpusi			
Liberia Central	NO DELEGATION			
Liberia Monrovia	Elijah Klay	Stephen Tarpeh	Sargba Borkay	Daniel Kollie
Liberia Southeast	William Grant	Garlodaye Delaye	George Alfred	Jackson Nyanway
Malawi Central	Oswald Dimba		Willie Phiri	Rusasa Paulin
Malawi North	NO DELEGATION			
Malawi South	Takemore Bumhudza Lemmy Chisi			
Mozambique Angonia	Martinho Soda		Celeste Chaguala	
Mozambique Chibuto	Eduardo Novele Helena Mussane	Rodrigues Matusse	Candido Muxlhanga Sansao Langa	
Mozambique Limpopo	Agostão Zita		Nely Siteo	
Mozambique Macanga	Paulo Sueia		Rute Sueia	
Mozambique Manjacaze	Arlindo Mondlane		Juvenalia Mondlane	
Mozambique Maputo	José Moiane Lourino Chiconela Lucia Nhamucho	Essineta Mondlane Henrique Mazivila	Filipe Mutisse Benjamin Langa Carolina Muguambe	Joao Sambo Paulo Mandlate
Mozambique Matola	Andre Macanga Flor Tamele	Samuel Alberto Chone	Orlando Pita Macave Hirondina Chiziane	Simon Machava
Mozambique Mavengane	João Bucuane		Evelina Nhampossa	
Mozambique Tete	Albino Banda	Agu Banda		

Delegation	Ministerial Delegates	Ministerial Alternates	Lay Delegates	Lay Alternates
Mozambique Xai-Xai	Simeao Chiponde Admirado Chaguala		Mequelina Zita Fernando Nhapossa	
Namibia Central	Chris Claassen Ernst Hanstein	José Joao Carolus Platt	Linda van Wyk Cornelius Hangula	Godwin Husselmann Peter Heinrich
Nigeria Lagos	Friday Udofia		Richard Uyok	
Nigeria Southeast	Okokon Eshiet		Mfon Umoukoh	
Rwanda Central	Zabulon Habimana		Marcelline Muhimakazi	
Rwanda Northwest	Simon Pierre Rwaramba	Jean Bosco Ntairutimana Senga Samvura	Floribert Hategekimana	Caritas Mukarurangwa
South Africa RSA Drakensberg	Goodwin Chirwa Dance Mathebula		(Phillip Mokwena) Phillemon Mambane	Mildred Mokwena*
South Africa RSA Eastern	Curtis Ndlovu Peter Ndlovu Jeffrey Malebe		Phumulo Mashaba Ferry Ndlovu Lawrence Ndubane	
South Africa RSA Eastern Cape		Trevor Salies	Marilyn McGuire	
South Africa RSA Free State	NO DELEGATION			
South Africa RSA Gauteng	Dennis Phillips Timothy Mogorosi Dawid De Koker	Edwin Van Zeeberg Adolf Ndlovu	Tembi Mogorosi Leoni De Koker Joycelyn Phillips	
South Africa RSA Highveld	Jansen Mashego	Sindile Mashego John Mokoena	Samson Mabizela	Vincent Gumbi
South Africa RSA Kwa Zulu Natal	Stanley Ushe Titus Joseph	Eneas Biyela Francois Van Rensburg	Cassandra Moodley Timothy Joseph	Lillyum Soobramoney
South Africa RSA Limpopo Northwest	Frank Mahlaba (George Kanjere)	John Kekana*	Tope Marakalla Rachel Segona	Samuel Moremi
South Africa RSA North Central	Kenneth Moeng		William Mokgotho	
South Africa RSA Northeast	Ezekiel Mnisi Mathinyane Mangena		Simon Mpholoane Raneetsiye Mathebula	
South Africa RSA Northern Cape	Gaolatlhe Kgwadi	Kopano Mokoroane	Honeyglenda Marakalla	Matshidiso Motshedi
South Africa RSA Southeastern	NO DELEGATION			

Delegation	Ministerial Delegates	Ministerial Alternates	Lay Delegates	Lay Alternates
South Africa RSA Soutpansberg	Malindi Mudau	Khathutshelo Sibuyi	(Muladelo Raphulu)	Mudau Mathilda*
South Africa RSA Sunrise	Ezra Maziya Patrick Gamedze	Ellen Mtembu Krish Kistensamy	Ntombi Ndlovu Sibusiso Kunene	John Ngombe Samuel Mashaba
South Africa RSA Western	Mashangu Maluleka		Remember Maluleka	
South Africa RSA Western Cape	Patrick Pause (Reuben Pillay) Quinton Williams	William Bantom* Eldrid Smith Lorraine Sauls	Rosalind Naidoo Wilfred Sickenaris Hildegarde Hanekam	Gerald Kolkoto William Claasen
South Sudan Southeast	NO DELEGATION			
Swaziland Central	Cariot Shongwe		Samuel Vilakati	
Swaziland East	Timothy Dlamini	Nhlanhla Dlamini	(Julia Ndlovu)	Abigail Makhanya*
Swaziland North	Philemon Dlamini Florence Mkhonta		(David Gama) Thandie Dlamini	Bheki Kunene*
Swaziland South	Simeon Mahlalela	Sipho Ncongwane	Assiana Dlamini	
Tanzania South	NO DELEGATION			
Zambia Copperbelt	NO DELEGATION			
Zambia South	William Banda Daniel Satela John Kachaka Gilbert Bbakasa Rosemary Mbewe	Dennis Musukuma Raymond Chirwa Rose Chipasu Benjamin Tembo	Rozzaria Mumba Gibson Zulu Agripa Lungu Michael Mwamba	Catherine Mulendema Mary Chola Jessy Chabinga Inambao Mushimbei
Zimbabwe East	Willard Katandika David Bati	Hofisi Mutatu	Farai Kunaka Knowledge Mumanyi	Ireen Mutatu
Zimbabwe West	Andrew Nyoni	Onias Dhliwayo Noah Sibanda		
Africa Nonvoting Delegation				
Angola Luanda	NO DELEGATION			
Burkina Faso	Joseph Tiendrebeogo			
Cote d'Ivoire Central	NO DELEGATION			
Dem. Rep. of the Congo West	Hermenelgilde Matungulu			

Delegation	Ministerial Delegates	Ministerial Alternates	Lay Delegates	Lay Alternates
Equatorial Guinea	NO DELEGATION			
Ethiopia Central	Teka Demessie			
Ethiopia Northwest	NO DELEGATION			
Ethiopia Omo	Ermias Choliye			
Ethiopia Southeast	NO DELEGATION			
Ethiopia Southwest	NO DELEGATION			
Ghana Coastal	Joseph Otchere			
Ghana Midland	Alex Akomaning			
Ghana North	Frank Mills			
Kenya Western	NO DELEGATION			
Madagascar	NO DELEGATION			
Malawi Lakeshore	NO DELEGATION			
Malawi Lower Shire	NO DELEGATION			
Mozambique Alto Shangaan	NO DELEGATION			
Mozambique Ile	NO DELEGATION			
Mozambique Inhambane	(Joaquim Mulhanga)	Cadina Chiconela*		
Mozambique Manica Province	NO DELEGATION			
Mozambique Milange	NO DELEGATION			
Mozambique Mocuba	NO DELEGATION			
Mozambique Morrumbala	NO DELEGATION			
Mozambique Nampula Central	NO DELEGATION			
Mozambique Nampula East	NO DELEGATION			
Mozambique Nampula Mecuburi	NO DELEGATION			
Mozambique Nampula South	NO DELEGATION			

Delegation	Ministerial Delegates	Ministerial Alternates	Lay Delegates	Lay Alternates
Mozambique Nampula West	NO DELEGATION			
Mozambique Quelimane	NO DELEGATION			
Mozambique Rio Zambeze	NO DELEGATION			
Mozambique Sofala Central	NO DELEGATION			
Mozambique Sofala Marromeu	NO DELEGATION			
Mozambique Vilanculos	NO DELEGATION			
Mozambique Zavala	NO DELEGATION			
Senegal	NO DELEGATION			
Sierra Leone	NO DELEGATION			
South Sudan South	John Nguth			
Tanzania North	NO DELEGATION			
Uganda Central	NO DELEGATION			
Uganda South	NO DELEGATION			
Uganda Southwest	NO DELEGATION			
Zambia Luapula Northern	Francis Mwansa			
Zambia Northwestern	Isaac Kalumbila	David Chinyundu		
Asia-Pacific Delegation				
Education	Bruce Alder	Mark Sakamoto		
Missionary	Kevin Brunk Larry West	Jim Radcliffe		Kathy Radcliffe
Asia-Pacific Voting Delegation				
Australia Northern Pacific	(John Moore)	David W. Jeffs* L. Po Ching	Graeme Sheppard	Rose-Lyn Martindale
Australia Southern	Ian Davidson	Steven Kasambalis	Karen Northey	Harry Malos
Fiji	Kafoa Muaror	Sanaila Roqara	(Mark Anthony Chung)	Viktorie Makrava Daniel Latu*

Delegation	Ministerial Delegates	Ministerial Alternates	Lay Delegates	Lay Alternates
Indonesia Java-Bali	(Yohanes Winoto)	Stephanus Hartoyo* Alexander Suranto	Ruth Wuryandari	
Japan	Ishida Manabu Furukawa Shuji		Marty Egashira Ose Katsuaki	
New Zealand	Neville Bartle	John Bennett	Kim Soon-Hee	
Papua New Guinea Bromley Memorial	Kanda Kanzena	David Kina Noel Wamsak	Albert Kinden	Duka Kombek Paul Sendol
Papua New Guinea East Sepik	Yambe Sike	Martin Disip Wesely Watma	Tony Nimbi	Dominic Clutis Jenifer Morsion
Papua New Guinea Hagen	Peter Degene	Samuel Napa Andrew Moime	Cathy Perry	Samuel Yako
Papua New Guinea Middle Ramu	Peniperite Fakaua	Solomon Enaimb	John Komimb	
Papua New Guinea North Coast	Gabriel Kaulo	Jaccob Urri	(Doreen Taukum)	Eva Ju Alu*
Papua New Guinea Simbu/Eastern High	Enoch Thomas	Thomas Bruno	Sampa Peo	Philip Waike
Papua New Guinea Southern Highlands	Joseph Yapasi	Silas Howe Joe Pindipia	(Osil G. Benson)	Joxhon Yamu
Papua New Guinea Western Highlands	Andrew Akus Andrew Kola Taima Diria Robin Molom	Chris Kianuga Kokints Kumi	Yerip Taime Bessie Kaupa John Win	Kupil Kos Tapingal Meya
Philippines Bicol	Sulpicio "Jun" Detale			
Philippines Central Visayas	Nilo Rosende	Dan Balayo	Virgie Gibson	Jean Balayo
Philippines Eastern Visayas	Edgardo Longcop	Asalim Gunda	Remy Deloria	Vickie Myril Yadao
Philippines Luzon	Marcelino Ochoco (Samuel Mayona, Sr.)	Eddie Laurea Allan Prado*	Thelma Ochoco	
Philippines Metro Manila	Arnel Piliin (Radito Fausto)	Lucinda Tamayo*	Shionel Gesite Rosalina Macas	
Philippines Metropolitan Luzon	Angelito Agbuya	Cryz Colorado	Christine Monsuela	Violy Palisuc
Philippines Mindanao East	Erene Pastor			

Delegation	Ministerial Delegates	Ministerial Alternates	Lay Delegates	Lay Alternates
Philippines Mindanao West	Fernando Angel	Allan Samson	Elita Madula	Riza Telmoso
Philippines Negros	Nemie D. Babae	Noemi Canieso Bienvenido Nacionales	Ana Maria Babae	Josefa Nena Oberio
Philippines Panay	Joseph Cache Roger Piele	Edgar Quinoviva	Jocelyn Rizalina Abulucion Antonio Cardinal	Lyn Basa Bong Elardo
Philippines Southern Tagalog	Marcos Eugenio	Edward Tiangco	Daniel Manaois	
Samoa	Talomua Mona		Rico Tupaiilelei	
South Korea National	Gi-Dong Han Min-Gyoo Shin (Moon-Ki Yoon) Doo-Hyun Ryu Hae-Choon Hyun Keun-Shik Park Jung Suk Yang	Kwang-Don Chun Young-Sam Kim Bok-Sub Song Byung-Hee Lee Yong-Ik Yoon Young Ho Yang*	Kyong-Chong Hong Kyu-Man Kang (Sang-Un Jeong) Jong-Chul Lee Nam-Sun Kim Mi Sook Kang (Jong Youn Park)	Jae-Sun Seoh* Hyea Sun Kim*
Taiwan	Shi-Li Tang			
Thailand Northern	Lasoe Casa	Natachai Puniroj	Panida Tongdi	
Asia-Pacific Nonvoting Delegation				
Australia Western	Bruce Allder			
Cambodia	Rolf Kleinfeld			
Hong Kong SAR	Edmond Kwong			
Indonesia Central Kalimantan	Bambang Purwantoro			
Indonesia Papua	Yan Wambrauw			
Micronesia	Stephen Gualberto	Laura Smith		
Myanmar (Burma)	Robin H. Seia			
Papua New Guinea Enga	Joseph Yapasi	Kamen Tole		
Papua New Guinea Islands	(Gabriel Kaulo)	James Tondul John Wal Jacob Betopa		
Papua New Guinea Sandaun	Timothy Kiandu			

Delegation	Ministerial Delegates	Ministerial Alternates	Lay Delegates	Lay Alternates
Papua New Guinea South Coastal	(Yambe Sike)	Ako Arua* Kanda Peke		
Solomon Islands	(George Miller)	Alick Hagi*		
Thailand	Sawat Hahom			
Eurasia Delegation				
Education	Simon Jothi	Deirdre Brower Latz		
Missionary	Hermann Gschwandtner Klaus Arnold	Lindell Browning Kay Browning		
Eurasia Voting Delegation				
Bangladesh North	(Manik Roy) Andrious Mahali (Gauranga Roy) (Bishawashawr Roy) Anupam Roy (Bhupendra Nath Roy) Subhash Roy Thomas D. Baidya	Jibon Mondal Bikash Roy Laxmi Kanto Roy Monotosh Roy* Tapash Mondal* Sailence Marandi* Jagot Roy*	(Sunil Roy) (Dhanashwar Roy) (Indro Mohon Roy) (Shudeb Sarder)	Binoy Roy Shusambar Sarker* Mrittunjoy Roy* James Liton Biswas*
Bangladesh Northwest	Sukamal Biswas James Baroi (Nripen Malo) Michael Mardy (Sree Kanto Kerketa) (Bakul Barman) (Simon Kisku) Simon Mondal	Stephen Halder Tarun Barikdar Lazaro Howlader* Ram Murmu Taposh Roy Silvia Oly Sinha* Jasmine Mitra Khan*	Vanu Khan Milton Madhu Martin Bryan Milon Patwary Shawon Biswas (Martin Arif) (Samuel Bala)	Shimson Mallick Hilary N. Mondal* Bipul Chandra Baroi* Tito Howlader Lovely Sarker
Bangladesh South	(Devid Biswas) John Mondal Nikunja Saha Jupiter Sarder	Jahangir Kabir Rigan Nath* Uttam Mondal	Provus Baroi Semon Das Alex S. Biswas Adhir Halder	Manuel Majumder Monica Mondal Bristy Biswas
Germany	Martin Wahl	Ingo Hunaeus Thomas Vollenweider Hans-Guenter Mohn	Kathrin Arnold	Matthais Nass Peter Ullinger Christina Mathiak Tanja Baum
India Central Maharashtra	Rajiv Yangad	Reynold Daniel	Subhash Manmothe	
India Eastern	Amitava Chatterjee	Babulal Murmu	(Sujit Nandy)	Meena Ravichandran*

Delegation	Ministerial Delegates	Ministerial Alternates	Lay Delegates	Lay Alternates
India Eastern Maharashtra	Nandeshwar P.T.			
India Karnataka	M. Christadas G. Anandraj Mark Promod	Joshua Perumal Keshava Murthy Samuel Gharge	Anil Yt R. Udaya Kumar Sundar Raju R.	Chandrasegaran Pakiriswamy Charles Hrudaya Raj John Wesley Bipin Babu Sunil Stephen
India Northeast	Thienkim Singson	T. Dongkhosei Satkam Haokip	Thanga Chonglei	Samuel Singson Haoliensang Singson
India Northwest	Diwakar Wankhede	Philip Masih Banne Samson	Ashish Singh	Jitender Singh
India Odisha	N.C. Sadhu	Alexis Kochhop	Jacob Benia	Abhay Nayak
India Tamil Nadu East	S. Muthu	S. D. Sathiyathan	Cecil Browning	B. Manoharan
India Western Maharashtra	Sanjay Gawali Santosh Dongardive Balchand Shejule Manohar Pawar Peter George	Bathuwel Umale Ramesh Gavit Swarnava Mondal Nathaniel Ghadge Vishal Dandge Paulas Pawar Deepak Palve Prabhudas Manware Samuel Sahare	Ujwala Wankhede Shrikant Dhillpe (Solomon Chetti) David Valvi Bharati Rajulwala	Manjusha Dhillpe Sangeeta Rawade Ravinderkumar Dandge Kishor Aghamkar Vibha Dongardive Sujata Shejule Shobhana Jadhav Sunil Soni Moses Shejao
Jordan	Mazen Al-Halteh	Waleed Almadanat	(Ihab Al-Amarin)	Khaled Alhalasa*
Nepal	Dilli Subba	Rudra Katuwal	Aruna Rai	Pampha Karki
Netherlands	Arthur Snijders Dennis Mohn	David van Beveren	Rolf Noordhof Hans Deventer	Peter van den Beukel Harry de Bruijn
Pakistan	(Aneel Mall)	Patras Bashir	Iqbal Masih	
Portugal	João Pedro Pereira		Raquel Pereira	
Sri Lanka	(V.K. Daniel)	George David*	Apullanagedara Sivannathan	
United Kingdom British Isles North	Philip McAlister	Ian Wills Geoff Austin	(Mark Canning)	Tom Penman* Steve Clarkson
United Kingdom British Isles South	David Montgomery	Barry Hall	David Barnes	Mair Paton

Eurasia Nonvoting Delegation

Albania-Kosovo	(Steven Beiler) Imir Gashi	Edlira Biti*	
Armenia	NO DELEGATION		
Azores	NO DELEGATION		
Bulgaria	(Jay Sunberg)	Ani Kirilov*	
France	Farag Mikheil		
Holy Land	(Nizar Touma)	Botros Ghrayeb*	
Hungary	Imre Gusztin		
India Andhra Pradesh	Jacob Francis		
India Central	Praveen Pawar		
India Mid Maharashtra	Vinay Gaikwad		
India North	Gyanander Singh	Mukesh Masih	
India Tamil Nadu West	S. Jayakumar	Devasirvatham GnanaKumar Kingsley Jayakumar	
Italy	(Joel Mullen)	Daniel Fink	
Kazakhstan Central Asia	Zhannetta Yugay	Sergey Kvan	
Lebanon	Andrew Salameh	Raymond Kafrouny	
Romania	(Tamara Hudson)	Cristian Boseff*	Magdalena Cini
Russia North	Davide Cantarella	Tatiana Cantarella	
Russia South	Sergey Archakov		
Scandinavia	Kaj Bollerup		
Spain	Ignacio Pesado		
Switzerland	NO DELEGATION		
Syria	NO DELEGATION		
Ukraine	Volodymyr Masyuk		

Mesoamerica Delegation

Delegation	Ministerial Delegates	Ministerial Alternates	Lay Delegates	Lay Alternates
Education	NO DELEGATION			
Missionary	Edwin Martinez			
Mesoamerica Voting Delegation				
Bahamas	John Wildgoose			
Barbados	Orlando Seale Errol Davis	Trevor Bynoe Delbert Edghill	Merina Taylor Shirley Yarde	Jean Chase-Sealy Maria Barrow
Belize	Darin Pound Hughington Williams	Keith Joseph	Elton Robinson (Natalie Pena)	Nehru Thompson Patrick Bradley*
Costa Rica Central	Mario Vargas	Sirlene Bustos Salazar	Elimelec Juanta	Ruth Gallardo Gomez
Costa Rica North	Johnny Calvo	Alvaro Arroyo	Natalia Nikolova	Rolando Morera Porras
Cuba East				
Cuba West	Leonel Lopez Ortiz	Mario Fundora Rojas Samuel Martinez Morejon	(Mabel Fernandez Diaz)	Yaima Diaz Escobar Alysney Rodriguez Galan*
Dominican Republic Central	René Acosta Polanco Ernesto Bathermy	Alberto Ledesma Diaz Newton Ramirez	Carmen Checo de Acosta (Daniel Peña Geraldino)	Maritza Tatis* Caribet Toussaint
Dominican Republic North	Samuel Cabrera	Tania Nuez	Duany Gomez	Jacqueline Perez
Dominican Republic Northeast	Carlos De La Cruz Acosta	Felix Polanco Taveras	(Scarlin De La Cruz Martínez)	Gerson De La Cruz Martínez*
Dominican Republic Oriental	Miguel Yuden Ramón	Jhonny Grant	Ana Fransua Germín	Mercedes Santana
Dominican Republic South	Luis Daniel	Benny Sanchez Ramirez	Yussepy Leonardo de Sánchez	Milciades Lemberet Caraballo
El Salvador Central	Oscar Villanueva Serrano Julián Cruz	Oscar Franco*	Henry Espinal Mendoza Rosa Ayala	Blanca Chávez Serrano
El Salvador West	Mario Castro Calderón	Maria Duarte De Carias Nelson Martinez Luis Flores	Ercilia Magaña Arriaza	Raul Dueñas Melara Patricia Galdamez De Castro
French Antilles and French Guiana	Daniel Blaise	Fabian Descas	(Augusta Suedile)	Kris Blaise Roger Baltus*
Guatemala Alta Verapaz Southwest	NO DELEGATION			
Guatemala Atlantic	Uber Izales Cerón		Ingrid Millian de Argueta	

Delegation	Ministerial Delegates	Ministerial Alternates	Lay Delegates	Lay Alternates
Guatemala Baja Verapaz	Francisco Cuquej Larios Andrés Canahui Hernandez Fabian López Juárez Fernando Gonzalez Osorio	Arturo Juárez Chen Julio García Guzmán Marcelino Sis Sis Hilda Garcia Jeronimo de Garcia Otoniel Chon de la Cruz Lesbia González Paz Maria Tzirin Bal	Francisco Orrego Reyes Rodolfo Pérez Garcia	
Guatemala Central	Nery Pérez Rodas Othoniel Rivera	Cesar Ayala	(Wendy Teo de Figueroa)	Jerson Chupina Corado René Rivas*
Guatemala Coban North	Miguel Xol Xol		Juan Tot Xol	
Guatemala Franja Central	Rogelio Quej Marco Antonio Caal	Alfredo Coc	Artemio Lima Pop	Nixon Lima Reyes
Guatemala Franja Occidental	NO DELEGATION			
Guatemala Franja Oriental	Cesar Juarez Sam Nery Teni Medina Jose Beb Cuz		José Cho Isem Jesus Bol Macz Loida Tipol Ixim	
Guatemala Franja Transversal Western (Occidental)	NO DELEGATION			
Guatemala North	Moisés Lucas Noemi de Cabrera	Felix Cabrera	Franklin Cano Francisco Roque	Doris Romero
Guatemala North Verapaz	Danilo Solis Galvan Armando Teni Cruz Joel Mayen Garcia Feliciano Sep Lauro Santiago Jose Cuc Tut	Thelma Valdez Karla Cordova	Ana Hernandez Sagastume Filomena Pop Chiquin Ana Rodas Felipe de Luis Oscar R. Lopez M. (Maria Revolorio Delgado) Carlos M. Moya	Obdulio L. Pacay* Reveca Caal Elda Juarez William Soberanis
Guatemala Southeast	Moises Larios Vasquez		Carlos Guerra Pleitez	
Guatemala Verapaz Oriental	Mateo Reyes Bolvito César Alonzo Gerardo Choc Choc		Margarito Mendez Amilcar Buenafe Reyes	
Guatemala West	(René Marroquin Orellana) (Luis Urizar Carrera) Ronaldt Mulul Pú	Isaac Estrada*	Carmelina de Estrada Angelica de Urizar Mardoqueo Estrada Barrios	Ofelia Escobar Antonia Linares

Delegation	Ministerial Delegates	Ministerial Alternates	Lay Delegates	Lay Alternates
Guyana Berbice	Saheed Mohamed	Abraham Nagamotoo Nandlall Budhram Kashwar Ramnauth	Diram Singh	Mark Ramdhial Alesha Budhram Michelle Ramnauth
Guyana Demerara-Essequibo	Rodwell Porter Rajkumar Autar	G. Fitzpatrick Alert Henry Moorgan	William Woolford Claudette London	Marilyn Collins Patricia McPherson
Haiti Central	Pierre Walliere Jude Benoit Elot Baptiste	Ledor Louis Jean Maitre	Marie Joe Pierre	Philomena Pierre
Haiti La Gonave	Michael Augustin		Franckel Frometus	
Haiti Lower Artibonite	Pierre Jacques	Joseph Bacon	Matila Franklin	Mazon Thelusca
Haiti Lower Northwest	Livernier Doreus	Loiseau Lamane	Francois Renel	
Haiti North Central	Garry Jeudy	Sajous Telisma	Ginette Prosper	
Haiti Northeast	Jean Lucien			
Haiti Northwest	Alcime Fresner			
Haiti South	David Eliassaint Joseph Dominique	Charles Sylvain	Jacqueline Eliassaint Maxon Thelusca	Toussaint Amilus
Haiti South Central of Jacmel	Marius Senatus		Marie-Joe Pierre	
Haiti Southeast	Jean Desruisseaux	Jean Charite	Michelene Jacobson	Philomena Pierre
Haiti Upper Artibonite	Paul Zamor		Annesesse Zamor-Casimir	
Honduras Central Sur Oriental	Begardo Bardales Suazo Jose Perez Turcios	Carlos Gómez Reyes		
Honduras Noroccidental	(Alex Bardales)	Efrain Soriano*		
Jamaica East	Ronald Grey	Valin Smith	Cossett Grey	Huntley Britton
Jamaica West	Lionel Brown	Christopher Burt	Karen Clarke-Patrick	Vivilyn Sinclair
Leeward/Virgin Islands	Kenneth Sharpe	William Holder	Sandra DeSouza	Fitzmorris Martin
Mexico Central Trejo	Marcos Garcia Rodriguez Pascual Cruz Vásquez	Bethsabé Cruz Fernández	Angélica del Angel Rodriguez Asunción Magaña García	Cesar Álvarez Trejo Álvarez

Delegation	Ministerial Delegates	Ministerial Alternates	Lay Delegates	Lay Alternates
Mexico East	Joaquin Ocaña	Alberto Juarez	Jose Amilcar Mex	Antonio Ara Arelys Cruz Ocaña
Mexico Gulf	Mario Orduña Hernandez	Miguel Rodriguez Rivera	Felipe Carmona Rascón	Sabas Sosa Jiménez
Mexico La Huasteca	NO DELEGATION			
Mexico North	NO DELEGATION			
Mexico Northeast	David Díaz Castañeda Rubén Jiménez González	Raúl Gómez López	(Raúl Canizales Flores)	José Treviño*
Mexico Northwest	Jorge Moncada Vazquez Dina Lopez Estudillo	Carlos Torres	Jocabed Alvarado Alcántar Abraham Fernández Gámez	Juan Cienega Francisco Magdaleno Velazco
Mexico Oaxaca	Aner Ruiz Castro Walter Gordillo Roblero	Bernarda Cruz Martinez Accel Ruíz López	Macedonio Velazquez de Jesus Rosalinda Lopez Luis	Yovani Antonio Cabrera
Mexico Oaxaca North West	Elias Betanzos Luis	Lorenzo Sosa Jarquin	Alejandro Trejo Sanchez	Ericel Vicente Jimenez
Mexico Olmeca	Anselmo Jimenez Maldonado	Cesar Gutierrez Cordova	Ruben Fernandez Roque	Luz Lastenia Jimenez Avendaño
Mexico South	Miguel Ceballos (José Arreola) Jose Martinez Gomez	Jose Duque Marcos Rios*	Julio Lopez Silvia Santiago	Duvy Camas Borraz Juan Flores
Mexico South Border	Roberto López Fajardo Francisco Javier Vazquez	Lucio Ramos Gomez Ricardo Nieto Peña	Cesalmiro Reyna Hernandez Miguel Romero Cruz	Carlos Cook Narvaez Roberto Dominguez Martinez
Mexico South Pacific	Moisés Aguilar Peña (Exaú Lorenzana Pérez) Mario Suarez Flores	Hebert Cordova Ordoñez Isai Toledo Lucia Manuel Velazquez*	Leonor Fajardo Espinosa (Armando Pascasio) Isai Fuentes López	Ariosto Ramos Cruz* Rebeca Natarén Aguistín Cornelio Casa Arce
Mexico West	Samuel Cadenz Meza Martin Flores Guzmán	Sara Zavala Galván Nohemí Román Mojica	Eunice Escamilla Flores Raquel Garcia Zambrano	Ilse Valadéz Román Mario Salgado Hernández
Nicaragua Central	Maria Ponce Espinoza (Jose Alguera Palma)	Efraín Picado Téllez* Ricardo Zeledon Paulino Muñoz Gonzalez Rolando Hernandez	Johanna Molina Canales Abigail Espinoza Perry	Ovidio Novoa Miranda Carlos Garcia Gonzalez Aidalina Moraga Acuña Zelmira Benavidez
Nicaragua Norte	Angel Denis	Julian Antonio	Areli Rodríguez Vidaurre	Norberto Laguna
Nicaragua South	Nelson Rivera Lopez Gerardo Reyes Villarrial		Berta Tijerino	
Panama Central		Gregory Lewis Atherley	Isabel Santos	
Panama Occidental	Ulises Espinosa	Nieve Rivera	Alberto Santos	

Delegation	Ministerial Delegates	Ministerial Alternates	Lay Delegates	Lay Alternates
Puerto Rico East	Olga Robles Andrés Hernández	Julio Rodríguez	Nélida Hernández Carmen Jusino	Marian Gillete
Puerto Rico West	Ramón Sierra	Carmelo Marrero	Mercedes Santiago Rosado	Miriam Sierra
Trinidad & Tobago	Victor George Kwame Payne	Mark Sammy	Farouk Mohammed Jr. Miguel Lara	Kendun Hope
Windward Islands	George N. Leonce	Chiefton B. Charles	Melissa Haripaul	Stefrine Durrant
Mesoamerica Nonvoting Delegation				
El Salvador East	Victor Alfaro			
Mexico Sierra Madre de Chiapas	Manuel Molina Flores			
Nicaragua Southeast	Carlos Peña Baldelomar			
Suriname	NO DELEGATION			
South America Delegation				
Education	Jorge Julca			
Missionary			Liliana Radziszewski	
South America Voting Delegation				
Argentina Central	Jorge Duran (Alberto Ainscough) Carlos Fernandez	Roberto Sosa Norberto Gomez de la Silva	(Rosita Ainscough) Esteban Mastronardi	Monica Torres
Argentina Cuyo	Raúl Garay Mariano	Elena Campos Matthews Claudia Patricia Sanchez Juan Baez Jose Obando	Emilce Liz Obando	Maria del Carmen Geroli Flavia Cristina Mullicunda
Argentina Litoral	Ruben Concia		Edgardo Ledesma	
Argentina Nordeste	Juan Aguirre		Paulina Gonzalez Aguirre	
Argentina Noroeste	Samuel Moyata		Luz Avellaneda	
Argentina Patagonia Central	Lino Tejerina	Hugo Reyes Alvarado	Agustin Soto Soto	Felisa Tracamilla
Argentina Patagonia Norte	Nestor Martinez	Julio Felipe	Roberto Cariqueo Jorge Santos	

Delegation	Ministerial Delegates	Ministerial Alternates	Lay Delegates	Lay Alternates
Bolivia El Alto Noroeste	German Espinoza Guarachi Eddy Huanca Hance	Vicente Murga Cornejo	Cristina Limachi Aranda Maximo Cusiquispe	
Bolivia La Paz	(Nelson Saavedra) Isai Murga Cornejo	Silvia Ruiz Carlos Huaynoca	Oswaldo Quispe (Nemesio Payllo) Elizabeth Shalom Daza Matamoros	Richard Quisbert
Bolivia Santa Cruz	Nelberto Fernandez			
Brazil Capixaba	Severino J. Quirino Carlos dos Santos		Ricardo Guariento	
Brazil Curitiba	Flavio Valvassoura		Emerson Natal	
Brazil Londrina	Eloi Moutinho	Gilberto Silva	Marcelo Fernandes	Mariana Sanita
Brazil Metropolitan City of Rio de Janeiro	NO DELEGATION			
Brazil Minas Gerais	Romerson Cangussu Silva Fernando Sa Nogueira	Antonio Carlos Lopes	Maria Tereza Sa Nogueira Galdina Arrais	Sandra Silva Rafaela Arrais
Brazil Nordeste Central	Rubens Rodrigues Marcos Monteiro José Pinheiro Onildo Veloso	Jadilson Souza Ivan Machado Silvia Rodrigues José Lira	Levina Velso Cilene Rodrigues (Rosa Maninho) (Karla Lucy Oliveira)	Ricardo Carvalho* Flávia Oliveira* Pablo Rodrigues
Brazil Nordeste Meridional	Eriton Valencia			
Brazil Nordeste Paulista	Luis Henrique Biazon (Wilson Rosa) Eulivaldo Aragão Ramón Da Costa (Saulo Stratico)	Moises Gomes Valeriano Cesar Siqueira Wagner Luis Guilherme* Jorge Pina Aldineia Guilherme*	Thiago Moreira (George R. Dos Santos) Claudia Biazon Juarez V. De Carvalho Priscila Da Costa Julio Laguna	Daniela Vilas Boas* Eliana Aragão* Cleonice Da Silva Rosa Séttima Carvalho Jacqueline Stratico Jardim
Brazil Nordeste Setentrional	Alcimar Santos Gerson Cardoso	Damasio Morais	Denise Mendes Santos (Victor Queiroz) Ana Cardoso	Nilton Ribeiro
Brazil Noroeste Paulista	Fabiano Loureiro Denise Monteiro Dos Santos Guerra Da Silva Antonio Faquim Walter Alves Azevedo	Alessandra Loureiro	Reginaldo Guerra Ana Karina Santos Pinto Faquim	Adinael Da Silva
Brazil Paulistano	Mateus A. Ramos	Luciano Gandini	(Raimundo N.S. Ferreira)	Tania Ramos*

Delegation	Ministerial Delegates	Ministerial Alternates	Lay Delegates	Lay Alternates
Brazil Rio de Janeiro Baixada	Amadeu Teixeira Francisco dos Santos Luis Filho Amadeu Nunes Esequiel Da Silva	Antonio Carlos Silva Jucemir Pimenta Samuel Souza Emilia Gomes Luciano Filho	Haroldo Neves Joel Laeber Adiel Teixeira Ivan Ferreira (Ramiro Antas) Joel Elpidio	Israel Gomes Dos Santos Clovis Pinto Sidney Barros Fernando Nunes Ednir Nascimento*
Brazil Rio de Janeiro Grande Rio	Claudio Souza (Alessandro Alvarenga) Mario Alcaraz Elio Ribeiro Tomaz (Sergio Dos Santos) Fabio Kelly Almeida	Roberto Diniz Robson Dinis Fabio Kelly Roberto Barnabé da Silva João Moreira Suely Oliveira Renata Freitas	Alessandra Maria Matos Goncalves (Noemi Matos) Jeano Menezes (Pedro Paulo Ferreira Matos Junior) (Euclides Moura)	Wesley Nunes Ana Elisa Guerra Antonio Carlos Freitas Slaudio Nogueira Thaysa Nunes Isabel Silva Caroline Carneiro Debora Batista Juliana Santos Cristiane Rocha* Leila Matos Sara Coimbra Flavia Decembrino
Brazil Santa Catarina	Alfredo Mulieri		Eliane Spieker	
Brazil Sao Paulo	(Jonatas dos Santos) Anips Spina Wagner Sousa Luciano Silva	Carlos Eduardo Genesio* Marcos Fernando de Oliveira João Milesi Fausto Nini	Alex Souza (Paula Lima) Jorge Matos Ana Maria Mendes Spina	Andrea Gazeta Pereira* Bruno Amaral Carlos Fonseca
Brazil Sudeste Paulista	Fernando Oliveira Lázaro Valvassoura (Geraldo Nunes Filho) Mauro Blauth (Andre Ribeiro) Alexandre Zanatta Silvano Souza (Humberto Oliveira) Edmar Fonseca	Ernesto Ferreira* Alexandre Santos* Leandro Silva Marco Almeida Edson Tsuda Paulo Bodini	Flavia Blauth (Maria de Lourdes Rodrigues) José Honório de Mira Gerson Rueda (Marcelo Porto) (Alfredo Contarelli) (Jane Cezarini)	Maurilei Pereira Gustavo Giandoso Gilberto Liberato Curt Hennies*
Chile Bio Bio	Juan Badilla Arias	Waldo Cabrera Figueroa	Gabriel Aburto	
Chile Central	Orestes Barboza	Jaime Román	David Huanca	Ruth Bravo
Chile Norte	Oscar Varus Ruiz	Urbano Lopez Villalobos	Jaime Orellana Flores	Urbamno Lopez Villalobos
Colombia Central Norte	Cesar Avellaneda	Carlos Muñoz	(Juan Carlos Muñoz)	Hector Gonzales*
Colombia Central Sur	Oscar Ramos			

Delegation	Ministerial Delegates	Ministerial Alternates	Lay Delegates	Lay Alternates
Colombia Suroccidental	Jeirrison Ambuila Manuel Millan Jorge Marín Adalberto Herrera Cuello		Martha Lindo Gustavo Muñoz Mauricio Ramos (Jaime Andres Restrepo Perez)	Alvaro Alzate
Ecuador Costa	Eduardo Enrique Meza Guardo Rocio Fonseca Ballesteros		Maria Castro Avilez Jhon Esteves Aguilera	
Ecuador Costa Norte	Santiago Bereche	Jefferson Estévez	Ramiro Estevez	Carlos Ayo
Ecuador Sierra Centro	Mario Paredes Wilson Paredes Solorzano	Angel Lemache	Alicia Medina	Sandra Orejuela
Ecuador Sierra Norte	Hernan Puga Edinson Chapañan	Amparo Alvarez	Jose Obando	Fernando Rosero
Peru Alto Marañón	Bernardo Reto Simón Vasquez	Ulises Ventura	Joel Coronel Enrique Solano	Sonia Rioja
Peru Amazonas	Jorge Wamputsag Inchikuat			
Peru Andino	Samuel Aguilar Altamirano Natividad Bautista Campos		Salvador Irigoín Rafael	
Peru Cajamarca	Toribio Torres		David Lara Flor Requejo	
Peru Central	Marcial Rubio Idrogo Oscar Suarez Becerra	Mario Acuña Chuquilin	Armandina Astochado Nathan Rigueti	
Peru La Libertad-Chavín	Oscar Medina Guzman Hernando Aparicio Huanes	Segundo Rogue Portal	Osmar Medina Palma Charo Paredes	Carlos Avila
Peru Nororient	Adán Sánchez Henry Ávila Viton		(Sebastian Inoñan Granados) Teodolfo Rafael Diaz	Walter Leon Palomino Benifacia Petronila Medina D Sanchez*
Peru Norte	Ricardo Rodríguez Doris Palma Orlando Santa Cruz Flores José Vasquez Malca	Wiligram Román Balladares Melanio Vasquez Muñoz Samuel Vasquez Guevara	Doris Chunga (Jorge Chirinos) Agustín Pulache Montero	Dianita Martinez* Antonio Ventura Zurita Amelia Muñoz Cieza
Peru Pacifico Norte	(Napoleon Guerrero Loayza) Segundo Rimarachin Isaías Leyva Gonzales	Jose Castaneda Julca*	(Irene Avelar Ferreira) Tania Rimarachin Mery Flores de Castañeda Lourdes Rimarachin	Jose Puertas Cruz

Delegation	Ministerial Delegates	Ministerial Alternates	Lay Delegates	Lay Alternates
Peru Utcubamba	Jose Rivera Medina Homero Silva Cadenillas		Carlos Rivera Medina	
Uruguay Norte	Laura Bianchi		Miriam De León Ines Carcabele	
Uruguay Sur	Jesús Bernat	Adán Villalba	Inés Coreabele	
Venezuela Centro Occidental	Julio Rivera			
Venezuela Lago	Carlos Cordero	José Lozada	Juan Velasquez	Diana Beserra Diaz
Venezuela Llanos Occidentales	Rafael Antonio Trejo Victor Alberto Nieves		Maria Virginia Olivar Mujica Audelina Diaz	
Venezuela Primero	Eudo Mario Prado Cabrera	Octavio Galvis Camargo	(Arelis Esparragoza)	Wilda Elisee*
South America Nonvoting Delegation				
Argentina Aborigen	Pablo Bauza	Delfin Sanagachi		
Argentina Buenos Aires Oeste	Angel Nicolas Soria	Alberto Gimenez		
Argentina Costero	Juan Zani			
Argentina Mediterraneo	Alberto C. Croce			
Argentina Mesopotamico	Susana Irigoitia			
Bolivia Central	Efrain Flores			
Bolivia Los Yungas	Billy Chuquimia Cruz			
Bolivia Sur	Felix Vargas			
Brazil Amazônia	Manuel Lima			
Brazil Centro Oeste	Luiz Oliveira	Eduardo de Carvalho Oliveira		Eduardo Rasera
Brazil Gaucho	Romero Moreira			
Chile Los Lagos	Alfredo Veloso			
Colombia Costa Norte	NO DELEGATION			
Colombia Eje Cafetero	Luis Meza			
Colombia Noroccidental	Teófilo Caicedo			

Delegation	Ministerial Delegates	Ministerial Alternates	Lay Delegates	Lay Alternates
Colombia Nororiental	Pedro Gomez			
Ecuador Austro	Wilfredo Pantiño			
Ecuador Sierra Sur	Mario Chuiza Moyon			
Paraguay Central	NO DELEGATION			
Paraguay Norte	NO DELEGATION			
Paraguay Sur	NO DELEGATION			
Peru Alto Amazonas	NO DELEGATION			
Peru Condorcanqui	Elias Chumap			
Peru Loreto	Witcer Hervach			
Peru Oriente Central	Dario Santa Cruz Izquierdo			
Peru Sur	Edilberto Solano Castro			
Peru Sur Central	Jose Acosta			
Venezuela Andino	Serafin Camargo			

USA/Canada Delegation

Education	Dan Boone John Bowling Riley Coulter Henry Spaulding		David Alexander Bob Brower Loren Gresham Corlis McGee David Spittal	
Missionary	NO DELEGATION			

USA/Canada Voting Delegation

Alabama North	Greg Story (Aaron Coffey) John Parrish	Scott Lowry* Leonel Alvarado	Fred Faith (Sam Michael) Denise Myers	Gary Scales* Becky Pitts Donald Smith
Alabama South	Mark Berry Bill Holley	Bonnye Campbell Ken Wyatt	Jimmy Horton Dot Brumbeloe	Mark Sessions Jim Metcalf
Alaska	Paul Hartley	Micky Boyer	Dennis Linnell	

Delegation	Ministerial Delegates	Ministerial Alternates	Lay Delegates	Lay Alternates
Anaheim	Rollie Miller Bong Ha Lee Dan Keeton Jim Yelvington	Forrest Stone Craig Rench Jason Tippitt	Jan Stone (John Hardison) Harold Potter Alicia Ferguson	Rob McHargue* Terry Watkins Pat Mchargue Doug Ferguson
Arizona	Doug Pierce Ira Brown Javier Tamez Bruce McKellips	Kurtis Strunk Denise Burns Bob Ogden Jeff Fillis	Marilyn LaRue Dan Spaite Steve Burns Vern Frase	Jacque Frey Madeira Bowell Bobby Womack Melissa Miner
Canada Atlantic	(Clair MacMillan)	Mark Collins*	Brian Cambers	Larry Sider
Canada Central	Ian Fitzpatrick Rosalito Sorzano	Gord McCann	Denise Holland Doug Davis	John Martin Laura White
Canada Pacific	Earl Wood	Gary Bennett	Dell Marie Wergeland	Mark Kennedy
Canada West	Larry Dahl David Skidmore	Doug Webb	Rose Graham Richard Bahan	Keith Brower Leah Baker
Central California	Rob Songer Greg Gebhart Randy Benefiel Mark Pitcher	Jesse Ruby Daren Pitcher Samuel Pardo Rod Jamison Rodney Wikoff Ken Childress	Gary Smee Martha Lundquist Rolly Rhodes Daryl Nicholson	Chuck Bunch Connie Taylor Luella Ashford Dwayne Tubbs Robert Steigleder Don Schengel Maureen Tatum Don Hall
Central Florida	Larry Dennis Don Smith Stephen Egidio Juan Diaz Hugh King Robert Yates	Wesley Harris Pat Glenn Larry Dunn Larry Attig	Don Myers Wes Eby Charles Davis Aleta Harris Rick Platter Mark Leib	Gene Frye Bob Richards Brent Williams Joel LaBorde
Chicago Central	Brian E. Wilson Edward H. Heck Jack McCormick Dave Anderson	Edward Peñate Wilfredo Canales Kendall Franklin Carl Leth	Fred Hardy Ada Canales Carla Lovett John Alexander	Doug Perry Dan Ferris Paul Snellenberger Karl Tabor
Colorado	David Ralph Don Blanchard Andy Albright Shawn Siegfroid	Brian Troxell Jon Shaw Larry Chovancek Brian Wiesinger	(Jeff Alexander) Nina Rattle Terry Nelson Dean Thoman	Roxann Peach* Elroy Thiessen Kevin Burchett Allan Sutton

Delegation	Ministerial Delegates	Ministerial Alternates	Lay Delegates	Lay Alternates
Dallas	Rob McDonald Larry Don Williams Ron Adams	Jim Fitzgerald Judy Castro Larry Kromer	Jim Farmer Dan Flynn Charles Randall	Rick Wycoff Phil Lindquist Kenny Marchant Donna Rice
East Ohio	Carla Sunberg Michael Adkins Mike Dennis Dave Johnston	Mike Byus Merrill Williams Doug Downs Chuck Sunberg Tracy Johnson	Beth Nichols Sandra Swift Lee Brown (Fred Magnus)	Larry Burrell Gary Hulett* Les Farthing Jim Marinucci
East Tennessee	Ronald McCormack Ron DeWitt Shane Smith	Don Hawkins Kevin Thomas Sam Wood	Don M. Moore Dan Saxon J. C. Elliott	Billie Guinn John Edd Wampler Scotty Blair
Eastern Kentucky	Harold Berrian Larry Dillon	David Robirds Dave Mills	Lola Brickey (Chuck Copley)	Amy Blosser* Suella Slibeck
Eastern Michigan	Glen Gardner (Larry V. Betz) Chet Decker Dan Wine	Rob Lewis Fred Hall* Alan Duce	Linda Hall Linda Loudermilk Mark Pennington Cristy VanSteenburg	Judy Smith John Q. Dickey Kayla Gardner John Stottele
Georgia	Roy E. Rogers Myron Wise Don Hicks Janice Laster	David Miller Lamar Brantley Jim Dunn Howard Porter	Marcus Clements Brenda Williamson Howard Darsey Joshua Foskey	Kristi Huff Vera Canen Tom Benson David Bohler
Hawaii Pacific	Robert Killen Jerry Appleby	Mike Litsey Gordon Wong	Calyndel Valenzuela Latasi Fereti	Skye Litsey Joline Chang
Illinois	Jim Spruce (Timothy Crump) Doug Haynes	James P. Blue* Jim Frye David Sorensen	Nina Haynes William Shotts (Cindy Crump)	Judi Roarick* Cindy Frye Galen Scammahorn
Indianapolis	Ron Blake Jay Height Phil Edwards	Keith Grove Steve Bohall Perry Cook	Pam Garner Paula Wright Larry Jewett	Rosalie Blackburn Jeanine Allen Dan Agan
Intermountain	Steve Borger Stan Rodes Joy Streight Debi Schmelzenbach	Kent Conrad Randy Bynum Tim Pusey Terry Martin	(Rick Waitley) Joel K. Pearsall Tahmina Martelly David Slonaker	Brad Swartzentruber* Debra Alexander Kevin Borger Gerald VanOrder
Iowa	M. Kim Smith Marvin Thrasher Terry Chapman	Dana Jurgens David Childers Michael Lynch	Teresa Stecker John Hayes Dennis Mowery	Robin Hammann Jeff Eichorn Paul DeJong

Delegation	Ministerial Delegates	Ministerial Alternates	Lay Delegates	Lay Alternates
Joplin	Jim Dillow Brian Letsinger Dustin Ledford	Noel George Phil Rhoades Jim Sukraw	Sheila Pollard Martin Ledford Gary Cotterill	Larry McIntire Nancy King Steve Hefley
Kansas	Ed Nash Luis Quinonez Ron Willard Jim Bond	Tom Boese Douglas Wyatt Jon Fillipi Jon Shellenberger	(Ray Cook) Merrill Conant Darrel Johnson Ron Snowbarger	Steve Burns Rick Dages* Ferrill Conant Bob Crew
Kansas City	Jeren Rowell Eduardo Aparicio Clark Armstrong Rick Power John Metcalf Daniel Vanderpool	Joel Atwell Brad Estep Stephanie Lobdell Charles Pickens Rob Prince Roger Hahn	Leland King Vickie Morsch Ken Brubaker Kevin Garber Dave Anderson Stacey Lareau	Claire Hendrix Jon North Bob Drummond Gene Frye Brad Moore
Kentucky	Gene Wells Alfred Glasper Randy Gant	Dan Bradshaw David Roscoe Matthew Cole	Peggy Hatter Bill McDaniel Julie VanZant	Daniel Brummett Teresa Rochetti-Cantrell Tammy Matthews
Los Angeles	Jerry Ferguson Scott Daniels Greg Garman James Kinzler Paul Doctorian	Lamar Davis Patricia Litten Josue Tiguila Bob Hislar John Huddle	David Moyer Sam Doctorian (Steven Yee) Ed Pierson Jesse Gonzalez	Tim Garman* Anne Rood Gary Morris Howard Wooton Mendell Thompson
Louisiana	Greg Mason Dale Hoffpauir	David Hoffpauir Daniel Lowe	(Dajunna Howell) Gerry Smith	Bobbie Jones Mark Gillette*
Maine	Cecil Jones Sam LaCombe	Richard Waller	Bev Jones Ann LaCombe	Trish Cook Kathryn Waller Daniele Hamlin
Metro New York	Art Alexander Ken Blish Sam Vassel Wenton Fyne	Leroy Barton Richards Elmer Gillett Tony Abbazlo Dumerzier Charles	Ann Van Hine (David Mendez) Jim Hullinger Wavny Toussaint	Jacqueline Greaves* Doreen Rutty Valerie Ford Diane Jordan
Michigan	John Seaman Joe Knight Susan Carole Timothy Smith	Randy Owens Mark Walker Mike McCarty Gerhard Weigelt	Wes Bittenbender Jim Schweigert Judy Owens Sherri Chapman	Nancy Smith John Harris Paul Casarez Jerry Polmounter
Mid-Atlantic	Ken Mills Tim Evans Terry Sowden John Nielson	Art Roxby Philip Heap Paul MacPherson	Jay Lewis Julie Taylor Fernando Ibanez Nancy Myers	Steve Gray Steve Scott Scott Mankamyer Alex Clayborne

Delegation	Ministerial Delegates	Ministerial Alternates	Lay Delegates	Lay Alternates
Mississippi	(Greg Mason) Charles Johnson	Scott Samuel Keith Megehee*	Henry Greer (Lee Brumfield)	Carol Hairston* Chuck Farnham
Missouri	Mike Palmer Jerry Frye (Dwight Presson)	Stan Hall* Mark West Robert Warren	Fred Yates (Ted Bruce) Cathy Veach	Sam Griggs Mary Hull* Mark Presnell
Nebraska	Dan Cole Tom Shaw	Darryl Potts Dynette Oberg	Becky Shaw Char Cluff	Rhonda Carpenter Jeff Edwards
New England	Kenneth Stanford Vincent Crouse Jossie Owens Lynnette McCabe	Jeremy Scott Daniel Whitney Kyung Yu Lisa Morrison Al Lamos Edith Zephir Wendy Ambrefe	(Daniel McCabe) Ellen Whetstone Meghan Scott Patsy Malas	Joel Dunlap Christie Crossen Julie Peets Angela Leite Angela Neves* Lori Smith Angel Sanchez-Ortiz Janet Fernandez
New Mexico	Fred Huff Rick Hutchison Darwin Speicher	Ken Yocom	Joel Burdell Linda Brooks Saurabh Emmanuel	Meredith Burdell Larry Fry Mark Asplund
North Arkansas	Randy Berkner (Ken Stallings) Tim Kellerman	Tim Bullington Steve Thrasher* Mark Snodgrass	Dale Webster Phyllis Scott Scott Woodward	Susan Baker Curtis Clements Shirley Thrift
North Carolina	Mark Barnes Sherman Waters Tim Pullin	Bill Crane Glenn Messer Michael Bearden	Jim Pulliam Sheila McClure Susan Webb	Doug Sisk John Widdifield Steve Clayton
North Central Ohio	Steve Ward (T. J. McNew) (Doug Boquist) Michael Legg	Rich Henry* Ray LaSalle Carolyn Joseph* Troy McNichols	Lee Skidmore Kathy Greenich Jim Fawcett Connie Sharrock	Austin Swallow Jim Ledford Kim Rodas Miriam Weyman
North Florida	Orville Jenkins Dave Pullen	Wayne Bauer Peter Migner	Mark Patrick Martha Stephens	Carol Parker Raj Dhanarajan
Northeast Oklahoma	Dave McKellips Claude Guy Jim Thornton	Casey Hollingsworth Monty Nichols Geoffrey Gunter	Duane Cox Betty Guy Jerry Wilburg	Barbara Gunter Bud Lauhon Betty Wilburg
Northeastern Indiana	David Roland Tim Miller Jim Ballenger Phil Rogers	Gary Cable Larry Sheets Mark Dill Dan Heincker	LuAnne Frank Darcy Dill Ken Swan Russ Mumma	Gene Snowden Karen Clark Darrell Zimmerman David Musselman

Delegation	Ministerial Delegates	Ministerial Alternates	Lay Delegates	Lay Alternates
Northern California	John Calhoun Rick Bassett Wilmer Guido	Jeff Mammen Joe Shreffler	Larry Fitch Mark Potter Nancy Fong	Linda Sprowl Carol Van Buskirk David Wyett
Northern Michigan	Wayne Brown Dan Gilmore	Bryan McInerney David Brantley	Jennie Bowman Val McInerney	Terri Ward Doug Field Katie Fall Gary Pullen
Northwest	Randy Craker Bob Luhn Dana Benscoter Chad Wilks	Jim Clifton Jason Johnston Holland Lewis Terry Cummings	Stacy Schuster Monte Chitwood Rick Barton Mitzi Wilkes	Jeremy Carr Linda Unseth Nancy Clifton Bob Shea
Northwest Indiana	David Bartley (David Bartley) Mark Hostetler	Ron Richmond* Troy Hochstetler Greg McDonald	Janet Bishop Jeff Hostetler Stacey Schmitt	Jim Weitzel Marjorie Chinn Dan Evilsizor
Northwestern Illinois	Scott Sherwood Jim Book Lloyd Brock	Dale Schaeffer Laura Root Bob Hasselbring	Cheryl Sherwood Steph Schaeffer John Sherwood	Carole Eatock Jeanette Trotter Keith Peachey
Northwestern Ohio	Geoff Kunselman Dave Lutz Mike McClurg Larry Hamilton	Jon Spyker Paul Whiteford John Rumble	Becky Dusek Mel Miller Larry Hammond Ron Wentling	Mary Jo Ledyard David Frye Walt Riggle Ron Borton
Oklahoma	Terry Rowland Bruce Johnson Mark Hollingsworth Jon Middendorf Henry Siems Hal Cauthron	Mike Meeks Jason Crouch Jim Williams Rick Harvey Darrik Acre David Frees	Tim Brown Peggy Poteet Gary Banz Margaret Rohlmeier Mindy Banz Donna Whitworth	Bill Campbell Philip Rustin John Redwine Greg Womack Carole Liles Randal Johnson
Oregon Pacific	Stan Reeder Bud Pugh Mario Zani Virgil Askren Mark Bodenstab	Chris May Brian Fitch David Grinder Mark Goodwin Joel Alsworth	Keith Spicer Kathi Kinnaman Bob Bender Pam May Maggie Pugh	Linda Fender Doris Bodenstab Judy Askren Joanne Stevens Dave Westmark
Philadelphia	Newell Smith Shirley Goodman Wayne Krell	Mark Prugh	Melanie Cook Holly Prugh Steve Chambers	
Pittsburgh	J. Bret Metcalfe Kenneth Culbertson Cookie Tressler	David Smith Mike Beckley Adam Stump	Len Baun Julie Beckley Bill Regester	Sandy Greenlee Rob Lute Rebecca Gentzler

Delegation	Ministerial Delegates	Ministerial Alternates	Lay Delegates	Lay Alternates
Prairie Lakes	Jim Kraemer (Mike Kraemer) Steve Hoffman	Saul Carranza* Jim Comfort	Briseida Diaz Steve Jandl Ken Chaffin	John Dahl Gerardo Gomez Greta Johnson
Rocky Mountain	Bill Carr Tom Lance	John Capen Dan Crider	Liz Ott Wendy Knight	Cindy Lance Denny Friesen
Sacramento	Steve Scott Gary Moore Darlene Franks Kyle Johnson	Ron Zimmer Chris Chavez Brad Dyrness Paul Slaton	Joe McCoy Tammy Slaton Julie Tuttle Bill Morrison	William Patrick Joshua Opperman Josh Unfried April Hughes
South Arkansas	Russ Branstetter Tim Evans Paul Holderfield	Wally Beckman Oscar Perez George Yarberry	Charles Cummings Phillip Holderfield (Brenda Yarberry)	Sherry Marston* Sue Daniel Mona Rampy
South Carolina	Eddie Estep (Dale Turner) (Richard Coleman) Greg Pressley	Jim Thrower Mike McAdory* Jerry Branham* Karen Lawson	Jimmy Haynes (Rachel Watts) Iwana Ridgill Rachel Tanner	Marsha Fountain* Angela LaPlace Grip Lawson Libby Newman
South Central Ohio	Trevor Johnston Phil Manson Larry McNutt Samuel Barber Terry Schmelzenbach	Tom Gates Marty Dennis Jay Schlenker Bob Morrison Mark Ledford Mike Vallangeon Garry Proehl Brad Kochis	Carl Styers Charles Brisker Ken Stoll Amy Hanes John Grimm	Tim Barlow Karen Frey Rose Lanning Becky Ramsey Chuck McKenzie Jay Zornes David Poole Ken Snyder Jim Dixon Larry Harper
South Texas	Jeffrey Johnson Sam Flores Randall Wyles Matt Rice Lynnlee Moser	Ismael Flores Don Ballard Kevin Bell Bob Seal	Peggy Stark-Wilson Marty Goin (Terry Long) Josh Flynn Nita Copley	Keith Pardue* Ron Emmert Jeff Moseley Carmen Harrison John Snider
Southern California	John Denney (Janine Metcalf) Robin Hyde Steve Rodeheaver	Ron Benefiel Todd Renegar* Dwayne Edwards Jim Dorsey	(Edwin Metcalf) Tom Detwiler Vonda Rodeheaver Sonja Hyde	Skip Neal* Jennifer Bentley Amanda Graley Jacque Russell

Delegation	Ministerial Delegates	Ministerial Alternates	Lay Delegates	Lay Alternates
Southern Florida	David Nixon Joey Brummett Jean Cidel Ardee Coolidge Pascal Permis (Byron Schortinghouse)	Ted Underwood* John Donnelly Tony Miller Jim Spear Obed Jauregui Roy Shuck Tim Taylor	Dennis Moore Bob Spear John Paul Trish Spear Eunice Puga Marsha Taylor	Wendy Lopez Vanessa Sackett Casilda Diaz Linda Ketchum Vasthie Dessources Becky Gritton
Southwest Indiana	Garry Pate Bryan Solomon David Warren	Brian Rogers James Hicks Robert Muncie	Douglas Jones Phillip Doerner Sandi Miller	Mark Shuff Marilyn Hicks Bruce Hamlin
Southwest Latin American	Alberto Guang		Elvira Hernandez	Georgina Rico
Southwest Native American	John Nells	Dennis Benale Julian Gunn Mike Andrews	Marilyn Yazzie	Eileen Andrews LaDonna Crabb
Southwest Oklahoma	Jim Cooper Terry Armstrong (Gaby Rodriguez)	Jim Hill* Kelly Griffith Terry Toler	Carl Powell Donna Keesee (Lee Kennedy)	Cathy Buchanan* Fred Emmert Anita Shepperd
Southwestern Ohio	Doug Van Nest Bob Mahaffey Mark Atherton Paul Crisp Chad Current	Tom Zile Keven Wentworth Cynthia Church Dan Burris Sheila Slone	Sue Call Lisa Van Nest Chuck Hail Jeff Westerman (Bob DeLong)	Ralph Hodges* Lester Ferguson Rob Vogelmann Becky Brown Aimee Pritts
Tennessee	Larry Leonard Dwight Gunter Daron Brown Ken Dove Mark Lindstrom	Timothy Green Daryl Blank Michael Hancock Lynn Holmes Kevin Ulmet	Mark Greathouse Michael Johnson Gerald Skinner Sonya Nixon Roger Costa	Monroe Ballard, Jr. Ron Jones Kemp Higginbotham Esther Swink David Pitzer
Texas-Oklahoma Latin	Caleb Herrera	Angel Espinoza	Fructuoso Garcia	Emmanuel Padilla Rivas
Upstate New York	David Sharpes Dennis King	Pat Fleming Dan Eddings	Stan McLain (Daniel Cash)	Donna MacPherson* Carolyn Warner
Virginia	Phil Fuller Kerry Willis Stephen Willis Jerome Hancock Rigoberto Acosta	Athan Burch Julie Armbrister Samuel Montanez Rolf Kleinfeld	David Argabright Sue Brown Tracy Spaur Vickie Dove Heather Willis	Paul Ragland, Jr. Cheryl Haynes Nathan Rice Anita Larimore Becky Dunman

Delegation	Ministerial Delegates	Ministerial Alternates	Lay Delegates	Lay Alternates
Washington Pacific	Jerry Kester David Rodes (Teryl Ketchum) Bill Bowers Tim Westerberg	Scott Shaw* Benjamin Rodes Dave Ness Julio Ortiz	Jan Green Steve Walden Bob Helstrom Heidi Anderson Debbie Edgbert	Debbie Kuykendall Randy Freeby Debe Loeber David McClung
West Texas	David Downs Corey Jones C.B. Glidden Greg Johnson	Wayne Hicks Todd Derbyshire Terry Porter Ted Taylor	Dan Davisson Renae Fowler Jeff Crouch (Raylene Tucker)	Terry Fowler Jennifer Sommers Anna Derbyshire* Loretta Martin
West Virginia North	J. Kevin Dennis Dennis Yingling John Keener	Dennis Shirer Chad Harvey Terry Burgess	(Dan Anderson) Karen Keener Tom Messenger	Shela Foltz* Doug Good Peggy Williams
West Virginia South	Mervin Smith Ruth Anne DeLong Glen Thaxton	Kent Estep Charles Williams	Jim Shank Homer Hudson Charles Boggs	Cherry Morris Jennifer Thaxton
Western Latin American	Orlando Serrano Humberto Mena	Carlos Peña	Brenda Cisneros Liz Hernandez	Lauren Quiroa
Wisconsin	Derl Keefer Rich Doering	Chuck Hayes	Jon Hansen Daniel Hirst	Kathy Hayes

USA/Canada Nonvoting Delegation

Canada Quebec	(Clair MacMillan)	Jocelyn Sévère*
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STANDING COMMITTEE ASSIGNMENTS

Delegation	Christian Action	Church Program	District Administration	General Administration	Local Administration	Ministry and Education	Stewardship and Finance
General Superintendents							
General Superintendent	Jerry Porter	Jesse Middendorf	J.K. Warrick	Eugenio Duarte	David Graves	Stan Toler	
General Superintendent Emeritus				James Diehl Nina Gunter W. Talmadge Johnson			
Africa							
Benin Atlantic Coast			Moise Toumoudagou			Clement Yekpon	
Benin Pendjari				Raoule Yarigo	Norbert Touboudagou		
Benin/Togo		Chabi Judicael					
Botswana			Lovemore Chikova				
Cape Verde	David Araujo	Alvaro Andrade		Armando De Sa Nogueira	Orlando Crispim	Socorro Fontes	Daniel Monteiro
Dem. Rep. of the Congo Central North Kivu						Jaques Balibanga	
Dem. Rep. of the Congo South Kivu							Mwenelwata Munyololo
Dem. Rep. of the Congo West			Hermenelgilde Matungulu				
Ethiopia Central		Teka Demessie					
Ethiopia Omo				Ermias Choliye			
Ghana Coastal			Joseph Otchere				
Ghana Midland			Alex Akomaning				
Ghana North			Frank Mills				
Kenya Eastern			Augustus Musili				
Kenya Mount Kenya		Nataly Iruki			Martin M'amuru		
Lesotho			Johannes Mpusi				

Delegation	Christian Action	Church Program	District Administration	General Administration	Local Administration	Ministry and Education	Stewardship and Finance
Liberia Monrovia			Sargba Borkay		Elijah Klay		
Liberia Southeast				George Alfred			
Malawi Central		Willie Phiri					Oswald Dimba
Malawi South	Lemmy Chisi	Takemore Bumhudza					
Mozambique Angonia	Celeste Chaguala						Martinho Soda
Mozambique Chibuto	Candido Muxlhanga	Helena Mussane		Eduardo Novele	Sansao Langa		
Mozambique Inhambane					Cadina Chiconela		
Mozambique Limpopo				Agostão Zita	Nely Siteo		
Mozambique Macanga			Paulo Sueia	Rute Sueia			
Mozambique Manjacaze	Juvenalia Mondlane	Arlindo Mondlane					
Mozambique Maputo	Carolina Muguambe	Benjamin Langa	Lourino Chiconela	José Moiane	Filipe Mutisse	Lucia Nhamucho	
Mozambique Matola		Flor Tamele	Andre Macanga	Hirondina Chiziane	Orlando Pita Macave		
Mozambique Mavengane				João Bucuane	Evelina Nhamossa		
Mozambique Tete				Albino Banda	Agu Banda		
Mozambique Xai-Xai		Mequelina Zita		Admirado Chaguala	Fernando Nhapossa		Simeao Chiponde
Namibia Central		Linda van Wyk	Chris Claassen		Ernst Hanstein	Cornelius Hangula	
Nigeria Lagos			Richard Uyok	Friday Udofia			
Nigeria Southeast		Mfon Umoukoh		Okokon Eshiet			
Rwanda Central			Zabulon Habimana		Marcelline Muhimakazi		
Rwanda Northwest						Floribert Hategekimana	Simon Pierre Rwaramba
South Africa RSA Drakensberg		Phillemon Mambane		Dance Mathebula	Goodwin Chirwa		
South Africa RSA Eastern	Peter Ndlovu	Jeffrey Malebe		Curtis Ndlovu	Lawrence Ndubane	Ferry Ndlovu	Phumulo Mashaba
South Africa RSA Eastern Cape	Marilyn McGuire						

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South Africa RSA Gauteng	Dawid De Koker	Tembi Mogorosi	Dennis Phillips	Leoni De Koker	Joycelyn Phillips		Timothy Mogorosi
South Africa RSA Highveld			Jansen Mashego		Samson Mabizela		
South Africa RSA Kwa Zulu Natal	Timothy Joseph	Cassandra Moodley	Stanley Ushe	Titus Joseph			
South Africa RSA Limpopo Northwest			Frank Mahlaba	Rachel Segona	Tope Marakalla	John Kekana	
South Africa RSA North Central			Kenneth Moeng				William Mokgotho
South Africa RSA Northeast	Mathinyane Mangena		Ezekiel Mnisi		Raneetsiye Mathebula		Simon Mpholoane
South Africa RSA Northern Cape			Gaolatlhe Kgwadi			Honeyglenda Marakalla	
South Africa RSA Soutpansberg		Mudau Mathilda	Malindi Mudau				
South Africa RSA Sunrise	Ntombi Ndlovu	Sibusiso Kunene			Ezra Maziya	Patrick Gamedze	
South Africa RSA Western		Remember Maluleka				Mashangu Maluleka	
South Africa RSA Western Cape	Rosalind Naidoo	Hildegarde Hanekam	Wilfred Sickenaris		William Bantom	Patrick Pulse	Quinton Williams
South Sudan South				John Nguth			
Swaziland Central			Cariot Shongwe	Samuel Vilakati			
Swaziland East			Timothy Dlamini				
Swaziland North				Bheki Kunene	Philemon Dlamini	Thandie Dlamini	Florence Mkhonta
Swaziland South				Assiana Dlamini	Simeon Mahlalela		
Zambia Luapula Northern	Francis Mwansa						
Zambia Northwestern		Isaac Kalumbila					
Zambia South	Michael Mwamba	Agripa Lungu	Gibson Zulu	Gilbert Bbakasa	Daniel Satela	John Kachaka Rozzaria Mumba	Rosemary Mbewe
Zimbabwe East		Knowledge Mumanyi	Willard Katandika	Farai Kunaka	David Bati		
Zimbabwe West		Andrew Nyoni					

Delegation	Christian Action	Church Program	District Administration	General Administration	Local Administration	Ministry and Education	Stewardship and Finance
Asia-Pacific							
Australia Northern Pacific			David W. Jeffs	Graeme Sheppard			
Australia Southern		Karen Northey		Ian Davidson			
Fiji		Kafoa Muaror	Daniel Latu				
Hong Kong SAR					Edmond Kwong		
Indonesia Java-Bali	Ruth Wuryandari		Stephanus Hartoyo				
Japan		Ose Katsuaki	Ishida Manabu	Marty Egashira			Furukawa Shuji
Myanmar (Burma)			Robin H. Seia				
New Zealand				Neville Bartle			
Papua New Guinea East Sepik				Yambe Sike			Tony Nimbi
Papua New Guinea Hagen	Cathy Perry			Peter Degene			
Papua New Guinea North Coast	Eva Ju Alu			Gabriel Kaulo			
Papua New Guinea Simbu/Eastern High		Sampa Peo		Enoch Thomas			
Papua New Guinea South Coastal				Ako Arua			
Papua New Guinea Southern Highlands			Joseph Yapasi				
Papua New Guinea Western Highlands	Yerip Taime		Bessie Kaupa	Andrew Akus		John Win	Robin Molom
Philippines Eastern Visayas			Edgardo Longcop				
Philippines Luzon	Allan Prado		Marcelino Ochoco			Thelma Ochoco	
Philippines Metro Manila	Lucinda Tamayo			Arnel Piliin			Shionel Gesite
Philippines Metropolitan Luzon			Angelito Agbuya				
Philippines Panay					Antonio Cardinal		
Philippines Southern Tagalog				Marcos Eugenio			

Delegation	Christian Action	Church Program	District Administration	General Administration	Local Administration	Ministry and Education	Stewardship and Finance
Samoa	Rico Tupaiilelei		Talomua Mona				
Solomon Islands			Alick Hagi				
South Korea National	Gi-Dong Han	Jong-Chul Lee	Kyu-Man Kang	Kyong-Chong Hong	Jae-Sun Seoh	Doo-Hyun Ryu	Hyea Sun Kim
	Mi Sook Kang	Young Ho Yang	Keun-Shik Park	Min-Gyoo Shin			Jung Suk Yang
Taiwan			Shi-Li Tang				
Thailand Northern			Lasoe Casa				
Eurasia							
Albania-Kosovo		Edlira Biti					
Bangladesh North	Jagot Roy	Monotosh Roy	James Liton Biswas	Andrious Mahali	Sailence Marandi		Anupam Roy
	Shusambar Sarker		Tapash Mondal		Mrittunjoy Roy		
Bangladesh Northwest	Sukamal Biswas	Jasmine Mitra Khan	Vanu Khan	Shawon Biswas	Bipul Chandra Baroi	James Baroi	Simon Mondal
	Martin Bryan	Milton Madhu	Silvia Oly Sinha		Lazaro Howlader	Hilary N. Mondal Milon Patwary	
Bangladesh South	John Mondal	Adhir Halder Nikunja Saha	Rigan Nath	Provus Baroi	Semon Das	Alex S. Biswas	Jupiter Sarder
Bulgaria	Ani Kirilov						
France			Farag Mikheil				
Germany	Kathrin Arnold		Martin Wahl				
Holy Land	Botros Ghrayeb						
Hungary	Imre Gusztin						
India Andhra Pradesh				Jacob Francis			
India Central				Praveen Pawar			
India Central Maharashtra			Rajiv Yangad		Subhash Manmothe		
India Eastern						Amitava Chatterjee	Meena Ravichandran
India Eastern Maharashtra				Nandeshwar P.T.			

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India Karnataka			M. Christadas		Sundar Raju R.		
India Mid Maharashtra			Vinay Gaikwad				
India North				Gyanander Singh			
India Northwest	Diwakar Wankhede						
India Tamil Nadu East				S. Muthu			Cecil Browning
India Tamil Nadu West			S. Jayakumar				
India Western Maharashtra	Sanjay Gawali	Santosh Dongardive	Balchand Shejule	Manohar Pawar	Ujwala Wankhede		
Jordan						Mazen Al-Halteh	Khaled Alhalasa
Kazakhstan Central Asia			Zhannetta Yugay				
Lebanon			Andrew Salameh				
Nepal	Dilli Subba						
Netherlands	Dennis Mohn		Arthur Snijders	Hans Deventer	Rolf Noordhof		
Portugal			João Pedro Pereira		Raquel Pereira		
Romania						Cristian Boseff	
Russia North					Davide Cantarella		
Russia South			Sergey Archakov				
Spain				Ignacio Pesado			
Sri Lanka			George David				
Ukraine			Volodymyr Masyuk				
United Kingdom British Isles North					Philip McAlister		Tom Penman
United Kingdom British Isles South			David Montgomery		David Barnes		
Mesoamerica							
Bahamas			John Wildgoose				

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Barbados	Errol Davis			Orlando Seale	Shirley Yarde	Merina Taylor	
Belize	Elton Robinson	Patrick Bradley	Darin Pound		Hughington Williams		
Costa Rica Central	Elimelec Juanta				Mario Vargas		
Costa Rica North						Natalia Nikolova	Johnny Calvo
Cuba West	Alysney Rodriguez Galan			Leonel Lopez Ortiz			
Dominican Republic Central	Carmen Checo de Acosta	Maritza Tatis	René Acosta Polanco		Ernesto Bathermy		
Dominican Republic North	Samuel Cabrera	Duany Gomez					
Dominican Republic Northeast		Gerson De La Cruz Martínez	Carlos De La Cruz Acosta				
Dominican Republic Oriental			Ana Fransua Germín		Miguel Yuden Ramón		
Dominican Republic South			Yussepy Leonardo de Sánchez	Luis Daniel			
El Salvador Central	Julián Cruz					Rosa Ayala	Henry Espinal Mendoza
El Salvador East					Victor Alfaro		
El Salvador West	Mario Castro Calderón	Ercilia Magaña Arriaza					
French Antilles and French Guiana				Daniel Blaise		Roger Baltus	
Guatemala Atlantic			Uber Izales Cerón		Ingrid Millian de Argueta		
Guatemala Baja Verapaz	Fernando Gonzalez Osorio	Fabian López Juárez	Francisco Orrego Reyes	Rodolfo Pérez Garcia		Andrés Canahui Hernandez	Francisco Cuquej Larios
Guatemala Central					Nery Pérez Rodas	Othoniel Rivera	René Rivas
Guatemala Coban North	Juan Tot Xol					Miguel Xol Xol	
Guatemala Franja Central		Marco Antonio Caal	Rogelio Quej			Artemio Lima Pop	
Guatemala Franja Oriental	Jose Beb Cuz	Jesus Bol Macz	Cesar Juarez Sam	Loida Tipol Ixim	Nery Teni Medina		José Cho Isem

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Guatemala North			Noemi de Cabrera	Francisco Roque	Franklin Cano	Moisés Lucas	
Guatemala North Verapaz	Lauro Santiago	Ana Hernandez Sagastume Feliciano Sep	Obdulio L. Pacay Joel Mayen Garcia	Oscar R. Lopez M. Danilo Solis Galvan	Carlos M. Moya Armando Teni Cruz	Jose Cuc Tut Filomena Pop Chiquin	Ana Rodas Felipe de Luis
Guatemala Southeast	Carlos Guerra Pleitez		Moises Larios Vasquez				
Guatemala Verapaz Oriental	Amilcar Buenafe Reyes	Margarito Mendez	Mateo Reyes Bolvito	César Alonzo	Gerardo Choc Choc		
Guatemala West	Mardoqueo Estrada Barriios				Carmelina de Estrada Ronaldt Mulul Pú	Angelica de Urizar	Isaac Estrada
Guyana Berbice		Diram Singh	Saheed Mohamed				
Guyana Demerara-Essequibo	Claudette London			Rodwell Porter	Rajkumar Autar		William Woolford
Haiti Central	Elot Baptiste	Marie Joe Pierre	Jude Benoit	Pierre Walliere			
Haiti La Gonave				Michael Augustin		Franckel Frometus	
Haiti Lower Artibonite			Pierre Jacques	Matila Franklin			
Haiti Lower Northwest				Livernier Doreus	Francois Renel		
Haiti North Central				Garry Jeudy	Ginette Prosper		
Haiti Northeast				Jean Lucien			
Haiti Northwest				Alcime Fresner			
Haiti South		Maxon Thelusca	Joseph Dominique	David Eliassaint	Jacqueline Eliassaint		
Haiti South Central of Jacmel			Marie-Joe Pierre	Marius Senatus			
Haiti Southeast			Michelene Jacobson	Jean Desruisseaux			
Haiti Upper Artibonite			Annesesse Zamor-Casimir	Paul Zamor			
Honduras Central Sur Oriental			Begardo Bardales Suazo		Jose Perez Turcios		
Honduras Noroccidental				Efrain Soriano			
Jamaica East					Cossett Grey	Ronald Grey	

Delegation	Christian Action	Church Program	District Administration	General Administration	Local Administration	Ministry and Education	Stewardship and Finance
Panama Occidental	Ulises Espinosa	Alberto Santos					
Puerto Rico East			Olga Robles	Carmen Jusino	Nélida Hernández	Andrés Hernández	
Puerto Rico West			Mercedes Santiago Rosado	Ramón Sierra			
Trinidad & Tobago			Victor George	Miguel Lara	Kwame Payne	Farouk Mohammed Jr.	
Windward Islands	Melissa Haripaul		George N. Leonce				
South America							
Argentina Central	Esteban Mastronardi			Carlos Fernandez		Jorge Duran	
Argentina Costero	Juan Zani						
Argentina Cuyo	Emilce Liz Obando						
Argentina Litoral			Ruben Concia	Edgardo Ledesma			
Argentina Patagonia Norte			Nestor Martinez				Jorge Santos
Bolivia El Alto Noroeste			Cristina Limachi Aranda			German Espinoza Guarachi	
Bolivia La Paz		Elizabeth Shalom Daza Matamoros	Isai Murga Cornejo	Oswaldo Quispe			
Brazil Amazônia	Manuel Lima						
Brazil Capixaba			Carlos dos Santos		Ricardo Guariento		
Brazil Centro Oeste	Luiz Oliveira						
Brazil Curitiba		Emerson Natal					Flavio Valvassoura
Brazil Gaucho		Romero Moreira					
Brazil Londrina		Marcelo Fernandes	Eloi Moutinho				
Brazil Minas Gerais	Maria Tereza Sa Nogueira	Galdina Arrais	Romerson Cangussu Silva			Fernando Sa Nogueira	
Brazil Nordeste Central	Ricardo Carvalho Onildo Veloso	Marcos Monteiro	Flávia Oliveira	Rubens Rodrigues	José Pinheiro	Levina Velso	Cilene Rodrigues

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Brazil Nordeste Paulista	Claudia Biazon		Juarez V. De Carvalho		Wagner Luis Guilherme	Eliana Aragão	Eulivaldo Aragão
			Aldineia Guilherme		Daniela Vilas Boas	Luis Henrique Biazon	
			Julio Laguna				
			Thiago Moreira				
Brazil Nordeste Setentrional	Denise Mendes Santos		Gerson Cardoso		Ana Cardoso	Alcimar Santos	
Brazil Noroeste Paulista	Walter Alves Azevedo		Reginaldo Guerra	Antonio Faquim	Denise Monteiro Dos Santos Guerra Da Silva		Ana Karina Santos Pinto Faquim
Brazil Paulistano	Tania Ramos	Mateus A. Ramos					
Brazil Rio de Janeiro Baixada	Ivan Ferreira	Francisco dos Santos	Ednir Nascimento	Amadeu Teixeira	Joel Laeber	Esequiel Da Silva	Joel Elpidio
	Luis Filho	Haroldo Neves	Amadeu Nunes				
Brazil Rio de Janeiro Grande Rio	Fabio Kelly Almeida Elio Ribeiro Tomaz	Cristiane Rocha	Mario Alcaraz				
Brazil Santa Catarina				Alfredo Mulieri	Eliane Spieker		
Brazil Sao Paulo	Wagner Sousa	Carlos Eduardo Genesio	Andrea Gazeta Pereira	Luciano Silva	Anips Spina	Jorge Matos	Alex Souza
			Ana Maria Mendes Spina				
Brazil Sudeste Paulista	Mauro Blauth	Edmar Fonseca	Curt Hennies	Gerson Rueda		Ernesto Ferreira	Alexandre Zanatta
		José Honório de Mira	Fernando Oliveira	Alexandre Santos			
		Lázaro Valvassoura		Silvano Souza			
Chile Bio Bio			Juan Badilla Arias				
Chile Central						Orestes Barboza	
Chile Norte	Jaime Orellana Flores		Oscar Varus Ruiz				
Colombia Central Norte			Cesar Avellaneda				Hector Gonzales
Colombia Eje Cafetero					Luis Meza		
Colombia Noroccidental			Teófilo Caicedo				
Colombia Suroccidental	Martha Lindo	Jeirison Ambuila	Gustavo Muñoz		Adalberto Herrera Cuello	Jorge Marín	
Ecuador Costa			Eduardo Enrique Meza Guardo				

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Ecuador Sierra Centro	Mario Paredes	Wilson Paredes Solorzano					
Peru Alto Marañón	Bernardo Reto						Enrique Solano
Peru Andino			Samuel Aguilar Altamirano	Natividad Bautista Campos			
Peru Cajamarca			Toribio Torres				Flor Requejo
Peru Central	Marcial Rubio Idrogo		Oscar Suarez Becerra		Armandina Astochado	Nathan Riguetti	
Peru La Libertad-Chavín	Oscar Medina Guzman		Osmar Medina Palma		Hernando Aparicio Huanes	Charo Paredes	
Peru Nororient	Benifacia Petronila Medina D Sanchez	Henry Ávila Viton	Adán Sánchez	Teodolfo Rafael Diaz			
Peru Norte				Dianita Martinez		José Vasquez Malca	Doris Chunga
Peru Pacifico Norte	Tania Rimarachin	Mery Flores de Castañeda	Isaías Leyva Gonzales		Segundo Rimarachin	Lourdes Rimarachin	Jose Castaneda Julca
Peru Sur Central	Jose Acosta						
Uruguay Norte	Laura Bianchi						
Uruguay Sur			Jesús Bernat				
Venezuela Lago	Juan Velasquez			Carlos Cordero			
Venezuela Llanos Occidentales		Audelina Diaz			Rafael Antonio Trejo		Victor Alberto Nieves
Venezuela Primero		Eudo Mario Prado Cabrera				Wilda Elisee	
USA/Canada							
Alabama North	Denise Myers	Fred Faith	Greg Story		John Parrish	Scott Lowry	Gary Scales
Alabama South	Dot Brumbeloe				Bill Holley	Mark Berry	Jimmy Horton
Alaska		Dennis Linnell	Paul Hartley				
Anaheim	Rob McHargue	Harold Potter	Alicia Ferguson Rollie Miller	Dan Keeton	Bong Ha Lee	Jan Stone	Jim Yelvington

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Arizona	Dan Spaite	Bruce McKellips	Doug Pierce	Steve Burns	Ira Brown	Marilyn LaRue	Vern Frase
Canada Atlantic			Mark Collins			Javier Tamez	Brian Cambers
Canada Central	Doug Davis	Denise Holland	Ian Fitzpatrick		Rosalito Sorzano		
Canada Pacific		Dell Marie Wergeland			Earl Wood		
Canada Quebec						Jocelyn Sévère	
Canada West	Rose Graham		Larry Dahl			David Skidmore	Richard Bahan
Central California	Rolly Rhodes	Martha Lundquist	Greg Gebhart	Rob Songer	Randy Benefiel	Daryl Nicholson	Mark Pitcher Gary Smee
Central Florida	Aleta Harris	Juan Diaz	Larry Dennis	Charles Davis	Stephen Egidio	Don Smith	Hugh King
		Wes Eby	Rick Platter	Robert Yates	Don Myers		Mark Leib
Chicago Central	Carla Lovett	Ada Canales	Brian E. Wilson	Edward H. Heck	John Alexander	Jack McCormick	Fred Hardy
					Dave Anderson		
Colorado	Don Blanchard	Nina Rattle	David Ralph	Andy Albright	Roxann Peach	Shawn Siegfroid	Terry Nelson
						Dean Thoman	
Dallas	Ron Adams	Jim Farmer	Rob McDonald		Charles Randall	Larry Don Williams	Dan Flynn
East Ohio	Gary Hulett	Michael Adkins	Beth Nichols	Mike Dennis	Carla Sunberg	Sandra Swift	Lee Brown
East Tennessee	Ron DeWitt	J. C. Elliott	Ronald McCormack	Shane Smith	Don M. Moore		Dave Johnston Dan Saxon
Eastern Kentucky	Amy Blosser		Harold Berrian	Lola Brickey	Larry Dillon		
Eastern Michigan	Linda Hall	Linda Loudermilk	Fred Hall	Mark Pennington	Chet Decker	Glen Gardner	Cristy VanSteenburg
	Dan Wine						
Georgia	Janice Laster	Howard Darsey	Don Hicks	Roy E. Rogers	Joshua Foskey	Myron Wise	Marcus Clements
			Brenda Williamson				
Hawaii Pacific	Jerry Appleby		Robert Killen			Calyndel Valenzuela	Latasi Fereti
Illinois	Judi Roarick	Doug Haynes	Jim Spruce		James P. Blue	Nina Haynes	William Shotts
Indianapolis	Phil Edwards	Paula Wright	Ron Blake	Larry Jewett	Pam Garner	Jay Height	

Delegation	Christian Action	Church Program	District Administration	General Administration	Local Administration	Ministry and Education	Stewardship and Finance
Intermountain	Tahmina Martelly	Brad Swartzentruber	Debi Schmelzenbach	Steve Borger	Joy Streight	Stan Rodes	David Slonaker
				Joel K. Pearsall			
Iowa	Dennis Mowery	Teresa Stecker	Marvin Thrasher	M. Kim Smith	Terry Chapman		John Hayes
Joplin		Gary Cotterill	Jim Dillow	Brian Letsinger	Dustin Ledford	Martin Ledford	Sheila Pollard
Kansas	Ron Snowbarger	Jim Bond	Ed Nash	Rick Dages	Luis Quinonez	Merrill Conant	Darrel Johnson
							Ron Willard
Kansas City	Leland King	Eduardo Aparicio	Kevin Garber	Dave Anderson	Clark Armstrong	Vickie Morsch	Ken Brubaker
		Stacey Lareau	Jeren Rowell	Rick Power		Daniel Vanderpool	John Metcalf
Kentucky	Alfred Glasper	Peggy Hatter	Gene Wells		Randy Gant	Julie VanZant	Bill McDaniel
Los Angeles	Scott Daniels	David Moyer	Jerry Ferguson	James Kinzler	Tim Garman	Paul Doctorian	Sam Doctorian
	Jesse Gonzalez		Ed Pierson				Greg Garman
Louisiana	Dale Hoffpauir		Greg Mason	Gerry Smith			Mark Gillette
Maine	Bev Jones	Ann LaCombe	Cecil Jones			Sam LaCombe	
Metro New York	Wavny Toussaint	Ann Van Hine	Art Alexander	Ken Blish	Wenton Fyne	Jacqueline Greaves	Jim Hullinger
						Sam Vassel	
Michigan	Joe Knight	John Seaman	Sherri Chapman	Susan Carole	Wes Bittenbender	Timothy Smith	Jim Schweigert
	Judy Owens						
Mid-Atlantic	Tim Evans	Fernando Ibanez	Terry Sowden	Ken Mills	Nancy Myers	John Nielson	Jay Lewis
	Julie Taylor						
Mississippi	Carol Hairston		Henry Greer		Charles Johnson	Keith Megehee	
Missouri	Mike Palmer	Jerry Frye	Stan Hall	Fred Yates		Cathy Veach	Mary Hull
		Char Cluff	Dan Cole		Tom Shaw	Becky Shaw	
New England	Meghan Scott	Angela Neves	Patsy Malas	Vincent Crouse	Lynnette McCabe	Ellen Whetstone	Jossie Owens
			Kenneth Stanford				
New Mexico	Darwin Speicher	Saurabh Emmanuel	Linda Brooks	Fred Huff	Rick Hutchison		Joel Burdell
North Arkansas	Phyllis Scott	Scott Woodward	Randy Berkner	Steve Thrasher		Tim Kellerman	Dale Webster

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North Carolina	Susan Webb	Sheila McClure	Mark Barnes	Sherman Waters	Tim Pullin		Jim Pulliam
North Central Ohio	Lee Skidmore	Connie Sharrock	Steve Ward	Rich Henry	Jim Fawcett	Kathy Greenwich	Michael Legg
					Carolyn Joseph		
North Florida			Orville Jenkins		Martha Stephens	Dave Pullen	Mark Patrick
Northeast Oklahoma	Duane Cox	Betty Guy	Jerry Wilburg	Jim Thornton	Dave McKellips		Claude Guy
Northeastern Indiana	Tim Miller	LuAnne Frank	Russ Mumma	Ken Swan	Darcy Dill	Phil Rogers	Jim Ballenger
					David Roland		
Northern California	Rick Bassett	Larry Fitch	John Calhoun	Mark Potter	Wilmer Guido	Nancy Fong	
Northern Michigan	Jennie Bowman		Dan Gilmore	Wayne Brown	Val McInerney		
Northwest	Bob Luhn	Dana Benscoter	Chad Wilks	Monte Chitwood	Mitzi Wilkes	Randy Craker	Rick Barton
						Stacy Schuster	
Northwest Indiana	Janet Bishop	Ron Richmond	David Bartley		Stacey Schmitt	Mark Hostetler	Jeff Hostetler
Northwestern Illinois	Lloyd Brock		Scott Sherwood	John Sherwood	Steph Schaeffer	Cheryl Sherwood	Jim Book
Northwestern Ohio	Becky Dusek	Mike McClurg	Ron Wentling	Dave Lutz	Geoff Kunselman	Larry Hamilton	Larry Hammond
		Mel Miller					
Oklahoma	Bruce Johnson	Jon Middendorf	Terry Rowland	Gary Banz	Mark Hollingsworth	Mindy Banz	Tim Brown
	Peggy Poteet	Margaret Rohlmeier		Henry Siems	Donna Whitworth	Hal Cauthron	
Oregon Pacific	Virgil Askren	Mark Bodenstab	Stan Reeder	Bob Bender	Maggie Pugh	Mario Zani	Kathi Kinnaman
	Keith Spicer	Pam May		Bud Pugh			
Philadelphia	Shirley Goodman	Wayne Krell	Newell Smith		Holly Prugh	Steve Chambers	Melanie Cook
Pittsburgh	Kenneth Culbertson	Julie Beckley	J. Bret Metcalfe		Bill Regester	Cookie Tressler	Len Baun
Prairie Lakes	Steve Jandl	Briseida Diaz	Jim Kraemer		Steve Hoffman	Saul Carranza	Ken Chaffin
Rocky Mountain	Tom Lance		Bill Carr		Wendy Knight	Liz Ott	
Sacramento	Darlene Franks	Julie Tuttle	Steve Scott	Gary Moore	Joe McCoy	Kyle Johnson	Bill Morrison
	Tammy Slaton						

Delegation	Christian Action	Church Program	District Administration	General Administration	Local Administration	Ministry and Education	Stewardship and Finance
South Arkansas	Phillip Holderfield	Sherry Marston	Russ Branstetter		Charles Cummings	Paul Holderfield	Tim Evans
South Carolina	Marsha Fountain Mike McAdory	Iwana Ridgill	Eddie Estep	Greg Pressley	Rachel Tanner	Jerry Branham	Jimmy Haynes
South Central Ohio	Trevor Johnston	Samuel Barber Carl Styers	John Grimm	Amy Hanes Terry Schmelzenbach	Larry McNutt Ken Stoll	Phil Manson	Charles Brisker
South Texas	Keith Pardue Matt Rice	Lynnlee Moser	Jeffrey Johnson	Sam Flores Peggy Stark-Wilson	Marty Goin	Nita Copley Randall Wyles	Josh Flynn
Southern California	Tom Detwiler	Skip Neal	John Denney	Sonja Hyde Steve Rodeheaver	Robin Hyde	Todd Renegar	Vonda Rodeheaver
Southern Florida	Trish Spear Ted Underwood	Ardee Coolidge Dennis Moore	David Nixon Marsha Taylor	Joey Brummett John Paul	Pascal Permis	Jean Cidel Eunice Puga	Bob Spear
Southwest Indiana	Sandi Miller	Phillip Doerner	David Warren		Bryan Solomon	Garry Pate	Douglas Jones
Southwest Latin American		Elvira Hernandez	Alberto Guang				
Southwest Native American		Marilyn Yazzie	John Nells				
Southwest Oklahoma	Donna Keesee		Jim Cooper	Terry Armstrong	Carl Powell	Jim Hill	Cathy Buchanan
Southwestern Ohio	Doug Van Nest	Lisa Van Nest	Chad Current Ralph Hodges	Sue Call	Paul Crisp Jeff Westerman	Mark Atherton	Chuck Hail Bob Mahaffey
Tennessee	Ken Dove	Daron Brown Roger Costa	Larry Leonard	Mark Greathouse Dwight Gunter	Mark Lindstrom Sonya Nixon	Michael Johnson	Gerald Skinner
Texas-Oklahoma Latin	Caleb Herrera				Fructuoso Garcia		
Upstate New York	Dennis King	Stan McLain		Donna MacPherson		David Sharpes	
Virginia	Tracy Spaur	Rigoberto Acosta David Argabright	Sue Brown Phil Fuller	Kerry Willis	Vickie Dove Stephen Willis	Heather Willis	Jerome Hancock
Washington Pacific	Bill Bowers Jan Green	Tim Westerberg	Jerry Kester	Bob Helstrom	Heidi Anderson David Rodes	Debbie Edgbert Scott Shaw	Steve Walden

Delegation	Christian Action	Church Program	District Administration	General Administration	Local Administration	Ministry and Education	Stewardship and Finance
West Texas	Anna Derbyshire Greg Johnson	Corey Jones	Jeff Crouch	Renae Fowler	David Downs	C.B. Glidden	Dan Davisson
West Virginia North	Shela Foltz	Karen Keener	J. Kevin Dennis		Dennis Yingling	John Keener	Tom Messenger
West Virginia South	Glen Thaxton		Mervin Smith	Homer Hudson	Ruth Anne DeLong	Jim Shank	Charles Boggs
Western Latin American		Brenda Cisneros	Orlando Serrano		Liz Hernandez		Humberto Mena
Wisconsin	Jon Hansen		Derl Keefer		Rich Doering		Daniel Hirst

Education

Education	Dan Boone	David Spittal	Harold Graves Jr. Loren Gresham	John Bowling Bob Brower Corlis McGee	Riley Coulter	David Busic Ruben Fernandez Seung-An Im Obdulia Martinez Winnie Nlengethwa Henry Spaulding	David Alexander
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Missionary

Missionary	Hermann Gschwandtner Stephane Tibi			Kevin Brunk Friday Ganda Edwin Martinez Liliana Radziszewski Larry West		Klaus Arnold	
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Administration, Ex-Officio

Administration, Ex-Officio	Gary Bond Filimao Chambo Mark Holcomb	Bob Broadbooks Gary Hartke Daniel Ketchum Bonnie Perry Gerald Smith Woodie Stevens	K. Clair MacMillan	Gustavo Crocker David Felter Merritt Nielson Ken Roney L. Carlos Saenz Christian Sarmiento Verne Ward David Wilson	Dale Jones Jorge Julca	Bruce Alder Dan Copp Simon Jothi Mark Louw Don Walter	Mark Lail Marilyn McCool
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PROCEEDINGS

FIRST DAY

SUNDAY MORNING, 23 JUNE 2013

COMMUNION SERVICE

10:00 A.M.

General Superintendent Eugénio Duarte, Presiding

The prelude “The New 100th” was sung by the choir and the congregation to open the assembly. A video introduction of the theme “To Make Christlike Disciples in the Nations” followed the prelude.

The Twenty-eighth General Assembly of the Church of the Nazarene was convened by General Superintendent Eugénio Duarte, in the Indiana Convention Center, in Indianapolis, Indiana, USA. He gave greetings and welcomed delegates and friends from all over the world in attendance and through the internet.

General Superintendent Duarte reminded the assembly that meaningful worship is the first priority of the Church of the Nazarene. As the call to worship, he invited all to acknowledge the presence of the Lord by reading the words of the Psalmist.

The assembly was led by the worship team in singing “Come, People of the Risen King,” “Jesus Shall Reign,” and “Crown Him With Many Crowns.”

Mesoamerica Regional Director Carlos Saenz led the congregation in the Lord’s Prayer. The assembly then sang “Your Glory in Me.” A video presentation was shown from the Mesoamerica Region about a new project known as Genesis.

Marlo Middendorf Orton read Matthew 28:16-20. The assembly then sang “Overcome.”

General Superintendent J. K. Warrick made necessary announcements and called the ushers to receive an offering. He challenged the assembly to reach their goal of \$300,000 by the end of General Assembly. He encouraged attendees to give \$10 for each person present in the morning service to reach a goal of \$200,000. He then offered prayer and gave an introduction of the speaker. Following the prayer, the musicians performed “I Will Trust in Thee” as the offertory.

Jon Middendorf invited the audience to stand for the reading of God’s Word, and he read Acts 1:1-9.

General Superintendent Jesse Middendorf was presented to bring the communion message, “The Promise of Pentecost” from Acts 9, after which the assembly was led in singing “Holy Spirit/The Jesus Prayer.” As has been the practice on the Sunday morning of General Assembly, a general superintendent led the assembly in receiving communion.

General Superintendent Jesse Middendorf concluded the service with a benediction and prayer.

SUNDAY EVENING, 23 JUNE 2013

WORLD MISSION SERVICE

4:00 P.M.

A video presentation of the theme “To Make Christlike Disciples in the Nations” opened the pre-service time. General Superintendent Jesse Middendorf invited the assembly to enter into

spirited worship and praise. Worship was led by Roger Allen from Kansas City First Church of the Nazarene, along with the worship team and orchestra singing “Because of Your Love,” “My Savior’s Love,” and “Hope of the Nations.”

Africa Regional Director Filimao Chambo, led the assembly in prayer, followed by a video from the Africa Region introducing John Yual. John Yual, a pastor from Sudan, shared his testimony with the assembly about Nazarene churches in South Sudan. The vocal group then sang “O the Deep, Deep Love of Jesus.”

General Secretary David Wilson made necessary announcements. Following this, General Superintendent Jesse Middendorf made a call to receive an offering. He thanked the churches for giving to the World Evangelism Fund and challenged the assembly to give generously, as well as those watching online. An offertory song of “A Million as One” was played by the orchestra.

Global NYI Director Gary Hartke and Global Mission Director Verne Ward III made a special presentation on allowing God to work in the lives of His people. General Superintendent Stan Toler was introduced as the speaker for the evening. Prior to the message the Toler Brothers sang “Take My Life.” General Superintendent Toler read from Exodus 3:4-6 and spoke on the theme “Cleansed, Called, Commissioned.”

The Toler Brothers sang “He Still Speaks” with the choir, followed by General Superintendent J. K. Warrick inviting the assembly to respond to God if they felt a calling. Following prayer, the benediction was given by General Superintendent Toler.

SECOND DAY

MONDAY MORNING, 24 JUNE 2013

Prelude music was provided by Carol Ketchum.

The first plenary business meeting of the Twenty-eighth General Assembly of the Church of the Nazarene was called to order at 8:30 A.M. on 24 June 2013 in the Indiana Convention Center in Indianapolis, Indiana, with General Superintendent Eugénio Duarte presiding.

General Superintendent Eugénio Duarte reflected on the Sunday services, welcomed the delegates, and then invited them to a Sacred Assembly – a time of prayer led by the Board of General Superintendents in eight-minute segments, each with a specific focus to provide a foundation for the work of the General Assembly.

Following the Sacred Assembly, Roger Allen led the assembly in “Come Thou Almighty King.”

General Superintendent Jerry D. Porter assumed the chair at 9:40 A.M.

1. General Superintendent Porter introduced Ron Blake, the host district superintendent, and expressed appreciation to the Indianapolis District USA and the local committees for the work they have done to prepare for this General Assembly.

2. Ron Blake brought greetings from the Indianapolis District USA, 13th largest city in the USA. He also acknowledged the host of people who worked behind the scenes to help facilitate the many details.

3. General Superintendent Porter introduced David Roland, district superintendent of the Northeast Indiana District USA, who was the chairperson for fraternal representatives. David Roland expressed gratitude to and introduced a representative from each of the following sister Wesleyan-holiness denominations:

Rev. Wayne MacBeth

The Wesleyan Church

Dr. Alan Robinson	Brethren in Christ
Lt. Colonel Stephen Banfield	Salvation Army
Dr. Ed Williamson	Evangelical Methodist Church
Rev. Brian Eckhardt	The Evangelical Church
Bishop David Kendall	Free Methodist Church USA
Dr. Bill Hossler	Missionary Church

4. General Superintendent Eugénio Duarte presented each of these representatives with a copy of *Global Wesleyan Dictionary of Theology* to further extend our appreciation for their sense of collaboration.

5. Chairman Jerry Porter moved to the organization of the 28th General Assembly. General Secretary David Wilson provided media orientation relative to keypads, explaining how to use them to vote.

6. Report No. 1 of the Credentials Committee was read by Ian Fitzpatrick, chairman. The total number of eligible delegates was 1428, with the total number of delegates registered at 1208. There were 1102 voting district delegates, 65 voting ex-officio, and 41 non-voting. A quorum was established. One hundred seventeen alternates were seated. The committee's report was adopted, and its recommendations were approved.

7. General Secretary David Wilson provided orientation on microphone sequencing. Each microphone was assigned a station number, which notified the chair. Delegates were instructed to input their ID number into the computer and check from the six choices why they were at the microphone. There was a time clock on the screen. Three minutes were allowed for each speech. Time was adjusted when the delegate was speaking through an interpreter.

8. General Superintendent Jerry Porter called for General Secretary David Wilson to read the report of the Platting Committee. It was recommended that the bar of the assembly be set to include: Sections A, B, C, D, E, F, G, H, I, J, K, and L, Rows 1–10, as indicated on the seating chart and platform.

9. Specific seating requests were accommodated according to the decisions of the Credentials Committee; for example, to facilitate simultaneous interpretation for two delegates, non-voting interpreters of their languages were seated with the appropriate delegations.

10. Delegates were selected and assigned to seats in Halls ABC in accordance with the Rules of Order. The seating assignment and a chart were distributed to each delegate.

11. Row 11 included non-voting delegates (superintendents of Phase 1 districts, field strategy coordinators).

12. The report of the Platting Committee was accepted.

13. The Special Resolutions Committee Report No. 1 was read. Resolution SR-751, relative to the seating of co-superintendents (General Assembly Rules of Order 55.1) was read and adopted as amended by the committee.

14. General Secretary David Wilson presented the Rules of Order with changes. Motion made and accepted.

15. General Secretary Wilson presented the list of secretaries, pages, reporter, and parliamentarian.

Parliamentarian	Ann Rempel
Readers	Roger Hahn
	Gay Leonard
Journal Secretary	Karen Jones
Assistants to the General Secretary	Judy Veigl

Computer Operators

Timer/Mic Sequencing
Elections Coordinator
Resolutions Calendar Secretary
Legislation Coordinator

Susan Metcalf
Fred LaPlante
Dawn Langdon
Caren Warner
D. J. Crocker
T. J. McNew
Chuck Crow
Shirley Marvin

16. Chairman Porter asked the assembly to express appreciation to these servants of the assembly.

17. David Wilson guided the assembly relative to fixed times of meetings as follows:

1) Monday--8:30 A.M.-12:30 P.M., 4:00-5:00 P.M., 7:30-9:30 P.M. NOTE: Legislative Committees met 2:00-3:45 P.M. (Church Program committee did not meet as it had completed its work.),

2) Tuesday--10:00 A.M.- noon, 2:00-3:30 P.M., 3:45-5:00 P.M. – Regional Caucus meetings: Africa, Asia-Pacific, Eurasia, Mesoamerica, South America Regions in same rooms as Saturday; USA/Canada caucus in Halls ABC (Plenary location), 7:30-9:30 P.M. - if needed,

3) Wednesday--8:30 A.M.- noon, 2:00-3:15 P.M., 3:30-5:00 P.M. – Regional Caucus meetings as needed; if no caucus meetings were necessary, plenary meeting,

4) Thursday--8:30 A.M.- noon, 2:00-4:30 P.M., 7:30-9:30 P.M. – if needed.

18. Special orders of the assembly were set as follows: Quadrennial Address and election of incumbent general superintendents at approximately 10:45 A.M., Monday, 24 June; the Memorial Committee report was given on Tuesday, 25 June, at 2:00 P.M.; induction of newly elected general superintendents was held Wednesday, 26 June at 7:00 P.M. Motion to adopt the special orders of the assembly carried.

19. General Secretary David P. Wilson recommended greetings be sent to retired and emeriti general superintendents, spouses, and widows unable to attend. The recommendation was approved.

20. Following a short break, General Superintendent Jerry Porter called the meeting to order for the special order of the day, the Board of General Superintendents' Quadrennial Address.

21. Roger Allen led the assembly in singing "To God Be the Glory."

22. General Superintendent Jerry Porter recognized General Superintendents Emeriti Eugene Stowe, Jerald Johnson, Don Owens, Jim Diehl, Paul Cunningham, Talmadge Johnson, and Nina Gunter, as well as their spouses.

23. Chairman Jerry Porter introduced General Superintendent Eugénio R. Duarte to present the Quadrennial Address for the Board of General Superintendents.

24. The report was received with a standing ovation.

25. Stephen Gualberto prayed the closing prayer.

26. Roger Allen led the assembly in singing "The Church's One Foundation."

27. General Superintendent Jerry D. Porter provided a response to the Quadrennial Address by referring to questions at the end of the report, asking the delegates to answer with "Amen" to each as a commitment,

- In the coming year will you prayerfully commit to lifting up Christ in all you do so that others may know who Jesus is?

- Will you look for opportunities “to seek and to save the lost” as Jesus taught us? To help make Christlike disciples who become living stones acceptable to God through Jesus Christ?

- As we enter a new era filled with possibilities for the Church of the Nazarene, will you trust Him to give you greater passion for holiness?

28. Following a short break, General Superintendent Jesse C. Middendorf assumed the chair.

29. Chairman Middendorf read from *Manual* paragraph 305.2 regarding the election of Board of General Superintendents.

30. General Administration Report #1 was given relative to the number of general superintendents to be elected and procedures for election. Recommendation #1 was that six persons be elected as General Superintendents at the 2013 General Assembly. Recommendation was adopted.

31. Recommendation #2 was that the process for electing the new general superintendents be by ballot and in accordance with the adopted rules of the 2013 General Assembly. The first ballot for new general superintendents was taken during the regional caucus meetings on Saturday, as was done in 2001, 2005, and 2009. Recommendation was adopted.

32. General Superintendent Emeritus Donald Owens was invited to offer a prayer prior to the vote for the incumbent general superintendents.

33. The ballot for incumbent general superintendents was cast in the following order and each ballot cast separately. Each ballot was a Yes/No ballot and required a two-thirds vote.

34. Resolution SR-759 was read and adopted.

35. Resolution SR-760 was read and adopted.

Jerry D. Porter – valid votes – 969, needed 646, yes 892, no 77

J. K. Warrick – valid votes – 940, needed 627, yes 867, no 73

Eugénio Duarte – valid votes - 933/needed 622, 897 yes, no 36

David W. Graves – valid votes - 979/ needed 653, 926 yes, no 53

36. The chair declared the four incumbent general superintendents elected: Jerry D. Porter, J. K. Warrick, Eugénio Duarte, and David W. Graves.

37. A motion was received from Jim Cooper, Southwest Oklahoma District USA, in view of the assembly’s supportive action regarding resolutions SR-759 and SR-760, to suspend the rules in order that this body may give consideration to SR-759a, the recommendation of emeritus standing for Stan A. Toler. Chairman Middendorf explained that suspending the rules would allow the adoption of SR-759 and SR-760 to take immediate effect rather than awaiting the official publication of the *Manual*. Motion carried.

38. General Secretary David Wilson called for ballot #1 for general superintendent to be read, which was taken in caucuses on Saturday. Ballots cast: 1197, with 802 needed to elect.

<i>Total Ballots Cast:</i>	1197	Filimao Chambo	69
<i>Necessary to Elect:</i>	802	David Busic	54
Carla Sunberg	140	Daniel Ketchum	51
Gustavo Crocker	112	Dan Boone	46
Robert Broadbooks	93	Carlos Saenz	45
Christian Sarmiento	80	L. Aguiar Valvassoura	43

Verne Ward III	28	Larry Leonard	4
Amadeu Teixeira	27	David McKellips	4
Woodie Stevens	26	Luis Meza	4
John Seaman	24	David Nixon	4
Brian Wilson	23	Fernando Oliveira	4
Randy Craker	22	Alphonso Porter	4
Larry Dennis	22	Harmon Schmelzenbach	4
Mashangu Maluleka	20	Steve Scott	4
John Bowling	19	Mervin Smith	4
Jossie Owens	19	Kerry Willis	4
Sukamal (Nathan) Biswas	18	Rene Acosta	3
David Wilson	18	Gary Bond	3
Scott Daniels	17	Dan Brower	3
David Downs	16	Samantha Chambo	3
Mark Louw	16	Luciano Duarte	3
Min-Gyoo Shin	15	Ruben Fernandez	3
Ron Benefiel	13	Mark Holcomb	3
Dwight Gunter	12	Henry/Harry Maluleka	3
Samuel Vassel	11	Segundo Rimarachin	3
David Roland	10	Miguel Rodrigues	3
Peter Colin Elliott	9	Ramon Sierra	3
Stan Reeder	9	Kevin Ulmet	3
Jeren Rowell	9	Mario Zani	3
John L. Denney	8	Israel Acosta	2
Eddie Estep	8	J. Fredi Arreola	2
Terry Rowland	8	Mike Bearden	2
Stephen Borger	7	Randy Beckum	2
Dan Copp	7	Jesus Bernat	2
Adalberto Herrera	7	Luis H. Biazon	2
Fred Huff	7	Eunice Brubaker	2
Jorge Julca	7	Wilfredo Canales	2
Jim Kraemer	7	Jorge Cordova	2
Rick Power	7	Harold Custer	2
Charles Sunberg	7	Monte Cyr	2
Johnny Calvo	6	D. Ian Fitzpatrick	2
Philip Fuller	6	Sam Flores	2
Solomon Ndlovu	6	Jerry Frye	2
Paulo Sueia	6	Mark Fuller	2
Brad Estep	5	Greg Garman	2
Hermann Gschwandtner	5	Victor George	2
Rubens Rodrigues	5	Hernando Aparacio Hernandez	2
Neville Bartle	4	Roberto Hodgson	2
Russ Branstetter	4	Mark Hostetler	2
Jim Cooper	4	Tammy Hudson	2
Kevin Dennis	4	Seung-An Im	2
Brian Helstrom	4	Manabu Ishida	2

Trevor Johnston	2	Floyd Cunningham	1
George Julea	2	Chad Current	1
Dan Keeton	2	Dexter Daly	1
Geoff Kunselman	2	Sunil Dandge	1
Manuel Lima	2	John David	1
Clair MacMillan	2	Macedonio Daza	1
Dance Mathebula	2	Mike Dennis	1
Philip McAlister	2	Adilson de Souza	1
Oscar Medina Guzman	2	John Donnet	1
Marcos Monteiro	2	Shireen Elliott	1
Frank Moore	2	Don Euns	1
Gary Moore	2	Edwin H. Felter	1
Ernesto Lozano Padilla	2	Carlos Fernandez	1
Pascal Permis	2	Matt Friedman	1
Scott Rainey	2	Randy Gant	1
David Ralph	2	C. B. Glidden	1
Craig Rench	2	Harold Graves, Jr.	1
Dwight Rich	2	Kenneth Greenway	1
Kenneth Sharpe	2	Ronald Grey	1
Scott Sherwood	2	Roger Hahn	1
Newell Smith	2	B. W. Hambrick	1
Gene Tanner	2	Doug Hardy	1
Terry Toler	2	Tim Harmon	1
David Ac Chub	1	Rick Harvey	1
Ron Adams	1	Steve Hoffman	1
Andrew Akus	1	Marty Hoskins	1
David Alexander	1	Bruce Johnson	1
Bruce Alder	1	Corey Jones	1
Josefin Ano-os	1	Mark Lail	1
Virgil Askren	1	Arture Hernandez Lechuga	1
William Banda	1	Dustin Ledford	1
David Bennett	1	Stephen Bong Ha Lee	1
Ron Blake	1	Mark Lehman	1
Daryl Blank	1	Ruth Lorance	1
Dierdre Brower-Latz	1	Lima Luit	1
Wayne Brown	1	Frank Mahlaba	1
Jennifer Brown	1	William Malos	1
Lindell Browning	1	Gabriel E. Martin	1
Joey Brummet	1	Michael McCarty	1
Samuel Cadena	1	Rob McDonald	1
Gerson Cardoso	1	Dustin Metcalf	1
Susan Carole	1	Janine Tartaglia Metcalf	1
Marcos Cisneros	1	Eduardo Meza	1
Riley Coulter	1	Hans Gunter Mohn	1
Scot Crothers	1	Jose Moigne	1
Howard Culbertson	1	Simon Moondol	1

Alfredo Muliere	1	Orlando Seale	1
Amadeu Nunez	1	Orlando Serrano	1
Bruce Oldham	1	Howie Shute	1
Mike Palmer	1	Luciano Silva	1
Patrick Paulse	1	Geneva Silvernail	1
Mark Pitcher	1	David Spaite	1
Antonio Ponce	1	Henry Spaulding	1
Rodwell Porter	1	Kenneth Stanford	1
G. Riley Powell	1	Joy Streight	1
Fred Prince	1	Mona Talomoa	1
Rob Prince	1	Rafael Treju	1
Bud Reedy	1	Flavio Valvassoura	1
David Restruck	1	Douglas Van Nest	1
Phillip Rhoades	1	Evelio Vasquez	1
Brett Rickey	1	Don Walter	1
Ed Robinson	1	Stanley Ward	1
Roy Rogers	1	Steve Weber	1
Carla Sanchez	1	Charles A. Wilkes, Jr.	1
Francisco Carlos Santor	1	Bob Woodruff	1
Byron Schortinghouse	1	Miguel Yuden	1

39. General Superintendent Jesse Middendorf called for Ballot #2 for general superintendent. Results were announced in the afternoon meeting.

40. Question raised at Mic #10 by Phil Fuller, Virginia District USA, indicating that they understood a tally sheet of Ballot #1 would be distributed, and that would be helpful.

41. Tally sheet was distributed by pages.

42. Chairman Middendorf welcomed James O. Davis – Head of Billions Sold Network (Established by Bill Bright & James Davis).

43. General Secretary David Wilson announced that Legislative Committees would meet at 2:00 P.M. The second plenary meeting would resume at 4:00 P.M., at which time the retiring General Superintendents would be honored.

MONDAY AFTERNOON, 24 JUNE 2013

Prelude was presented by worship team and band from Muncie, Indiana, Southside Church of the Nazarene.

44. The second plenary business meeting of the Twenty-eighth General Assembly of the Church of the Nazarene was called to order at 4:09 p.m. on 24 June 2013 in the Indiana Convention Center in Indianapolis, Indiana, with General Superintendent J. K. Warrick presiding.

45. Jerry Ferguson, Los Angeles District USA, opened the meeting in prayer.

46. General Secretary David Wilson provided announcements.

47. Chairman Warrick called for the Global Ministry Center Officers and Directors and indicated that the reports of each were translated and placed on delegates' eReaders. Appreciation was expressed to each director for his/her work.

48. General Secretary Wilson read the names of each director:

Marilyn McCool, General Treasurer
Verne Ward III, Global Mission Director
Filimao Chambo, Africa Regional Director
Mark Louw, Asia-Pacific Regional Director
Gustavo Crocker, Eurasia Regional Director
Carlos Saenz, Mesoamerica Regional Director
Christian Sarmiento, South America Regional Director
Bob Broadbooks, USA/Canada Regional Director
Woodie Stevens, Sunday School & Discipleship Ministries International Director
Dan Copp, Education Commissioner & Global Clergy Development Director
David Felter, *Holiness Today*/NCN News & General Editor
Gary Hartke, NYI Director
Dale Jones, Research Services
Daniel Ketchum, NMI
Mark Lail, Stewardship Ministries
Don Walter, Pensions & Benefits USA
Ken Roney, President, Church of the Nazarene Foundation
Gerald Smith, President, Nazarene Publishing House
Bonnie Perry, Director, Beacon Hill Press
Merritt Nielsen, Director of Curriculum, Word Action

49. Chairman Warrick called for the report on ballot #2 for general superintendent. With the permission of the assembly, they read the names of those who had 5 or more votes and scrolled the others.

<i>Total Ballots Cast:</i>	988	David Wilson	7
<i>Necessary to Elect:</i>	655	Randy Craker	6
Carla Sunberg	161	Larry Dennis	6
Gustavo Crocker	130	Trevor Johnston	6
Filimao Chambo	88	David Roland	6
Robert Broadbooks	84	Sukamal (Nathan) Biswas	5
L. Aguiar Valvassoura	46	Jim Kraemer	5
Daniel Ketchum	34	David Nixon	5
Dan Boone	30	Harmon Schmelzenbach	5
Carlos Saenz	30	Rene Acosta	4
David Busic	28	Josefin Ano-os	4
Brian Wilson	16	Ron Benefiel	4
John Bowling	15	Dan Copp	4
Verne Ward III	13	Mark Louw	4
Jossie Owens	12	Alphonso Porter	4
Amadeu Teixeira	11	Segundo Rimarachin	4
Samuel Vassel	10	Luis H. Biason	3
Woodie Stevens	9	Jim Cooper	3
David Downs	8	John L. Denney	3
Adalberto Herrera	7	Kevin Dennis	3
John Seaman	7	Luciano Duarte	3

Peter Colin Elliott	3	D. Ian Fitzpatrick	1
Dwight Gunter	3	Sam Flores	1
Seung-An Im	3	Jerry Frye	1
Rick Power	3	Mark Fuller	1
Terry Rowland	3	Philip Fuller	1
Min-Gyoo Shin	3	Kenneth Greenway	1
Rafael Treju	3	Brian Helstrom	1
Stephen Borger	2	Hernado Aparacio Hernandez	1
Brad Estep	2	Tammy Hudson	1
Greg Garman	2	Fred Huff	1
Harold Graves, Jr.	2	Manabu Ishida	1
Jorge Julca	2	Arture Hernandez Lechuga	1
Stan Reeder	2	Larry Leonard	1
Miguel Rodrigues	2	Mashangu Maluleka	1
Rubens Rodrigues	2	Philip McAlister	1
Scott Sherwood	2	Oscar Medina Guzman	1
Gene Tanner	2	Jose Moigne	1
Kerry Willis	2	Patrick Paulse	1
Israel Acosta	1	Pascal Permis	1
Bruce Alder	1	Craig Rench	1
Neville Bartle	1	Byron Schortinghouse	1
Ron Blake	1	Orlando Serrano	1
Dierdre Brower-Latz	1	Mervin Smith	1
Eunice Brubaker	1	Paulo Sueia	1
Johnny Calvo	1	Charles Sunberg	1
Wilfredo Canales	1	Terry Toler	1
Susan Carole	1	Flavio Valvassoura	1
Monte Cyr	1	Bob Woodruff	1
Macedonio Daza	1	Mario Zani	1
Eddie Estep	1		

50. Ballot #3 for General Superintendent was taken.

51. Special Resolutions Committee Report #3 was read (SR-750) to grant Jesse C. Middendorf the status of General Superintendent Emeritus. Resolution was adopted.

52. Chairman Warrick asked that General Superintendent Jerry Porter lead in the salutation of General Superintendent Middendorf. The following citation was read:

The Citation

The Board of General Superintendents requests that this Twenty-eighth General Assembly of the Church of the Nazarene in session in Indianapolis, Indiana, this twenty-fourth day of June, two thousand and thirteen, join us in a tribute to:

DR. JESSE C. MIDDENDORF

He was chosen for the highest elected office in the Church of the Nazarene at the Twenty-fifth General Assembly in Indianapolis, Indiana, USA, in June 2001, after serving for ten years as senior pastor of First Church of the Nazarene in Kansas City, Missouri.

A pastor at heart, Dr. Middendorf has served churches in Clarksville, Tennessee; Ashland, Kentucky; Albuquerque, New Mexico; Richardson, Texas; and Kansas City, Missouri. During the years 1985 to 1991 he was superintendent of the Northwest Oklahoma District Church of the Nazarene. He has written numerous articles for various religious periodicals, has authored chapters in several books, and is author/editor of *The Church Rituals Handbook* published in 1997 and republished in 2009.

Dr. Middendorf's hobbies include playing golf and flying single-engine aircraft (including an emergency landing in a farmer's field in New Mexico!). He and his wife, Susan (Marlowe) Middendorf, have three children—Jon, Marlo, and Jim—and five grandchildren, who are the joy of their lives. During their years of ministry at Kansas City First Church, Susan served as registrar at Nazarene Theological Seminary, where she was lovingly known as “Mamadorf.” Together Jesse and Susan have deeply impacted, nurtured, and mentored scores of young adults over the years.

Jesse C. Middendorf was born in Nashville, Tennessee, and grew up in a parsonage as a preacher's son under the tutelage of godly parents, Jesse A. and Martha Middendorf. They taught him the Word of God and modeled Christian integrity through their faithful lives of ministry to Christ and the church. His character was molded during his formative years by the holiness lifestyle of the Middendorf home and an early personal surrender to Christ as Savior. His heart proved to be fertile soil for God's call to Christian ministry, and he started preaching at the early age of 16.

Dr. Middendorf has a great love for education. He received his first district minister's license on the Tennessee District while he was a student at Trevecca Nazarene College (now Trevecca Nazarene University). In 1969 he was ordained an elder on that district in the Church of the Nazarene by Dr. V. H. Lewis. He received his Bachelor of Arts degree from Trevecca Nazarene University in 1965 and his master of divinity degree from Nazarene Theological Seminary in 1968. In 1989 Southern Nazarene University conferred upon him the doctor of divinity degree. He earned a doctor of ministry degree from Nazarene Theological Seminary in 1999.

Those of us who know Dr. Middendorf recognize him as a soft-spoken mentor, a visionary pastor, a perceptive theologian, and a powerful preacher of the Word of God. His gracious yet prophetic voice has helped us address complex, pressing issues with grace and wisdom. A winsome, loving heart and passion for the message and life of heart holiness have allowed him to deeply impact our global Nazarene family and to inspire us to emulate his life in the Spirit.

We salute this dear brother with gratitude for 50 years as a faithful minister of the gospel and with sincere appreciation for the 12 years he has served as general superintendent in the Church of the Nazarene. Upon the occasion of his retirement, we recognize his distinguished ministry of fruitful service to Christ and the kingdom of God.

Dr. Middendorf, we honor you as one of the prophetic and gifted holiness preachers of the Church of the Nazarene. Your theological acumen, gentle spirit, and visionary leadership have endeared you to our hearts forever. We have been inspired, touched, impacted, and changed by having known you, by sitting under your compelling preaching, and by serving together in

ventures for the kingdom of God. To know you, Jesse, is to be acquainted with the sound of laughter and a gentle voice of wise counsel.

For these and numerous other significant reasons, our entire denomination expresses deep gratitude and profound appreciation for the exemplary life and ministry of Jesse C. Middendorf.

THE BOARD OF GENERAL SUPERINTENDENTS
CHURCH OF THE NAZARENE

General Superintendent Middendorf was presented with a plaque which read:

HONORING

Jesse C. and Susan M. Middendorf
General Superintendent
CHURCH OF THE NAZARENE
2001–2013

Anointed Preacher of the Word
Empowering Pastor
Insightful Theologian
Wise Administrator
Esteemed Colleague
of the
Board of General Superintendents

With Grateful Appreciation

Eugénio R. Duarte David W. Graves
Jerry D. Porter Stan A. Toler J. K. Warrick

General Superintendent Middendorf was presented with a sculpture of John Wesley as well as a check from the General Church.

Susan Middendorf and other family members were escorted to the platform.

53. Report on Ballot #3 for the 40th general superintendent was given.

<i>Total Ballots Cast:</i>	938	Daniel Ketchum	25
<i>Necessary to Elect:</i>	621	David Busic	21
Carla Sunberg	207	Carlos Saenz	17
Gustavo Crocker	172	Verne Ward III	12
Filimao Chambo	99	Jossie Owens	10
Robert Broadbooks	88	Woodie Stevens	8
Christian Sarmiento	69	Amadeu Teixeira	8
L. Aguiar Valvassoura	47	Brian Wilson	8
Dan Boone	30	Samuel Vassel	7

John Bowling	6	Jeren Rowell	2
Trevor Johnston	6	Kenneth Sharpe	2
David Roland	5	Kerry Willis	2
Min-Gyoo Shin	5	Ron Adams	1
Josefin Ano-os	4	Virgil Askren	1
Luis H. Biazio	4	Samantha Chambo	1
Sukamal (Nathan) Biswas	4	Dan Copp	1
Randy Craker	4	Scott Daniels	1
Larry Dennis	4	Brad Estep	1
Pascal Permis	4	Greg Garman	1
Segundo Rimarachin	4	Tammy Hudson	1
Stephen Borger	3	Seung-An Im	1
David Downs	3	Jorge Julca	1
Jim Kraemer	3	Geoff Kunselman	1
David Nixon	3	Larry Leonard	1
Rick Power	3	Mark Louw	1
John Seaman	3	Terry Rowland	1
Ron Benefiel	2	Scott Sherwood	1
Jim Cooper	2	Ramon Sierra	1
Luciano Duarte	2	Kevin Ulmet	1
Adalberto Herrera	2	David Wilson	1
Manabu Ishida	2	Mario Zani	1

54. Ballot #4 for general superintendent was cast.

55. Special Resolutions Committee Report #4 was read (SR-759a) to grant Stan A. Toler the status of General Superintendent Emeritus. Resolution was adopted.

Chairman Warrick asked that Linda Toler be escorted to the platform.

56. General Superintendent J. K. Warrick saluted Stan Toler with the following citation:

The Citation

The Board of General Superintendents requests that this Twenty-eighth General Assembly of the Church of the Nazarene in session in Indianapolis, Indiana, this twenty-fourth day of June, two thousand and thirteen, join us in a tribute to:

DR. STAN A. TOLER

He was chosen for the highest elected office in the Church of the Nazarene at the Twenty-seventh General Assembly in Orlando, Florida, USA, in July 2009, after serving for 40 years as a pastor in Ohio, Florida, Tennessee, and Oklahoma. He was elected superintendent of the Southwest Oklahoma District one month prior to his election as general superintendent.

Dr. Toler is a graduate of Ohio Christian University (Bachelor of Theology), Southern Nazarene University (Bachelor of Arts), Florida Beacon Bible College (Master of Theology, Doctor of Divinity), and Maranatha Seminary (Doctor of Ministry). In May 2009 he received an honorary doctorate from Southern Nazarene University.

Born in West Virginia, Stan A. Toler was raised in a home that taught the values that have influenced his life. His father was killed in an industrial accident when he was 11 years old, a traumatic event that shaped his future ministry and is recounted in his book, *The Harder I Laugh, the Deeper I Hurt*. Stan knew at an early age that God wanted him to be a full-time minister. He adopted this role with youthful zeal and at the age of seventeen became a pastor.

Dr. Toler served as vice president for John C. Maxwell's INJOY Leadership Institute for more than a decade. In that role he trained leaders and administrators of churches and major corporations around the world. Maxwell calls him "Mister Relationship." He says, "Stan Toler has the uncanny ability to see the humor in any situation, capture it in his imagination, and then recount it with the grace and style of a southern storyteller."

As a preacher and teacher, Dr. Toler speaks from his vast leadership experience as well as from his personal life—overcoming such obstacles as being raised in an impoverished West Virginia community, suffering the loss of his father, and leading his family through a major health crisis. His collegial manner has endeared him to Nazarenes around the world, and he has been called a "pastor to leaders."

Dr. Toler has written over 90 books, including his bestsellers, *God Has Never Failed Me, But He's Sure Scared Me to Death a Few Times*; *The Buzzards Are Circling, But God's Not Finished With Me Yet*; *God's Never Late, He's Seldom Early, He's Always Right On Time*; *The Secret Blend*; *Practical Guide to Pastoral Ministry*; *The Inspirational Speaker's Sourcebook*; *ReThink Your Life*, and his popular *Minute Motivator* series.

Dr. Toler will be remembered for the numerous ways in which he has related with a pastor's heart to clergy, laypeople, and church leaders. His ministry has been marked by his efforts toward building up the body of Christ, using his strengths and skills to equip and empower leadership.

Two very special contributions of Stan Toler's term as a general superintendent have proved to be insightful and expedient. Drawing upon his relationship with The Wesleyan Church, one of our sister holiness denominations, a way was found to strengthen the Church of the Nazarene's financial situation through the purchase of our Church Loan Fund by Wesleyan Investment Foundation. Stan was also instrumental in the development of the Global Wesleyan Alliance, of which the Church of the Nazarene is a member.

No tribute to any leader would be complete without mentioning the spouse whose faithful contribution enriched a long partnership in ministry. Dr. Toler and his wife, Linda (nee Carter), have had more than just a wonderful marriage—it has been a joining of rich talents, gifts, and graces for ministry to others.

We salute Dr. Toler with gratitude and sincere appreciation for his many years as a faithful minister of the gospel and his contributions as a general superintendent in the Church of the Nazarene. Upon this special occasion, we recognize his exemplary life and his distinguished, fruitful service to Christ and the kingdom of God.

THE BOARD OF GENERAL SUPERINTENDENTS
CHURCH OF THE NAZARENE

The Tolers were presented with a plaque which read:

HONORING

Stan A. and Linda G. Toler
General Superintendent
CHURCH OF THE NAZARENE
2009–2013

Anointed Preacher of the Word
Gifted Teacher
Prolific Writer
Innovative Pastor and Leader
Beloved and Esteemed Friend
of the
Board of General Superintendents

With Grateful Appreciation

Eugénio R. Duarte J. K. Warrick
Jerry D. Porter David W. Graves
Jesse C. Middendorf

General Superintendent Toler was also presented with a sculpture of John Wesley and a check from the General Church.

57. Report on Ballot #4 for general superintendent was read.

<i>Total Ballots Cast:</i>	972	Brian Wilson	4
<i>Necessary to Elect:</i>	645	John Bowling	3
Carla Sunberg	256	Larry Dennis	3
Gustavo Crocker	229	John Seaman	3
Filimao Chambo	110	Woodie Stevens	3
Robert Broadbooks	98	Amadeu Teixeira	3
Christian Sarmiento	54	Mario Zani	3
L. Aguiar Valvassoura	50	Sukamal (Nathan) Biswas	2
Dan Boone	27	Stephen Borger	2
David Busic	18	Jim Cooper	2
Carlos Saenz	16	Sueng-An Im	2
Daniel Ketchum	13	Jim Kraemer	2
Verne Ward III	13	Min-Gyoo Shin	2
Jossie Owens	6	Ron Benefiel	1
Trevor Johnston	5	Samantha Chambo	1
Josefin Ano-os	4	Randy Craker	1
David Nixon	4	Monte Cyr	1
David Roland	4	Luciano Duarte	1
Samuel Vassel	4	Peter Colin Elliott	1

Brad Estep	1	Pascal Permis	1
Adalberto Herrera	1	Rodwell Porter	1
Jorge Julca	1	Segundo Rimarachin	1
Larry Leonard	1	Bud Reedy	1
Mark Louw	1	Brett Rickey	1
Philip McAlister	1	Jeren Rowell	1
Oscar Medina Guzman	1	Kevin Ulmet	1
Solomon Ndlovu	1	David Wilson	1

58. Ballot #5 for general superintendent was cast.

59. The afternoon meeting was adjourned at 5:00 P.M. with prayer by General Superintendent J. K. Warrick. The next plenary meeting was scheduled to resume at 7:30 P.M.

MONDAY EVENING, 24 JUNE 2013

Music was provided by Muncie, Indiana, USA Church of the Nazarene worship team.

60. The third plenary business meeting of the Twenty-eighth General Assembly of the Church of the Nazarene was called to order at 7:30 p.m. on 24 June 2013 in the Indiana Convention Center in Indianapolis, Indiana, with General Superintendent David Graves presiding.

61. David Downs, West Texas District USA, offered the opening prayer.

62. General Secretary David Wilson announced that in the morning meeting, when the General Administration Report #1 was given, GA-300 was not read. Action taken by the committee is that it was rejected 87/19. Therefore, it was declared dead in committee.

63. Report on Ballot #5 for general superintendent was read.

<i>Total Ballots Cast:</i>	990	John Bowling	2
<i>Necessary to Elect:</i>	658	Jim Cooper	2
Carla Sunberg	275	Randy Craker	2
Gustavo Crocker	266	David Downs	2
Filimao Chambo	118	Trevor Johnston	2
Robert Broadbooks	101	David Roland	2
L. Aguiar Valvassoura	59	John Seaman	2
Christian Sarmiento	40	Amadeu Teixeira	2
Dan Boone	20	Samuel Vassel	2
Verne Ward III	16	Luis H. Biazon	1
Daniel Ketchum	13	Samantha Chambo	1
David Busic	10	Larry Dennis	1
Carlos Saenz	9	Brad Estep	1
Josefin Ano-os	5	Eddie Estep	1
Brian Wilson	2	Adalberto Herrera	1
David Nixon	5	Jorge Julca	1
Jossie Owens	4	Jim Kraemer	1
Seung-An Im	3	Mark Louw	1
Sukamal (Nathan) Biswas	2	Oscar Medina Guzman	1
Stephen Borger	2	Pascal Permis	1

Rodwell Porter	1	Min-Gyoo Shin	1
Segundo Rimarachin	1	Kevin Ulmet	1
Harmon Schmelzenbach	1	Kerry Willis	1

64. Ballot #6 for general superintendent was cast.

65. Resolution CP-100 was read and adopted, per committee recommendation.

66. Resolution LA-413 was read with the committee's recommendation to refer the resolution back to the Local Administration Committee. For final action, see 393.

67. Resolution LA-414 was read. Jeren Rowell, Kansas City District USA, spoke against the resolution. Resolution was adopted.

68. Resolution LA-415 was read. Question raised by Mike Legg, North Central Ohio District USA, asking if it was too late to ask for division of the house on previous resolution. In consultation with the parliamentarian, it was too late. Resolution was defeated.

69. Resolution LA-415a was rejected by a two-thirds vote in committee; therefore, it was not necessary for the assembly to take action.

70. Resolution LA-416 was read and adopted, per committee recommendation.

71. Resolution LA-418 was rejected by a two-thirds vote in committee; therefore, it was not necessary for the assembly to take action.

72. Resolution LA-419 was read and adopted, per committee recommendation.

73. Resolution LA-420 was read and adopted, per committee recommendation.

74. Resolution LA-421 was read.

75. The chair recognized Joy Streight, Intermountain District USA, who voted on the prevailing side for LA-414, and moved to reconsider the vote. After discussion, motion carried.

76. Resolution LA-421 was adopted as amended in committee.

77. Resolution LA-414 was brought back to the floor for discussion.

Mike Legg, North Central Ohio District USA, spoke in favor of reconsideration and asked for a division of the house.

78. Motion passed to reconsider previous action on LA-414, which was to adopt.

Jim Kraemer, Prairie Lakes District USA, spoke for adoption of LA-414.

Mike Palmer, Missouri District USA, spoke against the resolution.

Jessie Gonzalez, Los Angeles District USA, spoke in favor of the resolution.

Steve Borger, Intermountain District USA, spoke against the resolution.

Neville Bartle, New Zealand District, spoke in favor of resolution.

David Downs, West Texas District USA, spoke against the resolution.

79. Resolution LA-414 was announced as rejected by the chair. For final action, see 87.

80. Resolution LA-424 was read.

81. John Seaman, Michigan District USA, asked a clarifying question.

82. The chair indicated that LA-424 was being considered for both LA-424 and LA-417.

The Committee recommended adoption of LA-424. Resolution was adopted.

83. Report of Ballot #6 for general superintendent was read.

<i>Total Ballots Cast:</i>	927	Robert Broadbooks	100
<i>Necessary to Elect:</i>	616	L. Aguiar Valvassoura	47
Gustavo Crocker	286	Christian Sarmiento	31
Carla Sunberg	249	Dan Boone	23
Filimao Chambo	106	David Busic	15

Verne Ward III	15	Stephen Borger	1
Daniel Ketchum	8	John Bowling	1
Josefin Ano-os	7	Jim Cooper	1
Carlos Saenz	6	David Downs	1
David Nixon	3	Brad Estep	1
Randy Craker	2	Greg Garman	1
Larry Dennis	2	Manabu Ishida	1
David Roland	2	Jorge Julca	1
Luis H. Biazon	1	George Julea	1
Trevor Johnston	4	Dance Mathebula	1
Oscar Medina Guzman	1	Terry Rowland	1
Jossie Owens	1	John Seaman	1
Rodwell Porter	1	Kerry Willis	1

84. General Secretary David Wilson announced that in the delegate bags, there was an envelope with orange cards. Delegates can write in a name for general superintendent which will be considered.

85. Ballot #7 for general superintendent was cast.

86. Following a short break, General Superintendent Stan Toler assumed the chair.

87. General Secretary David Wilson clarified LA-414. Clarification was that it did not require a two-thirds vote. Therefore, Resolution LA-414 was adopted.

88. Report of Ballot #7 for general superintendent was read.

<i>Total Ballots Cast:</i>	962	John Bowling	1
<i>Necessary to Elect:</i>	635	Jim Cooper	1
Gustavo Crocker	368	Larry Dennis	1
Carla Sunberg	232	Brad Estep	1
Robert Broadbooks	98	Philip Fuller	1
Filimao Chambo	89	Greg Garman	1
L. Aguiar Valvassoura	49	Hernando Aparacio Hernandez	1
Dan Boone	20	Adalberto Herrera	1
David Busic	17	Jorge Julca	1
Verne Ward III	15	Geoff Kunselman	1
Christian Sarmiento	13	Oscar Medina Guzman	1
Daniel Ketchum	10	Jossie Owens	1
Trevor Johnston	8	Scott Rainey	1
David Nixon	4	David Roland	1
Josefin Ano-os	3	Jeren Rowell	1
Randy Craker	3	Terry Rowland	1
Carlos Saenz	3	John Seaman	1
David Downs	2	Kerry Willis	1

89. Ballot #8 for general superintendent was cast.

90. Resolution GA-301 was read.

John Bowling, Education, spoke against the resolution.

A delegate spoke against the resolution.

John Seaman, Michigan District USA, spoke against the resolution.
 Brian Wilson, Chicago Central District USA, spoke for the resolution.
 Neville Bartle, New Zealand District, spoke for the resolution.
 Rodwell Porter, Guyana Demerara-Essequibo District, spoke for the resolution.

91. Resolution GA-301 was rejected.

92. Report of Ballot #8 for general superintendent was read.

<i>Total Ballots Cast:</i>	963	David Nixon	2
<i>Necessary to Elect:</i>	638	Israel Acosta	1
Gustavo Crocker	441	John Bowling	1
Carla Sunberg	205	Eunice Brubaker	1
Robert Broadbooks	82	Harold Custer	1
Filimao Chambo	80	John L. Denney	1
L. Aguiar Valvassoura	36	Brad Estep	1
Dan Boone	18	Greg Garman	1
David Busic	18	Dwight Gunter	1
Verne Ward III	14	Adalberto Herrera	1
Christian Sarmiento	10	Jorge Julca	1
Trevor Johnston	8	Geoff Kunselman	1
Josefin Ano-os	5	Oscar Guzman Medina	1
Dierdre Brower-Latz	5	David Roland	1
David Downs	5	Jeren Rowell	1
Daniel Ketchum	4	Terry Rowland	1
Jim Cooper	2	Carlos Saenz	1
Randy Craker	2	John Seaman	1
Manabu Ishida	2	Kevin Ulmet	1

93. Filimao Chambo, Africa regional director, expressed the desire to remove his name from the ballot for general superintendent.

94. Ballot #9 for general superintendent was cast.

95. Resolution GA-302 was rejected by a two-thirds vote in committee; therefore, it was not necessary for the assembly to take action.

96. Resolution GA-302a was read and adopted as amended in committee.

97. Report for Ballot #9 for general superintendent was read.

<i>Total Ballots Cast:</i>	975	Dierdre Brower-Latz	4
<i>Necessary to Elect:</i>	644	David Downs	4
Gustavo Crocker	525	Adalberto Herrera	3
Carla Sunberg	207	Josefin Ano-os	2
Robert Broadbooks	81	John Bowling	2
L. Aguiar Valvassoura	31	John L. Denney	2
David Busic	30	Dwight Gunter	2
Dan Boone	18	Manabu Ishida	2
Christian Sarmiento	12	Luis H. Biazon	1
Verne Ward III	10	Eunice Brubaker	1
Trevor Johnston	9	Filimao Chambo	1

Brad Estep	1	Jossie Owens	1
Greg Garman	1	Jeren Rowell	1
Mark Louw	1	Carlos Saenz	1
Oscar Guzman Medina	1	John Seaman	1
Simon Moondol	1	Brian Wilson	1

98. Ballot #10 for general superintendent was cast.

99. Resolution GA-303 was read and adopted as recommended by committee.

100. Resolution GA-304 was rejected by a two-thirds vote in committee; therefore, it was not necessary for the assembly to take action.

101. Resolution GA-305 was withdrawn.

102. Resolution GA-306 was rejected by a two-thirds vote in committee; therefore, it was not necessary for the assembly to take action.

103. Resolution GA-307 was read and adopted as recommended by committee.

104. Report of Ballot #10 for general superintendent was read.

<i>Total Ballots Cast:</i>	976	Adalberto Herrera	3
<i>Necessary to Elect:</i>	649	Josefin Ano-os	2
Gustavo Crocker	559	Randy Craker	2
Carla Sunberg	189	Carlos Saenz	2
Robert Broadbooks	60	Eunice Brubaker	1
David Busic	56	Gerson Cardoso	1
L. Aguiar Valvassoura	30	Brad Estep	1
Dan Boone	17	Sam Flores	1
Christian Sarmiento	16	Dwight Gunter	1
Trevor Johnston	9	Oscar Medina Guzman	1
Verne Ward III	6	Jeren Rowell	1
Dierdre Brower-Latz	5	John Seaman	1
Daniel Ketchum	5	Woodie Stevens	1
David Downs	3		

105. Ballot #11 for general superintendent was cast.

106. Resolution GA-308 was rejected by a two-thirds vote in committee; therefore, it was not necessary for the assembly to take action.

107. Resolution GA-310 was rejected by a two-thirds vote in committee; therefore, it was not necessary for the assembly to take action.

108. Resolution GA-310a was read.

John Seaman, Michigan District USA, asked the question whether less is better.

109. Greg Mason, Louisiana District USA, offered an amendment. However, the amendment was ruled out of order as it would have been new business.

Dan Keeton, Anaheim District USA, spoke against the resolution.

Manuel Molina Flores, Mexico Sierra Madre de Chiapas District, asked a question for clarification. He indicated there were three very important things in one document. If the motion were rejected, would we be rejecting all three things? Can we move them to three resolutions?

The chair indicated that these were related to the General Board rather than the General Assembly.

Jim Cooper, Southwest Oklahoma District USA, spoke against the resolution.

Roman Sierra, Puerto Rico West District, spoke for the resolution.

Dan Spaite, Arizona District USA, made a comment for clarification.

110. Resolution GA-310a was defeated.

111. Report for Ballot #11 for general superintendent was read.

<i>Total Ballots Cast:</i>	975	Carlos Saenz	3
<i>Necessary to Elect:</i>	648	Daniel Ketchum	2
Gustavo Crocker	577	Oscar Medina Guzman	2
Carla Sunberg	147	Josefin Ano-os	1
David Busic	108	Eunice Brubaker	1
Robert Broadbooks	37	Johnny Calvo	1
L. Aguiar Valvassoura	29	Filimao Chambo	1
Christian Sarmiento	15	Randy Craker	1
Dan Boone	13	Ruben Fernandez	1
Trevor Johnston	8	Sam Flores	1
Dierdre Brower-Latz	6	Steve Hoffman	1
Verne Ward III	6	Jossie Owens	1
David Downs	4	Terry Rowland	1
Adalberto Herrera	3	John Seaman	1

112. Ballot #12 for general superintendent was cast.

113. General Secretary David Wilson made the announcement that we would convene at 10:00 A.M. tomorrow for Plenary Meeting #4. All legislative committees have completed their work.

114. Plenary meeting was adjourned with prayer by General Superintendent Stan Toler at 9:40 P.M.

THIRD DAY

TUESDAY MORNING, 25 JUNE 2013

Music was provided by the Adams Trio.

115. The fourth plenary business meeting of the Twenty-eighth General Assembly of the Church of the Nazarene was called to order at 10:00 A.M. on 25 June 2013 in the Indiana Convention Center in Indianapolis, Indiana, with General Superintendent Eugénio Duarte presiding.

116. General Superintendent Emeritus James Diehl presented the devotional and shared five truths. 1) Jesus didn't die on a cross for a program or ritual or set of rules or church structure. He died on the cross to establish a redeeming relationship with people. 2) If you don't tend the fire, it will ultimately flicker out. The nature of fire is that you must tend to it. The apostle Paul challenged Timothy to fan the flame. 3) God doesn't give us all the resources that we have received to be spent on ourselves. Holiness people are a people of compassion; we are givers not takers. God has blessed all of us with more resources than we deserve. Give and it will be given to you...pressed down, shaken down, and it will be given back to you. 4) All 2.2 million of us are equal in one point. We walk across the platform of life one time. Don't waste the one and only life you have, looking over your shoulder for a better situation. 5) God's greatest gift that

He gives to this situation is His peace. In the grieving as well as the celebrations, the greatest gift to us is His peace.

Therefore, don't shed blood for a program but rather for a cause, for people, and for a saving relationship with Jesus Christ. Be a giver; not a taker. Give with a bucket not a spoon. Make your one walk across the stage of life count. Live in the peace of God.

General Superintendent Emeritus Diehl closed the devotional time with prayer.

General Superintendent Duarte thanked General Superintendent Emeritus Diehl for his words from the Lord.

117. General Secretary David Wilson made announcements. Motion was made to conduct business this evening and change the time to 7:00-8:30 P.M. After discussion, motion carried.

The eReaders being used by delegates were for sale for \$100 US. Purchases were made on the honor system; a bucket was passed at the end of each meeting. Those wishing to purchase an eReader were asked to please put cash or check in the bucket.

118. The Daily Journal Committee Report was read by Harold Berrian, Chairman. Report was adopted.

119. Credentials Committee Report #2 was read by Ian Fitzpatrick, Canada Central District. Final report indicates 1280 delegates registered and the seating of 117 alternates. Report was adopted.

120. Report of ballot #12 for general superintendent was given.

<i>Total Ballots Cast:</i>	968	Daniel Ketchum	5
<i>Necessary to Elect:</i>	644	Verne Ward III	3
Gustavo Crocker	565	Oscar Medina Guzman	2
David Busic	181	Eunice Brubaker	1
Carla Sunberg	119	Johnny Calvo	1
L. Aguiar Valvassoura	26	Randy Craker	1
Robert Broadbooks	15	Mark Hostetler	1
Christian Sarmiento	13	Jossie Owens	1
Dan Boone	9	Carlos Saenz	1
Dierdre Brower-Latz	7	John Seaman	1
Trever Johnston	6	Joy Streight	1
David Downs	5		

121. Ballot #13 for general superintendent was cast.

122. General Superintendent Duarte introduced Indiana Governor Mike Pence to bring greetings to the assembly. Governor Pence welcomed the delegates to Indiana. He commended the Church of the Nazarene for its work, the "One Heart, Many Hands" project, the lives being touched, and putting hands to faith.

123. Report of ballot #13 for general superintendent was read.

<i>Total Ballots Cast:</i>	990	Dan Boone	10
<i>Necessary to Elect:</i>	657	Robert Broadbooks	9
Gustavo Crocker	542	Christian Sarmiento	9
David Busic	252	Dierdre Brower-Latz	7
Carla Sunberg	101	Trevor Johnston	7
L. Aguiar Valvassoura	24	David Downs	5

Daniel Ketchum	5	Seung-An Im	1
Oscar Medina Guzman	3	Mark Louw	1
Johnny Calvo	2	Gary Moore	1
Ron Benefiel	1	Carlos Saenz	1
Eddie Estep	1	John Seaman	1
Dwight Gunter	1	Verne Ward III	1

124. Ballot #14 for general superintendent was cast.

125. Resolution CA-700 was read and adopted, as recommended by committee, with a two-thirds vote.

126. Resolution CA-701 was read.

Scott Sherwood, Northwestern Illinois District USA, supported the resolution.

127. Resolution CA-701 was adopted as amended by committee, with a two-thirds vote.

128. Report on ballot #14 for general superintendent was read.

<i>Total Ballots Cast:</i>	979	David Downs	4
<i>Necessary to Elect:</i>	649	Oscar Medina Guzman	3
Gustavo Crocker	495	Christian Sarmiento	3
David Busic	316	Johnny Calvo	2
Carla Sunberg	75	Ron Benefiel	1
L. Aguiar Valvassoura	25	John Bowling	1
Dan Boone	15	Dan Keeton	1
Robert Broadbooks	9	Mark Louw	1
Daniel Ketchum	8	Gary Moore	1
Trevor Johnston	7	John Seaman	1
Dierdre Brower-Latz	4	Verne Ward III	1

129. Ballot #15 for general superintendent was cast.

130. Following a brief break, General Superintendent Jerry Porter assumed the chair.

131. Resolution CA-702 was read and adopted as recommended by committee.

132. Resolution CA-703 was read.

Orville Jenkins, North Florida District USA, noted that this referral came after CA-703 was brought to the floor. Referral asked for a 4-year study. Translators did not have sufficient time. He was in favor of the 4-year study and would like to see CA-703 to come to the whole body if he could speak to that.

133. The chair declared that the assembly would have to first vote on the referral before Orville Jenkins could speak to the issue.

134. The committee's recommendation to refer CA-703 to the Board of General Superintendents was adopted.

135. Resolution CA-704 was read and adopted as recommended by committee.

136. Resolution CA-704a was read and adopted as recommended by committee.

Orville Jenkins, North Florida District USA, asked if CA-703 could be brought to the floor as it was presented for the assembly to consider.

137. The chair declared that the assembly would have to deal with the referred issue first.

138. Tim Miller, Northeastern Indiana District USA, made a motion to reconsider the action of the assembly to refer resolution CA-703 to the Board of General Superintendent. Motion carried.

139. Resolution CA-703 was now whether to vote to reconsider the referral.

Tim Miller, Northeastern Indiana District USA, stated that the issue needed to be readdressed and then a stronger statement made. He spoke for reconsidering the referral.

Dan Boone, Education, spoke against reconsidering the referral.

Trevor Johnston, South Central Ohio District USA, spoke against reconsidering the referral.

Ted Underwood, Southern Florida District USA, spoke against reconsidering the referral. He suggested the Board of General Superintendents could study this and bring back a resolution.

140. Ramon Sierra, Puerto Rico West District, asked for clarification about the timing of the referral, if it would be four years before action could be taken.

141. The chair declared it would be another four years before it would be in the *Manual*.

142. Orville Jenkins, North Florida District USA, spoke for reconsideration.

143. Motion to reconsider the referral of CA-703 was defeated.

144. General Superintendent J. K. Warrick asked to speak to the assembly relative to the discussion of CA-703.

145. Report on ballot #15 for general superintendent was read.

<i>Total Ballots Cast:</i>	990	Oscar Guzman Medina	4
<i>Necessary to Elect:</i>	654	John Bowling	3
Gustavo Crocker	436	Johnny Calvo	2
David Busic	382	Dierdre Brower-Latz	1
Carla Sunberg	54	Randy Craker	1
L. Aguiar Valvassoura	27	Fred Huff	1
Dan Boone	23	Manabu Ishida	1
Daniel Ketchum	17	Carlos Saenz	1
Robert Broadbooks	8	John Seaman	1
Christian Sarmiento	6	Ramon Sierra	1
David Downs	4	Mario Zani	1

146. General Superintendent Jerry Porter asked the assembly to take a moment of silent prayer relative to the voting for general superintendent candidates.

147. Ballot #16 for general superintendent was cast.

148. Resolution CA-705 was read.

149. A delegate from South America moved to amend the resolution. The amendment was on line 13. Add “premarital counseling to those being married.” After discussion, motion carried.

150. Tahmina Martelly, Intermountain District USA, spoke against the amendment. She offered an amendment to the amendment, which would read “through all forms of communication, through ministering to others, and through premarital counseling and solemnizing the marriage ceremony.”

151. The amendment to the amendment carried.

152. The assembly then voted on the amendment as amended. The amendment carried.

153. Mike Dennis, East Ohio District USA, was concerned about the wording of “biblical marriage.” He preferred to use wording of “Christian marriage” rather than “biblical marriage.” He moved to amend resolution CA-705. After discussion, motion carried.

Brian Wilson, Chicago Central District USA, spoke against the amendment. He asked for clarification from the Board of General Superintendents for “biblical” and “Christian” terminology.

Ed Nash, Kansas District USA, spoke against the amendment.

General Superintendent Jesse Middendorf asked to address the assembly relative to reducing the redundancies. He spoke against the amendment.

154. The amendment to change wording of resolution CA-705 from “biblical” to “Christian” was defeated.

155. Verne Ward, Administration, proposed an amendment to CA-705 to delete the wording of “according to law” in line 25.

Jesse Gonzalez, Los Angeles District USA, spoke against the amendment.

Jeren Rowell, Kansas City District USA, spoke in favor of the amendment.

Tahmina Martelly, Intermountain District USA, spoke against the amendment.

David Montgomery, British Isles South District, spoke against the amendment.

Saul Carranza, Prairie Lakes District USA, spoke in favor of the amendment.

Kafoa Muaror, Fiji District, spoke in favor of the amendment.

156. Amendment to delete the phrase “according to law” in CA-705 carried.

157. The word “premarital” was added, and phrase “according to law” was deleted.

158. Steve Rudder, Southern California District USA, asked for clarification of “biblical basis for marriage.”

Scott Daniels, Christian Action Legislative Committee Chair, was asked to discuss the phrase “biblical basis of marriage,” but he indicated this was not discussed in the committee meeting.

159. Martin Bryant, Bangladesh District, moved to reconsider.

The chair responded that a motion to reconsider would have to be by someone who voted on the prevailing side.

160. John Bowling, Education, called for the question. After discussion, the call for the question carried.

161. Resolution CA-705 was adopted as amended.

162. Meeting was adjourned until 2:00 P.M.

TUESDAY AFTERNOON, 25 JUNE 2013

163. The fifth plenary business meeting of the Twenty-eighth General Assembly of the Church of the Nazarene was called to order at 2:00 P.M. on 25 June 2013, in the Indiana Convention Center in Indianapolis, Indiana, with General Superintendent Jesse Middendorf presiding.

164. General Secretary David Wilson made announcements.

165. Report on ballot #16 for general superintendent was given.

<i>Total Ballots Cast:</i>	992	Johnny Calvo	3
<i>Necessary to Elect:</i>	659	Randy Craker	3
David Busic	417	Oscar Medina Guzman	2
Gustavo Crocker	404	John Seaman	2
Carla Sunberg	41	Mario Zani	2
L. Aguiar Valvassoura	32	John Bowling	1
Dan Boone	31	Eunice Brubaker	1
Daniel Ketchum	20	John L. Denney	1
Robert Broadbooks	9	Seung-An Im	1
Christian Sarmiento	6	Gary Moore	1
Trevor Johnston	5	Jossie Owens	1
David Downs	4	Carlos Saenz	1

166. Ballot #17 for general superintendent was cast.

167. The Memorial Committee Report centered on the theme “Celebrating the Testimonies of the Saints.” Prelude music was provided by Lyndell Leatherman. Opening words and scripture

from John 14:1-3 were provided by Mark Berry. Bill Carr prayed for the service. The quartet One Accord sang “Little is Much.” A readers’ litany “The Voices Speak—Can You Hear Them?” written by Tim Green, was provided by Bill Carr, Susan Dillow, Derl Keefer, and Starla Rowell. General Superintendent Jesse C. Middendorf gave tribute to General Superintendent Emeritus William M. Greathouse. General Superintendent J. K. Warrick gave a tribute to General Superintendent Emeritus William J. Prince. General Secretary David Wilson gave tribute to General Secretary B. Edgar Johnson. NYI Director Gary Hartke gave a tribute to Communications Director Paul Skiles. The quartet One Accord sang “Because He Lives.” The congregation was led in this chorus, as well as the chorus of “All Because of God’s Amazing Grace.” General Superintendent Jesse C. Middendorf closed the time of remembrance with prayer.

168. After a brief moment, General Superintendent J. K. Warrick assumed the chair.

169. Report on ballot #17 for general superintendent was read.

<i>Total Ballots Cast:</i>	881	Oscar Medina Guzman	2
<i>Necessary to Elect:</i>	585	John Seaman	2
David Busic	425	Gary Bond	1
Gustavo Crocker	323	John Bowling	1
Carla Sunberg	36	Johnny Calvo	1
Dan Boone	25	Manabu Ishida	1
L. Aguiar Valvassoura	23	Geoff Kunselman	1
Daniel Ketchum	13	Jossie Owens	1
Christian Sarmiento	5	Carlos Saenz	1
Robert Broadbooks	4	Woodie Stevens	1
David Downs	4	Brian Wilson	1
Randy Craker	3	Mario Zani	1
Trevor Johnston	2		

170. Ballot #18 for general superintendent was cast.

171. Resolution CA-706 was read and adopted, as recommended by committee.

172. Resolution CA-707 was read and adopted, as recommended by committee.

173. Resolution CA-708 was read and adopted as amended by committee.

174. Report on ballot #18 for general superintendent was read.

<i>Total Ballots Cast:</i>	964	Trevor Johnston	3
<i>Necessary to Elect:</i>	639	Christian Sarmiento	3
David Busic	515	Geoff Kunselman	2
Gustavo Crocker	300	Oscar Medina Guzman	2
Carla Sunberg	34	John Seaman	2
L. Aguiar Valvassoura	31	Gary Bond	1
Dan Boone	25	Eunice Brubaker	1
Daniel Ketchum	19	Scott Daniels	1
Robert Broadbooks	4	Gary Moore	1
Randy Craker	4	Jossie Owens	1
Johnny Calvo	3	Carlos Saenz	1
David Downs	3	Samuel Vassel	1

175. Ballot #19 for general superintendent was cast.

176. Resolution JUD-801 was rejected by a two-thirds vote in committee; therefore, it was not necessary for the assembly to take action.

177. Resolution JUD-802, JUD-803, JUD-805, JUD-805a, JUD-806, JUD-806a, JUD-806b, and JUD-808 were recommended to be referred to the Board of General Superintendents. Recommendation adopted.

178. Report of Ballot #19 for general superintendent was read.

<i>Total Ballots Cast:</i>	965	Gary Bond	2
<i>Necessary to Elect:</i>	640	Randy Craker	2
David Busic	581	David Downs	2
Gustavo Crocker	253	Trevor Johnston	2
L. Aguiar Valvassoura	30	Oscar Medina Guzman	2
Carla Sunberg	28	John L. Denney	1
Dan Boone	21	Eddie Estep	1
Daniel Ketchum	16	Geoff Kunselman	1
Christian Sarmiento	6	Mark Louw	1
Robert Broadbooks	4	Jossie Owens	1
Johnny Calvo	3	Brian Wilson	1
Josefin Ano-os	2		

179. Ballot #20 for general superintendent was cast.

180. Tom King provided the report from the Scripture Study Committee, authorized by the 2009 General Assembly.

181. Report for ballot #20 for general superintendent was read.

<i>Total Ballots Cast:</i>	964	David Downs	2
<i>Necessary to Elect:</i>	640	Trevor Johnston	2
David Busic	632	Oscar Medina Guzman	2
Gustavo Crocker	220	Josefin Ano-os	1
L. Aguiar Valvassoura	29	Gary Bond	1
Carla Sunberg	21	Manabu Ishida	1
Dan Boone	17	Geoff Kunselman	1
Daniel Ketchum	14	Woodie Stevens	1
Christian Sarmiento	6	Verne Ward III	1
Robert Broadbooks	4	Brian Wilson	1
Johnny Calvo	3		

182. Ballot #21 for general superintendent was cast.

183. General Secretary David Wilson provided details for caucus meetings and where each would meet.

184. Motion was made to suspend the rules of adjournment and receive the report for Ballot #21 for general superintendent. Motion carried.

185. Report for ballot #21 for general superintendent was read.

<i>Total Ballots Cast:</i>	973	Robert Broadbooks	3
<i>Necessary to Elect:</i>	648	David Downs	3
David Busic	722	Trevor Johnston	2
Gustavo Crocker	166	Stephen Borger	1
Carla Sunberg	22	Dierdre Brower-Latz	1
L. Aguiar Valvassoura	21	Johnny Calvo	1
Daniel Ketchum	12	Geoff Kunselman	1
Dan Boone	9	Ruth Lorance	1
Christian Sarmiento	5	Oscar Medina Guzman	1

186. The chair declared that David Busic has been elected as the 40th general superintendent in the Church of the Nazarene. David Busic accepted the election and pledged to do his best to serve the Church of the Nazarene.

187. The afternoon plenary meeting was adjourned.

TUESDAY EVENING, 25 JUNE 2013

Prelude music was provided by the Adams Trio.

188. The sixth plenary business meeting of the Twenty-eighth General Assembly of the Church of the Nazarene was called to order at 7:00 P.M. on 25 June 2013, in the Indiana Convention Center in Indianapolis, Indiana, with General Superintendent David Graves presiding.

189. Chairman Graves explained the documents at the delegates' tables, which included a general superintendent tally sheet for the last five ballots and a list of all of those who have received any votes for the 40th general superintendent. Delegates can also use the orange perforated card if they would like to add anyone's name not currently on the tally sheet.

190. Rollie Miller, Anaheim District USA, opened the meeting in prayer.

191. Ballot #22 for the 41st general superintendent was cast.

192. Resolution JUD-800 was read and adopted as amended by committee with a two-thirds vote.

193. Resolution JUD-804 was read and adopted as recommended by committee with a two-thirds vote.

194. Resolution JUD-807 was read and adopted as recommended by committee with a two-thirds vote.

195. Results of Ballot #22 for the 41st general superintendent were read.

<i>Total Ballots Cast:</i>	806	Dierdre Brower-Latz	15
<i>Necessary to Elect:</i>	531	Randy Craker	9
Gustavo Crocker	317	Larry Leonard	6
Carla Sunberg	165	David Downs	5
L. Aguiar Valvassoura	55	Jossie Owens	5
Robert Broadbooks	55	Carlos Saenz	5
Dan Boone	31	Samuel Vassel	5
Christian Sarmiento	30	Jim Cooper	3
Sukamal (Nathan) Biswas	20	Scott Daniels	3

Larry Dennis	3	D. Ian Fitzpatrick	1
Eddie Estep	3	Sam Flores	1
Mark Louw	3	Dwight Gunter	1
John Bowling	2	Mark Holcomb	1
Luciano Duarte	2	Fred Huff	1
Jim Kraemer	2	Trevor Johnston	1
David Nixon	2	Geoff Kunselman	1
Terry Rowland	2	Philip McAlister	1
Woodie Stevens	2	Janine Tartaglia Metcalf	1
Amadeu Teixeira	2	Pascal Permis	1
Verne Ward III	2	Rick Power	1
Brian Wilson	2	David Roland	1
Josefin Ano-os	1	Jeren Rowell	1
Ron Blake	1	John Seaman	1
Daryl Blank	1	Kerry Willis	1
Stephen Borger	1	David Wilson	1
Eunice Brubaker	1	Mario Zani	1

196. Ballot #23 for the 41st general superintendent was cast.

197. Resolution JUD-809 was rejected by a two-thirds vote in committee; therefore, it was not necessary for the assembly to take action.

198. Resolution JUD-810 was rejected by a two-thirds vote in committee; therefore, it was not necessary for the assembly to take action.

199. Resolution JUD-811 was rejected by a two-thirds vote in committee; therefore, it was not necessary for the assembly to take action.

200. Resolution JUD-812 was read and adopted by recommendation of the committee.

201. Resolution JUD-813 was read and referred by the committee to the Board of General Superintendents. Recommendation for referral was adopted.

202. Resolution JUD-814 was read and adopted by recommendation of the committee.

203. Saul Carranza, Prairie Lakes District USA, made a motion for reconsideration of Resolution JUD-804. Motion passed to reconsider JUD-804.

Dan Spaite, Arizona District USA, asked a question for clarification.

Ardee Coolidge, South Florida District USA, spoke in favor of changing the wording, as the word “child” is “creature” in Spanish.

Dan Gilmore, Northern Michigan District USA, commented that this is just a translation issue in Spanish, Portuguese, and French.

Brian Wilson, Chicago Central District USA, indicated it is more than a translation issue.

Jesse Gonzalez, Los Angeles District USA, suggested a gender neutral wording of “hijo/a.”

Aguiar Valvassoura, Brazil Sudeste Paulista District, indicated this is more than just translation; it is also about theology.

204. The chair asked Brian Wilson, Chicago Central District USA, to entertain an amendment that would read, “This resolution be adopted with the Spanish translation of hijos/hijas.”

205. General Superintendent Jesse Middendorf requested permission to speak and made a motion that this and other Articles of Faith be moved into the previously adopted resolution that

was referred to the Board of General Superintendents. Motion adopted. Resolution JUD-804 will be referred.

206. Report of Ballot #23 for the 41st general superintendent was read.

<i>Total Ballots Cast:</i>	899	Dwight Gunter	2
<i>Necessary to Elect:</i>	593	Terry Rowland	2
Gustavo Crocker	390	Samuel Vassel	2
Carla Sunberg	188	Johnny Calvo	1
Robert Broadbooks	73	Scott Daniels	1
L. Aguiar Valvassoura	72	Dennis Espinoza	2
Dan Boone	44	Brad Estep	1
Daniel Ketchum	23	Eddie Estep	1
Christian Sarmiento	23	Sam Flores	1
Dierdre Brower-Latz	15	Jim Kraemer	1
Randy Craker	10	Mark Louw	1
Larry Leonard	4	Gary Moore	1
Carlos Saenz	4	David Nixon	1
Jim Cooper	3	Pascal Permis	1
Larry Dennis	3	Rick Power	1
David Downs	3	David Roland	1
Jossie Owens	3	Woodie Stevens	1
John Seaman	3	Amadeu Teixeira	1
Mario Zani	3	Verne Ward III	1
John Bowling	2	Brian Wilson	1

General Secretary David Wilson also read names that were submitted on the orange cards: Norm Henry, Tim Crum, Yambe Sike, Carolyn Joseph, and Paul Doctorian.

207. Ballot #24 for the 41st general superintendent was cast.

208. Following a short break, General Superintendent Stan Toler assumed the chair.

209. Resolution JUD-815 and JUD-815a were read with recommendation of referral to the Board of General Superintendents. Recommendation of referral was adopted.

210. Resolution JUD-816 was read and adopted per recommendation of committee with a two-thirds vote.

211. Resolution JUD-817 was read with recommendation of referral to the Board of General Superintendents. Recommendation of referral was adopted.

Hans Deventer, Netherlands District, asked a question on the previous resolution.

212. Resolution JUD-818 was read.

Stan Rodes, Intermountain District USA, spoke in opposition, indicating the inconsistency to our doctrine of every captive to be free.

213. General Superintendent Jerry Porter spoke to the resolution JUD-818 and made a motion to refer this back to the Board of General Superintendents. After discussion, motion carried.

214. Report of ballot #24 for 41st general superintendent was read.

<i>Total Ballots Cast:</i>	870	Gustavo Crocker	394
<i>Necessary to Elect:</i>	574	Carla Sunberg	178

Robert Broadbooks	88	Kerry Willis	2
L. Aguiar Valvassoura	76	Mario Zani	2
Dan Boone	44	Tim Crump	1
Dierdre Brower-Latz	15	Paul Doctorian	1
Christian Sarmiento	13	Carolyn Joseph	1
Daniel Ketchum	9	Mark Lail	1
Randy Craker	8	Mark Louw	1
Yambe Sike	7	Gary Moore	1
Larry Dennis	3	Jossie Owens	1
John Seaman	3	David Roland	1
Jim Cooper	2	Carlos Saenz	1
David Downs	2	Woodie Stevens	1
Dwight Gunter	2	Verne Ward III	1
Trevor Johnston	2		

215. Ballot #25 for 41st General Superintendent was cast.

216. Resolution JUD-819 was read and adopted per recommendation of committee.

217. Resolution SF-600 was read.

Gary Smee, Central California District USA, spoke in favor of the resolution.

218. Jerome Hancock, Virginia District USA, proposed an amendment, at the end of the paragraph “The findings of this study are to be presented to the General Board for decision at its annual meeting in 2015.”

219. After discussion, amendment carried.

220. Tom Penman, British Isles South District, spoke for the amendment and original resolution.

221. Monte Chitwood, Northwest District USA, offered an amendment, adding “to reflect a ‘possible’ removal or reduction.” He indicated this was addressed at the 2009 General Assembly and that perhaps a standing committee was needed.

222. After discussion, amendment carried.

223. The assembly returned to the amended motion.

Brian Letsinger, Joplin District USA, spoke against the motion.

Jerome Hancock, Virginia District USA, indicated the need for further study and spoke for the motion.

Mike Legg, North Central Ohio District USA, indicated it was not about reducing the amount of money his church sends away to the Global Mission Center, to missions. Rather, his interest was more in what “bucket” it was placed, referring to General Superintendent Emeritus’ devotional of earlier in the day.

224. The vote on resolution SF-600 as amended was taken. Resolution was adopted.

225. Report on ballot #25 for 41st General Superintendent was read.

<i>Total Ballots Cast:</i>	972	Dan Boone	44
<i>Necessary to Elect:</i>	645	Dierdre Brower-Latz	13
Gustavo Crocker	451	Christian Sarmiento	11
Carla Sunberg	168	Yambe Sike	11
Robert Broadbooks	134	Randy Craker	7
L. Aguiar Valvassoura	88	Tim Crump	5

David Downs	5	Carlos Saenz	2
Daniel Ketchum	5	John Seaman	2
Jim Cooper	3	Brian Wilson	2
Dwight Gunter	3	Roger Hahn	1
Larry Dennis	2	Trevor Johnston	1
Paul Doctorian	2	Jossie Owens	1
Eddie Estep	2	David Roland	1
Mark Louw	2	Woodie Stevens	1

226. General Superintendent Stan Toler called on General Superintendent Emeritus Talmadge Johnson to pray for the voting.

227. Ballot #26 for 41st General Superintendent was cast.

228. General Secretary David Wilson received a note from the delegation, asking about extending the meeting another 30 minutes. Motion was made to suspend the rules and adjourn at 9:00 P.M. Motion passed.

229. Resolution SF-601 was rejected by a two-thirds vote in committee; therefore, it was not necessary for the assembly to take action.

230. Report for ballot #26 for 41st General Superintendent was read.

<i>Total Ballots Cast:</i>	980	Ron Benefiel	1
<i>Necessary to Elect:</i>	650	Jim Cooper	1
Gustavo Crocker	498	Eddie Estep	1
Robert Broadbooks	188	Mark Fuller	1
Carla Sunberg	107	Manabu Ishida	1
L. Aguiar Valvassoura	93	Trevor Johnston	1
Dan Boone	31	Mark Louw	1
Yambe Sike	11	Frank Moore	1
Christian Sarmiento	9	David Roland	1
Daniel Ketchum	5	Carlos Saenz	1
Randy Craker	4	John Seaman	1
David Downs	4	Woodie Stevens	1
Dierdre Brower-Latz	3	Terry Toler	1
Dwight Gunter	3	Brian Wilson	1
Tim Crump	2	Mario Zani	1
Paul Doctorian	2		

231. Ballot #27 for 41st General Superintendent was cast.

232. General Secretary David Wilson made an announcement that table seating was only for voting delegates, as well as Field Strategy Coordinators.

233. Resolution CA-709 was read and recommended for rejection by committee.

Dave McKellips, Northeast Oklahoma District USA, commended the Chicago Central USA District for what they wrote relative to this resolution.

Jerry Appleby, Hawaii Pacific District USA, thought they had an amendment in committee.

The committee chair was asked to respond; he indicated the amendment was rejected.

Wavny Toussaint, Metro New York District USA, asked for clarification since it was rejected.

John Seaman, Michigan District USA, supported the rejection.

234. The Committee Chair explained part of the reasoning behind the rejection in paragraph 34.

A delegate asked for clarification.

Amy Blosser, Eastern Kentucky District USA, spoke for the rejection.

A delegate made a motion to amend the resolution.

General Superintendent Stan Toler entertained a motion to table the discussion.

Bruce Johnson, Oklahoma District USA, indicated this was voted on in committee.

235. Dan Spaite, Arizona District USA, made a motion to table the discussion until tomorrow morning. After discussion, motion carried.

236. Report on ballot #27 for the 41st General Superintendent was read.

<i>Total Ballots Cast:</i>	955	Ron Benefiel	1
<i>Necessary to Elect:</i>	632	Dierdre Brower-Latz	1
Gustavo Crocker	493	Eddie Estep	1
Robert Broadbooks	235	Dwight Gunter	1
L. Aguiar Valvassoura	107	Trevor Johnston	1
Carla Sunberg	46	Mark Lail	1
Dan Boone	18	Mark Louw	1
Yambe Sike	15	David Roland	1
Christian Sarmiento	7	Carlos Saenz	1
David Downs	5	John Seaman	1
Randy Craker	3	Woodie Stevens	1
Paul Doctorian	2	Kerry Willis	1
Daniel Ketchum	2	David Wilson	1
Brian Wilson	2		

237. General Secretary David Wilson thanked the assembly for their patience during the evening meeting and made announcements. The platform received a number of different requests to better watch for the people at microphones.

238. Jim Thornton, Northeast Oklahoma District USA, moved to extend the time necessary to hear the results of the next ballot. After discussion, motion rejected.

239. Ballot #28 for the 41st General Superintendent was cast.

240. Meeting adjourned at 9:00 P.M.

FOURTH DAY

WEDNESDAY MORNING, 26 JUNE 2013

Music was provided by the Visayan Nazarene Bible College Ensemble from the Philippines.

241. The seventh plenary business meeting of the Twenty-eighth General Assembly of the Church of the Nazarene was called to order at 8:30 a.m. on 26 June 2013 in the Indiana Convention Center in Indianapolis, Indiana, with General Superintendent Eugénio Duarte presiding.

242. General Superintendent Emerita Nina G. Gunter presented the devotional taken from Matthew 16:18 – “I will build my church, and the gates of hell will not be strong enough to destroy it” (NIRV). First, Christ provides unchanging stability for the church. He wants the Church to be dependent on him. Early Nazarenes were focused on the mission of God. Remember the past to wisely chart the future. From the beginning, the Church of the Nazarene had four goals a) to preach and teach the gospel to all people, b) to provide a form of church government that was democratic, c) to preach holiness and d) to purpose, in every service, that there would be an awareness of God’s presence.

Secondly, God not only provides unchanging stability, but he also inspires amazing creativity. We do not have to fear God’s new leadings. The milestones do not have to become tombstones. The church need not outlive her child-bearing years. God’s holiness moves a people to mission, refocusing a people from problems to purpose.

“Now may the God of peace who brought up our Lord Jesus from the dead, that great Shepherd of the sheep, through the blood of the everlasting covenant, make you complete in every good work to do His will, working in you what is well pleasing in His sight, through Jesus Christ, to whom be glory forever and ever. Amen.” (Hebrews 13:20-21, NKJV)

General Superintendent Duarte thanked General Superintendent Emerita Gunter for a powerful message.

Missionary Harmon Schmelzenbach III from the Asia-Pacific Region closed the devotional time with prayer.

243. General Secretary David Wilson asked that the name of Gabriel Salguero (ID 251) be added to the list for general superintendent.

244. Report of ballot #28 for the 41st general superintendent was read.

<i>Total Ballots Cast:</i>	986	Paul Doctorian	2
<i>Necessary to Elect:</i>	656	Lindell Browning	1
Gustavo Crocker	472	Eunice Brubaker	1
Robert Broadbooks	285	Eddie Estep	1
L. Aguiar Valvassoura	124	Greg Garman	1
Carla Sunberg	32	Trevor Johnston	1
Dan Boone	17	Mark Louw	1
Yambe Sike	14	Jeren Rowell	1
Randy Craker	8	Gabriel Salguero	1
Daniel Ketchum	6	John Seaman	1
Christian Sarmiento	6	Mona Talomoa	1
David Downs	4	Samuel Vassel	1
Dierdre Brower-Latz	3	Brian Wilson	1

245. Ballot #29 for the 41st general superintendent was cast.

246. Announcements were made by General Secretary David Wilson. The Board of General Superintendents made a decision that the installation service would be held on Thursday evening rather than Wednesday evening. This provided more time for election of the 41st general superintendent.

Thus far, \$209,712.05 has been given toward the \$300,000 goal needed for General Assembly expenses (\$35,000 of this was given online).

247. Resolution CA-709, which was tabled at the end of the previous meeting, was again brought to the floor.

Dan Spaite, Arizona District USA, made a motion to refer the resolution to the Board of General Superintendents and have them report back to the next General Assembly. After discussion, motion carried. Dan Spaite, Arizona District USA, spoke in favor of referral.

Resolution CA-709 was read.

Feliciano Sep, Guatemala North Verapaz District, indicated he had a concern. This was a problem in his country.

The chair indicated the discussion should be about the referral.

Feliciano Sep, Guatemala North Verapaz District, indicated that he was in favor of referral.

Tracy Spaur, Virginia District USA, spoke in favor of the referral.

Mercedes Santiago Rosado, Puerto Rico West District, spoke against the referral. She indicated she wanted to resolve this here.

Don Blanchard, Colorado District USA, spoke in favor of the referral.

Jerry Appleby, Hawaii Pacific District USA, asked if Resolution CA-709a had been acted upon.

Flor Requejo, Peru Cajamarca District, spoke against the referral.

248. Motion carried to refer Resolution CA-709 to the Board of General Superintendents.

249. Resolution CA-709a was read and adopted per recommendation of the committee.

250. Report for ballot #29 for the 41st general superintendent was read.

<i>Total Ballots Cast:</i>	957	Daniel Ketchum	2
<i>Necessary to Elect:</i>	634	John Seaman	2
Gustavo Crocker	444	Stephen Borger	1
Robert Broadbooks	276	Mark Fuller	1
L. Aguiar Valvassoura	107	Greg Garman	1
Carla Sunberg	47	Trevor Johnston	1
Dan Boone	16	Mark Louw	1
Christian Sarmiento	10	Gabriel E. Martin	1
Gabriel Salguero	9	Janine Tartaglia Metcalf	1
Yambe Sike	8	Woodie Stevens	1
Randy Craker	7	Samuel Vassel	1
David Downs	5	Kerry Willis	1
Dwight Gunter	4	Brian Wilson	1
Paul Doctorian	2		

241. Ballot #30 for the 41st general superintendent was cast.

242. Resolution CA-710 was read and adopted as amended by committee.

243. Resolution CA-711 was read and adopted per recommendation of the committee.

244. Mark Gillette, Louisiana District USA, raised a question about the general superintendent election process. He knows nothing about the frontrunners and asked if anything can be done.

Jim Yelvington, Anaheim District USA, responded that Google works really well.

245. Resolution CA-712 was rejected by a two-thirds vote in committee; therefore, it was not necessary for the assembly to take action.

246. Resolution GA-311 was read and adopted per recommendation of the committee.
247. Resolution GA-312 was read and adopted per recommendation of the committee.
248. Resolution GA-323 was read.

The chair asked if Joel Pearsall had any additional comments relative to the resolution.

Joel Pearsall, Intermountain District USA, provided a historical perspective for the resolution. He explained that the intent of 17 of the 19 paragraphs in this resolution was to simply change the corporate documents to the Church of the Nazarene, Inc. The other two paragraphs were to clarify the authority of the Board of General Superintendents and the General Board.

David Johnston, East Ohio District USA, raised a question about paragraph 241.4 and the removal of the wording “General Board,” yet it remained in line 8. He asked if it should be “Church of the Nazarene, Inc.” there as well.

Charles Davis, Central Florida District USA, provided clarification on the resolution.

John Bowling, Education, asked whether the relocation from Missouri to Kansas affects this resolution. Did the Board of General Superintendents have an opinion to express about this?

Charles Davis, Central Florida District USA, responded to the question of John Bowling, indicating that it is not necessary to file in Kansas.

General Superintendent Jesse Middendorf asked for the floor. He indicated the Board of General Superintendents (BGS) had spent a great deal of time on these issues. The BGS supports the interests of the Church of the Nazarene and would always be in consultation with the General Board.

Gustavo Crocker, Administration, spoke in favor of the resolution and asked about the process of harmonizing the application of this new entity Church of the Nazarene, Inc.

Charles Davis, Central Florida District USA, responded that amending the status would not require a new name. The titles registered before can be maintained.

César Alonzo, Guatemala Verapaz Oriental District, indicated that at the local and district annual meetings, that the treasurer presents reports. What about the financial report from the General Treasurer?

John Denney, Southern California District USA, spoke in favor of the resolution and asked if this was, in effect, a corporate name change. If so, would information be provided to help district superintendents follow this all the way through?

Jerome Hancock, Virginia District USA, appreciated the comments from the general superintendents about the Board of General Superintendents, but expressed concern over the removal of the phrase “advisory body” and the addition of the word “direct.”

Charles Davis, Central Florida District USA, responded to the question.

General Superintendent Jesse Middendorf indicated that the Board of General Superintendents (BGS) made a conscious decision not to be the Board of Directors. The BGS must still be in ecclesiastical authority but still work together with the General Board.

Charles Davis, Central Florida District USA, indicated this was a matter of practice. The General Board has been working with the setting of salaries for the Board of General Superintendents. The four lawyers on the Board could not agree with the language of the *Manual*. This language is now clarified.

Wavny Toussaint, Metro New York District USA, spoke for this resolution. She indicated some clarification to paragraph 331 would be helpful relative to the corporation.

Charles Davis, Central Florida District USA, responded to the question.

249. Resolution GA-323 was adopted per recommendation of the committee.

250. Following a 10-minute break, General Superintendent Jerry Porter assumed the chair.

251. A moment of prayer was taken to ask God's help in choosing the next person to be elected as the 41st general superintendent.

252. Report for ballot #30 for the 41st general superintendent was read.

<i>Total Ballots Cast:</i>	975	Paul Doctorian	2
<i>Necessary to Elect:</i>	648	Eddie Estep	2
Gustavo Crocker	420	John Seaman	2
Robert Broadbooks	259	Brian Wilson	2
Carla Sunberg	107	David Wilson	2
L. Aguiar Valvassoura	88	Lindell Browning	1
Dan Boone	16	Dan Copp	1
Christian Sarmiento	16	Sam Flores	1
Gabriel Salguero	11	Greg Garman	1
Yambe Sike	9	Manabu Ishida	1
Randy Craker	7	Trevor Johnston	1
David Downs	4	George Julea	1
Dwight Gunter	4	Clair MacMillan	1
Daniel Ketchum	3	Terry Rowland	1
Gary Moor	3	Samuel Vassel	1
Jossie Owens	3	Verne Ward III	1

253. Ballot #31 for the 41st general superintendent was cast.

254. Resolution GA-324 was read and adopted per recommendation by committee.

255. Resolution GA-325 was read.

256. General Superintendent Middendorf would like to propose an amendment to Resolution GA-325, that the words "for cause" be reinstated in *Manual* paragraph 307.14 and not be deleted.

257. After discussion, the amendment carried.

258. Jerome Hancock, Virginia District USA, asked for clarification of *Manual* paragraph 317.1.

The chair responded there is always an overlap of terminology.

Joel Pearsall, Intermountain District USA, proposed an amendment relative to clarifying language. The amendment would be that for the passage of Resolution GA-325, the *Manual* Editing Committee take into account the changes adopted in Resolution GA-323, which would guide the *Manual* Editing Committee, so that the language of Resolution GA-323 is carried out.

Jerome Hancock, Virginia District USA, expressed concern with paragraph 317.1 being impacted. He was not sure the motion above addressed this.

The chair indicated it did address the concern.

259. Amendment carried.

260. Gary Hartke, Administration, suggested an amendment on paragraph 332.4 in line 33, to change "president" to "chair." This would harmonize the language of Nazarene Youth International. Amendment carried.

261. Resolution GA-325 was adopted as amended.

262. Report of ballot #31 for the 41st general superintendent was read.

<i>Total Ballots Cast:</i>	941	<i>Necessary to Elect:</i>	626
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Gustavo Crocker	400	Min-Gyoo Shin	2
Robert Broadbooks	198	Dierdre Brower-Latz	1
Carla Sunberg	191	Lindell Browning	1
L. Aguiar Valvassoura	67	Jim Cooper	1
Christian Sarmiento	20	David Downs	1
Dan Boone	12	Eddie Estep	1
Yambe Sike	7	Dwight Gunter	1
Randy Craker	6	Manabu Ishida	1
Gabriel Salguero	6	George Julea	1
Daniel Ketchum	5	Gary Moore	1
John Seaman	3	Carlos Saenz	1
Paul Doctorian	2	Amadeu Teixeira	1
Sam Flores	2	Samuel Vassel	1
Trevor Johnston	2	Brian Wilson	1
Jossie Owens	2		

263. Ballot #32 for the 41st general superintendent was cast.

264. Resolution GA-326 was read.

Trevor Johnston, South Central Ohio District USA, indicated he would like to make an amendment, adding the word “appropriate” in paragraph 323. After discussion, amendment carried.

265. General Superintendent J. K. Warrick recommended an amendment that paragraph 320 be reinstated. After discussion, amendment carried.

John Denney, Southern California District USA, speaking against the amendment, asked about the discretionary power of the general superintendent.

General Superintendent J. K. Warrick provided a response and spoke for the amendment.

Sam Vassel, Metro New York District USA, spoke in favor of the amendment and indicated it was important that the discretionary power be retained.

Henry Greer, Mississippi District USA, asked for a point of clarification.

Jerome Hancock, Virginia District USA, just wanted to make sure the ambiguity is eliminated.

Charles Davis, Central Florida District USA, provided a response.

Jerome Hancock, Virginia District USA, heard that there may be some confusion with the Spanish translation of “Board of General Superintendents” and the “General Board.”

266. Resolution GA-326 was adopted as amended.

267. Report for Ballot #32 for 41st general superintendent was read.

<i>Total Ballots Cast:</i>	963	Yambe Sike	6
<i>Necessary to Elect:</i>	642	Randy Craker	5
Gustavo Crocker	390	David Downs	3
Carla Sunberg	292	Daniel Ketchum	3
Robert Broadbooks	133	John Seaman	3
L. Aguiar Valvassoura	59	Min-Gyoo Shin	3
Christian Sarmiento	25	Jim Cooper	2
Dan Boone	11	Paul Doctorian	2
D. Ian Fitzpatrick	8	Sam Flores	2

Jossie Owens	2	Amadeu Nunez	1
Fred Huff	1	Carlos Saenz	1
Seung-An Im	1	Gabriel Salguero	1
Manabu Ishida	1	Ramon Sierra	1
Trevor Johnston	1	Samuel Vassel	1
Geoff Kunselman	1	Kerry Willis	1
Michael McCarty	1	Brian Wilson	1

268. Ballot #33 for 41st general superintendent was cast.

The chair responded to a question asked earlier about the General Treasurer reports. The General Treasurer presents an annual report to the General Board, which was available. As well, annual financial reports for the last four years were included on the eReaders.

Clark Armstrong, Kansas City District USA, asked that Resolution GA-310a be reconsidered.

269. After discussion, this motion was defeated.

The chair advised that the motion to reconsider needs to take place within the day of action. He asked if there was a motion to suspend the rules to reconsider Resolution GA-310a. The motion required a two-thirds vote. After discussion, the motion was defeated.

270. Report for ballot #33 for the 41st general superintendent was read.

<i>Total Ballots Cast:</i>	951	John Seaman	2
<i>Necessary to Elect:</i>	630	Samuel Vassel	2
Carla Sunberg	390	Brian Wilson	2
Gustavo Crocker	334	Sukamal (Nathan) Biswas	1
Robert Broadbooks	85	Jim Cooper	1
Christian Sarmiento	44	Fred Huff	1
L. Aguiar Valvassoura	40	Trevor Johnston	1
Dan Boone	12	Daniel Ketchum	1
D. Ian Fitzpatrick	9	Mark Louw	1
Yambe Sike	3	Amadeu Nunez	1
Randy Craker	2	Carlos Saenz	1
Paul Doctorian	2	Gabriel Salguero	1
David Downs	2	Ramon Sierra	1
Sam Flores	2	Charles Sunberg	1
Manabu Ishida	2	Gene Tanner	1

271. Ballot #34 for the 41st general superintendent was cast.

Stan Rodes, Intermountain District USA, made a motion to reconsider Resolution GA-326. He was concerned about the wording in paragraph 323 and the word “appropriate.” However, after some discussion, he withdrew his motion.

272. Report of Ballot #34 for the 41st general superintendent was read.

<i>Total Ballots Cast:</i>	953	Christian Sarmiento	73
<i>Necessary to Elect:</i>	633	Robert Broadbooks	46
Carla Sunberg	463	L. Aguiar Valvassoura	38
Gustavo Crocker	269	Dan Boone	14

D. Ian Fitzpatrick	14	Daniel Ketchum	2
David Downs	3	Mark Louw	2
John Seaman	3	Dierdre Brower-Latz	1
Yambe Sike	3	John L. Denney	1
Samuel Vassel	3	Fred Huff	1
Brian Wilson	3	Manabu Ishida	1
Sukamal (Nathan) Biswas	2	Trevor Johnston	1
Paul Doctorian	2	Amadeu Nunez	1
Sam Flores	2	Carlos Saenz	1

273. Ballot #35 for the 41st general superintendent was cast.

274. Neville Bartle, New Zealand District, made a motion to reconsider the action on Resolution JUD-816 from the previous day. After discussion, motion defeated.

275. Report on ballot #35 for the 41st general superintendent.

<i>Total Ballots Cast:</i>	963	Samuel Vassel	2
<i>Necessary to Elect:</i>	640	Brian Wilson	2
Carla Sunberg	510	Gary Bond	1
Gustavo Crocker	213	Lindell Browning	1
Christian Sarmiento	131	Gerson Cardoso	1
Robert Broadbooks	24	Randy Craker	1
L. Aguiar Valvassoura	21	Fred Huff	1
D. Ian Fitzpatrick	17	Seung-An Im	1
Dan Boone	14	Manabu Ishida	1
John Seaman	3	Trevor Johnston	1
Sukamal (Nathan) Biswas	2	Mark Louw	1
Paul Doctorian	2	Steve Scott	1
David Downs	2	Min-Gyoo Shin	1
Sam Flores	2	Yambe Sike	1
Daniel Ketchum	2	Woodie Stevens	1

276. Ballot #36 for the 41st general superintendent was cast.

277. Resolution GA-327 was rejected by a two-thirds vote in committee; therefore, it was not necessary for the assembly to take action.

278. Resolution GA-309 was read, and the recommendation of the committee was to refer it to the General Board and Board of General Superintendents. The recommendation of the committee was adopted.

279. Resolution MED-500 was rejected by a two-thirds vote in committee; therefore, it was not necessary for the assembly to take action.

280. Report of Ballot #36 for the 41st general superintendent was read.

<i>Total Ballots Cast:</i>	961	D. Ian Fitzpatrick	18
<i>Necessary to Elect:</i>	638	Robert Broadbooks	16
Carla Sunberg	515	L. Aguiar Valvassoura	13
Christian Sarmiento	217	Dan Boone	9
Gustavo Crocker	147	Sukamal (Nathan) Biswas	2

Paul Doctorian	2	Seung-An Im	1
David Downs	2	Manabu Ishida	1
Sam Flores	2	Daniel Ketchum	1
John Seaman	2	Jim Kraemer	1
Woodie Stevens	2	Carla Sanchez	1
Brian Wilson	2	Scott Sherwood	1
Fred Huff	1	Yambe Sike	1

281. Ballot #37 for the 41st General Superintendent was cast.

282. Resolution MED-500a was read.

Jeren Rowell, Kansas City District USA, proposed a simple amendment to paragraph 384 to delete the word “two.”

283. After discussion, amendment carried.

284. Ramon Sierra, Puerto Rico West District, made an amendment that “active pastors or district superintendents representing each of the regions be appointed” be added to paragraph 384.

Dan Boone, Education, asked for clarification. Was it the intent of the Board of General Superintendents to select the appropriate persons depending on the issue? Were we creating a council that would exist for four years?

General Superintendent J. K. Warrick responded that yes, by including this language, it seemed to be that we were creating a council.

Dwight Gunter, Tennessee District USA, spoke against the amendment. The group could become too large to be effective. The intention of this resolution was to give a way in which we can be true to our ecclesiology. It was not intended to be a standing council but rather meet as necessary.

Tahmina Martelly, Intermountain District USA, spoke in favor of the amendment.

Sam Vassel, Metro New York District USA, spoke in favor of the amendment.

Ernesto Bathermy, Dominican Republic Central District, spoke in favor of the amendment.

Dan Boone, Education, spoke against the amendment.

Susan Carole, Michigan District USA, spoke against the amendment. The Board of General Superintendents is in a position to hear the voices and identify the experts needed.

Tahmina Martelly, Intermountain District USA, asked for a point of clarification.

285. Amendment failed.

286. Report of Ballot #37 for the 41st general superintendent was read.

<i>Total Ballots Cast:</i>	966	David Downs	2
<i>Necessary to Elect:</i>	641	Sam Flores	2
Carla Sunberg	483	John Seaman	2
Christian Sarmiento	318	Josefin Ano-os	1
Gustavo Crocker	96	Sukamal (Nathan) Biswas	1
D. Ian Fitzpatrick	18	Eddie Estep	1
Robert Broadbooks	11	Daniel Ketchum	1
L. Aguiar Valvassoura	10	Philip McAlister	1
Dan Boone	8	Bud Reedy	1
Paul Doctorian	2	Carlos Saenz	1

Yambe Sike

1

Brian Wilson

1

287. Ballot #38 for the 41st general superintendent was cast.

288. Meeting adjourned at noon and scheduled to reconvene at 2:00 P.M.

WEDNESDAY AFTERNOON, 26 JUNE 2013

289. The eighth plenary business meeting of the Twenty-eighth General Assembly of the Church of the Nazarene was called to order at 2:00 P.M. on 26 June 2013, in the Indiana Convention Center in Indianapolis, Indiana, with General Superintendent Jesse Middendorf presiding.

290. Chairman Middendorf indicated that the USA Supreme Court defeated the Defense of Domestic Marriage act. Chairman Middendorf asked that Dan Vanderpool lead us in prayer for the Church even in these days.

291. Report on ballot #38 for the 41st general superintendent was read.

<i>Total Ballots Cast:</i>	966	Paul Doctorian	2
<i>Necessary to Elect:</i>	641	Josefin Ano-os	1
Christian Sarmiento	420	Susan Carole	1
Carla Sunberg	392	Sam Flores	1
Gustavo Crocker	79	Hermann Gschwandtner	1
Dan Boone	18	Daniel Ketchum	1
Robert Broadbooks	13	Mark Louw	1
D. Ian Fitzpatrick	13	Philip McAlister	1
L. Aguiar Valvassoura	7	John Seaman	1
David Downs	4	Yambe Sike	1
Samuel Vassel	4		

292. Ballot #39 for the 41st general superintendent was cast.

293. The Daily Journal Committee Report was read by Harold Berrian, Chairman. Report was adopted.

294. Election of the General Court of Appeals was taken from names presented by the Nominating Committee. Five persons would be elected, so the delegates had five opportunities to vote.

295. Report of Ballot #39 for the 41st general superintendent was read.

<i>Total Ballots Cast:</i>	892	D. Ian Fitzpatrick	4
<i>Necessary to Elect:</i>	590	Randy Craker	2
Christian Sarmiento	476	Paul Doctorian	2
Carla Sunberg	242	L. Aguiar Valvassoura	2
Gustavo Crocker	62	Larry Dennis	1
Dan Boone	33	Luciano Duarte	1
Verne Ward III	19	Eddie Estep	1
Robert Broadbooks	12	Mark Louw	1
Philip McAlister	10	Carlos Saenz	1
Samuel Vassel	8	John Seaman	1
David Downs	4	Yambe Sike	1

296. Ballot #40 for the 41st general superintendent was cast.

297. The chair called for a return to Resolution MED-500a.

John Seaman, Michigan District USA, asked for input from the Board of General Superintendents as to whether or not this resolution/proposal was redundant. The Board of General Superintendents already does this.

General Superintendent J. K. Warrick gave a response. While the Board of General Superintendents is given this oversight, they do not presume they have all knowledge. They do seek out pastors and district superintendents, and then make decisions. They rely heavily on the academy both in the USA and outside the USA.

Dan Keeton, Anaheim District USA, spoke against the resolution. The language was too strong.

Phil Rogers, Northeastern Indiana District USA, moved to refer this to the Board of General Superintendents. After discussion, motion carried.

Mark Holcomb, Administration, wanted to make a comment on the Court of Appeals.

Dwight Gunter, Tennessee District USA, wanted to speak to the resolution but was asked to wait.

Kyle Johnson, Sacramento District USA, spoke against the referral.

Dwight Gunter, Tennessee USA, spoke against the referral. The intent was not to set up a body that restricts but to go to the experts as needed.

Dan Copp, Administration, spoke in favor of referral. This would provide opportunity for study and reflection on whether it is needed.

298. Motion carried to refer Resolution MED-500a to the Board of General Superintendents.

299. Report of Ballot #40 for the 41st general superintendent was read.

<i>Total Ballots Cast:</i>	926	David Downs	4
<i>Necessary to Elect:</i>	612	Randy Craker	2
Christian Sarmiento	531	Paul Doctorian	2
Carla Sunberg	191	John Seaman	2
Dan Boone	67	Luciano Duarte	1
Gustavo Crocker	42	D. Ian Fitzpatrick	1
Verne Ward III	40	Seung-An Im	1
Philip McAlister	11	Mark Louw	1
Samuel Vassel	11	Brett Rickey	1
Robert Broadbooks	8	Carlos Saenz	1

300. Ballot #41 for the 41st general superintendent was cast.

301. Resolution MED-501 was read and adopted per recommendation of the committee.

302. Resolution MED-502 was read.

John Denney, Southern California District USA, indicated more aversion to policing the number of units accumulated by each pastor. He was concerned that this would be onerous and probably not workable. He spoke against the resolution.

Jeren Rowell, Kansas City District USA, spoke for the resolution.

Ed Nash, Kansas District USA, asked what authority the Board of Ministerial Studies has for this.

Larry Dennis, Central Florida District USA, spoke for the resolution. He looks at how many continuing education units a pastor has when considering him/her as a pastor for a particular church.

Steve Scott, Sacramento District USA, spoke for the resolution.

Stan Hall, Missouri District USA, spoke against the resolution.

303. Resolution MED-502 was adopted.

304. Report of Ballot #41 for the 41st general superintendent was read.

<i>Total Ballots Cast:</i>	927	L. Aguiar Valvassoura	4
<i>Necessary to Elect:</i>	616	Philip McAlister	3
Christian Sarmiento	556	Paul Doctorian	2
Carla Sunberg	130	David Downs	2
Dan Boone	115	David McKellips	2
Verne Ward III	46	Randy Craker	1
Gustavo Crocker	38	Luciano Duarte	1
Samuel Vassel	17	Peter Colin Elliott	1
Robert Broadbooks	4	Eddie Estep	1

305. Ballot #42 for the 41st general superintendent was cast.

306. Resolution MED-503 was read and adopted, per recommendation of committee.

307. Report of Ballot #42 for the 41st general superintendent was read.

<i>Total Ballots Cast:</i>	949	Paul Doctorian	2
<i>Necessary to Elect:</i>	630	Randy Craker	1
Christian Sarmiento	571	David Downs	1
Dan Boone	182	D. Ian Fitzpatrick	1
Carla Sunberg	95	Sam Flores	1
Verne Ward III	39	Daniel Ketchum	1
Gustavo Crocker	32	John Seaman	1
Samuel Vassel	15	L. Aguiar Valvassoura	1
Robert Broadbooks	2		

308. Ballot #43 for the 41st general superintendent was cast.

309. Resolution MED-504 was read and adopted, per recommendation of committee.

310. Report of Ballot #43 for the 41st general superintendent was read.

<i>Total Ballots Cast:</i>	951	Paul Doctorian	2
<i>Necessary to Elect:</i>	631	David Downs	2
Christian Sarmiento	572	Jim Cooper	1
Dan Boone	259	Randy Craker	1
Carla Sunberg	54	Eddie Estep	1
Verne Ward III	25	Daniel Ketchum	1
Gustavo Crocker	16	David Roland	1
Samuel Vassel	6	John Seaman	1
Robert Broadbooks	3	L. Aguiar Valvassoura	1

- 311. Ballot #44 for the 41st general superintendent was cast.
- 312. Resolution MED-505 was read and adopted, per recommendation of committee.
- 313. Resolution MED-506 was read and adopted, per recommendation of committee.

Jerry Ferguson, Los Angeles District USA, made a motion to reconsider MED-505. In reflecting on the vote, he has 3 retired ministers who live in areas where there are no Churches of the Nazarene.

John Nielson, Mid-Atlantic District USA, spoke against the reconsideration.

- 314. Motion to reconsider was defeated.
- 315. Report of Ballot #44 for the 41st general superintendent was read.

<i>Total Ballots Cast:</i>	949	David Downs	2
<i>Necessary to Elect:</i>	631	Samuel Vassel	2
Christian Sarmiento	565	Ron Adams	1
Dan Boone	288	Randy Craker	1
Carla Sunberg	49	Daniel Ketchum	1
Gustavo Crocker	18	Clair MacMillan	1
Verne Ward III	11	Mashangu Maluleka	1
Robert Broadbooks	2	John Seaman	1
Paul Doctorian	2	L. Aguiar Valvassoura	1

- 316. Ballot #45 for the 41st general superintendent was cast.
- 317. Resolution MED-507 was read and adopted as amended by the committee.
- 318. Resolution MED-508 was read.

John Denney, Southern California District USA, indicated he had not seen this resolution until now. He was not sure of the meaning of the insertion. Who would judge the investigation to make sure it had been done properly? He spoke against the resolution.

Scott Sherwood, Northwestern Illinois District USA, spoke against the resolution.

John Nielson, Mid-Atlantic District USA, spoke for the resolution. This would address situations where a person has been denied due process.

Jim Yelvington, Southern California District USA, spoke against the resolution.

Steve Scott, Sacramento District USA, offered an amendment which would read, "If the district in jurisdiction fails to 'provide due process according to *Manual* procedure within two years.'" After discussion, amendment carried.

John Denney, Southern California District USA, spoke against the amendment.

Steve Borger, Intermountain District USA, made a motion to refer to the Board of General Superintendents. After discussion, motion carried.

A delegate spoke against referral. He indicated that we are always referring.

Jesse Gonzalez, Los Angeles District USA, spoke against referral.

Orville Jenkins, North Florida District USA, spoke for referral.

David Downs, West Texas District USA, spoke for referral.

- 319. Motion carried to refer MED-508 to the Board of General Superintendents.
- 320. Report on ballot #45 for the 41st general superintendent was read.

<i>Total Ballots Cast:</i>	946	Dan Boone	300
<i>Necessary to Elect:</i>	629	Carla Sunberg	47
Christian Sarmiento	531	Gustavo Crocker	32

Verne Ward III	8	Luciano Duarte	1
Randy Craker	3	Eddie Estep	1
Sukamal (Nathan) Biswas	2	Dan Keeton	1
Robert Broadbooks	2	Daniel Ketchum	1
Paul Doctorian	2	Mark Louw	1
David Downs	2	David Roland	1
George Julea	2	John Seaman	1
Carlos Saenz	2	Samuel Vassel	1
Dierdre Brower-Latz	1	David Wilson	1

321. Ballot #46 for the 41st general superintendent was cast.

322. General Secretary David Wilson made announcements. There were 69 more resolutions, plus election of a general superintendent and General Board members. General Secretary Wilson made a motion to meet 7-8:30 P.M. that evening. Motion carried. The USA Caucus met, the Eurasia Caucus met with the Global Mission director and General Superintendent Jerry Porter, and the South America Caucus met regarding selection of General Board members. The Nazarene Theological Seminary Board of Trustee meeting took place Thursday morning at 7:00 in the Indiana Convention Center.

323. Results from the Court of Appeals election were read. Those elected were Dan Boone, John Seaman, Margaret Tyler, Jeanne Serrao, and David McKellips.

324. Meeting adjourned.

WEDNESDAY EVENING, 26 JUNE 2013

241. The ninth plenary business meeting of the Twenty-eighth General Assembly of the Church of the Nazarene was called to order at 7:00 p.m. on 26 June 2013, in the Indiana Convention Center in Indianapolis, Indiana, with General Superintendent J. K. Warrick presiding.

242. The assembly sang the chorus of "Come Holy Spirit" to begin the meeting. Chairman Warrick led in prayer.

243. Report of Ballot #46 for the 41st general superintendent was read.

<i>Total Ballots Cast:</i>	950	Joey Brummet	1
<i>Necessary to Elect:</i>	629	Dan Copp	1
Christian Sarmiento	480	Luciano Duarte	1
Dan Boone	302	D. Ian Fitzpatrick	1
Gustavo Crocker	79	Manabu Ishida	1
Carla Sunberg	53	Daniel Ketchum	1
Randy Craker	5	Mark Louw	1
David Downs	5	Carlos Saenz	1
Robert Broadbooks	3	Jeanne Serrao	1
Paul Doctorian	2	L. Aguiar Valvassoura	1
John Seaman	2	Verne Ward III	1
Dierdre Brower-Latz	1	Brian Wilson	1

244. General Secretary David Wilson announced another name to add to the list of general superintendent candidates—ID 252—Jeanne Serrao.

245. John Bowling, Education, indicated there were 1000 delegates who were trying to find a common will for the election of the 41st general superintendent. Every candidate was worthy and brought a unique set of gifts. John Bowling asked the chair for 1) everyone to go across the aisle and meet someone new, 2) take five minutes to pray, and 3) as the balloting begins, to push the restart button and start from where we are.

246. Dan Boone, Education, asked that his name be cleared from the ballot.

247. Ballot #47 for the 41st general superintendent was cast.

248. Resolution MED-509 was read.

Stan Rodes, Intermountain District USA, asked about the definition of “good standing” and the sense in which it was intended.

The chair asked a member of the Board of General Superintendents to respond. General Superintendent Jesse Middendorf gave a response.

Stan Rodes, Intermountain District USA, asked to propose an amendment that reads, “437.4 When an elder or deacon in good standing has united with another church, denomination, or ministry, or has, for any other reason, been dropped from the roll of ministers, and subsequently....assembly upon prior approval by the general superintendent in jurisdiction.” General Superintendent Middendorf indicated he would see no difficulty and that many times the removal of good standing is due to a disciplinary cause.

249. After discussion, amendment carried.

Larry Dennis, Central Florida District USA, asked if the amendment was saying the general superintendents could actually restore or was it still in the hands of the district.

The chair responded to the question.

Charles Davis, Central Florida District USA, responded that prior approval is required.

The chair asked General Superintendent Jesse Middendorf to respond to this.

General Superintendent Middendorf responded that the request would come to the Board of General Superintendents to end the loop once the other processes were completed.

250. Resolution MED-509 was adopted.

251. Report of ballot #47 for the 41st general superintendent was read.

<i>Total Ballots Cast:</i>	898	Terry Rowland	2
<i>Necessary to Elect:</i>	580	Brian Wilson	2
Christian Sarmiento	417	Dierdre Brower-Latz	1
Gustavo Crocker	183	Dan Copp	1
Carla Sunberg	154	Scott Daniels	1
Robert Broadbooks	33	Paul Doctorian	1
Samuel Vassel	20	Sam Flores	1
L. Aguiar Valvassoura	14	Fred Huff	1
Randy Craker	7	Mark Louw	1
David Downs	6	Philip McAlister	1
Daniel Ketchum	6	Jossie Owens	1
John Seaman	6	Jeren Rowell	1
John Bowling	3	Carlos Saenz	1
Jeanne Serrao	3	Verne Ward III	1
D. Ian Fitzpatrick	2		

252. Ballot #48 for the 41st general superintendent was cast.

253. Resolution MED-510 was rejected by a two-thirds vote in committee; therefore, it was not necessary for the assembly to take action.

254. Resolution MED-512 was rejected by a two-thirds vote in committee; therefore, it was not necessary for the assembly to take action.

255. Resolution MED-513 was read and adopted, per recommendation of the committee.

256. Resolution MED-515 was withdrawn.

257. Resolution MED-516 was read and adopted, per recommendation of the committee.

258. Resolution MED-517 was read and adopted, per recommendation of the committee.

259. Report of ballot #48 for the 41st general superintendent was read.

<i>Total Ballots Cast:</i>	911	John Bowling	4
<i>Necessary to Elect:</i>	602	Larry Dennis	3
Christian Sarmiento	368	Brian Wilson	2
Gustavo Crocker	213	Susan Carole	1
Carla Sunberg	200	Paul Doctorian	1
Robert Broadbooks	40	Sam Flores	1
Samuel Vassel	18	Manabu Ishida	1
John Seaman	13	George Julea	1
L. Aguiar Valvassoura	11	Jossie Owens	1
Randy Craker	8	Jeren Rowell	1
David Downs	8	Terry Rowland	1
Daniel Ketchum	6		

260. General Secretary David Wilson spoke relative to invalid votes, caused by improper entering into the keypad. He stressed the importance of verifying the number before pushing “Send” on the keypads.

261. Ballot #49 for the 41st general superintendent was cast.

262. Resolution MED-511 was read.

Don Myers, Central Florida District USA, asked a clarifying question.

Phil Rogers, Northeastern Indiana District USA, indicated rationale presented in the committee that would be helpful to be read to the delegation.

263. Resolution MED-511 was adopted as amended per recommendation of the committee.

264. Report of ballot #49 for the 41st general superintendent was read.

<i>Total Ballots Cast:</i>	912	Daniel Ketchum	4
<i>Necessary to Elect:</i>	605	John Bowling	2
Gustavo Crocker	264	Brian Wilson	2
Christian Sarmiento	256	Larry Dennis	1
Carla Sunberg	255	Paul Doctorian	1
Robert Broadbooks	51	Dwight Gunter	1
John Seaman	21	Manabu Ishida	1
L. Aguiar Valvassoura	16	Patrick Paulse	1
Samuel Vassel	13	Rodwell Porter	1
Randy Craker	9	Terry Rowland	1
David Downs	7		

265. Ballot #50 for the 41st general superintendent was cast.

266. Resolution MED-514 was rejected by a two-thirds vote in committee; therefore, it was not necessary for the assembly to take action.

267. Resolution LA-405 was read.

Phil Rogers, Northeastern Indiana District USA, made an amendment to add the phrase “or deacon” after the word “elder” in all four occasions where it appears in the resolution. After discussion, motion carried.

The chair asked a member of the Board of General Superintendents to respond.

General Superintendent Jesse Middendorf indicated he appreciated the intent of the amendment. The role of elder is the proclaiming role. The role of deacon is the serving role. An elder is to preach the word. A deacon is to teach the word. If a deacon feels God calling, he/she will be acknowledged as receiving a special ordination.

The chair ruled that the amendment would be out of order, per the parliamentarian.

Brian Wilson, Chicago Central District USA, asked for clarification to the discussion. Is the licensed minister who is on the deacon track eligible?

General Superintendent Middendorf was asked for a response. If the licensed minister is seeking the deacon track, he/she would not be eligible as a pastor.

Brian Wilson, Chicago Central District USA, offered an amendment with the insertion of “(elder track)” after the phrase “licensed minister” each time in this resolution.

Steve Scott, Sacramento District USA, asked for clarification.

268. After discussion, amendment carried.

269. Resolution LA-405 was adopted as amended.

270. Report of ballot #50 for the 41st general superintendent was read.

<i>Total Ballots Cast:</i>	915	Samuel Vassel	6
<i>Necessary to Elect:</i>	608	Jorge Julca	2
Gustavo Crocker	338	Brian Wilson	2
Carla Sunberg	288	Luis H. Biazon	1
Christian Sarmiento	159	Paul Doctorian	1
Robert Broadbooks	54	Dwight Gunter	1
John Seaman	25	Seung-An Im	1
L. Aguiar Valvassoura	14	Pascal Permis	1
Randy Craker	10	Terry Rowland	1
David Downs	8		

271. Ballot #51 for the 41st general superintendent was cast.

272. Resolution LA-406 was read and adopted as amended by the committee.

273. Report of ballot #51 for the 41st general superintendent was read.

<i>Total Ballots Cast:</i>	917	John Seaman	24
<i>Necessary to Elect:</i>	610	L. Aguiar Valvassoura	12
Gustavo Crocker	442	Randy Craker	11
Carla Sunberg	290	David Downs	7
Christian Sarmiento	81	Brian Wilson	2
Robert Broadbooks	41	Paul Doctorian	1

Manabu Ishida	1	Terry Rowland	1
Jorge Julca	1		

274. Ballot #52 for the 41st general superintendent was cast.

275. Resolution LA-400 was read and adopted, per recommendation of the committee.

Ed Nash, Kansas District USA, asked if there was a conflict of interest of a church not being incorporated.

The chair asked for a legal mind to respond.

Charles Davis, Central Florida District USA, indicated he thought any group could get together under the church law, even though they may not have the status of an organized church.

276. Motion was made to suspend the rules and conduct business until an election is accomplished. This required a two-thirds vote. After discussion, motion failed.

277. Rubens Rodrigues, Brazil Nordeste Central District, made a motion for the meeting to adjourn that evening and, if there was no election, to Thursday 1) vote on the top five names, 2) for 2nd ballot vote on the top three names, and then 3) the top two names. After discussion, motion failed.

278. Report of ballot #52 for the 41st general superintendent was read.

<i>Total Ballots Cast:</i>	920	David Downs	7
<i>Necessary to Elect:</i>	613	Terry Rowland	2
Gustavo Crocker	551	Brian Wilson	2
Carla Sunberg	253	Larry Dennis	1
Christian Sarmiento	40	Paul Doctorian	1
Robert Broadbooks	28	Luciano Duarte	1
John Seaman	13	Manabu Ishida	1
Randy Craker	9	Trevor Johnston	1
L. Aguiar Valvassoura	8	Samuel Vassel	1

279. Ed Heck, Chicago Central District USA, made motion to suspend the rules to move adjournment to 10 P.M. A two-thirds vote was needed. It was adopted.

280. After a short break, General Superintendent David Graves assumed the chair.

281. Ballot #53 for the 41st General Superintendent was cast.

282. Resolution LA-401 was read.

Scott Sherwood, Northwestern Illinois District USA, spoke for the resolution.

Stacey Schmitt, Northwest Indiana District USA, spoke for the resolution.

John Seaman, Michigan District USA, spoke against the resolution.

Chad Current, Southwestern Ohio District USA, spoke for the resolution.

Terry Chapman, Iowa District USA, spoke against the resolution.

Lepuiai Rico Tupaillelei, Samoa District, spoke against the resolution.

283. Resolution LA-401 was adopted.

284. Report on ballot #53 for 41st general superintendent was read.

<i>Total Ballots Cast:</i>	949	Christian Sarmiento	26
<i>Necessary to Elect:</i>	630	Robert Broadbooks	22
Gustavo Crocker	636	L. Aguiar Valvassoura	12
Carla Sunberg	231	David Downs	4

John Seaman	4	Eddie Estep	1
Randy Craker	3	Fred Huff	1
Lindell Browning	1	Terry Rowland	1
Larry Dennis	1	Brian Wilson	1
Paul Doctorian	1		

285. The chair declared Gustavo Crocker elected as the 41st general superintendent of the Church of the Nazarene.

286. The chair decided to adjourn the meeting with the election of the 41st General Superintendent.

287. Announcements were made by General Secretary David Wilson. The next plenary was scheduled to convene 8:30 A.M.-noon on Thursday, with General Board elections to be held early in the meeting. Installation service was scheduled for 7:00 P.M. with a reception to follow. There were still several resolutions to work through.

288. General Superintendent Graves adjourned the meeting with prayer.

FIFTH DAY

THURSDAY MORNING, 27 JUNE 2013

Prelude music was provided by Lyndell Leatherman.

373. The tenth plenary business meeting of the Twenty-eighth General Assembly of the Church of the Nazarene was called to order at 8:35 A.M. on 27 June 2013, in the Indiana Convention Center in Indianapolis, Indiana, with General Superintendent Stan Toler presiding.

374. General Superintendent Emeritus Talmadge Johnson presented the devotional focusing on Hebrews 12:25-29; 13:8. General Superintendent Emeritus Johnson reflected on his godly heritage provided by his parents and grandparents. General Superintendent Emeritus Johnson's grandfather, preaching even at age 80, looked back at his own life and ministry stating, "I have no evil report to bring, just good news." As such, he preached from Romans 1:16. Echoing some of the same sentiments, General Superintendent Emeritus Johnson spoke about the unshakeable Kingdom into which we are invited with Jesus' admonition of "he who has ears to hear, let him hear." In the midst of the bad news world, God has given us the invitation to receive the unshakeable Kingdom which will stand for all eternity.

We are not alone because the One who speaks is the never-changing Christ. The world at its worst needs the church at its best. We must "lay aside every weight that slows us down...and run with endurance the race God has set before us." The good news is in a world that is shaking...we have an unshakeable Kingdom sustained and forever secured by the unchanging Person, Jesus Christ. The unshakeable Kingdom is ours even now and demands us to be at our very best.

General Superintendent Toler led the assembly in prayer.

375. The Daily Journal Committee Report was read by Harold Berrian, Chairman. Report was adopted.

376. General Secretary David Wilson indicated the need to confirm a quorum before conducting any business.

377. The General Board elections were facilitated with a paper ballot due to the nature of the extensive list.

Joey McCoy, Sacramento District USA, indicated he would like to ask to reconsider Resolution LA-401.

Ed Heck, Chicago Central District USA, asked for a point of order, to confirm that Joey McCoy voted on the prevailing side for the above resolution. The response was in the affirmative.

378. After discussion, motion was defeated.

379. Resolution LA-402 was read and adopted, per recommendation of the committee.

380. Resolution LA-403 was rejected by a two-thirds vote in committee; therefore, it was not necessary for the assembly to take action.

381. Resolution LA-404 was read and adopted as amended, per recommendation of the committee.

382. Resolution LA-407 was rejected by a two-thirds vote in committee; therefore, it was not necessary for the assembly to take action.

383. After a short break, General Superintendent Jerry Porter assumed the chair.

384. Resolution LA-408 was rejected by a two-thirds vote in committee; therefore, it was not necessary for the assembly to take action.

385. Resolution LA-409 was read and adopted as amended, per recommendation of the committee.

Jeren Rowell, Kansas City District USA, asked for clarification relative to reorganization.

Ken Stoll, South Central Ohio District USA, provided a response.

Brian Wilson, Chicago Central District USA, indicated this was new terminology but moved that we reconsider LA-404. However, he did not vote on the prevailing side, so he could not make the motion.

Ed Heck, Chicago Central District USA, made a motion to reconsider Resolution LA-404. He voted on the prevailing side.

Brian Wilson, Chicago Central District USA, spoke for the motion to reconsider. He indicated the need to make the language clearer in this resolution.

386. Motion to reconsider failed.

387. Saul Carranza, Prairie Lakes District USA, raised a concern about Resolution LA-409. The Spanish translation for “co-pastor” was incorrect. Therefore, he recommended a careful review when the *Manual* is sent for translation.

388. Resolution LA-410 was read and adopted as amended, per recommendation of the committee.

Lloyd Brock, Northwestern Illinois District USA, made a motion to reconsider Resolution LA-410. He voted on the prevailing side.

Scott Sherwood, Northwestern Illinois District USA, raised the question whether the assembly voted to overturn Scripture with the above resolution.

389. After discussion, motion to reconsider failed.

390. Resolution LA-411 was rejected by a two-thirds vote in committee; therefore, it was not necessary for the assembly to take action.

391. Resolution LA-411a was rejected by a two-thirds vote in committee; therefore, it was not necessary for the assembly to take action.

392. Resolution LA-412 was rejected by a two-thirds vote in committee; therefore, it was not necessary for the assembly to take action.

393. Resolution LA-413 was rejected by a two-thirds vote in committee; therefore, it was not necessary for the assembly to take action.

394. Resolution LA-422 was read and adopted, per recommendation of the committee.

395. Resolution LA-423 was read and adopted, per recommendation of the committee.

396. Steve Scott, Sacramento District USA, spoke regarding Resolution LA-404, and requested that in the near future the Board of General Superintendents provide an official ruling. The chair indicated he was out of order.

Don Myers, Central Florida District USA, indicated he voted on the prevailing side for Resolution LA-404 and asked if the resolution was available for reconsideration.

The chair indicated that since a motion to reconsider was already defeated, it was not available for reconsideration.

397. Resolution DA-215 was read and adopted as amended, per recommendation of the committee.

398. Resolution DA-208 was rejected by a two-thirds vote in committee; therefore, it was not necessary for the assembly to take action.

399. Resolution DA-208a was rejected by a two-thirds vote in committee; therefore, it was not necessary for the assembly to take action.

400. Andres Hernandez, Puerto Rico East District, raised a question about a potential translation mistake in Resolution LA-424.

401. Resolution DA-209 was rejected by a two-thirds vote in committee; therefore, it was not necessary for the assembly to take action.

402. Resolution DA-210 was read.

Eddie Estep, South Carolina District USA, indicated the original intent of the resolution was to bring clarity; however, the amended resolution was confusing. It would be difficult to harmonize this with Resolution LA-404. He spoke against the resolution.

403. Jeren Rowell, Kansas City District USA, moved to amend the resolution by striking the phrase “or church-type mission status.” After discussion, motion carried.

John Denney, Southern California District USA, spoke against the amendment. It was his initiative to add this in committee. He discussed his rationale to have this wording in the resolution.

Jeren Rowell, Kansas City District USA, indicated the resolution was trying to address a very specific polity issue. The wording “church-type mission” only confuses the issue; it is better to keep the language of “inactive” or “disorganized.”

Trevor Johnston, South Central Ohio District USA, faced this issue on his district in the last six months. He spoke for the amendment.

404. Amendment carried. The words were removed.

Mark Porterton, Eastern Michigan District USA, asked if this needed to be qualified in the normal process of selling a piece of property for the district to approve the sale.

Jeren Rowell, Kansas City District USA, responded that this is about a local church in crisis.

405. Resolution DA-210 was amended with the words “or church-type mission status” removed. The resolution was adopted as amended.

406. Resolution DA-211 was rejected by a two-thirds vote in committee; therefore, it was not necessary for the assembly to take action.

407. Resolution DA-220 was rejected by a two-thirds vote in committee; therefore, it was not necessary for the assembly to take action.

408. Resolution DA-221 was read and adopted, per recommendation of the committee.

409. Resolution DA-200 was read.

410. Steve Borger, Intermountain District USA, suggested going back to the language relative to the General Assembly Boundaries Committee. They could change the boundary of any district. He offered an amendment to add the words, “approved by majority vote of the district involved” in line 1. After discussion, motion carried.

411. Rodwell Porter, Guyana Demerara-Essequibo District, proposed an amendment to the amendment that “the bounds and name of a district shall be approved by a majority by the assembly district involved and declared by the General Assembly Boundaries Committee.” After discussion, motion carried.

Anna Derbyshire, West Texas District USA, spoke against the amendment to the amendment. This committee is more in an advising than official role.

Sam Vassel, Metro New York District USA, spoke against the amendment to the amendment. The amendment to the amendment failed. The discussion returned to the original amendment.

Steve Borger, Intermountain District USA, asked a procedural question: if an editorial change could be made to add an “s” to the word “district.” The chair allowed this based on the consent of the delegate who seconded the motion.

Josh Flynn, South Texas District USA, asked about the function of the General Boundaries Committee.

General Secretary Wilson indicated it was established by the Board of General Superintendents.

The amendment was to add the phrase “and approved by a majority vote by the assembly districts involved.” Amendment carried.

General Superintendent Middendorf asked to speak. The objective of the resolution was not to create more intrusion at district level but to create more flexibility, to work with the necessary demographics so the districts could do their work without having to come back to the General Assembly. He spoke in favor of the resolution.

Brian Wilson, Chicago Central District USA, asked if this resolution would require the establishment of an assembly district.

Verne Ward, Administration, described the process relative to *Manual* paragraphs 200.1 and 200.2.

Brian Wilson, Chicago Central District USA, spoke in favor of the resolution.

412. Resolution DA-200 was adopted as amended.

413. General Superintendent Jerry Porter read the names of the districts, churches, individuals that pledged toward the \$300,000 expenses of General Assembly. An individual challenged the assembly with a matching gift of \$25,000 which was reached. Total of \$156,000 was pledged toward the expenses.

414. Don Myers, Central Florida District USA, presented a motion to suspend the rules to be able to reconsider Resolution LA-401. A two-thirds vote was needed to suspend the rules. After discussion, motion failed.

415. After a short break, General Superintendent Duarte assumed the chair.

416. Resolution DA-201 was read.

Dan Keeton, Anaheim District USA, spoke against the resolution, in that with a decision to merge two districts, it seemed like the two-thirds vote necessary should remain.

John Seaman, Michigan District USA, spoke against the resolution. This dealt with more than just changing district boundaries; emotions were also involved.

Terry Rowland, Oklahoma District USA, spoke in favor of the resolution. For consideration, he indicated it needed to go to majority, as sometimes we become territorial on what we are trying to do. If advisory boards from both districts are with you, and the Board of General Superintendents give their support, then it would come to a place for mission, to do what is best for the Kingdom.

Greg Mason, Louisiana District USA, spoke against the resolution. He indicated he felt conflicted on the issue.

417. Resolution DA-201 was rejected.

418. Resolution DA-202 was read and adopted, per recommendation of the committee.

419. Kafoa Muaror, Fiji District, made a motion to reconsider DA-208. However, it was rejected by two-thirds vote of the committee and could not come before the assembly.

420. Resolutions DA-203, DA-204, DA-206, DA-207, DA-207a, and DA-207b were rejected by a two-thirds vote in committee; therefore, it was not necessary for the assembly to take action.

421. Arthur Snijders, Netherlands District, proposed a resolution on the process of electing new general superintendents. He made a motion to suspend the rules. The motion failed as the vote did not meet the two-thirds needed.

422. Resolution DA-205 was withdrawn.

423. Resolution DA-212 was read.

424. A delegate asked for a point of order whether there was still a quorum. General Secretary David Wilson indicated that 715 was a quorum; 756 were voting.

425. Resolution DA-212 was adopted as amended, per recommendation of the Committee.

426. Resolution DA-213 was rejected by a two-thirds vote in committee; therefore, it was not necessary for the assembly to take action.

427. Resolution DA-214 was read.

428. Joel Pearsall, Intermountain District USA, proposed an amendment to Resolution DA-214 because of prior action on Resolution on LA-424. The amendment would add the wording, "during each seventh consecutive year of service." After discussion, motion carried.

429. Jim Yelvington, Anaheim District USA, proposed an amendment to the amendment, to strike the word "consecutive."

Wavny Toussaint, Metro New York District, asked for a point of clarification.

Joe Knight, Michigan District USA, asked a question.

The chair indicated the need to deal with the amendment to the amendment. The motion failed.

Gene Wells, Kentucky District USA, asked if a sabbatical plan had been considered for missionaries and chaplains.

The chair indicated this was out of order.

Manuel Molina Flores, Mexico Sierra Madre de Chiapas District, asked when the resolution would take effect.

The chair responded the resolution would take effect after February 2014 when the 2013-2017 *Manual* is published.

Feliciano Sep, Guatemala North Verapaz District, asked if the seventh year requirement would be a full year or determined time.

The chair responded that it would be a determined time.

Stan Rodes, Intermountain District USA, spoke in favor of the amendment. As to the issue of when the sabbatical has to take place, there was room to say the district will make provision during the 7th year. This could be done by harmonizing the paragraph wording.

430. Trevor Johnston, South Central Ohio District USA, proposed an amendment to the amendment, which would read “the length of which is to be determined by the district advisory board.” After discussion, motion carried.

Jeren Rowell, Kansas City District USA, spoke against the amendment to the amendment, as the language was redundant.

431. Amendment to the amendment failed. The discussion returned to the amendment.

432. Joe Knight, Michigan District USA, made an amendment to the amendment, adding the phrase “or after.”

433. After discussion, amendment to amendment carried.

434. The amendment as amended “during or after each seventh consecutive” carried.

Brian Swartzentruber, Intermountain District USA, made a request for harmonization, deleting the wording of “the lifelong learning” and adding “strong spiritual life,” as in resolution LA-424.

Ian Fitzpatrick, Canada Central District, indicated the need to work with entire resolution.

435. Jim Cooper, Southwest Oklahoma District USA, called the question.

436. The motion carried for calling the question.

A question was asked relative to sabbatical leave and the implementation of the resolution.

The chair indicated there was a motion on the amendment.

437. Jim Cooper, Southwest Oklahoma District USA, called for the question on the resolution. The motion for the question carried.

438. Amendment carried.

439. Resolution DA-214 was adopted as amended.

440. Plenary was adjourned to return at 2:00 P.M.

Carla Sunberg, East Ohio District USA, indicated concern about whether there would be a quorum in the afternoon and asked if there was some action to take now.

The chair indicated that according to the Constitution, they could only adjourn.

A vote was taken and found only 645 present, while a quorum was 715.

Meeting adjourned.

THURSDAY AFTERNOON, 27 JUNE 2013

Prelude music was provided by Carol Ketchum.

441. The eleventh plenary business meeting of the Twenty-eighth General Assembly of the Church of the Nazarene was called to order at 2:00 P.M. on 27 June 2013, in the Indiana Convention Center in Indianapolis, Indiana, with General Superintendent Jesse Middendorf presiding.

442. The Board of General Superintendents presented a request from a member of the Bangladesh delegation to “raise our Nazarene voice against the United States Supreme Court verdict on gay marriage.” The Chair affirmed the following from the Board of General Superintendents:

Many nations are being affected by similar government and court decisions. There is no question but we are living in a challenging time, both morally and spiritually. Nonetheless, we wish to reaffirm our denomination’s position on biblical marriage.

While our Rules of Order prohibit us from taking any action on new business, it *is* in order to restate a portion of the position of the Board of General Superintendents on human sexuality, which is as follows:

We further wish to reemphasize our call to Nazarenes around the globe to recommit themselves to a life of holiness, characterized by holy love and expressed through the most rigorous and consistent lifestyle of sexual purity. We stand firmly on the belief that the biblical concept of marriage, always between one man and one woman in a committed, lifelong relationship, is the only relationship within which the gift of sexual intimacy is properly expressed.

As a visual expression of the Board of General Superintendents' support of the sanctity of marriage, General Superintendent Jesse Middendorf called for a moment of silent prayer, asking God to watch over and protect His Church and the people called Nazarenes. After the moment of silence, General Superintendent J. K. Warrick closed this time in corporate prayer.

443. The chair asked to confirm that there was a quorum; 715 needed and 715 present.

444. Resolution DA-216 was read and adopted as amended, per recommendation of the committee.

445. A delegate asked to consider Resolution GA-321. The chair indicated this resolution would be discussed later.

446. Resolution DA-217 was read.

John Seaman, Michigan District USA, commented that he is not sure how other districts work, but would like to see the district secretary who is ordained be part of the credentials board. He made a motion to restore the original language in the resolution.

Phil Fuller, Virginia District USA, agreed and suggested to increase the total number, continue with the district superintendent and district secretary present as his/her role is so vital.

Randy Berkner, North Arkansas District USA, spoke in favor of restoring the original language.

Robert Killen, Hawaii Pacific District USA, asked if this included retired assigned ministers. The chair indicated it did not.

Jim Yelvington, Anaheim District USA, spoke for the amendment, and commented that sometimes there are people who are not ordained serving on the ministerial credentials board.

David Alexander, Education, spoke against the amendment. *Manual* paragraph 227.2 already stipulates the board will appoint a secretary. This should provide needed latitude for districts.

John Seaman, Michigan District USA, indicated that perhaps his point was a moot one and withdrew the amendment.

447. After discussion, the motion passed to support the withdrawal of the amendment.

Dave McKellips, Northeast Oklahoma District USA, asked for clarification of the resolution.

Phil Fuller, Virginia District USA, spoke in favor of the resolution.

448. Resolution DA-217 was adopted as amended, per recommendation of the committee.

449. Resolution DA-218 was read.

John Seaman, Michigan District USA, spoke against the resolution.

Bob Broadbooks, Administration, made an amendment which would read at the end of the sentence "or his/her designee." After discussion, the amendment was adopted.

Jerry Appleby, Hawaii Pacific District USA, spoke against the resolution as amended.

General Superintendent J. K. Warrick indicated this was presented by the Board of General Superintendents. While this group is seldom called to task, this resolution gives legitimacy to the group itself. Resolution DA-218 was adopted as amended.

450. Resolution DA-219 was withdrawn.

451. Resolution GA-313 was read.

Rob McDonald, Dallas District USA, indicated this resolution was adopted to eliminate.

Resolution GA-313 was adopted, per recommendation of the committee.

452. Resolution GA-314 was read and adopted, per recommendation of the committee. It was a two-thirds vote.

453. Resolution GA-315 was read.

Mark Lail, Stewardship Ministries, proposed the following amendment: "Strike 'Global Mission Center' and add in its place 'General Board,' as well as adding 'the Director of Pension and Benefits International, Global Director of Stewardship Ministries, President of the Church of the Nazarene Foundation, Global Director of Research.'" After discussion, motion carried.

General Superintendent Jerry Porter indicated that Resolution GA-318 has not yet come to the floor. The Church of the Nazarene Foundation is a USA entity and Resolution GA-315 was proposed by the Nazarene Future Study to maintain the General Assembly at fewer than 1,000 people, particularly because of costs and logistics.

Stan McLain, Upstate New York District USA, indicated great concern that Sunday School and Discipleship Ministries International was not represented. The chair asked him to wait on this until Resolution GA-318 is discussed.

454. The vote was taken on the amendment as presented and passed.

Jerry Wilburg, Northwest Oklahoma District USA, indicated that the current name for the Nazarene Youth International "President" is now "Chair" so the language will need to be harmonized.

455. Resolution GA-315 was adopted as amended.

456. Resolution GA-316 was read.

John Seaman, Michigan District USA, indicated a problem with the wording "someone else." He proposed an amendment to strike "someone else" and add "an ordained elder." After discussion, motion carried.

Joe Knight, Michigan USA, asked if this person would have ordination privileges.

Amendment was adopted.

457. Resolution GA-316 was adopted as amended.

458. Resolution GA-317 was read.

Ed Nash, Kansas District USA, made a motion to amend and add appropriate attention to "theology, leadership." He was thinking about the responsibilities of the Board of General Superintendents, that they are to be the gatekeepers of the theology of the Church of the Nazarene.

After discussion, the motion to amend carried.

459. Resolution GA-317 was adopted as amended.

460. Resolution GA-318 was read.

Lloyd Brock, Northwest Illinois District USA, spoke against the resolution. The formula is on the backs of pastors until the district reached 4000 members.

Peggy Stark-Wilson, West Texas District USA, spoke against the resolution for inclusiveness.

General Superintendent Jesse Middendorf indicated that this General Assembly chose not to accept the extension of time between General Assembly, as well as the number of General Board members. If the assembly voted against maintaining General Assembly delegates, the financial implications were not really to be considered. He spoke in favor of the resolution.

Jim Cooper, Southwest Oklahoma District USA, spoke in opposition to the resolution. The assembly voted on Resolution GA-315 for those Global Ministry Center leaders, those on the front lines.

Larry Dennis, Central Florida District USA, indicated that his district spent \$70,000 to send all its delegates, which could be used in other ways.

General Superintendent J. K. Warrick indicated that Resolution GA-315's original intent was to reduce the number of delegates. This impacts World Evangelism Fund, and at some point the church has to reckon with the financial implications.

Tim Smith, Michigan District USA, proposed an amendment to change the "4,000" to "3,000" and then dropping brackets of "1-3500" on both. After discussion, motion carried.

Dave McKellips, Northeast Oklahoma District USA, spoke against the amendment, indicating that it was an insignificant change.

461. The amendment failed.

462. Mark Berry, Alabama South District USA, proposed an amendment to add the designation, "The district superintendent in addition to each delegate" (see chart). After discussion, motion carried.

Ed Heck, Chicago Central District USA, indicated this would interfere with the balance of ministerial and lay delegates.

Derl Keefer, Wisconsin District USA, spoke against the amendment.

463. The amendment failed.

The chair indicated the resolution was before the assembly.

Jim Cooper, Southeast Oklahoma District USA, asked to check for a quorum.

464. There was no quorum so meeting was recessed for a short break.

465. The chair mentioned the constitution requires 50% of the elected delegates as the quorum. If there is no quorum, the assembly could only approve the minutes. The resolutions left would be null and void. It was indicated that perhaps there is a need to consider for the future another method for the quorum.

466. There was a check for a quorum, which indicated 698 present. There was no quorum.

467. The chair indicated that only the necessary business would be conducted.

Rodwell Porter, Guyana Demerara-Essequibo District, asked for the possibility of waiting to grant more time to some delegates to return.

468. The General Board election results were given.

GENERAL BOARD MEMBERS 2013-2017

AFRICA REGION

Solomon Ndlovu, Minister (District Superintendent)

Arlindo Mondlane, Minister

Patrick Paulse, Minister

Johannes Marakalla, Lay

Cassandra Moodley Pillay, Lay

Sipho Vilakati, Lay

ASIA-PACIFIC REGION

Kafoa Muaror, Minister (District Superintendent)
Min-Gyoo Shin, Minister
Peter Aree, Lay
Shionel Gesite, Lay

CANADA REGION

D. Ian Fitzpatrick, Minister
David Falk, Lay

CENTRAL USA REGION

John Seaman, Minister
Judy Owens, Lay

EAST CENTRAL USA REGION

Carla Sunberg, Minister
Bryan Clay, Lay

EASTERN USA REGION

Ken Mills, Minister
Tracy Spaur, Lay

EURASIA REGION

Sukamal Biswas, Minister (District Superintendent)
Philip McAlister, Minister (District Superintendent)
Hans-Günter Mohn, Minister
Rob Kegel, Lay
Milon Patwary, Lay
Paul Tarrant, Lay

MESOAMERICA REGION

Oscar Rene Franco, Minister
Andres Hernandez, Minister
Ramon Angel Sierra, Minister (District Superintendent)
Darryl Bodkin, Lay
Carmen Checo de Acosta, Lay
Michael Scott, Lay

NORTH CENTRAL USA REGION

James Kraemer, Minister
Larry McIntire, Lay

NORTHWEST USA REGION

Randy Craker, Minister
Joel K. Pearsall, Lay

SOUTH AMERICA REGION

Jesus Bernat, Minister (District Superintendent)
Anips Spina, Minister
Amadeu Teixeira, Minister (District Superintendent)
Haroldo Neves, Lay
Gerson Rueda, Lay
Jose Roberto Santos, Lay

SOUTH CENTRAL USA REGION

Terry Rowland, Minister
Loren Gresham, Lay

SOUTHEAST USA REGION

Larry D. Dennis, Minister (District Superintendent)
Dwight M. Gunter, Minister
Charles Davis Jr., Lay
Michael Johnson, Lay

SOUTHWEST USA REGION

Rob Songer, Minister
Dan Spaite, Lay

NYI REPRESENTATIVE

Sabine Wielk

NMI REPRESENTATIVE

Lola Brickey

EDUCATIONAL REPRESENTATIVE (Minister)

John Bowling

EDUCATIONAL REPRESENTATIVE (Lay)

Bob Brower

469. General Secretary David Wilson reminded those elected that there would be a General Board organizational meeting Friday, 9:00 A.M. to noon, in Indiana Convention Center, Rooms 107-108.

470. A quorum was taken, and was met.

471. General Superintendent J. K. Warrick assumed the chair at 3:45 P.M.

Ed Heck, Chicago Central District USA, called for the question on Resolution GA-318. The motion carried with a two-thirds vote.

472. Resolution GA-318 was adopted, per the recommendation of the committee.

Jim Cooper, Southwest Oklahoma District USA, asked to make a statement that in calling for a quorum, he meant no disrespect to the assembly.

Randy Berkner, North Arkansas District USA, made a motion to reconsider Resolution GA-301 in light of the financial implications.

473. Motion was made to suspend the rules. The motion failed as it did not receive a two-thirds vote.

474. Resolution GA-319 was read and adopted per recommendation of the committee.

475. Resolution GA-320 was read and adopted per recommendation of the committee.

476. Resolution GA-321 was read and adopted per recommendation of the committee.

477. Resolution GA-322 was read and adopted per recommendation of the committee.

478. Resolution SR-758 was read and adopted per recommendation of the committee.

479. Resolution SR-758a was read.

David Araujo, Cape Verde Islands District, indicated his district presented a resolution in 2001 relative to a historic landmark. The chair indicated this was out of order as it was not related to the resolution at hand.

480. Resolution SR-758a was adopted per recommendation of the committee.

481. Resolution SR-752 was read.

Joe Knight, Michigan District USA, spoke for the resolution.

Carla Sunberg, East Ohio District USA, indicated that having a conference just for the discussion of atonement is probably not the best use of financial resources, therefore speaking against the resolution.

Joe Knight, Michigan District USA, indicated that this is more of a Western issue.

David Alexander, Education, indicated that the Wesleyan Theological Society would be discussing the atonement at Northwest Nazarene University in March 2014.

Mashangu Maluleka, South Africa RSA Western District, reminded the assembly of the need to think globally and, therefore, spoke against the resolution.

482. Resolution SR-752 was defeated.

483. Charles Davis, Central Florida District USA, asked if it would be in order to suspend the rules requiring that the list of delegates be submitted by June 1.

484. The motion failed to suspend the rules, as there was not a two-thirds vote.

485. Rob McDonald, Dallas District USA, made a motion to reconsider Resolution GA-318. He voted earlier on the prevailing side.

486. After discussion, motion to reconsider with a simple majority failed.

487. Resolution SR-753 was read and defeated.

488. An unidentified delegate made a motion to reconsider Resolution GA-322. In many of our churches in the third world, utilizing the "apostolic" terminology creates challenges. After discussion, motion to reconsider failed.

489. Resolution SR-754 was read and adopted, per recommendation of the committee.

490. Resolutions SR-755, SR-756, and SR-757 were rejected by a two-thirds vote in committee; therefore, it was not necessary for the assembly to take action.

491. General Superintendent J. K. Warrick indicated this was the end of our business, and returned the chair to General Superintendent Eugénio Duarte, who reminded the assembly of the General Superintendent Installation Service.

492. The chair entertained a motion to adjourn the Twenty-eighth General Assembly of the Church of the Nazarene. After discussion, motion carried.

493. The plenary meeting was closed by singing the doxology.

THURSDAY EVENING, 27 JUNE 2013

The installation of the 40th and 41st General Superintendents was held on Thursday evening, June 26, 2013, in the Indianapolis Convention Center in Indianapolis, Indiana.

A prelude of music was provided by Lyndell Leatherman.

The service opened with Roger Allen leading the congregation in singing a Holiness Medley of “Holiness Forevermore,” “Called Unto Holiness,” and “Take My Life.”

Hernan Puga, Superintendent, Ecuador Norte District, prayed the opening prayer.

General Secretary David P. Wilson presented the 40th and 41st General Superintendents to the assembly, David Busic and Gustavo Crocker, respectively.

General Superintendent Eugénio R. Duarte welcomed the 40th and 41st General Superintendents to the Board of General Superintendents. General Superintendent Duarte presented each of them with a Bible as a reminder to continue spending time in the Word, as well as an ostrich egg from Africa, symbolic of the fact that Jesus is alive and the passion to win souls to the Lord.

The Visayan Nazarene Bible College Choir ministered through music.

The reading of the Holy Scriptures was provided by General Superintendent Jesse C. Middendorf with the Old Testament—Isaiah 42:1-7 and General Superintendent Stan A. Toler with the New Testament—Ephesians 4:1-7, 11-16.

General Superintendent David W. Graves provided the Reading from the *Manual* paragraphs 317, 317.1, 317.3, 317.10, 317.12, 318, 322, and 324.

General Superintendent Eugénio R. Duarte read the following “Charge.”

THE CHARGE

We celebrate the leadership of the Holy Spirit in your election as the 40th and 41st general superintendents of the Church of the Nazarene. We have earnestly sought God’s guidance, and we believe that He has graciously answered our prayers. You have obviously proven yourselves worthy of this trust by your spiritual qualifications, unquestioned integrity, leadership qualities, and record of effective service in the church.

And now in the presence of God and of Christ Jesus and on behalf of the Board of General Superintendents and the Church of the Nazarene, I give each of you this charge:

I charge you to prioritize giving leadership to the church. You have been called out by God through the vote of this assembly to lead the church. You are being asked to join hands, hearts, and minds with five other individuals to provide united, visionary, Spirit-anointed direction to the church. Do it prudently; you have been set aside for prophetic influence. Pray earnestly, think critically, act catalytically. With careful discrimination, use the authority given to you in the *Manual* to lead by influence and persuasion as a general rule rather than by power of position.

I charge you to be a missional leader. Our mission is “to make Christlike disciples in the nations.” The Great Commandment and the Great Commission move us to engage the broken and needy in compassion, to embrace the marginalized in justice, to bring the spiritually lost to the world’s only Savior, and to fold them into a caring community of faith where they can be loved and discipled in Christlikeness. This mission extends to all humanity. It begins in worship and adoration, it ministers in passionate evangelism and purposeful compassion, it encourages believers toward Christian maturity through intentional discipleship, and it prepares women and men for Christian life service through transformational leadership training. Be guided by this mission in everything you do.

I charge you to think globally. Your election by the General Assembly signifies that in a very unique way you now belong to the entire church. A provincial ministry perspective is incongruous with this office. We are committed to becoming a truly international church. Thankfully, we have made much progress, but we have not yet hit our elusive target. Thus, leadership must reaffirm its resolve to continue in that pursuit. Think globally. Be sensitive to all the issues of diversity that confront us in this 21st century world.

I charge you to faithfully uphold the doctrinal positions, ethical standards, and governmental policies of the church as stated in the *Manual*. Be guided by the *Manual* in all your rulings and decisions. Gladly embrace the responsibilities given this office. You will have the holy privilege of laying your hands on the head of a God-called woman or man in the act of ordination into the Christian ministry. Nothing you do will be more sobering or humbling. Help the church recapture the sense of holy awe that accompanies the ordination of its elders and deacons as we project our Core Values to future generations.

I charge you to guard against the intrusion of any threat that will weaken the moral and spiritual fiber of the church or dissipate its effectiveness. The Church of the Nazarene was raised up to “spread scriptural holiness.” You have no greater responsibility than to ensure that the church faithfully and effectively performs this mission. The message is our mission. The Board of General Superintendents has no duty more solemn than doing whatever it deems necessary to ensure doctrinal coherence and clarity. Please, for the sake of our Lord and His Church, do everything you can to make certain that the trumpet is sounding a clear call, for thereby you will help reignite our passion to spread scriptural holiness.

I charge you finally to take care of your own soul. Prioritize your life and live with your priorities as much as possible. Do not be governed by the merely urgent; but live for the truly important. The best thing you can give our church is a Jesus-like person—someone who worships Jesus, loves Jesus, thinks Jesus, talks Jesus, and lives Jesus. That is the kind of leader the church needs and will follow.

On behalf of the church, I have given you a very complex, exact, and formidable charge. The God who has called you to this task will enable you through His unfailing grace to fulfill this charge to the glory of Jesus Christ in His Church

Following the reading of “The Charge,” the new general superintendents knelt at the R. T. Williams altar, and General Superintendent J. K. Warrick prayed the prayer of consecration.

Jeren L. Rowell, Kansas City District Superintendent, sang “I Will Not Forget Thee,” followed by the congregation singing “We All Are One in Mission.” General Superintendent Jerry D. Porter offered the benediction.

General Secretary David P. Wilson presented the Board of General Superintendents and their spouses to the assembly, followed by the postlude by Lyndell Leatherman.

PROCEEDINGS

USA/CANADA CAUCUS
TUESDAY AFTERNOON, 25 JUNE

1. The USA/Canada Caucus of the Twenty-eighth General Assembly in Indianapolis, Indiana, USA was called to order at 3:55 P.M. by General Superintendent Eugénio Duarte.

2. General Secretary David Wilson called for an election of 9 ministers and 9 laypersons to serve on the Nazarene Theological Seminary Board of Trustees. They will be elected by educational regions in the USA/Canada.

3. The ballot and voting for Board of Trustees of Nazarene Theological Seminary was completed with the ballot report read.

<i>Ministers</i>		<i>Laypersons</i>	
<i>Canada</i>			
Gary Bennett	153	Brian Cambers	201
Clair MacMillan	330	Deborah Snow Stroub	266
<i>Central USA</i>			
Ed Heck	203	Mary Margaret Reed	294
Glen Gardner	276	Barry Huebner	149
<i>East Central USA</i>			
Geoff Kunselman	161	Wayne Penrod	282
Charles Sunberg	331	Barbara Tarantino	180
<i>Eastern USA</i>			
David Sharpes	205	Jan Weisen	203
Samuel Vassel	286	Merritt Mann	272
<i>North Central USA</i>			
Brad Estep	221	Chad Cook	171
Jeren Rowell	283	Brad Moore	306
<i>Northwest USA</i>			
Jeff Crosno	103	Monte Chitwood	215
Stan Reeder	397	Bob Helstrom	250
<i>South Central USA</i>			
David Downs	279	Howard Hendricks	341
Rick Harvey	212	John Means	116
<i>Southeast USA</i>			
Eddie Estep	259	Juliet Carter	202
Kevin Ulmet	236	Gerald Skinner	252
<i>Southwest USA</i>			
Scott Daniels	323	Allen Brown	218
Orlando Serrano	176	Art Shingler	230

4. With the first part of the business completed, the Canada Caucus was dismissed.

5. General Secretary David Wilson called for an election of the Nazarene Bible College Board of Trustees. The ballot and voting was completed with the ballot report read.

<i>Central USA</i>		<i>Northwest USA</i>	
Wayne Brown, DS	129	Bill Carr, DS	284
David Roland, DS	342	David Ralph, DS	180
Lloyd Brock, Minister	163	Kevin Donley, Minister	213
Lenny Wisehart, Minister	319	Shawn Siegfried, Minister	236
Arlene Chenoweth, Lay	266	Jeremy Carr, Lay	225
J. Quinn Dickey, Lay	186	Ann Jetton, Lay	208
<i>East Central USA</i>		<i>South Central USA</i>	
Kevin Dennis, DS	245	Randy Berkner, DS	187
Stephen Ward, DS	219	Greg Mason, DS	274
Mark Fuller, Minister	310	Ken Carney, Minister	229
Riley Powell, Minister	149	Jim Hill, Minister	211
Carol Dockery, Lay	199	Keith Pardue, Lay	218
Homer McKnight, Lay	253	Peggy Stark Wilson, Lay	230
<i>Eastern USA</i>		<i>Southeast USA</i>	
Phil Fuller, DS	290	Ron McCormick, DS	137
Bret Metcalfe, DS	156	Roy Rogers, DS	329
Jerome Hancock, Minister	216	Chet Bush, Minister	181
Charles Tillman, Minister	201	Brett Rickey, Minister	253
Cindy Charles, Lay	255	Donna Alder, Lay	242
Brian Todd, Lay	154	Keith Dance, Lay	186
<i>North Central USA</i>		<i>Southwest USA</i>	
Mark Bane, DS	226	John Nells, DS	290
Dan Cole, DS	228	Doug Pierce, DS	158
Jim Bond, Minister	370	Kendall Franklin, Minister	242
Tom Shaw, Minister	108	Dave West, Minister	194
LeEtta Felter, Lay	141	Saurabh Emmanuel, Lay	216
Bonnie Perry, Lay	287	Jacqueline Frey, Lay	203

6. Christian Action-USA Committee Report #1 was read.

7. Resolution USA-920 was read. The recommendation of the committee was that USA-920 be adopted as amended. Dr. Wilson explained that this resolution is not a change in the *Manual* but is to be read to the General Assembly.

Stan Hall, Missouri District USA, asked for clarification of “restitution.” He asked if someone from the Kansas City or Virginia District could explain.

John Nells, Southwest Native American District USA, offered an amendment to the motion in Line 7 to add “the Native Americans, the original inhabitants of this country.”

Wavny Toussaint, Metro New York District USA, spoke in opposition to the proposed committee amendment.

Jerry Appleby, Hawaii Pacific District USA, explained the committee’s rationale for amending USA-920, so that the resolution would be inclusive of other ethnic groups, but to also specify the treatment of African-Americans.

Wavny Toussaint, Metro New York District USA, spoke against the committee’s amendment because the original intent of the resolution was to address the specific issue of African-American treatment.

Ed Nash, Kansas District USA, made a motion to refer the resolution back to the committee. The motion was seconded.

An unknown delegate spoke against referring the resolution back to committee.

Janice Laster, Georgia District USA, spoke against the referring the resolution back to the committee and against the resolution.

John Seaman, Michigan District USA, moved that the motion be tabled. Motion carried.

USA CAUCUS
WEDNESDAY AFTERNOON, 26 JUNE 2013

8. The second meeting of the USA Caucus of the Twenty-eighth General Assembly in Indianapolis, Indiana, USA was called to order at 3:45 P.M. by General Superintendent Eugénio Duarte.

9. At the close of the 25 June 2013 meeting, USA-920 was tabled. Chairman Duarte asked how the members would like to proceed.

10. Jeren Rowell, Kansas City District USA, made a motion that the resolution be removed from the table. Motion carried.

11. Resolution USA-920 as amended the previous day was presented.

John Nells, Southwest Native American District USA, withdrew his amendment to the resolution.

Sheila McClure, North Carolina District USA, objected to the removal.

The withdrawal carried.

Rollie Miller, Anaheim District USA, spoke against the resolution.

Julie Taylor, Mid-Atlantic District USA, spoke against the resolution.

Scott Sherwood, Northwestern Illinois District USA, called the question.

Motion to call and the question carried.

12. Upon vote, Resolution USA-920 was rejected.

13. Resolution USA-900 was read. Chairman Duarte asked if anyone wanted to speak to the motion to refer.

Susan Carole, Michigan District USA, asked if they were voting to refer or if an amendment could be offered. The chair indicated the delegates had to deal first with the referral.

Greg Mason, Louisiana District USA, spoke against referral.

Charles Davis, Central Florida District USA, spoke for referral.

General Secretary David Wilson offered a reminder that GA-311, passed by the General Assembly, will give the regions the opportunity to present the membership and structure of a National Board to the BGS. The USA/Canada region can recommend a new National Board to the BGS based on language that was passed in GA-311.

Brian Wilson, Chicago Central District USA, stated this resolution would bring the USA National Board into compliance with the *Manual*. He questioned who would be responsible for implementation.

In answer to the question, the chair stated the USA/Canada Regional Office is responsible for implementation.

14. Upon vote, the resolution was referred to the Board of General Superintendents.

15. The meeting adjourned.

ASSEMBLY COMMITTEES

STANDING COMMITTEES

<i>Committee</i>	<i>Chairperson</i>	<i>Secretary</i>	<i>Numbering</i>
CHRISTIAN ACTION	Scott Daniels	Bruce Johnson	CA-700-749
CHURCH PROGRAM (Missions, Evangelism, Publishing)	Kafoa Muaror	Jerry Frye	CP-100-199
DISTRICT ADMINISTRATION	Terry Rowland	Randy Berkner	DA-200-299
GENERAL ADMINISTRATION	Steve Borger	Bud Pugh	GA-300-399
LOCAL ADMINISTRATION	Carla Sunberg	Steve Egidio	LA-400-499
MINISTRY & EDUCATION	David Roland	Garry Pate	MED-500-599
STEWARDSHIP & FINANCE	Jossie Owens	David Nixon	SF-600-699

SPECIAL COMMITTEES

SPECIAL RESOLUTIONS	Rob McDonald	Larry McNutt	SR-750-799
SPECIAL JUDICIAL	Lee Skidmore	Joe Knight	JUD-800-899
REGIONAL CAUCUSES			-----900-999

CODE FOR AMENDING RESOLUTIONS

Where separate resolutions are identical or closely related in subject matter, the same number is used with further identification by use of an added letter such as 100a, 100b, 100c, etc. In some instances, the Reference Committee may prepare a "composite" resolution to assist the committee in handling this legislation.

RESOLUTIONS WHICH AMEND THE *Manual* show words to be removed in brackets: [example]; and words to be added are underlined: example.

RESOLUTIONS AMENDED IN COMMITTEE show words to be removed with strikes: ~~example~~; and words to be added are in upper case letters: EXAMPLE.

RESOLUTIONS AMENDED BY THE GENERAL ASSEMBLY show words to be removed with italics and double-strikes: ~~*example*~~; and words to be added in uppercase italics: *EXAMPLE*.

Notes: The listing in parentheses following the committee vote record of each resolution item in this section includes the final action taken by a General Assembly (i.e., adopted, amended and adopted, referred, rejected, or substituted), as well as the action item number from the proceedings contained in this journal, where the resolution was discussed. If a listing in this same area appears like this (See ICC-1) or (See GA-310), it indicates that the resolution was grouped into another resolution with that one becoming the primary one to be considered for that issue, so a separate action was not taken on it by the General Assembly.

CHRISTIAN ACTION COMMITTEE

The Christian Action Committee having had referred to it the following resolutions, which were reported to the assembly in two reports, recommends action as indicated:

1. **CA-700—Gender Inclusive Language**, North Arkansas District Resolutions Committee, recommends that it be adopted. The vote: 111 for the resolution and 0 against the resolution. (Adopted, see 125.)

RESOLVED that *Manual* paragraph 27.1, item 3, be amended as follows:

27.1 First. By doing that which is enjoined in the Word of God, which is our rule of both faith and practice, including:

3. Being courteous to all [men] people (Ephesians 4:32; Titus 3:2; 1 Peter 2:17; 1 John 3:18).

FURTHER RESOLVED that *Manual* paragraph 27.1, item 5, be amended as follows:

27.1 First. By doing that which is enjoined in the Word of God, which is our rule of both faith and practice, including:

5. Seeking to do good to the bodies and souls of [men] people; feeding the hungry, clothing the naked, visiting the sick and imprisoned, and ministering to the needy, as opportunity and ability are given Matthew 25:35-36; 2 Corinthians 9:8-10; Galatians 2:10; James 2:15-16; 1 John 3:17-18).

2. **CA-701—The Covenant of Christian Character—Sexual Immorality**, Chicago Central District General Assembly Resolutions Committee, East Tennessee District Resolutions Committee, Eastern Michigan District Resolutions Committee, Michigan District General Assembly Delegation, Northwestern Illinois District Resolutions Committee, Prairie Lakes District Advisory Board, and Southwest Indiana District, recommends that it be amended and adopted. The vote: 120 for the resolution as amended and 4 against the resolution as amended. (Adopted, see 127.)

RESOLVED that *Manual* paragraph 27.2, item #3, be amended as follows:

27.2. Second. By avoiding evil of every kind, including:

3. Sexual immorality, such as premarital, [or] extramarital, or homosexual SAME-SEX relations, perversion in any form, or looseness and impropriety of conduct (Genesis 19:4-11; Exodus 20:14; Leviticus 18:22; 20:13; Judges 19; Matthew 5:27-32; Romans 1:26-27; 1 Corinthians 6:9-11; Galatians 5:19; 1 Thessalonians 4:3-7; 1 Timothy 1:10).

3. **CA-702—Entertainment**, Board of General Superintendents, recommends that it be adopted. The vote: 121 for the resolution and 1 against the resolution. (Adopted, see 131.)

RESOLVED that *Manual* paragraph 34.1 be amended as follows:

34. We hold specifically that the following practices should be avoided:

34.1. Entertainments that are subversive of the Christian ethic. Our people, both as Christian individuals and in Christian family units, should govern themselves by three principles. One is the Christian stewardship of leisure time. A second principle is the recognition of the Christian obligation to apply the highest moral standards of Christian living. Because we are living in a day of great moral confusion in which we face the potential encroachment of the evils of the day into the sacred precincts of our homes through various avenues such as current literature, radio, television, personal computers, and the Internet, it is essential that the most rigid safeguards be observed to keep our homes from becoming secularized and worldly. However, we hold that entertainment that endorses and encourages holy living, [and] that affirms scriptural values, and that supports the sacredness of the marriage vow and the exclusivity of the marriage covenant, should be affirmed and encouraged. We especially encourage our young people to use their gifts in media and the arts to influence positively this pervasive part of culture.

...REMAINDER OF PARAGRAPH REMAINS THE SAME.

4. **CA-703—The Covenant of Christian Conduct**, Reference Committee and North Florida District Advisory Board, recommends that it be referred to the Board of General Superintendents. The vote: 121 for the resolution and 1 against the resolution. (Referred, see 134.)

RESOLVED that *Manual* paragraph 37 be resolved as follows:

37. The Church of the Nazarene views human sexuality as one expression of the holiness and beauty that God the Creator intended for His creation. It is one of the ways by which the covenant between a husband and a wife is sealed and expressed. Christians are to understand that in marriage human sexuality can and ought to be sanctified by God[.], for [H]human sexuality achieves fulfillment only as a sign of comprehensive love and loyalty. Christian husbands and wives should view sexuality as a part of their much larger commitment to one another and to Christ from whom the meaning of life and love is drawn.

The Christian home should serve as a setting for teaching children the sacred character of human sexuality and for showing them how its meaning is fulfilled in the context of love, fidelity, and patience.

Our ministers and Christian educators should [state] clearly enunciate the Christian understanding of human sexuality, urging [Christians] believers to celebrate its rightful excellence, and rigorously [to] guard against its [betrayal] misuse and distortion.

Sexuality misses its purpose when treated as an end in itself or when cheapened by using another person to satisfy [pornographic and perverted] selfish and prurient sexual interests. We view all forms of sexual intimacy that occur outside the covenant of heterosexual marriage as sinful distortions of the holiness and beauty God intended for it.

Homosexuality [is one means by which human sexuality is perverted. We recognize the depth of the perversion that leads to homosexual acts but affirm the biblical position that such acts are sinful and subject to the wrath of God.], in its different forms and societal and cultural terms (including gay, lesbian, bisexual, and transgender), is an immoral perversion of God's intended use of human sexuality. We recognize that different factors may contribute to homosexual behavior, but affirm the authority of Scripture that such acts, without exception, are contrary to the laws and nature of God, and are therefore sinful and subject to His judgment. [We believe the grace of God sufficient to overcome the practice of homosexuality (1 Corinthians 6:9-11).] We deplore any [action or statement] effort that would seem to imply compatibility between Christian morality and the practice of [homosexuality] homosexual behavior. [We urge clear preaching and teaching concerning Bible standards of sexual morality.] But equally

important, we believe the grace of God sufficient to overcome this sin and transform the life of a repentant believer (1 Corinthians 6:9-11).

(Genesis 1:27; 19:1-25; Leviticus 18:22; 20:13; Romans 1:18, 26-27; 1 Corinthians 6:9-11; Galatians 5:19; 1 Timothy 1:8-10)

REFERRED TO THE BOARD OF GENERAL SUPERINTENDENTS

5. **CA-704—Church Officers**, Kansas City District, recommends that it be adopted. The vote: 78 for the resolution and 38 against the resolution. (Adopted, see 135.)

RESOLVED that *Manual* paragraph 39 be amended as follows:

39. We direct our local churches to elect as church officers active members of the local church who profess the experience of entire sanctification and whose lives bear public witness to the grace of God that calls us to a holy life; who are in harmony with the doctrines, polity, and practices of the Church of the Nazarene; and who support the local church faithfully in attendance and with tithes and offerings. Church officers should be fully engaged in “making Christlike disciples in the nations.”

6. **CA-704a—Church Officers**, Reference Committee and Tennessee District Resolutions Committee, recommends that it be adopted. The vote: 80 for the resolution and 30 against the resolution. (Adopted, see 136.)

RESOLVED that *Manual* paragraph 39 be amended as follows:

39. We direct our local churches to elect as church officers active members of the local church who profess the experience of entire sanctification and whose lives bear public witness to the grace of God that calls us to a holy life; who are in harmony with the doctrines, polity, and practices of the Church of the Nazarene; and who support the local church faithfully in attendance, active service, and with tithes and offerings. (113.11, 127, 145-147)

FURTHER RESOLVED that *Manual* paragraph 113.11 be amended as follows:

113.11. Elections. At the annual church meeting there shall be an election, by ballot, of the stewards (137), the trustees (141, 142.1), the Sunday School and Discipleship Ministries International superintendent (SDMI) (146), and the members of the SDMI Board (145), to serve for the next church year and until their successors are elected and qualified. Where laws permit and when it is approved by a majority vote of the church members present, all those elected may serve a two-year term. All those elected shall be active members of that same local Church of the Nazarene.

We direct our local churches to elect as church officers active members of the local church who profess the experience of entire sanctification and whose lives bear public witness to the grace of God that calls us to a holy life; who are in harmony with the doctrines, polity, and practices of the Church of the Nazarene; and who support the local church faithfully in attendance, active service, and with tithes and offerings. (39, 127, 145-147)

FURTHER RESOLVED that *Manual* paragraph 127 be amended as follows:

127. Membership. Every local church shall have a church board, composed of the pastor, the Sunday School and Discipleship Ministries International (SDMI) superintendent, the president of the Nazarene Youth International (NYI), the president of the Nazarene Missions International (NMI) (or if the president is the pastor's spouse, and chooses not to serve on the board, the vice president may serve; however, if the president is the pastor's spouse and chooses to serve on the board, he or she shall not be a part of the review process of the pastor), the stewards, and the trustees of the church, and the members of the SDMI Board when elected as the Education Committee of the church board by the annual church meeting. There shall be no more than 25 regular members of the church board. Ordained and district licensed ministers

unassigned by the district and paid employees of the local church are not eligible to serve on the local church board.

We direct our local churches to elect as church officers active members of the local church who profess the experience of entire sanctification and whose lives bear public witness to the grace of God that calls us to a holy life; who are in harmony with the doctrines, polity, and practices of the Church of the Nazarene; and who support the local church faithfully in attendance, active service, and with tithes and offerings. (39, 113.11, 137, 141, 145-147, 151, 153.2, 160.4)

FURTHER RESOLVED that *Manual* paragraph 146 be amended as follows:

146. The Sunday School and Discipleship Ministries International Superintendent. The annual church meeting shall elect by majority vote by ballot, of those present and voting, from among its full members, a Sunday School and Discipleship Ministries International (SDMI) superintendent to serve for one year (39), or until his or her successor is elected. The SDMI Board, with the pastor's approval, may call for an incumbent SDMI superintendent to be elected by a "yes" or "no" vote. A vacancy shall be filled by the local church at a duly called church meeting (113.11, 145.5). The SDMI superintendent, newly elected, shall be a member ex-officio of the district assembly (201), the local church board (127), and the SDMI Board (145).

We direct our local churches to elect as church officers active members of the local church who profess the experience of entire sanctification and whose lives bear public witness to the grace of God that calls us to a holy life; who are in harmony with the doctrines, polity, and practices of the Church of the Nazarene; and who support the local church faithfully in attendance, active service, and with tithes and offerings. (39)

7. ~~CA-705—Matrimony~~, Reference Committee and Board of General Superintendents, recommends that it be adopted. The vote: 120 for the resolution and 2 against the resolution. (Amended and Adopted, see 161.)

RESOLVED that a new paragraph be added to the *Manual* as follows:

413.10. To give due care to matters relating to solemnizing marriages. They shall convey the sacredness of Christian marriage through careful attention to their own marital state, through all forms of communication, through ministering to others, and through PREMARITAL counseling and solemnizing the marriage ceremony.

FURTHER RESOLVED that a new paragraph be added to the *Manual* as follows:

435.16 A minister may solemnize marriage only for those who have been qualified according to law, by careful counseling, and who have a biblical basis for marriage.

Biblical marriage only exists in a relationship involving one man and one woman. (35.2, 413.10)

FURTHER RESOLVED that *Manual* paragraph 35.2 be amended as follows:

35.2. Ministers of the Church of the Nazarene are instructed to give due care to matters relating to solemnizing marriages. They shall seek, in every manner possible, to convey to their congregations the sacredness of Christian marriage. They shall provide premarital counseling in every instance possible before performing a marriage ceremony including proper spiritual guidance for those who have experienced divorce. They shall only solemnize marriages of persons having the biblical basis for marriage.

Biblical marriage only exists in a relationship involving one man and one woman. ([107-7.1] 413.10, 435.15)

8. **CA-706—Organ Donation**, Reference Committee, recommends that this paragraph remain in the *Manual* and that it be adopted. The vote: 122 for the resolution and 0 against the resolution. (Adopted, see 171.)

RESOLVED that *Manual* paragraph 903.1 be reconsidered, and that a recommendation be made to include it as is in the 2013 *Manual*, or modify it, or eliminate it from the 2013 and succeeding *Manuals*, according to *Manual* paragraph 902.5.

KEEP, MODIFY, or ELIMINATE?

903.1. Organ Donation

The Church of the Nazarene encourages its members who do not object personally to support donor/recipient anatomical organs through living wills and trusts.

Further, we appeal for a morally and ethically fair distribution of organs to those qualified to receive them. (2001)

9. **CA-707—Responsibility to the Poor**, Reference Committee, recommends that this paragraph remain in the *Manual* and that it be adopted. The vote: 120 for the resolution and 0 against the resolution. (Adopted, see 172.)

RESOLVED that *Manual* paragraph 903.4 be reconsidered, and that a recommendation be made to include it as is in the 2013 *Manual*, or modify it, or eliminate it from the 2013 and succeeding *Manuals*, according to *Manual* paragraph 902.5.

KEEP, MODIFY, or ELIMINATE?

903.4. Responsibility to the Poor

The Church of the Nazarene believes that Jesus commanded His disciples to have a special relationship to the poor of this world; that Christ's Church ought, first, to keep itself simple and free from an emphasis on wealth and extravagance and, second, to give itself to the care, feeding, clothing, and shelter of the poor. Throughout the Bible and in the life and example of Jesus, God identifies with and assists the poor, the oppressed, and those in society who cannot speak for themselves. In the same way, we, too, are called to identify with and to enter into solidarity with the poor and not simply to offer charity from positions of comfort. We hold that compassionate ministry to the poor includes acts of charity as well as a struggle to provide opportunity, equality, and justice for the poor. We further believe that the Christian responsibility to the poor is an essential aspect of the life of every believer who seeks a faith that works through love.

Finally, we understand Christian holiness to be inseparable from ministry to the poor in that it drives the Christian beyond his or her own individual perfection and toward the creation of a more just and equitable society and world. Holiness, far from distancing believers from the desperate economic needs of people in our world, motivates us to place our means in the service of alleviating such need and to adjust our wants in accordance with the needs of others. (2001)

(Exodus 23:11; Deuteronomy 15:7; Psalms 41:1; 82:3; Proverbs 19:17; 21:13; 22:9; Jeremiah 22:16; Matthew 19:21; Luke 12:33; Acts 20:35; 2 Corinthians 9:6; Galatians 2:10)

10. **CA-708—Substance Abuse**, Reference Committee, recommends that this paragraph remain in the *Manual* as modified and that it be adopted. The vote: 122 for the resolution as modified and 0 against the resolution as modified. (Adopted, see 173.)

RESOLVED that *Manual* paragraph 903.15 be reconsidered, and that a recommendation be made to include it as is in the 2013 *Manual*, or modify it, or eliminate it from the 2013 and succeeding *Manuals*, according to *Manual* paragraph 902.5.

KEEP, MODIFY, or ELIMINATE?

903.15. Substance Abuse

The Church of the Nazarene continues to strongly object to substance abuse as a social malignancy. We encourage church members to take an active and highly visible role and to participate in education AND REHABILITATION relative to substance abuse and the incompatibility of such use with a Christian experience and a holy life. (2001)

11. **CA-709—Use of Alcohol**, Chicago Central District General Assembly Resolutions Committee, recommends that it be rejected. The vote: 42 for the resolution and 61 against the resolution. (Referred, see 248.)

RESOLVED that *Manual* paragraph 903.16 be amended as follows:

903.16. Use of Alcohol [Desocialization]

The social practices of the believers called Nazarenes are driven by a Wesleyan-holiness ethic of love for God and for neighbor. As regards the use of alcohol as a social beverage, we practice a radical discipleship that chooses to abstain from the use of alcohol. In love for God, this is in part an attempt to order our lives fully for the sake and pleasure of God. In love for neighbor, we believe that by abstaining from alcohol we stand in solidarity with those whose lives, health, and relationships have been damaged by the undisciplined consumption of alcohol, whether by themselves or by those whose actions were detrimental to them in some way. We would not want our consumption of alcohol to be a cause for offense to these. Reliable research statistics, on a global scale, give ample evidence of the harmful, destructive, and too often fatal consequences of the undisciplined use of alcohol.

While Nazarenes choose to abstain from the use of alcohol as a social beverage, we covenant to do so in a manner that is non-judgmental toward other fellow believers who choose to drink alcoholic beverages while belonging to the family of God. To abstain in a prideful, selfish, or haughty manner would be inconsistent with our ethic of love. We seek the good of our neighbor, and believe with the Apostle Paul that, while certain consumable products may be “lawful” or “permissible” to the mature Christian with a clean conscience, not all things are beneficial or constructive (1 Corinthians 10:23-24). We believe our social choice to be one of grace extended to those who have suffered because of alcohol.

The Church of the Nazarene publicly supports [the desocialization of alcohol consumption. We encourage civic, labor, business, professional, social, voluntary, and private agencies and organizations to assist in such desocialization] efforts to counteract the advertising and media promotion of the [social] acceptability of the “alcohol culture.” (2013)

REFERRED TO THE BOARD OF GENERAL SUPERINTENDENTS

12. **CA-709a—Alcohol Desocialization**, Reference Committee, recommends that this paragraph remain in the *Manual* and that it be adopted. The vote: 103 for the resolution and 0 against the resolution. (Adopted, see 249.)

RESOLVED that *Manual* paragraph 903.16 be reconsidered, and that a recommendation be made to include it as is in the 2013 *Manual*, or modify it, or eliminate it from the 2013 and succeeding *Manuals*, according to *Manual* paragraph 902.5.

KEEP, MODIFY, or ELIMINATE?

903.16. Alcohol Desocialization

The Church of the Nazarene publicly supports the desocialization of alcohol consumption. We encourage civic, labor, business, professional, social, voluntary, and private agencies and organizations to assist in such desocialization to counteract the advertising and media promotion of the social acceptability of the "alcohol culture." (2001)

13. **CA-710—Tobacco Use and Advertising**, Reference Committee, recommends that this paragraph remain in the *Manual* as modified and that it be adopted. The vote: 103 for the resolution as modified and 0 against the resolution as modified. (Adopted, see 242.)

RESOLVED that *Manual* paragraph 903.17 be reconsidered, and that a recommendation be made to include it as is in the 2013 *Manual*, or modify it, or eliminate it from the 2013 and succeeding *Manuals*, according to *Manual* paragraph 902.5.

KEEP, MODIFY, or ELIMINATE?

903.17. Tobacco Use and Advertising

The Church of the Nazarene urges its people to continue to speak out against the use of tobacco, both as a health hazard and a social evil. Our historic stand is based on God's Word, where we are admonished to maintain our bodies as temples of the Holy Spirit (1 Corinthians 3:16-17; 6:19-20).

Our stand opposing the use of tobacco in all its forms is strongly supported by medical evidence, documented by numerous social, governmental, and health agencies around the world. They have demonstrated that it is a major health hazard, and have shown conclusively that its use may produce changes in normal bodily physiology, both serious and permanent.

We recognize that our young people are greatly influenced by the millions of dollars that are spent on tobacco advertising, and its twin evil, beverage alcohol. We endorse a ban on all advertising of tobacco and beverage alcohol in magazines, on billboards, and on radio and television AND OTHER MEDIA. (2001)

14. **CA-711—HIV/AIDS (Human Immunodeficiency Virus/Acquired Immunodeficiency Syndrome)**, Reference Committee, recommends that this paragraph remain in the *Manual* and that it be adopted. The vote: 103 for the resolution and 0 against the resolution. (Adopted, see 243.)

RESOLVED that *Manual* paragraph 903.18 be reconsidered, and that a recommendation be made to include it as is in the 2013 *Manual*, or modify it, or eliminate it from the 2013 and succeeding *Manuals*, according to *Manual* paragraph 902.5.

KEEP, MODIFY, or ELIMINATE?

903.18. HIV/AIDS

(Human Immunodeficiency Virus/Acquired Immunodeficiency Syndrome)

Since 1981, our world has been confronted with a most devastating disease known as HIV/AIDS. In view of the deep need of HIV/AIDS sufferers, Christian compassion motivates us to become accurately informed about HIV/AIDS. Christ would have us to find a way to communicate His love and concern for these sufferers in any and every country of the world. (2001)

15. **CA-712—The Encroachment of Process Theology**, Kentucky District Assembly, recommends that it be rejected. The vote: 0 for the resolution and 103 against the resolution. (Rejected, see 245.)

RESOLVED that a new paragraph be added to the *Manual* as follows:

903.20. Process Theology. Based upon the philosophical system of Alfred North Whitehead and further developed by Charles Hartshorne, argues that reality is a process of becoming, and it reconceptualizes the Christian faith as a dynamic, relational, contingent, and relative vision of existence. In process theology, evolution is the foundation for all reality, and God himself undergoes the evolutionary process. Process theology rejects the classical view of the transcendence of God without distinguishing between finite creation and an infinite creator.

As a result of the encroachment of process theology into its thought life, the Church of the Nazarene reaffirms its belief in “one eternally existent, infinite God” (Manual paragraph 1, Article I. The Triune God) and questions any attempt to deny the doctrine of *creatio ex nihilo* and the divine power to lead creation to its final destiny in Christ.

CHURCH PROGRAM COMMITTEE

The Church Program Committee having had referred to it the following resolutions, which were presented to the assembly in two reports (Note: One of these reports included resolutions that were reassigned from the Local Administration Committee, but which are reported under the latter committee.), recommends action as indicated:

1. **CP-100—Membership of Nazarene Publishing House Board**, Board of General Superintendents, recommends that it be adopted. The vote: 102 for the resolution and 0 against the resolution. (Adopted, see 65.)

RESOLVED that Manual paragraph 338 be amended as follows:

Nazarene Publishing House Board

338. The Nazarene Publishing House (NPH), a corporation of Kansas City, Missouri, U.S.A., shall have a Board of Directors composed of nine members: the president of the Nazarene Publishing House, who shall be the chief executive officer of the corporation; the general secretary of the Church of the Nazarene, who shall be the ex-officio secretary of the corporation; one General Board member [from the Global Ministries Services Committee and] selected by [that committee] the General Board Executive Committee; and six members-at-large, nominated by the Board of General Superintendents and elected by the General Board. They shall hold office until the final adjournment of the next General Assembly and until their successors are elected and qualified. Vacancies shall be filled by majority vote of the remaining members from nominations made by the Board of General Superintendents.

DISTRICT ADMINISTRATION COMMITTEE

The District Administration Committee having had referred to it the following resolutions, which were presented to the assembly in two reports, recommends action as indicated:

1. **DA-200—District Boundaries**, Board of General Superintendents, recommends that it be amended and adopted. The vote: 120 for the resolution as amended and 1 against the resolution as amended. (Amended and Adopted, see 412.)

RESOLVED that *Manual* paragraph 30 be amended as follows:

Article III. District Assemblies

30. The General Assembly shall organize the membership of the church into district assemblies, giving such lay and ministerial representation therein as the General Assembly may deem fair and just, and shall determine qualifications of such representatives, provided, however, that all assigned ordained ministers shall be members thereof. The General [Assembly] Boundaries Committee shall [also] fix the boundaries of assembly districts[, and]. The General Assembly shall also define the powers and duties of district assemblies. (200-5.6)

FURTHER RESOLVED that *Manual* paragraph 200 be amended as follows:

A. Bounds and Name

200. The General Assembly shall organize the membership of the church into districts.

A district is an entity made up of interdependent local churches organized to facilitate the mission of each local church through mutual support, the sharing of resources, and collaboration.

The bounds and name of a district shall be such as shall be declared by the General [Assembly] Boundaries Committee, or *AND APPROVED BY A MAJORITY VOTE* by the assembly district involved, with the final approval of the general superintendent or superintendents having jurisdiction. (30)

WHERE DISTRICTS FROM MORE THAN ONE EDUCATIONAL REGION WOULD CONSIDER MERGER INTO ONE DISTRICT, THE GENERAL BOUNDARIES COMMITTEE WOULD DETERMINE THE REGION THE NEW DISTRICT WOULD BE A PART OF, IN CONSULTATION WITH THE GENERAL SUPERINTENDENTS IN JURISDICTION.

2. DA-201—Phase 3 District Mergers or Divisions with Any District Phase, Board of General Superintendents, recommends that it be adopted. The vote: 110 for the resolution and 7 against the resolution. (Rejected, see 417.)

RESOLVED that *Manual* paragraph 200.4 be amended as follows:

200.4. Mergers. Two or more Phase 3 districts may be merged upon [two-thirds] a majority favorable vote by each of the district assemblies involved, provided: The merger shall have been recommended by the respective District Advisory Boards, (and national board{s} where applicable), and approved in writing by the general superintendents in jurisdiction of the districts involved.

The merger and all pertinent related matters shall be finalized at a time and place determined by the district assemblies involved, and the respective general superintendents in jurisdiction.

The organization thus created will combine the assets and liabilities of the respective districts. (200.1)

Phase 1 and Phase 2 districts may be merged in accordance with provisions for new district formation outlined in paragraph 200.2.

FURTHER RESOLVED that *Manual* paragraph 200.1, item 1, be amended as follows:

200.1. The Creation of New Districts. New districts in the Church of the Nazarene may be created by:

1. The division of one district into two or more districts (requires a [two-thirds] majority vote of the district assembly);

...REMAINDER OF THIS PARAGRAPH REMAINS THE SAME.

3. DA-202—District Assembly Membership, Northwestern Illinois District Resolutions Committee, recommends that it be adopted. The vote: 114 for the resolution and 12 against the resolution. (Adopted, see 418.)

RESOLVED that *Manual* paragraph 201 be amended as follows:

201. Membership. The district assembly shall be composed of all assigned elders (431-31.3, 432-32.1, 435.9); all assigned deacons (430-30.4, 435.9); all assigned licensed ministers (429.8); all retired assigned ministers (433-33.1); the district secretary (216.2); the district treasurer (219.2); chairpersons of standing district committees reporting to the district assembly; any lay presidents of Nazarene institutions of higher education, whose local church membership is on the district; the District Sunday School and Discipleship Ministries International (SDMI) chairperson (238.2); the district age-group ministries international directors (children and adult); the District SDMI Board; the president of the District Nazarene Youth International (NYI)

(239.4); the president of the District Nazarene Missions International (NMI) (240.2); the newly elected superintendent or vice superintendent of each local SDMI Board (146); the newly elected president or vice president of each local NYI (151); the newly elected president or vice president of each local NMI (153.2); or an appropriately elected alternate may represent the NMI, NYI, and SDMI organizations in the district assembly; those serving in assigned roles of ministry according to 402-25.1; the lay members of the District Advisory Board (221.4); lay career missionaries whose local church membership is on the district; all retired assigned lay career missionaries whose local church membership is on the district; and the lay delegates from each local church and church-type mission in the assembly district. (30, 113.14, 201.1-1.2)

FURTHER RESOLVED that *Manual* paragraph 201.1 be amended as follows:

201.1. Local churches and church-type missions in districts of fewer than 5,000 full church members shall be entitled to representation in the district assembly as follows: two lay delegates from each local church or church-type mission of 50 or fewer full church members, and one additional lay delegate for each successive 50 full church members and the final major part of 50 full church members. (30, 113.14, 201)

FURTHER RESOLVED that *Manual* paragraph 201.2 be amended as follows:

201.2. Local churches and church-type missions in districts of 5,000 or more full church members shall be entitled to representation in the district assembly as follows: one lay delegate from each local church or church-type mission of 50 or fewer full church members, and one additional lay delegate for each successive 50 full church members and the final major part of 50 full church members. (30, 113.14, 201)

4. **DA-203—District Assembly**, Southwestern Ohio District Resolutions Committee, recommends that it be rejected. The vote: 7 for the resolution and 123 against the resolution. (Rejected, see 420.)

RESOLVED that *Manual* paragraph 202 be amended as follows:

202. Time. The district assembly shall be held [annually] biennially, at the time appointed by the general superintendent having jurisdiction, and in the place designated by the District Advisory Board or arranged for by the district superintendent.

5. **DA-204—Business of the District Assembly**, Nebraska District Advisory Board, recommends that it be rejected. The vote: 1 for the resolution and 133 against the resolution. (Rejected, see 420.)

RESOLVED that *Manual* paragraph 203.11 be amended as follows:

203.11. To elect, by two-thirds favorable vote[, by] of a "yes" or "no" ballot, an elder to the office of district superintendent, [to] who has been recommended to the assembly by the general superintendent in jurisdiction in consultation with a committee composed of the District Advisory Board, the chairperson of the District SDMI Board, the presidents of the district NMI and NYI, the district secretary, and the district treasurer. This individual will serve until 30 days following the final adjournment of the second district assembly following his or her election and until a successor is elected or appointed and qualified. The procedure for reelection of a district superintendent shall be by a "yes" or "no" ballot vote. No elder shall be considered eligible for election to this office who has at any time surrendered his or her credential for disciplinary reasons. No superintendent shall be elected or reelected following his or her 70th birthday.

6. **DA-205—Election of General Assembly Alternates**, Board of General Superintendents, was **withdrawn** by the presenter after it had been made available to delegates.

RESOLVED that *Manual* paragraph 203.23 be amended as follows:

203.23. To elect, by ballot, at a session within 16 months of the meeting of the General Assembly, or within 24 months in areas where travel visas or other unusual preparations are necessary, all of the lay delegates and all but one of the ministerial delegates, since one shall be the district superintendent. Every Phase 3 district assembly shall be entitled to representation at the General Assembly by an equal number of ministerial and lay delegates. The district superintendent at the time of the General Assembly shall be one of the ministerial delegates, and the remaining ministerial delegates shall be ordained ministers. In case the district superintendent is unable to attend, or in case there has been a vacancy and the new district superintendent has not been appointed, the properly elected alternate shall be seated in the district superintendent's place. The Nominating Committee shall submit a nominating ballot containing at least six times the number of delegates eligible from that district, in each category, ministerial and lay. From these nominees, the number of names for the electing ballot will be reduced to no more than three times the number to be elected. Then, the allowed delegates and alternates shall be elected by plurality vote, according to paragraphs 301.1-1.3. Each district assembly may elect alternates not to exceed twice the number of delegates. In situations where travel visas are problematic, a district assembly may authorize the District Advisory Board to select additional alternates, provided the General Secretary's office is notified about any additional alternates at least thirty days prior to a General Assembly. Delegates elected are expected to attend faithfully all meetings of the General Assembly from opening to closing unless providentially prevented. (31.1-1.3, 301.1-1.3, 303, 332.1)

FURTHER RESOLVED that *Manual* paragraph 31.2 be amended as follows:

31.2. Election of Delegates. At a district assembly within 16 months of the meeting of the General Assembly or within 24 months in areas where travel visas or other unusual preparations are necessary, an equal number of ministerial and lay delegates to the General Assembly shall be [chosen as may be provided by the General Assembly, and] elected by plurality vote, provided that the ministerial delegates shall be assigned ordained ministers of the Church of the Nazarene. Each Phase 3 assembly district shall be entitled to at least one ministerial and one lay delegate, and such additional delegates as its membership may warrant on the basis of representation fixed by the General Assembly. Each assembly district shall elect alternate delegates not exceeding twice the number of its delegates. In situations where travel visas are problematic, a district assembly may authorize the District Advisory Board to select additional alternates, provided the General Secretary's office is notified about any additional alternates at least thirty days prior to a General Assembly. (203.23, 301-1.1)

7. **DA-206—Installation of a District Superintendent**, North Arkansas District Resolutions Committee, recommends that it be rejected. The vote: 25 for the resolution and 100 against the resolution. (Rejected, see 420.)

RESOLVED that a new paragraph be added to the *Manual* as follows:

206.1. As soon as practical after a district superintendent is elected or appointed, there shall be an installation or covenant service that celebrates unity and direction concerning the will of God. The general superintendent in jurisdiction or an emeritus general superintendent shall preside.

8. **DA-207—Renewing the District Superintendent Relationship—Regular Review**, Tennessee District Resolutions Committee, recommends that it be rejected. The vote: 2 for the resolution and 121 against the resolution. (Rejected, see 420.)

RESOLVED that *Manual* paragraph 206 be amended as follows:

206. The initial term of office for a district superintendent who is elected at a district assembly begins 30 days after the adjournment of the district assembly. It runs for two full assembly years ending 30 days after the adjournment of the assembly that marks the second anniversary of the election. [At the time of said assembly the superintendent may be reelected (203.11-3.12) or a successor elected or appointed and qualified.] Prior to the second anniversary of the election a district/district superintendent review shall be conducted, where the question of continuing the relationship will be considered (206.1). The initial term of office for a district superintendent who is appointed by the general superintendent in jurisdiction begins at the time of the appointment, includes the remainder of the church year in which the superintendent was appointed, and extends through the two following church years. The term of office ends 30 days after the adjournment of the assembly that marks the end of the second full assembly year of service. [At said assembly the superintendent may be elected (203.11-3.12) for another term, or a successor will be elected or appointed and qualified.] Prior to the second full assembly year of service, a district/district superintendent review shall be conducted, where the question of continuing the relationship will be considered (206.1). No elder employed by the district office shall be eligible to be elected or appointed to the office of district superintendent on the district where they are serving without the approval of the District Advisory Board and the general superintendent in jurisdiction (in harmony with paragraph 115). (203.11-3.13)

FURTHER RESOLVED that a new paragraph be added to the *Manual* as follows:

RENEWING THE DISTRICT/DISTRICT SUPERINTENDENT RELATIONSHIP

206.1. The Regular District/District Superintendent Review: The district/district superintendent relationship shall be reviewed by the officers of the district: District Advisory Board, chairperson of the District SDMI Board, the presidents of the district NMI and NYI, the district secretary, and the district treasurer, meeting with the general superintendent in jurisdiction, prior to the second district assembly following his or her election or appointment and every four years thereafter. The secretary of the District Advisory Board shall be responsible for scheduling the review meeting(s), in consultation with the general superintendent in jurisdiction and district superintendent. The review meeting(s) shall be conducted in executive session. At the discretion of the general superintendent in jurisdiction, a portion of the review may be conducted in the absence of the district superintendent.

A public and/or printed announcement explaining the purpose of this review shall be conveyed to the district no less than seven days prior to the regular district/district superintendent review.

At this review meeting, the question of continuing the district/district superintendent relationship shall be discussed. The objective is to discover consensus without the need of a formal vote by the officers of the district. If the officers of the district do not vote to present the question of continuing the district/district superintendent relationship to the district assembly, the district/district superintendent relationship will continue.

The officers of the district may vote to present to the district assembly the question of continuing the district/district superintendent relationship. The vote by the officers of the district will be by ballot and require a majority of all officers of the district present to carry.

If the officers of the district vote to present the question of continuing the district/district superintendent relationship to the district assembly, the matter shall be presented at the next district assembly. The question shall be presented, "Shall the present district superintendent continue in office beyond this district assembly?" The vote shall be by ballot and require a two-thirds favorable vote to continue the district/district superintendent relationship, except where

civil law of a given country requires otherwise. The chairperson of the Board of Tellers and the general superintendent shall personally inform the district superintendent of the results of the vote before any public announcement is made.

If the district assembly votes to continue the district/district superintendent relationship, the district/district superintendent relationship shall continue as though such a vote had not been taken; otherwise, the district/district superintendent relationship shall end 30-180 days following the close of that district assembly, with the date to be determined by the general superintendent in jurisdiction in consultation with the officers of the district. If the district superintendent chooses not to proceed with the vote of the district assembly, he or she shall submit a resignation. In such case, the district/district superintendent relationship shall end prior to the district assembly, the date to be determined by the general superintendent in jurisdiction in consultation with the officers of the district.

9. **DA-207a—Renewing the District Superintendent Relationship—Special Review**, Tennessee District Resolutions Committee, recommends that it be rejected. The vote: 1 for the resolution and 128 against the resolution. (Rejected, see 420.)

RESOLVED that *Manual* paragraph 203.11 be amended as follows:

203.11. To elect, by two-thirds favorable vote, by ballot, an elder to the office of district superintendent, to serve until 30 days following the final adjournment of the second district assembly following his or her election and until a successor is elected or appointed and qualified. [The procedure for reelection of a district superintendent shall be by a “yes” or “no” ballot vote.] The procedure for continuing the relationship between the district and the district superintendent will be governed according to paragraph 206.1. No elder shall be considered eligible for election to this office who has at any time surrendered his or her credential for disciplinary reasons. No superintendent shall be elected, relationship renewed, or reelected following his or her 70th birthday.

FURTHER RESOLVED that *Manual* paragraph 203.12 be amended as follows:

203.12. After a district superintendent of a Phase 2 or Phase 3 district (200.2) has served a district for at least two assembly years, the district assembly may [reelect said] extend the relationship with the district superintendent for a period of four years subject to the approval of the general superintendent in jurisdiction. [The procedure for election to an extended term of office shall be by a two-thirds favorable “yes” or “no” ballot.] The procedure for extending the relationship shall be governed by paragraph 206.1.

FURTHER RESOLVED that *Manual* paragraph 203.13 be amended as follows:

203.13. Special District/District Superintendent Review. In the interim of regular reviews, [I]n case the general superintendent and the officers of the district, namely, the District Advisory Board, chairperson of the District SDMI Board, the presidents of the district NMI and NYI, the district secretary, and the district treasurer, shall be of the opinion (by a two-thirds vote of all the officers of the district present) that the services of the district superintendent should not continue beyond the current year, the general superintendent having jurisdiction and the district officers may order the question submitted for a vote of the district assembly. The question shall be submitted in the following form: “Shall the present district superintendent [be continued] continue in office beyond this district assembly?”

If the district assembly, by a two-thirds vote by ballot, decides to continue the district superintendent in office, he or she shall continue to serve as though such vote had not been taken.

If, however, the district assembly fails to decide by such vote to continue the district superintendent in office, his or her term of office shall terminate 30-180 days following the close of that district assembly, with the date to be determined by the general superintendent in jurisdiction in consultation with the officers of the district. (204.2, 206)

10. **DA-207b—District Superintendent**, Southwestern Ohio District Resolutions Committee, recommends that it be rejected. The vote: 9 for the resolution and 111 against the resolution. (Rejected, see 420.)

RESOLVED that *Manual* paragraph 203.12 be amended as follows:

203.12. After a district superintendent of a Phase 2 or Phase 3 district (200.2) has served a district for at least two assembly years, [the district assembly may reelect said superintendent for a period of four years subject to the approval of the general superintendent in jurisdiction. The procedure for election to an extended term of office shall be by a two-thirds favorable “yes” or “no” ballot.] the district superintendent’s relationship shall be reviewed by the District Advisory Board. This review shall be arranged and facilitated by the secretary of the District Advisory Board in consultation with the general superintendent in jurisdiction or individual appointed by the general superintendent in jurisdiction. The review shall be in executive session. Subsequent reviews shall be held every four years.

At the review meeting, the question of continuing the district superintendent’s relationship shall be discussed. The objective is to discover consensus without the need of a formal vote. If consensus is reached that the relationship should continue, it will do so without district assembly action.

The District Advisory Board may vote to present to the district assembly the question of continuing the relationship. The vote of the District Advisory Board will be by ballot and require a majority of all board members to carry. At the next district assembly, this question would be presented to the assembly members: “Shall the present district superintendent’s relationship continue?” This vote shall be by ballot and require a majority to carry.

If the district assembly votes to continue the district superintendent’s relationship, it shall continue as if no vote had been taken. Otherwise, the district superintendent’s relationship shall end on a date set by the general superintendent in jurisdiction not more than 30 days following the close of the district assembly when the vote was taken. If the district superintendent chooses not to proceed with the vote of the district assembly, he or she shall submit a resignation. The relationship shall end on a date set by the general superintendent in jurisdiction, not to exceed 30 days following the end of the district assembly when the vote would have been taken.

11. **DA-208—District Superintendent**, East Ohio District Resolutions Committee, Kansas City District, Mid-Atlantic District, Southwestern Ohio District Resolutions Committee, and West Texas District Resolutions Committee, recommends that it be rejected. The vote: 3 for the resolution and 132 against the resolution. (Rejected, see 398.)

RESOLVED that *Manual* paragraph 206 be amended as follows:

The District Superintendent

206. The initial term of office for a district superintendent who is elected at a district assembly begins 30 days after the adjournment of the district assembly. It runs for two full assembly years ending 30 days after the adjournment of the assembly that marks the second anniversary of the election. At the time of said assembly the superintendent may be reelected (203.11-3.12) or a successor elected or appointed and qualified. The initial term of office for a district superintendent who is appointed by the general superintendent in jurisdiction begins at the time of the appointment, includes the remainder of the church year in which the

superintendent was appointed, and extends through the two following church years. The term of office ends 30 days after the adjournment of the assembly that marks the end of the second full assembly year of service. At said assembly the superintendent may be elected (203.11-3.12) for another term, or a successor will be elected or appointed and qualified. No elder employed by the district office shall be eligible to be elected or appointed to the office of district superintendent on the district where they are serving without the approval of the District Advisory Board and the general superintendent in jurisdiction (in harmony with paragraph 115). The office of district superintendent may be shared by elders. (203.11-3.13)

FURTHER RESOLVED that *Manual* paragraph 207 be amended as follows:

207. If for any cause a vacancy shall occur in the interim of sessions of the district assembly, the general superintendents, jointly and severally, may fill the vacancy, upon consultation with a committee composed of the District Advisory Board, the chairperson of the District SDMI Board, the presidents of the district NMI and NYI, the district secretary and the district treasurer. Consultation shall include an invitation for the committee, as a whole, to submit names for consideration in addition to those names brought forward by the general superintendent in jurisdiction. If the office of district superintendent is shared, the remaining co-superintendent may be appointed by the general superintendent to serve as superintendent of the district; provided, however, that within sixty days, the question of the superintendent relationship shall be presented to the District Advisory Council. (307.8)

12. **DA-208a—District Superintendent**, South Central Ohio District Advisory Board, recommends that it be rejected. The vote: 0 for the resolution and 138 against the resolution. (Rejected, see 399.)

RESOLVED that *Manual* paragraph 206 be amended as follows:

The District Superintendent

206. The initial term of office for a district superintendent who is elected at a district assembly begins 30 days after the adjournment of the district assembly. It runs for two full assembly years ending 30 days after the adjournment of the assembly that marks the second anniversary of the election. At the time of said assembly the superintendent may be reelected (203.11-3.12) or a successor elected or appointed and qualified. The initial term of office for a district superintendent who is appointed by the general superintendent in jurisdiction begins at the time of the appointment, includes the remainder of the church year in which the superintendent was appointed, and extends through the two following church years. The term of office ends 30 days after the adjournment of the assembly that marks the end of the second full assembly year of service. At said assembly the superintendent may be elected (203.11-3.12) for another term, or a successor will be elected or appointed and qualified. No elder employed by the district office shall be eligible to be elected or appointed to the office of district superintendent on the district where they are serving without the approval of the District Advisory Board and the general superintendent in jurisdiction (in harmony with paragraph 115). The office of district superintendent may be shared by elders married to each other. (203.11-3.13)

FURTHER RESOLVED that *Manual* paragraph 207 be amended as follows:

207. If for any cause a vacancy shall occur in the interim of sessions of the district assembly, the general superintendents, jointly and severally, may fill the vacancy, upon consultation with a committee composed of the District Advisory Board, the chairperson of the District SDMI Board, the presidents of the district NMI and NYI, the district secretary and the district treasurer. Consultation shall include an invitation for the committee, as a whole, to submit names for consideration in addition to those names brought forward by the general

superintendent in jurisdiction. If the office of district superintendent is shared, the remaining co-superintendent may be appointed by the general superintendent to serve as superintendent of the district; provided, however, that within sixty days, the question of the superintendent relationship shall be presented to the District Advisory Council. (307.8)

13. **DA-209—The District Superintendent**, North Florida District Advisory Board, recommends that it be rejected. The vote: 4 for the resolution and 128 against the resolution. (Rejected, see 401.)

RESOLVED that a new paragraph be added to the *Manual* as follows:

207. The total term of office of a district superintendent who is elected or appointed on a Phase 2 or Phase 3 district shall be limited to 10 consecutive years on the same district unless a request is made in writing by the District Advisory Board of that district to the presiding general superintendent that one additional four-year extension be granted.

FURTHER RESOLVED that subsequent *Manual* paragraphs be renumbered accordingly.

14. **DA-210—Local Church in Crisis**, Kansas City District, recommends that it be amended as adopted. The vote: 96 for the resolution as amended and 28 against the resolution as amended. (Amended and Adopted, see 405.)

RESOLVED that *Manual* paragraph 208.3 be amended as follows:

208.3. In circumstances where the district superintendent has determined that a church is in an unhealthy, declining situation, the continuation of which threatens the viability of the church and its mission effectiveness, the district superintendent may pursue contact with the pastor or the pastor and the church board to evaluate the circumstances. Every effort shall be made to work with the pastor and church board toward resolution of issues that have led to the circumstances which are impeding mission effectiveness.

If the district superintendent, after working with the pastor and/or board, concludes that further intervention is necessary, he or she may, with the approval of the District Advisory Board and the general superintendent in jurisdiction, take appropriate action to address the situation. Such action(s) may include, but are not limited to: (1) the removal of the pastor; (2) the dissolution of the church board; (3) the initiation of such special interventions as may be necessary to restore the church's health and mission effectiveness. The assets of an organized church remain under the control of an incorporated local church, unless declared inactive in accordance with paragraph 106.5 OR CHURCH-TYPE MISSION STATUS or disorganized in accordance with paragraph 106.1.

15. **DA-211—Duties of a District Superintendent**, Nebraska District Advisory Board, recommends that it be rejected. The vote: 7 for the resolution and 122 against the resolution. (Rejected, see 406.)

RESOLVED that *Manual* paragraph 208.3 be amended as follows:

208.3. In circumstances where the district superintendent has determined that a church is in an unhealthy, declining situation, the continuation of which threatens the viability of the church and its mission effectiveness, the district superintendent may pursue contact with the pastor or the pastor and the church board to evaluate the circumstances. Every effort shall be made to work with the pastor and church board toward resolution of issues that have led to the circumstances which are impeding mission effectiveness.

If the district superintendent, after working with the pastor and/or board, concludes that further intervention is necessary, he or she may, with the approval of the District Advisory Board and the general superintendent in jurisdiction, take appropriate action to address the situation. Such action(s) may include, but are not limited to: (1) the removal of the pastor; (2) the

dissolution of the church board; (3) the initiation of such special interventions as may be necessary to restore the church's health and mission effectiveness. In situations where the district superintendent served as the immediate predecessor to the pastor of the congregation, all interactions with the board and/or pastor shall be carried out by an ordained minister or layperson appointed by the general superintendent in jurisdiction.

16. **DA-212—District Superintendent—Finances**, Board of General Superintendents, recommends that it be amended and adopted. The vote: 84 for the resolution as amended and 0 against the resolution as amended. (Adopted, see 425.)

RESOLVED that a new paragraph be added to the *Manual* as follows:

214. The district superintendent shall not contract bills, create financial obligations, count moneys, or disburse funds for the district unless authorized and directed by majority vote of the District Advisory Board; such action, if taken, must be duly recorded in the minutes of the District Advisory Board. No district superintendent or any member of his or her immediate family shall be authorized to sign checks on any district account except upon the written approval of the District Advisory Board and the district assembly. Immediate family shall include spouse, children, siblings, or parents. (214*, 219-220.2)

*This number corresponds to the current numbered paragraph in the 2009-2013 *Manual*.

FURTHER RESOLVED that existing *Manual* paragraph 214 and subsequent paragraphs be renumbered as appropriate.

17. **DA-213—The District Advisory Board**, Mid-Atlantic District, recommends that it be rejected. The vote: 11 for the resolution and 76 against the resolution. (Rejected, see 426.)

RESOLVED that a new paragraph be added to the *Manual* as follows:

221.5 Alternative board and committee structures may be used by the District Advisory Board in organizing itself for ministry and missional action, provided such alternatives comply with civil requirements.

18. **DA-214—District Superintendent Sabbatical**, Kansas City District, recommends that it be amended and adopted. The vote: 91 for the resolution as amended and 4 against the resolution as amended. (Amended and Adopted, see 439.)

RESOLVED that a new paragraph be added to the *Manual* as follows:

222.9. In order to encourage a healthy superintendency and the lifelong learning STRONG SPIRITUAL LIFE of the district superintendent, the District Advisory Board, in consultation with the general superintendent in jurisdiction, should provide a sabbatical leave for the district superintendent following DURING OR AFTER each sevenTH consecutive years of service to the district. During the sabbatical, the district superintendent's salary AND BENEFITS will continue in full. The district superintendent shall work with the District Advisory Board to develop a proposal for the sabbatical including duration, personal development plan, and a plan to care for essential duties during the sabbatical period.

FURTHER RESOLVED that subsequent *Manual* paragraphs be renumbered accordingly.

19. **DA-215—District Advisory Board Duty**, Board of General Superintendents, recommends that it be amended and adopted. The vote: 93 for the resolution as amended and 0 against the resolution as amended. (Adopted, see 397.)

RESOLVED that *Manual* paragraph 222.10 be amended as follows:

222.10. To recommend the granting OF AN INITIAL LICENSE, or renewal of license for the licensed minister serving as pastor. (429.5)

FURTHER RESOLVED that *Manual* paragraph 429.5 be amended as follows:

429.5. In the case of licensed ministers who are serving as pastors, the recommendation for the granting or renewal of minister's license shall be made by the District Advisory Board rather than by the local church board. IN THE CASE OF LOCAL MINISTERS WHO ARE SERVING AS PASTORS, THE RECOMMENDATION FOR THE GRANTING OF MINISTER'S LICENSE SHALL BE MADE BY THE DISTRICT ADVISORY BOARD. (222.10)

20. **DA-216—Compassionate Ministry Centers**, Kansas City District, recommends that it be amended and adopted. The vote: 86 for the resolution as amended and 1 against the resolution as amended. (Adopted, see 444.)

RESOLVED that a new paragraph be added to the *Manual* as follows:

222.12. To approve Compassionate Ministry Centers (CMCs) annually according to a district REGIONALLY established set of guidelines. Only Compassionate Ministry Centers that are approved by a district will qualify as "approved mission specials" for contribution purposes in keeping with paragraph 154.1.

FURTHER RESOLVED that subsequent *Manual* paragraphs be renumbered accordingly.

21. **DA-217—The District Ministerial Credentials Board—Composition and Membership**, Pittsburgh District General Assembly Delegation and Virginia District General Assembly Delegation, recommends that it be amended and adopted. The vote: 83 for the resolution as amended and 0 against the resolution as amended. (Adopted, see 448.)

RESOLVED that *Manual* paragraph 226 be amended as follows:

226. The District Ministerial Credentials Board shall be composed of not less than 5 [nor more than 15] assigned ordained ministers[, one of whom shall be the district superintendent] plus two ex-officio members – the district superintendent and the district secretary. They shall serve for a period of four years and until their successors are elected and qualified. However, their terms of service may be staggered by electing a proportion of the board annually. (203.15)

FURTHER RESOLVED that *Manual* paragraph 203.15 be amended as follows:

203.15. To elect a District Ministerial Credentials Board of not less than 5 [nor more than 15] assigned ordained ministers[, one of whom shall be the district superintendent,] plus two ex-officio members – the district superintendent and the district secretary to serve for four years and until their successors are elected and qualified. This board shall meet prior to the district assembly to consider all matters subject to its authority and, insofar as is possible, to complete its work prior to the district assembly. (226-28.10)

22. **DA-218—District Advisory Committee**, Board of General Superintendents, recommends that it be adopted. The vote: 91 for the resolution and 0 against the resolution. (Amended and Adopted, see 449.)

RESOLVED that a new paragraph be added to the *Manual* as follows:

236. The District Advisory Committee shall be composed of the District Advisory Board, the chairperson of the District SDMI Board, the presidents of the district NMI and NYI, the district secretary, and the district treasurer. This committee shall meet as necessary and shall be chaired by the district superintendent or the general superintendent in jurisdiction OR HIS/HER DESIGNEE.

FURTHER RESOLVED that the existing *Manual* paragraph 236 and subsequent paragraphs be renumbered accordingly.

23. **DA-219—District Paid Assistants**, Board of General Superintendents, was **withdrawn** by the presenter after it had been made available to delegates.

RESOLVED that *Manual* paragraph 241.3 be amended as follows:

241.3. [Within 30 days after a new] Upon the resignation or termination of the district superintendent [assumes administrative duties on the district], the term of service of the paid assistants shall be considered concluded, unless otherwise stipulated by national labor law. [(Such clerical assistants as office secretaries shall not be included in the above provisions.)] (207.3-7.4)

24. **DA-220-Duties of the District Superintendent**, Philippines Metro Manila District Assembly, recommends that it be rejected. The vote: 2 for the resolution and 123 against the resolution. (Rejected, see 407.)

RESOLVED that a new paragraph be added to the *Manual* as follows:

214. The district superintendent shall be responsible to educational institution(s) under the International Board of Education (IBOE), having educational accountability to his/her district, such as but not limited to: trustees involvement as provided in the bylaws of the institution(s), financial and logistical support in forms of education budget payments, and other forms of support that will be required of districts from the trustee's actions of the educational institution(s).

FURTHER RESOLVED that existing *Manual* paragraphs 214-214.1 be renumbered to 215 and 215.1.

25. **DA-221, Reconvened *Manual* Editing Committee Revisions—Criteria for District Division or District Boundary Changes**, Reconvened 2009 *Manual* Editing Committee, recommends that it be adopted. The vote: 120 for the resolution and 0 against the resolution. (Adopted, see 408.)

RESOLVED that *Manual* paragraph 200.3 be amended as follows:

200.3. Criteria for District Division or District Boundary Changes. A proposal for district development or district boundary changes developed by a regional office, a national board, or a District Advisory Board may be presented to the general superintendent in jurisdiction. Such a plan should take into consideration:

1. That the proposed or realigned new districts have population centers that justify the creation or realignment of such districts;
2. That lines of communication and transportation are available to facilitate the work of the districts;
3. That a sufficient number of mature ordained ministers and lay leaders are available for the work of the district;
4. That the sponsoring districts will have, wherever possible, sufficient district ministries fund income, sufficient membership and organized churches to maintain their Phase 3 district status[;].

GENERAL ADMINISTRATION COMMITTEE

The General Administration Committee having had referred to it the following resolutions, which were presented to the assembly in three reports, recommends action as indicated:

1. **GA-300—Election of General Superintendents—Change in the Number and Regional Diversity**, United Kingdom British Isles South District Resolutions Committee, recommends that it be rejected. The vote: 19 for the resolution and 87 against the resolution. (Rejected, see 62.)

RESOLVED that *Manual* paragraph 31.5 be amended as follows:

31.5. General Superintendents. The General Assembly shall elect by ballot from among the elders of the Church of the Nazarene [as many] eight general superintendents [as it may deem necessary], who shall constitute the Board of General Superintendents. Any vacancy in the office of general superintendent in the interim of General Assemblies shall be filled by a two-thirds vote of the General Board of the Church of the Nazarene. (305.2, 316)

2. **GA-301—Time of the General Assembly**, General Board, Kansas City District, Mid-Atlantic District, and Southwestern Ohio District Resolutions Committee, recommends that it be adopted. The vote: 77 for the resolution and 29 against the resolution. (Rejected, see 91.)

RESOLVED that *Manual* paragraph 302 be amended as follows:

C. The Time and Place of Meeting

302. The General Assembly shall meet in the month of June, every [fourth] fifth year, at such time and place as shall be determined by a General Assembly Commission composed of the general superintendents and an equal number of persons chosen by the Board of General Superintendents. The general superintendents and said commission shall also have power, in case of an emergency, to change the time and place of the meeting of the General Assembly.

3. **GA-301a—Time and Place of General Assembly**, Chicago Central District General Assembly Resolutions Committee. (SEE GA-301.)

RESOLVED that *Manual* paragraph 302 be amended as follows:

C. The Time and Place of Meeting

302. The General Assembly shall meet in the month of June, every [fourth] sixth year, at such time and place as shall be determined by a General Assembly Commission composed of the general superintendents and an equal number of persons chosen by the Board of General Superintendents. The general superintendents and said commission shall also have power, in case of an emergency, to change the time and place of the meeting of the General Assembly.

4. **GA-302—Time and Place of General Assembly**, Reference Committee and Chicago Central District General Assembly Resolutions Committee, recommends that it be rejected. The vote: 24 for the resolution and 77 against the resolution. (Rejected, see 95.)

RESOLVED that *Manual* paragraph 302 be amended as follows:

C. The Time and Place of Meeting

302. The General Assembly shall meet in the month of June, every fourth year, at such time and place as shall be determined by a General Assembly Commission composed of the general superintendents and an equal number of persons chosen by the Board of General Superintendents. The general superintendents and said commission shall also have power, in case of an emergency, to change the time and place of the meeting of the General Assembly. The General Assembly Commission is empowered to arrange for concurrent sites to be established, for the purpose of facilitating the greatest participation possible by elected delegates. Technology should be provided at such sites to allow for two-way video feeds, and electronic voting will be allowed from the concurrent sites. For the purposes of the business of the General Assembly, electronic voting from the concurrent sites will be recognized as official voting, along with the votes of delegates at the official site.

5. **GA-302a-General Assembly Site Determination**, General Board, recommends that it be amended and adopted. The vote: 109 for the resolution as amended and 3 against the resolution as amended. (Adopted, see 96.)

RESOLVED that a new paragraph be added to the *Manual* as follows:

302.1. The Board of General Superintendents in consultation with the Executive Committee of the General Board is authorized, when appropriate, to select a simultaneous site(s) for the General Assembly. VOTING FROM SUCH SIMULTANEOUS SITES WILL BE RECOGNIZED AS OFFICIAL VOTING ALONG WITH THE VOTES OF THE DELEGATES AT THE PRIMARY SITE.

FURTHER RESOLVED that the existing *Manual* paragraph 302.1 be renumbered.

6. **GA-303—Time and Place of General Assembly**, Chicago Central District General Assembly Resolutions Committee, recommends that it be adopted. The vote: 90 for the resolution and 11 against the resolution. (Adopted, see 99.)

RESOLVED that *Manual* paragraph 302.1 be amended as follows:

302.1. The General Assembly shall open [on Sunday] with [a full day of] devotional and inspirational services. Provision shall be made for the orderly and careful transaction of business, and for such services at the close of the session as it may order. The General Assembly shall fix the time at which its session shall adjourn. (31.4)

7. **GA-304—The Election of General Superintendents**, Eastern Michigan District Resolutions Committee, recommends that it be rejected. The vote: 24 for the resolution and 81 against the resolution. (Rejected, see 100.)

RESOLVED that *Manual* paragraph 305.2 be amended as follows:

305.2. To elect, by a two-thirds vote of its members present and voting, as many general superintendents as it may deem necessary, who shall hold office until 30 days following the final adjournment of the next General Assembly and until their successors are elected and qualified;

a. First, there shall be a “yes” or “no” ballot for the general superintendents then serving.

b. Any vacancies remaining after the ballot process is completed for all general superintendents then serving shall be filled by ensuing ballots until the elections are completed.

In the event that someone who is ineligible under this provision receives votes on the first ballot, that person's name shall be deleted from the elective ballot and the report of the first ballot shall include this statement: “One or more names have been deleted due to ineligibility for the office.”

No elder shall be considered eligible for election to the office of general superintendent who has at any time surrendered his or her credential for disciplinary reasons. No person shall be elected to the office of general superintendent who has not reached the age of 35 years or who has reached the age of [68] 70 years. (31.5, 306, 900.1)

8. **GA-305—Business of the General Assembly—General Superintendents Emeriti**, Board of General Superintendents, was **withdrawn** by the presenter after it had been made available to delegates.

RESOLVED that *Manual* paragraph 305.3 be amended as follows:

305.3. To elect a general superintendent to the emerita/emeritus honor when deemed advisable, provided the superintendent shall have become disabled or shall have reached 65 years of age. When a general superintendent has served at least eight years in that assignment, and chooses to take a different ministerial assignment, he or she is eligible to be granted the emerita/emeritus designation whenever they take official retirement status. It is thereby understood that election to emerita/emeritus relation is of life tenure. (314.1)

9. **GA-306—General Superintendents and Ordination**, East Ohio District Resolutions Committee, recommends that it be rejected. The vote: 7 for the resolution and 98 against the resolution. (Rejected, see 102.)

RESOLVED that *Manual* paragraph 307.4 be amended as follows:

307.4. To ordain, or appoint [others] another general superintendent, general superintendent emeriti or retired, or district superintendent to ordain, in connection with the ordained [ministers] elders present, those who have been duly elected to be elders or deacons. (435.5-35.6)

10. **GA-307—General Superintendents Emeriti and Retired**, Board of General Superintendents, recommends that it be adopted. The vote: 110 for the resolution and 0 against the resolution. (Adopted, see 103.)

RESOLVED that *Manual* paragraph 314.2 be deleted as follows:

[314.2. The pension for a general superintendent shall be under the provisions of the General Church Pension Plan, a qualified church plan. (305.5)]

11. **GA-308—The Duties of the Board of General Superintendents**, North Florida District Advisory Board, recommends that it be rejected. The vote: 12 for the resolution and 96 against the resolution. (Rejected, see 108.)

RESOLVED that *Manual* paragraph 317.10 be amended as follows:

317.10. To appoint general superintendents to serve as advisers of all institutions of higher education affiliated with the International Board of Education. (901.5) As advisers of all Nazarene institutions of higher education, the Board of General Superintendents shall have power to take appropriate and discretionary action regarding the ministerial credentials of any professor of religion not in harmony with the authority of Scripture and the doctrine and theology of the Church of the Nazarene, in consultation with the district superintendent and board of credentials where said credentials are held.

12. **GA-309—General Superintendent Sabbatical**, Kansas City District, recommends that it be referred to the General Board and the Board of General Superintendents. The vote: 93 for the resolution and 7 against the resolution. (Referred, see 278.)

RESOLVED that a new paragraph be added to the *Manual* as follows:

324. In order to encourage a healthy superintendency and the lifelong learning of general superintendents, a sabbatical leave may be provided for a general superintendent being elected to two consecutive terms. During the sabbatical, the general superintendent's salary will continue in full. The general superintendent shall work with the Board of General Superintendents to develop a proposal for the sabbatical including duration, personal development plan, and a plan to care for duties during the sabbatical period.

FURTHER RESOLVED that subsequent *Manual* paragraphs be renumbered accordingly.

REFERRED TO THE GENERAL BOARD AND BOARD OF GENERAL SUPERINTENDENTS

13. **GA-310—Nominations for the General Board**, Reference Committee and Chicago Central District General Assembly Resolutions Committee, recommends that it be rejected. The vote: 1 for the resolution and 101 against the resolution. (Rejected, see 107.)

RESOLVED that *Manual* paragraph 332.2 be amended as follows:

332. Nominations for the General Board shall be made as herein provided:

332.1. After the delegates to the General Assembly have been elected, each Phase 3 district delegation shall meet to select candidates for nomination to the General Board in the following manner. Each Phase 3 district may present names of two assigned ordained ministers and two laypersons. The multicultural composition of the nominating district should be considered in selecting names for nomination. For such regions that have a Regional Advisory Council, the names of these candidates shall be sent first to the national board and then to the Regional Advisory Council, which may reduce the number of names to three for each member

that the caucus needs to vote on, after which the names shall be sent immediately to the office of the general secretary to be placed on ballots for presentation to the General Assembly delegates from each region. (203.23)

332.2. From the list of these candidates, the General Assembly delegates from each region shall nominate to the General Assembly as follows:

The USA/Canada Region shall nominate one assigned minister and one layperson from Canada, and one assigned minister and one layperson from each of the eight USA “educational region’s.” No “educational region” shall be entitled to more than two members to the General Board (with the exception of institutional representatives and members of Nazarene Missions International {NMI} and Nazarene Youth International {NYI}). The Canadian members will be nominated by the Canada caucus of the General Assembly. The ministerial member for Canada shall be a district superintendent. The USA members will be nominated by their respective “educational region’s” caucus of the General Assembly. The ministerial members may be either district superintendents, pastors or evangelists.

Outside of the USA/Canada region, [E]each region of [100,000] 150,000 or fewer full members shall nominate one assigned ordained minister and one layperson; each region exceeding [100,000] 150,000 and up to [200,000] 300,000 full members shall nominate two assigned ordained ministers, one district superintendent and one pastor or evangelist, and two laypersons; each region exceeding 300,000 and up to 450,000 full members shall nominate three assigned ordained ministers and three laypersons; and one additional layperson and one additional assigned ordained minister for regions exceeding [200,000] 450,000 full members, with the following provisions:

1. On those regions whose membership is in excess of [200,000] 300,000 full members, one assigned ordained minister shall be a pastor or evangelist; another shall be a district superintendent; and the other assigned ordained minister may be in either category. On those regions whose membership is in excess of 450,000 full members, two assigned ordained ministers shall be pastors or evangelists and the other two assigned ordained ministers shall be district superintendents.
2. No district shall be entitled to more than two members on the General Board, and no region shall be entitled to more than [six] eight members (with the exception of institutional representatives and members of Nazarene Missions International {NMI} and Nazarene Youth International {NYI}). Whenever more than two candidates from a district receive a higher number of votes than candidates from other districts on the region, those on another district receiving the next highest number of votes shall be selected as nominees from the region. (305.6, 901.1)
3. In each region the layperson/laypersons, the pastor or evangelist, and/or the district superintendent who receive the highest number of votes in their respective classifications shall be nominated by majority vote to the General Assembly. In the instance of the larger regions where six members are to be elected, the layperson and the assigned ordained minister who receive the next highest number of votes shall be the additional nominees. (902.8)
4. If a Regional Advisory Council determines that it is likely that a majority of elected delegates will be prevented from attending the General Assembly, the regional caucus voting may be conducted via postal or electronic means within six months prior to the start of General Assembly. The specific process by which this postal or electronic nomination of General Board members to the General Assembly occurs shall be proposed

by the Regional Advisory Council and submitted to the General Secretary's office for approval prior to implementation.

14. **GA-310a-Nominations for the General Board**, General Board, recommends that it be adopted. The vote: 87 for the resolution and 17 against the resolution. (Rejected, see 110.)

RESOLVED that *Manual* paragraph 332.2 be amended as follows:

332.2. From the list of these candidates, the General Assembly delegates from each region shall nominate to the General Assembly as follows:

Each region of [100,000] 150,000 or fewer full members shall nominate one assigned ordained minister and one layperson; each region exceeding [100,000] 150,000 and up to [200,000] 300,000 full members shall nominate two assigned ordained ministers[, one district superintendent and one pastor or evangelist,] and two laypersons; [and one additional layperson and one additional assigned ordained minister for regions exceeding 200,000, with the following provisions:] each region exceeding 300,000 and up to 450,000 full members shall nominate three assigned ordained ministers and three laypersons; each region exceeding 450,000 up to 600,000 full members shall nominate four assigned ordained ministers and four laypersons; each region exceeding 600,000 up to 750,000 full members shall nominate five assigned ordained ministers and five laypersons. (See chart below.)

<u>Number of Full Members</u>	<u>Number of Representatives</u>
<u>0-150,000</u>	<u>2 (1 lay, 1 ministerial)</u>
<u>150,001-300,000</u>	<u>4 (2 lay, 2 ministerial)</u>
<u>300,001-450,000</u>	<u>6 (3 lay, 3 ministerial)</u>
<u>450,001-600,000</u>	<u>8 (4 lay, 4 ministerial)</u>
<u>600,001-750,000</u>	<u>10 (5 lay, 5 ministerial)</u>

When the number of General Board members elected pursuant to this paragraph exceeds 40 members, the regional membership category ranges shall increase in increments of 50,000. (For example, see chart below.)

<u>Number of Full Members</u>	<u>Number of Representatives</u>
<u>0-200,000</u>	<u>2 (1 lay, 1 ministerial)</u>
<u>200,001-400,000</u>	<u>4 (2 lay, 2 ministerial)</u>
<u>400,001-600,000</u>	<u>6 (3 lay, 3 ministerial)</u>
<u>600,001-800,000</u>	<u>8 (4 lay, 4 ministerial)</u>
<u>800,001-1,000,000</u>	<u>10 (5 lay, 5 ministerial)</u>

Any membership or incremental adjustments will be made at the time of the next election of members rather than adjusting mid-term.

The following provisions apply:

1. On those regions whose membership is in excess of [200,000] 150,000 full members, one shall be an assigned ordained minister [shall be a] (pastor, [or] evangelist, chaplain, etc.); another shall be a district superintendent[; and the other assigned ordained minister may be in either category]. No more than one-half of the ordained ministers from any region with more than one clergy representative will be district superintendents.
2. No district shall be entitled to more than two members on the General Board, [and no region shall be entitled to more than six members] (with the exception of institutional representatives and members of Nazarene Missions International {NMI} and Nazarene Youth International {NYI}). Whenever more than two candidates from a district receive a higher number of votes than candidates from other districts on the region, those on

another district receiving the next highest number of votes shall be selected as nominees from the region. (305.6, 901.1)

3. In each region the layperson/laypersons, the pastor or evangelist, and/or the district superintendent who receive the highest number of votes in their respective classifications shall be nominated [by majority vote] to the General Assembly. [In the instance of the larger regions where six members are to be elected, the layperson and the assigned ordained minister who receive the next highest number of votes shall be the additional nominees.] (902.8)
4. If a Regional Advisory Council determines that it is likely that a majority of elected delegates will be prevented from attending the General Assembly, the regional caucus voting may be conducted via postal or electronic means within six months prior to the start of General Assembly. The specific process by which this postal or electronic nomination of General Board members to the General Assembly occurs shall be proposed by the Regional Advisory Council and submitted to the General Secretary's office for approval prior to implementation.

FURTHER RESOLVED that USA/Canada be considered one region beginning with the 29th General Assembly of the Church of the Nazarene.

15. **GA-311—National Boards**, Board of General Superintendents and General Board, recommends that it be adopted. The vote: 88 for the resolution and 1 against the resolution. (Adopted, see 246.)

RESOLVED that *Manual* paragraph 344 be amended as follows:

344. [Where deemed necessary a national board shall be established to facilitate the fulfillment of the church's mission allowing, for unified strategies for evangelism, discipleship, church planting, district development, new districts, ministerial preparation, resource development, and ministerial retirement savings plans; by providing for the acquiring, holding, selling, and conveying of property; or by dealing with any other administrative and/or legal business matters relative to the Church of the Nazarene in that nation, for which no other provision is made in the *Manual*. Such a board shall be recognized as a lawful authority of the Church of the Nazarene in that nation.]

Upon the recommendation of the Board of General Superintendents, a national board may be created when such an entity is necessary to facilitate the mission and strategy of the church in that nation. A national board shall have such authority as shall be extended to it by the regional director and Phase 3 District Advisory Board(s) of the nation, if any, and in consultation with the general superintendent(s) in jurisdiction for the region, and the districts of that nation, to act on behalf of the church in fulfillment of the regional strategy. It may, when deemed necessary by the regional director, in consultation with the general superintendent in jurisdiction for the region, be the registered lawful authority of the Church of the Nazarene in that nation. When deemed no longer necessary for mission fulfillment or legal requirement, a national board may be dissolved by the Board of General Superintendents.

[Where only one district of the Church of the Nazarene is organized in the nation, the duly elected District Advisory Board shall be the national board to conduct business as outlined above.

Where there are two or more organized districts in one nation, the national board shall be composed of the duly appointed or elected district superintendents, as well as one assigned elder and two lay representatives elected by the district assembly, from the members of the District Advisory Board; or, with the approval of the General Board and the Board of General

Superintendents, the membership shall consist of those persons duly elected or appointed as district superintendents and additional representation of assigned ordained ministers and laypersons as agreed upon.

Where there is more than one region in one nation, the duly elected representatives from said regions to the General Board and additional representation of assigned ordained ministers and laypersons as agreed upon shall constitute the national board. (332-32.2)]

The membership and structure of each national board shall be in the manner approved by the Board of General Superintendents.

A copy of the articles of organization or incorporation of such board shall be filed immediately with the general secretary. These articles shall be kept current by filing any changes with the general secretary. [Any b]Business transacted by the national board in regard to facilitation of mission and strategy of the Church shall be [subject to the approval of] conducted in consultation with the [Board of General Superintendents] regional director. The minutes of the annual and special meetings of the national board shall be [reviewed] examined by the Regional Advisory Council [who shall recommend approval or disapproval], before they are submitted to the general secretary for [reading and approval] review and comment as appropriate by the General Board. (38.5)

16. **GA-312—Manual Appendix Review**, Reference Committee, recommends that it be adopted. The vote: 103 for the resolution and 2 against the resolution. (Adopted, see 247.)

RESOLVED that *Manual* paragraph 902.5 be reconsidered, and that a recommendation be made to include it as is in the 2013 *Manual*, or modify it, or eliminate it from the 2013 and succeeding *Manuals*, according to *Manual* paragraph 902.5.

KEEP, MODIFY, or ELIMINATE?

902.5. *Manual* Appendix Review

Any item remaining in Chapters III and IV of the Appendix (paragraphs 902-903) for three quadrennia without reconsideration shall be referred by the Committee on Reference to the proper committee of the General Assembly for the same consideration as a resolution to the General Assembly. (2001)

17. **GA-313—Restriction on Membership**—General Church Boards, Reference Committee, recommends that this paragraph be deleted from the *Manual* and that it be adopted. The vote: 4 for the resolution and 2 against the resolution. (Adopted, see 451.)

RESOLVED that *Manual* paragraph 902.8 be reconsidered, and that a recommendation be made to include it as is in the 2013 *Manual*, or modify it, or eliminate it from the 2013 and succeeding *Manuals*, according to *Manual* paragraph 902.5.

KEEP, MODIFY, or ELIMINATE?

902.8. Restrictions on Membership—General Church Boards

No person shall serve on more than one of the following boards: General Board, Nazarene Theological Seminary (U.S.A.) Trustees, Nazarene Bible College (U.S.A.) Trustees. (2001)

18. **GA-314—Amendments to the Constitution**, Board of General Superintendents, recommends that it be adopted. The vote: 6 for the resolution and 0 against the resolution. (Adopted, see 452.)

RESOLVED that *Manual* paragraph 32 be amended as follows:

Amendments

32. The provisions of this Constitution may be repealed or amended when concurred in by a two-thirds vote of the General Assembly members present and voting, and when concurred

in by not less than two-thirds of all the Phase 3 and Phase 2 district assemblies of the Church of the Nazarene. A majority vote is required on each constitutional amendment item by any Phase 3 or Phase 2 district assembly. Either the General Assembly or any Phase 3 or Phase 2 district assembly may take the initiative in the matter of proposing such amendments. As soon as such amendments shall have been adopted as herein provided, the result of the vote shall be announced by the Board of General Superintendents, whereupon such amendments shall have full force and effect.

19. GA-315-Membership of the General Assembly, General Board, recommends that it be amended and adopted. The vote: 6 for the resolution as amended and 0 against the resolution as amended. (Amended and Adopted, see 455.)

RESOLVED that *Manual* paragraph 301 be amended as follows:

301. The General Assembly shall be composed of ministerial and lay delegates in equal numbers from each Phase 3 district, the district superintendent serving as one of the assigned ordained ministerial delegates, the remaining assigned ordained ministerial delegates and all the lay delegates elected thereto by the district assemblies of the Church of the Nazarene; the general superintendents emeriti and retired; the general superintendents; [the general secretary; the general treasurer; the editor of *Holiness Today*; the directors of the several departments, ministries, and services of the General Board; the education commissioner; the regional directors; the national director of the Church of the Nazarene, Canada] the Global Nazarene Missions International president; the Global Nazarene Youth International president; the *Global Ministry Center* GENERAL BOARD officers and directors who report to the plenary of the General Board; one-half of the regional college/university INTERNATIONAL BOARD OF EDUCATION SCHOOL presidents [(in regions where more than one school exists, one delegate from these schools would be elected by the Regional Advisory Council)] from each region will be voting members, and the other one-half will be non-voting members, as WITH THE NUMBER AND SELECTION PROCESS determined by the International Board of Education; presidents of multiregional institutions whose Board of Directors are elected by multiple district representatives; the president of the Nazarene Publishing House; *THE DIRECTOR OF PENSION AND BENEFITS INTERNATIONAL, GLOBAL DIRECTOR OF STEWARDSHIP MINISTRIES, PRESIDENT OF THE OF THE NAZARENE FOUNDATION, GLOBAL DIRECTOR OF RESEARCH* [the president of the Church of the Nazarene Foundation; the revivalism coordinator;] one [career] General Board-commissioned missionary delegate per [for every] region [of 50 or fewer missionaries and two career missionary delegates for every region with 51 or more missionaries, nominated and] elected [from and] by the assigned [career] contracted missionaries serving in that region[, by a method approved by the General Secretary's office]. In the absence of such election the missionary representative shall be elected by the Global Mission Committee.

20. GA-316-Duties of General Superintendents, General Board, recommends that it be adopted. The vote: 6 for the resolution and 0 against the resolution. (Amended and Adopted, see 457.)

RESOLVED that *Manual* paragraph 307.5 be amended as follows:

307.5. To preside over each [Phase 3] district assembly as scheduled by the Board of General Superintendents [or, if hindered from doing so, to make suitable arrangements for such presidency]. A general superintendent may appoint someone else AN ORDAINED ELDER to serve as chairperson. (202, 211)

21. **GA-317-Duties of the Board of General Superintendents**, General Board, recommends that it be adopted. The vote: 6 for the resolution and 0 against the resolution. (Amended and Adopted, see 459.)

RESOLVED that *Manual* paragraph 317.1 be amended as follows:

317.1. To provide supervision [of] to the [global] general Church of the Nazarene. The Board of General Superintendents shall provide appropriate attention to *THEOLOGY*, leadership, guidance, and motivation [, and access] to all [Phase 3] districts, agencies, and ministries of the church.

22. **GA-318-Membership of the General Assembly**, General Board, recommends that it be adopted. The vote: 6 for the resolution and 0 against the resolution. (Adopted, see 472.)

RESOLVED that *Manual* paragraph 301.1 be amended as follows:

301.1. Each Phase 3 district shall be entitled to representation in the General Assembly by: one assigned ordained minister and one layperson for the first [2,000] 4,000 or fewer full church members and one additional assigned ordained minister and one additional layperson for the next [1 to 3,500] 4,000 full members, and for each successive additional [1 to 3,500] 4,000 full members. The term "assigned ordained minister" shall include elders and deacons. (See chart below.)

<u>Number of Full Members</u>	<u>Number of Delegates</u>
<u>0-4,000</u>	<u>2 (1 lay, 1 ministerial)</u>
<u>4,001-8,000</u>	<u>4 (2 lay, 2 ministerial)</u>
<u>8,001-12,000</u>	<u>6 (3 lay, 3 ministerial)</u>
<u>12,001-16,000</u>	<u>8 (4 lay, 4 ministerial)</u>
<u>16,001-20,000</u>	<u>10 (5 lay, 5 ministerial)</u>
<u>20,001-24,000</u>	<u>12 (6 lay, 6 ministerial)</u>
<u>24,001-28,000</u>	<u>14 (7 lay, 7 ministerial)</u>
<u>28,001-32,000</u>	<u>16 (8 lay, 8 ministerial)</u>
<u>32,001-36,000</u>	<u>18 (9 lay, 9 ministerial)</u>
<u>Etc.</u>	

23. **GA-319-Nominations for the General Board-International Board of Education**, General Board, recommends that it be adopted. The vote: 6 for the resolution and 0 against the resolution. (Adopted, see 474.)

RESOLVED that *Manual* paragraph 332.3 be amended as follows:

332.3. The International Board of Education (IBOE) shall nominate to the General Assembly four persons from the educational institutions, two assigned ordained ministers and two laypersons. The General Assembly will elect two representatives, one assigned ordained minister and one layperson for the General Board. (331.1)

24. **GA-320-Nominations for the General Board-Nazarene Missions International**, General Board, recommends that it be adopted. The vote: 6 for the resolution and 0 against the resolution. (Adopted, see 475.)

RESOLVED that *Manual* paragraph 332.5 be amended as follows:

332.5. The Global Council of the Nazarene Missions International (NMI) shall nominate to the General Assembly [two] one member[s] of the Global NMI Council. The General Assembly shall elect one representative for the General Board. (343.3)

25. **GA-321-Nominations for the General Board-Sunday School and Discipleship Ministries International**, General Board, recommends that it be adopted. The vote: 6 for the resolution and 0 against the resolution. (Adopted, see 476.)

RESOLVED that a new paragraph be added to the *Manual* as follows:

332.6. The regional Sunday School and Discipleship Ministries International (SDMI) coordinators and the Global SDMI director shall nominate one person to the General Assembly. The General Assembly shall elect one representative for the General Board.

26. GA-322-The Role of the General Superintendent, General Board, recommends that it be adopted. The vote: 6 for the resolution and 0 against the resolution. (Adopted, see 477.)

RESOLVED that a new paragraph be added to the *Manual* as follows:

G. The General Superintendents

306. The role of the general superintendents is to provide apostolic and visionary spiritual leadership by:

- articulating mission
- casting vision
- ordaining clergy
- propagating theological coherency, and
- providing general administrative oversight for the general church.

FURTHER RESOLVED that *Manual* paragraph 307.1 be deleted:

[307.1. To clearly articulate the vision of the Church of the Nazarene.]

FURTHER RESOLVED that *Manual* paragraph 307.2 be renumbered as 307.1 as follows:

[307.2]307.1. To have general supervision of the Church of the Nazarene, subject to the law and order as adopted by the General Assembly.

FURTHER RESOLVED that *Manual* paragraph 306.2 be renumbered as 307.2 as follows:

[306.2]307.2. The general superintendents shall be members ex-officio of the General Assembly. (301)

FURTHER RESOLVED that *Manual* paragraph 306.1 be renumbered as 307.12 as follows:

[306.1]307.12. A general superintendent shall hold no other general office in the church while serving as general superintendent. (307.11)

FURTHER RESOLVED that existing *Manual* paragraphs 307.12-307.14 be renumbered as appropriate.

FURTHER RESOLVED that existing *Manual* paragraph 307.14 be amended as follows:

307.14. The office of any general superintendent may be declared vacant, for cause, by the unanimous vote of the remaining members of the Board of General Superintendents, supported by a [majority] two-thirds vote of [all the district superintendents of Phase 3 and Phase 2 districts] the General Board.

FURTHER RESOLVED that *Manual* paragraph 306 be renumbered as 307.15 as follows:

[306] 307.15. The general superintendents, elected by the General Assembly, shall serve until 30 days following the final adjournment of the next General Assembly and until their successors are elected and qualified. (305.2)

27. GA-323-Corporation Restructure Revisions, General Board Executive Committee, recommends that it be adopted. The vote: 102 for the resolution and 1 against the resolution. (Adopted, see 249.)

RESOLVED that *Manual* paragraph 217.6 be amended as follows:

217.6. To forward sufficient copies of the printed journal of each district assembly to the Global Ministry Center for distribution among the general officers [and general boards] of the Church of the Nazarene.

FURTHER RESOLVED that *Manual* paragraph 237.10 be amended as follows:

237.10. To assist the Sunday School and Discipleship Ministries International (SDMI) office of the [General Board] Church of the Nazarene, Inc. in securing information relating to district and local SDMI interests.

FURTHER RESOLVED that *Manual* paragraph 238.3 be amended as follows:

238.3. To report to the [General Board] Sunday School and Discipleship Ministries International (SDMI) office of the Church of the Nazarene, Inc. accurate SDMI statistics each month and to prepare for the District SDMI Board a written report for the annual assembly journal.

FURTHER RESOLVED that *Manual* paragraph 242.1 be amended as follows:

242.1. In case a district becomes officially disorganized, any church property that shall exist may in no way be diverted to other purposes, but shall pass to the control of the [General Board] Church of the Nazarene, Inc., for the use of the [Church of the Nazarene] denomination at large, as the General Assembly shall direct; and trustees holding property, or corporations created to hold property, for the disorganized district shall sell or dispose of the same only on the order and under the direction of the appointed agent of the General Board, and turn the funds over to such agent. (106.2, 106.5, 222.5)

FURTHER RESOLVED that *Manual* paragraph 301 be amended as follows:

301. The General Assembly shall be composed of ministerial and lay delegates in equal numbers from each Phase 3 district, the district superintendent serving as one of the assigned ordained ministerial delegates, the remaining assigned ordained ministerial delegates and all the lay delegates elected thereto by the district assemblies of the Church of the Nazarene; the general superintendents emeriti and retired; the general superintendents; the general secretary; the general treasurer; the editor of *Holiness Today*; the directors of the several departments, ministries, and services of the [General Board] Church of the Nazarene, Inc.; the education commissioner; the regional directors; the national director of the Church of the Nazarene, Canada; the Global Nazarene Missions International president; the Global Nazarene Youth International president; the regional college/university presidents (in regions where more than one school exists, one delegate from these schools would be elected by the Regional Advisory Council); presidents of multiregional institutions whose Board of Directors are elected by multiple district representatives; the president of the Nazarene Publishing House; the president of the Church of the Nazarene Foundation; the revivalism coordinator; one career missionary delegate for every region of 50 or fewer missionaries and two career missionary delegates for every region with 51 or more missionaries, nominated and elected from and by the assigned career missionaries serving in that region, by a method approved by the General Secretary's office. In the absence of such election the missionary representative shall be elected by the Global Mission Committee.

FURTHER RESOLVED that *Manual* paragraph 307.3 be amended as follows:

307.3. To preside over the General Assembly and over the meetings of the General Board of the Church of the Nazarene, jointly and severally. (300.1, 335.3)

FURTHER RESOLVED that *Manual* paragraph 307.11 be amended as follows:

307.11. [The general superintendents shall not be members of any of the general boards of the Church of the Nazarene.] No general superintendent shall be a voting member of any

board of the Church of the Nazarene, other than the Board of General Superintendents, unless provided for by the bylaws of said boards. (306.1)

FURTHER RESOLVED that *Manual* paragraph 317.3 be amended as follows:

317.3. To [have supervision of all general boards and the committees of] have primary authority with regard to ecclesiastical policies and plans—that is issues of theology, ordination, and mission strategy—and to advise the General Board, its committees, and all boards of the Church of the Nazarene on other matters. [The policies and plans adopted by the board or committee require the approval of the Board of General Superintendents.] The Board of General Superintendents shall have the privilege of making to the General Board and to the committees thereof such recommendations as they shall deem advisable. The[y] Board of General Superintendents shall approve or disapprove all nominations made by the Global Mission Committee to the General Board of the Church of the Nazarene for appointment as missionaries.

FURTHER RESOLVED that *Manual* paragraph 331 be amended as follows:

331. The [General Board of the] Church of the Nazarene, Inc., is a [religious and charitable] nonprofit corporation incorporated under the laws of the state of Missouri [at Kansas City, Missouri], U.S.A.[,] The General Board shall be composed of members who shall be elected by ballot by the General Assembly from among the persons nominated as provided in 332.1-333.4. To be elected a member of the General Board as a representative of a church region, one must be a resident on that region as well as a member of a local church on that region. (305.6, 334)

FURTHER RESOLVED that *Manual* paragraph 331.1 be amended as follows:

331.1. No one shall be eligible for election to the General Board or shall remain a member of the General Board who is an employee of the [General Board] Church of the Nazarene, Inc., or entities including educational institutions [controlled by] that receive financial subsidy from the [General Board] Church of the Nazarene, Inc. Individuals from districts or other entities receiving operating funds from the general church are likewise ineligible.

FURTHER RESOLVED that *Manual* paragraph 331.2 be amended as follows:

331.2. The general secretary shall be ex-officio secretary of the Church of the Nazarene, Inc., and the General Board.

FURTHER RESOLVED that *Manual* paragraph 331.3 be amended as follows:

331.3. The general treasurer [of the Church of the Nazarene] shall be ex-officio treasurer of the Church of the Nazarene, Inc., and the General Board, and also of the departments [thereof] of the Church of the Nazarene, Inc. (330.2)

FURTHER RESOLVED that *Manual* paragraph 335 be amended as follows:

335. The General Board shall serve as the board of directors of the Church of the Nazarene, Inc., and shall have primary authority with regard to non-ecclesiastical policies and plans—that is, with regard to topics such as budgeting, auditing, property management, and legal issues. The General Board shall encourage and expect all national, regional, district, and local boards to fulfill the mission of the Church of the Nazarene, which is to propagate Christian holiness in the Wesleyan tradition, and shall facilitate the progress of the global church in each nation and/or region. The General Board shall promote the financial and material affairs of all the committees of the Church of the Nazarene, subject to such instructions as may be given by the General Assembly. It shall coordinate, correlate, and unify the plans and activities of the several constituent committees so that a unified policy may be established by and in all the activities of the Church of the Nazarene. It shall have the power to direct the auditing of the accounts of all departments and institutions relating to or associated with the Church of the

Nazarene, with a view to securing such uniformity of method and completeness of form as shall be most efficient; and it shall [be an advisory body in] direct the business and administrative affairs of the denomination, as well as the several departments of the [General Board] Church of the Nazarene, Inc. and of all the organizations and institutions that are a part of, related to, or associated with this denomination. These departments, organizations, and institutions shall give due consideration to the advice and recommendations of the General Board.

FURTHER RESOLVED that *Manual* paragraph 335.1 be amended as follows:

335.1. The General Board shall have power to buy, own, hold, manage, mortgage, sell, convey, and donate, or otherwise acquire, encumber, and dispose of both real and personal property, sold, devised, bequeathed, donated, or otherwise conveyed to [it] the Church of the Nazarene, Inc. in trust for any lawful purpose, and to execute such trust; to borrow and to loan money in the execution of [its] the Church of the Nazarene, Inc.'s lawful purposes.

FURTHER RESOLVED that *Manual* paragraph 335.13 be amended as follows:

335.13. The general treasurer shall annually present to the General Board a detailed financial report of receipts and disbursements of all funds of which he or she has been custodian during the past year, including trust funds and investments, together with a detailed statement of the proposed expenditures for the ensuing year of funds not included in the budgets of departments of the [General Board] Church of the Nazarene, Inc. The general treasurer shall be responsible to the General Board for the faithful performance of official duties. (330.5)

FURTHER RESOLVED that *Manual* paragraph 335.20 be amended as follows:

335.20. Department Directors. The General Board shall elect [a] Church of the Nazarene, Inc. department directors[, by ballot, for each of its several departments] pursuant to the procedures set forth in the General Board Bylaws and the General Board Policy Manual, to serve until the final adjournment of the next General Assembly and until their successors are elected and qualified, unless removed from office as provided in paragraph 317.5. They shall be nominated according to the following procedures: If there is an incumbent director, the Nominating Committee may recommend either a "yes" or "no" vote, or present multiple nominees. The search for capable candidates for these offices shall be conducted by a search committee as provided by General Board Bylaws. This committee will bring two or more names to the Nominating Committee along with supporting rationale for their recommendation.

FURTHER RESOLVED that *Manual* paragraph 336 be amended as follows:

336. The retirement for all officers and any other director listed in 335.14 and 335.20, and any other agency head employed by the [General Assembly or its elected commissions, the General Board and its departments,] Church of the Nazarene, Inc. shall occur at the time of the General Board meeting following their 70th birthday. Where there are vacancies, they shall be filled in accordance with *Manual* procedures.

FURTHER RESOLVED that *Manual* paragraph 345.3 be amended as follows:

345.3. Regional Advisory Council (RAC). A region may have a Regional Advisory Council whose responsibilities will be to assist the regional director in strategy development for the region, to review and recommend approval or disapproval of all national board minutes before forwarding the same to the office of the general secretary, to interview missionary candidates for recommendation to the Global Mission office and/or for deployment as regional and [General Board] Church of the Nazarene, Inc. contracted missionaries, to receive reports from the regional director, field strategy coordinators, and ministry coordinators, to elect missionary delegates to the General Assembly in accordance with provisions of the *Manual*, and

to elect a principal/rector/president of an International Board of Education institution as a delegate to the General Assembly.

...REMAINDER OF THE PARAGRAPH REMAINS THE SAME.

FURTHER RESOLVED that *Manual* paragraph 404 be amended as follows:

404. The elder or a deacon who is an administrator is one who has been elected by the General Assembly as a general official; or a member of the clergy who has been elected or employed [by the General Board] to serve in the general church; or an elder who has been elected by the district assembly as district superintendent; or a member of the clergy who has been elected or employed as his or her primary assignment in the service of a district. Such person is an assigned minister.

28. **GA-324-Resolution Items which do not Include Changes to the *Manual***, Board of General Superintendents, recommends that it be adopted. The vote: 105 for the resolution and 0 against the resolution. (Adopted, see 254.)

RESOLVED that *Manual* paragraph 902.7 be amended as follows:

902.7. General Assembly Business

(From the 2009 Delegate's Handbook)

Resolutions and Petitions

Rule 26. Presentation. District assemblies, a committee authorized by the district assembly, regional councils, the General Board or any of its recognized departments, official boards or commissions of the general church, the Global Nazarene Missions International Convention, the Global Nazarene Youth International Convention, or five or more members of the General Assembly, may present resolutions and petitions for the consideration of the General Assembly in accordance with the following rules:

a. Resolutions and petitions shall be printed or typewritten on the official form furnished by the general secretary.

b. Each resolution or petition presented will include the subject and the name of the delegates or group making the presentation.

c. All resolutions that call for action that requires expenditures must include an estimated cost to complete the action.

d. Proposals for changes in the church *Manual* must be presented in writing and shall give paragraph and section of *Manual* to be affected and the text of the change, should it be adopted.

e. They shall be presented to the general secretary no later than December 1 prior to the convening of the assembly to be numbered and sent to the Reference Committee for reference in accordance with Rule 38 and *Manual* 305.1, and in order that they may be printed in the Delegate's Handbook.

f. Any resolutions which are non-*Manual* items must indicate which entity has responsibility to enact legislation.

Rule 27. Resolutions and Petitions for Late Reference. With the consent of the assembly, resolutions, petitions, and other items for consideration by the assembly may be presented to the general secretary for reference to a legislative committee no later than June 1 prior to the convening of the assembly, with the exception of the global conventions which meet just prior to the General Assembly.

Rule 28. *Manual* Changes. Resolutions adopted by the General Assembly shall be submitted to the *Manual* Editing Committee to be harmonized with other *Manual* provisions.

FURTHER RESOLVED that this be added to the General Assembly Rules of Order for the next General Assembly.

29. **GA-325-Reconvened Manual Editing Committee Revisions**, Reconvened 2009 *Manual* Editing Committee, recommends that it be adopted. The vote: 98 for the resolution and 2 against the resolution. (Amended and Adopted, see 261.)

RESOLVED that Manual paragraph 300.1 be amended as follows:

300.1. The General Assembly shall be presided over by the general superintendents[, jointly and severally]. (31.6, 307.3)

FURTHER RESOLVED that Manual paragraph 307.7 be amended as follows:

307.7. The general superintendents[, jointly and severally,] may appoint district superintendents over assembly districts where vacancies occur in the interim of district assembly sessions, upon consultation with a committee composed of the District Advisory Board, [the] chairperson of the District Sunday School and Discipleship Ministries International (SDMI) Board, and [the] presidents of the district Nazarene Missions International (NMI) and Nazarene Youth International (NYI), [the] district secretary and [the] district treasurer. Pursuant to paragraph 206, all qualified elders are eligible for consideration, including those of that district. (207)

FURTHER RESOLVED that Manual paragraph 307.14 be amended as follows:

307.14. The office of any general superintendent may be declared vacant, [for cause,] by the unanimous vote of the remaining members of the Board of General Superintendents, supported by a majority vote of all [the] district superintendents of Phase 3 and Phase 2 districts.

FURTHER RESOLVED that Manual paragraph 314.1 be amended as follows:

314.1. A general superintendent who has been placed in [the] retired [relation] status, or voted emerita/emeritus honor, shall not be a member of the Board of General Superintendents [and shall be relieved of all official responsibility]. However, in the event that an active general superintendent should be incapacitated by illness, hospitalization, or other unavoidable emergency necessitating absence from any assignment, the Board of General Superintendents is empowered to call into temporary assignment any retired general superintendent. (305.3-5.5, 900.1)

FURTHER RESOLVED that Manual paragraph 316 be amended as follows:

316. Vacancy. If a vacancy occurs[, by death or otherwise,] in the Board of General Superintendents, in the interim of sessions of the General Assembly, the question of calling for an election to fill the vacancy shall be decided by the Board of General Superintendents. Upon receipt of the board's decision, the general secretary shall notify [at once] all members of the General Board. When an election is called for, the members of the General Board shall elect, by a two-thirds vote [of all eligible to vote], an elder of the Church of the Nazarene to fill the vacancy and to perform the duties of the general superintendent until 30 days following the final adjournment of the next General Assembly, and until a successor is elected and qualified. (31.5, 305.2)

FURTHER RESOLVED that Manual paragraph 317.1 be amended as follows:

317.1. [To p]Provide supervision, [of the global Church of the Nazarene. The Board of General Superintendents shall provide appropriate attention to] leadership, guidance, and motivation[, and access to all Phase 3 districts] of the global Church of the Nazarene.

FURTHER RESOLVED that Manual paragraph 326.6 be amended as follows:

326.6. [To a]Audit [assembly] district statistical charts [for publication]. (217.3)

FURTHER RESOLVED that Manual paragraph 332.4 be amended as follows:

332.4. The Global Council of the Nazarene Youth International (NYI) shall nominate to the General Assembly the newly elected Global NYI *president CHAIR*. In the event that the newly elected Global NYI *president CHAIR* cannot serve the General Board [due to extenuating circumstances], the Global NYI Council will nominate one member from the Global NYI Council. (342.4)

FURTHER RESOLVED that Manual paragraph 335 be amended as follows:

335. The General Board shall encourage and expect all national, regional, district, and local boards to fulfill the mission of the Church of the Nazarene, which is to propagate Christian holiness in the Wesleyan tradition, and shall facilitate the progress of the global church in each nation and/or region. The General Board shall promote the financial and material affairs of all [the] committees of the Church of the Nazarene, subject to [such] instructions as may be given by the General Assembly. It shall coordinate, correlate, and unify [the] plans and activities of the [several] constituent committees so that a unified policy may be established by and in all [the] activities of the Church of the Nazarene. It shall have [the] power to direct [the] auditing of the accounts of all departments and institutions relating to or associated with the Church of the Nazarene, [with a view to securing such uniformity of method and completeness of form as shall be most efficient;] and it shall be an advisory body in the business and administrative affairs of the [several] departments of the General Board and of all [the] organizations and institutions that are a part of, related to, or associated with this denomination. These departments, organizations, and institutions shall give due consideration to the advice and recommendations of the General Board.

FURTHER RESOLVED that Manual paragraph 335.3 be amended as follows:

335.3. The General Board shall meet before or immediately following the final adjournment of the General Assembly and shall organize by electing officers and committees, and members to committees as required by its Articles of Incorporation and bylaws, to serve for the quadrennium and until their successors are elected and qualified. The general superintendents[, jointly and severally,] shall preside over the meetings of the General Board.

30. GA-326-Revisions Clarifying the Role of General Superintendents and General Board, Board of General Superintendents, recommends that it be adopted. The vote: 107 for the resolution and 0 against the resolution. (Amended and Adopted, see 266.)

RESOLVED that *Manual* paragraph 317.4 be amended as follows:

317.4. To [function as a Nominating Committee, in conjunction] serve together with the General Board Executive Committee as a Nominating Committee, to bring one or more names to the General Board for election of a general secretary and a general treasurer.

FURTHER RESOLVED that *Manual* paragraph 317.8 be deleted as follows:

[317.8. To approve the appointments and elections made by the General Board of the Church of the Nazarene in filling vacancies that may occur in its membership.]

FURTHER RESOLVED that *Manual* paragraph 307.4 be amended as follows:

307.4. To have discretionary power to ordain, or appoint others to ordain, in connection with the ordained ministers present, those who have been duly elected to be elders or deacons. (435.5-35.6)

FURTHER RESOLVED that *Manual* paragraph 320 be deleted as follows:

[320. The Board of General Superintendents shall have discretionary power in the ordaining of divorced persons to the office of elder or deacon in the Church of the Nazarene. (35.1-35.3, 430.3, 431.3)]

FURTHER RESOLVED that *Manual* paragraph 323 be amended as follows:

223. Following each general assembly, the revised *Manual of the Church of the Nazarene* is to be effective in all *APPROPRIATE* languages when the Board of General Superintendents [gives] announces the official release date [for communication through the *Holiness Today* publication and the Nazarene Communication Network News summary].

FURTHER RESOLVED that *Manual* paragraph 330.7 be deleted as follows:

[330.7. To secure monthly reports of receipts and disbursements from all schools, orphanages, rescue homes, and other institutions of the Church of the Nazarene.]

FURTHER RESOLVED that *Manual* paragraph 335.5 be amended as follows:

335.5. Special Meetings of the General Board may be called by the [chairperson] Board of General Superintendents, the president, or the secretary.

FURTHER RESOLVED that *Manual* paragraph 335.6 be deleted as follows:

[335.6. Global Administration and Finance Committee. The Global Administration and Finance Committee, elected by the General Board, shall have charge of the proper investment of trust funds. The General Board, after first referring to this committee all budget requests submitted by the several departments and offices of the Global Ministry Center for the ensuing year, shall receive from the committee a report of its recommendations concerning each request. This committee shall perform any other work assigned to it by the Board. It shall keep accurate minutes of all its meetings and submit them to the General Board for approval.]

FURTHER RESOLVED that the heading for *Manual* section M, which precedes paragraphs 337-337.2 be amended as follows:

M. [General Church-related Boards] Pension Plans

[Pension Boards]

337. There shall be a [P]pensions [B]board, or equivalent authorized body, with fiduciary responsibility for each church-related pension plan. A pension plan may apply at organizational, district, multidistrict, national, regional, or multiregional level as the needs may dictate. (335.15)

337.1. The General Board shall establish and maintain suggested guidelines that are relevant to all pension programs worldwide. The General Board does not guarantee any pension plan from loss or depreciation. The General Board does not guarantee the payment of any money that may be or becomes due to any person from any pension plan, and shall not be liable in the case of the underfunding of any pension plan. (38.5)

337.2. All pension plans shall submit an annual report to the General Board through Pensions and Benefits International in the form and format requested. (38.5)

31. **GA-327, Internationalization**, Missouri District Advisory Board, recommends that it be rejected. The vote: 2 for the resolution and 103 against the resolution. (Rejected, see 277.)

RESOLVED that this General Assembly redefine “internationalization” of the Church of the Nazarene.

FURTHER RESOLVED that the Church of the Nazarene be recognized as a global federation of the Churches of the Nazarene or a global strategic alliance.

FURTHER RESOLVED that the Articles of Faith be the core foundation of bonding for the global federation of churches and what it means to be a Nazarene.

FURTHER RESOLVED that a global legislative session be held every five years to reaffirm the Articles of Faith and to elect General Board members.

FURTHER RESOLVED that the regions establish their own regional assemblies to establish their “special rules” and conduct other business necessary to fulfill the Great Commission throughout their region of the world. Each regional assembly will establish their own cycle.

(NOTE: Educational regions do not constitute a global region.)

FURTHER RESOLVED that each region of the world have their own regional board with accountability to the General Board.

LOCAL ADMINISTRATION COMMITTEE

The Local Administration Committee having had referred to it the following resolutions, which were presented to the assembly in two reports, recommends action as indicated:

1. **LA-400—Church-Type Mission**, Kansas City District, recommends that it be adopted. The vote: 112 for the resolution and 0 against the resolution. (Adopted, see 359.)

RESOLVED that a new paragraph be added to the *Manual* as follows:

101. Church-Type Mission. New congregational works that have not yet been organized according to paragraph 100, may be registered by the general secretary as a church-type mission, with the approval of the district superintendent where the new work is located. A member of the clergy serving a church-type mission as pastor or as associate (paragraph 160) shall be considered an assigned minister with the approval of the district superintendent. A church-type mission may be incorporated according to paragraph 102 and receive and report members according to 107.2. (100.1, 107.2, 138.1, 208.6)

FURTHER RESOLVED that subsequent *Manual* paragraphs be renumbered accordingly.

2. **LA-401—Incorporation**, Scott Sherwood, et al., recommends that it be adopted. The vote: 71 for the resolution and 44 against the resolution. (Adopted, see 367.)

RESOLVED that *Manual* paragraph 102.4 be amended as follows:

102.4. The Articles of Incorporation of each local church shall include the following provisions:

1. The corporate name shall include the words “Church of the Nazarene.” [The name “Church of the Nazarene” shall appear on church signs, official stationery, and church publications.]
2. The bylaws of the corporation shall be the *Manual of the Church of the Nazarene*.
3. The Articles of Incorporation shall not contain any provision that might prevent the local church from qualifying for any tax exemption available to churches in the same area.
4. Upon dissolution, the assets of the corporation shall be distributed to the District Advisory Board.

The Articles of Incorporation may contain additional provisions when appropriate under local law. No provision, however, shall be included that can cause the property of the local church to be diverted from the Church of the Nazarene. (101-1.1, 104.3, 106.1-6.3)

3. **LA-402—Local Church Restrictions**, Northwestern Illinois District Resolutions Committee, recommends that it be adopted. The vote: 67 for the resolution and 38 against the resolution. (Adopted, see 379.)

RESOLVED that *Manual* paragraph 104 be amended as follows:

104. Restrictions. The local church may not purchase or lease real estate, nor sell, mortgage, refinance, exchange, or in any other way encumber real property, or otherwise dispose of real estate unless approved by a two-thirds vote of the members present at an annual meeting, or at a special meeting duly called. The church board may approve by two-thirds vote of its members present and voting, properties donated for the specific purpose of providing funds for the local church. Both items require the written approval of the district superintendent and the District Church Properties Board. (113.3-13.4, 113.7-13.8, 234.3)

4. **LA-403—The Closing of a Local Church**, North Arkansas District Resolutions Committee, recommends that it be rejected. The vote: 6 for the resolution and 111 against the resolution. (Rejected, see 380.)

RESOLVED that a new paragraph be added to the *Manual* as follows:

106.2. As the closing of a local church draws near, its leaders and the district superintendent may plan a final service to celebrate what God has done through the congregation and to consecrate its resources for new church planting.

FURTHER RESOLVED that existing *Manual* paragraphs 106.2-106.5 be renumbered accordingly.

5. **LA-404—Declaring Churches Inactive or Disorganized**, Mid-Atlantic District, recommends that it be amended and adopted. The vote: 104 for the resolution as amended and 8 against the resolution as amended. (Adopted, see 381.)

RESOLVED that *Manual* paragraphs 106 be amended as follows:

106. Declaring Churches Inactive[/] or Disorganized. Churches may be declared inactive for a period of transition by action of the District Advisory Board prior to being officially disorganized, REACTIVATED OR REORGANIZED.

FURTHER RESOLVED that *Manual* paragraph 106.2 be amended as follows:

106.2. In case a local church becomes inactive or disorganized, or in the event of withdrawal or attempted withdrawal from the Church of the Nazarene (as certified by the District Advisory Board), any church property that may exist may in no way be diverted to other purposes, but title shall pass to the District Advisory Board acting as agent for said district where such has been incorporated, or other authorized agents, for the use of the Church of the Nazarene at large, as the district assembly shall direct. Local church trustees holding property for the inactive or disorganized church shall sell or dispose of the same only on the order and under the direction of the District Advisory Board or other appointed agent of the district assembly, with the written approval of the general superintendent in jurisdiction; either conveying said property or delivering the proceeds from the sale thereof as directed by the district assembly or its District Advisory Board. (104.4, 222.18)

FURTHER RESOLVED that *Manual* paragraph 106.3 be amended as follows:

106.3. No trustee or trustees of an inactive or disorganized church, or a church that withdraws or attempts to withdraw from the Church of the Nazarene, may divert property from the use of the Church of the Nazarene. (104.4, 141-44, 222.18)

6. **LA-405—Calling of a Pastor**, Board of General Superintendents, recommends that it be adopted. The vote: 53 for the resolution and 51 against the resolution. (Amended and Adopted, see 353.)

RESOLVED that *Manual* paragraph 115 be amended as follows:

H. Calling of a Pastor

115. An ordained elder or licensed minister (*ELDER TRACK*) (412) may be called to pastor a church by two-thirds favorable vote by ballot of the church members of voting age present and voting at a duly called annual or special meeting of the church, provided that such ordained elder or licensed minister (*ELDER TRACK*) shall have been nominated to the church by the church board, which, after having consulted with the district superintendent, made such nomination by two-thirds vote by ballot of all its members; and provided the nomination shall have been approved by the district superintendent. Any ordained elder or licensed minister (*ELDER TRACK*) with membership in a local church may not be considered for pastor of that church without the approval of the district superintendent and the District Advisory Board. This

call shall be subject to review and continuance as hereinafter provided. (119, 122-24, 129.2, 160.8, 208.10, 222.12, 430.4)

FURTHER RESOLVED that *Manual* paragraph 412 be amended as follows:

K. The Pastor

412. A pastor is an ordained elder or licensed minister (*ELDER TRACK*) (115) who, under the call of God and His people, has the oversight of a local church. A pastor in charge of a local church is an assigned minister. (210, 430.4)

7. **LA-406—Remuneration for a Pastor**, Board of General Superintendents, recommends that it be amended and adopted. The vote: 97 for the resolution as amended and 13 against the resolution as amended. (Adopted, see 356.)

RESOLVED that *Manual* paragraph 115.4 be amended as follows:

115.4. Upon issuing a call, the local church will specify the proposed remuneration. The amount of this remuneration shall be determined by the church board. When agreement has been entered into between the church or the church board and the pastor, the payment of the pastor's salary in full shall be considered a moral obligation by the church. If, however, the church becomes unable to continue the payment of the salary agreed upon, such inability and failure shall not be considered a sufficient cause for civil action against the church by the pastor; and in no case shall the church or District Advisory Board be legally responsible in excess of funds raised during the term of the pastor's actual service, and not otherwise designated. If civil action is taken against the church OR DISTRICT ADVISORY BOARD by a current or former pastor, a district may take steps to obtain the minister's credential and subsequently drop the minister's name from the ministerial roll.

The local church should also make provision for the pastor's traveling and moving expenses. (38-8.3, 129.8-29.9)

8. **LA-407—Pastor's Agreement Not to Compete**, North Florida District Advisory Board, recommends that it be rejected. The vote: 0 for the resolution and 111 against the resolution. (Rejected, see 382.)

RESOLVED that a new paragraph be added to the *Manual* as follows:

115.6. Upon the acceptance of a call by a pastor to a church, there shall be an enforceable agreement by that pastor not to accept any future call to any ministry that could be considered one that competes with that local church, for a period of two years, within a 50-mile radius of that church. It is recommended that the details of this agreement be executed in writing upon the start of the pastor's call. Should such a future competing call occur, the local church may request that their District Advisory Board determine if such an impairment exists, and upon approval of the District Advisory Board, may request enforcement of an order to cease and desist, and/or financial damages from their former pastor for the benefit gained of the knowledge of the congregation and community while serving a call to that church.

9. **LA-408—Pastoral Appointments**, Eastern Michigan District Resolutions Committee and North Florida District Advisory Board, recommends that it be rejected. The vote: 2 for the resolution and 113 against the resolution. (Rejected, see 384.)

RESOLVED that *Manual* paragraph 117 be amended as follows:

117. The pastor of a church that has been organized for less than five years, or had less than [35] 50 members voting in the previous annual church meeting, or is receiving regular financial assistance from the district, may be appointed or reappointed by the district superintendent, with the consent of the District Advisory Board. (208.17)

In addition, the pastor of any church, regardless of size, may also be appointed or reappointed by the district superintendent for an interim period of time based on special circumstances within the church, and with the consent of the church board and the District Advisory Board.

10. **LA-409—Co-Pastors**, East Ohio District Resolutions Committee, Mid-Atlantic District, North Central Ohio District Resolutions Committee, South Central Ohio District Advisory Board, and Southwestern Ohio District Resolutions Committee, recommends that it be amended and adopted. The vote: 83 for the resolution as amended and 14 against the resolution as amended. (Adopted, see 385.)

RESOLVED that *Manual* paragraph 121 be amended as follows:

121. The Triune God as affirmed in the Articles of Faith of the Church of the Nazarene provides the pattern for human relationships. Christian leadership has the privilege and responsibility of embodying the nature of the Triune God. Co-pastoral leadership presents the opportunity to be a unique expression of Trinitarian leadership. Thereby we affirm that co-pastors can and should demonstrate shared authority, singularity of mission, diversity of roles, and holy, loving service. (Genesis 1:26; Deuteronomy 6:4; Matthew 20:20-28; 22:34-40; 28:16-20; John 14-17; Philippians 2:5-11; Ephesians 5:21; 1 Corinthians 13; 1 John 4:7-21)

Upon the recommendation of the church board and approval of the district superintendent, a congregation may elect co-pastors to serve. In this case, the following stipulations will apply:

1. The co-pastors shall work with the church board, under the direction of the district superintendent, to develop a [specific] plan for [the practical division of] shared responsibility and authority.
2. [Although the c]Co-pastors are equals in the pastoral office[,], If required by law, one person [shall] may be officially designated by the church board as the presiding officer, serving as president of the corporation and chairperson of the church board.
3. The pastoral review process shall be conducted as provided for in *Manual* paragraph 123.

11. **LA-410—The Church/Pastor Relationship**, Nebraska District Advisory Board, recommends that it be amended and adopted. The vote: 81 for the resolution as amended and 15 against the resolution. (Adopted, see 388.)

RESOLVED that *Manual* paragraph 122 be amended as follows:

122. Every year, the pastor and the church board shall conduct a planning session to renew the expectations and goals of the church and the pastor. The written understanding of goals, plans and objectives between the church and the pastor shall be updated. Such written understanding shall be filed with the district superintendent. Completion of at least one annual evaluation that includes a list of desired areas of personal growth and a plan of action for facilitating progress in those areas that has been agreed to by the pastor and the church board shall be a mandatory condition of calling for special review of the pastor. In the event the pastor refuses to collaborate in such a plan of action, that fact may be cited as a basis for calling for special review.

FURTHER RESOLVED that *Manual* paragraph 122.1 be renumbered and amended as follows:

122.[1]2. Pastors and congregations shall seek to find and articulate a clear understanding of each other's expectations and sincerely follow biblical principles to resolve differences in a

spirit of cooperation and reconciliation within the church. Biblical principles for resolving differences include those found in Matthew 18:15-20 and Galatians 6:1-5 [include]:

1. Individual or collective members of the congregation shall be encouraged to [S]seek to resolve differences by discussing them on a face-to-face basis with the pastor or discreetly with a church board member.

2. Individual or collective members of the church board shall seek to resolve differences by discussing them on a face-to-face basis with the pastor.

[2]3. If either of the foregoing face-to-face discussions fails to bring resolution, the complainant shall seek the assistance of one or two [others] spiritually mature members of the congregation or church board in resolving the differences.

[3]4. The persons involved in such small group effort shall [B]bring the differences to the full church board only after face-to-face discussion and small-group efforts have failed.

[4]5. [Christians are obligated to] If called upon to do so, the church board shall work at resolving differences in a spirit of love, acceptance, and forgiveness, and in accordance with church discipline. (123-25.2, 129.1)

12. **LA-411—Reviewing the Church/Pastor Relationship**, Reference Committee and Nebraska District Advisory Board, recommends that it be rejected. The vote: 0 for the resolution and 102 against the resolution. (Rejected, see 390.)

RESOLVED that *Manual* paragraph 123 be amended as follows:

J. Renewing the Church/Pastor Relationship

123. The Regular Church/Pastoral Review. The church/pastoral relationship shall be reviewed by the church board, meeting with the district superintendent, or an ordained minister or layperson appointed by the district superintendent, within 60 days of the second anniversary of pastoral service and every four years thereafter. In situations where the district superintendent served as the immediate predecessor to the current pastor of the congregation, the district superintendent shall recuse himself or herself and such review shall be conducted by an ordained minister or layperson appointed by the general superintendent in jurisdiction. The district superintendent, or an ordained minister or layperson appointed by the district superintendent, shall be responsible for scheduling and conducting the review meeting(s) with the church board. The review meeting(s) shall be scheduled in consultation with the pastor. The review meeting(s) shall be conducted in executive session (church board, including pastor). At the discretion of the district superintendent, a portion of the review may be conducted in the absence of the pastor. In case the pastor's spouse is an elected member of the board, he or she shall not participate in the review. In addition, other immediate relatives of the pastor may be recused from the review, per the request of the district superintendent or appointed representative.

...REMAINDER OF THE PARAGRAPH REMAINS THE SAME.

13. **LA-411a—The Regular Church and Pastoral Review**, Mid-Atlantic District, recommends that it be rejected. The vote: 1 for the resolution and 98 against the resolution. (Rejected, see 391.)

RESOLVED that *Manual* paragraph 123 be amended as follows:

J. Renewing the Church/Pastor Relationship

123. The Regular Church[/] and Pastoral Review. The church[/] health and pastoral relationship shall be reviewed by the church board, meeting with the district superintendent, or an ordained minister or layperson appointed by the district superintendent, within 60 days of the second anniversary of pastoral service and every four years thereafter. The term of service of said pastor shall be considered to be indefinite, unless terminated by the pastor in consultation

with the local church board and district superintendent. The district superintendent, or an ordained minister or layperson appointed by the district superintendent, shall be responsible for scheduling and conducting the review meeting(s) with the church board. The review meeting(s) shall be scheduled in consultation with the pastor. The review meeting(s) shall be conducted in executive session (church board, including pastor). At the discretion of the district superintendent, a portion of the review may be conducted in the absence of the pastor. In case the pastor's spouse is an elected member of the board, he or she shall not participate in the review. In addition, other immediate relatives of the pastor may be recused from the review, per the request of the district superintendent or appointed representative.

In preparation for the regular church health and pastoral review, a report will be made in writing to the district superintendent by the pastor and church board regarding progress toward fulfilling the mission, vision, and core values of the church.

A public and/or printed announcement explaining the purpose of this church board meeting shall be conveyed to the congregation the Sunday before the church board and district superintendent meet for the regular church/pastoral review.

At this review meeting, the question of continuing the church/pastoral relationship shall be discussed. The objective is to discover consensus without the need of a formal church board vote. If the church board does not vote to present the question of continuing the church/pastoral relationship to the church membership, the church/pastoral relationship will continue.

The church board may vote to present to the church membership the question of continuing the pastoral call. The vote by the board will be by ballot and require a [majority] two-thirds vote of all church board members present to carry.

If the church board votes to present the question of continuing the church/pastoral relationship to the church membership, the matter shall be presented at a church meeting duly called for this purpose and held within 30 days following such action. The question shall be presented, "Shall the present church/pastoral relationship continue?" The vote shall be by ballot and require a majority to carry, except where civil law of a given country requires otherwise.

If the church membership votes to continue the church/pastoral relationship, the church/pastoral relationship shall continue as though such a vote had not been taken; otherwise, the church/pastoral relationship shall end on a date set by the district superintendent not less than 30 nor more than 180 days following the vote. Should the vote indicate that the pastoral service shall end, the church board shall, in conjunction with the district superintendent, or an ordained minister appointed by the district superintendent, propose and negotiate a fair and equitable severance package for the pastor. Said package should consider the cost of housing, health insurance, and health care, as well as salary lost by said pastor. If the pastor chooses not to proceed with the vote of the congregation or chooses not to accept the vote, he or she shall submit a resignation. In such case, the church/pastoral relationship shall end on a date set by the district superintendent not less than 30 nor more than 180 days following the pastor's decision not to proceed with or accept the congregational vote. As a part of the regular review, a report will be made to the district superintendent by the pastor and church board regarding progress toward fulfilling the mission, vision and core values of the church.

14. **LA-412—Special Church/Pastoral Review and Local Church in Crisis**, Nebraska District Advisory Board, recommends that it be rejected. The vote: 6 for the resolution and 100 against the resolution. (Rejected, see 392.)

RESOLVED that *Manual* paragraph 124 be amended as follows:

124. Special Church/Pastoral Review. In the interim of regular reviews, a local church board meeting shall become officially a special review only by a majority vote of the entire elected church board with the district superintendent present or an elder appointed by the district superintendent serving as chairperson. In situations where the district superintendent served as the immediate predecessor to the current pastor of the congregation, the district superintendent shall recuse himself or herself and such review shall be conducted by an ordained minister or layperson appointed by the general superintendent in jurisdiction. If the district superintendent and the local church board shall be of the opinion that the question of the continuance of the church/pastoral relationship should be submitted to the church, the district superintendent and the local church board by a majority vote by ballot of all its members present, except where civil law of a given country requires otherwise, may order the question submitted for vote at a special church meeting. The question shall be submitted in the following form: “Shall the present church/pastoral relationship be continued?” This special church/pastoral review meeting shall be conducted in executive session (church board, including pastor). At the discretion of the district superintendent, a portion of the review may be conducted in the absence of the pastor. In case the pastor's spouse is an elected member of the board, he or she shall not participate in the review. (113.8)

...REMAINDER OF PARAGRAPH REMAINS THE SAME.

FURTHER RESOLVED that *Manual* paragraph 125.1 be amended as follows:

125.1. When in the opinion of the district superintendent and the District Advisory Board, and with approval of the general superintendent in jurisdiction, a local church is declared in crisis—financial, morale, or otherwise—and this crisis seriously affects the stability and future of the church, (a) The question of continued church/pastoral relationship may be submitted to the local congregation by the district superintendent or a member of the District Advisory Board appointed by the district superintendent as if the church board had requested the vote under paragraph 123, or (b) the tenure of a pastor and/or church board may be terminated with the approval of the general superintendent in jurisdiction, and by the majority vote of the District Advisory Board. The district superintendent, with approval of the general superintendent in jurisdiction and the District Advisory Board, may appoint members of the church board for any church that has been declared in crisis. In situations where the district superintendent served as the immediate predecessor to the pastor of the congregation, all interactions with the congregation and decisions relevant to (a) and (b) above shall be rendered by an ordained minister or layperson appointed by the general superintendent in jurisdiction. (208.3)

15. **LA-413—Special Church/Pastoral Review**, Nebraska District Advisory Board, recommends that it be rejected. The vote: 0 for the resolution and 105 against the resolution. (Rejected, see 393.)

RESOLVED that *Manual* paragraph 124 be amended as follows:

124. Special Church/Pastoral Review. In the interim of regular reviews, a local church board meeting shall become officially a special review only by a majority vote of the entire elected church board with the district superintendent present or an elder appointed by the district superintendent serving as chairperson. Such vote shall not be conducted unless a minimum of one annual planning session (122) has included an explanation of desired areas of personal growth and agreement upon a plan of action to addressing such growth areas, or the pastor has refused to collaborate in setting forth such plan of action. If the district superintendent and the local church board shall be of the opinion that the question of the continuance of the church/pastoral relationship should be submitted to the church, the district superintendent and the

local church board by a majority vote by ballot of all its members present, except where civil law of a given country requires otherwise, may order the question submitted for vote at a special church meeting. The question shall be submitted in the following form: "Shall the present church/pastoral relationship be continued?" This special church/pastoral review meeting shall be conducted in executive session (church board, including pastor). At the discretion of the district superintendent, a portion of the review may be conducted in the absence of the pastor. In case the pastor's spouse is an elected member of the board, he or she shall not participate in the review. (113.8)

...REMAINDER OF THE PARAGRAPH REMAINS THE SAME.

16. **LA-414—Local Church in Crisis**, West Virginia North District General Assembly Resolutions Committee, recommends that it be adopted. The vote: 69 for the resolution and 31 against the resolution. (Adopted, see 87.)

RESOLVED that *Manual* paragraph 125.1 be amended as follows:

125.1. When in the opinion of the district superintendent and the District Advisory Board, [and with approval of the general superintendent in jurisdiction,] a local church is declared in crisis—financial, morale, or otherwise—and this crisis seriously affects the stability and future of the church, (a) The question of continued church/pastoral relationship may be submitted to the local congregation by the district superintendent or a member of the District Advisory Board appointed by the district superintendent as if the church board had requested the vote under paragraph 123, or (b) the tenure of a pastor and/or church board may be terminated with the approval of the general superintendent in jurisdiction, and by the majority vote of the District Advisory Board. The district superintendent, with approval of the [general superintendent in jurisdiction and the] District Advisory Board, may appoint members of the church board for any church that has been declared in crisis. Notification of the District Advisory Board action shall be sent to the general superintendent in jurisdiction within 30 days. (208.3)

FURTHER RESOLVED that *Manual* paragraph 125.2 be amended as follows:

125.2. When in the opinion of the district superintendent, a local church declared in crisis in accordance with 125.1 has fulfilled the interventions set in place and is ready to resume its ministry under normal circumstances, the local church may be declared out of crisis by the majority vote of the District Advisory Board[, with approval of the general superintendent in jurisdiction]. The general superintendent in jurisdiction shall be notified of the District Advisory Board action within 30 days. (208.4)

FURTHER RESOLVED that *Manual* paragraph 208.3 be amended as follows:

208.3. In circumstances where the district superintendent has determined that a church is in an unhealthy, declining situation, the continuation of which threatens the viability of the church and its mission effectiveness, the district superintendent may pursue contact with the pastor or the pastor and the church board to evaluate the circumstances. Every effort shall be made to work with the pastor and church board toward resolution of issues that have led to the circumstances which are impeding mission effectiveness.

If the district superintendent, after working with the pastor and/or board, concludes that further intervention is necessary, he or she may, with the approval of the District Advisory Board [and the general superintendent in jurisdiction], take appropriate action to address the situation. Such action(s) may include, but are not limited to: (1) the removal of the pastor; (2) the dissolution of the church board; (3) the initiation of such special interventions as may be necessary to restore the church's health and mission effectiveness. The general superintendent in jurisdiction shall be notified of actions taken within 30 days.

FURTHER RESOLVED that *Manual* paragraph 208.4 be amended as follows:

208.4. When in the opinion of the district superintendent, a local church declared in crisis in accordance with [124.1] 125.1 has fulfilled the interventions set in place and is ready to resume its ministry under normal circumstances, the local church may be declared out of crisis by the majority vote of the District Advisory Board[, with approval of the general superintendent in jurisdiction]. The district superintendent shall notify the general superintendent in jurisdiction within 30 days.

17. **LA-415—Church Board Membership**, Tennessee District Resolutions Committee, recommends that it be rejected. The vote: 48 for the resolution and 54 against the resolution. (Rejected, see 68.)

RESOLVED that *Manual* 127 be amended as follows:

127. Membership. Every local church shall have a church board, composed of the pastor, the Sunday School and Discipleship Ministries International (SDMI) superintendent, the president of the Nazarene Youth International (NYI), the president of the Nazarene Missions International (NMI) (or if the president is the pastor's spouse, and chooses not to serve on the board, the vice president may serve; however, if the president is the pastor's spouse and chooses to serve on the board, he or she shall not be a part of the review process of the pastor), the stewards, and the trustees of the church, and the members of the SDMI Board when elected as the Education Committee of the church board by the annual church meeting. There shall be no more than 25 regular members of the church board. Ordained and district licensed ministers [unassigned by the district] and paid employees of the local church are not eligible to serve on the local church board.

We direct our local churches to elect as church officers active members of the local church who profess the experience of entire sanctification and whose lives bear public witness to the grace of God that calls us to a holy life; who are in harmony with the doctrines, polity, and practices of the Church of the Nazarene; and who support the local church faithfully in attendance and with tithes and offerings. (39, 113.11, 137, 141, 145-147, 151, 153.2, 160.4)

18. **LA-415a—The Church Board—Membership**, Eastern Michigan District Resolutions Committee, recommends that it be rejected. The vote: 12 for the resolution and 82 against the resolution. (Rejected, see 69.)

RESOLVED that *Manual* paragraph 127 be amended as follows:

127. Membership. Every local church shall have a church board, composed of the pastor, the Sunday School and Discipleship Ministries International (SDMI) superintendent, the president of the Nazarene Youth International (NYI), the president of the Nazarene Missions International (NMI) (or if the president is the pastor's spouse, and chooses not to serve on the board, the vice president may serve; however, if the president is the pastor's spouse and chooses to serve on the board, he or she shall not be a part of the review process of the pastor), the stewards, and the trustees of the church, and the members of the SDMI Board when elected as the Education Committee of the church board by the annual church meeting. There shall be no more than 25 regular members of the church board. Ordained and district licensed ministers that have graduated from the prescribed course of study and are currently unassigned by the district and paid employees of the local church are not eligible to serve on the local church board.

We direct our local churches to elect as church officers active members of the local church who profess the experience of entire sanctification and whose lives bear public witness to the grace of God that calls us to a holy life; who are in harmony with the doctrines, polity, and

practices of the Church of the Nazarene; and who support the local church faithfully in attendance and with tithes and offerings. (39, 113.11, 137, 141, 145-147, 151, 153.2, 160.4)

19. **LA-416—Election of Church Board Secretary and Treasurer**, Board of General Superintendents, recommends that it be adopted. The vote: 85 for the resolution and 2 against the resolution. (Adopted, see 70.)

RESOLVED that *Manual* paragraph 128 be amended as follows:

128. Meetings. The church board takes office at the beginning of the church year and shall have at least a bimonthly meeting and shall meet specially when called by the pastor or district superintendent. The church board secretary shall call a special meeting of the board only with the approval of the pastor, or the district superintendent when there is no pastor. Between the annual church meeting and the beginning of the church year, the newly elected church board may meet for organization purposes, at which time it shall elect a church board secretary and a church treasurer as provided hereafter and any other officer that it shall be their duty to elect. If either the secretary and/or treasurer are appointed outside the elected membership of the church board, those individuals would not be voting members of the board. (129.19-130)

FURTHER RESOLVED that *Manual* paragraph 129.19 be amended as follows:

129.19. To elect a secretary, from among the church membership who meets the qualifications for church officers as specified in *Manual* paragraph 39, at the first meeting of the new board, to serve until the close of the church year and until a successor has been elected and qualified. If the secretary is appointed outside the elected membership of the church board, that individual would not be a voting member of the board. (39, 113.6, 128, 135.1-35.7)

FURTHER RESOLVED that *Manual* paragraph 129.20 be amended as follows:

129.20. To elect a treasurer, from among the church membership who meets the qualifications for church officers as specified in paragraph 39, at the first meeting of the new board, to serve until the close of the church year and until a successor has been elected and qualified. If the treasurer is appointed outside the elected membership of the church board, that individual would not be a voting member of the board. No member of the pastor's immediate family (spouse, children, siblings, parents) can serve as the local church treasurer without the approval of the district superintendent and the District Advisory Board. (128, 136.1-36.6)

20. **LA-417-Pastoral Sabbatical**, Northern California District General Assembly Delegation. (SEE LA-424.)

RESOLVED that *Manual* paragraph 129.10 be amended as follows:

129.10. In order to encourage a healthy pastoral ministry and [the lifelong learning] strong spiritual life of the pastor, the church board, in consultation with the district superintendent, should provide a sabbatical leave for the pastor [following] during each seventh consecutive year of service in one congregation. The timing and duration of the sabbatical shall be determined in consultation with the pastor, church board and district superintendent. It is strongly urged that the pastor's salary continue in full and the church board provide for pulpit supply during the sabbatical period. This topic is to be addressed by the district superintendent as part of the church/pastoral review process that would come after year two and again in year six, once the viability of continuing the relationship has been established. Materials shall be developed and distributed by the Clergy Development office to guide local congregations in establishing and implementing a sabbatical leave policy and procedure. At the church board's discretion, such a program may also be implemented for a member of the pastoral staff.

Sabbatical leaves for the district superintendents shall be at the discretion of the District Advisory Board.

Sabbatical leaves for general superintendents shall be at the discretion of the General Board.

21. **LA-418—Associate Pastor’s Severance**, Mid-Atlantic District, recommends that it be rejected. The vote: 0 for the resolution and 99 against the resolution. (Rejected, see 71.)

RESOLVED that *Manual* paragraph 160.2 be amended as follows:

160.2. The employment of such associates shall be for no more than one year and may be renewed upon recommendation of the pastor with the prior written approval of the district superintendent and the favorable vote of the church board. The pastor shall be responsible to conduct an annual review of each staff member. The pastor, in consultation with the church board, may make recommendations for staff development or modifications in job description as indicated by the review. The dismissal of all local associates prior to the end of the employment term (end of fiscal church year) must be by recommendation of the pastor, prior written approval of the district superintendent, and the majority vote of the church board. Notification of dismissal or non-renewal must be given in writing not less than [30] 60 days prior to the termination of employment. (129.27)

The dismissal of any paid local associate shall be accompanied by an appropriate severance package. Such package shall be negotiated by a team appointed by the local church board and approved by the district superintendent. A fair and equitable severance package shall consider cash salary, paid benefits, housing allowance, and medical insurance. Said severance package shall be documented in the official board minutes.

22. **LA-419—Pastoral Transition/Associates**, Chicago Central District General Assembly Resolutions Committee, recommends that it be adopted. The vote: 55 for the resolution and 35 against the resolution. (Adopted, see 72.)

RESOLVED that *Manual* paragraph 160.5 be amended as follows:

160.5. In times of pastoral transition, the stability, unity, and ongoing ministry of the local church is crucial. Consequently, the district superintendent (or a representative appointed by the district superintendent) will work closely with the local church board to implement the following steps which (a) may allow the local church to retain some or all staff for at least a period of time during the transition; (b) will still allow the new pastor freedom to develop his/her own team of associates, if desired; and (c) will allow a board and district superintendent discretion to provide transitioning staff a reasonable amount of time to make necessary personal and professional adjustments. First, upon resignation or termination of the pastor, any associates shall also submit their resignations effective concurrently with the pastor. Second, [A]a local church board may request that the district superintendent approve the continued service of any or all associates. This approval, if granted, could continue until 90 days after the new pastor's assumption of duties or until the incoming pastor nominates his or her paid associates for the coming year in harmony with *Manual* paragraph 160. Directors of childcare/schools (birth through secondary) shall submit their resignations effective at the end of the school year in which the new pastor assumes the duties of the office. The chief executive officer of any subsidiary and/or affiliated corporation shall submit his or her resignation at the end of that contractual period in which the new pastor assumes the duties of the office. The incoming pastor may have the privilege of recommending the employment of staff members previously employed.

23. **LA-420—The Reception of Church Members**, Board of General Superintendents, recommends that it be adopted. The vote: 90 for the resolution and 0 against the resolution. (Adopted, see 73.)

RESOLVED that *Manual* paragraph 801 be amended as follows:

801. The Reception of Church Members

The prospective members having come forward to stand before the altar of the church, the pastor shall address them as follows:

Dearly Beloved: The privileges and blessings that we have in association together in the Church of Jesus Christ are very sacred and precious. There is in it such hallowed fellowship as cannot otherwise be known.

There is such helpfulness with brotherly watch care and counsel as can be found only in the Church.

There is the godly care of pastors, with the teachings of the Word; and the helpful inspiration of [social] corporate worship. And there is cooperation in service, accomplishing that which cannot otherwise be done. The doctrines upon which the church rests as essential to Christian experience are brief.

...REMAINDER OF PARAGRAPH REMAINS THE SAME

24. **LA-421-Delegates for Church-Type Missions**, Reference Committee and Northwestern Illinois District Resolutions Committee, recommends that it be amended and adopted. The vote: 73 for the resolution as amended and 4 against the resolution as amended. (Adopted, see 76.)

RESOLVED that a new paragraph be added to the *Manual* as follows:

113.15. District assembly delegates from a church-type mission (CTM) may be appointed by the pastor of a CTM, based on criteria outlined in *Manual* paragraphs THIRTY-NINE, 201.1 and 201.2. Delegates may also be named by the CTM pastor for district conventions, based on specific criteria according to the bylaws, charter, or constitution governing each ministry (Nazarene Missions International, Nazarene Youth International, Sunday School and Discipleship Ministries International).

25. **LA-422-Reconvened *Manual* Editing Committee Revisions—Local Church Property Restrictions and Local Church Membership**, Reconvened 2009 *Manual* Editing Committee, recommends that it be adopted. The vote: 105 for the resolution and 0 against the resolution. (Adopted, see 394.)

RESOLVED that *Manual* paragraph 104 be amended as follows:

104. Restrictions. The local church may not purchase real estate, nor sell, mortgage, refinance, exchange, or in any other way encumber real property, or otherwise dispose of real estate unless approved by a two-thirds vote of the members present at an annual meeting, or at a special meeting duly called. The church board may approve by two-thirds vote of its members present and voting, the disposition of properties donated for the specific purpose of providing funds for the local church. Both items require the written approval of the district superintendent and the District Church Properties Board. (113.3-13.4, 113.7-13.8, 234.3)

FURTHER RESOLVED that *Manual* paragraph 107.1 be amended as follows:

107.1. When persons desire to unite with the church, the pastor shall explain to them the privileges and responsibilities of membership in the church, the Articles of Faith, the requirements of the Covenant of Christian Character and the Covenant of Christian Conduct, and the purpose and mission of the Church of the Nazarene.

After consulting with the Evangelism and Church Membership Committee, the [minister] pastor shall receive qualified candidates into the membership of the church in a public service, using the approved form for the reception of members (801). (27, 33-39, 110-10.4, 225)

26. **LA-423, Associate Membership**, South Africa RSA Kwa Zulu Natal District Assembly, recommends that it be adopted. The vote: 97 for the resolution and 4 against the resolution. (Adopted, see 395.)

RESOLVED that *Manual* paragraph 108 be amended as follows:

108. [Associate] Fellowship Membership. Where a district makes provision, a local church may have [associate] fellowship members who shall have all the privileges of church members, with the exception of voting and holding church office. (203.24)

FURTHER RESOLVED that *Manual* paragraph 108.1 be amended as follows:

108.1. [Associate] Fellowship members may be received into full membership or dropped at any time, at the discretion of the pastor and Evangelism and Church Membership Committee.

FURTHER RESOLVED that *Manual* paragraph 203.24 be amended as follows:

203.24. To establish, at its discretion, a system of [associate] fellowship membership for its local churches, but [associate] fellowship members must not be counted as full members for purposes of representation. (108)

27. **LA-424, Time of Pastor's Sabbatical**, John Denney, et al., recommends that it be adopted. The vote: 99 for the resolution and 0 against the resolution. (Adopted, see 82.)

RESOLVED that *Manual* paragraph 129.10 be amended as follows:

129.10. In order to encourage a healthy pastoral ministry and [the lifelong learning] strong spiritual life of the pastor, the church board, in consultation with the district superintendent, should provide a sabbatical leave for the pastor [following] during each seventh consecutive year of service in one congregation. The timing and duration of the sabbatical shall be determined in consultation with the pastor, church board and district superintendent. It is strongly urged that the pastor's salary continue in full and the church board provide for pulpit supply during the sabbatical period. This topic is to be addressed by the district superintendent as part of the church/pastoral review process that would come after year two and again in year six, once the viability of continuing the relationship has been established. Materials shall be developed and distributed by the Clergy Development office to guide local congregations in establishing and implementing a sabbatical leave policy and procedure. At the church board's discretion, such a program may also be implemented for a member of the pastoral staff.

MINISTRY AND EDUCATION COMMITTEE

The Ministry and Education Committee having had referred to it the following resolutions, which were presented to the assembly in two reports, recommends action as indicated:

1. **MED-500—College of Theologians**, Tennessee District Resolutions Committee, recommends that it be rejected. The vote: 97 for the resolution and 0 against the resolution. (Rejected, see 279.)

RESOLVED that a new paragraph be added to the *Manual* as follows:

D. College of Theologians

384. The College of Theologians shall be the theological advisor to the Church of the Nazarene as a whole and to the Board of General Superintendents in particular.

Members are to be theologians appointed by the Board of General Superintendents from the approved educational institutions within the Church of the Nazarene. Two pastors are to be appointed in addition.

The duty of the College of Theologians is to provide insight and guidance into the theological issues pertinent to the life of the church, such as Articles of Faith, the Agreed Statement of Belief, Creeds, and other contemporary and contextual theological issues of culture.

All recommendations of the College of Theologians are to be referred to the Board of General Superintendents for consideration.

FURTHER RESOLVED that a new paragraph be added to the *Manual* as follows:

317.14. To appoint a College of Theologians. See *Manual* paragraphs 32 and 384.

FURTHER RESOLVED that a new paragraph be added to the *Manual* as follows:

32. The Articles of Faith and the Agreed Statement of Belief may be repealed or amended by the following procedure:

(1) Two-thirds vote of the General Assembly members present and voting to refer the action to the College of Theologians via the Board of General Superintendents;

(2) The College of Theologians makes recommendations regarding the issue in question to the Board of General Superintendents;

(3) The Board of General Superintendents may recommend action to the subsequent General Assembly;

(4) Approval as presented by two-thirds vote of the General Assembly; and

(5) Approval as presented by two-thirds of all the Phase 3 and Phase 2 district assemblies of the Church of the Nazarene.

As soon as such amendments shall have been adopted as herein provided, the result of the vote shall be announced by the Board of General Superintendents, whereupon such amendments shall have full force and effect.

FURTHER RESOLVED that *Manual* paragraph 32 be amended as follows:

32.1 The provisions of this Constitution not specified in paragraph 32 may be repealed or amended when concurred in by a two-thirds vote of the General Assembly members present and voting, and when concurred in by not less than two-thirds of all the Phase 3 and Phase 2 district assemblies of the Church of the Nazarene. Either the General Assembly or any Phase 3 or Phase 2 district assembly may take the initiative in the matter of proposing such amendments. As soon as such amendments shall have been adopted as herein provided, the result of the vote shall be announced by the Board of General Superintendents, whereupon such amendments shall have full force and effect.

2. MED-500a-Global Council of Theologians, General Board, recommends that it be adopted. The vote: 66 for the resolution and 19 against the resolution. (Referred, see 298.)

RESOLVED that a new paragraph be added to the *Manual* as follows:

D. Global Council of Theologians

384. The Global Council of Theologians shall be the theological advisor to the Church of the Nazarene as a whole and to the Board of General Superintendents in particular.

Members are to be theologians appointed by the Board of General Superintendents from the approved educational institutions within the Church of the Nazarene. Two ordained, active pastors are to be appointed in addition.

The duty of the Global Council of Theologians is to provide insight and guidance into the theological issues pertinent to the life of the church, such as Articles of Faith, the Agreed Statement of Belief, and Creeds. Other contemporary and contextual theological issues of culture may also be referred to this Council.

All recommendations of the Global Council of Theologians are to be referred to the Board of General Superintendents for consideration.

FURTHER RESOLVED that a new paragraph be added to the *Manual* as follows:

317.14. To appoint a Global Council of Theologians. See *Manual* paragraphs 32 and 384.

FURTHER RESOLVED that a new paragraph be added to the *Manual* as follows:

32.1. In particular the Articles of Faith and the Agreed Statement of Belief may be repealed or amended by the following procedure:

(1) Two-thirds vote of the General Assembly members present and voting to refer the action to the Global Council of Theologians via the Board of General Superintendents;

(2) The Global Council of Theologians make recommendations regarding the issue in question to the Board of General Superintendents;

(3) The Board of General Superintendents may recommend action to the subsequent General Assembly;

(4) Approval as presented by two-thirds vote of the General Assembly; and

(5) Approval as presented by two-thirds of all the Phase 3 and Phase 2 district assemblies of the Church of the Nazarene.

As soon as such amendments shall have been adopted as herein provided, the result of the vote shall be announced by the Board of General Superintendents, whereupon such amendments shall have full force and effect.

REFERRED TO THE BOARD OF GENERAL SUPERINTENDENTS

3. **MED-501—Theology of Ordination**, Kansas City District, recommends that it be adopted. The vote: 95 for the resolution and 0 against the resolution. (Adopted, see 301.)

RESOLVED that *Manual* paragraph 401.3 be amended as follows:

401.3. The minister of the gospel in the Church of the Nazarene must have peace with God through our Lord Jesus Christ, and be sanctified wholly by the baptism with or infilling of the Holy Spirit. The minister must have a deep sense of the fact that souls for whom Christ died are perishing, and that he or she is called of God to proclaim or make known to them the glad tidings of salvation.

4. **MED-502—Continuing Education**, Kansas City District, recommends that it be adopted. The vote: 76 for the resolution and 37 against the resolution. (Adopted, see 303.)

RESOLVED that *Manual* paragraph 426.6 be amended as follows:

426.6. Once a minister has fulfilled the requirements of a validated course of study for ministry, he or she will continue a pattern of lifelong learning to enhance the ministry to which God has called him or her. A minimum expectation is 20 contact hours each year (2 accredited Continuing Education Units {CEUs}) or the equivalent determined by the region/language group and stated in their regional *Sourcebook on Ordination*. All assigned and unassigned licensed and ordained ministers shall report on their progress in a program of lifelong learning as part of their report to the district assembly. An up-to-date report on his or her lifelong learning program will be used in the church/pastoral review process and in the process of calling a pastor. The regional *Sourcebook on Ordination* for the region/language group will contain the details of the accrediting and reporting process. At least 20 contact hours or its equivalent are expected annually.

Failure to complete the continuing education requirements for more than 2 consecutive years shall result in the ordained minister being required to meet with the district Board of Ministerial Studies at their regular meeting time. The Board of Ministerial Studies shall give guidance to the minister in completing the 20 contact hours of continuing education required.
(115, 123, 413.11, 435.15)

5. **MED-503—Qualifications for District Minister’s License**, Board of General Superintendents, recommends that it be adopted. The vote: 86 for the resolution and 1 against the resolution. (Adopted, see 306.)

RESOLVED that *Manual* paragraph 429.1 be amended as follows:

429.1. When there are members of the Church of the Nazarene who acknowledge a call to a lifetime of ministry, they may be licensed as ministers by the district assembly provided they (1) have held a local minister’s license for one full year; (2) have completed one-fourth of a validated course of study for ministers, or have passed the Nazarene history and polity courses and five additional courses in a validated course of study for ministers, or if enrolled in a Nazarene college/university or seminary, have completed one-fourth of a validated college/university or college/university-seminary course of study for ministry, or have completed one-fourth of a validated district or regional training center curriculum. Exceptions to this requirement may be made by the District Ministerial Credentials Board provided the candidate is pastoring an organized church and is registered in a system of approved studies, and provided the candidate annually fulfills the minimum amount of studies required by the *Manual* for the renewal of a license, and provided the district superintendent approves the exception; (3) have been recommended for such work by the church board of the local church of which they are members, to which recommendation shall be attached the Application for Minister’s License carefully filled in; (4) have given evidence of grace, gifts, and usefulness; (5) have been carefully examined, under the direction of the district assembly of the district within the bounds of which they hold their church membership, regarding their spiritual, intellectual, and other fitness for such work, including appropriate background checks as determined by the District Advisory Board. In the case where a background check reveals criminal misconduct prior to one’s salvation, this fact should not be interpreted by the District Ministerial Credentials Board as automatically excluding the applicant from credentialed ministry, except under the provisions of paragraph 437.8; (6) have promised to pursue immediately a validated course of study prescribed for licensed ministers and candidates for ordination; (7) have had any disqualification, which may have been imposed by a district assembly, removed by an explanation in writing by the district superintendent and the District Advisory Board of the district where the disqualification was imposed; and provided further that their marriage relationship does not render them ineligible for a district license [or ordination]; and (8) in case of a previous divorce [and remarriage], the recommendation of the District Ministerial Credentials Board along with supporting documents will be given to the Board of [g]General [s]Superintendents [in jurisdiction], which may remove this as a barrier to pursuing a license [or ordination]. (35.1-5.3, 129.14, 205.6, 428.5)

6. **MED-504—Qualifications for District Minister’s License with Licensed Ministers from Other Denominations**, Board of General Superintendents, recommends that it be amended and adopted. The vote: 89 for the resolution as adopted and 6 against the resolution as adopted. (Adopted, see 309.)

RESOLVED that *Manual* paragraph 429.2 be amended as follows:

429.2. Licensed ministers from other denominations, desiring to unite with the Church of the Nazarene, may be licensed as ministers by the district assembly, provided they present the credentials issued to them by the denomination in which they formerly held their membership; and further provided that they (1) have passed a course of study equivalent to a validated course of study in the Church of the Nazarene for local ministers; (2) have been recommended by the church board of the local Church of the Nazarene of which they are members; (3) have given

evidence of grace, gifts, and usefulness; (4) have been carefully examined under the direction of the district assembly regarding their spiritual, intellectual, and other fitness for such work; and (5) have promised to pursue immediately a validated course of study prescribed for licensed ministers and candidates for ordination; (6) have had any disqualification, which may have been imposed by a district assembly OR ITS EQUIVALENT, removed by an explanation in writing by the district superintendent OR HIS OR HER EQUIVALENT and the District Advisory Board OR ITS EQUIVALENT of the district where the disqualification was imposed; and provided further that their marriage relationship does not render them ineligible for a district license; and (7) in case of a previous divorce, the recommendation of the District Ministerial Credentials Board along with supporting documents will be given to the Board of General Superintendents, which may remove this as a barrier to pursuing a license. (203.6)

7. **MED-505—Local Church Membership of Ordained Ministers**, Intermountain District General Assembly Delegation, recommends that it be adopted. The vote: 104 for the resolution and 1 against the resolution. (Adopted, see 312.)

RESOLVED that *Manual* paragraph 435.8 be amended as follows:

435.8. All elders and deacons (assigned or unassigned) shall [hold church membership] be active members in [some] a local [c]Church of the Nazarene where they will be faithful in attendance, in tithe, and in participation in the ministries of the church. Exceptions to this requirement may be granted only by approval of the District Advisory Board. If an elder or deacon does not hold membership in a local [c]Church of the Nazarene on the district where his or her credential is held, he or she can be dropped from the roll of elders or deacons. (420)

8. **MED-506—Duty of Confidentiality**, Board of General Superintendents, recommends that it be adopted. The vote: 105 for the resolution and 0 against the resolution. (Adopted, see 313.)

RESOLVED that *Manual* paragraph 435.14 be amended as follows:

435.14. [It shall be the duty of every minister of the Church of the Nazarene to hold in trust and confidence any communication of a confidential nature given him or her by a counselee of the congregation while he or she is acting in his or her professional character as a licensed or ordained minister of the Church of the Nazarene. The public dissemination of such communication without the express written consent of the declarant is expressly condemned. Any Nazarene minister who violates the above regulation subjects himself or herself to the disciplinary sanctions set forth in paragraphs 505-507.2 of this *Manual*.]

Information disclosed to a minister during the course of counseling, advising, or spiritual direction shall be held in the strictest confidence possible, and shall not be disclosed without the informed consent of the person, except as required by law.

Whenever possible and as soon as possible, the minister should disclose those circumstances under which confidentiality may be breached:

1. When there is the clear and present threat of harm to self or others.
2. When there is the suspicion of abuse or neglect perpetrated on a minor child, disabled person, elderly person, or other vulnerable person as defined by local law. It is not the responsibility of the reporter to ascertain the veracity of the report or to investigate the context of the report, but only to report suspicion to the appropriate authorities.
3. In legal cases when under court order to provide evidence.

Ministers should keep secure minimal records of the content of sessions, including a record of the disclosures given and the informed consent received.

Knowledge that arises from professional contact may be used in teaching, writing, homilies, or other public presentations only when measures are taken to absolutely safeguard both the individual's identity and the confidentiality of the disclosures.

While counseling a minor, if a minister discovers that there is a serious threat to the welfare of the minor and that communication of confidential information to a parent or legal guardian is essential to the child's health and well-being, the minister should disclose information necessary to protect the health and well-being of the minor.

9. MED-507—Return of Ministerial Credential Process for a Minister with a Filed Status, Board of General Superintendents, recommends that it be amended and adopted. The vote: 99 for the resolution and 0 against the resolution. (Adopted, see 317.)

RESOLVED that *Manual* paragraph 436.2 be amended as follows:

436.2. A member of the clergy who fails to fulfill the responsibilities of the clergy by remaining unassigned for four or more years will be considered to be no longer participating as clergy. In such instances, the person will be required to file his or her credential. The District Ministerial Credentials Board shall report to the district assembly "the credential of (the elder or deacon in question) has been filed by the District Ministerial Credentials Board." This action should be considered nonprejudicial to character. The individual who files may have his or her credential reinstated according to the provisions of 437.2, provided there continues to be no other reasons for disqualification.

FURTHER RESOLVED that *Manual* paragraph 437.2 be amended as follows:

437.2. When an elder or deacon in good standing has filed his or her credential, such credential may, at any subsequent time when the elder or deacon is in good standing, be returned to the elder or deacon upon order of the district assembly where it was filed, provided that the return of his or her credential shall have been recommended by the district superintendent and the District Advisory Board. Between district assemblies, a District Advisory Board may vote to approve the return of a minister's filed credential, provided there continues to be no other reasons for disqualification.

10. MED-508—Restoration of the Clergy to Church Membership and Good Standing, Mid-Atlantic District, recommends that it be adopted. The vote: 93 for the resolution and 1 against the resolution. (Referred, see 319.)

RESOLVED that *Manual* paragraph 437 be amended as follows:

437. Any member of the clergy who is expelled or withdraws from local church membership when he or she is not in good standing may reunite with the Church of the Nazarene only with the consent of the district assembly of the assembly district from which he or she withdrew or was expelled. Should two appeals for restoration to either church membership or ministerial standing be denied, a request may be granted by the Board of General Superintendents to transfer responsibility for restoration to another district where placement may be considered. If the district in jurisdiction fails to follow *Manual* procedure for investigation and create a restoration plan and provide for due process within two years, the surrendered credential shall be returned without prejudice. If all appeals for credential restoration are denied, an ordained minister may become a layperson, upon approval of the District Advisory Board. (436.4)

REFERRED TO THE BOARD OF GENERAL SUPERINTENDENTS

11. MED-509—Credential Reinstatement for a Minister who Left to Join another Denomination without Prejudice, Board of General Superintendents, recommends that it be

adopted. The vote: 99 for the resolution and 1 against the resolution. (Amended and Adopted, see 334.)

RESOLVED that a new paragraph be added to the *Manual* as follows:

437.4. When an elder or deacon in good standing has united with another church, denomination, or ministry, or has, FOR ANY OTHER REASON, been dropped from the roll of ministers without prejudice, and subsequently wishes to be reinstated, the request may be considered by the appropriate district board(s) and the district assembly, provided the minister has continued to be in good standing. (If any prejudice exists, Manual 437.7 should be followed.) UPON Pprior approval by the general superintendent in jurisdiction is required.

FURTHER RESOLVED that existing *Manual* paragraphs 437.4-437.8 be renumbered accordingly.

12. **MED-510—Restoration of Credential**, Virginia District General Assembly Delegation, recommends that it be rejected. The vote: 5 for the resolution and 84 against the resolution. (Rejected, see 337.)

RESOLVED that *Manual* paragraph 437.7 be amended as follows:

437.7. A member of the clergy who has lost good standing may be restored to good standing and have his or her credential restored only by the following process: (1) approval of the district superintendent; (2) approval of the District Ministerial Credentials Board; (3) a two-thirds approval of the District Advisory Board; (4) approval of the Board of General Superintendents; and (5) final approval of the district assembly where good standing was lost.

In considering whether or not to recommend that a credential be restored, progress on the plan of rehabilitation shall be the primary issue but passage of time shall be an additional consideration.

However, in the event the member of the clergy has committed sexual misconduct, the member of the clergy shall not be eligible to apply for restoration until four years have passed. A member of the clergy who has lost good standing as a result of sexual misconduct, must satisfactorily progress on a prescribed plan for rehabilitation for a minimum of four years (unless otherwise determined by the District Advisory Board), before good standing may be restored. (505.1-5.2, 505.5, 505.11-5.12)

13. **MED-511—Women in Ministry**, Reference Committee, recommends that it be amended and adopted. The vote: 96 for the resolution as amended and 0 against the resolution as amended. (Adopted, see 347.)

RESOLVED that *Manual* paragraph 903.5 be reconsidered, and that a recommendation be made to include it as is in the 2013 *Manual*, or modify it, or eliminate it from the 2013 and succeeding *Manuals*, according to *Manual* paragraph 902.5.

KEEP, MODIFY, or ELIMINATE?

903.5. Women in Ministry

The Church of the Nazarene supports the right of women to use their God-given spiritual gifts within the church, affirms the historic right of women to be elected and appointed to places of leadership within the Church of the Nazarene, including the offices of both elder and deacon.

The purpose of Christ's redemptive work is to set God's creation free from the curse of the Fall. Those who are "in Christ" are new creations (2 Corinthians 5:17). In this redemptive community, no human being is to be regarded as inferior on the basis of social status, race, or gender (Galatians 3:26-28).

Acknowledging the apparent paradox created by Paul's instruction to Timothy (1 Timothy 2:11-12) and to the church in Corinth (1 Corinthians 14:33-34), we believe interpreting

these passages as limiting the role of women in ministry presents serious conflicts with specific passages of scripture that commend female participation in spiritual leadership roles (Joel 2:28-29; Acts 2:17-18; 21:8-9; Romans 16:1, 3, 7; Philippians 4:2-3), and violates the spirit and practice of the Wesleyan-holiness tradition. Finally, it is incompatible with the character of God presented throughout Scripture, especially as revealed in the person of Jesus Christ. (2001)

FURTHER RESOLVED THAT *MANUAL* PARAGRAPH 903.5 BE REMOVED FROM THE APPENDIX SECTION OF THE *MANUAL* AND RELOCATED TO AN APPROPRIATE PLACE IN THE 400 SECTION OF THE *MANUAL* AS DETERMINED BY THE *MANUAL* EDITING COMMITTEE.

14. **MED-512-Deacons and Elders**, Southwest Indiana District, recommends that it be rejected. The vote: 5 for the resolution and 75 against the resolution. (Rejected, see 338.)

RESOLVED that *Manual* paragraph 403 be amended as follows:

B. Ministry of the Clergy

403. The Church of the Nazarene recognizes [only one order of the preaching ministry, that of the elder] the order of elder and the order of deacon. It also recognizes that the member of the clergy may serve the church in various capacities. Christ has called "some to be apostles, some to be prophets, some to be evangelists, and some to be pastors and teachers, to prepare God's people for works of service, so that the body of Christ may be built up" (Ephesians 4:11-12). The church recognizes the following categories of service in which a district assembly may place an elder, deacon, or, as circumstances warrant, a licensed minister: pastor, evangelist, missionary, teacher, administrator, chaplain, and special service. Service within these categories that qualifies as being an "assigned minister" would include that service for which ministerial training and ordination are normally required, or greatly desired. The *Sourcebook on Ordination* shall provide guidelines for each category of ministry that will aid district boards in identifying the qualifications necessary for consideration to be an assigned minister. Only assigned ministers shall be voting members of the district assembly.

FURTHER RESOLVED that *Manual* paragraph 430.1 be amended as follows:

430.1. [The deacon does not witness to a specific call to preach.] The church recognizes, on the basis of Scripture and experience, that God calls some individuals to a lifetime ministry [who do not witness to such a specific call] of Word and Service, and believes that individuals so called to [such ministries] the ministry of a deacon should be recognized and confirmed by the church and should meet requirements, and be granted responsibilities, established by the church. This is a permanent order of ministry.

FURTHER RESOLVED that *Manual* paragraph 430.2 be amended as follows:

430.2. The deacon must meet the requirements of the order for education, exhibit the appropriate gifts and graces, and be recognized and confirmed by the church. The deacon shall be vested with the authority to administer the sacrament[s] of baptism [and the Lord's Supper], and to officiate at marriages where the laws of the state do not prohibit, to assist the elder in the distribution of the Lord's Supper, and [on occasion] to conduct worship and to preach. It is understood that the Lord and the church may use this person's gifts and graces in various associate ministries. As a symbol of the servant ministry of the Body of Christ, the deacon may also use his or her gifts in roles outside the institutional church. (35.2)

FURTHER RESOLVED that *Manual* paragraph 430.4 be amended as follows:

430.4. If in the pursuance of his or her ministry, the ordained deacon feels called to the [preaching] ministry of elder, he or she may be ordained [elder] as such upon completion of the requirements for that credential and the return of the deacon credential.

FURTHER RESOLVED that *Manual* paragraph 431 be amended as follows:

D. The Elder

431. An elder is a minister whose call of God to preach, gifts, and usefulness have been demonstrated and enhanced by proper training and experience, and who has been separated for the ministry of Word and Table and to the service of Christ through His church by the vote of a district assembly and by the solemn act of ordination, and thus has been fully invested to perform all functions of the Christian ministry.

FURTHER RESOLVED that *Manual* paragraph 431.1 be amended as follows:

431.1. [We recognize but one order of preaching ministry—that of elder. This] The order of elder is a permanent order in the church. The elder is to rule well in the church, to preach the Word, to administer the sacraments of baptism and the Lord's Supper, and to solemnize matrimony, all in the name of, and in subjection to, Jesus Christ, the great Head of the Church. (35.2, 412-13.3, 413.9, 435.12)

15. MED-513-Approval for Ministers to Serve with an Independent Church, Religious Group, or Denomination, Board of General Superintendents, recommends that it be adopted. The vote: 96 for the resolution and 1 against the resolution. (Adopted, see 339.)

RESOLVED that *Manual* paragraph 435.11 be amended as follows:

435.11. No ordained minister shall regularly conduct independent church activities that are not under the direction of the Church of the Nazarene, or carry on independent missions or unauthorized church activities, or be connected with the operating staff of an independent church or other religious group or denomination, without the annual written approval of the District Advisory Board [or] and the annual written approval of the Board of General Superintendents. When the said activities are to be conducted on more than one district, or a district other than the district on which said minister holds ministerial membership, the written approval of the Board of General Superintendents must be obtained prior to the participation in said activities. The Board of General Superintendents shall notify the respective District Advisory Boards that a request for said approval is pending before their board.

Should an ordained minister fail to comply with these requirements, he or she may, on recommendation by a two-thirds vote of the entire membership of the Ministerial Credentials Board, and by action of the district assembly, be dropped from the membership of the Church of the Nazarene. The final determination as to whether any specific activity constitutes “an independent mission” or “an unauthorized church activity” shall rest with the Board of General Superintendents. (112-12.1)

16. MED-514-Restoration of Ministerial Credential, North Arkansas District Resolutions Committee, recommends that it be rejected. The vote: 10 for the resolution and 61 against the resolution. (Rejected, see 350.)

RESOLVED that *Manual* paragraph 437.7 be amended as follows:

437.7. A member of the clergy who has lost good standing may be restored to good standing and have his or her credential restored only by the following process: (1) approval of the district superintendent; (2) approval of the District Ministerial Credentials Board; (3) a two-thirds approval of the District Advisory Board; (4) approval of the Board of General Superintendents; and (5) final approval of the district assembly where good standing was lost.

In considering whether or not to recommend that a credential be restored, progress on the plan of rehabilitation shall be the primary issue but passage of time shall be an additional consideration.

However, in the event the member of the clergy has committed sexual misconduct, the member of the clergy shall not be eligible to apply for restoration until [four] three years have passed. A member of the clergy who has lost good standing as a result of sexual misconduct, must satisfactorily progress on a prescribed plan for rehabilitation for a minimum of [four] three years, before good standing may be restored. The exact length of the rehabilitation period shall be determined by the District Ministerial Credentials Board in consultation with the district superintendent and the District Advisory Board. (505.1-5.2, 505.5, 505.11-5.12)

17. **MED-515-Reconvened Manual Editing Committee Revisions**, Reconvened 2009 *Manual* Editing Committee, was **withdrawn** after it had been made available to delegates.

RESOLVED that *Manual* paragraph 401.4 be amended as follows:

401.4. The minister must [likewise] have a deep sense of the necessity of discipling believers [going on to perfection] and developing [the] Christian graces in practical living[, that their "love may abound more and more in knowledge and depth of insight" (Philippians 1:9). One who would minister in the Church of the Nazarene must have a strong appreciation of both salvation and Christian ethics] ; embracing both sanctification and moral living.

FURTHER RESOLVED that *Manual* paragraph 408 be amended as follows:

408. The evangelist is an elder or licensed minister [who is an evangelist is one] devoted to traveling and preaching the gospel, and [who is] authorized by the church to promote revivals [and to spread the gospel of Jesus Christ abroad in the land]. The Church of the Nazarene recognizes three levels of itinerant evangelism to which a district assembly may assign ministers: registered evangelist, commissioned evangelist, and tenured evangelist. An evangelist who dedicates time to evangelism, outside his or her local church as his or her primary assignment and who does not sustain a retired relationship with the church or any of its departments or institutions, shall be an assigned minister. Guidelines and procedures for certification of evangelists' roles are contained in the *Revivalism Handbook* and *Sourcebook on Ordination*.

FURTHER RESOLVED that *Manual* paragraph 410 be amended as follows:

410. A member of the Church of the Nazarene who feels called to the ministry of music may be commissioned as a minister of music for one year by the district assembly[, provided such person (1) has been recommended for such work by the church board of the local church in which membership is held; (2) gives evidence of grace, gifts, and usefulness; (3) has had at least one year of experience in music ministry; (4) has had not less than one year of vocal study under an accredited teacher and is pursuing a validated course of study or its equivalent prescribed for ministers of music or has completed the same; (5) is regularly engaged as a minister of music; (6) has been carefully examined, under the direction of the district assembly of the assembly district within the bounds of which the person holds his or her church membership, regarding his or her intellectual and spiritual qualifications, and general fitness for such work]. Guidelines and procedures for certification of ministers of music are contained in the *Sourcebook on Ordination*. (203.10)

FURTHER RESOLVED that *Manual* paragraph 414.6 be amended as follows:

414.6. [To g]Give leadership to [the evangelism, education, devotion, and expansion] all programs of the local church in harmony with the district and general church promotional goals and programs.

FURTHER RESOLVED that *Manual* paragraph 419 be amended as follows:

419. [For the exercise of this office t]The pastor [shall be amenable to the district assembly, to which he or she] shall report annually to the district assembly and give brief testimony to his or her personal Christian experience. (203.3, 429.8, 435.9)

FURTHER RESOLVED that *Manual* paragraph 426.3 be amended as follows:

426.3. General Curriculum Areas for Ministerial Preparation. Though curriculum is often thought of only as academic programs and course content the concept is much larger. The character of the instructor, the relationship of the students and instructor, the environment, and students' past experiences join with the course content to create the full curriculum. Nevertheless, a curriculum for ministerial preparation will include a minimal set of courses that provide educational foundations for ministry in a given region.

[Cultural differences and a variety of resources will require differing details in curriculum structures. However, a]All programs [for] providing educational foundations for the ordained ministry [that seek approval by Clergy Development] should give careful attention to content, competency, character, and context. [The purpose of a]A validated course of study [is to] should contain courses that include all four elements in varying degrees [and that will] to help ministers fulfill the mission [statement] and stated objectives of the Church of the Nazarene [as agreed upon by the Board of General Superintendents as follows:

“The mission of the Church of the Nazarene is to make Christlike disciples in the nations.”

“The primary objective of the Church of the Nazarene is to advance God's Kingdom by the preservation and propagation of Christian holiness as set forth in the Scriptures.”

“The critical objectives of the Church of the Nazarene are ‘holy Christian fellowship, the conversion of sinners, the entire sanctification of believers, their upbuilding in holiness, and the simplicity and spiritual power manifest in the primitive New Testament Church, together with the preaching of the gospel to every creature’” (25)].

A validated course of study is described in the following categories:

- Content—Knowledge of the content of the Old and New Testaments, the theology of the Christian faith, and the history and mission of the Church is essential for ministry. Knowledge of how to interpret Scripture, the doctrine of holiness and our Wesleyan distinctives, and the history and polity of the Church of the Nazarene must be included in these courses.
- Competency—Skills in oral and written communication; management and leadership; finance; and analytical thinking are also essential for ministry. In addition to general education in these areas courses providing skills in preaching, pastoral care and counseling, biblical exegesis, worship, effective evangelism, biblical stewardship of life resources, Christian education and Church administration must be included. Graduation from a validated course of study requires the partnering of the educational provider and a local church to direct students in ministerial practices and competency development.
- Character—Personal growth in character, ethics, spirituality, and personal and family relationship is vital for the ministry. Courses addressing the areas of Christian ethics, spiritual formation, human development, the person of the minister, and marriage and family dynamics must be included.
- Context—The minister must understand both the historical and contemporary context and interpret the worldview and social environment of the culture where the Church witnesses. Courses that address the concerns of anthropology and sociology, cross-cultural communication, missions, and social studies must be included.

FURTHER RESOLVED that *Manual* paragraph 426.6 be amended as follows:

426.6. Once a minister has fulfilled the requirements of a validated course of study for ministry, he or she will continue a pattern of lifelong learning to enhance the ministry to which

God has called him or her. A minimum expectation is 20 contact hours each year [(2 accredited Continuing Education Units {CEUs})] or the equivalent determined by the region/language group and stated in their regional Sourcebook on Ordination. All assigned and unassigned licensed and ordained ministers shall report on their progress in a program of lifelong learning as part of their report to the district assembly. An up-to-date report on his or her lifelong learning program will be used in the church/pastoral review process and in the process of calling a pastor. [The regional Sourcebook on Ordination for the region/language group will contain the details of the accrediting and reporting process. At least 20 contact hours or its equivalent are expected annually.] (115, 123, 413.11, 435.15)

FURTHER RESOLVED that *Manual* paragraph 428.5 be amended as follows:

428.5. A church board may recommend a local minister[, having served in that relation for] for a district minister's license provided the minister has served the local church at least one full year, and [having] has passed the necessary studies[, may be recommended by the church board to the district assembly for minister's license; but, if not received, he or she shall sustain his or her former relation]. If not approved for district license the individual may maintain a local license. (129.12, 426, 429.1)

18. **MED-516-Global Nazarene Education Consortium**, International Board of Education, recommends that it be adopted. The vote: 98 for the resolution and 0 against the resolution. (Adopted, see 341.)

RESOLVED that *Manual* paragraph 381 be amended as follows:

B. [International Higher Education Council] Global Nazarene Education Consortium

381. There shall be a[n International Higher Education Council] Global Nazarene Education Consortium composed of the president, principal, rector, or director (or his/her designated representative) of each International Board of Education institution of the Church of the Nazarene, the regional education coordinators, the education commissioner, the Global Mission office director, and the general superintendent in jurisdiction for the International Board of Education.

19. **MED-517-Continuing Education Units**, Global Clergy Development and International Board of Education, recommends that it be adopted. The vote: 104 for the resolution and 0 against the resolution. (Adopted, see 342.)

RESOLVED that *Manual* paragraph 426.6 be amended as follows:

426.6. Once a minister has fulfilled the requirements of a validated course of study for ministry, he or she will continue a pattern of lifelong learning to enhance the ministry to which God has called him or her. A minimum expectation is 20 [contact] hours of lifelong learning each year [(2 accredited Continuing Education Units {CEUs})] or the equivalent determined by the region/language group and stated in their regional *Sourcebook on Ordination*. All assigned and unassigned licensed and ordained ministers shall report on their progress in a program of lifelong learning as part of their report to the district assembly. An up-to-date report on his or her lifelong learning program will be used in the church/pastoral review process and in the process of calling a pastor. The regional Source-book on Ordination for the region/language group will contain the details of the accrediting and reporting process. At least 20 contact hours or its equivalent are expected annually. (115, 123, 413.11, 435.15)

STEWARDSHIP AND FINANCE COMMITTEE

The Stewardship and Finance Committee having had referred to it the following resolutions, which were presented to the assembly in three reports (Note: Two of these reports included resolutions that were reassigned from the District Administration Committee, but which are reported under the latter committee.), recommends action as indicated:

1. **SF-600—Study of Stewardship Campaign Funding and Apportionment System**, Virginia District General Assembly Delegation, recommends that it be amended and adopted. The vote: 59 for the resolution and 29 against the resolution. (Amended and Adopted, see 224.)

RESOLVED that this General Assembly requests the General Board and the Board of General Superintendents to study methods for adjusting the current apportionment system to reflect a *POSSIBLE* removal or reduction of capital stewardship funding from the budget base and to implement a new system by March 2015. *THE FINDINGS OF THIS STUDY ARE TO BE PRESENTED TO THE GENERAL BOARD FOR DECISION DURING ITS 2015 ANNUAL MEETING.*

COST ESTIMATE:

(now required by General Assembly Rule of Order #26, item c; *Manual* paragraph 902.7)

The Virginia District estimates a cost for this study of approximately \$35,000, which would cover the expenses for a study committee of 10-12 individuals from the USA/Canada region meeting for three face-to-face sessions and any additional conference calls or online meetings that may be necessary.

2. **SF-601—Budget Exemption: Capital Stewardship Campaigns**, Virginia District General Assembly Delegation, recommends that it be rejected. The vote: 26 for the resolution and 59 against the resolution. (Rejected, see 229.)

RESOLVED that donations to a local church given as a part of a specifically designated Capital Stewardship Campaign be exempt from all budget assessments.

SPECIAL RESOLUTIONS COMMITTEE

The Special Resolutions Committee having had referred to it the following resolutions, which were presented to the assembly in seven reports (Note: one of these reports included resolutions that were reassigned from the General Administration Committee, but which are reported under the latter committee.), recommends action as indicated:

1. **SR-750—General Superintendent Emeritus—Dr. Jesse C. Middendorf**, General Board, recommends that it be adopted. The vote: 6 for the resolution and 0 against the resolution. (Adopted, see 51.)

WHEREAS, Dr. Jesse C. Middendorf has served with distinction as general superintendent of the Church of the Nazarene for three terms, or a total of twelve years;

AND WHEREAS, General Superintendent Jesse C. Middendorf has faithfully performed all duties and responsibilities commensurate with his office;

AND WHEREAS, the Church of the Nazarene has traditionally held this position in high honor and esteem;

AND WHEREAS, the Church of the Nazarene in this Twenty-eighth General Assembly wishes to commemorate this occasion of retirement with a permanent recognition of continued honor and esteem:

THEREFORE BE IT RESOLVED that upon his retirement, Dr. Jesse C. Middendorf be granted retired relationship and honored with the title: GENERAL SUPERINTENDENT EMERITUS.

2. **SR-751—General Assembly Rules of Order—Co-Superintendents Privileges of the Floor and Seating**, East Ohio District Assembly, Mid-Atlantic District, Southwestern Ohio District Resolutions Committee, recommends that it be amended and adopted. The vote: 6 for the resolution as amended and 0 against the resolution as amended. (Adopted, see 13.)

RESOLVED that the following paragraph be added as a new rule to the General Assembly Rules of Order as follows:

Rule 55.1. Co-Superintendents. In the case of co-superintendents, one shall be designated as a member and the other shall not be a member, but shall be granted privileges of the floor and seating WITH PRIVILEGES ONLY with theIR respective delegation.

FURTHER RESOLVED that if favorable action is recommended by the committee (adopted or adopted and amended), we request a consideration of suspension of the rules to the General Assembly delegation.

3. **SR-752—Theology Conference on the Atonement**, Michigan District General Assembly Delegation, recommends that it be adopted. The vote: 6 for the resolution and 0 against the resolution. (Rejected, see 482.)

RESOLVED that a Theology Conference on the Atonement be convened that invites clergy, laity, and academia, encouraging the broadest input possible in the tradition of the early Wesleyan Conferences, to carefully and prayerfully work through its theological issues. This Conference should convene mid-way between General Assemblies.

FURTHER RESOLVED that following the Theology Conference the Board of General Superintendents appoint a Resolution Committee on Article of Faith VI with the task of composing a succinct and more comprehensive Article of Faith on the atonement to be acted upon by the next General Assembly. This committee consisting of up to six members will include both pastors and academic theologians.

COST ESTIMATE:

(now required by General Assembly Rule of Order #26, item c; *Manual* paragraph 902.7)

1. *Study Conference*: We propose a two and a half day conference of professional and lay theologians (laypersons, clergy, and academics) to be convened at a site to be determined (perhaps the Global Ministry Center, one of our universities, or a district campground). Attendance expenses (for example, travel, lodging, and meals) would be the responsibility of the attendee or their institution or sponsor. At the conference, four papers would be given. It is important that much time would be given for discussion. Expenses for the presenters and the conference moderator would be provided. Some form of Internet communication that would allow opportunity for participation across our six regions for those who are unable to physically attend would be explored.

To adequately prepare for and promote such a conference, we recommend that it be held mid-way between General Assemblies.

COST ESTIMATE: \$5,000

This cost would be to cover presenters and the moderator. Other costs would be assumed by the attendees.

2. *Resolution Committee on Article of Faith VI*: We propose a select committee to form a new statement for Article of Faith VI to meet the demands of the study conference. This committee would convene twice in one day meetings, following the conference to form the General Assembly resolution for Article of Faith VI. The committee should be relatively small in size, perhaps up to six members, and be appointed by the

Board of General Superintendents. The committee should be composed of representatives from both pastors and theologians. It is likely additional meetings could be held online, thus saving some costs. Following the first meeting, the process would include sending an electronic draft of the committee’s proposal to those who attended the conference in order to seek their input and consensus. The second meeting of the committee would meet after gathering input from the participants to draft the Article VI proposal for General Assembly consideration.

COST ESTIMATE: \$11,500-\$14,000 (\$5,750-\$7,000 per meeting)

These costs are based on the report from the General Secretary’s office for meeting costs during the 2009-2013 quadrennium. They assume a six member committee, including one representative from a region outside the USA/Canada Region.

3. *Miscellaneous Expenses*: There will undoubtedly be other expenses involved: supplies, printing, translating, etc.

COST ESTIMATE: \$3,000

4. **SR-753—Committee on Uniform Use of Associate Member Status**, South Texas District General Assembly Delegation, recommends that it be adopted. The vote: 6 for the resolution and 0 against the resolution. (Rejected, see 487.)

RESOLVED that a committee be appointed by the Board of General Superintendents for the purpose of recommending to the 2017 General Assembly a plan for consistent and appropriate reporting of “Associate Members” for annual reporting purposes.

FURTHER RESOLVED that if, during the course of its work, the Committee shall identify other global reporting metrics which could similarly benefit from uniform definitions, policies or guidelines that the Board of General Superintendents may expand the Committee’s scope accordingly.

COST ESTIMATE:

(now required by General Assembly Rule of Order #26, item c; *Manual* paragraph 902.7)

CASE 1: Develop a criteria for USA/Canada region; remainder of International Church utilizes their existing process.

Assumptions:

1. One local GMC member; Two additional members that are USA residents; Two members that are Canadian residents.
2. Three meetings via video conference; one one-day meeting; remainder of committee work done by e-mail.
3. No translation or interpretation required.

Expense Item	USA Resident Cost Estimate	Canadian Resident Cost Estimate	Total Cost Estimate
Travel	\$800	\$3,800	\$4,600
Lodging	\$220	\$220	\$440
Airport Shuttle	\$200	\$200	\$400
Airport Parking/ Mileage at origin	\$100	\$100	\$200
Meal en route	\$60	\$60	\$120
Meeting Food Costs	\$100	\$100	\$200
Video Conference Fees			\$300
Total Estimate for USA/Canada Region Study Committee			\$6,260

CASE 2: Develop a criteria for the entire denomination.

Assumptions:

1. One local GMC member; One additional member that is a USA resident; Five members that are international residents (including one Canadian resident)
2. Three meetings via video conference; one one-day meeting; remainder of committee work done by e-mail.
3. Significant translation and interpretation required.

Expense Item	USA Resident Cost Estimate	Non-USA Resident Cost Estimate	Total Cost Estimate
Travel	\$400	\$11,900	\$12,300
Lodging	\$110	\$550	\$660
Airport Shuttle	\$100	\$500	\$600
Airport Parking/ Mileage at origin	\$50	\$250	\$300
Meal en route	\$30	\$30	\$60
Meeting Food Costs	\$100	\$250	\$350
Translation Costs			\$4,500
Interpretation Costs			\$1,200
Video Conference Fees			\$300
Total Estimated for Denomination-wide Study Committee \$20,270			

OBJECTIVES OF THE COMMITTEE:

1. A uniform or “model” policy on “Associate Members” which districts will be encouraged to adopt.
2. A succinct definition of “Associate Members” for use in reporting applications and instructions.
3. Validation guidelines for use by district personnel and Global Ministry Center personnel in assessing whether or not churches appear to be reporting correctly (for example, year-to-year fluctuation analysis, unchanging numbers over time, Associate Membership as a percentage of Full Membership, etc.).
4. Similar objectives for any other metrics added to the Committee’s work by the Board of General Superintendents.

5. **SR-754-Continuation of Manual Study Committee**, General Board, recommends that it be adopted. The vote: 6 for the resolution and 0 against the resolution. (Adopted, see 489.)

RESOLVED that the Board of General Superintendents appoint a study committee to continue the work of simplification of the *Manual* and the development of an Administrative Handbook. A report of this study will be presented from the General Board to the next General Assembly.

COST ESTIMATE:

(now required by General Assembly Rule of Order #26, item c; *Manual* paragraph 902.7)

The cost estimate for said study committee, which would be composed of eight persons that would meet face-to-face, up to four times between general assemblies, as well as hold any additional meetings and conversation by e-mail, Skype, and/or other electronic means, would be \$45,000. This estimate includes items such as: travel, lodging, airport shuttles, parking, food,

visa expenses, etc. Additional cost items *not included* for this study committee may also be: consultant fees, translation and/or interpretation services, supplies, postage, technology programming support, etc.

6. **SR-755-Church Government Flow Chart**, Southwest Indiana District, recommends that it be rejected. The vote: 0 for the resolution and 6 against the resolution. (Rejected, see 490.)

RESOLVED that the church government flow chart as presented in the Historical Statement of the *Manual* be amended as follows:

A new box be added for Pastor Paragraphs 115, 412-420 with the following text below the box: (elected by the local church, nominated by the church board, approved by the district superintendent, to give oversight of a local church) and that a new box be added for Local Church Board Paragraphs 127-.1, 129-130 with the following text below the box: (elected by the local church to manage the local church finances and have charge of all other matters pertaining to the life and work of the local church), both under the box for the Local Church.

7. **SR-756-Official Church Anthem**, Southwest Indiana District, recommends that it be rejected. The vote: 0 for the resolution and 6 against the resolution. (Rejected, see 490.)

RESOLVED that the hymn, “Holiness unto the Lord” by Lelia N. Morris (found as number 503 in the *Sing to the Lord Hymnal*, published by Lillenas Publishing Company in 1993) be declared to be the official anthem of the Church of the Nazarene.

8. **SR-757-General Assembly Rules of Order—Minimal Vote**, Hans Deventer, et al., recommends that it be rejected. The vote: 0 for the resolution and 6 against the resolution. (Rejected, see 490.)

RESOLVED that General Assembly Rule of Order 49 be amended as follows:

Rule 49. Unanimous Rejection. Any resolution or petition which receives an unanimous vote for rejection by the legislative committee to which it is assigned shall be reported “dead,[_]” provided at least 15 members voted in favor of this decision. No further action shall be taken following such disposition unless such resolution or petition is recalled for reconsideration by a two-thirds vote of the Assembly.

9. **SR-758-Historic Landmark Designation—Sharpe Memorial Church of the Nazarene, Parkhead**, British Isles North District Assembly, recommends that it be adopted. The vote: 6 for the resolution and 0 against the resolution. (Adopted, see 478.)

RESOLVED that the 28th General Assembly of the Church of the Nazarene designate Sharpe Memorial Church of the Nazarene, Parkhead, Glasgow, Scotland as an “historic landmark.”

In 2010, in compliance with *Manual* paragraph 902.9, the British Isles North District Assembly designated that Sharpe Memorial Church of the Nazarene, Parkhead become an “historic site.”

In 2013, the British Isles North District Assembly approved a recommendation that Sharpe Memorial Church of the Nazarene apply to be further designated as an “historic landmark.” In May 2013, the Board of General Superintendents concurred with this recommendation.

10. **SR-758a-Historic Landmark Designation—Rosebloom Church of the Nazarene, Cascilla, Mississippi, USA**, Mississippi District Assembly, recommends that it be adopted. The vote: 6 for the resolution and 0 against the resolution. (Adopted, see 480.)

RESOLVED that the 28th General Assembly of the Church of the Nazarene designate Rosebloom Church of the Nazarene, Casella, Mississippi, USA as an “historic landmark.”

In 2012, in compliance with *Manual* paragraph 902.9, the Mississippi District designated that Rosebloom Church of the Nazarene be recognized as an “historic site” and approved a recommendation that Rosebloom Church of the Nazarene be designated as an “historic landmark” by the 28th General Assembly in June 2013. In May 2013, the Board of General Superintendents concurred with this recommendation.

11. SR-759-Election to General Superintendent Emerita/Emeritus Honor, Southwest Oklahoma District General Assembly Delegation, recommends that it be adopted. The vote: 6 for the resolution and 0 against the resolution. (Adopted, see 34.)

RESOLVED that *Manual* paragraph 305.3 be amended as follows:

305.3. To elect a general superintendent to the emerita/ emeritus honor when deemed advisable, provided the superintendent shall have become disabled or shall have [reached 65 years of age] been granted retired relation. It is thereby understood that election to emerita/emertus relation is of life tenure. (314.1)

12. SR-759a-General Superintendent Emeritus—Dr. Stan A. Toler, Southwest Oklahoma District General Assembly Delegation, recommends that it be adopted. The vote: 6 for the resolution and 0 against the resolution. (Adopted, see 55.)

WHEREAS, Dr. Stan A. Toler began preaching at age 14 and has completed a 49 year career of active ministry including 40 years as senior pastor;

AND WHEREAS, Dr. Stan A. Toler has been granted retired relation by the 2013 Southwest Oklahoma District Assembly;

AND WHEREAS, Dr. Stan A. Toler has served with distinction as general superintendent of the Church of the Nazarene for one term, or a total of four years;

AND WHEREAS, General Superintendent Stan A. Toler has faithfully performed all duties and responsibilities commensurate with his office;

AND WHEREAS, the Church of the Nazarene has traditionally held this position in high honor and esteem;

AND WHEREAS, the Church of the Nazarene in this Twenty-eighth General Assembly wishes to commemorate this occasion of retirement with a permanent recognition of continued honor and esteem:

THEREFORE BE IT RESOLVED that upon his retirement, Dr. Stan A. Toler be granted retired relationship and honored with the title: GENERAL SUPERINTENDENT EMERITUS.

13. SR-760-Retirement Age for General Superintendents, North Arkansas District Resolutions Committee, Northeast Oklahoma District General Assembly Delegation, South Texas District General Assembly Delegation, Southwest Oklahoma District General Assembly Delegation, and West Texas District General Assembly Delegation, recommends that it be adopted. The vote: 6 for the resolution and 0 against the resolution. (Adopted, see 35.)

RESOLVED that *Manual* paragraph 305.4 be amended as follows:

305.4. To place in the retired relation a general superintendent who has [attained to the age of 68 years] requested such relationship, or who, in the judgment of the General Assembly, has become disqualified by physical disability, or by any other disqualification that would prevent such a person from caring adequately for the work of the general superintendency; and provided that said superintendent has served in the office of general superintendent for [a reasonable term of years] at least one full term. [The General Assembly may grant retired relation when a general superintendent who has attained the age of 65 years requests it.]

Should a general superintendent [who has attained the age of 65 years] request retirement in the interim of General Assemblies, the request may be granted by the General Board in regular session upon recommendation of the Board of General Superintendents. (314.1)

SPECIAL JUDICIAL COMMITTEE

The Special Judicial Committee having had referred to it the following resolutions, which were presented to the assembly in two reports, recommends action as indicated:

1. **JUD-800—Articles of Faith**, Reference Committee and Scripture Study Committee, recommends that it be amended and adopted. The vote: 15 for the resolution as amended and 0 against the resolution as amended. (Adopted, see 192.)

RESOLVED that a new paragraph be added to the *Manual* as follows:

Resolutions to the General Assembly regarding the Articles of Faith (paragraphs 1-22) shall be referred to the Board of General Superintendents for review by a body, with INCLUDING theologians AND ORDAINED MINISTERS, appointed by the Board of General Superintendents that reflect the global nature of the Church. The committee shall report, with any recommendations or resolutions, to the subsequent General Assembly.

FURTHER RESOLVED that, if adopted, this resolution be placed in the Constitution section of the *Manual of the Church of the Nazarene*.

2. **JUD-801—Article of Faith IV—The Holy Scriptures**, Tennessee District Resolutions Committee, recommends that it be rejected. The vote: 1 for the resolution and 13 against the resolution. (Rejected, see 176.)

RESOLVED that *Manual* paragraph 4, Article of Faith IV, be amended as follows:

4. We believe in the [plenary inspiration] full authority of the [Holy] Hebrew-Christian Scriptures[,] for faith and practice. [by which we understand] We acknowledge as authoritative the 66 books of the Old and New Testaments[,] in accordance with the classical Protestant understanding of the canon. We believe these writings, overseen by the inspiration of the Holy Spirit and preserved by Divine providence, contain all truth essential to [given by divine inspiration, inerrantly revealing the will of God concerning us in all things necessary to our] salvation, [so that] and whatever is not [contained therein] consistent with this teaching, rightly interpreted, is not to be enjoined as an article of faith.

(Luke 24:44-47; John 10:35; 1 Corinthians 15:3-4; 2 Timothy 3:15-17; 1 Peter 1:10-12; 2 Peter 1:20-21)

3. **JUD-802—Article of Faith VI—Atonement**, Eastern Michigan District Resolutions Committee, recommends that it be referred to the Board of General Superintendents. The vote: 15 for the resolution and 0 against the resolution. (Referred, see 177.)

RESOLVED that *Manual* paragraph 6, Article of Faith VI, be amended as follows:

VI. Atonement

6. We believe that Jesus Christ, by His sufferings, by the shedding of His own blood, and by His meritorious death on the Cross, made a full atonement for all human sin, and that this Atonement is the only ground of salvation, and that it is sufficient for every individual of Adam's race. The Atonement is graciously efficacious for the salvation of those incapable of moral responsibility and for the children in innocency but is efficacious for the salvation of those who reach the age of responsibility only when they repent and believe.

(Isaiah 53:5-6, 11; Mark 10:45; Luke 24:46-48; John 1:29; 3:14-17; Acts 4:10-12; Romans 3:21-26; 4:17-25; 5:6-21; 1 Corinthians 6:20; 2 Corinthians 5:14-21; Galatians 1:3-4;

3:13-14; Colossians 1:19-23; 1 Timothy 2:3-6; Titus 2:11-14; Hebrews 2:9; 9:11-14; 13:12; 1 Peter 1:18-21; 2:19-25; 1 John 2:1-2)

REFERRED TO THE BOARD OF GENERAL SUPERINTENDENTS

4. JUD-803—Article of Faith VII—Prevenient Grace and Article of Faith VIII—Repentance, Mid-Atlantic District. (SEE JUD-802.)

RESOLVED that *Manual* paragraph 7, Article of Faith VII, be amended as follows:

7. We believe that the human race's creation in Godlikeness included ability to choose between right and wrong, and that thus human beings were made morally responsible; that through the fall of Adam they became depraved so that they cannot now turn and prepare themselves by their own natural strength and works to faith and calling upon God. But we also believe that the grace of God through Jesus Christ is freely bestowed upon all people, enabling all who will to turn from sin to righteousness, believe on Jesus Christ for pardon and cleansing from sin, and follow good works pleasing and acceptable in His sight.

[We believe that all persons, though in the possession of the experience of regeneration and entire sanctification, may fall from grace and apostatize and, unless they repent of their sins, be hopelessly and eternally lost.]

(Godlikeness and moral responsibility: Genesis 1:26-27; 2:16-17; Deuteronomy 28:1-2; 30:19; Joshua 24:15; Psalm 8:3-5; Isaiah 1:8-10; Jeremiah 31:29-30; Ezekiel 18:1-4; Micah 6:8; Romans 1:19-20; 2:1-16; 14:7-12; Galatians 6:7-8

Natural inability: Job 14:4; 15:14; Psalms 14:1-4; 51:5; John 3:6a; Romans 3:10-12; 5:12-14, 20a; 7:14-25

Free grace and works of faith: Ezekiel 18:25-26; John 1:12-13; 3:6b; Acts 5:31; Romans 5:6-8, 18; 6:15-16, 23; 10:6-8; 11:22; 1 Corinthians 2:9-14; 10:1-12; 2 Corinthians 5:18-19; Galatians 5:6; Ephesians 2:8-10; Philippians 2:12-13; Colossians 1:21-23; 2 Timothy 4:10a; Titus 2:11-14; Hebrews 2:1-3; 3:12-15; 6:4-6; 10:26-31; James 2:18-22; 2 Peter 1:10-11; 2:20-22)

FURTHER RESOLVED that *Manual* paragraph 8, Article of Faith VIII, be amended as follows:

8. We believe that repentance, which is a sincere and thorough change of the mind in regard to sin, involving a sense of personal guilt and a voluntary turning away from sin, is demanded of all who have by act or purpose become sinners against God. The Spirit of God gives to all who will repent the gracious help of penitence of heart and hope of mercy, that they may believe unto pardon and spiritual life.

We believe that all persons, though in the possession of the experience of regeneration and entire sanctification, may fall from grace and apostatize and, unless they repent of their sins, be hopelessly and eternally lost. We believe that regenerate persons need not return to sin but may live in unbroken fellowship with God through the power of the indwelling Holy Spirit who bears witness with our spirits that we are children of God.

(2 Chronicles 7:14; Psalms 32:5-6; 51:1-17; Isaiah 55:6-7; Jeremiah 3:12-14; Ezekiel 18:30-32; 33:14-16; Mark 1:14-15; Luke 3:1-14; 13:1-5; 18:9-14; Acts 2:38; 3:19; 5:31; 17:30-31; 26:16-18; Romans 2:4; 2 Corinthians 7:8-11; 1 Thessalonians 1:9; 2 Peter 3:9)

5. JUD-804—Article of Faith IX—Justification, Regeneration, and Adoption, Oregon Pacific District General Assembly Delegation, recommends that it be adopted. The vote: 15 for the resolution and 0 against the resolution. (Referred, see 193.)

RESOLVED that *Manual* paragraph 11 be amended as follows:

11. We believe that adoption is that gracious act of God by which the justified and regenerated believer is constituted a [son] child of God.

REFERRED TO THE BOARD OF GENERAL SUPERINTENDENTS

6. **JUD-805—Article of Faith X—Christian Holiness and Entire Sanctification**, Arizona District General Assembly Delegation, John Calhoun, et al., Central California District, and Northern California District General Assembly Delegation. (SEE JUD-802.)

RESOLVED that the following proposed language to *Manual* paragraphs 13-14, Article of Faith X, be referred to the Board of General Superintendents for consideration in consultation with theologians of the Church, as a replacement for the current wording of these paragraphs, and that a report with recommendations be delivered to the next General Assembly (2017).

X. Christian Holiness and Entire Sanctification

13. [We believe that sanctification is the work of God which transforms believers into the likeness of Christ. It is wrought by God's grace through the Holy Spirit in initial sanctification, or regeneration (simultaneous with justification), entire sanctification, and the continued perfecting work of the Holy Spirit culminating in glorification. In glorification we are fully conformed to the image of the Son.

We believe that entire sanctification is that act of God, subsequent to regeneration, by which believers are made free from original sin, or depravity, and brought into a state of entire devotement to God, and the holy obedience of love made perfect.

It is wrought by the baptism with or infilling of the Holy Spirit, and comprehends in one experience the cleansing of the heart from sin and the abiding, indwelling presence of the Holy Spirit, empowering the believer for life and service.

Entire sanctification is provided by the blood of Jesus, is wrought instantaneously by grace through faith, preceded by entire consecration; and to this work and state of grace the Holy Spirit bears witness.

This experience is also known by various terms representing its different phases, such as "Christian perfection," "perfect love," "heart purity," "the baptism with or infilling of the Holy Spirit," "the fullness of the blessing," and "Christian holiness."

14. We believe that there is a marked distinction between a pure heart and a mature character. The former is obtained in an instant, the result of entire sanctification; the latter is the result of growth in grace.

We believe that the grace of entire sanctification includes the divine impulse to grow in grace as a Christlike disciple. However, this impulse must be consciously nurtured, and careful attention given to the requisites and processes of spiritual development and improvement in Christlikeness of character and personality. Without such purposeful endeavor, one's witness may be impaired and the grace itself frustrated and ultimately lost.

Participating in the means of grace, especially the fellowship, disciplines, and sacraments of the Church, believers grow in grace and in wholehearted love to God and neighbor.]

We believe that the sanctification of the believer is that transformation into the likeness of Christ which begins with regeneration. Being incorporated into the body of Christ, trusting in His Atonement, and becoming children of God the Father in the fellowship of the Spirit, new believers take up the cross and learn to die daily with Christ, living in faithful obedience to the great commandments in the power of the Spirit.

Participating in the means of grace, especially the fellowship, disciplines, and sacraments of the Church, the believer grows in grace and in the love of God and neighbor, but yet through

this becomes increasingly conscious of a deep need for inward purifying from the persistent and multi-faceted sinfulness of pride, self-centeredness and idolatry.

We believe that by such growth in the grace and knowledge of our Lord and Savior Jesus Christ, the Holy Spirit brings the believer to the point of entire sanctification, when through faith in Christ who died for our full salvation, the Holy Spirit fills the believer with wholehearted love to God and neighbor, so purifying the heart. Filled with the Spirit of the Risen Lord, who baptized the apostolic Church with the Holy Spirit on the day of Pentecost in fulfillment of the promises of the new covenant, believers are empowered even in their weakness to witness to Him in a life of victory. While awaiting the redemption of the body, believers still confess shortcomings, trespasses, and faults, but press on to ever more mature and holy character in the image of God.

FURTHER RESOLVED that subsequent *Manual* paragraphs be renumbered accordingly.
COST ESTIMATE:

(now required by General Assembly Rule of Order #26, item c; *Manual* paragraph 902.7)
It is suggested that the cost be contained by teleconference and written communications.

7. JUD-805a—Article of Faith X—Christian Holiness and Entire Sanctification, Southwestern Ohio District Resolutions Committee. (SEE JUD-802.)

RESOLVED that *Manual* paragraph 14, Article of Faith X, be amended as follows:

14. We believe that there is a marked distinction between a pure heart and a mature character. The former is obtained in an instant, the result of entire sanctification; the latter is the result of growth in grace.

We believe that the grace of entire sanctification includes the divine impulse to grow in grace as a Christlike disciple. However, this impulse must be consciously nurtured[, and careful attention given to the requisites and processes of spiritual development and improvement in Christlikeness of character and personality]. Participating in the means of grace, especially the fellowship, disciplines, and sacraments of the Church, believers grow in grace and in wholehearted love to God and neighbor. In this growth toward a more mature and holy character, believers will likewise continue the spiritual discipline and practice of confession and repentance. Without such purposeful endeavor, one's witness may be impaired and the grace itself frustrated and ultimately lost.

[Participating in the means of grace, especially the fellowship, disciplines, and sacraments of the Church, believers grow in grace and in wholehearted love to God and neighbor.]

8. JUD-806—Article of Faith XII—The Lord's Supper, East Ohio District Resolutions Committee. (SEE JUD-802.)

RESOLVED that *Manual* paragraph 17, Article of Faith XIII, be amended as follows:

XIII. The Lord's Supper

17. We believe that the Memorial and Communion Supper instituted by our Lord and Savior Jesus Christ is [essentially a New Testament] a means of grace and a sacrament, declarative of [His] Christ's sacrificial death, through the merits of which believers have life and salvation and promise of all spiritual blessings in Christ. It is distinctively for those who are prepared for reverent appreciation of its significance, and by it they show forth the Lord's death till He come again. It being the Communion feast, only those who have faith in Christ and love for the saints should be called to participate therein.

(Exodus 12:1-14; Matthew 26:26-29; Mark 14:22-25; Luke 22:17-20; John 6:28-58; 1 Corinthians 10:14-21; 11:23-32)

9. **JUD-806a—Article of Faith XII—The Lord’s Supper**, Intermountain District General Assembly Delegation. (SEE JUD-802.)

RESOLVED that *Manual* paragraph 17, Article of Faith XIII, be amended as follows:

XIII. The Lord’s Supper

17. We believe that the [Memorial and] Communion Supper instituted by our Lord and Savior Jesus Christ is essentially a New Testament sacrament[,] and is declarative of His life, sufferings, sacrificial death, resurrection, and the hope of His coming again. The Lord’s Supper is a means of grace with Christ, by the Spirit, [through the merits of which] whereby believers [have] are renewed in life, [and] salvation, and [promise of all spiritual blessings] in [Christ] unity as the Church. It is distinctively for those who are prepared for reverent appreciation of its significance, and by it they show forth the Lord's death till He come again. It being the Communion feast, only those who have faith in Christ and love for the saints should be called to participate therein. Of the obligation to partake of this sacrament, as often as we may be providentially permitted, there can be no doubt.

(Exodus 12:1-14; Matthew 26:26-29; Mark 14:22-25; Luke 22:17-20; John 6:28-58; 1 Corinthians 10:14-21; 11:23-32)

10. **JUD-806b-Article of Faith XII-The Lord’s Supper**, Southwest Indiana District. (SEE JUD-802.)

RESOLVED that *Manual* paragraph 17, Article of Faith XIII, be amended as follows:

XIII. The Lord’s Supper

17. We believe that the Memorial and Communion Supper instituted by our Lord and Savior Jesus Christ is essentially a New Testament sacrament and a means of grace through faith, declarative of [His] Christ’s sacrificial death, through the merits of which believers have life and salvation and promise of all spiritual blessings in Christ. It is distinctively for those who are prepared for reverent appreciation of its significance, and by it they show forth the Lord's death till He come again. It being the Communion feast, only those who have faith in Christ and love for the saints should be called to participate therein.

(Exodus 12:1-14; Matthew 26:26-29; Mark 14:22-25; Luke 22:17-20; John 6:28-58; 1 Corinthians 10:14-21; 11:23-32)

11. **JUD-807—Article of Faith XIV—Divine Healing**, North Arkansas District Resolutions Committee, recommends that it be adopted. The vote: 15 for the resolution and 0 against the resolution. (Adopted, see 194.)

RESOLVED that *Manual* paragraph 18, Article of Faith XIV, be amended as follows:

18. We believe in the Bible doctrine of divine healing and urge our people [to seek] to offer the prayer of faith for the healing of the sick. We also believe God heals through the means of medical science.

(2 Kings 5:1-19; Psalm 103:1-5; Matthew 4:23-24; 9:18-35; John 4:46-54; Acts 5:12-16; 9:32-42; 14:8-15; 1 Corinthians 12:4-11; 2 Corinthians 12:7-10; James 5:13-16)

12. **JUD-808—Article of Faith XVI—Resurrection, Judgment, and Destiny**, Mid-Atlantic District. (SEE JUD-802.)

RESOLVED that a commission be established for this new quadrennium that will report to the next General Assembly their exegetical findings and conclusions. With concern for doctrinal consistency in the area of eschatology and the desire to safeguard against raising unnecessary barriers to faith among the un-evangelized for whom Christ died, we request a commission composed of Nazarene theologians, biblical scholars, and practitioners to study

whether the word “eternally” should continue to be included in Article of Faith XVI. Resurrection, Judgment, and Destiny (*Manual* paragraph 20-22).

COST ESTIMATE:

(now required by General Assembly Rule of Order #26, item c; *Manual* paragraph 902.7)

The cost for said commission composed of 10-12 persons that would meet once in person and further meetings and conversation by e-mail, Skype, and other electronic means would be \$13,000-\$15,000.

13. **JUD-809—Agreed Statement of Belief**, Intermountain District General Assembly Delegation, recommends that it be rejected. The vote: 0 for the resolution and 15 against the resolution. (Rejected, see 197.)

RESOLVED that *Manual* paragraph 26 be amended as follows:

IV. Agreed Statement of Belief

26. [Recognizing that the right and privilege of persons to church membership rest upon the fact of their being regenerate, w]We [would require only such] deem profession of faith in Christ and avowal[s] of belief [as are essential to Christian experience. We, therefore, deem belief] in the following brief statements to be sufficient for membership in the Church of the Nazarene. We believe:

...REMAINDER OF THIS SECTION REMAINS THE SAME.

14. **JUD-810—Membership and Baptism**, East Ohio District Resolutions Committee and Southwest Indiana District, recommends that it be rejected. The vote: 0 for the resolution and 15 against the resolution. (Rejected, see 198.)

RESOLVED that *Manual* paragraph 29 be amended as follows:

29. The membership of a local church shall consist of all who have been organized as a church by those authorized so to do and who have been publicly received by those having proper authority, after having experienced Christian baptism, and having declared their experience of salvation, their belief in our doctrines, and their willingness to submit to our government. (100-107)

FURTHER RESOLVED that *Manual* paragraph 107 be amended as follows:

107. Full Membership. All persons who have been organized into a local church by those authorized so to do, and all who have been publicly received by the pastor, the district superintendent, or the general superintendent, after having experienced Christian baptism, and having declared their experience of salvation, and their belief in the doctrines of the Church of the Nazarene, and their willingness to submit to its government, shall compose the full membership of the local church. The local church leadership shall seek to place every member into a ministry of service and a circle of care and support. (29, 35.4, 107.2, 111, 113.1, 414.1, 418, 429.8, 435.8-35.9)

FURTHER RESOLVED that *Manual* paragraph 801 be amended as follows:

801. THE RECEPTION OF CHURCH MEMBERS

The prospective members having come forward to stand before the altar of the church, the pastor shall address them as follows:

Dearly Beloved: The privileges and blessings that we have in association together in the Church of Jesus Christ are very sacred and precious. There is in it such hallowed fellowship as cannot otherwise be known.

There is such helpfulness with brotherly watch care and counsel as can be found only in the Church.

There is the godly care of pastors, with the teachings of the Word; and the helpful inspiration of social worship. And there is cooperation in service, accomplishing that which cannot otherwise be done. The doctrines upon which the church rests as essential to Christian experience are brief.

NOTE: The minister may choose one of the following creedal options.

OPTION 1:

We believe in God the Father, Son, and Holy Spirit. We especially emphasize the deity of Jesus Christ and the personality of the Holy Spirit.

We believe that human beings are born in sin; that they need the work of forgiveness through Christ and the new birth by the Holy Spirit; that subsequent to this there is the deeper work of heart cleansing or entire sanctification through the infilling of the Holy Spirit, and that to each of these works of grace the Holy Spirit gives witness.

We believe that our Lord will return, the dead shall be raised, and that all shall come to final judgment with its rewards and punishments.

Do you heartily believe these truths? If so, answer, "I do."

[Do] Having experienced Christian baptism do you acknowledge Jesus Christ as your personal Savior, and do you realize that He saves you now?

Response: I do.

Desiring to unite with the Church of the Nazarene, do you covenant to give yourself to the fellowship and work of God in connection with it, as set forth in the Covenant of Christian Character and the Covenant of Christian Conduct of the Church of the Nazarene? Will you endeavor in every way to glorify God, by a humble walk, godly conversation, and holy service; by devotedly giving of your means; by faithful attendance upon the means of grace; and, abstaining from all evil, will you seek earnestly to perfect holiness of heart and life in the fear of the Lord?

Response: I will.

The minister shall then say to the person or persons:

I welcome you into this church, to its sacred fellowship, responsibilities, and privileges. May the great Head of the Church bless and keep you, and enable you to be faithful in all good works, that your life and witness may be effective in leading others to Christ.

The minister shall then take each one by the hand, and with appropriate words of personal greeting welcome each into the church.

(Alternate form for members joining by letter of transfer:)

_____, formerly a member (members) of the Church of the Nazarene at _____, comes (come) to join the fellowship of this local congregation.

Taking each by the hand, or speaking to the group, the minister shall say:

It gives me pleasure on behalf of this church to welcome you into our membership. We trust that we will be a source of encouragement and strength to you and that you, in turn, will be a source of blessing and help to us. May the Lord richly bless you in the salvation of souls and in the advancement of His kingdom.

OPTION 2:

We believe:

In one God—the Father, Son, and Holy Spirit.

That the Old and New Testament Scriptures, given by plenary inspiration, contain all truth necessary to faith and Christian living.

That man is born with a fallen nature, and is, therefore, inclined to evil, and that continually.

That the finally impenitent are hopelessly and eternally lost.

That the atonement through Jesus Christ is for the whole human race; and that whosoever repents and believes on the Lord Jesus Christ is justified and regenerated and saved from the dominion of sin.

That believers are to be sanctified wholly, subsequent to regeneration, through faith in the Lord Jesus Christ.

That the Holy Spirit bears witness to the new birth, and also to the entire sanctification of believers.

That our Lord will return, the dead will be raised, and the final judgment will take place, (paragraphs 26.1-26.8)

Do you heartily believe these truths? If so, answer, "I do."

[Do] Having experienced Christian baptism do you acknowledge Jesus Christ as your personal Savior, and do you realize that He saves you now?

Response: I do.

Desiring to unite with the Church of the Nazarene, do you covenant to give yourself to the fellowship and work of God in connection with it, as set forth in the Covenant of Christian Character and the Covenant of Christian Conduct of the Church of the Nazarene? Will you endeavor in every way to glorify God, by a humble walk, godly conversation, and holy service; by devotedly giving of your means; by faithful attendance upon the means of grace; and, abstaining from all evil, will you seek earnestly to perfect holiness of heart and life in the fear of the Lord?

Response: I will.

The minister shall then say to the person or persons:

I welcome you into this church, to its sacred fellowship, responsibilities, and privileges. May the great Head of the Church bless and keep you, and enable you to be faithful in all good works, that your life and witness may be effective in leading others to Christ.

The minister shall then take each one by the hand, and with appropriate words of personal greeting welcome each into the church.

(Alternate form for members joining by letter of transfer:)

_____, formerly a member (members) of the Church of the Nazarene at _____, comes (come) to join the fellowship of this local congregation.

Taking each by the hand, or speaking to the group, the minister shall say:

It gives me pleasure on behalf of this church to welcome you into our membership. We trust that we will be a source of encouragement and strength to you and that you, in turn, will be a source of blessing and help to us. May the Lord richly bless you in the salvation of souls and in the advancement of His kingdom.

15. JUD-811—Amendments to the Constitution, Chicago Central District General Assembly Resolutions Committee, Eastern Michigan District Resolutions Committee, Northwestern Illinois District Resolutions Committee, Prairie Lakes District Advisory Board, and Southwest Indiana District, recommends that it be rejected. The vote: 0 for the resolution and 15 against the resolution. (Rejected, see 199.)

RESOLVED that *Manual* paragraph 32 be amended as follows:

Amendments

32. The provisions of this Constitution may be repealed or amended when concurred in by a two-thirds vote of the General Assembly members present and voting, and when concurred in by not less than two-thirds of all the Phase 3 and Phase 2 district assemblies of the Church of the Nazarene. All amendments to any Article of Faith will require approval by two consecutive general assemblies before being presented to the district assemblies for ratification. Either the General Assembly or any Phase 3 or Phase 2 district assembly may take the initiative in the matter of proposing such amendments. As soon as such amendments shall have been adopted as herein provided, the result of the vote shall be announced by the Board of General Superintendents, whereupon such amendments shall have full force and effect.

16. **JUD-812—Response to Possible Misconduct**, Board of General Superintendents, recommends that it be adopted. The vote: 14 for the resolution and 1 against the resolution. (Adopted, see 200.)

RESOLVED that Manual paragraph 501.2 be amended as follows:

501.2. The person who has authority to respond is determined by the position within the church of the individual or individuals who may be involved in misconduct as follows:

Person Implicated	Person with Authority to Respond
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Nonmember Pastor of local church where the conduct in question takes place.

Layperson Pastor of church where layperson is a member.

Member of the clergy District superintendent where the clergy person implicated is a member or the pastor of the local church where the person is on staff.

District Superintendent General superintendent in jurisdiction

Not otherwise defined General secretary

The person with authority to respond should also in a timely manner notify respective persons in leadership at the district, field, regional, and/or global dimensions about the accusations. The person with authority to respond may enlist the help of others in any fact-finding or response.

17. **JUD-813—Reconciliation of a Layperson**, Colorado District Resolutions Committee, recommends that it be referred to the Board of General Superintendents. The vote: 15 for the resolution and 0 against the resolution. (Referred, see 201.)

RESOLVED that *Manual* paragraph 504 be amended as follows:

IV. [CONTESTED DISCIPLINE] RECONCILIATION OF A LAYPERSON

504. [If a lay member is accused of unchristian conduct, such charges shall be placed in writing and signed by at least two members who have been in faithful attendance for at least six months. The pastor shall appoint an investigating committee of three members of the local church, subject to the approval of the district superintendent. The committee shall make a written report of its investigation. This report must be signed by a majority and filed with the church board.

After the investigation and pursuant thereto, any two members in good standing in the local church may sign charges against the accused and file same with the church board. Thereupon the church board shall appoint, subject to the approval of the district superintendent, a Local Board of Discipline of five members, who are unprejudiced and able to hear and dispose of the case in a fair and impartial manner. If in the opinion of the district superintendent, it is impractical to select five members from the local church due to the size of the church, the nature of the allegations, or the position of influence of the accused, the district superintendent shall

after consulting the pastor, appoint five laypersons from other churches on the same district to be the Board of Discipline. This board shall conduct a hearing as soon as practicable and determine the issues involved. After hearing the testimony of witnesses and considering the evidence, the Board of Discipline shall either absolve the accused or administer discipline as the facts shall establish to be proper. The decision must be unanimous. Discipline may take the form of reprimand, suspension, or expulsion from membership in the local church.]

Matthew 18 Principle

Matthew 18:15-20 provides a clear path for conflict resolution that believers should use. The three steps that are laid out in this scripture, if followed correctly, allow for an offender to be confronted and allowed to make things right with the offended. Every step carries the heart and intent of Christ to “win the brother or sister over.”

FURTHER RESOLVED that *Manual* paragraph 504.1 be amended as follows:

504.1. [An appeal from the decision of a Local Board of Discipline may be taken to the District Court of Appeals within 30 days by either the accused or the church board.]

Phase 1 One-on-one

This step provides for the wrongdoer to be confronted by the offended party or the responsible leader/pastor. It is at this level that the wrongdoer be shown his/her fault(s) and then be allowed opportunity to repent and make things right. If this result occurs, then steps should be taken for apologies and repentance to be appropriately made and the matter closed. It is important to note that the lead pastor has been given full authority to work on behalf of reconciliation as provided in section 413.7 and he/she should do so with the heart and intention of reconciliation. If reconciliation does not occur, phase 2 is followed.

FURTHER RESOLVED that *Manual* paragraph 504.2 be amended as follows:

504.2. [When a layperson has been expelled from membership in the local church by a Local Board of Discipline, he or she may reunite with the Church of the Nazarene on the same district only with the approval of the District Advisory Board. If such consent is granted, he or she shall be received into the membership of that local church using the approved form for the reception of church members. (27, 33-39, 112.1-12.4, 801)]

Phase 2 Mediation

A third party such as a capable clinician, counselor, or spiritual leader outside the fellowship is engaged to mediate. This must not become a scenario where each side brings “their camps” to the table. The mediator’s heart should be one of reconciliation where both parties are heard equally and the goal will be to “win the accused over.” When reconciliation fails, phase 3 is implemented.

FURTHER RESOLVED that a new paragraph be added to the *Manual* as follows:

504.3. Phase 3 Church Board

The church board and senior pastor take formal actions toward reconciliation by having the accused brought before them for one last opportunity to make things right. If reconciliation is still rejected, disciplinary action may be issued to the wrongdoer. The church board may remove the accused from church leadership roles, active church membership (to inactive) or removal from full membership and church fellowship. Matthew 18:17 provides the end result of lack of reconciliation. It is an important note that the church fellowship is to never hate anyone. The extreme act of removing a person from the fellowship still holds the hope of winning them over to righteousness. The accused person may initiate an appeal according to section 509 of the *Manual*. The local church board and senior pastor shall inform the district superintendent throughout the process of their actions.

FURTHER RESOLVED that *Manual* paragraph 414.8 be deleted as follows:

[414.8. To appoint an investigating committee of three in case of accusation filed against a church member. (504)]

FURTHER RESOLVED that any subsequent paragraphs be renumbered accordingly.

REFERRED TO THE BOARD OF GENERAL SUPERINTENDENTS

18. **JUD-814—Contested Discipline of a Member of the Clergy**, Washington Pacific District General Assembly Delegation, recommends that it be adopted. The vote: 15 for the resolution and 0 against the resolution. (Adopted, see 202.)

RESOLVED that *Manual* paragraph 505.1 be amended as follows:

505.1. If a member of the clergy is accused of misconduct, conduct unbecoming a minister, or of teaching doctrines out of harmony with the doctrinal statement of the Church of the Nazarene, or of serious laxity in the enforcement of the Covenant of Christian Character or the Covenant of Christian Conduct of the church, such accusations shall be placed in writing and shall be signed by at least two members of the Church of the Nazarene who are at the time in good standing. Accusations of sexual misconduct cannot be signed by any person who consented to participate in the alleged misconduct. The written accusation must be filed with the district superintendent who shall present it to the District Advisory Board of the district where the accused has ministerial membership. This accusation shall become part of the record in the case.

The District Advisory Board shall give written notice to the accused that accusations have been filed, as soon as practical by any method which gives actual notice. When actual notice is not practical, notice may be provided in the manner which is customary for serving legal notices in that locality. The accused and his or her counsel shall have the right to examine the accusations and to receive a written copy of the same immediately upon request. (437.6-37.8)

FURTHER RESOLVED that *Manual* paragraph 505.3 be amended as follows:

505.3. When a written accusation is filed with the district superintendent and has been presented to the District Advisory Board, the [District] Advisory Board shall appoint a committee of three or more assigned ordained ministers and not less than two (2) laypersons as the Advisory Board deems to be appropriate to investigate the facts and circumstances involved and report their finding in writing and signed by a majority of the committee. If after considering the committee's report, it shall appear that there are probable grounds for charges, such charges shall be drawn up and signed by any two ordained ministers. The District Advisory Board shall give the accused notice thereof, as soon as practical, by any method which gives actual notice. When actual notice is not practical, notice may be provided in the manner which is customary for serving legal notices in that locality. The accused and his or her counsel shall have the right to examine the charges and specifications and to receive a copy thereof immediately upon request. No accused shall be required to answer charges of which he or she has not been informed as specified herein. (222.3)

19. **JUD-815—Baptism of Infants Ritual**, East Ohio District Resolutions Committee, recommends that it be referred to the Board of General Superintendents. The vote: 15 for the resolution and 0 against the resolution. (Referred, see 209.)

RESOLVED that *Manual* paragraph 800.2 be amended as follows:

800.2. The Baptism of Infants or Young Children

When the sponsors shall have presented themselves with the child (or children) the minister shall say:

Dearly Beloved: The sacrament of baptism is the sign and seal of the new covenant of grace. [While we do not hold that baptism imparts the regenerating grace of God, we do believe

that Christian baptism signifies] It is a powerful instance of God's prevenient grace signifying for this young child God's acceptance within the community of Christian faith [on the basis of prevenient grace]. It anticipates his (her) personal confession of faith in Jesus Christ.

The earliest and simplest statement of Christian belief, into which you now bring your child to be baptized, is the Apostles' Creed, which reads as follows:

"I believe in God the Father Almighty, Maker of heaven and earth;

"And in Jesus Christ, His only Son, our Lord; who was conceived by the Holy Ghost, born of the Virgin Mary, suffered under Pontius Pilate, was crucified, dead, and buried; He descended into hell; the third day He rose again from the dead; He ascended into heaven, and sits at the right hand of God the Father Almighty; from thence He shall come to judge the quick and the dead.

"I believe in the Holy Ghost, the holy catholic (universal) Church, the communion of saints, the forgiveness of sins, the resurrection of the body, and the life everlasting."

Will you have your child baptized into this faith? If so, answer, "I will."

Response: I will.

In presenting this child for baptism you are hereby witnessing to your own personal Christian faith and to your purpose to guide him (her) early in life to a knowledge of Christ as Savior. To this end it is your duty to teach him (her), as soon as he (she) shall be able to learn, the nature and end of this holy sacrament; to watch over his (her) education, that he (she) may not be led astray; to direct his (her) feet to the sanctuary; to restrain him (her) from evil associates and habits; and as much as in you lies, to bring him (her) up in the nurture and admonition of the Lord.

Will you endeavor to do so by the help of God? If so, answer, "I will."

The minister may then ask the parents or guardians to name the child, and shall then baptize the child, repeating his (her) full name and saying:

_____, I baptize you in the name of the Father, and of the Son, and of the Holy Spirit. Amen.

Pastor: Baptism also signifies the acceptance of this child into the community of Christian faith. I now ask you, the congregation; will you commit yourself as the Body of Christ to support and encourage these parents as they endeavor to fulfill their responsibilities to this child and to assist by nurturing his (her) growth toward spiritual maturity?

Response: We will.

The minister may then offer the following prayer or may use an extemporary prayer.

Heavenly Father, we humbly pray that You will take this child into Your loving care. Abundantly enrich him (her) with Your heavenly grace; bring him (her) safely through the perils of childhood; deliver him (her) from the temptations of youth; lead him (her) to a personal knowledge of Christ as Savior; help him (her) to grow in wisdom, and in stature, and in favor with God and man, and to persevere therein to the end. Uphold the parents with loving care, that with wise counsel and holy example they may faithfully discharge their responsibilities to both this child and to You. In the name of Jesus Christ our Lord. Amen.

REFERRED TO THE BOARD OF GENERAL SUPERINTENDENTS

20. **JUD-815a-Baptism of Infants Ritual**, Southwest Indiana District. (SEE JUD-815.)

RESOLVED that *Manual* paragraph 800.2 be amended as follows:

800.2. The Baptism of Infants or Young Children

When the sponsors shall have presented themselves with the child (or children) the minister shall say:

Dearly Beloved: The sacrament of baptism is the sign and seal of the new covenant of grace. While we do not hold that baptism imparts the regenerating grace of God, we do believe that Christian baptism [signifies] is a powerful instance of God's prevenient grace signifying for this young child God's acceptance within the community of Christian faith [on the basis of prevenient grace]. It anticipates his (her) personal confession of faith in Jesus Christ.

The earliest and simplest statement of Christian belief, into which you now bring your child to be baptized, is the Apostles' Creed, which reads as follows:

"I believe in God the Father Almighty, Maker of heaven and earth;

"And in Jesus Christ, His only Son, our Lord; who was conceived by the Holy Ghost, born of the Virgin Mary, suffered under Pontius Pilate, was crucified, dead, and buried; He descended into hell; the third day He rose again from the dead; He ascended into heaven, and sits at the right hand of God the Father Almighty; from thence He shall come to judge the quick and the dead.

"I believe in the Holy Ghost, the holy catholic (universal) Church, the communion of saints, the forgiveness of sins, the resurrection of the body, and the life everlasting."

Will you have your child baptized into this faith? If so, answer, "I will."

Response: I will.

In presenting this child for baptism you are hereby witnessing to your own personal Christian faith and to your purpose to guide him (her) early in life to a knowledge of Christ as Savior. To this end it is your duty to teach him (her), as soon as he (she) shall be able to learn, the nature and end of this holy sacrament; to watch over his (her) education, that he (she) may not be led astray; to direct his (her) feet to the sanctuary; to restrain him (her) from evil associates and habits; and as much as in you lies, to bring him (her) up in the nurture and admonition of the Lord.

Will you endeavor to do so by the help of God? If so, answer, "I will."

The minister may then ask the parents or guardians to name the child, and shall then baptize the child, repeating his (her) full name and saying:

_____, I baptize you in the name of the Father, and of the Son, and of the Holy Spirit. Amen.

Pastor: Baptism also signifies the acceptance of this child into the community of Christian faith. I now ask you, the congregation; will you commit yourself as the Body of Christ to support and encourage these parents as they endeavor to fulfill their responsibilities to this child and to assist by nurturing his (her) growth toward spiritual maturity?

Response: We will.

The minister may then offer the following prayer or may use an extemporary prayer.

Heavenly Father, we humbly pray that You will take this child into Your loving care. Abundantly enrich him (her) with Your heavenly grace; bring him (her) safely through the perils of childhood; deliver him (her) from the temptations of youth; lead him (her) to a personal knowledge of Christ as Savior; help him (her) to grow in wisdom, and in stature, and in favor with God and man, and to persevere therein to the end. Uphold the parents with loving care, that with wise counsel and holy example they may faithfully discharge their responsibilities to both this child and to You. In the name of Jesus Christ our Lord. Amen.

21. **JUD-816—Structure of the Church of the Nazarene**, General Board, recommends that it be adopted. The vote: 15 for the resolution and 0 against the resolution. (Adopted, see 210.)

RESOLVED that a new paragraph be added to the *Manual* as follows:

28.1. We are agreed that there are three legislative entities in the structure of the Church of the Nazarene: local, district, general. The regions serve as administrative entities for mission strategy and implementation.

FURTHER RESOLVED that the existing *Manual* paragraph 28.1 and subsequent paragraphs be renumbered as appropriate.

22. **JUD-817-Article of Faith XII-Baptism**, Southwest Indiana District, recommends that it be referred to the Board of General Superintendents. The vote: 15 for the resolution and 0 against the resolution. (Referred, see 211.)

RESOLVED that *Manual* paragraph 16, Article of Faith XII, be amended as follows:

XII. Baptism

16. We believe that Christian baptism, commanded by our Lord, is a sacrament and means of grace through faith signifying acceptance of the benefits of the atonement of Jesus Christ, to be administered to believers and declarative of their faith in Jesus Christ as their Savior, and full purpose of obedience in holiness and righteousness.

Baptism being a symbol of the new covenant, young children may be baptized, upon request of parents or guardians who shall give assurance for them of necessary Christian training.

Baptism may be administered by sprinkling, pouring, or immersion, according to the choice of the applicant.

(Matthew 3:1-7; 28:16-20; Acts 2:37-41; 8:35-39; 10:44-48; 16:29-34; 19:1-6; Romans 6:3-4; Galatians 3:26-28; Colossians 2:12; 1 Peter 3:18-22)

REFERRED TO THE BOARD OF GENERAL SUPERINTENDENTS

23. **JUD-818-Restriction on Persons (Lay or Ministerial) who are Guilty of Sexual Misconduct**, Board of General Superintendents, recommends that it be adopted. The vote: 15 for the resolution and 0 against the resolution. (Referred, see 213.)

RESOLVED that *Manual* paragraph 903.3 be amended as follows:

903.3. Abuse of the Unempowered

The Church of the Nazarene abhors abuse of any person of any age or sex and calls for increased public awareness through its publications and by providing appropriate educational information.

The Church of the Nazarene reaffirms its historical policy that all those who act under the authority of the Church are prohibited from sexual misconduct and other forms of abuse of the unempowered. When placing people in positions of trust or authority, the Church of the Nazarene will presume that past conduct is usually a reliable indicator of likely future behavior. Because some types of misconduct, such as sexual misconduct involving children* or of a homosexual nature, or repeated marital infidelity, are rarely the result of a onetime moral lapse, individuals who are guilty of sexual misconduct that involves a high probability of repeated misconduct should not be permitted to serve in any position of leadership, trust, or ministry in the local church. The Church will withhold positions of authority from people who have previously used a position of trust or authority to engage in sexual misconduct or abuse of the unempowered, unless appropriate steps are taken to prevent future wrongful behavior. Expressions of remorse by a guilty person shall not be considered sufficient to overcome the presumption that future wrongful conduct is likely, unless the expressions of remorse are accompanied by an observable change of conduct for a sufficient length of time, to indicate that a repeat of the wrongful misconduct is unlikely. (437.8) (2009)

*A child is defined as any human being under the age of 18, unless the age of majority is attained earlier under a state's or country's own domestic legislation.

FURTHER RESOLVED that *Manual* paragraph 437.8 be amended as follows:

437.8. Because some types of misconduct, such as sexual misconduct involving children or of a homosexual nature, or repeated marital infidelity, are rarely the result of a onetime moral lapse, individuals (laypersons or members of the clergy) who are guilty of sexual misconduct that involves a high probability of repeated misconduct should not be restored to good standing. These individuals (laypersons or members of the clergy) also should not be permitted to serve in any position of leadership, trust, or ministry in the local church. (505.1-5.2, 505.5, 505.11-5.12, 903.3)

REFERRED TO THE BOARD OF GENERAL SUPERINTENDENTS

24. **JUD-819-Regional Court of Appeals**, Board of General Superintendents, recommends that it be adopted. The vote: 15 for the resolution and 0 against the resolution. (Adopted, see 216.)

RESOLVED that Manual paragraph 514 be amended as follows:

IX. Regional Court of Appeals

514. There shall be a Regional Court of Appeals for each region [other than the United States and Canada]. Each Regional Court of Appeals shall consist of five or more assigned ordained ministers elected by the Board of General Superintendents following each General Assembly. Vacancies shall be filled by the Board of General Superintendents. The Rules of Procedure shall be the same for the Regional Courts of Appeals as for the General Court of Appeals, in both the church *Manual* and the *Judicial Manual*. A quorum of five shall be required for appeals referred to the court.

REPORT OF REGIONAL CAUCUSES

(Serving as Legislative Committees to consider General Assembly Business)

USA Regional Caucus

The USA Regional Caucus having had referred to it the following resolutions, which were presented to the assembly in two reports, recommends action as indicated:

USA – Christian Action

1. USA-920—Racial Reconciliation, Kansas City District and Virginia District General Assembly Delegation, recommends that it be amended and adopted. The vote: 65 for the resolution and 2 against the resolution. (Rejected, see 12.)

RESOLVED that the 28th General Assembly of the Church of the Nazarene go on record affirming the following:

1. We the men and women of the Church of the Nazarene at this 28th General Assembly do renounce any form of racial and ethnic indifference, exclusion, subjugation, or oppression as a grave sin against God and our fellow human beings.
2. We lament the legacy of every form of racism in the United States and throughout the world, and that we seek to confront that legacy through repentance, reconciliation, and restitution.
3. We seek to repent of every behavior in which we have been overtly or covertly complicit with the sin of racism, both past and present; and in confession and lament we seek the forgiveness of our African American brothers and sisters, as well as all victims of racial and ethnic oppression here in the United States and across the globe, acknowledging that reconciliation can only come as a gift offered on behalf of the victims to their oppressors.

4. We acknowledge that there is no reconciliation apart from human struggle to stand against and to overcome all personal, institutional and structural prejudice responsible for racial and ethnic humiliation and oppression.
5. We call on regional, national, and district bodies to (1) identify existing acts and structures of prejudice; (2) facilitate occasions for seeking forgiveness and reconciliation; and (3) take action to empower those who have been marginalized.
6. We Nazarenes in the United States commit ourselves to a renewed support and collaboration with our African American brothers and sisters ALL VICTIMS OF RACIAL AND ETHNIC OPPRESSION as we together seek to bring the Gospel to all people.
7. We devote ourselves to the Lord, and we seek the grace by which we can live in the unity of the Spirit so that in all things our national and global fellowship will honor and promote the saving, transforming love and power of our Lord Jesus Christ, who is the true reconciler of all people.

USA – General Administration

1. USA-900—National Boards, Reference Committee Chicago Central District General Assembly Resolutions Committee, recommends that it be referred to the Board of General Superintendents. The vote: 49 for the resolution and 2 against the resolution. (Referred, see 14.)

RESOLVED that *Manual* paragraph 344 be amended as follows:

344. Where deemed necessary, a national board shall be established to facilitate the fulfillment of the church's mission allowing for unified strategies for evangelism, discipleship, church planting, district development, new districts, ministerial preparation, resource development, and ministerial retirement savings plans; by providing for the acquiring, holding, selling, and conveying of property; or by dealing with any other administrative and/or legal business matters relative to the Church of the Nazarene in that nation, for which no other provision is made in the *Manual*. Such a board shall be recognized as a lawful authority of the Church of the Nazarene in that nation.

Where only one district of the Church of the Nazarene is organized in the nation, the duly elected District Advisory Board shall be the national board to conduct business as outlined above.

Where there are two or more organized districts in one nation (with the exception of the USA), the national board shall be composed of the duly appointed or elected district superintendents, as well as one assigned elder and two lay representatives elected by the district assembly, from the members of the District Advisory Board; or, with the approval of the General Board and the Board of General Superintendents, the membership shall consist of those persons duly elected or appointed as district superintendents and additional representation of assigned ordained ministers and laypersons as agreed upon.

The USA National Board shall be composed of one district superintendent and one layperson from each of the eight educational regions in the country, two presidents of USA Nazarene universities, the president of Nazarene Bible College (Colorado, USA) as a non-voting participant, the president of Nazarene Theological Seminary (Missouri, USA) as a non-voting participant, one regional NYI president, one regional NMI president, and a USA representative of SDMI. The USA/Canada regional director will be a non-voting ex-officio member. The election process shall be as follows: The district superintendents of each educational region will caucus and nominate two district superintendents from the educational region for the election of

one by the General Assembly caucus of that educational region, convening at General Assembly. Each District Advisory Board shall nominate one layperson from the educational region, for election of one by the General Assembly caucus of that educational region, convening at General Assembly. The remaining members are members by virtue of their office, or may be appointed by the USA/Canada regional director, in consultation with the Board of General Superintendents. Until such time as such a board may be elected at the next General Assembly, the USA/Canada regional director may appoint a similar group to serve in an advisory capacity, to process items of national strategic, missional and administrative character, referring the same to the USA Caucus of the General Board for action.

...REMAINDER OF THIS PARAGRAPH REMAINS THE SAME.

REFERRED TO THE BOARD OF GENERAL SUPERINTENDENTS

SPECIAL COMMITTEES

CREDENTIALS

MEMORIAL

NOMINATIONS

PLATTING

REFERENCE

CREDENTIALS COMMITTEE
Report No. 1

The committee met on Friday, 21 June 2013 at 9:00 P.M., with quorum present, and reports that:

1. The committee took action to elect Stacy Schuster as committee secretary.
2. In order to certify a quorum of 2013 General Assembly delegates, the committee reviewed the list of registered delegates as of 21 June 2013 and made note of the following:
 - The total number of eligible delegates is 1,428;
 - The total number of delegates registered is 866: 772 Voting District Delegates; 66 Voting Ex-Officio; 28 Non-voting.
3. Action was taken to accept the list of alternate delegates certified prior to registration as well as the list of alternate delegates seeking certification at the time of registration onsite (having noted several duplicates to be corrected by the General Secretary's Office).

<i>Name of Alternate</i>	<i>Delegate Status</i>	<i>District</i>	<i>Replaces Delegate</i>	<i>Date Verified</i>
Jeffery Mark Collins	MIN	Canada Atlantic	K. Clair MacMillan	7/16/2012
Jocelyn Sévère	MIN	Canada Quebec	K. Clair MacMillan	7/16/2012
James Phillip Blue	MIN	Illinois	Timothy Wayne Crump	8/22/2012
Judith K. Roarick	LAY	Illinois	Cindy Kay Crump	8/22/2012
Richard Ray Henry	MIN	North Central Ohio	Thomas Jefferson McNew	8/28/2012
Mary Glynelle Hull	LAY	Missouri	Samuel Griggs	9/10/2012
Michael Charles McAdory	MIN	South Carolina	James H. Thrower	9/13/2012
James S. Hill	MIN	Southwest Oklahoma	Gabriela Rodriguez	9/25/2012
Shela Kay Foltz	LAY	West Virginia North	Sheridan Jackson Anderson	10/1/2012
Marsha Soles Fountain	LAY	South Carolina	Rachel M. Watts	10/2/2012
Sherry Dee Marston	LAY	South Arkansas	Brenda Kaye Yarberry	10/3/2012
Ronald W. Richmond	MIN	Northwest Indiana	David Eugene Bartley	10/10/2012
Skip Neal	LAY	Southern California	Edwin Metcalf	10/24/2012
James Scott Shaw	MIN	Washington Pacific	Teryl Ray Ketchum	10/24/2012
James (Ted) Underwood	MIN	Southern Florida	Byron Schortinghouse	12/3/2012
Steven Glenn Thrasher	MIN	North Arkansas	Timothy Scott Bullington	12/11/2012
David W Jeffs	MIN	Australia Northern Pacific	John Moore	12/13/2012
Donna Smith MacPherson	LAY	Upstate New York	Daniel Cash	2/1/2013
Edlira Biti	MIN	Albania-Kosovo	Steven Gregory Beiler	2/15/2013
Carol Hairston	LAY	Mississippi	Lee Brumfield	2/19/2013
Lucinda F. Tamayo	MIN	Philippines Metro Manila	Radito F. Fausto	2/19/2013
Cathy Lyn Buchanan	LAY	Southwest Oklahoma	Lee Kennedy	2/25/2013
Robert McHargue	LAY	Anaheim	John F. Hardison	2/27/2013
Jacqueline Allison Greaves	LAY	Metro New York	David Anthony Mendez	2/27/2013

Ralph R. Hodges	LAY	Southwestern Ohio	Robert DeLong	2/27/2013
Thomas Harry Penman	LAY	United Kingdom British Isles North	Mark Canning	3/1/2013
Jerry Wayne Branham	MIN	South Carolina	Dale Eugene Turner	3/6/2013
Ricardina Williamo				
Novelle Chiconela	MIN	Mozambique Inhambane	Joaquim Mulhanga	3/13/2013
Rick C. Dages	LAY	Kansas	Steven Todd Burns	3/19/2013
Todd Renegar	MIN	Southern California	Ronald P. Benefiel	3/19/2013
Lazaro Howlader	MIN	Bangladesh Northwest	Bakul Barman	3/26/2013
Silvia Oly Sinha Julie	MIN	Bangladesh Northwest	Taposh Roy	3/26/2013
Amy Blosser	LAY	Eastern Kentucky	Charles Copley	4/4/2013
Khaled Alhalasa	LAY	Jordan	Ihab Hani Al-Amarin	4/5/2013
Ernesto Pereira Ferreira	MIN	Brazil Sudeste Paulista	Geraldo Nunes Filho	4/10/2013
Maritza Tatis	LAY	Dominican Republic Central	Daniel Peña Geraldino	4/10/2013
Wilda Elisee	LAY	Venezuela Primero	Arelis Josefina Esparragoza Maria de Lourdes	4/10/2013
Curt Hennies	LAY	Brazil Sudeste Paulista	Castelhana Rodrigues	4/10/2013
William Bantom	MIN	South Africa RSA Western Cape	Reuben N. PiLAY	4/11/2013
Maria Lucia Manuel Velazquez	MIN	Mexico South Pacific	Isai Toledo	4/15/2013
Ariosto Ramos Cruz	LAY	Mexico South Pacific	Armando Pascasio	4/15/2013
Saul Carranza	MIN	Prairie Lakes	Mike Kraemer	4/16/2013
Tania Cristina Ramos Aguiar	LAY	Brazil Paulistano	Raimundo Nonato Ferreira	4/17/2013
Nataly Iruki	LAY	Kenya Mount Kenya	Veranadol Karambu	4/17/2013
Stephanus Hartoyo	MIN	Indonesia Java-Bali	Yohanes Winoto	4/22/2013
Scott K. Lowry	MIN	Alabama North	Aaron R. Coffey	4/23/2013
Gary Scales	LAY	Alabama North	Sam Michael	4/23/2013
Andrea Gazeta Pereira	LAY	Brazil Sao Paulo	Paula Adriana de Lima	4/24/2013
Frederick G. Hall	MIN	Eastern Michigan	Robert W. Lewis	4/25/2013
Eliana Aragão	LAY	Brazil Nordeste Paulista	George Rodrigues Dos Santos	4/29/2013
Wagner Luis Guilherme	MIN	Brazil Nordeste Paulista	Wilson Filho Rosa Rosa	4/29/2013
Aldineia Guilherme	MIN	Brazil Nordeste Paulista	Saulo Stratico Jardim	4/29/2013
Gary Hulett	LAY	East Ohio	Larry Burrell	4/30/2013
Anna Margaret Derbyshire	LAY	West Texas	Jennifer Sommers	5/1/2013
George David Santhosam	MIN	Sri Lanka	Velusamy Kalaiselvan	5/2/2013
Cristiane Ribeiro Rocha	LAY	Brazil Rio de Janeiro Grande Rio	Juliana Carneiro Santos	5/6/2013
Meena Ravichandran	LAY	India Eastern	Sujit Nandy	5/6/2013
Patrick Bradley	LAY	Belize	Nehru Daniel Thompson	5/7/2013
Bradley Dale Swartzentruber	LAY	Intermountain	Richard Clinton Waitley	5/7/2013
Daniela Vilas Boas Silva	LAY	Brazil Nordeste Paulista	Julio Cesar Laguna	5/8/2013
Ednir Dos Santos Do Nascimento	LAY	Brazil Rio de Janeiro Baixada	Fernando Da Silva Nunes	5/8/2013

Alysney Rodriguez Galan	LAY	Cuba West	Yaima Diaz Escobar	5/9/2013
José Jesús Treviño Adame	LAY	Mexico Northeast	Raúl Canizales Flores	5/9/2013
Gerson De La Cruz		Dominican Republic	Scarlin De La Cruz	
Martinez	LAY	Northeast	Martinex	5/9/2013
Obdulio L. Pacay	LAY	Guatemala North Verapaz	Maria Revolorio Delgado	5/9/2013
Carolyn Louise Joseph	MIN	North Central Ohio	Ray LaSalle	5/10/2013
Stanley Ralph Hall	MIN	Missouri	Dwight Elvis Presson	5/14/2013
Keith Alan Pardue	LAY	South Texas	Terry D. Long	5/14/2013
Jose Castaneda Julca	MIN	Peru Pacifico Norte	Napoleon Guerrero Loayza	5/16/2013
Carlos Eduardo Genesisio	MIN	Brazil Sao Paulo	Jonatas dos Santos	5/16/2013
Daniel Latu	LAY	Fiji	Viktorie Makrava	5/21/2013
Allan Asuncion Prado	MIN	Philippines Luzon	Eduardo M. Laurea	5/21/2013
Ricardo Soares de			Rosa de Saron Campos	
Carvalho	LAY	Brazil Nordeste Central	Marinho	5/23/2013
Flávia Melo Alves de			Karia Lucy de Aguiar	
Oliveira	LAY	Brazil Nordeste Central	Martins de Oliveira	5/23/2013
Hyea Sun Kim	LAY	South Korea National	Jong Youn Park	5/23/2013
Jae-Sun Seoh	LAY	South Korea National	Sang-Un Jeong	5/23/2013
Young Ho Yang	MIN	South Korea National	Yong-Ik Yoon	5/23/2013
Hector Gonzales	LAY	Colombia Central Norte	Juan Carlo Muñoz	5/27/2013
Jasmine Mitra Khan Sathi	MIN	Bangladesh Northwest	Nripendra Malo	5/29/2013
Boutros Khalil Ghrayeb	MIN	Holy Land	Nizar Elias Touma	5/29/2013
Shusambar Sarker	LAY	Bangladesh North	Dhanashwar Chandra Roy	5/29/2013
Mrittunjoy Roy	LAY	Bangladesh North	Indro Mohon Roy	5/29/2013
James Liton Biswas	LAY	Bangladesh North	Shudeb Sarder	5/29/2013
Monotosh Roy	MIN	Bangladesh North	Bhupendra Nath Roy	5/29/2013
Tapash Mondal	MIN	Bangladesh North	Manik Roy	5/29/2013
Sailence Marandi	MIN	Bangladesh North	Gauranga Chandra Roy	5/29/2013
Jagot Roy	MIN	Bangladesh North	Bishawshawr Chandra Roy	5/29/2013
Keith Megehee	MIN	Mississippi	Barry Scott Samuell	5/30/2013
Efraín Antonio Picado				
Téllez	MIN	Nicaragua Central	Jose Antonio Alguera Palma	5/31/2013
Marcos Rios Tercero	MIN	Mexico South	Jose Eduardo Duque Madrid	6/1/2013
Hilary N. Mondal	LAY	Bangladesh Northwest	Shimson Mallick	6/2/2013
Cristian Alexandru Boseff	MIN	Romania	Tamara Eileen Hudson	6/2/2013
Tim Garman	LAY	Los Angeles	Steven Yee	6/3/2013
Ani Georgiev Kirilov	MIN	Bulgaria	Jay Glenn Sunberg	6/5/2013
		Papua New Guinea South		
Ako Arua	MIN	Coastal	Yambe Sike	6/5/2013
Angela T. Neves	LAY	New England	Angela Valesca Leite	6/6/2013
		Papua New Guinea North		
Eva Ju Alu	LAY	Coast	Doreen Taukum	6/10/2013
Bipul Chandra Baroi	LAY	Bangladesh Northwest	Samuel Bala	6/13/2013
Socorro Rodrigues Fontes	MIN	Cape Verde	Austolino Levy Medina	6/18/2013
		French Antilles and French		
Roger Baltus	LAY	Guiana	Kris Blaise	6/18/2013

Malesele John Kekana	MIN	South Africa RSA Limpopo Northwest	George Mvula Kanjere	6/18/2013
Roxann Renee Peach	LAY	Colorado	Jeffrey S. Alexander René Ovidio Marroquin	6/19/2013
Isaac Estrada	MIN	Guatemala West	Orellana	6/19/2013
Mark Allen Gillette	LAY	Louisiana	Lillie Lou Jones	6/19/2013
Benifacia Petronila Medina de Sanchez	LAY	Peru Nororiente	Walter Leon Palomino	6/19/2013
Mildred Mokwena	LAY	South Africa RSA Drakensberg	Phillip Mokwena	6/19/2013
Mudau Mathilda	LAY	South Africa RSA Soutpansberg	Muladelo Samson Raphulu	6/19/2013
Bheki Theophilus Kunene	LAY	Swaziland North	David Maqhawe Gama Jerson Eduardo Chupina	6/19/2013
René Gilberto Rivas	LAY	Guatemala Central	Coronado Jorge Federico Chirinos	6/21/2013
Diana Martinez	LAY	Peru Norte	Farro	6/21/2013
Alick Hagi	MIN	Solomon Islands	George Manley Miller	6/21/2013
Abigail Makhanya	LAY	Swaziland East	Julia Ndlovu	6/21/2013
Rigan Nath	MIN	Bangladesh South	David Biswas	6/21/2013

4. The committee took note of the following delegates, who are deceased:

- D. Ray Cook (11/1/2012) Layman — Kansas District
- William M. Greathouse (3/24/2011) Ministerial — General Superintendent Emeritus, Tennessee District
- William J. Prince (12/24/2012) Ministerial — General Superintendent Emeritus, Oklahoma District

5. Action was taken to approve the seating of an unofficial interpreter, Sam Yangmi, for Lasoe Casa (ministerial voting delegate from the Northern Thailand District, a Phase 2 District) on the floor of the general assembly.

6. Action was taken to approve the seating of field strategy coordinators who are not delegates on the floor of the 2013 General Assembly in the non-voting section, and to grant them the privilege of assisting delegates from their field/region as needed, including being given voice privileges when necessary. The committee noted that voice privileges will be for the purpose of questions and/or clarification, not to enter in the debate.

7. The committee noted that they may be asked to consider the seating of a visitor from a creative access area (CAA) on the floor of the general assembly. As no request had been received at the time of the meeting, no action was taken.

8. It was also noted that the following item is being considered as a resolution (SR-751) from the East Ohio District, to add a new rule to the General Assembly Rules of Order: *Co-superintendents - In the case of co-superintendents, one shall be designated as a member and the other shall not be a member, but shall be granted privileges of the floor and seating with the respective delegation.* No action was required.

9. Action was taken to recommend that the general secretary's staff be authorized to prepare subsequent reports as may be necessary for the business of the General Assembly, unless there is some irregularity or business referred from the floor of the assembly.

10. The Credentials Committee will convene again on Tuesday, 25 June at 9:30 A.M. At that time, they will confirm additional delegates seated between Friday night, 21 June, and Monday, 24 June. Committee chairperson and secretary may meet to authorize the seating of additional delegates.

Respectfully submitted,
IAN FITZPATRICK, *Chairperson*
STACY SCHUSTER, *Secretary*

Report No. 2

Action was taken by email vote to approve the seating of an unofficial interpreter, Phylis West, for Ruth Wuryandari (lay voting delegate from the Indonesia Java-Bali District, a Phase 2 District) on the floor of the general assembly.

Respectfully submitted,
IAN FITZPATRICK, *Chairperson*
STACY SCHUSTER, *Secretary*

Report No. 3

The Credential Committee Chair and Secretary approve this final report for the 28th General Assembly. The total number of registered delegates for the 2013 General Assembly is 1,280 with 117 alternates seated.

Respectfully submitted,
IAN FITZPATRICK, *Chairperson*
STACY SCHUSTER, *Secretary*

MEMORIAL

We remember these ordained and licensed ministers from all world regions who were deceased during the quadrennium. They brought honor to Jesus Christ our Lord by their years of service.

	<i>Year</i>	<i>Year</i>		<i>Year</i>	<i>Year</i>
	<i>Credentialed</i>	<i>Deceased</i>		<i>Credentialed</i>	<i>Deceased</i>
Jack Abbott	1952	2013	Willard B. Airhart	1950	2011
Melvin G. Abney	1955	2012	James E. Albert	1997	2013
Raymon B. Acheson	1947	2012	Gideon G. Alexander	2008	2012
John W. Adams	1962	2011	Eudo Tave Almeida	1962	2009

	<i>Year</i>	<i>Year</i>		<i>Year</i>	<i>Year</i>
	<i>Credentialed</i>	<i>Deceased</i>		<i>Credentialed</i>	<i>Deceased</i>
Judith A. Alvarez	2008	2012	Richard W. Boone	1965	2012
Luis Carlos Alvarez	1995	2009	Paul S. Bowen	1959	2011
David D. Amick Jr.	1994	2011	William L. Bowers	1993	2010
Kenneth L. Anderson	1966	2011	Clarence H. Bowman	1952	2010
Loren C. Anderson	1954	2010	Jack O. Bowman	1963	2012
George D. Andrews	1952	2012	Richard C. Boynton	1955	2009
Paul L. Andrews	1966	2012	William L. Bradshaw	1972	2012
R. Gene Anspach	1960	2011	Randall J. Brake	1997	2010
J. George Anstey	1953	2009	Calvio Zam Brano	1973	2010
Dene W. Anstine	1970	2013	Grover F. Branson	1955	2012
Ronald D. Anzalone	1971	2011	Jack Braundmeier	1961	2009
Verlin W. Archer	1953	2009	Dennis A. Brenner	1970	2012
Alexander (Sandy) Ardrey	1950	2011	M. Patricia Brenner	2007	2011
George E. Armstrong	1967	2011	Donald P. Brickley	1944	2010
Earl R. Baker	1960	2012	James C. Brillhart	1961	2013
James E. Baker	1957	2010	Paterno Briones	1992	2010
Howard E. Baldwin	1956	2010	I. Wayne Brock	1986	2011
Kenneth W. Ball	1940	2011	C. Glenn Brown	1972	2012
Paul W. Bambling	1959	2009	George P. Brown	1969	2010
Boyd M. Bane	2002	2012	Mark A. Brown	1980	2012
Joseph E. Bannister	1952	2009	Odis R. Brown	1950	2011
Dale T. Bass	1968	2010	Samuel R. Brown	1954	2010
Milton G. Bassett	1961	2013	Russ Brunt	1956	2011
Arthur E. Bates	1951	2010	Fred Bunch Jr.	1975	2012
Donald R. Baxter	1953	2010	John W. Burch	1951	2009
Paul Bay-An	1992	2010	Robert D. Burgess	2012	2012
Wilbur Beaver	1948	2011	Billy J. Burton	1959	2011
C. Frank Beckett	1946	2011	K. Charles Buster	1968	2012
Allen A. Bennett	1948	2012	J. Lyal Calhoun	1947	2011
William R. Bennett Sr.	1951	2011	Timothy A. Campitelli	2006	2009
David E. Benson	1973	2009	William R. Candler	1968	2012
William E. Berninger	1985	2011	David B. Canfield	1989	2011
G. Fredrick Bertolet	1952	2012	Bailey Cantrell	1960	2009
Charles E. Bertram	1970	2010	B. Theo Carter	1956	2010
Edgar F. Bibb	1955	2010	Elmer C. Carter	1955	2010
Paul F. Bickes	1955	2010	Sylvanus Carter	1959	2012
Charlie C. Billy	1989	2011	William H. Carter	1985	2011
Benjamin J. Bixby Jr.	1962	2009	Harley V. Cash	1962	2012
Paul W. Black	2003	2009	Wilbur Cassick	1969	2009
Buford O. Blair	1996	2010	Carlos Alberto Castro	1995	2012
James R. Blankenship	1955	2010	Ezequiel Cepeda	1958	2010
Robert L. Bledsoe	1960	2012	D. Morris Chalfant	1944	2010
Sammy B. Bonee	1984	2011	Dorothy H. Chamberlain	1969	2012
James E. Boone	1975	2010	H. Eugene Chambers	1967	2011

J. Leon Chambers	1944	2011	Harrison R. Davis Jr.	1950	2010
Frank Chase	1999	2010	Thomas M. Davis	1976	2011
Joseph E. Chastain	1943	2010	Thurman F. Davis	1951	2012
Paul J. Chavet	1956	2011	Frank R. Davison	1964	2010
John W. Cherry	1995	2010	Glen G. Dayton	1950	2009
Clifford P. Chew Jr.	1977	2010	Patrick DeLuca	2008	2010
Henry W. Cheyety	2006	2012	Milo F. DeMint	1960	2009
Florence Zodwa Chirwa	2008	2012	Harry P. Denig	1962	2011
Felix Chitambala	2010	2013	Henry R. DeShaw	1946	2012
Kirby Choate	1973	2010	Elvin J. DeVore	1961	2012
A. Eugene Clark	1958	2011	Ricardo A. M. Di Falco	2011	2011
Milton E. Clark	1961	2010	William A. Dickson	1946	2009
Oscar W. Clark	1994	2010	William R. Dillon Sr.	1957	2009
William E. Clark	1962	2013	Evangeline C. Divinagracia	2001	2010
Percy Clarke	1990	2013	John W. Dix	1955	2012
D. E. Clay	1944	2011	Ray L. Doane	1974	2011
Paul W. Cleckner	1963	2010	Jeff D. Dobbins	1977	2009
Carl B. Clendenen Jr.	1950	2013	Listard K. Domoya	1979	2013
Maurice E. Clinger	1948	2010	Ottis M. Donegan	1959	2009
John C. Coffman	1984	2013	Kenneth A. Donley	1980	2010
Bobby G. Collins	1956	2010	William M. Dorrough	1946	2009
James L. Collom	1941	2009	R. B. Dowd	1959	2012
William E. Colvin	1973	2012	Billy W. Downing	1943	2010
Paul G. Cone	1970	2012	Telford J. Drigo	1995	2009
Joseph E. Coniglio	1971	2012	Jonah T. Drye	1954	2009
Howard Conrad	1957	2011	Donald R. Dunn	1971	2010
Cecil F. Cook	1971	2010	Ernest Dunn	1951	2012
Curtis F. Cook	1947	2009	Harold L. Durham	1968	2012
Donald R. Coonrod	1956	2011	David C. Dyke	1999	2012
Richard K. Coppie	1974	2010	David F. Edgar	1985	2012
Richard A. Cornelius	1963	2013	F. William Edgbert Jr.	1954	2012
Katherine S. Corron	2006	2009	Yjuin Edmond	1994	2011
John H. Cotner	1983	2010	Robert C. Emrick	1941	2009
Ellis G. Cox	1953	2011	Stanford E. Ernest	1944	2011
John E. Crouch	1951	2009	José G. Estrada	1999	2011
William I. Croudace	1971	2013	Esmeraldo M. Factor	1984	2010
Ruben P. Cruz	1988	2011	Wesley R. Fader	1987	2013
Donald J. Cunningham	1961	2009	John C. Fechner	1954	2011
Vernon B. Curless	1938	2010	Ricardo Fernandez	1949	2009
Allen H. Dace	1956	2011	Fred Fike	1944	2011
Obed H. Dahl	1943	2010	Thomas V. Findlay	1975	2012
John E. Damon	1952	2010	Lily V. Finkenbinder	1979	2010
E. Roy Darden	1943	2011	James M. Fischmann	1964	2013
Robert F. Darr	1993	2011	C. William Fisher	1941	2010
Errol Harry Davids	1996	2010	Harold D. Fleshman	1954	2009

Jean L. Fleurimond	1995	2012	Bill W. Gronemyer	1949	2010
Bessie Flint	1981	2012	Frederick T. Grossmith	1965	2011
John C. Foltz	1960	2009	Howard F. Groves	1959	2013
William G. Foote	1954	2012	Albert Grubbs	1971	2013
James A. Forman	1951	2011	Marion O. Guy	1950	2010
Everett Foskey	1968	2012	Leroy D. Guyett	1959	2012
Hollis E. Foster	1960	2009	Wayne F. Hagemeyer	1945	2011
Howard F. Foust	2004	2012	Leland J. Hagens	1958	2012
Kenneth E. Foust	1952	2010	Louise C. Hale	1952	2012
Betty L. Frampton-Powell	1955	2009	Earl W. Hall	1981	2011
Raymond F. Friberg	1946	2010	David O. Halverson	1982	2009
James L. Furnas Jr.	1995	2012	Raymond E. Hantla	1942	2012
Hobart W. Gabbard	1957	2011	Jack H. Harris	1962	2011
Alberto Galarza	1993	2009	Paul W. Harris	1951	2009
Viola R. Galbreath	1949	2010	Leo Hastie	1951	2011
Geronimo S. Galindez	1958	2010	James V. Hawkins	1956	2012
Leonard M. Gallivan	1964	2012	Kenneth T. Hawkins	1954	2009
Aramis Galvez Lopez	1979	2012	Lloyd A. Hayes	1962	2011
Verne E. Gambill	1946	2011	Paul H. Hedge	1975	2010
Earl L. Gardner	1958	2012	Wilbur E. Heizer	1952	2011
E. Clayton Garner	1956	2012	Hubert W. Helling	1945	2010
Emmett Garrison	1995	2009	Roy M. Henck	1957	2009
Jarrell W. Garsee	1956	2010	H. Harvey Hendershot	1947	2009
Andrew T. Gentry	1961	2012	Ildefonso Tony Hernandez	1991	2011
Paul R. George Jr.	1988	2010	Floyd A. Hess	1946	2010
William K. George	1963	2010	George Albert Hess	1973	2012
A. J. Gibson	2003	2010	Carlton A. Heyliger	1978	2010
Rickey Gillard	2007	2009	Ruth Hickman	1969	2009
Ponder W. Gilliland	1943	2009	Shigeru Higuchi	2007	2010
Richard A. Gilster Sr.	1945	2009	Charles Hill	1955	2011
Ray R. Glenn	1953	2012	Ronald A. Hill	1996	2012
Joseph E. Grace	1991	2013	Perry R. Hipple	1963	2013
Chad E. Grant	1953	2011	Donald Jeffrey Hitt	2002	2009
C. Paul Gray	1937	2012	William D. Hobbs	1966	2009
Merle P. Gray Sr.	1948	2010	Max E. Hodge	1978	2010
Robert L. Gray	1955	2009	Rose M. Hoffman	1953	2010
William M. Greathouse	1943	2011	Joe M. Holladay	1958	2011
Carl C. Green Sr.	1959	2009	Zane F. Holland	1964	2009
James B. Green	1953	2009	Earle T. Hollett	1967	2009
Kyle L. Greene	1964	2010	Reuben A. Holloway	1962	2012
Doreen M. Greenwood	1997	2010	Warren O. Holloway	1953	2010
Charles R. Grider	1963	2012	Harold M. Holmes	1955	2010
Edwin H. Griffin	1965	2011	James H. Holt	1990	2013
Marshall G. Griffith	1959	2012	James L. Honaker	1950	2012
Corbie N. Grimes	1950	2009	Harold W. Honea	1967	2010
Ruth M. Grimm	1949	2009	Joseph L. Hoopengardner	1959	2012

Bob F. Hoots	1955	2012	Johannes Khune	1996	2011
Bobby J. Hornbeck	1983	2012	Clarence M. Killion	1945	2009
William L. Horne	1981	2012	Roger A. Kincaid	1946	2009
Fred J. Horschel	1985	2011	V. Leo Kinnett	1968	2012
Paul L. Hoskins	1957	2012	Dennis Kiper	1954	2011
Leroy K. Hostutler	1967	2012	Jesse D. Klingaman	1980	2013
Harvey Howe	1957	2011	Robert F. Knighten	1958	2009
Walter M. Hubbard	1954	2009	Charles A. Kohr	1959	2010
Gerald E. Huff	1959	2011	Richard R. Kylo	1985	2010
James E. Huggins	1968	2011	Robert D. LaBay	1999	2011
Ralph L. Hughes	1973	2011	Merrill W. Ladd	1962	2012
Stella M. Hughes	1960	2009	Gene Lain	1960	2010
Alfred David Hurley	2006	2012	Charles L. Lambert Sr.	1985	2012
Virgil M. Hutcheson	1955	2010	J. Wilmer Lambert	1945	2012
William J. Idell	1972	2010	H. Leroy Land	1956	2011
Perefoti Ieremia	1999	2009	Norma J. Lane	1977	2011
Wilma J. Inghand	1957	2010	Benjamin "Benji" Langa	1958	2010
Manohar V. Ingle	1971	2013	Robert W. Latham	1960	2010
Donald Irwin	1947	2013	Everett E. Leadingham Jr.	1989	2010
Robert O. Jackson	1943	2010	Claude M. Ledbetter	1984	2010
Sidney E. Jackson	1951	2012	Duck Hee Lee	2008	2011
Bobby L. Janes	1970	2010	Elvin Leichty	1959	2011
Orlando R. Jantz	1963	2011	James E. Leitzman Sr.	1960	2010
Charles M. Jaques	1970	2010	Benjamin D. Lemaster	1950	2009
John R. Jarnagin	1954	2011	Rachel E. Lemont	1998	2013
Richard W. Jaymes	1953	2010	J. C. Leonard	1946	2012
John W. Jefferson	1997	2010	James R. Leonard	1959	2013
Larry J. Jeffries	1986	2011	Robert E. Lewis	1996	2011
Leon E. Jennings	1944	2010	Vern H. Lewis	1946	2009
Lester L. Jessee	1948	2010	J. Emory Lindsey	1951	2011
Doyle R. Jeter	1949	2009	Lowell H. Listenberger	1946	2011
Alexander S. Johnson	2007	2013	E. Paul Lloyd	1960	2011
B. Edgar Johnson	1943	2012	Fernando B. Lobusta	1981	2010
Garland T. Johnson	1953	2010	Thomas E. Lomasney	1993	2011
Melvin K. Johnson	1974	2010	J. Richard Lord Sr.	1972	2010
J. Reed Jones	1972	2009	Steven M. Lorensen	2005	2012
W. Vernon Jones	1954	2009	Betty L. Lund	1995	2010
Winey Jones Jr.	1982	2012	Albert L. Lundy	1959	2011
Richard L. Jordan	1974	2010	John W. Lundy	1946	2011
Alfred B. Kay	1962	2010	Donald Madden	1996	2013
W. John Kerr	1967	2012	Archie C. Madison	1947	2010
Myron J. Kersten	1952	2010	Dhanraj Mahabir	1973	2013
Zane B. Kesselring	1989	2013	Orville L. Maish Jr.	1945	2009
Edward A. Kessler	2006	2010	Willias Malomane	1983	2010
Benjamin Ketterling	1965	2011	Robert W. Manley	1951	2012
Herbert Ketterling	1954	2013	L. Thurl Mann	1961	2013

Walter C. Mann	1969	2009	Cecil W. Miller	1941	2010
W. Lee Mansveld	1962	2011	Charles S. Miller	1955	2011
Ralph R. Marchbanks	1982	2010	Paul S. Miller	1948	2010
Charles Marsolini	1999	2012	A. Wayne Mills	1961	2013
Donald T. Martin	1965	2011	Jesse Mills	1981	2011
Francisco J. Martinez	2007	2011	Kerry Mills	1978	2011
Donald R. Mason	1984	2011	Betty L. Miralles	1988	2010
Robert E. Mason	1992	2009	Clint H. Mitchell	1954	2012
Golda M. Masters	2004	2012	Jennifer Mitchell	2006	2009
Jose B. Mateo	2009	2010	Hilda P. Moen	1981	2009
Percida B. Mateo	1986	2011	William E. Money Sr.	1975	2012
E. Dwayne Matlock	1981	2009	David F. Monroe	1974	2009
Yoshihiro Matsuda	1973	2009	Fred M. Moon	1956	2011
Ralph H. Mattingly	1952	2010	James D. L. Moore	1959	2009
John E. Maybury	1949	2012	Maurice Moore	1959	2013
William E. Mays Jr.	2006	2011	Richard W. Moore	1994	2013
M. L. McCaskell	1952	2012	Ronald J. Moore	1979	2013
James R. McCaulla	1953	2012	Rosie M. Moore	1990	2011
Harold E. McClain	1936	2009	Rudolph Moore	1970	2010
Lee R. McCleery	1962	2010	Harold R. Morgan	1954	2009
Willard C. McComas	1990	2011	Alfredo N. Morla	1967	2010
David L. McCracken	1976	2010	Viola M. Morton	1977	2009
Milton L. McCreery	1955	2011	Udell G. Moss	1950	2011
William E. McCumber	1945	2010	Walter E. Mullen	1962	2012
B. Edwin McDonald	1963	2011	Arthur L. Mullis	1971	2011
A. E. McFarland	1952	2010	Byron S. Murphy	1958	2010
J. Thomas McKee	1946	2010	Sidney V. Murphy	1959	2010
Dallas A. McKellips Sr.	1953	2012	Changa Museya	2007	2012
Glenn B. McMillan	1987	2011	Jose A. Naranjo	1984	2010
R. Paul McMillan	1955	2012	Jack W. Nash	1957	2012
John P. McNew	1984	2013	Justin R. Nave	1971	2011
Ancil W. McQueen	1945	2011	Hendrick S. Ndziyane	1993	2010
Joseph M. McRaniels	1972	2009	Kenneth E. Neiderhiser	1958	2013
Ellis C. McRoberts	1966	2011	Dorothy L. Nelson	1979	2010
Douglas L. McVay	1972	2013	Elmer O. Nelson	1954	2010
John M. McVey	1956	2009	Oren A. Nelson	1964	2010
G. Stuart McWhirter	1958	2012	William Nelson	1979	2011
William L. Medley	1975	2010	W. Donald Nelson Jr.	1979	2011
James D. Mellish	1963	2010	Paul R. Nesmith	1949	2012
John W. Mellish	1959	2010	Jaakko Heinonen Ngwena	2000	2010
William S. Mercer	1969	2011	Robert J. Nichols	1959	2009
Kenneth T. Meredith	1951	2011	Roy Nickels	1959	2009
Paul A. Merki	1957	2012	John S. Nofle Jr.	1954	2011
Ronald L. Meyers	1960	2012	Claude L. Northcutt	1950	2010
Jesse A. Middendorf	1941	2009	Lillian O. Northcutt	1960	2012
Dan D. Miles	1979	2013	Lino Nuu	1984	2011

Charles E. Oakes	1952	2010	Hugh Rae	1949	2009
Adelaida C. Ochoco	1994	2012	Jerry M. Ragsdale	1987	2011
Boi Ol	2004	2010	Mary K. Raker	1958	2009
Hayes Oliver	1952	2010	James N. Ralph	1959	2013
Ernest W. Owens	1994	2009	Mary L. Ramey	1950	2013
Larry J. Owens	1988	2009	John J. Ramsey	1952	2010
Delmar R. Paine	2008	2009	Herbert A. Ratcliff	1950	2009
Wendell O. Paris	1953	2010	Harold C. Ray	1965	2010
Harold Russell Parker	1984	2012	John W. Ream	1987	2011
J. Fred Parker	1942	2010	Thomas E. Ream Sr.	1945	2010
Orville Denny Parnell	1940	2010	Millard C. Reed	1958	2012
Tilden O. Parsons	1957	2012	G. Ray Reglin	1962	2012
Chester F. Pasko	1952	2009	Pierce Douglas Reid Sr.	2004	2010
David L. Patten	1943	2010	Holland D. Reidel	1960	2012
J. Herschell Patterson	1950	2013	Wallace R. Renegar	1960	2012
Albert J. Payne	1959	2011	Juanito B. Repollo	1979	2010
Donald V. Peal	1958	2010	Hubert N. Richardson	2002	2010
John T. Peng	1981	2010	Doyle N. Rider	1984	2010
Julio V. Perez	1974	2011	Paul W. Rines	1957	2012
Roberto Perez Sr.	2005	2012	Carol Anne Robb	2006	2010
O.K. Perkinson	1949	2009	John R. Roberts	1961	2012
Donald R. Peterman	1948	2012	Thomas Roberts	1995	2010
Wellington Peters	1960	2012	Bobby G. Robison	1960	2009
Leo Raymond Peurasaari	2007	2012	Ronald A. Rodes	1960	2011
Delanot Pierre	1972	2013	Lera W. Roedler	1937	2011
Chester Pike	1960	2010	Elmer L. Rogers	1960	2012
Jack C. Pischel	1956	2012	Bill Rohlmeier	1961	2012
Robert W. Pitts	1952	2012	Bruce L. Rolland	2008	2010
Kenneth K. Pollard	1953	2011	R. Leon Ross	1951	2009
Joseph Polmounter	1948	2009	Zelma F. Rothman	1945	2009
Vaimanino Pomele	1980	2010	T. Earl Rowan	1961	2013
Harold J. Ponsford	1946	2010	Baltazar Rubio Vica	1942	2009
Michael Porthen	1973	2012	James L. Runyan	1970	2011
E. Carl Powers	1949	2013	Charles J. Rushing	1959	2011
Charles M. Prescott	1974	2012	Peter Sakuwaha	2007	2012
D. Burdette Price	1989	2010	Reuben R. Saliente	1979	2010
William J. Prince	1957	2012	Abraham E. Santa	1979	2011
Pierre A. Prophete	1976	2011	Melquiades Santiesteban Sr.	1986	2012
Bernard A. Prosser	1966	2011	Ward M. Satterlee Sr.	1963	2010
H. Rowland Prouse	1951	2009	Donald S. Scarlett Jr.	1962	2013
Paul A. Pugh	1986	2012	Glenn W. Schafer	1946	2011
James C. Pults	1946	2010	Loren E. Schaffer	1950	2012
Robert R. Quanstrom	1953	2009	Jack Scharn	1957	2011
Harold V. Quantz	1963	2012	Donald L. Schell	2010	2013
Walter E. Quantz	1965	2012	Thomas W. Schofield	1947	2009
B. D. Radebaugh	1952	2010	Paul L. Schwada	1944	2011

LeRoy C. Schwanz	1949	2010	Kenneth E. Stephens	1965	2010
Charles M. Scott	1956	2011	Claudia L. Stevenson	1990	2012
Willis R. Scott Sr.	1957	2012	Gordon P. Stewardson	1996	2013
Charles Scrivner	1946	2012	Vernon E. Stimpert	1963	2013
Chester R. Seaney Jr.	1955	2013	Max Wilfred Stone	1961	2012
Herbert T. Sebree	1992	2013	Russell E. Stone	1994	2009
William A. Self	1955	2012	David W. Strack	1953	2010
Mauricio J. Sequeira	1998	2009	Wayne D. Strang	1975	2009
J. Ray Shadowens	1943	2012	Nozomi Sugitani	2011	2012
Russell E. Shalley	1947	2010	William C. Summers	1956	2013
Ronald M. Shaner	1967	2013	Josué Surián	1979	2013
Robert H. Sharp	1967	2012	Joseph R. Sutherland Sr.	1967	2011
Ruthellen L. Shelton	1952	2010	Robert H. Sutton	1940	2013
James O. Shepherd	1943	2009	John M. Sweeney	1973	2010
Dwight E. Shirey	1995	2012	C. Paul Taylor	1966	2012
William S. Shotts	1969	2012	Robert W. Taylor	1960	2010
Dale V. Sidle	1960	2012	R. Donald Teague	1966	2010
Charles Simmons	1995	2012	Rachel J. Techau	1943	2010
Benjamin Simms	1970	2012	Edmundo B. Tembe	1973	2013
Alvin C. Simpson	1963	2010	Jeffrey C. Therrien	1985	2010
Kumar Singh	1982	2012	John L. Theuret	1990	2012
James Singi	1984	2010	Hoyle C. Thomas	1942	2011
Emery J. Singletary	1953	2011	Robert E. Thomas	1981	2012
Kenneth T. Singleton	1960	2010	D. Ray Thompson	1995	2011
Boyd C. Skinner	1962	2011	Fred Thompson	1957	2009
B. Maxine Slothower	1956	2009	Ralph E. Thompson	1950	2009
Arthur L. Small Jr.	1979	2011	Terrence A. Thompson	1987	2013
Fred J. Smith	1955	2009	Carl D. Timpson	2009	2012
Gladys M. Smith	1965	2009	James D. Todd	1979	2010
Glenn C. Smith	1974	2010	B. Leroy Toews	1993	2011
Harry D. Smith	1955	2012	Harry E. Trask Jr.	1955	2012
Keith E. Smith	1956	2009	James H. Trimble	1960	2011
M. Eugene Smith	1968	2011	Paul J. Trissel	1971	2010
Melvin L. Smitley	1972	2010	Tim Trotman	1998	2009
Henry G. Snellgrove	1956	2010	Robert D. Troutman	1954	2011
Carson N. Snow Jr.	1958	2011	Ira L. True Jr.	1943	2009
Lee B. Sorenson	1973	2010	Lois M. True	1948	2010
Samuel Southerland	1961	2013	E. Duane Tulowitzky	1975	2010
James F. Southworth	1969	2013	Robert F. Turner	1964	2011
Danny A. Spears	1987	2012	Clair E. Umstead	1971	2013
Herman Spencer	1951	2010	Arthur T. Underwood	1968	2011
Lala L. Sports	1958	2011	Veda B. Underwood	1958	2010
Russell E. Spray	1954	2012	Wilma E. Utter	1945	2011
Beryl E. Spross	1946	2010	Bartolome Valdez	1964	2010
W. Earl Spurlock	1960	2010	Genaro Valencia De La Cruz	1987	2010
Samuel M. Stearman	1952	2009	Wilford N. Vanderpool	1942	2009

Glen L. VanDyne	1959	2013	Clinton J. Wickham	1959	2012
Jackie L. Vernier	1986	2012	Alfred C. Wickland	1955	2011
George Vilakazi	1996	2010	Michael G. Wiebe	1993	2013
Franklin A. Visser	1986	2013	Melvin L. Wilkinson	1954	2011
Warren E. Vore	1966	2012	Paul A. Willette	1981	2010
Clyde O. Waites	1967	2011	Robert F. Williams	1964	2009
A. Ed Waitley	2002	2011	Walter V. Williams Sr.	1962	2010
George E. Wall	1953	2012	Harold J. Willis	1945	2012
Gerald T. Walworth Sr.	1973	2012	Louis L. Wilson	1988	2011
Roger H. Ward	1947	2010	Roy E. Wilson	1959	2011
John R. Warland	1958	2012	R. Larry Winegarden	1986	2009
Robert W. Warnke Sr.	1988	2012	E. Keith Wiseman	1953	2012
Robert L. Wasson	1967	2009	Charles L. Witte Sr.	1984	2010
Frank W. Watkin	1946	2012	David L. Wofford	1960	2010
Thurman N. Watkins	1951	2012	Virgil C. Womack	1969	2010
Rodney C. Watson	1990	2009	Russell E. Woodbeck	1961	2011
Robert R. Weathers	1941	2009	Walter R. Woodbridge	1959	2011
Max A. Weaver	1991	2012	Robert H. Woods	1984	2010
Roger J. Wegner	1964	2012	Wendell W. Woods	1954	2011
Nellie M. Weiss	1999	2009	V. Douglas Wright	1989	2012
Frances M. Welch	1948	2011	Victor Wright	1975	2012
Howard F. Welches Jr.	1959	2012	William C. Wright	1975	2011
Robert L. Wells	1955	2012	Shigeo Yamashita	1991	2012
Harry R. Westfall Jr.	1952	2010	Chung J. Yang	1986	2012
Maurice H. Westmacott	1940	2010	Evard L. Yates	1960	2011
Lewis B. Whetstone	1958	2010	Tsuyako Yoda	1976	2011
Darlene A. White	1994	2012	Howard T. Young	1963	2012
James C. Whitener	1952	2011	Charlie L. Yourdon	1965	2011
Donald G. Whitlock	1983	2010	Hi Chun Yun	2003	2011

MISSIONARIES

(based on information received through 30April, 2013)

2009

Robert L. Gray, Peru, Colombia, 21 June

Roy Henck, Cape Verde, 16 September

Marjorie Merritts, Papua New Guinea, 2 August

Hilda Moen, India, 23 November

O.K. Perkinson, Argentina, Uruguay, Puerto Rico, 23 June

Herbert Ratcliff, Guyana, Trinidad, Puerto Rico, Mexico, Dominican Republic, Bermuda,
20 June

Thomas Schofield, Eurasia Regional Director, 25 May

Flora Wilson, Philippines, 11 October

2010

Ruth Blowers, Papua New Guinea, 14 August

Elizabeth Browning, Asia-Pacific and Caribbean Regions, 2 March
Maurice Clinger, Mexico, 4 August
Hilda Cox, India, 9 April
Harrison Davis, Japan, 24 December
Hubert Helling, Japan, 14 September
Juanita James, India, Puerto Rico, 25 December
Dorothy Nelson, Panama, Argentina, Dominican Republic, Paraguay, 15 May
Elmer Nelson, Panama, Argentina, Dominican Republic, Paraguay, 1 May
Harold Ray, Guatemala, Argentina, 15 March
Kenneth Singleton, South Africa, Mozambique, 17 November
Herman Spencer, Swaziland, 20 August
Virginia Stimer, Papua New Guinea, 19 April
Larry Wright, Zimbabwe, South Africa, 5 March

2011

Russell Brunt, Trinidad and Tobago, 24 April
Thelma Brunt, Trinidad and Tobago, 5 April
W. Howard Conrad, Cuba, Peru, Costa Rica, 3 March
Frances Courtney-Smith, South Africa, 12 August
Evelyn Guillermo, Guatemala, 1 October
Patricia Hall, Cuba, 11 February
Norma Miller, Swaziland, South Africa, Malawi, 26 June
William Moon, Swaziland, Mozambique, 20 December
Ellen Penn, Swaziland, South Africa, 24 July
Boyd Skinner, Chile, 24 May
Frances Vaughters, Guatemala, USA/Canada, 23 August
Wendell Woods, Japan, 19 March

2012

Betty Adkins, Bolivia, Chile, 12 February
Ina Ashley, Belize, St. Lucia, 2 January
Carolyn Brewer, Peru, Bolivia, Dominica, 13 August
Charlotte Gay, Cape Verde, 9 August
Marshall Griffith, Nicaragua, Costa Rica, Dominican Republic, 9 September
Leland Hagens, Malawi, 16 November
Ruth Perkinson, Argentina, Uruguay, 24 January
Donna Rench, Taiwan, Indonesia, 1 June
Charles Scrivner, USA/Native Americans, 21 October
Claudia Stevenson, South Africa, Swaziland, Nigeria, 2 August

2013 (January 1-April 30)

David Blachly, South Africa, Swaziland, 26 March
Jean Darling, India, 13 January
Leona Gollither, Peru, 2 March
Donald Scarlett, Jr., South Africa, 11 February

NOMINATIONS

Sunday, 23 June, 2013—Indiana Convention Center

Members present: Stan Reeder, Chair; Greg Mason, Secretary; David Busic, Nazarene Theological Seminary President; Harold Graves, Jr., Nazarene Bible College President; Mike Dennis; Wes Eby; Trevor Johnston; Stacy Schuster; Mark Patrick; Don Smith; David Anderson; and David Wilson, ex-officio.

1. We your Committee on Nominations, submit the following nominations to the General Assembly for the General Court of Appeals:

Dan Boone
John Denney
Mike Dennis
Trevor Johnston
David McKellips

John Seaman
Jeanne Serrao
Mervin Smith
Margaret Tyler
John Wilcox

2. We your Committee on Nominations, submit to the USA and Canada Regional Caucuses the following nominations for the Board of Trustees for Nazarene Theological Seminary:

	Clergy:	Lay:
Canada	Gary Bennett Claire McMillan	Brian Cambers Debra Snow
Central USA	Ed Heck Glen Gardner	Mary Margaret Reed Barry Huebner
East Central USA	Geoff Kunselman Chuck Sunberg	Wayne Penrod Barbara Tarantino
Eastern USA	David Sharpes Sam Vassal	Jan Weisen Merritt Mann
North Central USA	Jeren Rowel Brad Estep	Brad Moore Chad Cook
Northwest USA	Jeff Crosno Stan Reeder	Bob Helstrom Monte Chitwood
South Central USA	Rick Harvey David Downs	Howard Hendricks John Means
Southeast USA	Kevin Ulmet Eddie Estep	Gerald Skinner Julliette Carter

Southwest USA

Orlando Serrano
Scott Daniels

Art Shingler
Allen Brown

3. We your Committee on Nominations, submit to the USA Regional Caucus the following nominations for the Board of Trustees for Nazarene Bible College:

Central USA

Wayne Brown, DS
David Roland, DS
Lloyd Brock, Pastor
Lenny Wisheart, Pastor
Arlene Chenoweth, Lay
John Quinn Dickey, Lay

East Central USA

Stephen Ward, DS
Kevin Dennis, DS
Mark Fuller, Pastor
Riley Powell, Pastor
Homer McKnight, Lay
Carol Dockery, Lay

Eastern USA

Phil Fuller, DS
Bret Metcalfe, DS
Jerome Hancock, Pastor
Charles Tillman, Pastor
Brian Todd, Lay
Cindy Charles, Lay

North Central USA

Dan Cole, DS
Mark Bane, DS
Tom Shaw, Pastor
Jim Bond, Pastor
LeEtta Felter, Lay
Bonnie Perry, Lay

Northwest USA

David Ralph, DS
Bill Carr, DS
Shawn Siegfried, Pastor
Kevin Donley, Pastor
Ann Jetton, Lay
Jeremy Carr, Lay

South Central USA

Randy Berkner, DS
Greg Mason, DS
Ken Carney, Pastor
Jim Hill, Pastor
Peggy Stark Wilson, Lay
Keith Pardue, Lay

Southeast USA

Roy Rogers, DS
Ron McCormack, DS
Brett Rickey, Pastor
Chet Bush, Pastor
Donna Alder, Lay
Keith Dance, Lay

Southwest USA

John Nells, DS
Doug Pierce, DS
Kendall Franklin, Pastor
Dave West, Pastor
Jacquelin Frey, Lay
Saurabh Emmanuel, Lay

Respectfully Submitted,
STAN REEDER, Chairman
GREG MASON, Secretary

PLATTING

We recommend that the bar of the assembly be set to include:

Sections A , B, C, D, E , F, G, H, I, J, K, & L
seating chart and platform

Rows 1–10, as indicated on the

Specific seating requests have been accommodated according to the decisions of the Credentials Committee; for example, to facilitate simultaneous interpretation for two delegates, non-voting interpreters of their languages are seated with the appropriate delegations.

We have selected and assigned delegates to seats in Halls ABC in accordance with the Rules of Order. The seating assignment and a chart have been distributed to each delegate.

Row 11 includes non-voting delegates (superintendents of Phase 1 districts, field strategy coordinators).

Respectfully submitted,

DAVID P. WILSON
DIANE MILLER
JUDY VEIGL
SUSAN METCALF

REFERENCE

We, your Committee on Reference, having had the resolutions referred to us, have assigned them to the various committees of the General Assembly in accordance with our Rule of Order:

EUGENIO R. DUARTE
RANDY BERKNER
DEAN BLEVINS
STEVE BORGER
SCOTT DANIELS
STEVE EGIDIO
JERRY FRYE
BRUCE JOHNSON
JOE KNIGHT
JAMES KRAEMER
ROB McDONALD
LARRY McNUTT
KAFOA MUAROR
DAVID NIXON
JOSSIE OWENS
GARRY PATE
BUG PUGH
STAN RODES
DAVID ROLAND
TERRY ROWLAND
JOHN SEAMAN
LEE SKIDMORE
TERRY SOWDEN
WOODIE STEVENS
CARLA SUNBERG

DAVID WILSON

SPECIAL COMMISSIONS/COMMITTEES

COMMISSION ON THE NAZARENE FUTURE

SCRIPTURE STUDY COMMITTEE

**REPORT OF THE
COMMISSION ON THE NAZARENE FUTURE**

**to the
BOARD of GENERAL SUPERINTENDENTS**

**June 22-27, 2013
Indianapolis, Indiana, USA**

Commission on the Nazarene Future
Final Report
August 20, 2012

Part I: Introduction

This Commission was authorized by Special Resolution 757 (2009 General Assembly) and was appointed by the Board of General Superintendents.

The Commission was directed to study the future of the Church of the Nazarene from the vantage point of continued growth, new development and necessary systems. The Church of the Nazarene presently has 2 million members and 26,000 churches. As we consider the future, we could have 5 million members in 83,000 churches by 2030, with only 15% located in the USA or Canada. There could be an estimated 283 Phase 3 districts by the year 2030.

The study group was directed to carefully examine and make recommendations about Nazarene ecclesiology, polity, and missional strategy with a focus on the general superintendency. The commission reports directly to the Board of General Superintendents. General Superintendent J. K. Warrick stated, *“The Church of the Nazarene has a storied past, a dynamic present and hopeful future. It is our goal to be under the leadership of the Holy Spirit as the church enters its second century of sharing the gospel of Jesus Christ and spreading Scriptural holiness around the world. The commission is one way of helping bring clarity to the mission of making Christlike disciples in the Nations.”*

The composition of the Commission included the following:

Ermias Mekuria Choliye
Field Strategy Coordinator –
Horn of Africa

Gustavo Crocker
Regional Director – Eurasia

Edward H. Heck
Senior Pastor – First Church of the
Nazarene – Kankakee, Illinois – USA

J. David McClung, Chairman
Retired Executive/Attorney/Educator
Gig Harbor Washington – USA

Corlis A. McGee
President – Eastern Nazarene College
Wollaston Massachusetts – USA

Kenneth L. Mills, Secretary
District Superintendent – Mid-Atlantic USA

Rick D. Power
Senior Pastor – College Church of the
Nazarene – Olathe Kansas – USA

Christian Sarmiento
Regional Director – South America

J.K. Warrick
General Superintendent, GMC

Eugénio Duarte
General Superintendent, GMC

Ex Officio
John C. Bowling
Chair, BGS Thought Partners
President – Olivet Nazarene University
Bourbonnais Illinois USA

Louie E. Bustle/Verne Ward
Global Mission Director, GMC

David P. Wilson
General Secretary, GMC

Marilyn J. McCool
General Treasurer, GMC

Resource Personnel

Stan Ingersol—GMC
Rich Houseal—GMC
Dale Jones—GMC
Michael Thompson—GMC
Russ Bredholt

Administrative Assistants

Marolyn Miner—GMC
Judy Veigl--GMC

The Assignment of the Commission

Special Resolution 757 of the 2009 General Assembly stated: *RESOLVED that the 27th General Assembly of the Church of the Nazarene empower the Board of General Superintendents to conduct a study on the Nazarene Future focusing on our ecclesiology, polity, and missional strategy. Particular attention should be given to the role of the general superintendency. This study group is to reflect the rich diversity of our faith community around the world. The Board of General Superintendents will receive annual reports on the progress of this study and will report to the General Board in the year preceding the 28th General Assembly. The General Board will bring any necessary recommendations to said General Assembly for consideration and action.*

The scope of the Commission's study included the following as indicated by the "Work Plan" of the Commission:

Leadership and Structure

- Ecclesiology, polity, and missional strategy. Particular attention should be given to the role of the general superintendency. [SR-757]
- Evaluation and recommendations on structure, role, and number of members of the general superintendency; evaluate and make recommendations regarding leadership models for 21st century and beyond. [SR-756a]
- Election of General Superintendents and limiting term of service. [GA-303. GA-303a, GA-303b]
- Efficiency in organizational structure for the Church of the Nazarene. Specifically reviewing the role and place for districts, for each of the Nazarene educational institutions and for the auxiliaries. [SR-756] *Global Manual* (International Church Committee)
- To continue the work of the International Church Committee [ICC-5]
- To study and recommend the wording of amended *Manual* paragraph 208.1 [DA-218]
- To create a *Global Manual* [ICC-1, ICC-2, ICC-3]
- To redesign the entire global *Manual* holistically for clarity, simplification, elimination of redundancy, and size [ICC-4]
- To establish a *Global Manual* Advisory Council to coordinate the work required by the Global Ministry Center, regions, districts, churches, educational institutions, and others in regard to *Manual* contextualization and redesign [ICC-6].

Manual 400

Preface: This section of the *Manual* deals with the following: the Administrator, Educating for Ministers, and Ministry of the Clergy, the Deacon, and the Elder

- To study and recommend wording of / action on *Manual* 404 [MED-503]
- To study and recommend wording of / action on *Manual* 424 [MED-504]
- To study and recommend wording of / action on *Manual* 403, 428-428.4, 429, 429.1, 429.4 (new paragraph) [MED-509]

The Process of the Commission

The Commission began their process with an "administrative meeting" that included the Chair of the Board of General Superintendents (J.K. Warrick); Chair Elect of the Board of General Superintendents (Eugénio Duarte), Chairman of the Commission (David McClung), Secretary of the Commission (Kenneth Mills), General Secretary (David Wilson), General Treasurer (Marilyn McCool), Clergy Development Director (Dan Copp), along with David Felter, and Resource Personnel (Russ Bredholt, Dale Jones, Rich Houseal, Stan Ingersol), and administrative assistant (Marolyn Miner).

The administrative group was given an overview of the task of the Commission, including a presentation by the Board of General Superintendents describing the future challenges. Several additional topics were outlined including shifts in culture, giving more attention to the Global community, and changes impacting the Church at this time. One of the significant items on the "work plan" was working with the *Global Manual* Advisory Council (GMAC) commissioned to coordinate the work of redesigning (not editing) the existing *Manual*.

The goal of the GMAC is to redesign the *Manual* for simplicity of use, clarity and cultural appropriateness.

The Commission met twice a year in person as a whole, but used the intervening months as opportunity for online discussions among work groups within the Commission. The Commission sought and received additional resources, such as white papers from various scholars, and surveys with input by various groups in the church including, lay persons, clergy persons, educators, administrators, and theologians on various concerns, topics, and ideas.

Part II: The Work Product

1. What makes us who we are as Nazarenes?

One hundred two years after it was founded, the Church of the Nazarene has become a global church of more than 2,000,000 members, in over twenty four thousand local congregations in 156 world areas. God continues to use the Church of the Nazarene globally in evangelism, education, and compassionate ministries.

Using surveys and other means of input The Commission created a summary of the characteristics of the Church of the Nazarene that should be preserved. Included here are the nineteen basic characteristics.

- a) The Wesleyan - Holiness Heritage
- b) The Agreed Statement of Belief
- c) The Theology And Life Of Holiness With An Emphasis On Entire Sanctification
- d) The Plenary Inspiration of Holy Scripture
- e) The Core Values
- f) The Mission Statement to which the Church of the Nazarene is committed
- g) World Evangelism
- h) Compassionate Ministry
- i) Education
- j) Christian Nurture and Discipleship
- k) The Centrality of Scripture, Prayer, and Fasting
- l) Leadership Development
- m) Recognition of the Value of Every Person
- n) Children and Youth
- o) Connectionalism
- p) Being A Global Church
- q) Credentialing of God Called Clergy
- r) Administration of the Sacraments
- s) Funding the Mission

The Commission affirms that the growth of the Church of the Nazarene reflects the blessings of God and the faithfulness of God's people. The Church of the Nazarene approaches the future with an appreciation of the past; its core identity and a faith-filled confidence in the words of Christ who declared, "*I will build my Church.*"

2. Ecclesiology

The Commission realizing that our polity should flow from our ecclesiology, spent time listening to consultants and special resource persons concerning the nature and functions of our church. It is the Commission's understanding that "ecclesiology is *the theological understanding of the Church*: its purpose, nature, and mission; its sacraments and divine worship; and its

ministry. Ecclesiology is a theological task grounded in Scripture and informed by Christian tradition, the experience of God, and consecrated reason.”

Dan Copp (Global Clergy Development Director) was asked to work with a sub-committee of the Commission to draft an articulation of our ecclesiology, giving special attention to the ministry of all believers, the ordained ministry, the district superintendency, and the general superintendency in the Church of the Nazarene. This “working document” was received, edited, and approved by the Commission and referred to the Board of General Superintendents.

The Commission recommends that a statement regarding the articulation of our ecclesiology be placed in the *Manual* (Government/Preamble section).

3. Mission Strategy

The Commission gave special attention to the mission strategy of the denomination. A committee of the Commission along with Regional Directors and mission leaders across the denomination worked to draft a Mission Strategy document. To accomplish its mission, the Mission Strategy of the Church of the Nazarene will focus on the following priorities:

1. Mobilize local believers and congregations to continuously take personal responsibility for witnessing, evangelism, and disciple-making.
2. Prioritize teaching and preaching the doctrine and experience of holiness and entire sanctification. Local churches, theological institutions, educational providers, and boards of ministry must focus on this priority.
3. Intentionally develop lay and clergy missional leaders.
4. Focus on health and development of churches and districts as means for church planting, church multiplication, church renewal and church rebirth.
5. Refocus all structures of the denomination (local churches, districts, regions, GMC, educational institutions) from administrative assignments to missional facilitation, giving specific attention to reaching unreached segments of the mission field (cities, unreached groups, unchurched people).
6. Focus on full-life stewardship as means to maintain, strengthen, and enhance its strategic resourcing of the missionary strategy.
7. Integrate compassionate ministries into the life of every congregation and every believer.

In response to the current external and internal factors and to the already existing shifts in the current strategic paradigm, Nazarene Missions will necessitate to review, restate, and modify some of their strategy by addressing the following areas of change:

1. From “Addition to Multiplication.”
2. Focus on “Indigenous Churches.”
3. Creative Access Mission.
4. Focus on technology and virtual evangelism.
5. Developing a New Missiology: The Church in Mission.
6. Strategic Resource Reallocation.
7. Strategic partnerships through congregational missions.
8. The role of the Missionary.
9. From Centralized to Connected Global Sending.
10. A redefined role of Regions, Fields, the GMC, and their officers.

2. Polity, Governance, and Structure

A. General Superintendents

Understanding that one of the major responsibilities of the Commission was to study the general superintendency, they were directed by this basic premise: *The role of the General Superintendent is to provide apostolic and visionary spiritual leadership by:*

- *articulating mission*
- *vision casting*
- *ordaining clergy*
- *propagating theological coherency*
- *providing general administrative oversight for the global church*

Based on this premise, the following recommendations were adopted by the Commission:

1. Create a position of Executive Administrator for the Board of General Superintendents, with duties to include:
 - administration of the office of the BGS and liaison to GMC
 - communication
 - strategic issues
 - political/legislative issues
 - follow-up on BGS agenda
2. The administrative duties of BGS should be limited to those outlined in *Manual* 307-307.14; 315-324.
3. Develop a more efficient USA/Canada role for General Superintendents, who need not preside every year at Phase 3 District assemblies. Districts may join together for assembly business and for ordination rallies. Emphasis for General Superintendents should shift from presiding to preaching, teaching and building relationships with Nazarene leaders worldwide.
4. Move toward a longer-term presence of General Superintendent on the non-North American region of jurisdiction. (Consider setting longer-term schedules for Global Mission Regions in consultation with Global Mission Director and Regional Directors)

It was the judgment of the Commission that the number of General Superintendents should remain constant until the accompanying recommendations are implemented. The number of Superintendents should be re-evaluated by mid-2013-2017/2018 by the Board of General Superintendents.

B. General Board and General Superintendents

The Commission proposes the following *Manual* changes as pertaining to the General Church, the General Superintendents, and the General Board:

1. The Commission recommends the revision of *Manual* paragraph 317.3 (plus 317.1), and a reordering of the following paragraphs:
 - 317.1. To provide supervision [of] to the [global] general Church of the Nazarene as delegated by the General Assembly. The Board of General Superintendents shall provide appropriate attention to leadership, guidance, motivation, and access to all [Phase 3 districts.] entities of the Church.
 - 317.2. (adapted 317.3) To [have supervision of all general boards and the committees of the General Board. The policies and plans adopted by the board or committee require the approval of the Board of General Superintendents. The Board of General Superintendents shall have the privilege of making to the General Board and to the committees thereof such recommendations as they shall deem advisable. They shall approve or disapprove all nominations made by the Global Mission Committee to the General Board of the Church

of the Nazarene for appointment as missionaries.] coordinate with the General Board the development and approval of policies and plans adopted by the General Board or committees. The Board of General Superintendents shall have the privilege of making to the General Board and to the committees thereof such recommendations as they deem advisable.

317.3. (formerly 317.2 – no change in text) To recommend, in consultation with the director of the Global Mission office, and the respective national administrative directors and/or regional directors, changes in the assignment of the geographical areas subject to the approval of the Board of General Superintendents and the General Board.

New: 317.4. To approve or disapprove all nominations made by the Global Mission Committee to the General Board of the Church of the Nazarene for appointment as missionaries.

Subsequent paragraphs change numbers old 317.4 becomes 317.5 etc.

2. The Commission recommends that the General Board membership continue as a representative model but to be more effective in its purpose as well as changing the size of the membership to 27 (4 from each region; treating the USA/Canada as one region, plus one educational representative, one NYI representative, and one NMI representative); to be implemented in 2017/2018.
3. The Commission recommends *Manual* paragraph 332.3 be amended to read “2 nominated (one minister and one lay) and one to be elected by the General Assembly.” (RE: IBOE and General Board representation)

C. General Assembly

1. The Commission recommends that the General Assembly be held every five years.
2. The Commission recommends that in regard to the composition of the General Assembly that we set a threshold of 4,000 members as a standard of representation.

Number of Full Members	Number of Delegates
0 - 4,000	2 (1 lay, 1 ministerial)
4,001 - 11,000	4 (2 lay, 2 ministerial)
11,001 - 18,000	6 (3 lay, 3 ministerial)
18,001 - 25,000	8 (4 lay, 4 ministerial)
25,001 - 32,000	10 (5 lay, 5 ministerial)
(2 additional delegates for each 7,000 or part thereof)	

This Recommendation is to take effect for the 2017/2018 General Assembly

3. The Commission recommends that 50% (rounded up) of the IBOE regional educational presidents would serve as GA Delegates, allowing the other 50% to serve as non-voting members. Drop the multiregional classification in paragraph 301.
4. The Commission recommends that the General Assembly Resolutions that do not obtain one-third or more support from the Legislative Committee will not go to the floor of the Assembly, effective General Assembly 2013.
5. The Commission recommends that paragraph 301 be edited as follows: [the general secretary; the general treasurer; the editor of *Holiness Today*; the directors of the several departments, ministries, and services of the General Board; the education commissioner; the regional directors; the national director of the Church of the Nazarene, Canada;] *to be replaced with* the Global Nazarene Missions International president; the Global Nazarene Youth International and the GMC Officers and Directors who report to the Plenary of the

General Board.

6. The Commission recommends paragraph 301 be amended to read: one missionary per region elected by the respective RAC.
7. The Commission recommends adding a new paragraph 301.1: The Board of General Superintendents in consultation with the Executive Committee of the General Board is authorized due to extenuating circumstances to select a simultaneous site (sites) for the General Assembly.
8. The Commission recommends that the General Assembly Delegates be briefed by the General Superintendents on the vision for the future before the committees meet and start their deliberations.

D. General Governance

1. The Commission recommends retaining three legislative levels in the structure of the church: local, district, general (global). The regions will continue as administrative entities for mission strategy and implementation.

Part III: The Global *Manual*

The Commission reviewed the recommendation from the ICC regarding a Global *Manual* and is recommending that the *Manual* be divided into (a) a Global *Manual*, and (b) a Regional Handbook. The Global *Manual* would contain those items and guidelines that refer to the entire Global Church of the Nazarene. The Regional Handbook would contain those items and guidelines that are contextual to a particular region (i.e. USA/Canada or Eurasia, etc.). Providing for this adaptation would involve a editing or rewriting of certain portions of the current *Manual* in order to allow for the seamless transition to the Global *Manual* and the Regional Handbook.

The work done by the Commission has now been delivered to the *Manual* Editing Committee with the anticipation that additional input will be sought from individuals selected by the General Secretary. After reviewing all input, including additional input from members of the Commission, the *Manual* Editing Committee will submit a revised draft to the Board of General Superintendents for approval.

The Commission recommends that resolutions going to the General Assembly in 2013 be based on the current *Manual*, and that the *Global Manual* and *Regional Handbook* recommended by the Board of General Superintendents be considered separately with the understanding that the *Manual* Editing Committee will merge documents. Once the Board of General Superintendents approves the work of the *Manual* Editing Committee the church will have a *Manual* and one *Regional Handbook*. The same *Regional Handbook* will be used by all regions until the next General Assembly when each region will be able to make amendments for its region.

Part IV: Action Needed to Implement Recommendations

The resolution which authorized this Commission provided that the Commission recommendations be submitted to the Board of General Superintendents, who will provide a report to the General Board. Implementing legislation, if needed, will be submitted to the General Assembly in 2013 by the General Board.

Part V: Summary of Recommendations:

1. That the list of 19 characteristics that make us “Nazarene” should be used by the Board of General Superintendents as it determines best.
2. That the statement of Ecclesiology approved by the Commission be used by the Board of General Superintendents as it determines best, and that the condensed version be included in the *Manual*.
3. That the recommended statement of Mission Strategy be used by the Board of General Superintendents as it determines best.
4. That the Board of General Superintendents creates a new job position with appropriate authority to enable General Superintendents to spend more time providing apostolic leadership and less time on administrative duties.
5. That the Board of General Superintendents limits its administrative duties to those specifically listed in the *Manual*.
6. That the Board of General Superintendents shifts its emphasis in the USA/Canada Region from presiding over district assemblies to preaching, teaching and building relationships with Nazarene leaders. This shift in emphasis should mean that general superintendents are not expected to preside over every district assembly.
7. That the Board of General Superintendents seeks to increase its presence in the church outside of USA/Canada beyond presiding over district assemblies.
8. That the number of general superintendents remains at 6.
9. That *Manual* 317.1 be amended to clarify that the Board of General Superintendents supervises all entities of the church.
10. That *Manual* 317.2 be amended to make it clear that the General Board has authority over matters of policy and plans, but is required to consider all recommendations of the Board of General Superintendents.
11. That the size of the General Board be reduced to 27 following the next General Assembly after 2013.
12. That General Assemblies be held every five years.
13. That the composition of General Assemblies after 2013 be changed to prevent the number of voting delegates from becoming too many to be effective.
14. That the rules for the 2013 and future General Assemblies be changed so that resolutions which do not receive 1/3 of votes in committee will die in the committee (i.e., not be brought to the full General Assembly).
15. That the Board of General Superintendents be authorized to determine that delegates may simultaneously participate in the business of the General Assembly from more than one location.
16. That General Assembly Delegates be briefed by the General Superintendents concerning the vision for the future before the work of the committees start.
17. That the *Manual* Editing Committee be authorized to continue the process of producing a draft of a *Manual* and Handbook as envisioned by the 2009 General Assembly, and that the Board of General Superintendents approve a draft to be submitted to the 2013 General Assembly.

Part VI. Conclusion

It has been a fulfilling experience working for the Lord and for the Church of the Nazarene. We believe it has been helpful to examine the future of the Church of the Nazarene from an ecclesiological perspective.

Respectfully Submitted,
Commission on the Nazarene Future
J. David McClung, *Chairperson* Kenneth L. Mills, *Secretary*

REPORT OF THE

SCRIPTURE STUDY COMMITTEE

TO THE

TWENTY-EIGHTH GENERAL ASSEMBLY

of the

CHURCH OF THE NAZARENE

June 19-28, 2013

Indianapolis, Indiana, USA

Scripture Study Committee

MEMBERSHIP OF THE COMMITTEE

Gary Bennett, Stephen Dillman, Bradley Estep, Thomas King (chair), Joseph Knight, Melvin McCullough, Jesse C. Middendorf, Thomas Noble, Christian Sarmiento, Arthur Snijders, Alexander Varughese (secretary), and David Wilson; with valuable assistance from Stan Ingersol and Shirley Marvin.

OVERVIEW

The Board of General Superintendents assigned the Scripture Study Committee (SSC) with the task of reflecting upon a total of three resolutions from the 2009 General Assembly, and making appropriate recommendations for action by the 2013 General Assembly. The following report begins with the committee's response to resolution JUD-805 regarding Article IV (The Holy Scriptures) of the Articles of Faith. This is followed by the committee's response to Resolution JUD-802 and Resolution JUD-816 both regarding Article VI. Atonement, of the Articles of Faith. The report culminates with a resolution from the Scripture Study Committee regarding the referral of future resolutions addressing the Articles of Faith.

I. RESPONSE TO THE 2009 GENERAL ASSEMBLY RESOLUTION JUD-805, REGARDING ARTICLE IV (THE HOLY SCRIPTURES)

JUD-805: regarding Article IV. The Holy Scriptures; to remove the phrase "inerrantly revealing the will of God concerning us in all things necessary to our salvation," and replace it with the phrase, "inerrant throughout, and the supreme authority on everything the Scriptures teach."

RECOMMENDATION

Reject Resolution JUD-805 which seeks to alter the wording of Article IV. The Holy Scriptures. This committee recommends leaving this Article of Faith as it currently stands.

RATIONALE

The proposals at the 2009 General Assembly to amend Article IV of the Nazarene Articles of Faith in order to assert the complete inerrancy of Scripture clearly come from a concern that the Bible be given its rightful place in our life and theology. Having been asked to evaluate these proposals, the committee begins by expressing our appreciation for this concern and wish to make clear our solidarity with all those who have a high view of the place of the Bible in the life of the Church and of each Christian. John Wesley declared himself to be *homo unius libri*, 'a man of one book,' and described the Methodists as 'Bible-Christians' determined to preach 'plain, old Bible-Christianity.'² So we join with all those who assert and maintain the authority of the Bible for the Christian faith and practice, doctrine and ethics. Article IV, like all the other articles is an article of faith and so is part of our faith. In the light of that, and in that spirit, we offer this report.

1. THE STRENGTH OF ARTICLE IV

We wish to begin by drawing attention to the strength of the present Article IV as a declaration of our commitment to the authority of the Bible.

² Preface to Sermons, *Works* [BE], Vol. 1, page 105; and 'Short History of Methodism,' *Works* [BE], Vol. 9, page 369.

(a) Plenary, divine inspiration

First, the article clearly states the inspiration of Holy Scripture as ‘divine’ and ‘plenary’: that means that the *whole* Bible is inspired and that it is inspired, not just in the sense that a work of art may be said to be ‘inspired’, but by God. To say that the Bible *as a whole* is inspired is to say that we cannot take texts out of context and quote them arbitrarily as ‘the word of God.’ We have to understand biblical theology as a whole. Nor do we believe that divine inspiration cancels out the human authorship. Each book has a distinct style, vocabulary, and idiom reflecting the quite different human authors and contexts, whether of Jeremiah and Ezekiel, Luke, Paul, or even writers unknown. We do not believe in a mechanical idea of inspiration in which their minds were blotted out and they became mere puppets. Rather their mental powers were heightened and their free wills guided by the subtle and sensitive Spirit of God. Whether they were gathering information to write a narrative, or editing what had previously been written, or were putting into writing speech directly inspired by the Holy Spirit, the result was a collection of documents fit for the purpose of revealing God’s will and way, God’s acts, and supremely God’s revelation in his Incarnate Son. We agree therefore with the Cape Town Commitment of the Third Lausanne Congress when they say in their confession of faith:

We receive the whole Bible as the Word of God, inspired by God’s Spirit, spoken and written through human authors. We submit to it as supremely and uniquely authoritative, governing our belief and behavior. We testify to the power of God’s Word to accomplish his purpose of salvation. We affirm that the whole Bible is the final written word of God, not surpassed by any further revelation, but we also rejoice that the Holy Spirit illumines the minds of God’s people so that the Bible continues to speak God’s truth in fresh ways to people in every culture.³

We strongly endorse the emphasis in this Cape Town Commitment that we love God’s Word because we love God, love his world, love the gospel, love the people of God, and love the mission of God.

(b) Inerrantly revealing the will of God

Secondly, Article IV clearly states that the Holy Scriptures reveal the will of God *inerrantly*. That means that what Holy Scripture tells us about God and his saving acts and purpose cannot be set aside by any merely human philosophy, metaphysics, or ethics. Human reason and culture are all fallen and therefore suspect when it comes to discerning the will of God, but we each may trust the word of God given to us in Holy Scripture as ‘a lamp to my feet and a light to my path’ (Psalm 119:105). Human reason and experience may guide us in many things, but when it comes to the things of God (which shapes all of life), they must bow to what he has revealed to us in the inspired Scriptures. This belief is what is usually known as the ‘infallibility’ of Scripture, that it ‘inerrantly reveals the will of God in all things necessary to salvation’ as distinct from absolute ‘inerrancy’ in every factual detail. This implies that, while the Holy Spirit guides us as we listen for the voice of God speaking to us through Scripture, no claims to private revelations of the truth of God which are additional to Scripture are acceptable.

³ *The Cape Town Commitment: A Confession of Faith and a Call to Action* (The Lausanne Movement, 2011).

This does not imply however that we are infallible in our interpretation of the Bible. Some Christians think that they are merely stating what the Bible says, but that is naïve. Whether we like it or not, every Christian is actually engaged in *interpreting* the Bible. Accordingly, we must interpret each word in its sentence, each sentence in its paragraph, each paragraph within the argument of the book as a whole, and each biblical book within the Scriptures as a whole. We interpret the New Testament against the background of the Old Testament, and the Old Testament in the light of the New Testament and particularly as progressive revelation leads up to the final revelation of God in Jesus Christ. We follow the guidance of the ancient creeds of the Church as we interpret the Scriptures together. All of this calls not only for careful scholarship, but also for dependence on the Holy Spirit. We expect all preachers and teachers particularly to be committed to the interpretation of the Scriptures given in the ancient creeds and the Articles of Faith, but on other matters we affirm freedom of interpretation provided it is in a spirit of loyalty to the Church. As we interpret Scripture together within the fellowship of the Church, we look to the Holy Spirit to guide us in the future into ‘the will of God, what is good and acceptable and perfect’ (Romans 12:2).

(c) All things necessary to our salvation

Thirdly, that brings us to the point that Article IV makes clear the purpose of Holy Scripture: that it reveals the will of God “...in all things necessary to our salvation...” John Wesley was very clear that the purpose of being a person ‘of one book’ was to find ‘the way to heaven.’ The Bible is not to be treated as an almanac or a magic book or a text book of history or science. Its truth is expressed in the thought forms of the ancient world, in their culture, context, geography, cosmology, and language. But on the other hand, God’s action in the *history* of Israel and supremely in the life, death and resurrection of the Lord Jesus Christ *was* ‘necessary to our salvation.’ Accordingly, it is part of our faith that the Bible is the God-given account of God’s action in space-time history and therefore an integral part of God’s revelation in history and uniquely in the Lord Jesus Christ. And while science progresses by studying ‘the book of nature’ rather than by biblical study, nonetheless modern science arose in a Christian culture out of Christian convictions, and ultimately we believe that everything we know through science will be seen to be more than compatible with all that has been revealed to us through Holy Scripture.

Faith in the word of the gospel of salvation also implies obedience to the law of God. To live intentionally violating the law of God as interpreted by Jesus and the apostles is the antinomian denial of the faith. Christian ethics are formulated as the Church interprets Holy Scripture guided by the Holy Spirit and taking note of the wisdom of the Church through the ages.

(d) What is not from Holy Scripture cannot be a doctrine of the Church

Fourthly, the final compound clause of Article IV is perhaps the strongest of all. Its wording derives (via Wesley’s Twenty-five Articles) from Article VI of the Thirty-nine Articles of the Church of England:

Holy Scripture containeth all things necessary to salvation; so that whatsoever is not read therein, nor may be proved thereby, is not to be required

of any man [*sic*], that it should be believed as an article of the faith, or be thought requisite necessary to salvation.

This asserts one of the cardinal principles of the Reformation, the *sola scriptura*, that Holy Scripture is the only source of Christian doctrine. It says that only what is read in Scripture or proved from Scripture is to be required as an article of faith or is necessary to salvation. Of course, as Wesleyans we know (as do the other major theological traditions in the one Church) that Scripture has to be interpreted. We interpret Scripture, guided by the *traditions* of the Church, in the light of our *experience* as the people of God, and using sanctified *reason*. But according to this sentence none of these can be *in itself* the source or basis for Christian doctrine, and as we look at the other Nazarene Articles of Faith, we see that this is in fact true. They are all derived from Scripture. Christian tradition helps us today to interpret Scripture, and human reason and experience are engaged in this interpretation and in articulating our doctrines. Reason and experience have shaped the way these Articles of Faith were formed and they still shape the way we express our doctrines and they may even corroborate them. But every doctrine we profess together as a denomination in our Articles of Faith is in fact based upon and derived from Holy Scripture.

Such is the strength of Article IV therefore, that as a committee we believe that when it is fully understood, it is a good and sufficient guard against any theology that departs from Holy Scripture. Its strength and clarity needs to be understood and appreciated by all who preach in Nazarene pulpits and teach in Nazarene colleges/universities. The committee therefore believes that it is not only unnecessary, but that it would be untrue to the Wesleyan tradition, incompatible with Wesleyan theology, and unwarranted by the Scriptures themselves, to add any assertion that the Scriptures are ‘inerrant throughout’ not only in revealing the will of God for our salvation, but in determining the truth of any statement whatsoever. That would be to turn the Bible from the saving word of God into an almanac or encyclopedia. To say that the Scriptures are ‘the supreme authority on everything the Scriptures teach’ merely raises the question of what exactly the Scriptures teach, and there are numerous unsettled disputes among Christians (and even among Nazarenes) about that. To assert the complete detailed factual literal accuracy of every part of Scripture (‘inerrant throughout’) raises more problems than it solves and diverts people into unnecessary, distracting and futile disputes.

To support this conclusion, we need to expand on this key-note paragraph. We need to understand where this demand for complete detailed ‘inerrancy’ comes from, why it is unnecessary and misleading, and what the view of Nazarene theologians has been.

2. THE CALVINIST ORIGIN OF THE ASSERTION OF DETAILED INERRANCY

The debate over ‘inerrancy’ has been particularly strong in North America over the last few decades, sparked off in 1974 by the book written by Harold Lindell, *The Battle for the Bible*, and at first it might appear that the assertion of this kind of inerrancy is commendable. However, it is necessary to understand that this assertion of the complete inerrancy of Scripture in every detail (‘inerrancy throughout’) comes out of one particular Calvinist tradition. It is part of a particular Calvinist theological method, and it cannot be understood apart from its place in the rationalism which too often characterizes that theology. The Calvinist theologians who

taught at Princeton in the nineteenth and early twentieth centuries, Charles Hodge (1797-1878) and B. B. Warfield (1851-1921), inherited this assertion from previous Calvinists such as the Swiss-Italian theologian, Francis Turretin (1623-1687), and it comes directly from their Calvinist concerns. In their battle with the Roman Catholics, the Calvinist theologians of the century after John Calvin held to the authority of the Bible in order to oppose the authority of the pope and the cardinals. Their apologetic strategy prompted them to assert the authority of the Bible as a basis for faith in Christ rather than as something which was implied by faith in Christ. Their method became to establish first the truth and authority of the Bible, and then build faith in Christ on that. Intellectual persuasion and apologetics therefore came first. Some Lutherans departed from Martin Luther by taking a similar position. Accordingly many of the Reformed Confessions in the post-Reformation period began with the Article of Faith on the Bible. It was in that context that they began to assert the inerrancy of the Bible. In keeping with their deductive method in theology, they argued that since God was perfect, and since the Bible came from him, the Bible must be 'perfect' in the sense of being without any error in the smallest detail. It was a presupposition they brought to the Bible rather than a conclusion from the study of the biblical text itself. Not all Calvinists took this position. The Dutch and Scottish Calvinist traditions (Hermann Bavinck, Abraham Kuyper, and James Orr) are different and closer to John Calvin and the Reformers. The insistence on inerrancy was particularly strong among American Calvinists, perhaps helping to explain why Fundamentalism is a predominantly American phenomenon.

The continental Reformers themselves, John Calvin, Martin Luther, Ulrich Zwingli and the others, made no such claim, and no such claim is made in Article VI of the Thirty-nine Articles of the Church of England. This was a new claim in the post-Reformation period. For the Reformers themselves, it was faith in Christ which led to trust in the Bible. Martin Luther first proclaimed justification by faith (*sola fide*) and it was only when he realized that the pope rejected this that he saw the necessity that the Church be subject to the Bible (*sola scriptura*). For these later theologians in the Calvinist tradition, faith in the inerrancy of the Bible became the foundation for faith in Christ. It was from this Calvinist tradition, passed on through the nineteenth-century Calvinist theologians at Princeton, that the Fundamentalists of the 1920s took their belief in the total, detailed inerrancy of Scripture. Harold Lindsell tried to hold all evangelical Christians to this particular Calvinist belief in the 1970s and seriously divided evangelical Christianity, at least in the United States if not elsewhere. This whole development with its concern with detailed inerrant facts, demonstrates how much the Calvinist tradition was shaped by rationalistic modernity.

Wesleyans are truer to the original Reformation. We know that we are not brought to faith by having the inerrancy of the Bible proved to us, but that our faith in Christ is what leads us to trust his messengers, the prophets and apostles, and all who wrote the Holy Scriptures. It is *not* that we are committed as a denomination to the opposite view that the Scriptures are *unreliable* or that they are historically *untrustworthy*. No: we are committed to the belief that the Scriptures give us a *sufficiently* accurate account of God's action in the history of Israel and particularly in the birth, life, death, and bodily resurrection of the Lord. It is rather that we do not think that highlighting the issue of *detailed* factual inerrancy is helpful or necessary to insisting on the full authority and trustworthiness of Holy Scripture. Article VI of the Thirty-nine Articles of the Church of England is therefore entitled, 'Of the Sufficiency of Holy

Scripture’, and this concept of ‘sufficiency’ also appears in the title of Article Five of the Twenty-five Articles John Wesley gave to American Methodism.⁴

3. WHY THIS CALVINIST BELIEF IS THE WRONG WAY TO ASSERT THE AUTHORITY OF SCRIPTURE

There are two severe disadvantages in asserting the authority of Scripture by claiming the detailed factual inerrancy of Scripture instead of its ‘sufficiency.’ First, the concept of ‘error’ is not a helpful one since it is impossible to define what constitutes an ‘error.’ The word seems to imply the need for absolute accuracy, but what degree of accuracy is appropriate? Do we insist on the kind of accuracy of modern scientific language which is foreign to all ancient literature? Are round figures acceptable? Must every narrative observe strict chronological accuracy? Are metaphors and parables disallowed? Are we going to insist that the stories Jesus told must be factually accurate? Even if we accept that the Scriptures are full of metaphor and parable and other figures of speech, are we going to decree where everyone must draw the line—what is literal fact and what is metaphor and parable, poetry and vision? The concept of ‘error’ is an *absolutist* word applied to something which is necessarily a matter of *degree*, and it is consequently a nightmare since it leads us straight into frankly silly and futile questions. That is the second point here: this misguided concept of detailed ‘inerrancy’ diverts attention to unprofitable debates about unimportant details. Was it Abiathar or Abimelech who was high priest when David ate the showbread? Were there two angels at the tomb, or was there only one? Were there several women at the tomb on Easter morning or was there only one? Did Judas hang himself or did he die some other way? There are innumerable debates on points which have no bearing on the truth of the gospel and which are a waste of time. Because we are dealing with ancient literature, we frequently do not have enough information to determine whether an apparent contradiction is truly a contradiction or not. To assert complete inerrancy therefore is to be diverted into petty and unprofitable arguments like those at Ephesus who debated ‘myths and genealogies which promote vain speculations’ and had ‘wandered away into vain discussion’ (1 Timothy 1:4-6).

What persuades us of the truth of Scripture is that when it is preached in the power of the Spirit we come face to face with the Lord. We not only know ‘that he died for our sins according to the Scriptures, that he was buried, that he was raised on the third day according to the Scriptures, that he appeared to Cephas, then to the twelve’ (1 Corinthians 15:3-5). Paul gives us these as the central facts of the gospel, and we believe that there is no good reason to doubt their historicity. But it is not merely a matter of being given accurate facts. It is rather that through this narrative, we come to meet and know and trust and place our faith in the Risen Lord himself. That is how the narrative of the gospel carries conviction when we evangelize—not by persuading the seeker that we can determine accurately how many angels were at the tomb. The authority of Scripture is validated by the Holy Spirit as we tell ‘the old, old story.’

We respect our brothers and sisters who love Scripture and want to defend its authority, but as Wesleyans it is our conviction that trying to do so in this Calvinist way is the wrong way to do it.

4. THE UNITED VIEW OF NAZARENE THEOLOGIANS

⁴ For the importance of this concept of ‘sufficiency’ for salvation, see Paul Merritt Bassett, ‘The Theological Identity of the North American Holiness Movement: Its Understanding of the Nature and Role of the Bible,’ *Varieties of American Evangelicalism* (Knoxville, TN, 1991), pages 72-108, especially pages 76-79.

It is true that at the height of the Fundamentalist-Modernist battle in the 1920s, Nazarene leaders expressed their solidarity with the Fundamentalists. Given the alternative, a Modernist/Liberal theology in which (as H. Richard Niebuhr put it), ‘A God without wrath brought men without sin into a kingdom without judgment through the ministrations of a Christ without a cross,’ that is hardly surprising! But the denomination’s premier theologian, H. Orton Wiley, had a deeper understanding of the issues.⁵ Wesleyans were committed to asserting the authority of the Bible against Modernism, but not in the simplistic way in which Fundamentalists tried to do it. Paul M. Bassett writes that, following in the tradition of the Wesleyan theologians, Richard Watson, W. B. Pope and John Miley, “Wiley clearly enters the lists against American theological liberalism on the one hand and against fundamentalism on the other.”⁶ In his *Christian Theology*, he criticizes the Protestant scholastics in the century after the Reformation in that they began “to substitute the written Word for Christ the Living Word.” In the context in which he was writing, it is clear (as Paul Bassett argues) that H. Orton Wiley was also criticizing the Fundamentalists of his day who had inherited their view of the Bible’s detailed inerrancy from scholastic Calvinism.⁷ He goes so far as to warn against three ‘worthy monarchs’ to whom we can mistakenly give a false position in place of Christ, the Living Word: the church, the Bible, and reason. There is good reason to conclude that it was H. Orton Wiley who drafted Article IV at the 1928 General Assembly, which is good reason in itself why Article IV should not be amended.

Timothy L. Smith, in a letter to the editor of *Christianity Today* published on March 10, 1978 similarly maintained that Wesleyans reject both the ‘liberal’ or ‘modernist’ stance and also the narrow inerrantist view of Scripture associated with B. B. Warfield and Harold Lindsell. Timothy Smith wrote: ‘...we Wesleyans stand in an older and much broader evangelical tradition than that represented by modern neo-Calvinist scholasticism.’ In a letter to the editor of *The Christian Century*, he maintained that ‘the roots of the nonfundamentalist view of scriptural authority accepted by many evangelicals’ lay in the writings of the Reformers, and that the Hodge-Warfield view of inerrancy was never held by evangelical leaders such as William Booth, Adoniram J. Gordon, Dwight L. Moody, or the leaders of the National Holiness Association. He rejected the contemporary efforts of the inerrantists, Harold Lindsell and Francis Schaeffer, ‘to impose upon modern evangelicals a view of Scripture which Jesus and Paul renounced in rabbinical Judaism.’⁸

Similarly, Ralph Earle quotes the early Nazarene theologian A. M. Hills, that the Bible is infallible in what it tells us about God and salvation, not in detailed inerrancy:

What is the infallibility we claim for the Bible? It is infallible as regards the purpose for which it was written. It is infallible as a revelation of God’s saving love in Christ to a wicked world. It infallibly guides all honest and willing and seeking souls to Christ, to holiness, to heaven.⁹

⁵ For the way in which the Fundamentalist concerns invaded the holiness movement and the Church of the Nazarene for a time, see Paul Merritt Bassett, ‘The Fundamentalist Leavening of the Holiness Movement, 1914-1940: The Church of the Nazarene: A Case Study,’ *Wesleyan Theological Journal (WTJ)* 13:1 (1978), pages 65-91; and Stan Ingersol, ‘Strange Bedfellows: The Nazarenes and Fundamentalism,’ *WTJ* 40:2 (2005), pages 123-141.

⁶ Bassett, ‘Theological Identity,’ cf. 91.

⁷ Bassett ‘Theological Identity,’ 91-94, referring to Wiley, *Christian Theology*, pages 1:140-142.

⁸ Timothy L. Smith, “Reader’s Response: Determining Biblical Authority’s Base,” *The Christian Century* 95 (March 2, 1977): page 198.

⁹ A.M. Hills, *Fundamental Christian Theology*, Pasadena: C.J. Kline, 1931, page I:134.

Ralph Earle then goes on to defend a fellow evangelical scholar who accepted that there are errors in the Bible in rhetoric, history and science. At the same time he thought that this colleague had made more concessions than he needed to and had accepted that there were factual contradictions where the historical accounts could be harmonized by careful hermeneutics.¹⁰

J. Kenneth Grider similarly rejected detailed inerrancy. He takes note of one sentence from Wesley quoted by Harold Lindsell which seems to teach detailed inerrancy, but argues that when that sentence is taken in the context of Wesley's whole theology, he did not teach inerrancy as part of his theological method in the way of scholastic Calvinism. J. Kenneth Grider argues: "...Scripture itself is not interested in inerrancy. It makes a claim for inspiration, but not for inerrancy—at least, not for total inerrancy."

J. Kenneth Grider examines that claim to inspiration in 2 Timothy 3:16, and points out that according to the text it is inspiration specifically for teaching (doctrine) and practice.¹¹

Rob L. Staples contrasts Wesleyanism with Fundamentalism, which arose in Calvinistic soil and insists on 'epistemological inerrancy.' Wesleyanism works differently and takes a view which he calls 'soteriological inerrancy.'¹² In another article, he begins with the saying of Martin Luther: 'The Bible is the manger in which Christ is laid.' Rob Staples comments:

The point of Martin Luther's analogy is that Christ, who is the Living Word, is to be found in the Bible, which is the written Word. But the latter is an instrument directing us to the former, and thus not an end in itself.¹³

Paul M. Bassett argued in an article on the understanding of the Bible in the holiness movement, that its history and inner logic would lead it to conclude 'that a call like Lindsell's [for detailed inerrancy] is theologically and spiritually irrelevant.' Paul Bassett continues:

Its history and inner logic would lead it to conclude that, if the term inerrancy be used, as it is, it refers to the Bible's service as the unique creation of the Holy Spirit, intended by that Spirit to carry conviction for sin, the news of full salvation in Christ, and sure instruction in how to relate to God and neighbor in righteousness and true holiness. In these things the Bible is to be understood as wholly inerrant.

Paul Bassett proceeds to rule out the more detailed inerrancy ('inerrancy throughout'):

The movement has concluded that, since empirical or scientific exactitudes certainly are not soteriologically ultimate and are not even metaphysically ultimate, they must be accounted for in terms of something other than scientific exactitude itself.... Most holiness people would insist that all such questions must submit to the question of the ultimate purpose of Scripture itself, which is not absolutely accurate knowledge of all things in heaven and earth but soteriological sufficiency.¹⁴

H. Ray Dunning notes that some evangelicals base the Bible's authority on its inerrancy, but concludes that 'such rationalistic defenses are less than compelling.'¹⁵ H. Ray Dunning goes on to quote A. M. Hills, Clark H. Pinnock, Richard S. Taylor, H. Orton Wiley, and even John Calvin to support the alternative view of the Bible's authority, that we are persuaded of it by the

¹⁰ Ralph Earle, "Further Thoughts on Biblical Inspiration," *Journal of the Evangelical Theological Society*, Vol. 6, No. 1 (Winter 1963): pages 7-17, (especially page 15).

¹¹ J. Kenneth Grider, 'Wesleyanism and the Inerrancy Issue,' *WTJ* 19:2 (1984), pages 52-61.

¹² Rob L. Staples, 'Inerrancy,' *Holiness Today*, June 1998, page 5.

¹³ Rob L. Staples, 'Scripture,' *Holiness Today*, December 1998, page 11.

¹⁴ Paul Merritt Bassett, 'Theological Identity,' '94f.

¹⁵ H. Ray Dunning, *Grace, Faith, and Holiness* (Kansas City: Beacon Hill, 1988), page 62.

testimonium internum Spiritus sancti, the internal witness of the Holy Spirit. This he sees as an aspect of the doctrine of prevenient grace.¹⁶

We have to conclude then that Nazarene theologians as a whole, with few if any exceptions, are totally opposed to the idea that we need to assert the complete detailed factual inerrancy of Holy Scripture in order to defend its authority. As a body, they are totally committed to its authority in matters of faith and practice, doctrine and ethics. The question of whether the Bible is totally accurate in every statement is not therefore something on which the Church needs to pronounce one way or the other in its official Articles of Faith, for it is quite irrelevant.

Two editors of the *Herald of Holiness* made the very good point that the present Article of Faith IV is a broad one. W. E. McCumber commented in 'The Answer Corner' that Article IV "does not commit us for or against total inerrancy, and, as one would expect, there are proponents of both concepts of 'plenary inspiration' to be found among us." He himself concluded, 'It is not errorless, but it will infallibly achieve its purpose when the Holy Spirit uses it to convict of sin and draw to Christ, making possible our salvation.'¹⁷ Wesley Tracy, in 'The Question Box,' made clear his view that the inerrancy view "has become the trademark and battle cry of rigid, right wing, Calvinist fundamentalists" and does not belong in the Wesleyan tradition. Nonetheless, he comments that Article IV is a "roomy one": and that both the rigid fundamentalist who believes in inerrancy can assent to the article, while those "who take a less rigid view... also have elbow room."¹⁸

That brings us to a final thought. Not only is the detailed inerrancy view at variance with Wesleyan theology, and repudiated by leading Nazarene theologians, but if Article IV were to be amended to restrict us to that particular view of Scripture, the present breadth which can comprehend both views would be replaced by this narrower fundamentalist view. Since Nazarene theologians and biblical scholars as a whole would be very strongly opposed to this narrowing of this Article of Faith, as would many leading pastors and lay people, such a move would threaten a very serious division in the denomination. The division and severe crisis and pain seen in other denominations indicate that this could have very serious results for our unity and could do serious damage to the Church of the Nazarene.

For all these reasons, the committee strongly advises that these amendments should be rejected. Nazarenes are committed by the present Article IV to the sufficiency of Holy Scripture, its final authority in all matters of Christian faith and living, in doctrine and ethics. That is all we need to say.

II. RESPONSE TO RESOLUTION JUD-802 AND RESOLUTION JUD-816 REGARDING ARTICLE VI (ATONEMENT)

OVERVIEW

In 2001, 2005, and 2009, each General Assembly received resolutions regarding the terminology of Article VI. Atonement. In 2001, three resolutions came from the delegates seeking to change the term "meritorious" to "sacrificial" ("...by His [meritorious] sacrificial death on the Cross..."). The legislative committee appointed to study the resolutions amended them, and recommended the removal of both terms ("meritorious" and "sacrificial") from the

¹⁶ Ibid, pages 58-65.

¹⁷ W.E. McCumber, *Herald of Holiness* March 15, 1985, page 31.

¹⁸ Wesley Tracy, *Herald of Holiness*, January 1992, page 33.

statement. The 2001 General Assembly and the districts approved the amended resolution; thus, neither “meritorious” nor “sacrificial” appear in the current statement of this Article of Faith (“...by His death on the Cross...”). In 2005 and 2009, each General Assembly received resolutions to restore the term “meritorious” to Article VI (“...by His meritorious death on the Cross...”). In both cases, the resolutions were referred to the Board of General Superintendents (BGS) for further study. The BGS, in turn, assigned the Scripture Study Committee with the task of reflecting upon two resolutions on Article VI from the 2009 General Assembly, and making appropriate recommendations for action by the 2013 General Assembly.

Resolution JUD-802: seeks to reinsert the term “meritorious” to the wording of Article of Faith VI. Atonement (“by his meritorious death on the Cross”).

Resolution JUD-816: seeks to change the wording of Article of Faith VI. Atonement by including various “references to the love of God as a motivating factor in the atonement (John 3:16) and broader references to other aspects of the atonement.”

COMMITTEE RECOMMENDATIONS

Recommendation 1: Reject Resolution JUD-802 which seeks to insert the term “meritorious” in the wording of Article of Faith VI. Atonement. This committee recommends leaving Article of Faith VI as it currently stands.

Recommendation 2: Reject Resolution JUD-816 which seeks to change the wording of Article of Faith VI by including various “references to the love of God as a motivating factor in the atonement (John 3:16) and broader references to other aspects of the atonement.” The committee recommends leaving Article of Faith VI as it currently stands.

Recommendation 3: The committee recommends that the 2013 General Assembly call upon the various institutions of the Church of the Nazarene to host and produce studies, conferences, and writings aimed at expounding the concept of atonement, thereby enriching the Church’s comprehension and faith.

RATIONALE

Broad range of the Atonement’s Provisions. The Bible uses a wide range of images to capture the vast dimensions of Christ’s atoning death on the Cross. These include sacrifice, ransom/redemption, propitiation, satisfaction, substitution, moral influence, and others. These models express various views regarding the roles of God’s wrath and God’s love in relation to atonement. Clearly, none of these can exhibit the full mosaic of provisions bestowed on sinful humanity through the atonement. Thus, it is appropriate that Article of Faith VI avoid terminology which confers disproportionate attention upon one image to the exclusion or neglect of others. It is in the interest of protecting the comprehensive nature of God’s magnanimous love demonstrated on the Cross and the unity in the Church arising from its common grace that the committee makes this recommendation.

Moreover the Article of Faith on the atoning death of Christ cannot be read without the biblical truths expressed in other Articles of Faith on the sinfulness of humanity, our need for justification and full sanctification, the judgment and righteousness of God, and the renewal of all of creation. Christ’s death abundantly answers the realities of man’s and creation’s need for reconciliation with our holy God and with one another (Romans 5:15-17).

Concise language in the Church’s Articles of Faith. The Church’s Articles of Faith seek to reflect two concerns: 1) to communicate the essential elements of faith for each doctrine, and 2) to avoid terminology that either subtracts from or exceeds beyond what is germane to the

exposition of an individual doctrine. Therefore, the Articles of Faith have been carefully crafted, and are intentionally concise. Thus, we believe that it is only necessary to affirm the central truth of the doctrine as expressed in the current Articles of Faith.

Unnecessary to Reinstate “Meritorious.” There are good reasons why it is not necessary to reinstate “meritorious:” 1) the word ‘meritorious’ was not a major one in John Wesley’s own preaching in the doctrine of the atonement and is not presented as a major term in his doctrine according to the main contemporary historical scholars (Collins, Maddox, Williams), 2) the word ‘meritorious’ is not highlighted in the theology of H. Orton Wiley, although the cognate concepts of satisfaction, substitution, and propitiation are, and 3) the word ‘meritorious’ is not itself a biblical word.

Sufficiency of Current Statement. The words ‘meritorious’ and ‘sacrificial’, while appropriate, are unnecessary since what they say is already included in the very word ‘atonement.’ The term ‘atonement’ itself includes the key concept that Christ offered himself as the sacrifice through which alone we are reconciled to God and thus merited (or ‘won’ or ‘secured’—Hebrews 9:12) our redemption through his obedience.

CONCLUSION

More collaborative study needed. The committee recognizes the value of healthy discussion and in-depth study in relation to this cardinal doctrine on the atonement. However, such dialogue should extend beyond narrowly selected aspects to encompass its vast range of meaning. Investigation should be pursued for the sake of enriching our Church’s confession by her larger understanding of God’s gracious work of salvation.

Since the Church of the Nazarene embraces the atonement in its totality, the committee encourages further dialogue and study by its theologically minded members. This calls for a scholarly and reverent discernment between the images of atonement expressed by the biblical writers under the inspiration of the Spirit, and the theories, often flawed, that later Christian thinkers attached to them.

Concern has been expressed that the role of the Cross and the atonement deserves greater emphasis than it often receives. It is hoped that fresh explorations into the love of Christ will infuse the Church with greater vigor and serve as a catalyst that rallies the whole Church to fulfill the Great Commission.

Accordingly, the committee recommends that the 2013 General Assembly call upon the various institutions of the Church of the Nazarene to host and produce studies, conferences, and writings aimed at expounding the concept of atonement, thereby enriching the Church’s comprehension and faith.

AFFIRMATION

We want to affirm that doctrine necessarily leads to practical living, orthodoxy should be translated into orthopraxy. Scholarly study is an aid to the faith and life of the body of believers. We are called to live by the Gospel of Christ as the unfathomable expression of God’s holy love. While scholars study these great truths, the Church is responsible to live by the light we now have. Wesleyans have always been a people with practical soteriology, both heart and life, and deep concern for evangelism and compassionate ministries.

In speaking about the death of Christ and the atonement, the Bible reveals the reality of grace reconciling an alienated mankind to God, bringing us to peace with God, and thus making us part of the new creation (Ephesians 2:14-16; Colossians 1:19-22). Without missing a beat the

Scripture affirms that Christ broke down the dividing wall between peoples, making them one, and so urges the Church to live out this life and ministry of reconciliation in its fullness (Ephesians 4:1-6; 2 Corinthians 5:14-15, 17-21).

Consequently we call upon our local churches to heed a dual charge: believe that Christ's death reconciled man, and live the life of a people reconciled by grace. Peace with our God and Father shapes our corporate prayer life which in turn touches both the visible and invisible world, empowers our willingness to forgive one another, and motivates the way we share our possessions and our lives. It also makes us evangelizing ambassadors of Christ in the world (2 Corinthians 5:20), and peacemakers (Matthew 5:9) speaking with a prophetic voice.

The Cape Town Commitment declaration deserves our full attention and commitment when it says:

Reconciliation to God and to one another is also the foundation and motivation for seeking the justice that God requires, without which, God says, there can be no peace. True and lasting reconciliation requires acknowledgment of past and present sin, repentance before God, confession to the injured one, and the seeking and receiving of forgiveness. It also includes commitment by the Church to seeking justice or reparation, where appropriate, for those who have been harmed by violence and oppression.

We long to see the worldwide Church of Christ, those who have been reconciled to God, living out our reconciliation with one another and committed to the task and struggle of biblical peace-making in the name of Christ.¹⁹

RECOMMENDATION OF THE COMMITTEE REQUIRING A RESOLUTION TO THE 2013 GENERAL ASSEMBLY FOR MANUAL CHANGES

The Scripture Study Committee (SSC) recommends the following, which requires a change to the *Manual of the Church of the Nazarene*, and is presented as an individual resolution to the 2013 General Assembly, through a legislative committee:

NOTE: A LEGISLATIVE REFERENCE IS LISTED IN BOLD TYPE BESIDE THE RECOMMENDATION AND IS REFERRED TO THE RESPECTIVE COMMITTEE.

SCC RECOMMENDATION #1

1. Articles of Faith (**JUD-2—Special Judicial Committee**)

RESOLVED that a new paragraph be added to the *Manual* as follows:

Resolutions to the General Assembly regarding the Articles of Faith (paragraphs 1-22) shall be referred to the Board of General Superintendents for review by a body with theologians that reflects the world-wide nature of the church. The committee shall report, with any recommendations or resolutions, to the subsequent General Assembly.

FURTHER RESOLVED that, if adopted, this resolution be placed in the Constitution section of the *Manual of the Church of the Nazarene*.

REASONS:

1. The Articles of Faith encompass the essential doctrinal positions of the Church of the Nazarene.
2. Changes in our Articles of Faith should require deliberate and comprehensive study by qualified individuals, including theologians that reflect the world-wide nature of our denomination
3. This study should take place prior to any action taken by a General Assembly.

¹⁹ *The Cape Town Commitment: A Confession of Faith and a Call to Action* (The Lausanne Movement, 2011).

4. The subsequent General Assembly will have the benefit of the study along with any well-researched recommendations or resolutions, if necessary, to help guide its decision.
5. Placing this resolution within the Constitution ensures that it, like the Articles of Faith, would not be subject to the vote of a single General Assembly.

Respectfully submitted,

SCRIPTURE STUDY COMMITTEE

Thomas King, *Chairperson*

Alexander Varughese, *Secretary*

BALLOT REPORTS

INCUMBENT GENERAL SUPERINTENDENTS

	<i>Total Ballots Cast</i>	<i>Necessary to Elect</i>	<i>Yes</i>	<i>No</i>
Jerry D. Porter	969	646	892	77
J.K. Warrick	940	627	867	73
Eugénio R. Duarte	933	622	897	36
David W. Graves	979	653	926	53

NEW GENERAL SUPERINTENDENTS

BALLOT ONE

<i>Total Ballots Cast:</i>	1197		
<i>Necessary to Elect:</i>	802	Peter Colin Elliott	9
Carla Sunberg	140	Stan Reeder	9
Gustavo Crocker	112	Jeren Rowell	9
Robert Broadbooks	93	John L. Denney	8
Christian Sarmiento	80	Eddie Estep	8
Filimao Chambo	69	Terry Rowland	8
David Busic	54	Stephen Borger	7
Daniel Ketchum	51	Dan Copp	7
Dan Boone	46	Adalberto Herrera	7
Carlos Saenz	45	Fred Huff	7
L. Aguiar Valvassoura	43	Jorge Julca	7
Verne Ward III	28	Jim Kraemer	7
Amadeu Teixeira	27	Rick Power	7
Woodie Stevens	26	Charles Sunberg	7
John Seaman	24	Johnny Calvo	6
Brian Wilson	23	Philip Fuller	6
Randy Craker	22	Solomon Ndlovu	6
Larry Dennis	22	Paulo Sueia	6
Mashangu Maluleka	20	Brad Estep	5
John Bowling	19	Hermann Gschwandtner	5
Jossie Owens	19	Rubens Rodrigues	5
Sukamal (Nathan) Biswas	18	Neville Bartle	4
David Wilson	18	Russ Branstetter	4
Scott Daniels	17	Jim Cooper	4
David Downs	16	Kevin Dennis	4
Mark Louw	16	Brian Helstrom	4
Min-Gyoo Shin	15	Larry Leonard	4
Ron Benefiel	13	David McKellips	4
Dwight Gunter	12	Luis Meza	4
Samuel Vassel	11	David Nixon	4
David Roland	10	Fernando Oliveira	4
		Alphonso Porter	4

Harmon Schmelzenbach	4	Dance Mathebula	2
Steve Scott	4	Philip McAlister	2
Mervin Smith	4	Oscar Medina Guzman	2
Kerry Willis	4	Marcos Monteiro	2
Rene Acosta	3	Frank Moore	2
Gary Bond	3	Gary Moore	2
Dan Brower	3	Ernesto Lozano Padilla	2
Samantha Chambo	3	Pascal Permis	2
Luciano Duarte	3	Scott Rainey	2
Ruben Fernandez	3	David Ralph	2
Mark Holcomb	3	Craig Rench	2
Henry/Harry Maluleka	3	Dwight Rich	2
Segundo Rimarachin	3	Kenneth Sharpe	2
Miguel Rodrigues	3	Scott Sherwood	2
Ramon Sierra	3	Newell Smith	2
Kevin Ulmet	3	Gene Tanner	2
Mario Zani	3	Terry Toler	2
Israel Acosta	2	David Ac Chub	1
J. Fredi Arreola	2	Ron Adams	1
Mike Bearden	2	Andrew Akus	1
Randy Beckum	2	David Alexander	1
Jesus Bernat	2	Bruce Allder	1
Luis H. Biazon	2	Josefin Ano-os	1
Eunice Brubaker	2	Virgil Askren	1
Wilfredo Canales	2	William Banda	1
Jorge Cordova	2	David Bennett	1
Harold Custer	2	Ron Blake	1
Monte Cyr	2	Daryl Blank	1
D. Ian Fitzpatrick	2	Dierdre Brower-Latz	1
Sam Flores	2	Wayne Brown	1
Jerry Frye	2	Jennifer Brown	1
Mark Fuller	2	Lindell Browning	1
Greg Garman	2	Joey Brummet	1
Victor George	2	Samuel Cadena	1
Hernando Aparacio Hernandez	2	Gerson Cardoso	1
Roberto Hodgson	2	Susan Carole	1
Mark Hostetler	2	Marcos Cisneros	1
Tammy Hudson	2	Riley Coulter	1
Seung-An Im	2	Scot Crothers	1
Manabu Ishida	2	Howard Culbertson	1
Trevor Johnston	2	Floyd Cunningham	1
George Julea	2	Chad Current	1
Dan Keeton	2	Sunil Dandge	1
Geoff Kunselman	2	John David	1
Manuel Lima	2	Macedonio Daza	1
Clair MacMillan	2	Adilson de Souza	1

Mike Dennis	1	Alfredo Muliere	1
John Donnet	1	Amadeu Nunez	1
Shireen Elliott	1	Bruce Oldham	1
Don Euns	1	Mike Palmer	1
Edwin H. Felter	1	Patrick Paulse	1
Carlos Fernandez	1	Mark Pitcher	1
Matt Friedman	1	Antonio Ponce	1
Randy Gant	1	Rodwell Porter	1
C. B. Glidden	1	G. Riley Powell	1
Harold Graves, Jr.	1	Fred Prince	1
Kenneth Greenway	1	Rob Prince	1
Ronald Grey	1	Bud Reedy	1
Roger Hahn	1	David Restricks	1
B. W. Hambrick	1	Phillip Rhoades	1
Doug Hardy	1	Brett Rickey	1
Tim Harmon	1	Ed Robinson	1
Rick Harvey	1	Roy Rogers	1
Steve Hoffman	1	Carla Sanchez	1
Marty Hoskins	1	Francisco Carlos Santor	1
Dexter Daly	1	Byron Schortinghouse	1
Bruce Johnson	1	Orlando Seale	1
Corey Jones	1	Orlando Serrano	1
Mark Lail	1	Howie Shute	1
Arture Hernandez Lechuga	1	Luciano Silva	1
Dustin Ledford	1	Geneva Silvernail	1
Stephen Bong Ha Lee	1	David Spaite	1
Mark Lehman	1	Henry Spaulding	1
Ruth Lorance	1	Kenneth Stanford	1
Lima Luit	1	Joy Streight	1
Frank Mahlaba	1	Mona Talomoa	1
William Malos	1	Rafael Treju	1
Gabriel E. Martin	1	Flavio Valvassoura	1
Michael McCarty	1	Douglas Van Nest	1
Rob McDonald	1	Evelio Vasquez	1
Dustin Metcalf	1	Don Walter	1
Janine Tartaglia Metcalf	1	Stanley Ward	1
Eduardo Meza	1	Steve Weber	1
Hans Gunter Mohn	1	Charles A. Wilkes, Jr.	1
Jose Moigne	1	Bob Woodruff	1
Simon Moondol	1	Miguel Yuden	1

BALLOT TWO

<i>Total Ballots Cast:</i>	988	Filimao Chambo	88
<i>Necessary to Elect:</i>	655	Robert Broadbooks	84
Carla Sunberg	161	L. Aguiar Valvassoura	46
Gustavo Crocker	130	Daniel Ketchum	34

Dan Boone	30	Stan Reeder	2
Carlos Saenz	30	Miguel Rodrigues	2
David Busic	28	Rubens Rodrigues	2
Brian Wilson	16	Scott Sherwood	2
John Bowling	15	Gene Tanner	2
Verne Ward III	13	Kerry Willis	2
Jossie Owens	12	Israel Acosta	1
Amadeu Teixeira	11	Bruce Allder	1
Samuel Vassel	10	Neville Bartle	1
Woodie Stevens	9	Ron Blake	1
David Downs	8	Dierdre Brower-Latz	1
Adalberto Herrera	7	Eunice Brubaker	1
John Seaman	7	Johnny Calvo	1
David Wilson	7	Wilfredo Canales	1
Randy Craker	6	Susan Carole	1
Larry Dennis	6	Monte Cyr	1
Trevor Johnston	6	Macedonio Daza	1
David Roland	6	Eddie Estep	1
Sukamal (Nathan) Biswas	5	D. Ian Fitzpatrick	1
Jim Kraemer	5	Sam Flores	1
David Nixon	5	Jerry Frye	1
Harmon Schmelzenbach	5	Mark Fuller	1
Rene Acosta	4	Philip Fuller	1
Josefin Ano-os	4	Kenneth Greenway	1
Ron Benefiel	4	Brian Helstrom	1
Dan Copp	4	Hernado Aparacio Hernandez	1
Mark Louw	4	Tammy Hudson	1
Alphonso Porter	4	Fred Huff	1
Segundo Rimarachin	4	Manabu Ishida	1
Luis H. Biason	3	Arture Hernandez Lechuga	1
Jim Cooper	3	Larry Leonard	1
John L. Denney	3	Mashangu Maluleka	1
Kevin Dennis	3	Philip McAlister	1
Luciano Duarte	3	Oscar Medina Guzman	1
Peter Colin Elliott	3	Jose Moigne	1
Dwight Gunter	3	Patrick Paulse	1
Seung-An Im	3	Pascal Permis	1
Rick Power	3	Craig Rench	1
Terry Rowland	3	Byron Schortinghouse	1
Min-Gyoo Shin	3	Orlando Serrano	1
Rafael Treju	3	Mervin Smith	1
Stephen Borger	2	Paulo Sueia	1
Brad Estep	2	Charles Sunberg	1
Greg Garman	2	Terry Toler	1
Harold Graves, Jr.	2	Flavio Valvassoura	1
Jorge Julca	2	Bob Woodruff	1

Mario Zani 1

BALLOT THREE

<i>Total Ballots Cast:</i>	938	Jim Kraemer	3
<i>Necessary to Elect:</i>	621	David Nixon	3
Carla Sunberg	207	Rick Power	3
Gustavo Crocker	172	John Seaman	3
Filimao Chambo	99	Ron Benefiel	2
Robert Broadbooks	88	Jim Cooper	2
Christian Sarmiento	69	Luciano Duarte	2
L. Aguiar Valvassoura	47	Adalberto Herrera	2
Dan Boone	30	Manabu Ishida	2
Daniel Ketchum	25	Jeren Rowell	2
David Busic	21	Kenneth Sharpe	2
Carlos Saenz	17	Kerry Willis	2
Verne Ward III	12	Ron Adams	1
Jossie Owens	10	Virgil Askren	1
Woodie Stevens	8	Samantha Chambo	1
Amadeu Teixeira	8	Dan Copp	1
Brian Wilson	8	Scott Daniels	1
Samuel Vassel	7	Brad Estep	1
John Bowling	6	Greg Garman	1
Trevor Johnston	6	Tammy Hudson	1
David Roland	5	Seung-An Im	1
Min-Gyoo Shin	5	Jorge Julca	1
Josefin Ano-os	4	Geoff Kunselman	1
Luis H. Biazon	4	Larry Leonard	1
Sukamal (Nathan) Biswas	4	Mark Louw	1
Randy Craker	4	Terry Rowland	1
Larry Dennis	4	Scott Sherwood	1
Pascal Permis	4	Ramon Sierra	1
Segundo Rimarachin	4	Kevin Ulmet	1
Stephen Borger	3	David Wilson	1
David Downs	3	Mario Zani	1

BALLOT FOUR

<i>Total Ballots Cast:</i>	972	Carlos Saenz	16
<i>Necessary to Elect:</i>	645	Daniel Ketchum	13
Carla Sunberg	256	Verne Ward III	13
Gustavo Crocker	229	Jossie Owens	6
Filimao Chambo	110	Trevor Johnston	5
Robert Broadbooks	98	Josefin Ano-os	4
Christian Sarmiento	54	David Nixon	4
L. Aguiar Valvassoura	50	David Roland	4
Dan Boone	27	Samuel Vassel	4
David Busic	18	Brian Wilson	4

John Bowling	3	Peter Colin Elliott	1
Larry Dennis	3	Brad Estep	1
John Seaman	3	Adalberto Herrera	1
Woodie Stevens	3	Jorge Julca	1
Amadeu Teixeira	3	Larry Leonard	1
Mario Zani	3	Mark Louw	1
Sukamal (Nathan) Biswas	2	Philip McAlister	1
Stephen Borger	2	Oscar Medina Guzman	1
Jim Cooper	2	Solomon Ndlovu	1
Sueng-An Im	2	Pascal Permis	1
Jim Kraemer	2	Rodwell Porter	1
Min-Gyoo Shin	2	Segundo Rimarachin	1
Ron Benefiel	1	Bud Reedy	1
Samantha Chambo	1	Brett Rickey	1
Randy Craker	1	Jeren Rowell	1
Monte Cyr	1	Kevin Ulmet	1
Luciano Duarte	1	David Wilson	1

BALLOT FIVE

<i>Total Ballots Cast:</i>	990	David Downs	2
<i>Necessary to Elect:</i>	658	Trevor Johnston	2
Carla Sunberg	275	David Roland	2
Gustavo Crocker	266	John Seaman	2
Filimao Chambo	118	Amadeu Teixeira	2
Robert Broadbooks	101	Samuel Vassel	2
L. Aguiar Valvassoura	59	Luis H. Biazon	1
Christian Sarmiento	40	Samantha Chambo	1
Dan Boone	20	Larry Dennis	1
Verne Ward III	16	Brad Estep	1
Daniel Ketchum	13	Eddie Estep	1
David Busic	10	Adalberto Herrera	1
Carlos Saenz	9	Jorge Julca	1
Josefin Ano-os	5	Jim Kraemer	1
Brian Wilson	2	Mark Louw	1
David Nixon	5	Oscar Medina Guzman	1
Jossie Owens	4	Pascal Permis	1
Sueng-An Im	3	Rodwell Porter	1
Sukamal (Nathan) Biswas	2	Segundo Rimarachin	1
Stephen Borger	2	Harmon Schmelzenbach	1
John Bowling	2	Min-Gyoo Shin	1
Jim Cooper	2	Kevin Ulmet	1
Randy Craker	2	Kerry Willis	1

BALLOT SIX

<i>Total Ballots Cast:</i>	927	Gustavo Crocker	286
<i>Necessary to Elect:</i>	616	Carla Sunberg	249

Filimao Chambo	106	Stephen Borger	1
Robert Broadbooks	100	John Bowling	1
L. Aguiar Valvassoura	47	Jim Cooper	1
Christian Sarmiento	31	David Downs	1
Dan Boone	23	Brad Estep	1
David Busic	15	Greg Garman	1
Verne Ward III	15	Manabu Ishida	1
Daniel Ketchum	8	Jorge Julca	1
Josefin Ano-os	7	George Julea	1
Carlos Saenz	6	Dance Mathebula	1
Trevor Johnston	4	Oscar Medina Guzman	1
David Nixon	3	Jossie Owens	1
Randy Craker	2	Rodwell Porter	1
Larry Dennis	2	Terry Rowland	1
David Roland	2	John Seaman	1
Luis H. Biazon	1	Kerry Willis	1

BALLOT SEVEN

<i>Total Ballots Cast:</i>	962	John Bowling	1
<i>Necessary to Elect:</i>	635	Jim Cooper	1
Gustavo Crocker	368	Larry Dennis	1
Carla Sunberg	232	Brad Estep	1
Robert Broadbooks	98	Philip Fuller	1
Filimao Chambo	89	Greg Garman	1
L. Aguiar Valvassoura	49	Hernando Aparacio Hernandez	1
Dan Boone	20	Adalberto Herrera	1
David Busic	17	Jorge Julca	1
Verne Ward III	15	Geoff Kunselman	1
Christian Sarmiento	13	Oscar Medina Guzman	1
Daniel Ketchum	10	Jossie Owens	1
Trevor Johnston	8	Scott Rainey	1
David Nixon	4	David Roland	1
Josefin Ano-os	3	Jeren Rowell	1
Randy Craker	3	Terry Rowland	1
Carlos Saenz	3	John Seaman	1
David Downs	2	Kerry Willis	1

BALLOT EIGHT

<i>Total Ballots Cast:</i>	963	David Busic	18
<i>Necessary to Elect:</i>	638	Verne Ward III	14
Gustavo Crocker	441	Christian Sarmiento	10
Carla Sunberg	205	Trevor Johnston	8
Robert Broadbooks	82	Josefin Ano-os	5
Filimao Chambo	80	Dierdre Brower-Latz	5
L. Aguiar Valvassoura	36	David Downs	5
Dan Boone	18	Daniel Ketchum	4

Jim Cooper	2	Dwight Gunter	1
Randy Craker	2	Adalberto Herrera	1
Manabu Ishida	2	Jorge Julca	1
David Nixon	2	Geoff Kunselman	1
Israel Acosta	1	Oscar Guzman Medina	1
John Bowling	1	David Roland	1
Eunice Brubaker	1	Jeren Rowell	1
Harold Custer	1	Terry Rowland	1
John L. Denney	1	Carlos Saenz	1
Brad Estep	1	John Seaman	1
Greg Garman	1	Kevin Ulmet	1

BALLOT NINE

<i>Total Ballots Cast:</i>	975	John L. Denney	2
<i>Necessary to Elect:</i>	644	Dwight Gunter	2
Gustavo Crocker	525	Manabu Ishida	2
Carla Sunberg	207	Luis H. Biazon	1
Robert Broadbooks	81	Eunice Brubaker	1
L. Aguiar Valvassoura	31	Filimao Chambo	1
David Busic	30	Brad Estep	1
Dan Boone	18	Greg Garman	1
Christian Sarmiento	12	Mark Louw	1
Verne Ward III	10	Oscar Guzman Medina	1
Trevor Johnston	9	Simon Moondol	1
Dierdre Brower-Latz	4	Jossie Owens	1
David Downs	4	Jeren Rowell	1
Adalberto Herrera	3	Carlos Saenz	1
Josefin Ano-os	2	John Seaman	1
John Bowling	2	Brian Wilson	1
Randy Craker	2		

BALLOT TEN

<i>Total Ballots Cast:</i>	976	Adalberto Herrera	3
<i>Necessary to Elect:</i>	649	Josefin Ano-os	2
Gustavo Crocker	559	Randy Craker	2
Carla Sunberg	189	Carlos Saenz	2
Robert Broadbooks	60	Eunice Brubaker	1
David Busic	56	Gerson Cardoso	1
L. Aguiar Valvassoura	30	Brad Estep	1
Dan Boone	17	Sam Flores	1
Christian Sarmiento	16	Dwight Gunter	1
Trevor Johnston	9	Oscar Medina Guzman	1
Verne Ward III	6	Jeren Rowell	1
Dierdre Brower-Latz	5	John Seaman	1
Daniel Ketchum	5	Woodie Stevens	1
David Downs	3		

BALLOT ELEVEN

<i>Total Ballots Cast:</i>	975	Carlos Saenz	3
<i>Necessary to Elect:</i>	648	Daniel Ketchum	2
Gustavo Crocker	577	Oscar Medina Guzman	2
Carla Sunberg	147	Josefin Ano-os	1
David Busic	108	Eunice Brubaker	1
Robert Broadbooks	37	Johnny Calvo	1
L. Aguiar Valvassoura	29	Filimao Chambo	1
Christian Sarmiento	15	Randy Craker	1
Dan Boone	13	Ruben Fernandez	1
Trevor Johnston	8	Sam Flores	1
Dierdre Brower-Latz	6	Steve Hoffman	1
Verne Ward III	6	Jossie Owens	1
David Downs	4	Terry Rowland	1
Adalberto Herrera	3	John Seaman	1

BALLOT TWELVE

<i>Total Ballots Cast:</i>	968	Daniel Ketchum	5
<i>Necessary to Elect:</i>	644	Verne Ward III	3
Gustavo Crocker	565	Oscar Medina Guzman	2
David Busic	181	Eunice Brubaker	1
Carla Sunberg	119	Johnny Calvo	1
L. Aguiar Valvassoura	26	Randy Craker	1
Robert Broadbooks	15	Mark Hostetler	1
Christian Sarmiento	13	Jossie Owens	1
Dan Boone	9	Carlos Saenz	1
Dierdre Brower-Latz	7	John Seaman	1
Trever Johnston	6	Joy Streight	1
David Downs	5		

BALLOT THIRTEEN

<i>Total Ballots Cast:</i>	990	Daniel Ketchum	5
<i>Necessary to Elect:</i>	657	Oscar Medina Guzman	3
Gustavo Crocker	542	Johnny Calvo	2
David Busic	252	Ron Benefiel	1
Carla Sunberg	101	Eddie Estep	1
L. Aguiar Valvassoura	24	Dwight Gunter	1
Dan Boone	10	Seung-An Im	1
Robert Broadbooks	9	Mark Louw	1
Christian Sarmiento	9	Gary Moore	1
Dierdre Brower-Latz	7	Carlos Saenz	1
Trevor Johnston	7	John Seaman	1
David Downs	5	Verne Ward III	1

BALLOT FOURTEEN

<i>Total Ballots Cast:</i>	979	<i>Necessary to Elect:</i>	649
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Gustavo Crocker	495	Oscar Medina Guzman	3
David Busic	316	Christian Sarmiento	3
Carla Sunberg	75	Johnny Calvo	2
L. Aguiar Valvassoura	25	Ron Benefiel	1
Dan Boone	15	John Bowling	1
Robert Broadbooks	9	Dan Keeton	1
Daniel Ketchum	8	Mark Louw	1
Trevor Johnston	7	Gary Moore	1
Dierdre Brower-Latz	4	John Seaman	1
David Downs	4	Verne Ward III	1

BALLOT FIFTEEN

<i>Total Ballots Cast:</i>	990	Oscar Guzman Medina	4
<i>Necessary to Elect:</i>	654	John Bowling	3
Gustavo Crocker	436	Johnny Calvo	2
David Busic	382	Dierdre Brower-Latz	1
Carla Sunberg	54	Randy Craker	1
L. Aguiar Valvassoura	27	Fred Huff	1
Dan Boone	23	Manabu Ishida	1
Daniel Ketchum	17	Carlos Saenz	1
Robert Broadbooks	8	John Seaman	1
Christian Sarmiento	6	Ramon Sierra	1
David Downs	4	Mario Zani	1

BALLOT SIXTEEN

<i>Total Ballots Cast:</i>	992	Johnny Calvo	3
<i>Necessary to Elect:</i>	659	Randy Craker	3
David Busic	417	Oscar Medina Guzman	2
Gustavo Crocker	404	John Seaman	2
Carla Sunberg	41	Mario Zani	2
L. Aguiar Valvassoura	32	John Bowling	1
Dan Boone	31	Eunice Brubaker	1
Daniel Ketchum	20	John L. Denney	1
Robert Broadbooks	9	Seung-An Im	1
Christian Sarmiento	6	Gary Moore	1
Trevor Johnston	5	Jossie Owens	1
David Downs	4	Carlos Saenz	1

BALLOT SEVENTEEN

<i>Total Ballots Cast:</i>	881	L. Aguiar Valvassoura	23
<i>Necessary to Elect:</i>	585	Daniel Ketchum	13
David Busic	425	Christian Sarmiento	5
Gustavo Crocker	323	Robert Broadbooks	4
Carla Sunberg	36	David Downs	4
Dan Boone	25	Randy Craker	3

Trevor Johnston	2	Geoff Kunselman	1
Oscar Medina Guzman	2	Jossie Owens	1
John Seaman	2	Carlos Saenz	1
Gary Bond	1	Woodie Stevens	1
John Bowling	1	Brian Wilson	1
Johnny Calvo	1	Mario Zani	1
Manabu Ishida	1		

BALLOT EIGHTEEN

<i>Total Ballots Cast:</i>	964	Christian Sarmiento	3
<i>Necessary to Elect:</i>	639	Geoff Kunselman	2
David Busic	515	Oscar Medina Guzman	2
Gustavo Crocker	300	John Seaman	2
Carla Sunberg	34	Gary Bond	1
L. Aguiar Valvassoura	31	Eunice Brubaker	1
Dan Boone	25	Scott Daniels	1
Daniel Ketchum	19	Gary Moore	1
Robert Broadbooks	4	Jossie Owens	1
Randy Craker	4	Carlos Saenz	1
Johnny Calvo	3	Samuel Vassel	1
David Downs	3	Brian Wilson	1
Trevor Johnston	3		

BALLOT NINETEEN

<i>Total Ballots Cast:</i>	965	Gary Bond	2
<i>Necessary to Elect:</i>	640	Randy Craker	2
David Busic	581	David Downs	2
Gustavo Crocker	253	Trevor Johnston	2
L. Aguiar Valvassoura	30	Oscar Medina Guzman	2
Carla Sunberg	28	John L. Denney	1
Dan Boone	21	Eddie Estep	1
Daniel Ketchum	16	Geoff Kunselman	1
Christian Sarmiento	6	Mark Louw	1
Robert Broadbooks	4	Jossie Owens	1
Johnny Calvo	3	Brian Wilson	1
Josefin Ano-os	2		

BALLOT TWENTY

<i>Total Ballots Cast:</i>	964	Christian Sarmiento	6
<i>Necessary to Elect:</i>	640	Robert Broadbooks	4
David Busic	632	Johnny Calvo	3
Gustavo Crocker	220	David Downs	2
L. Aguiar Valvassoura	29	Trevor Johnston	2
Carla Sunberg	21	Oscar Medina Guzman	2
Dan Boone	17	Josefin Ano-os	1
Daniel Ketchum	14	Gary Bond	1

Manabu Ishida	1	Verne Ward III	1
Geoff Kunselman	1	Brian Wilson	1
Woodie Stevens	1		

BALLOT TWENTY-ONE

<i>Total Ballots Cast:</i>	973	Robert Broadbooks	3
<i>Necessary to Elect:</i>	648	David Downs	3
David Busic	722	Trevor Johnston	2
Gustavo Crocker	166	Stephen Borger	1
Carla Sunberg	22	Dierdre Brower-Latz	1
L. Aguiar Valvassoura	21	Johnny Calvo	1
Daniel Ketchum	12	Geoff Kunselman	1
Dan Boone	9	Ruth Lorange	1
Christian Sarmiento	5	Oscar Medina Guzman	1

BALLOT TWENTY-TWO

<i>Total Ballots Cast:</i>	806	Woodie Stevens	2
<i>Necessary to Elect:</i>	531	Amadeu Teixeira	2
Gustavo Crocker	317	Verne Ward III	2
Carla Sunberg	165	Brian Wilson	2
L. Aguiar Valvassoura	55	Josefin Ano-os	1
Robert Broadbooks	55	Ron Blake	1
Dan Boone	31	Daryl Blank	1
Christian Sarmiento	30	Stephen Borger	1
Sukamal (Nathan) Biswas	20	Eunice Brubaker	1
Dierdre Brower-Latz	15	D. Ian Fitzpatrick	1
Randy Craker	9	Sam Flores	1
Larry Leonard	6	Dwight Gunter	1
David Downs	5	Mark Holcomb	1
Jossie Owens	5	Fred Huff	1
Carlos Saenz	5	Trevor Johnston	1
Samuel Vassel	5	Geoff Kunselman	1
Jim Cooper	3	Philip McAlister	1
Scott Daniels	3	Janine Tartaglia Metcalf	1
Larry Dennis	3	Pascal Permis	1
Eddie Estep	3	Rick Power	1
Mark Louw	3	David Roland	1
John Bowling	2	Jeren Rowell	1
Luciano Duarte	2	John Seaman	1
Jim Kraemer	2	Kerry Willis	1
David Nixon	2	David Wilson	1
Terry Rowland	2	Mario Zani	1

BALLOT TWENTY-THREE

<i>Total Ballots Cast:</i>	899	Gustavo Crocker	390
<i>Necessary to Elect:</i>	593	Carla Sunberg	188

Robert Broadbooks	73	Samuel Vassel	2
L. Aguiar Valvassoura	72	Johnny Calvo	1
Dan Boone	44	Scott Daniels	1
Daniel Ketchum	23	Dennis Espinoza	2
Christian Sarmiento	23	Brad Estep	1
Dierdre Brower-Latz	15	Eddie Estep	1
Randy Craker	10	Sam Flores	1
Larry Leonard	4	Jim Kraemer	1
Carlos Saenz	4	Mark Louw	1
Jim Cooper	3	Gary Moore	1
Larry Dennis	3	David Nixon	1
David Downs	3	Pascal Permis	1
Jossie Owens	3	Rick Power	1
John Seaman	3	David Roland	1
Mario Zani	3	Woodie Stevens	1
John Bowling	2	Amadeu Teixeira	1
Dwight Gunter	2	Verne Ward III	1
Terry Rowland	2	Brian Wilson	1

BALLOT TWENTY-FOUR

<i>Total Ballots Cast:</i>	870	Dwight Gunter	2
<i>Necessary to Elect:</i>	574	Trevor Johnston	2
Gustavo Crocker	394	Kerry Willis	2
Carla Sunberg	178	Mario Zani	2
Robert Broadbooks	88	Tim Crump	1
L. Aguiar Valvassoura	76	Paul Doctorian	1
Dan Boone	44	Carolyn Joseph	1
Dierdre Brower-Latz	15	Mark Lail	1
Christian Sarmiento	13	Mark Louw	1
Daniel Ketchum	9	Gary Moore	1
Randy Craker	8	Jossie Owens	1
Yambe Sike	7	David Roland	1
Larry Dennis	3	Carlos Saenz	1
John Seaman	3	Woodie Stevens	1
Jim Cooper	2	Verne Ward III	1
David Downs	2		

BALLOT TWENTY-FIVE

<i>Total Ballots Cast:</i>	972	Christian Sarmiento	11
<i>Necessary to Elect:</i>	645	Yambe Sike	11
Gustavo Crocker	451	Randy Craker	7
Carla Sunberg	168	Tim Crump	5
Robert Broadbooks	134	David Downs	5
L. Aguiar Valvassoura	88	Daniel Ketchum	5
Dan Boone	44	Jim Cooper	3
Dierdre Brower-Latz	13	Dwight Gunter	3

Larry Dennis	2	Brian Wilson	2
Paul Doctorian	2	Roger Hahn	1
Eddie Estep	2	Trevor Johnston	1
Mark Louw	2	Jossie Owens	1
Carlos Saenz	2	David Roland	1
John Seaman	2	Woodie Stevens	1

BALLOT TWENTY-SIX

<i>Total Ballots Cast:</i>	980	Ron Benefiel	1
<i>Necessary to Elect:</i>	650	Jim Cooper	1
Gustavo Crocker	498	Eddie Estep	1
Robert Broadbooks	188	Mark Fuller	1
Carla Sunberg	107	Manabu Ishida	1
L. Aguiar Valvassoura	93	Trevor Johnston	1
Dan Boone	31	Mark Louw	1
Yambe Sike	11	Frank Moore	1
Christian Sarmiento	9	David Roland	1
Daniel Ketchum	5	Carlos Saenz	1
Randy Craker	4	John Seaman	1
David Downs	4	Woodie Stevens	1
Dierdre Brower-Latz	3	Terry Toler	1
Dwight Gunter	3	Brian Wilson	1
Tim Crump	2	Mario Zani	1
Paul Doctorian	2		

BALLOT TWENTY-SEVEN

<i>Total Ballots Cast:</i>	955	Ron Benefiel	1
<i>Necessary to Elect:</i>	632	Dierdre Brower-Latz	1
Gustavo Crocker	493	Eddie Estep	1
Robert Broadbooks	235	Dwight Gunter	1
L. Aguiar Valvassoura	107	Trevor Johnston	1
Carla Sunberg	46	Mark Lail	1
Dan Boone	18	Mark Louw	1
Yambe Sike	15	David Roland	1
Christian Sarmiento	7	Carlos Saenz	1
David Downs	5	John Seaman	1
Randy Craker	3	Woodie Stevens	1
Paul Doctorian	2	Kerry Willis	1
Daniel Ketchum	2	David Wilson	1
Brian Wilson	2		

BALLOT TWENTY-EIGHT

<i>Total Ballots Cast:</i>	986	Robert Broadbooks	285
<i>Necessary to Elect:</i>	656	L. Aguiar Valvassoura	124
Gustavo Crocker	472	Carla Sunberg	32

Dan Boone	17	Eddie Estep	1
Yambe Sike	14	Greg Garman	1
Randy Craker	8	Trevor Johnston	1
Daniel Ketchum	6	Mark Louw	1
Christian Sarmiento	6	Jeren Rowell	1
David Downs	4	John Seaman	1
Dierdre Brower-Latz	3	Mona Talomoa	1
Paul Doctorian	2	Samuel Vassel	1
Lindell Browning	1	Brian Wilson	1
Eunice Brubaker	1	Gabriel Salguero	1

BALLOT TWENTY-NINE

<i>Total Ballots Cast:</i>	957	Daniel Ketchum	2
<i>Necessary to Elect:</i>	634	John Seaman	2
Gustavo Crocker	444	Stephen Borger	1
Robert Broadbooks	276	Mark Fuller	1
L. Aguiar Valvassoura	107	Greg Garman	1
Carla Sunberg	47	Trevor Johnston	1
Dan Boone	16	Mark Louw	1
Christian Sarmiento	10	Gabriel E. Martin	1
Gabriel Salguero	9	Janine Tartaglia Metcalf	1
Yambe Sike	8	Woodie Stevens	1
Randy Craker	7	Samuel Vassel	1
David Downs	5	Kerry Willis	1
Dwight Gunter	4	Brian Wilson	1
Paul Doctorian	2		

BALLOT THIRTY

<i>Total Ballots Cast:</i>	975	Paul Doctorian	2
<i>Necessary to Elect:</i>	648	Eddie Estep	2
Gustavo Crocker	420	John Seaman	2
Robert Broadbooks	259	Brian Wilson	2
Carla Sunberg	107	David Wilson	2
L. Aguiar Valvassoura	88	Lindell Browning	1
Dan Boone	16	Dan Copp	1
Christian Sarmiento	16	Sam Flores	1
Gabriel Salguero	11	Greg Garman	1
Yambe Sike	9	Manabu Ishida	1
Randy Craker	7	Trevor Johnston	1
David Downs	4	George Julea	1
Dwight Gunter	4	Clair MacMillan	1
Daniel Ketchum	3	Terry Rowland	1
Gary Moor	3	Samuel Vassel	1
Jossie Owens	3	Verne Ward III	1

BALLOT THIRTY-ONE

<i>Total Ballots Cast:</i>	941	Jossie Owens	2
<i>Necessary to Elect:</i>	626	Min-Gyoo Shin	2
Gustavo Crocker	400	Dierdre Brower-Latz	1
Robert Broadbooks	198	Lindell Browning	1
Carla Sunberg	191	Jim Cooper	1
L. Aguiar Valvassoura	67	David Downs	1
Christian Sarmiento	20	Eddie Estep	1
Dan Boone	12	Dwight Gunter	1
Yambe Sike	7	Manabu Ishida	1
Randy Craker	6	George Julea	1
Gabriel Salguero	6	Gary Moore	1
Daniel Ketchum	5	Carlos Saenz	1
John Seaman	3	Amadeu Teixeira	1
Paul Doctorian	2	Samuel Vassel	1
Sam Flores	2	Brian Wilson	1
Trevor Johnston	2		

BALLOT THIRTY-TWO

<i>Total Ballots Cast:</i>	963	Paul Doctorian	2
<i>Necessary to Elect:</i>	642	Sam Flores	2
Gustavo Crocker	390	Jossie Owens	2
Carla Sunberg	292	Fred Huff	1
Robert Broadbooks	133	Seung-An Im	1
L. Aguiar Valvassoura	59	Manabu Ishida	1
Christian Sarmiento	25	Trevor Johnston	1
Dan Boone	11	Geoff Kunselman	1
D. Ian Fitzpatrick	8	Michael McCarty	1
Yambe Sike	6	Amadeu Nunez	1
Randy Craker	5	Carlos Saenz	1
David Downs	3	Gabriel Salguero	1
Daniel Ketchum	3	Ramon Sierra	1
John Seaman	3	Samuel Vassel	1
Min-Gyoo Shin	3	Kerry Willis	1
Jim Cooper	2	Brian Wilson	1

BALLOT THIRTY-THREE

<i>Total Ballots Cast:</i>	951	Yambe Sike	3
<i>Necessary to Elect:</i>	630	Randy Craker	2
Carla Sunberg	390	Paul Doctorian	2
Gustavo Crocker	334	David Downs	2
Robert Broadbooks	85	Sam Flores	2
Christian Sarmiento	44	Manabu Ishida	2
L. Aguiar Valvassoura	40	John Seaman	2
Dan Boone	12	Samuel Vassel	2
D. Ian Fitzpatrick	9	Brian Wilson	2

Sukamal (Nathan) Biswas	1	Amadeu Nunez	1
Jim Cooper	1	Carlos Saenz	1
Fred Huff	1	Gabriel Salguero	1
Trevor Johnston	1	Ramon Sierra	1
Daniel Ketchum	1	Charles Sunberg	1
Mark Louw	1	Gene Tanner	1

BALLOT THIRTY-FOUR

<i>Total Ballots Cast:</i>	953	Brian Wilson	3
<i>Necessary to Elect:</i>	633	Sukamal (Nathan) Biswas	2
Carla Sunberg	463	Paul Doctorian	2
Gustavo Crocker	269	Sam Flores	2
Christian Sarmiento	73	Daniel Ketchum	2
Robert Broadbooks	46	Mark Louw	2
L. Aguiar Valvassoura	38	Dierdre Brower-Latz	1
Dan Boone	14	John L. Denney	1
D. Ian Fitzpatrick	14	Fred Huff	1
David Downs	3	Manabu Ishida	1
John Seaman	3	Trevor Johnston	1
Yambe Sike	3	Amadeu Nunez	1
Samuel Vassel	3	Carlos Saenz	1

BALLOT THIRTY-FIVE

<i>Total Ballots Cast:</i>	963	Samuel Vassel	2
<i>Necessary to Elect:</i>	640	Brian Wilson	2
Carla Sunberg	510	Gary Bond	1
Gustavo Crocker	213	Lindell Browning	1
Christian Sarmiento	131	Gerson Cardoso	1
Robert Broadbooks	24	Randy Craker	1
L. Aguiar Valvassoura	21	Fred Huff	1
D. Ian Fitzpatrick	17	Seung-An Im	1
Dan Boone	14	Manabu Ishida	1
John Seaman	3	Trevor Johnston	1
Sukamal (Nathan) Biswas	2	Mark Louw	1
Paul Doctorian	2	Steve Scott	1
David Downs	2	Min-Gyoo Shin	1
Sam Flores	2	Yambe Sike	1
Daniel Ketchum	2	Woodie Stevens	1

BALLOT THIRTY-SIX

<i>Total Ballots Cast:</i>	961	Robert Broadbooks	16
<i>Necessary to Elect:</i>	638	L. Aguiar Valvassoura	13
Carla Sunberg	515	Dan Boone	9
Christian Sarmiento	217	Sukamal (Nathan) Biswas	2
Gustavo Crocker	147	Paul Doctorian	2
D. Ian Fitzpatrick	18	David Downs	2

Sam Flores	2	Manabu Ishida	1
John Seaman	2	Daniel Ketchum	1
Woodie Stevens	2	Jim Kraemer	1
Brian Wilson	2	Carla Sanchez	1
Fred Huff	1	Scott Sherwood	1
Seung-An Im	1	Yambe Sike	1

BALLOT THIRTY-SEVEN

<i>Total Ballots Cast:</i>	966	Sam Flores	2
<i>Necessary to Elect:</i>	641	John Seaman	2
Carla Sunberg	483	Josefin Ano-os	1
Christian Sarmiento	318	Sukamal (Nathan) Biswas	1
Gustavo Crocker	96	Eddie Estep	1
D. Ian Fitzpatrick	18	Daniel Ketchum	1
Robert Broadbooks	11	Philip McAlister	1
L. Aguiar Valvassoura	10	Bud Reedy	1
Dan Boone	8	Carlos Saenz	1
Paul Doctorian	2	Yambe Sike	1
David Downs	2	Brian Wilson	1

BALLOT THIRTY-EIGHT

<i>Total Ballots Cast:</i>	966	Paul Doctorian	2
<i>Necessary to Elect:</i>	641	Josefin Ano-os	1
Christian Sarmiento	420	Susan Carole	1
Carla Sunberg	392	Sam Flores	1
Gustavo Crocker	79	Hermann Gschwandtner	1
Dan Boone	18	Daniel Ketchum	1
Robert Broadbooks	13	Mark Louw	1
D. Ian Fitzpatrick	13	Philip McAlister	1
L. Aguiar Valvassoura	7	John Seaman	1
David Downs	4	Yambe Sike	1
Samuel Vassel	4		

BALLOT THIRTY-NINE

<i>Total Ballots Cast:</i>	892	Randy Craker	2
<i>Necessary to Elect:</i>	590	Paul Doctorian	2
Christian Sarmiento	476	L. Aguiar Valvassoura	2
Carla Sunberg	242	Larry Dennis	1
Gustavo Crocker	62	Luciano Duarte	1
Dan Boone	33	Eddie Estep	1
Verne Ward III	19	Mark Louw	1
Robert Broadbooks	12	Carlos Saenz	1
Philip McAlister	10	John Seaman	1
Samuel Vassel	8	Yambe Sike	1
David Downs	4	Amadeu Teixeira	1
D. Ian Fitzpatrick	4		

BALLOT FORTY

<i>Total Ballots Cast:</i>	926	David Downs	4
<i>Necessary to Elect:</i>	612	Randy Craker	2
Christian Sarmiento	531	Paul Doctorian	2
Carla Sunberg	191	John Seaman	2
Dan Boone	67	Luciano Duarte	1
Gustavo Crocker	42	D. Ian Fitzpatrick	1
Verne Ward III	40	Seung-An Im	1
Philip McAlister	11	Mark Louw	1
Samuel Vassel	11	Brett Rickey	1
Robert Broadbooks	8	Carlos Saenz	1

BALLOT FORTY-ONE

<i>Total Ballots Cast:</i>	927	L. Aguiar Valvassoura	4
<i>Necessary to Elect:</i>	616	Philip McAlister	3
Christian Sarmiento	556	Paul Doctorian	2
Carla Sunberg	130	David Downs	2
Dan Boone	115	David McKellips	2
Verne Ward III	46	Randy Craker	1
Gustavo Crocker	38	Luciano Duarte	1
Samuel Vassel	17	Peter Colin Elliott	1
Robert Broadbooks	4	Eddie Estep	1

BALLOT FORTY-TWO

<i>Total Ballots Cast:</i>	949	Paul Doctorian	2
<i>Necessary to Elect:</i>	630	Randy Craker	1
Christian Sarmiento	571	David Downs	1
Dan Boone	182	D. Ian Fitzpatrick	1
Carla Sunberg	95	Sam Flores	1
Verne Ward III	39	Daniel Ketchum	1
Gustavo Crocker	32	John Seaman	1
Samuel Vassel	15	L. Aguiar Valvassoura	1
Robert Broadbooks	2		

BALLOT FORTY-THREE

<i>Total Ballots Cast:</i>	951	Paul Doctorian	2
<i>Necessary to Elect:</i>	631	David Downs	2
Christian Sarmiento	572	Jim Cooper	1
Dan Boone	259	Randy Craker	1
Carla Sunberg	54	Eddie Estep	1
Verne Ward III	25	Daniel Ketchum	1
Gustavo Crocker	16	David Roland	1
Samuel Vassel	6	John Seaman	1
Robert Broadbooks	3	L. Aguiar Valvassoura	1

BALLOT FORTY-FOUR

<i>Total Ballots Cast:</i>	949	David Downs	2
<i>Necessary to Elect:</i>	631	Samuel Vassel	2
Christian Sarmiento	565	Ron Adams	1
Dan Boone	288	Randy Craker	1
Carla Sunberg	49	Daniel Ketchum	1
Gustavo Crocker	18	Clair MacMillan	1
Verne Ward III	11	Mashangu Maluleka	1
Robert Broadbooks	2	John Seaman	1
Paul Doctorian	2	L. Aguiar Valvassoura	1

BALLOT FORTY-FIVE

<i>Total Ballots Cast:</i>	946	George Julea	2
<i>Necessary to Elect:</i>	629	Carlos Saenz	2
Christian Sarmiento	531	Dierdre Brower-Latz	1
Dan Boone	300	Luciano Duarte	1
Carla Sunberg	47	Eddie Estep	1
Gustavo Crocker	32	Dan Keeton	1
Verne Ward III	8	Daniel Ketchum	1
Randy Craker	3	Mark Louw	1
Sukamal (Nathan) Biswas	2	David Roland	1
Robert Broadbooks	2	John Seaman	1
Paul Doctorian	2	Samuel Vassel	1
David Downs	2	David Wilson	1

BALLOT FORTY-SIX

<i>Total Ballots Cast:</i>	950	Joey Brummet	1
<i>Necessary to Elect:</i>	629	Dan Copp	1
Christian Sarmiento	480	Luciano Duarte	1
Dan Boone	302	D. Ian Fitzpatrick	1
Gustavo Crocker	79	Manabu Ishida	1
Carla Sunberg	53	Daniel Ketchum	1
Randy Craker	5	Mark Louw	1
David Downs	5	Carlos Saenz	1
Robert Broadbooks	3	Jeanne Serrao	1
Paul Doctorian	2	L. Aguiar Valvassoura	1
John Seaman	2	Verne Ward III	1
Dierdre Brower-Latz	1	Brian Wilson	1

BALLOT FORTY-SEVEN

<i>Total Ballots Cast:</i>	898	Samuel Vassel	20
<i>Necessary to Elect:</i>	580	L. Aguiar Valvassoura	14
Christian Sarmiento	417	Randy Craker	7
Gustavo Crocker	183	David Downs	6
Carla Sunberg	154	Daniel Ketchum	6
Robert Broadbooks	33	John Seaman	6

John Bowling	3	Sam Flores	1
Jeanne Serrao	3	Fred Huff	1
D. Ian Fitzpatrick	2	Mark Louw	1
Terry Rowland	2	Philip McAlister	1
Brian Wilson	2	Jossie Owens	1
Dierdre Brower-Latz	1	Jeren Rowell	1
Dan Copp	1	Carlos Saenz	1
Scott Daniels	1	Verne Ward III	1
Paul Doctorian	1		

BALLOT FORTY-EIGHT

<i>Total Ballots Cast:</i>	911	John Bowling	4
<i>Necessary to Elect:</i>	602	Larry Dennis	3
Christian Sarmiento	368	Brian Wilson	2
Gustavo Crocker	213	Susan Carole	1
Carla Sunberg	200	Paul Doctorian	1
Robert Broadbooks	40	Sam Flores	1
Samuel Vassel	18	Manabu Ishida	1
John Seaman	13	George Julea	1
L. Aguiar Valvassoura	11	Jossie Owens	1
Randy Craker	8	Jeren Rowell	1
David Downs	8	Terry Rowland	1
Daniel Ketchum	6		

BALLOT FORTY-NINE

<i>Total Ballots Cast:</i>	912	Daniel Ketchum	4
<i>Necessary to Elect:</i>	605	John Bowling	2
Gustavo Crocker	264	Brian Wilson	2
Christian Sarmiento	256	Larry Dennis	1
Carla Sunberg	255	Paul Doctorian	1
Robert Broadbooks	51	Dwight Gunter	1
John Seaman	21	Manabu Ishida	1
L. Aguiar Valvassoura	16	Patrick Paulse	1
Samuel Vassel	13	Rodwell Porter	1
Randy Craker	9	Terry Rowland	1
David Downs	7		

BALLOT FIFTY

<i>Total Ballots Cast:</i>	915	L. Aguiar Valvassoura	14
<i>Necessary to Elect:</i>	608	Randy Craker	10
Gustavo Crocker	338	David Downs	8
Carla Sunberg	288	Samuel Vassel	6
Christian Sarmiento	159	Jorge Julca	2
Robert Broadbooks	54	Brian Wilson	2
John Seaman	25	Luis H. Biazon	1

Paul Doctorian	1	Pascal Permis	1
Dwight Gunter	1	Terry Rowland	1
Seung-An Im	1		

BALLOT FIFTY-ONE

<i>Total Ballots Cast:</i>	917	Randy Craker	11
<i>Necessary to Elect:</i>	610	David Downs	7
Gustavo Crocker	442	Brian Wilson	2
Carla Sunberg	290	Paul Doctorian	1
Christian Sarmiento	81	Manabu Ishida	1
Robert Broadbooks	41	Jorge Julca	1
John Seaman	24	Terry Rowland	1
L. Aguiar Valvassoura	12		

BALLOT FIFTY-TWO

<i>Total Ballots Cast:</i>	920	David Downs	7
<i>Necessary to Elect:</i>	613	Terry Rowland	2
Gustavo Crocker	551	Brian Wilson	2
Carla Sunberg	253	Larry Dennis	1
Christian Sarmiento	40	Paul Doctorian	1
Robert Broadbooks	28	Luciano Duarte	1
John Seaman	13	Manabu Ishida	1
Randy Craker	9	Trevor Johnston	1
L. Aguiar Valvassoura	8	Samuel Vassel	1

BALLOT FIFTY-THREE

<i>Total Ballots Cast:</i>	949	Randy Craker	3
<i>Necessary to Elect:</i>	630	Lindell Browning	1
Gustavo Crocker	636	Larry Dennis	1
Carla Sunberg	231	Paul Doctorian	1
Christian Sarmiento	26	Eddie Estep	1
Robert Broadbooks	22	Fred Huff	1
L. Aguiar Valvassoura	12	Terry Rowland	1
David Downs	4	Brian Wilson	1
John Seaman	4		

GENERAL COURT OF APPEALS

Report No. 1

(Vote for five)			
Dan Boone	742	Trevor Johnston	379
John Seaman	490	John Denney	361
Margaret Tyler	431	Mike Dennis	313
Jeanne Serrao	397	John Wilcox	287
David McKellips	389	Mervin Smith	197

NAZARENE THEOLOGICAL SEMINARY TRUSTEES

Report No. 1

<i>Ministers</i>		<i>Laypersons</i>	
<i>Canada</i>			
Gary Bennett	153	Brian Cambers	201
Clair MacMillan	330	Deborah Snow Stroub	266
<i>Central USA</i>			
Ed Heck	203	Mary Margaret Reed	294
Glen Gardner	276	Barry Huebner	149
<i>East Central USA</i>			
Geoff Kunselman	161	Wayne Penrod	282
Charles Sunberg	331	Barbara Tarantino	180
<i>Eastern USA</i>			
David Sharpes	205	Jan Weisen	203
Samuel Vassel	286	Merritt Mann	272
<i>North Central USA</i>			
Brad Estep	221	Chad Cook	171
Jeren Rowell	283	Brad Moore	306
<i>Northwest USA</i>			
Jeff Crosno	103	Monte Chitwood	215
Stan Reeder	397	Bob Helstrom	250
<i>South Central USA</i>			
David Downs	279	Howard Hendricks	341
Rick Harvey	212	John Means	116
<i>Southeast USA</i>			
Eddie Estep	259	Juliet Carter	202
Kevin Ulmet	236	Gerald Skinner	252
<i>Southwest USA</i>			
Scott Daniels	323	Allen Brown	218
Orlando Serrano	176	Art Shingler	230

NAZARENE BIBLE COLLEGE TRUSTEES

Report No. 1

<i>Central USA</i>		Carol Dockery, Lay	199
Wayne Brown, DS	129	Homer McKnight, Lay	253
David Roland, DS	342	<i>Eastern USA</i>	
Lloyd Brock, Minister	163	Phil Fuller, DS	290
Lenny Wisehart, Minister	319	Bret Metcalfe, DS	156
Arlene Chenoweth, Lay	266	Jerome Hancock, Minister	216
J. Quinn Dickey, Lay	186	Charles Tillman, Minister	201
<i>East Central USA</i>		Cindy Charles, Lay	255
Kevin Dennis, DS	245	Brian Todd, Lay	154

Stephen Ward, DS	219	<i>North Central USA</i>	
Mark Fuller, Minister	310	Mark Bane, DS	226
Dan Cole, DS	228	Jim Hill, Minister	211
Riley Powell, Minister	149	Keith Pardue, Lay	218
Jim Bond, Minister	370	Peggy Stark Wilson, Lay	230
Tom Shaw, Minister	108	<i>Southeast USA</i>	
LeEtta Felter, Lay	141	Ron McCormick, DS	137
Bonnie Perry, Lay	287	Roy Rogers, DS	329
<i>Northwest USA</i>		Chet Bush, Minister	181
Bill Carr, DS	284	Brett Rickey, Minister	253
David Ralph, DS	180	Donna Alder, Lay	242
Kevin Donley, Minister	213	Keith Dance, Lay	186
Shawn Siegfried, Minister	236	<i>Southwest USA</i>	
Jeremy Carr, Lay	225	John Nells, DS	290
Ann Jetton, Lay	208	Doug Pierce, DS	158
<i>South Central USA</i>		Kendall Franklin, Minister	242
Randy Berkner, DS	187	Dave West, Minister	194
Greg Mason, DS	274	Saurabh Emmanuel, Lay	216
Ken Carney, Minister	229	Jacqueline Frey, Lay	203

2013 GENERAL ASSEMBLY CALENDAR OF RESOLUTIONS

CHRISTIAN ACTION

Resolution Code	Title	Presented by	Action of the General Assembly	Manual Paragraph Reference #
CA-700	Gender Inclusive Language	North Arkansas District Resolutions Committee	Adopted	Amend 27.1
CA-701	The Covenant of Christian Character—Sexual Immorality	Chicago Central District General Assembly Resolutions Committee, East Tennessee District Resolutions Committee, Eastern Michigan District Resolutions Committee, Michigan District General Assembly Delegation, Northwestern Illinois District Resolutions Committee, Prairie Lakes District Advisory Board, and Southwest Indiana District	Adopted (Amended by the Legislative Committee)	Amend 27.2
CA-702	Entertainment	Board of General Superintendents	Adopted	Amend 34.1
CA-703	The Covenant of Christian Conduct—Human Sexuality	Reference Committee and North Florida District Advisory Board	Referred to the Board of General Superintendents	Amend 37
CA-704	Church Officers	Kansas City District	Adopted	Amend 39
CA-704a	Church Officers	Reference Committee and Tennessee District Resolutions Committee	Adopted	Amend 39, 113.11, 127, 145, and 146
CA-705	Matrimony	Reference Committee and Board of General Superintendents	Amended and Adopted	New 413.10, 435.16, and Amend 35.2
CA-706	Organ Donation	Reference Committee	Adopted	Appendix Review 903.1
CA-707	Responsibility to the Poor	Reference Committee	Adopted	Appendix Review 903.4
CA-708	Substance Abuse	Reference Committee	Adopted (Amended by the Legislative Committee)	Appendix Review 903.15
CA-709	Use of Alcohol	Chicago Central District General Assembly Resolutions Committee	Referred to the Board of General Superintendents	Amend 903.16
CA-709a	Alcohol Desocialization	Reference Committee	Adopted	Appendix Review 903.16
CA-710	Tobacco Use and Advertising	Reference Committee	Adopted (Amended by the Legislative Committee)	Appendix Review 903.17
CA-711	HIV/AIDS (Human Immunodeficiency Virus/Acquired Immunodeficiency Syndrome)	Reference Committee	Adopted	Appendix Review 903.18
CA-712	The Encroachment of Process Theology	Kentucky District Assembly	Rejected*	New 903.20

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CHURCH PROGRAM

CP-100	Membership of Nazarene Publishing House Board	Board of General Superintendents	Adopted	Amend 338
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DISTRICT ADMINISTRATION

DA-200	District Boundaries	Board of General Superintendents	Amended and Adopted (Amended by the Legislative Committee)	Amend 30 and 200
DA-201	Divisions with Any District Phase	Board of General Superintendents	Rejected	Amend 200.4 and 200.1
DA-202	District Assembly Membership	Northwestern Illinois District Resolutions Committee	Adopted	Amend 201, 201.1, and 201.2

Resolution Code	Title	Presented by	Action of the General Assembly	Manual Paragraph Reference #
DA-203	District Assembly	Southwestern Ohio District Resolutions Committee	Rejected*	Amend 202
DA-204	Business of the District Assembly	Nebraska District Advisory Board	Rejected*	Amend 203.11
DA-205	Election of General Assembly Alternates	Board of General Superintendents	WITHDRAWN	Amend 203.23 and 32.1
DA-206	Installation of a District Superintendent	North Arkansas District Resolutions Committee	Rejected*	New 206.1
DA-207	Renewing the District Superintendent Relationship—Regular Review	Tennessee District Resolutions Committee	Rejected*	Amend 206 and New 206.1
DA-207a	Renewing the District Superintendent Relationship—Special Review	Tennessee District Resolutions Committee	Rejected*	Amend 203.11-13
DA-207b	District Superintendent	Southwestern Ohio District Resolutions Committee	Rejected*	Amend 203.12
DA-208	District Superintendent	East Ohio District Resolutions Committee, Kansas City District, Mid-Atlantic District, Southwestern Ohio District Resolutions Committee, and West Texas District Resolutions Committee	Rejected*	Amend 206 and 207
DA-208a	District Superintendent	South Central Ohio District Advisory Board	Rejected*	Amend 206 and 207
DA-209	The District Superintendent	North Florida District Advisory Board	Rejected*	New 207
DA-210	Local Church in Crisis	Kansas City District	Amended and Adopted (Amended by the Legislative Committee)	Amend 208.3
DA-211	Duties of a District Superintendent	Nebraska District Advisory Board	Rejected*	Amend 208.3
DA-212	District Superintendent—Finances	Board of General Superintendents	Adopted (Amended by the Legislative Committee)	New 214
DA-213	The District Advisory Board	Mid-Atlantic District	Rejected*	New 221.5
DA-214	District Superintendent Sabbatical	Kansas City District	Amended and Adopted (Amended by the Legislative Committee)	New 222.9
DA-215	District Advisory Board Duty	Board of General Superintendents	Adopted (Amended by the Legislative Committee)	Amend 222.10 and 429.5
DA-216	Compassionate Ministry Centers	Kansas City District	Adopted (Amended by the Legislative Committee)	New 222.12
DA-217	Credentials Board—Composition and Membership	Pittsburgh District General Assembly Delegation and Virginia District General Assembly Delegation	Adopted (Amended by the Legislative Committee)	Amend 226 and 203.15
DA-218	District Advisory Committee	Board of General Superintendents	Amended and Adopted	New 236
DA-219	District Paid Assistants	Board of General Superintendents	WITHDRAWN	Amend 241.3
DA-220	Duties of the District Superintendent	Philippines Metro Manila District Assembly	Rejected*	New 214
DA-221	Reconvened <i>Manual</i> Editing Committee Revisions—Criteria for District Division or District Boundary Changes	Reconvened 2009 <i>Manual</i> Editing Committee	Adopted	Amend 200.3

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GENERAL ADMINISTRATION

Resolution Code	Title	Presented by	Action of the General Assembly	Manual Paragraph Reference #
GA-300	Election of General Superintendents—Change in the Number and Regional Diversity	United Kingdom British Isles South District Resolutions Committee	Rejected*	Amend 31.5
GA-301	Time of the General Assembly	General Board, Kansas City District, Mid-Atlantic District, and Southwestern Ohio District Resolutions Committee	Rejected	Amend 302
GA-301a	Time and Place of General Assembly	Chicago Central District General Assembly Resolutions Committee	See GA-301	Amend 302
GA-302	Time and Place of General Assembly	Reference Committee and Chicago Central District General Assembly Resolutions Committee	Rejected*	Amend 302
GA-302a	General Assembly Site Determination	General Board	Adopted (Amended by the Legislative Committee)	New 302.1
GA-303	Time and Place of General Assembly	Chicago Central District General Assembly Resolutions Committee	Adopted	Amend 302.1
GA-304	The Election of General Superintendents	Eastern Michigan District Resolutions Committee	Rejected*	Amend 305.2
GA-305	Business of the General Assembly—General Superintendents Emeriti	Board of General Superintendents	WITHDRAWN	Amend 305.3
GA-306	General Superintendents and Ordination	East Ohio District Resolutions Committee	Rejected*	Amend 307.4
GA-307	General Superintendents Emeriti and Retired	Board of General Superintendents	Adopted	Amend 314.2
GA-308	The Duties of the Board of General Superintendents	North Florida District Advisory Board	Rejected*	Amend 317.10
GA-309	General Superintendent Sabbatical	Kansas City District	Referred to the General Board and the Board of General Superintendents	New 324
GA-310	Nominations for the General Board	Reference Committee and Chicago Central District General Assembly Resolutions Committee	Rejected*	Amend 332.2
GA-310a	Nominations for the General Board	General Board	Rejected	Amend 332.2
GA-311	National Boards	Board of General Superintendents and General Board	Adopted	Amend 344
GA-312	<i>Manual</i> Appendix Review	Reference Committee	Adopted	Appendix Review 902.5
GA-313	Restriction on Membership—General Church Boards	Reference Committee	Adopted to Delete	Appendix Review 902.8
GA-314	Amendments to the Constitution	Board of General Superintendents	Adopted	Amend 32
GA-315	Membership of the General Assembly	General Board	Amended and Adopted (Amended by the Legislative Committee)	Amend 301
GA-316	Duties of General Superintendents	General Board	Amended and Adopted	Amend 307.5
GA-317	Duties of the Board of General Superintendents	General Board	Amended and Adopted	Amend 317.1
GA-318	Membership of the General Assembly	General Board	Adopted	Amend 301.1
GA-319	Nominations for the General Board—International Board of Education	General Board	Adopted	Amend 332.3
GA-320	Nominations for the General Board—Nazarene Missions International	General Board	Adopted	Amend 332.5

Resolution Code	Title	Presented by	Action of the General Assembly	Manual Paragraph Reference #
GA-321	Nomination for the General Board—Sunday School and Discipleship Ministries International	General Board	Adopted	New 332.6
GA-322	The Role of the General Superintendent	General Board	Adopted	New 306 and Amend various other paragraphs in 306 and 307 sections
GA-323	Corporation Restructure Revisions	General Board Executive Committee	Adopted	Amend 217.6, 237.10, 238.3, 242.1, 301, 307.3, 307.11, 317.3, 331, 331.1, 331.2, 331.3, 335, 335.1, 335.13, 335.20, 336, 345.3, and 404
GA-324	Resolution Items Which Do Not Include Changes to the <i>Manual</i>	Board of General Superintendents	Adopted	Amend 902.7
GA-325	Reconvened <i>Manual</i> Editing Committee Revisions	Reconvened 2009 <i>Manual</i> Editing Committee	Amended and Adopted	Amend 300.1, 307.7, 307.14, 314.1, 316, 317.1, 326.6, 332.4, 335, 335.3, and 337
GA-326	Revisions Clarifying the Role of General Superintendents and General Board	Board of General Superintendents	Amended and Adopted	Amend 317.4, 307.4, 323, and 335.5 and Delete 317.8, 320, 330.7, and 335.6
GA-327	Internationalization	Missouri District Advisory Board	Rejected*	

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LOCAL ADMINISTRATION

LA-400	Church-Type Mission	Kansas City District	Adopted	New 101
LA-401	Incorporation	Scott Sherwood, et al.	Adopted	Amend 102.4
LA-402	Local Church Restrictions	Northwestern Illinois District Resolutions Committee	Adopted	Amend 104
LA-403	The Closing of a Local Church	North Arkansas District Resolutions Committee	Rejected*	New 106.2
LA-404	Declaring Churches Inactive or Disorganized	Mid-Atlantic District	Adopted (Amended by the Legislative Committee)	Amend 106, 106.2, and 106.3
LA-405	Calling of a Pastor	Board of General Superintendents	Amended and Adopted	Amend 115 and 412
LA-406	Remuneration for a Pastor	Board of General Superintendents	Adopted (Amended by the Legislative Committee)	Amend 115.4
LA-407	Pastor's Agreement Not to Compete	North Florida District Advisory Board	Rejected*	New 115.6
LA-408	Pastoral Appointments	Eastern Michigan District Resolutions Committee and North Florida District Advisory Board	Rejected*	Amend 117
LA-409	Co-Pastors	East Ohio District Resolutions Committee, Mid-Atlantic District, North Central Ohio District Resolutions Committee, South Central Ohio District Advisory Board, and Southwestern Ohio District Resolutions Committee	Adopted (Amended by the Legislative Committee)	Amend 121
LA-410	The Church/Pastor Relationship	Nebraska District Advisory Board	Adopted (Amended by the Legislative Committee)	Amend 122 and 122.1
LA-411	Reviewing the Church/Pastor Relationship	Reference Committee and Nebraska District Advisory Board	Rejected*	Amend 123

Resolution Code	Title	Presented by	Action of the General Assembly	Manual Paragraph Reference #
LA-411a	The Regular Church and Pastoral Review	Mid-Atlantic District	Rejected*	Amend 123
LA-412	Special Church/Pastoral Review and Local Church in Crisis	Nebraska District Advisory Board	Rejected*	Amend 124 and 125.1
LA-413	Special Church/Pastoral Review	Nebraska District Advisory Board	Rejected*	Amend 124
LA-414	Local Church in Crisis	West Virginia North District General Assembly Resolutions Committee	Adopted	Amend 125.1, 125.2, 208.3 and 208.4
LA-415	Church Board Membership	Tennessee District Resolutions Committee	Rejected	Amend 127
LA-415a	The Church Board—Membership	Eastern Michigan District Resolutions Committee	Rejected*	Amend 127
LA-416	Election of Church Board Secretary and Treasurer	Board of General Superintendents	Adopted	Amend 128, 129.19, and 129.20
LA-417	Pastoral Sabbatical	Northern California District General Assembly Delegation	See LA-424	Amend 129.10
LA-418	Associate Pastor's Severance	Mid-Atlantic District	Rejected*	Amend 160.2
LA-419	Pastoral Transition/Associates	Chicago Central District General Assembly Resolutions Committee	Adopted	Amend 160.5
LA-420	The Reception of Church Members	Board of General Superintendents	Adopted	Amend 801
LA-421	Delegates for Church-Type Missions	Reference Committee and Northwestern Illinois District Resolutions Committee	Adopted (Amended by the Legislative Committee)	New 113.15
LA-422	Reconvened <i>Manual</i> Editing Committee Revisions—Local Church Property Restrictions and Local Church Membership	Reconvened 2009 <i>Manual</i> Editing Committee	Adopted	Amend 104 and 107.1
LA-423	Associate Membership	South Africa RSA Kwa Zulu Natal District Assembly	Adopted	Amend 108, 108.1, and 203.24
LA-424	Time of Pastor's Sabbatical	John Denney, et al.	Adopted	Amend 129.10

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MINISTRY AND EDUCATION

MED-500	College of Theologians	Tennessee District Resolutions Committee	Rejected*	New 384, New 317.14, and New 32
MED-500a	Global Council of Theologians	General Board	Referred to the Board of General Superintendents	New 384, New 317.14, and New 32.1
MED-501	Theology of Ordination	Kansas City District	Adopted	Amend 401.3
MED-502	Continuing Education	Kansas City District	Adopted	Amend 426.6
MED-503	Qualifications for District Minister's License	Board of General Superintendents	Adopted	Amend 429.1
MED-504	Qualifications for District Minister's License with Licensed Ministers from Other Denominations	Board of General Superintendents	Adopted (Amended by the Legislative Committee)	Amend 429.2
MED-505	Local Church Membership of Ordained Ministers	Intermountain District General Assembly Delegation	Adopted	Amend 435.8
MED-506	Duty of Confidentiality	Board of General Superintendents	Adopted	Amend 435.14
MED-507	Return of Ministerial Credential Process for a Minister with a Filed Status	Board of General Superintendents	Adopted (Amended by the Legislative Committee)	Amend 436.2 and 437.2
MED-508	Restoration of the Clergy to Church Membership and Good Standing	Mid-Atlantic District	Referred to the Board of General Superintendents	Amend 437

Resolution Code	Title	Presented by	Action of the General Assembly	Manual Paragraph Reference #
MED-509	Credential Reinstatement for a Minister who Left to Join another Denomination without Prejudice	Board of General Superintendents	Amended and Adopted	New 437.4
MED-510	Restoration of Credential	Virginia District General Assembly Delegation	Rejected*	Amend 437.7
MED-511	Women in Ministry	Reference Committee	Adopted (Amended by the Legislative Committee)	Appendix Review 903.5
MED-512	Deacons and Elders	Southwest Indiana District	Rejected*	Amend 403, 430.1, 430.2, 430.4, 431, and 431.1
MED-513	Approval for Ministers to Serve with an Independent Church, Religious Group, or Denomination	Board of General Superintendents	Adopted	Amend 435.11
MED-514	Restoration of Ministerial Credential	North Arkansas District Resolutions Committee	Rejected*	Amend 437.7
MED-515	Reconvened <i>Manual</i> Editing Committee Revisions	Reconvened 2009 <i>Manual</i> Editing Committee	WITHDRAWN	Amend 401.4, 408, 410, 414.6, 419, 426.3, 426.6, 431.1, 430.5
MED-516	Global Nazarene Education Consortium	International Board of Education	Adopted	Amend 381
MED-517	Continuing Education Units	Global Clergy Development and International Board of Education	Adopted	Amend 426.6

*Rule 49. Two-thirds Rejection. Any resolution or petition which receives a two-thirds vote for rejection by the legislative committee to which it is assigned shall be reported "dead." No further action shall be taken following such disposition unless such resolution or petition is recalled for consideration by a two-thirds vote of the Assembly.

STEWARDSHIP AND FINANCE

SF-600	Study of Capital Stewardship Campaign Funding and Apportionment System	Virginia District General Assembly Delegation	Amended and Adopted (Amended by the Legislative Committee)
SF-601	Budget Exemption: Capital Stewardship Campaigns	Virginia District General Assembly Delegation	Rejected*

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SPECIAL RESOLUTIONS

SR-750	General Superintendent Emeritus—Dr. Jesse C. Middendorf	General Board	Adopted	
SR-751	General Assembly Rules of Order—Co-Superintendents Privileges of the Floor and Seating	East Ohio District Assembly, Mid-Atlantic District, and Southwestern Ohio District Resolutions Committee	Adopted (Amended by the Legislative Committee)	
SR-752	Study Commission on the Atonement	Michigan District General Assembly Delegation	Rejected	
SR-753	Committee on Uniform Use of Associate Member Status	South Texas District General Assembly Delegation	Rejected	
SR-754	Continuation of <i>Manual</i> Study Committee	General Board	Adopted	
SR-755	Church Government Flow Chart	Southwest Indiana District	Rejected*	Amend <i>Manual</i> Historical Statement
SR-756	Official Church Anthem	Southwest Indiana District	Rejected*	
SR-757	General Assembly Rules of Order—Minimal Vote	Hans Deventer, et al.	Rejected*	
SR-758	Historic Landmark Designation—Sharpe Memorial Church of the Nazarene, Parkhead, Glasgow, Scotland	British Isles North District Assembly	Adopted	
SR-758a	Historic Landmark Designation—Rosebloom Church of the Nazarene, Cascilla, Mississippi, USA	Mississippi District Assembly	Adopted	

Resolution Code	Title	Presented by	Action of the General Assembly	Manual Paragraph Reference #
SR-759	Election to General Superintendent Emerita/Emeritus Honor	Southwest Oklahoma District General Assembly Delegation	Adopted	Amend 305.3
SR-759a	General Superintendent Emeritus—Dr. Stan A. Toler	Southwest Oklahoma District General Assembly Delegation	Adopted	
SR-760	Retirement Age for General Superintendents	North Arkansas District Resolutions Committee, Northeast Oklahoma District General Assembly Delegation, South Texas District General Assembly Delegation, Southwest Oklahoma District General Assembly Delegation, and West Texas District General Assembly Delegation	Adopted	Amend 305.4

*Rule 49. Two-thirds Rejection. Any resolution or petition which receives a two-thirds vote for rejection by the legislative committee to which it is assigned shall be reported "dead." No further action shall be taken following such disposition unless such resolution or petition is recalled for consideration by a two-thirds vote of the Assembly.

SPECIAL JUDICIAL

JUD-800	Articles of Faith	Reference Committee and Scripture Study Committee	Adopted (Amended by the Legislative Committee)	New paragraph
JUD-801	Article of Faith IV—The Holy Scriptures	Tennessee District Resolutions Committee	Rejected*	Amend 4
JUD-802	Article of Faith VI—Atonement	Eastern Michigan District Resolutions Committee	Referred to Board of General Superintendents	Amend 6
JUD-803	Article of Faith VII—Prevenient Grace; Article of Faith VIII—Repentance	Mid-Atlantic District	See JUD-802	Amend 7 and 8
JUD-804	Article of Faith IX—Justification, Regeneration, and Adoption	Oregon Pacific District General Assembly Delegation	Referred to Board of General Superintendents	Amend 11
JUD-805	Article of Faith X—Christian Holiness and Entire Sanctification	Arizona District General Assembly Delegation, John Calhoun, et al., Central California District, and Northern California District General Assembly Delegation	See JUD-802	
JUD-805a	Article of Faith X—Christian Holiness and Entire Sanctification	Southwestern Ohio District Resolutions Committee	See JUD-802	Amend 14
JUD-806	Article of Faith XIII—The Lord's Supper	East Ohio District Resolutions Committee	See JUD-802	Amend 17
JUD-806a	Article of Faith XIII—The Lord's Supper	Intermountain District General Assembly Delegation	See JUD-802	Amend 17
JUD-806b	Article of Faith XIII—The Lord's Supper	Southwest Indiana District	See JUD-802	Amend 17
JUD-807	Article of Faith XIV—Divine Healing	North Arkansas District Resolutions Committee	Adopted	Amend 18
JUD-808	Article of Faith XVI—Resurrection, Judgment, and Destiny	Mid-Atlantic District	See JUD-802	
JUD-809	Agreed Statement of Belief	Intermountain District General Assembly Delegation	Rejected*	Amend 26
JUD-810	Membership and Baptism	East Ohio District Resolutions Committee and Southwest Indiana District	Rejected*	Amend 29, 107, and 801
JUD-811	Amendments to the Constitution	Chicago Central District General Assembly Resolutions Committee, Eastern Michigan District Resolutions Committee, Northwestern Illinois District Resolutions Committee, Prairie Lakes District Advisory Board, and Southwest Indiana District	Rejected*	Amend 32

Resolution Code	Title	Presented by	Action of the General Assembly	Manual Paragraph Reference #
JUD-812	Response to Possible Misconduct	Board of General Superintendents	Adopted	Amend 501.2
JUD-813	Reconciliation of a Layperson	Colorado District Resolutions Committee	Referred to Board of General Superintendents	Amend 504, 504.1, 504.2, New paragraph 504.3, and Delete 414.8
JUD-814	Contested Discipline of a Member of the Clergy	Washington Pacific District General Assembly Delegation	Adopted	Amend 505.1 and 505.3
JUD-815	Baptism of Infants Ritual	East Ohio District Resolutions Committee	Referred to Board of General Superintendents	Amend 800.2
JUD-815a	Baptism of Infants Ritual	Southwest Indiana District	See JUD-815	Amend 800.2
JUD-816	Structure of the Church of the Nazarene	General Board	Adopted	New 28.1
JUD-817	Article of Faith XII—Baptism	Southwest Indiana District	Referred to Board of General Superintendents	Amend 16
JUD-818	Restriction on Persons (Lay or Ministerial) who are Guilty of Sexual Misconduct	Board of General Superintendents	Referred to Board of General Superintendents	Amend 903.3 and 437.8
JUD-819	Regional Court of Appeals	Board of General Superintendents	Adopted	Amend 514

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CHRISTIAN ACTION/USA CAUCUS

USA-920	Racial Reconciliation	Kansas City District and Virginia District General Assembly Delegation	Rejected
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GENERAL ADMINISTRATION/USA CAUCUS

USA-900	National Boards	Chicago Central District General Assembly Resolutions Committee	Referred to Board of General Superintendents
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RULES OF ORDER

I. GENERAL

A. ORGANIZATION AND ORDER OF BUSINESS

Rule 1. Seating. Members of the General Assembly shall be seated by delegations and shall have reserved seat status. The section assigned to each delegation by the Platting Committee shall be properly identified and the members shall occupy their reserved seats for the entire meeting unless change is made by order of the General Assembly.

Rule 2. Meeting Hours. The first business meeting of the General Assembly shall convene at a time determined by the General Secretary and the Board of General Superintendents. Thereafter, the hours for convening and adjourning meetings shall be determined by vote of the General Assembly.

Rule 3. Organization. When the General Assembly has been convened in accordance with the provisions of the *Manual*, the Credentials Committee shall report the following:

a. The names of the general superintendents, if any, who have died during the quadrennium and the names of the delegates-elect, if any, who have died since election.

b. The number of delegates present.

c. [The number of delegates absent, by district.]

[d.] Approved list of [A]alternates to be seated in lieu of delegates, [giving] providing first the name of the district represented, then the name of the alternate, in lieu of the name of the delegate.

Rule 4. Quorum. The quorum of the General Assembly shall be a majority of the total number of delegates elected. In the absence of a quorum, the only business to be properly transacted and in order shall be the approval of minutes and the matter of adjournment.

Rule 5. Preparation for Business. When the presence of a quorum is determined, the General Secretary shall nominate assistant secretaries and other necessary assistants to be elected by the Assembly. The report of the Platting Committee will be received with instructions for the seating of delegations and non-voting members. The business of the Assembly will then be in order.

Rule 6. Order of Business. The regular order of business shall be:

a. Adoption of Rules of Order (first plenary business meeting only).

b. Report of the Credentials Committee relating to the presence of a quorum and the seating of alternates (first three days).

c. Report of the Daily Journal Committee (after first day).

d. Presentation of appeals, resolutions, and miscellaneous business for immediate consideration. The question of considering these items shall be undebatable and require a two-thirds vote in the affirmative for consideration at this time.

e. Reports of the general officers and department directors.

f. Reports of special committees and commissions.

g. Miscellaneous business.

Rule 7. Agenda. The General Secretary shall keep a record of the Orders of the Day, of the reports of committees, and reports placed on the record by a vote. These items of business shall be presented to the Agenda Committee, which shall place them in order for consideration

by the General Assembly. By a two-thirds vote, any item may be considered out of its proper order.

B. DUTIES OF CHAIRPERSON

Rule 8. Preserve Order. The Chairperson shall be responsible for seeing that the business of the General Assembly proceeds in accordance with the aforementioned Order of Business and in accordance with these Rules of Order and such other rules and regulations as may be adopted by the Assembly.

Rule 9. Questions and Points of Order. The Chairperson shall rule on Questions and Points of Order, subject to appeal. In case of an appeal, the question shall be taken without debate if it relates to indecorum, to priority of business, or if the previous question is pending at the time the point of order is raised. On a debatable question, the Chairperson shall state the reasons for his or her decision and the member appealing may state the reasons for the appeal.

Rule 10. Questions of Privilege. The Chairperson shall decide on Questions of Privilege. After the Question of Privilege is stated by the member, the Chairperson rules on the admissibility of the question.

Rule 11. Appoint Committees. The Board of General Superintendents shall appoint all committees unless otherwise ordered by the General Assembly.

C. DUTIES AND RIGHTS OF MEMBERS

Rule 12. Attendance at Meetings. Members shall be expected to attend all meetings of the General Assembly unless physically unable to do so. In the event a member is unable to attend the meetings, arrangements shall be made with the Credentials Committee for the certification of an alternate.

Rule 13. Obtain the Floor. A member desiring to make a motion, debate, or bring a matter to the General Assembly shall rise and address the Chairperson, then state his or her name and district. [The Chairperson, when assigning the floor to the member, shall announce the name of the member and the district he or she represents.] Once acknowledged by the Chairperson, [T]he member then may proceed to speak. In the case of a motion, a second will be required before the Chairperson states the question. A question is not before the Assembly for consideration until stated by the Chairperson or Secretary. Instructions for microphone sequencing shall be followed.

Rule 14. Questions which may Interrupt the Speaker. The following motions have the high privilege of interrupting a speaker:

- a. Questions of Privilege
- b. Call for the Orders of the Day
- c. Point of Order
- d. Such incidental motions as are permitted in the most current revision of *Robert's Rules of Order Newly Revised*.

Rule 15. Rising to a Question of Privilege. A member desiring to rise to a Question of Privilege shall briefly state the question after being assigned the floor by the Chairperson but shall not proceed until the Chairperson rules its admissibility. Questions of Privilege are limited to matters relating to the rights of the entire Assembly or of the individual member, and must be

of an imperative character to justify the interruption of the regular order or a speaker who has the floor.

Rule 16. Limits of Debate. He or she may speak three minutes each time. A member may speak a second time to a question only after every member desiring to debate has spoken. A committee making a report through its chairperson shall be entitled to five minutes to close the debate. A report consisting of two or more propositions may be divided for consideration and each proposition shall be entitled to the same rights and privileges as if they were separate reports. The same privilege shall be granted to the reporting member who presents the views of the minority.

D. MOTIONS

Rule 17. Written. All main motions and amendments shall be written and presented to the Secretary of the Assembly.

Rule 18. Withdrawal of a Motion. A member may withdraw a motion or modify it without permission if it had not been stated by the Chairperson. If modified, the seconder may withdraw the second. After a motion has been stated by the Chairperson it may be withdrawn or modified only with the consent of the Assembly, either by general consent or by a majority vote on the motion to withdraw.

Rule 19. Undeatable Motions. The vote on the following motions shall be taken without debate:

- a. Adjourn
- b. Suspend the Rules
- c. Lay on the Table
- d. Take from the Table
- e. Previous Question
- f. Reconsider an Undeatable Motion.

Rule 20. Amendments. Only two amendments, one of the first degree and one of the second degree (an amendment to an amendment), may be pending at the same time. An amendment must be germane to the motion it proposes to amend. When a member desires to change an entire motion, paragraph, or section, the proper amendment is the amendment to substitute. This is an amendment of the first degree and the original motion, paragraph, or section, and the substitute may be further amended by amendments of the second degree. When both propositions have been perfected by amending, the Assembly shall vote on the question to substitute. If the substitute is adopted, it becomes the pending question and must be adopted or rejected. If the substitute is rejected, the original question is before the Assembly for adoption or rejection.

Rule 21. Previous Question. The previous question may be called for on one or a series of pending questions. If not qualified, it applies only to the immediately pending questions. If adopted by a two-thirds vote, future debate and amending shall cease and the question or questions put to vote immediately. After the previous question has been adopted, it is in order to divide a question or lay it on the table; however, a member may not move the previous question or move to lay on the table a question under discussion at the close of his or her debate on the question.

Rule 22. Division of a Question. When a question is divisible into distinct propositions, any member shall have a right to call for a division of the question.

Rule 23. Motion to Adjourn. A motion to adjourn is undebatable and is in order, except when:

- a. A member has the floor.
- b. A vote is being taken.
- c. The motion to adjourn has been rejected and there has been no intervening business.
- d. A motion to fix the time to which to adjourn is pending.

Rule 24. Read. All reports and communications to the General Assembly shall be [passed to] facilitated by the Secretary for reading.

Rule 25. Reconsideration. A motion or resolution which has been decided by the Assembly may be brought back for further consideration by the motion to reconsider the vote. Only a member who voted on the prevailing side may make the motion to reconsider and it must be made on the same day or the succeeding day that the action was adopted. It must be approved by a majority vote.

E. RESOLUTIONS AND (PETITIONS)

Rule 26. Presentation. District Assemblies, a committee authorized by the District Assembly, Regional Councils, the General Board or any of its recognized departments, official boards or commissions of the general church, the [General] Global Nazarene Missions International Convention, the Global Nazarene Youth International Convention, or five or more members of the General Assembly may present resolutions and petitions for the consideration of the General Assembly in accordance with the following rules:

- a. Resolutions and petitions shall be printed or typewritten on the official form furnished by the General Secretary.
- b. Each resolution or petition presented will include the subject and the name of the delegates or group making the presentation.
- c. All resolutions that call for action that requires expenditures must include an estimated cost to complete the action.

[c]d. Proposals for changes in the church *Manual* must be presented in writing and shall give paragraph and section of *Manual* to be affected and the text of the change should it be adopted.

[d]e. They shall be presented to the General Secretary **no later than December 1** prior to the convening of the Assembly to be numbered and sent to the Reference Committee for reference in accordance with Rule 38 and *Manual* 305.1 [and in order that they may be printed in the *Delegate's Handbook*].

Rule 27. Resolutions and Petitions for Late Reference. [With the consent of the Assembly, r]Resolutions, petitions, and other items [for consideration by the Assembly] may be presented to the General Secretary for reference to a legislative committee no later than **June 1**, [prior to the convening of the Assembly, with the exception of the general/] Resolutions from global conventions which meet just prior to the General Assembly, will be processed for consideration.

Rule 28. Manual Changes. Resolutions adopted by the General Assembly shall be submitted to the *Manual* Editing Committee to be harmonized with other *Manual* provisions.

F. VOTING

Rule 29. Eligibility. Only members of the General Assembly who are seated in the designated sections shall be eligible to vote. A member absent from the Assembly in the performance of business of the Assembly at the time a vote is taken may be allowed to vote with the permission of the General Assembly.

Rule 30. Methods of Voting. Voting may be by:

a. Show of Hands
b. Paper Ballot
c. Electronic Vote. A vote by machine shall in all instances be a valid vote, and shall constitute a vote by ballot when such is called for in the *Manual*, organizational bylaws, and in the Rules of Order for the General Assembly.

d. Voice Vote (yeas and nays)

e. Proposed Balloting for Electing New General Superintendents.

In each of the regional caucus meetings, each delegate is requested to submit one name by ballot for each general superintendent position proposed to be elected. These names will be compiled as a list for submission at a General Assembly plenary meeting. This list will become [our] the first official ballot, and will be reported to the General Assembly as a basis for successive ballots, where delegates may vote electronically from that list, or add names by paper ballot.

A ballot vote on any question may be ordered by a majority vote.

Rule 31. Interrupted Vote. Once the chairperson has called for a vote, the vote cannot be interrupted for any reason.

Rule 32. Division of the Assembly. When a member doubts the results of a vote as announced by the Chairperson he or she may call for a Division of the Assembly. A count shall then be taken electronically or by having all members rise and remain standing until counted. The Chairperson, on his or her own initiative, may ask that this be done if he or she is in doubt.

II. COMMITTEES

A. LEGISLATIVE COMMITTEES

Rule 33. Legislative. There shall be seven standing legislative committees as follows:

Christian Action

Church Program (Missions, Evangelism, Publishing)

District Administration

General Administration

Local Administration

Ministry and Education

Stewardship and Finance

And there shall be two special legislative committees as follows:

Judicial

Resolutions

Rule 34. Membership.

34.1. Each member of the delegation is eligible for membership on one standing committee.

- a. A delegation with less than seven members will not have representation on each committee, but members may choose the committee on which they will serve within the provisions of this section.
- b. No delegation shall have two members on any committee until one member of the delegation has been assigned to each committee.
- c. No delegation shall have more than two members on any committee until two members of the delegation have been assigned to each committee.
- d. No delegation shall have two ministerial or two lay members on any committee until one minister and one lay member have been assigned to each committee.

34.2. Ministerial and lay delegates shall be assembled for organization by the District Secretary as soon as feasible after their election. They shall choose a chairperson and make assignments to legislative committees according to Rule 34.1.

34.3. The District Secretary shall send to the General Secretary the names of the delegates of his or her district indicating the standing legislative committees to which each is assigned. From these returns the General Secretary shall prepare, as far as possible, the roll of legislative committees prior to the opening of the General Assembly.

34.4. The delegates who are missionaries representing [World Mission] their [R]regions shall constitute a delegation for the purpose of appointing members to the legislative committees.

34.5. The Education ex-officio members of the General Assembly shall constitute a delegation for the purpose of appointing its members to the legislative committees.

34.6. The [Headquarters] Global Ministry Center ex-officio members of the General Assembly shall be appointed to appropriate legislative committees. The General Superintendents shall be ex-officio members of all legislative committees.

B. SPECIAL COMMITTEES

Rule 35. The following special committees shall be named by the Board of General Superintendents:

- a. Agenda
- b. Fraternal Representatives
- c. Nominations
- d. Judicial
- e. Resolutions
- f. Such other committees as may be necessary.

Rule 36. Composition and Duties.

36.1. The AGENDA COMMITTEE shall be those persons appointed by the Board of General Superintendents. It shall receive the list of business items, orders of the day, reports of committees, actions placed on the record by vote of the Assembly, and like items, and shall prepare an agenda of business for each meeting of the General Assembly.

36.2. The FRATERNAL REPRESENTATIVES COMMITTEE shall be those persons appointed by the Board of General Superintendents. It shall serve as host to special fraternal representatives attending the General Assembly. The chairperson of this committee shall sign all fraternal correspondence directed by the Assembly.

36.3. The NOMINATIONS COMMITTEE shall be 12 persons who are members of the General Assembly, appointed by the Board of General Superintendents. The Committee shall submit nominees for:

- a. Board of Trustees of Nazarene Theological Seminary in Kansas City, Missouri, as directed in the *Manual*. (305.8)
- b. Board of Trustees of Nazarene Bible College in Colorado Springs, Colorado, as directed in the *Manual*. (305.8)
- c. General Court of Appeals as directed in the *Manual*. (305.7)

36.4. The JUDICIAL COMMITTEE shall be composed of not more than 21 persons who are members of the General Assembly. The Committee shall consider all business relating to the church constitution, all appeals from decisions of law, and requests for interpretation of the law.

36.5. The RESOLUTIONS COMMITTEE shall be seven persons who are members of the General Assembly. The Committee shall prepare any special positional documents or resolutions of greeting which may be requested of it by the General Assembly.

Rule 37. Meetings.

37.1. All committees will meet at times scheduled by the General Secretary, and agreed upon by the Assembly or upon the call of the chairperson.

37.2. The Board of General Superintendents [may] shall name a chairperson and secretary for each committee. The secretary shall receive from the General Secretary a record of all matters which have been referred to the committee and have them organized for the committee's consideration.

37.3. The chairpersons and secretaries of all standing legislative committees shall be expected to attend an orientation meeting called by the General Secretary prior to the committee meetings. The orientation shall include instruction in their duties; the procedures in handling the resolutions, petitions and other documents referred to the committee; and other information to expedite the committee's work.

Rule 38. References. Resolutions, petitions, recommendations, and other documents (including implementing legislation from commissions/committees and special committee reports) shall be referred to Assembly standing committees, special committees, or regional caucuses, for consideration before being presented to the Assembly, as follows:

38.1. To the CHURCH PROGRAM (MISSIONS, EVANGELISM, PUBLISHING) COMMITTEE shall be referred resolutions, recommendations, petitions and other documents relating to program and materials of:

- a. Sunday School and Discipleship Ministries International.
- b. Nazarene Youth International.
- c. The [world] global mission[ary] work of the church, including NMI, as defined in the *Manual*.
- d. Church growth, church planting and evangelism ministries.
- e. Continuing Lay Training.
- f. Nazarene Publishing House, *Holiness Today*, books and other publications and publishing interests.

38.2. To the DISTRICT ADMINISTRATION COMMITTEE shall be referred resolutions, recommendations, petitions and other documents relating to district organization of the church, including the district assembly, the district superintendency, district boundaries and district boards.

38.3. To the GENERAL ADMINISTRATION COMMITTEE shall be referred resolutions, recommendations, petitions and other documents relating to the organization of the general church, including the General Assembly, the general superintendency, the correlation of general interests, the arrangements and organization of the General Board and its departments, and the church regions for administrative representation and educational support.

38.4. To the LOCAL ADMINISTRATION COMMITTEE shall be referred resolutions, recommendations, petitions and other documents relating to organization, business, and administration of the local church, including pastoral arrangements and church membership.

38.5. To the MINISTRY AND EDUCATION COMMITTEE shall be referred resolutions, recommendations, petitions, and other documents relating to:

- a. The work of the ministry and the minister, including validated courses of study and other requirements relating to those who receive official recognition from the church as follows: elders, deacons, licensed ministers, local ministers, evangelists, song evangelists, directors and ministers of Christian education, ministers of music, consecrated [deaconesses,] and licensed deaconesses.
- b. The care and support of retired and disabled ministers, the widows, widowers, and [orphans] children of deceased ministers, and all other matters affecting ministerial pensions and benefits.
- c. The educational work of the church, and to the administration of schools, universities, colleges and seminaries.

38.6. To the STEWARDSHIP AND FINANCE COMMITTEE shall be referred resolutions, recommendations, petitions, and other documents relating to finance, stewardship, church property, fire insurance, and acquiring, leasing, building, and financing church and parsonage property, local, district and general.

38.7. To the JUDICIAL COMMITTEE shall be referred all business relating to the church constitution, all appeals from decisions of law and requests for interpretations of the law.

38.8. To the CHRISTIAN ACTION COMMITTEE shall be referred resolutions, recommendations, petitions, and other documents relating to Christian life issues, including the Covenants of Christian Character and Conduct of the Church, and issues such as Christian marriage, abortion, human sexuality, use of alcohol and drugs, social justice, and entertainments that are subversive to the Christian ethic.

38.9. To the REGIONAL CAUCUSES shall be referred resolutions relating to specific interests, goals and concerns of said regions. The Reference Committee may submit legislation affecting only a specific region/regions to the General Assembly delegates of said region(s) meeting in caucus for action. Changes that affect the *Manual* must be acted upon by the entire General Assembly. (*Manual* 305.1)

C. GENERAL COMMITTEES

Rule 39. General and Arrangements. The following General and Arrangements Committees shall be appointed by the Board of General Superintendents prior to the convening of the General Assembly:

- a. Communion Service
- b. Credentials
- c. Daily Journal

- d. General Arrangements
- e. *Manual* Editing
- f. Memorial
- g. Platting
- h. Program
- i. Publicity
- j. Reference
- k. Exhibits

Rule 40. Composition and Duties.

40.1. The COMMUNION SERVICE COMMITTEE shall be five persons living within reasonable distance of the site of the General Assembly. They shall be appointed at least six months prior to the time of the General Assembly. The Committee shall arrange for and supervise the observance of the sacrament of Communion in the opening service of the General Assembly.

40.2. The CREDENTIALS COMMITTEE shall be the General Secretary and six other persons, three of whom need not be members of the General Assembly. They shall be appointed at least 30 days prior to the convening of the General Assembly. The Committee shall receive from the General Secretary, prior to the opening business meeting of the General Assembly, a list of duly elected delegates and alternates. The Committee shall report to the first business meeting of the General Assembly concerning the registration of delegates and a quorum for business. It shall consider requests for seating of alternates and make recommendation for their seating during the first three days of the General Assembly, after which time no alternate delegates shall be seated.

40.3. The DAILY JOURNAL COMMITTEE shall be five persons who are members of the General Assembly. The Committee shall read the Assembly proceedings and report each day to the Assembly concerning their correctness.

40.4. The GENERAL ARRANGEMENTS COMMITTEE shall be appointed in accordance with the provisions of the *Manual*. The Committee shall perform its responsibilities prescribed in the *Manual*. (304-304.2) In addition, it shall give guidance to all regular and special committees involved in planning and preparing for the General Assembly. [The Committee shall determine the remuneration for extra employees needed to serve the Assembly.] All committees shall submit special arrangements and budget requests in writing to the General Secretary, who shall place them before the Committee for approval.

40.5. The *MANUAL* EDITING COMMITTEE shall be five persons, one of whom is the General Secretary, appointed at least 90 days prior to the convening of the General Assembly. The Committee shall consider all resolutions adopted and other business acted upon by the Assembly relating to the revision of the *Manual*.

40.6. The MEMORIAL COMMITTEE shall be five persons appointed at least one year prior to the convening of the General Assembly. The Committee shall present to the General Assembly the names of ministers who have been deceased during the quadrennium and shall plan the observance of an appropriate memorial service.

40.7. The PLATTING COMMITTEE shall be three persons nominated by the General Secretary. The Committee shall:

- (a) Designate a reserved section for each delegation assigned, by drawing, commencing with the front seats.
- (b) Suitable uniform signs shall designate the seats reserved for each delegation.

- (c) Seating assignments shall be furnished for each delegation, and reserved seat status assigned for each delegate.

40.8. The PROGRAM COMMITTEE shall be a General Superintendent; the General Secretary; the music coordinator; the media coordinator; and those with convention/programmatic leadership responsibilities. A PROGRAM SUB-COMMITTEE shall include the General Secretary; the music coordinator; the media coordinator; and the Board of General Superintendents. The Program Committee shall implement and coordinate planning and preparation for all General Assembly programs and unified convention services formulated by the General Assembly Arrangements Committee in conjunction with the General Superintendents (*Manual* 304.2) and shall arrange for the regular and special music of the General Assembly in cooperation with the leaders of the various services and public meetings and in consultation with the General Arrangements Committee. The Music Coordinator shall be responsible for organizing the calendar of musical groups and talent for the Assembly. The Committee shall be named a year prior to the General Assembly.

40.9. The PUBLICITY COMMITTEE shall be the General Secretary, the editor of *Nazarene Communications Network News*, [the media vendor,] the president of the Nazarene Publishing House, the editor of *Holiness Today*, and two appointed persons, one of whom shall be a representative from the Board of General Superintendents. The General Secretary shall be secretary for the Committee. The Committee shall arrange for publicity and promotion deemed necessary for the General Assembly. It shall give general guidance for the newspaper and magazine releases of the *Nazarene Communications Network News* and for the plans relating to radio and television programs and announcements. The Committee may select such assistants as needed, subject to the General Arrangements Committee approval.

40.10. The REFERENCE COMMITTEE shall include all legislative committee chairpersons and secretaries, the General Secretary, members of the *Manual* Editing Committee, and four other persons named by the Board of General Superintendents. The General Secretary shall be secretary for the Committee. The Committee shall elect one of its members as chairperson, and the secretary may appoint an assistant secretary to help keep the records of this committee. The Committee shall meet prior to the convening of the General Assembly and carefully survey all resolutions for reference to the General Assembly committees. It may propose harmonizing wording, when two or more resolutions dealing with the same subject are considered. A single resolution for a series of resolutions may be written and referred; and it shall propose wording for implementing legislation when resolutions effecting *Manual* change do not include such wording. (See Rule 47)

The Reference Committee shall use its discretion in assigning to the various committees and caucuses resolutions, petitions, and other documents not covered under these rules.

The Reference Committee shall assign numbers to its references[, and publish in the *Delegate's Handbook* or special bulletins the numbers, titles, texts, and committee references of all documents] for distribution to the delegates.

40.11. The EXHIBITS COMMITTEE shall be composed of up to nine members, including the General Secretary, General Treasurer, Global Mission Director, Nazarene Publishing House President, Education Commissioner, and the General Assembly Arrangements Coordinator, and one to three others as appointed by the Board of General Superintendents.

D. COMMITTEE RULES

Rule 41. Quorum. The quorum for all standing committees shall be a majority of all members of the committee.

Rule 42. Authority. A committee shall not originate business, but shall consider only subjects referred to it by the General Assembly. All resolutions and petitions referred to a committee shall be acted upon by the committee when duly assembled in accordance with Rule 37. A resolution not in proper form may be rewritten and submitted as a substitute.

E. COMMITTEE AND COMMISSION REPORTS

Rule 43. Method of Reporting. The secretary of each General Assembly committee shall present the committee's report to the General Secretary, who in turn will place it on the Assembly agenda and prepare sufficient copies for distribution to the presiding officer, each general superintendent, and the secretaries.

Rule 44. Form of Report. The committee report shall give the name of the committee, [number of members constituting the committee, number present at the time the report was adopted,] the number voting for and number voting against the report, and shall be signed by the secretary and the chairperson.

EXAMPLE:

Mr./Madam Chairperson:

The (Name of Committee) Committee, having had under consideration resolution(s) proposed by (District, District Delegation, Individuals) referred to it, recommends by a vote of _____ for and _____ against that it be (Adopted, Rejected, Amended, Referred).

[_____ Number of Members on Committee]

[_____ Number Present]

Chairperson

Secretary

Note: In reporting on a number of resolutions, it is well first to report in one group all those that the committee recommends be adopted, if in the opinion of the committee no objection will be made.

Rule 45. Chairperson not in Agreement. When the chairperson of a committee is not in agreement with the report of the committee, it shall be his or her duty to report the fact to the committee in order that the committee may elect one of its members to present and discuss the report in the General Assembly. In the event the committee fails to do this, the chairperson may designate a member to present the report of the committee. This appointed representative shall have all the rights and privileges of the chairperson in relation to such reports.

Rule 46. Minority Report. When seven or more members of a committee are not in agreement with the committee report, they may submit a minority report. The person designated to present the views of the minority shall have all the privileges that are given to the chairperson, except that the member presenting the committee report shall have the privilege of closing debate on the question of substituting the minority report for the committee's report.

Rule 47. Resolutions relating to the same Subject. When two or more resolutions relating to the same subject are referred to a committee, the committee may prepare a single resolution or a series of resolutions and report them as a substitute for the resolutions on the subject.

Rule 48. Presentation of Resolutions. Resolutions not amended in committee may be voted upon without being read in the Assembly if they [are printed in the *Delegate's Handbook*] have been distributed to the delegates. Substitutes or resolutions with amendments must be typed before being submitted to the General Secretary to be read to the General Assembly.

Rule 49. [Unanimous] Two-thirds Rejection. Any resolution or petition which receives a [n unanimous] two-thirds vote for rejection by the legislative committee to which it is assigned shall be reported "dead." No further action shall be taken following such disposition unless such resolution or petition is recalled for [re]consideration by a two-thirds vote of the Assembly.

Rule 50. Commission/Committee. The procedures for presenting reports of the special commissions/committees of the General Assembly shall be:

- a. All recommendations, resolutions, and implementing legislation shall be referred to the appropriate legislative committee of the General Assembly in accordance with *Manual* 305.1.
- b. The reading of the commission/committee report before the Assembly will be at a time when the report from the legislative committee dealing with the commission's/committee's recommendations and legislation can follow immediately.
- c. The chairperson of the commission/committee or designee of the chairperson of the commission/committee will read the report. The reading shall constitute receiving the report.
- d. The legislative committee which received the recommendations and legislation from the commission/committee report shall then present its report on these referrals and its recommendations will be debated in keeping with the following conditions.

Rule 51. Action of the Assembly. A report of a committee or commission is before the Assembly without a motion or a second.

The General Assembly may amend resolutions, recommit or refer a report; or it may vote to adopt or reject the committee's action on each resolution.

The first step in considering a committee's report shall be to perfect the report by amendments, if there are any desired. Debate on the amendments shall be limited to three speeches for and three speeches against of not more than three minutes each. The chairperson of the committee shall have the final statement, not to exceed five minutes. However, if the committee report is on resolutions from a commission/committee, the chairperson of the commission/committee shall have the final statement, not to exceed five minutes.

The perfected report is then before the Assembly for debate. The debate is limited to three speeches for and three speeches against, none to exceed three minutes; and a closing statement by the committee or commission chairperson, not to exceed five minutes.

Rule 52. One Vote on Series. By general consent a single vote may be taken on a group of resolutions having the same recommendation of the committee.

III. PAGES AND MARSHALS

Rule 53. The pages and marshals shall be elected by the General Arrangements Committee upon recommendation by the General Secretary.

[One] Up to three nominees for page or marshal may be made to the General Secretary by [district superintendents and] each regional director[s] by October 1 of the year before the General Assembly is held. Their selection shall be made by March 1, and each page or marshal shall be notified of his or her appointment with instruction given him or her concerning time and place to report for duty.

If a page is unable to serve, the General Secretary may select an alternate from among the other nominees.

The pages shall help to expedite the orderly transaction of business by carrying messages and assisting in other matters as directed by the General Secretary.

The marshals shall keep the aisles clear for their proper use and admit only authorized personnel within the enclosure reserved for members of the General Assembly.

IV. MISCELLANEOUS

Rule 54. Breach of Order. Demonstrations of approval or disapproval during debate shall be deemed a breach of order.

Rule 55. Delegate Sections. Only members, officers of the Assembly and their assistants, pages and marshals shall be allowed in the area reserved for members of the General Assembly.

Rule 56. Parliamentary Authority. The rules contained in *Robert's Rules of Order Newly Revised* (latest revised edition) shall govern this Assembly in all cases to which they are applicable and in which they are not inconsistent with these Rules of Order.

Rule 57. Amendment. These rules may be amended or suspended by a vote of two-thirds of the members present and voting.

QUADRENNIAL ADDRESS
BOARD OF GENERAL SUPERINTENDENTS



***“BUILDING HIS CHURCH—
ONE STONE AT A TIME”***

Quadrennial Address
24 June 2013

28th General Assembly
Church of the Nazarene

Indianapolis, Indiana, USA

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Introduction

On behalf of the Board of General Superintendents and in the name of our risen Lord and Savior, Jesus Christ, I welcome you to the opening plenary meeting of the 28th General Assembly of the Church of the Nazarene.

As we gather from around the world, an offering of thanksgiving to God is in order for His mercy and grace that have brought us together again. We celebrate and give thanks for what He is doing through dedicated Nazarene pastors, laity, missionaries, church planters, evangelists, educators, and compassionate ministry leaders.

There are 1,208 registered delegates from 314 districts who make up the highest legislative body in the denomination. We express appreciation to our brothers and sisters in Christ for their acceptance of this important responsibility and place of service in our church.

Those present in Indianapolis, Indiana, USA, and others watching on the Internet are witnessing the fulfillment of a vision from our first general superintendent, Phineas F. Bresee. He spoke from the beginning about a “divine panorama” of the Church of the Nazarene encircling the globe with “salvation and holiness unto the Lord.”²⁰

Every Nazarene, wherever he or she is, participates in the wider reality of this vision.

Each transformed life is a testimony to the Wesleyan-holiness teaching of full salvation for all.

The church’s mission “to make Christlike disciples in the nations” reminds us that we are given a spiritual charge, and at the same time we are to be good stewards of all the resources provided by the Lord. The mission comes from God, which means that our purpose is of the highest order, made possible by the Holy Spirit dwelling within us.

As our business meetings begin, it is important to say that administration and governance are means to an end—not ends in themselves. As one of my predecessors, J. B. Chapman, once said, “The goal is God.” Let us keep this in mind, as it will give us the right perspective during our deliberations.

Organizing General Assembly

The 2013 General Assembly did not just happen. It took planning and diligent work on the part of the Global Ministry Center staff, the regional offices, and in this case, the host Indianapolis District.

General Secretary David P. Wilson’s office has had the lead responsibility for General Assembly and Conventions.

A warm welcome and hospitality have been extended by Ron Blake, Indianapolis district superintendent, and scores of volunteers from local churches.

Please join me in expressing appreciation to all who have worked diligently on our behalf.

The Quadrennium Past

Much has happened since we met in Orlando, Florida, USA, for the 2009 General Assembly. “God is always at work,” as Jesus says in John 5. The church’s calendar has been full—we trust with the right things.

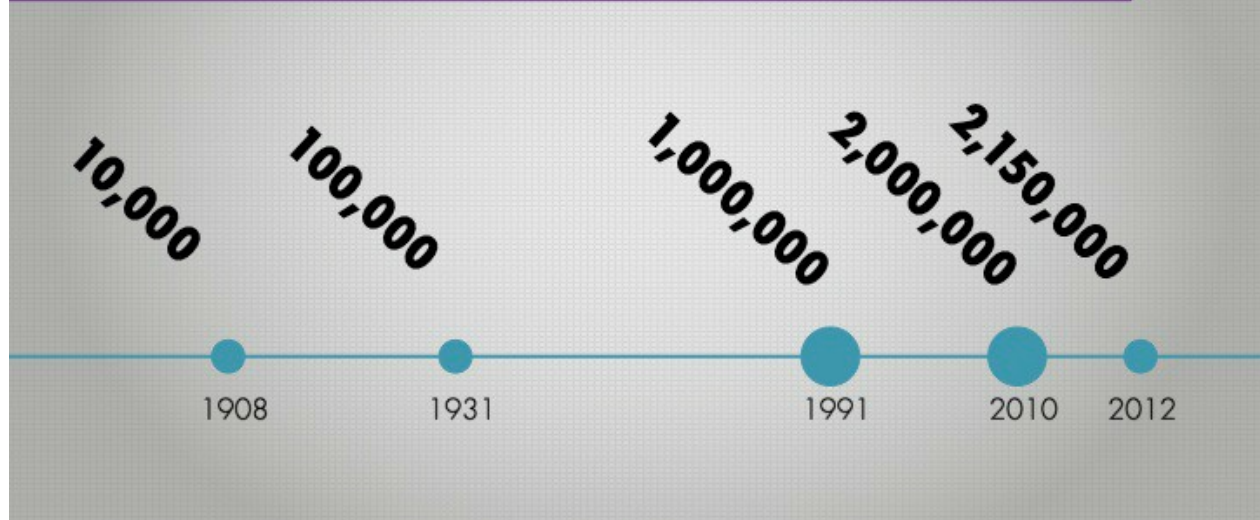
Here is a look at the past four years:

Membership

In 2010 the Church of the Nazarene reached a new milestone with two million full and associate members. We praise God for this harvest and give Him all the glory. At the end of 2012 there were 2.15 million members worldwide, with 28,130 churches in 159 world areas.

²⁰ Carl Bangs. *Phineas F. Bresee*. Beacon Hill Press

MEMBERSHIP

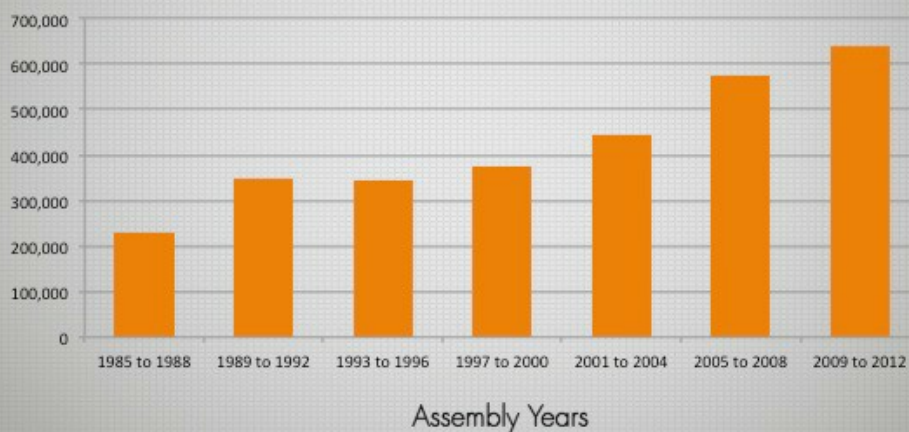


For perspective, the merger at Pilot Point, Texas, USA, that created our denomination in 1908, listed 10,034 members and 228 local churches.

During the 2009–2013 quadrennium:

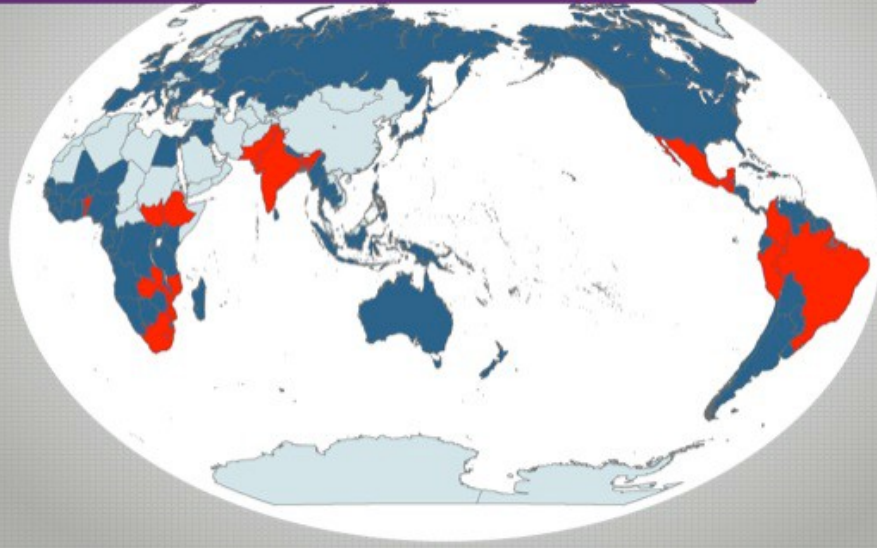
- Churches of the Nazarene reported receiving 640,010 new Nazarenes. This is a new high for a four-year period—11 percent more than during the 2005–2009 quadrennium.

New Nazarenes Each Quadrennium



- 7,172 new churches were reported, while 1,912 churches were closed.

7,172 New Churches



- A study by the Nazarene Research Center shows that 80 percent of membership growth has come from just 16 (10 percent) of our 159 world areas. It is worth noting that growth in the church has historically been uneven as movements of God spread around the world.

Missionaries

There were missionaries on the fields from the very beginning of the denomination. Today the church's connectional system of mission and giving has made it possible to deploy 712 salaried missionaries and contracted volunteers.

All missionaries, including contracted volunteers, receive support from the World Evangelism Fund system. Some missionaries receive their salaries from the World Evangelism Fund (WEF). Others, such as contracted volunteers, receive support from the systems and structures that are in place because of the World Evangelism Fund. Missionaries, volunteers, systems, and structures are all essential to the evangelism strategy of the church worldwide.

It is the determination of the Board of General Superintendents and Global Mission that everything will be done to avoid bringing missionaries home from the field due to reduced World Evangelism Fund giving.

In the 2009–2013 quadrennium, 179 missionaries returned to their home countries because of retirement, completion of contract, or personal reasons. During that same period of time, 79 new missionaries supported by the World Evangelism Fund were deployed along with hundreds of volunteer missionaries working with national leaders to further the mission.

Funding the Mission

Global financial stewardship and mission go hand in hand. Stories from the mission fields and local churches encourage us to increase our giving. The 5.5 percent base contribution to the World Evangelism Fund is a worthy goal, while exceeding this amount helps the church accomplish ministry above and beyond its expectations.

Sometimes this means putting the greater good ahead of our own interests. This is one of the deepest expressions of our connectionalism. An example of this kind of giving occurred during the last quadrennium when Nazarene educational institutions in the United States reduced

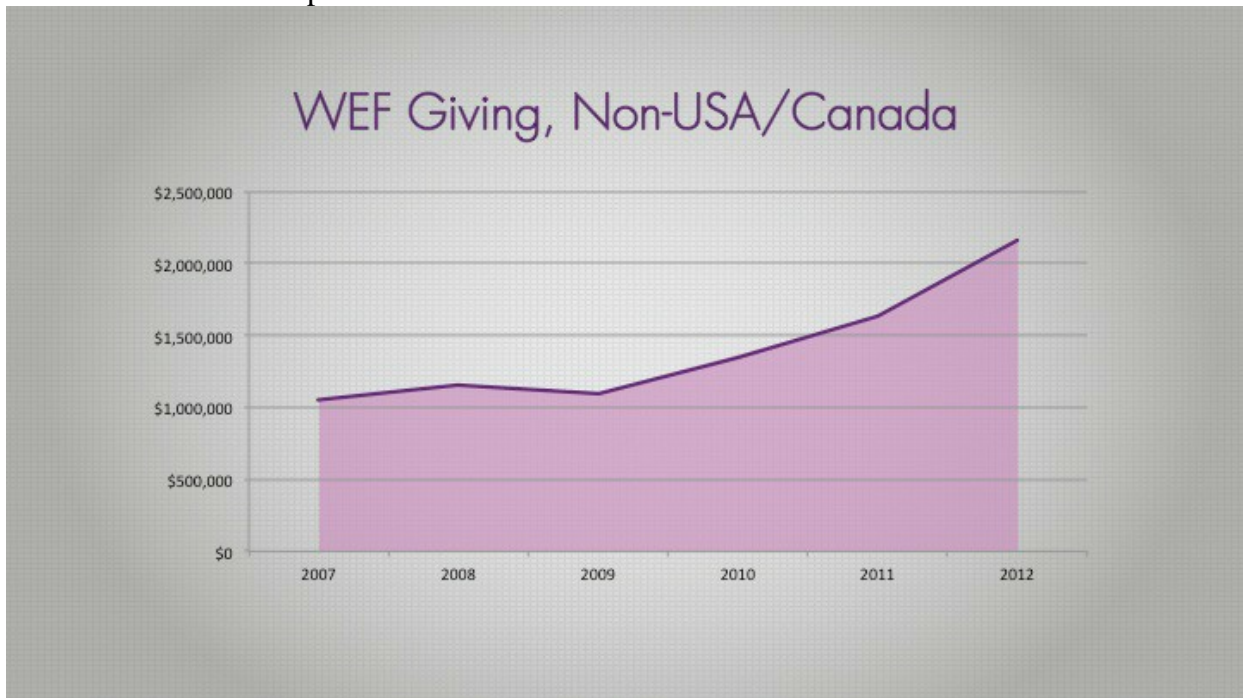
their own allocations in order to create more funding for Pensions & Benefits USA.

To bring you up to date, here are the financials from 2009–2013:

- World Evangelism Fund giving was \$168.8 million.

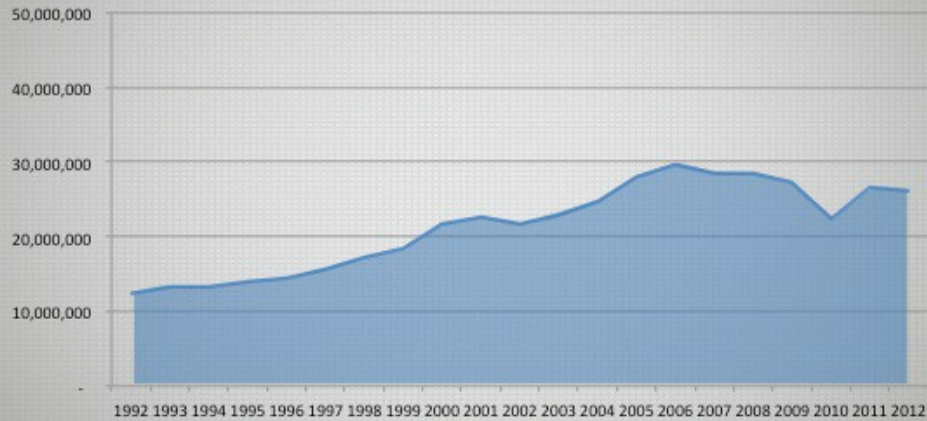


- A new global World Evangelism Fund formula was introduced during the quadrennium. Giving to this fund outside USA/Canada went from \$1.2 million in 2008 to \$2.2 million in 2012—an 86 percent increase.



- Mission Specials giving was \$102.5 million.

Approved Specials Giving, 1992-2012



A global economic recession hurt many Nazarene households, but generosity continued during the quadrennium. The general superintendents express their gratitude for these sacrificial acts of Christlike love in support of world evangelization, discipleship, compassion, and education.

Global Mission

Verne S. Ward III was elected Global Mission director by the General Board, succeeding Louie Bustle, who retired in 2012. Louie Bustle is on record as serving the longest in that position and in times of greatest growth and expansion in the history of the denomination. Verne Ward was formerly director of the Asia-Pacific Region. He assumed his new role in April of last year.

The following changes were made on the regions:

- Filimao Chambo was elected regional director of Africa.
- Mark Louw was elected regional director of Asia-Pacific.
- The Mesoamerica Region was created out of Mexico, Central America, and the Caribbean.

International Board of Education

Dan Copp was elected commissioner of the International Board of Education (IBOE) in 2011 upon the retirement of E. LeBron Fairbanks. Dan Copp retains his position as director of Global Clergy Development. Nazarene higher education continues to expand around the world. Official enrollment figures for the church's 53 colleges, universities, and seminaries total just over 52,000 degree-seeking students.

There were 28 new leaders installed in International Board of Education schools from 2009 until 2013, a nearly 53 percent turnover. Nazarene Theological Seminary, MidAmerica Nazarene University, Mount Vernon Nazarene University, and Korea Nazarene University are among the schools in which changes took place.

Global Ministry Center

The recession also necessitated the reduction and containment of the Global Ministry

Center compensation costs. This was addressed immediately through natural attrition, hiring and salary freezes, a formal, voluntary resignation program extended to all employees with twelve or more months of service, and a formal, voluntary retirement program offered to qualified participants. The budgeted (non-regional), WEF-funded GMC employee full-time equivalency is now 118, down from 156 pre-recession.

The church is grateful for all who have served faithfully over the years.

Nazarene Compassionate Ministries, Incorporated (NCMI) moved to the Global Ministry Center in 2010, where Nazarene Compassionate Ministries (NCM) was already located. Larry Bollinger was elected president of NCMI and runs both organizations.

God's faithfulness was evident during the past four years as Nazarene Compassionate Ministries reported \$32.3 million in income to be used for worthy causes.

Here are seven major interventions for which Nazarenes responded with borderless compassion:

- Haiti earthquake in 2010
- Joplin, Missouri, USA, tornado in 2011
- Horn of Africa famine in 2011
- Typhoon Sendong in Cagayan de Oro City and Iligan City, Philippines, in 2011
- Japan earthquake and tsunami in 2012
- Hurricane Sandy, USA, in 2012
- Moore, Oklahoma, USA, tornado in 2013

The Board of General Superintendents established an Office of Advancement and Development with Dan Schafer as executive director. The new office was put in place to create a global culture of generosity while serving local churches and other entities within the denomination.

Nazarene Missions International continues to play the vital role in promoting and helping to raise awareness of missions.

In 2012 the Church of the Nazarene Foundation moved to the Global Ministry Center. Ken Roney was elected president that same year after the retirement of Melvin McCullough.

The Foundation continues to generate much-needed financial resources by connecting with Nazarenes in local churches. During the past four years the Foundation distributed \$16.3 million to global mission, compassionate ministries, children's ministries, youth, literature, and educational institutions.

There was great rejoicing when the General Board-owned bonds for the Global Ministry Center were paid in full. Proceeds from the sale of the General Church Loan Fund to the Wesleyan Investment Foundation enabled this transaction. The early payoff saved the General Board \$12.4 million in interest payments.

The Paseo property in Kansas City, Missouri, USA, site of the former International Headquarters, was sold to The Kauffman Foundation. It is fitting that The Kauffman Foundation will be opening a new tuition-free school in 2013–2014 at the Paseo location.

In light of the church's historical commitment to education, the Board of General Superintendents is pleased that the Ewing Marion Kauffman School will help inner-city students in grades 5 through 12 to improve their chances of getting a college education.

General Treasurer Marilyn McCool led negotiations in the payoff of the Global Ministry Center and in the sale of the International Headquarters property.

Nazarene Future Study Group

In August 2012, the Nazarene Future Study Group, approved by the 2009 General

Assembly and led by J. David McClung, chair, and Kenneth L. Mills, secretary, submitted its final report and recommendations to the Board of General Superintendents. Our Board spent time carefully reviewing the information and insights for an improved system of mission moving toward a 2030 church.

Proposed resolutions were presented to the General Board in February 2013 by the Board of General Superintendents. All 13 resolutions have been approved and sent to this General Assembly for further review and action. Several were highlighted on Saturday during the Resolution Orientation and Delegate Commissioning.

The Board of General Superintendents is grateful for the work accomplished by the Nazarene Future Study Group.

Global Wesleyan Alliance

Leaders of 18 denominations, including the Church of the Nazarene, convened as the Global Wesleyan Alliance (GWA) at the Churches of Christ in Christian Union headquarters in Circleville, Ohio, USA. A covenant created in 2012 was approved in principle by the group. This unique partnership was formed in December 2011 to amplify the prophetic voice of Wesleyan-Arminian-holiness ministries and to increase their effectiveness in spreading scriptural holiness throughout the world.

Nazarene Publishing House

After an extensive search process, in September 2012 the General Board elected Gerald Smith president of Nazarene Publishing House. Gerald Smith succeeded C. Hardy Weathers, who retired November 30, 2012, after serving as NPH president since 1998.

Transitions

The church noted with sadness the passing of two general superintendents. William M. Greathouse, general superintendent emeritus in the Church of the Nazarene, went to be with the Lord in 2011. He was 91.

William Greathouse served as general superintendent from 1976 to 1989. He was a pastor in the Church of the Nazarene in Tennessee from 1938 until 1963, when he was elected president of what is now Trevecca Nazarene University.

In 1968, William Greathouse was elected president of Nazarene Theological Seminary, where he served until his election as general superintendent in 1976.

Another general superintendent emeritus, William J. Prince, passed away in 2012 at the age of 82. He was elected to the Board of General Superintendents in 1989. William Prince retired in 2001 after serving as pastor, district superintendent, college president, and general superintendent.

Other godly men and women who provided strong leadership to the church over many years also went to be with the Lord. We remember B. Edgar Johnson, longtime general secretary; Ray Cook from Wichita, Kansas, USA, former General Board member; Millard Reed, retired president of Trevecca Nazarene University; John Ngombe, General Board member from the Africa Region; Paul Skiles, General Youth and Communications; and Ray Hendrix, World Mission Radio and Publications.

“Who do you say I am?” (Matthew 16:15, NIV)

In the past four days we have heard my colleagues on the Board of General Superintendents (BGS) pray and preach from their hearts and from the church’s mission of making Christlike disciples in the nations. They underscored through personal testimony and

clear examples the church's core values of being Christian, holiness, and missional.

We have been uplifted by a heavenly vision of transforming people, communities, and nations.

The BGS also communicated its seven priorities:

- Meaningful worship
- Theological coherence
- Passionate evangelism
- Intentional discipleship
- Church development
- Transformational leadership
- Purposeful compassion

Challenges were presented by Sunday School and Discipleship Ministries International, Nazarene Missions International, and Nazarene Youth International for us to keep reaching out to others in Jesus' name and to continue making more disciples.

College reunions and other meetings involved several thousand participants. Nearly 2,000 children—the future church—were engaged in Bible quizzing by hiding God's Word in their hearts and minds. We should all know the Bible as well as they do.

Families and longtime friends were reunited...in person...better than Facebook! Nazarenes may have one of the best social networks ever created.

What makes this unique gathering possible?

Our theology? Our polity? Our system of mission?

Theology, polity, and system of mission each play an important role in bringing us together as Nazarenes.

However, nothing is more important in creating an international community of faith than the person of Jesus Christ and the leadership of the Holy Spirit. It is in Christ that we share beliefs, values, mission, and responsibility.

Who Is Jesus?

Who is the Christ in our mission of Christlikeness? Who is it that makes a living faith possible? What do Nazarenes believe?

“We believe in Jesus Christ, the Second Person of the Triune Godhead; that He was eternally one with the Father; that He became incarnate by the Holy Spirit and was born of the Virgin Mary, so that two whole and perfect natures, that is to say the Godhead and manhood, are thus united in one Person very God and very Man, the God-man.

“We believe that Jesus Christ died for our sins, and that He truly arose from the dead and took again His body, together with all things appertaining to the perfection of man's nature, wherewith He ascended into heaven and is there engaged in intercession for us.”²¹

The songwriter, Alfred Ackley, expressed it this way, “I serve a risen Savior, He's in the world today. I know that He is living, whatever men may say ... You ask me how I know He lives? He lives within my heart!”²²

A great way to understand the reason the Church of the Nazarene has thrived for 105 years and 28 general assemblies—and then to contemplate the future of the church—is to study Paul's writing to the church at Colossae. The teaching is summed up in Colossians 1:17 (NIV): “He is before all things, and in him all things hold together.”

²¹ Article of Faith II, *Manual*, Church of the Nazarene

²² Copyright Word Music LLC

In Matthew 16:16 Jesus asked the disciples, “Who do you say I am?” Simon Peter answered, “You are the Christ, the Son of the living God.” Praise His holy name!

**“I will build my church...”
(Matthew 16:18, NIV)**

This is the reason it is so vital to know who He is.

Jesus, the Christ and Son of the living God, is building the church of today and the church of tomorrow. Besides being its creator, owner, and keeper, He is also its foundation and chief cornerstone. He is giving us, as Nazarenes, exceptional opportunities to partner with each other and with Him. (Ephesians 2:19–22, NIV)

Jesus says “I will build my church...” How does Jesus know about building? It is because He is a builder. In truth, He is the Master Builder.

In Matthew 7:24–27, Jesus tells the story of two types of builders. One is wise, the other foolish. One builds on rock, the other on sand.

He knew from practical experience that those who wanted to build needed to think ahead to when the seasons would change and the dry ground, which looked so firm and stable in summer, could turn into a flood plain in winter.²³

Is the church thinking ahead like Jesus did? Wise twenty-first century architects and builders create intelligent buildings by focusing on computerized design. They also utilize controlling technologies which allow for integration, automation, and optimization of all the services and equipment that manage the environment of the building.²⁴

In March 2012 I had an opportunity to visit the Taipei 101 Building, a landmark skyscraper in Taipei, Taiwan.



Since its completion in 2004, the tower serves as an icon for modern Taiwan. With 101 floors from ground to roof, Taipei 101 is designed to withstand typhoon winds of 216 kilometers

²³ Daily Bible Study Series

²⁴ Fusion Group

per hour (134 miles per hour) and the strongest earthquakes likely to occur in a 2,500-year cycle.

The foundation for this building is reinforced by 380 piles driven 80 meters (262 feet) into the ground, extending as far as 30 meters (98 feet) into bedrock.

This was the first record-setting skyscraper to be constructed in the 21st century, utilizing the latest technology. It set a new record for ascending elevators with speeds of 16 meters (52 feet) per second.

Taipei 101 is a magnificent structure. As impressive as Taipei 101 is, it cannot compare to the Church of Jesus Christ. Taipei 101 is built to last a very long time, but it will not last forever. In the end, only His Church will remain.

The Church of Jesus Christ is not about controlling technologies to keep things working efficiently for 100 years or more. Nor is it our goal to plan for a *finished* building. The Heavenly Father is in control, and He wants us to keep our eyes fixed on His Son, Jesus Christ, who is *continually* building His Church. The Church is always under construction.

What kind of Church is He building?

Ephesians 2:19 says that Gentiles are no longer “foreigners” but full members in the family of God. This comes through Jesus alone. What does this mean? It means that Christ is building an inclusive—not an exclusive—Church. It is sad to say that sometimes the Church can be more exclusive than Jesus.

In Ephesians references to building remind us that our church is part of a “great building” and every Christian is a stone built into the Church of Jesus Christ.

Paul underscores several things about a “spiritual building” when writing to the church at Ephesus:

- Christ is the cornerstone, and it is the cornerstone that holds everything together.
- Building the Church is ongoing, with each new stone fitted into Christ.
- A building can reflect different cultures, backgrounds, and generations and still be one.
- Being built together refers to a dwelling of God in the Spirit—not a physical construction.

Who does the Church belong to? It belongs to Christ.

Jesus speaks about building “My Church.” It is not only His construction but also His ownership and His possession. Similar language is used in reference to “My name,” “My cup,” “My body,” “My brothers,” and “My mother.”

Why? They all belong to Him.

More Than a Building

You may be asking yourselves—what about church buildings? Yes, they serve a purpose. It is a blessing to have a building or structure as a permanent place to gather.

Yet in the earliest days Christians were without buildings for nearly 300 years. They typically met in homes. So how can we account for the steady and diverse expansion of the Church during the first three centuries?

After the Apostle Paul, we do not run across many “big names” as missionaries serving during the first few hundred years of Christian history. Instead the faith was spread through a multitude of humble, ordinary believers whose names have been long forgotten.²⁵

So where was the Church?

Wherever Jesus was, there was the Church. The same is true today. It is not where we meet—but why we meet that matters to Him.

As Jesus said, “I will build my church.”

²⁵ Christianity.com, Ken Curtis

“Go and make disciples...”

(Matthew 28:19, NIV)

With Jesus building His Church, what is our role in Kingdom work?

It is to co-labor with Him. “For we are co-workers in God’s service; you are God’s field, God’s building” (1 Corinthians 3:9, NIV).

In order to co-labor with Christ, entire sanctification needs to be followed by “entire obedience.” He wants to use the Church of the Nazarene, and He will, if we listen to His instructions and obey them.

“Then Jesus came to them and said, ‘All authority in heaven and on earth has been given to me. Therefore go and make disciples of all nations, baptizing them in the name of the Father and of the Son and of the Holy Spirit, and teaching them to *obey* everything I have commanded you’” (Matthew 28:18–20, NIV, emphasis added).

Pursuing Missional Opportunities

Jesus is building His Church through the opportunities He gives to us as His followers.

For over ten decades the people called Nazarenes have responded to His call to “go and make disciples.” As missionaries. As pastors. As evangelists. As church planters. As Sunday School teachers through SDMI. As educators. As businessmen and businesswomen.

All as witnesses. (Acts 1:8)

The years have taught the Church that multiplication is more fruitful than addition when it comes to fulfilling the Great Commission.

As a Wesleyan-holiness church, we believe the pathway to discipleship begins with an act of God’s grace in the life of the believer. “I will give you a new heart and put a new spirit in you; I will remove from you your heart of stone and give you a heart of flesh” (Ezekiel 36:26, NIV).

This spiritual transformation and new life come from having Jesus fill our hearts with His love. Envisioning the harvest and participating in it are the results of having spiritual, not physical, eyes. With this new kind of sight we see the world through the lens of the Great Commission *and* the Great Commandment.

“‘Teacher, which is the greatest commandment in the Law?’ Jesus replied: ‘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 22:36–40, NIV).

Perhaps the Church could be more fruitful in following the Great Commission if it better understood and improved its practice of the Great Commandment.

State of the World

Where are the evangelistic and disciple-making opportunities? They are all around us. Allow me to introduce you to Nargis. This is her picture at birth in October 2011.



Nargis, now around 20 months old, lives in Lucknow, India.

Nargis was born on 31 October 2011, along with thousands of other babies. The Internet and YouTube declared her to be the seven-billionth person on the planet.²⁶

Predictions on how this seven-billion mark would be reached originated from a variety of sources; no one knows for sure the exact number of people born on earth or when this milestone may have actually been achieved.

Choosing Baby Nargis is one way of focusing public attention on our rapidly expanding world, which at times is overwhelming even to those who make a living by studying its growth and development. In many ways Nargis represents the future of humankind—culturally, demographically, and geographically.

Does she represent the future of Christianity?

The Christian Church continues its attempts to reach the estimated 1.6 billion completely unevangelized, a number that is likely to keep growing along with overall population increases.²⁷

How will the Church of the Nazarene pursue these opportunities?

Jesus told the disciples in the Book of Acts to wait. “But you will receive power when the Holy Spirit comes on you; and you will be my witnesses in Jerusalem, and in all Judea and Samaria, and to the ends of the earth” (Acts 1:8, NIV).

Verne S. Ward III, director of Global Mission, describes the process of co-laboring with Christ and gathering new “stones” for building the Church once the power has been received:

- *The missional Church transforms the community where it is established.*

We can be the people of God, disciples of Jesus. Preach the good news that the Kingdom is near. We can disciple believers to be Christlike people. Christlike people serve to change systemic problems that destroy people, families, community, and God’s intention for creation.

- *The missional Church also implements mission.*

Mission is to establish the Church where there is yet no church. We make ourselves

²⁶ National Geographic Society

²⁷ Joshua Project, Barrett and Johnson

available to go as disciples of Jesus. We send out missionaries. We commission. Pray. Support financially. Celebrate. Collaborate. Essentially missional churches find ways in mission to establish the Church where the Church does not yet exist. It is recognizing when there is not a church in proximity (incarnation) to a people that is sufficient to transform the community and then responding by planting a missional church. “Therefore go and make disciples of all nations.”

“Behold, I am making all things new!”

(Revelation 21:5, NASB)

The Church of the Nazarene is entering a period of significant generational and historical change. There have been times of transition before, but they were not on such large-scale, international dimensions.

As David McKenna once said, “By the very nature of their role, incarnate leaders must plan to make an exit.”

How do we recognize the end of one era and the beginning of another?

Only God knows for sure, but the Bible says, “He changes times and seasons; he deposes kings and raises up others. He gives wisdom to the wise and knowledge to the discerning” (Daniel 2:21, NIV).

Current times require us to be in prayer, seeking His will for our church. We should be thinking ahead like Jesus taught us to do when we are deciding where to build our house.

With faith and hope in Christ, the Church should have anticipation, not angst, about the future. After all, the Church belongs to Him.

One way to lessen concern about the unknown is to create our future with God’s help. This is already underway in some world areas. Nevertheless, in the coming years more pastors and laity should be paying closer attention to what is happening around them.

In its second century the Church of the Nazarene is likely to be influenced and shaped by remarkable opportunities substantiated by the commitment of its great people, values, and resources.

1. *New opportunities to co-labor with Jesus Christ and with each other*

In various settings Nazarenes will help Him build—or like Nehemiah at the Jerusalem wall—*rebuild* His Church. Opportunities will come from new and existing areas of mission. “Living stones” will be fitted into Christ through Nazarene evangelism, disciple making, preaching, teaching, compassion, and education. The common threads running through each part of ministry should be holiness and love.

In all six Global Mission regions, efforts are underway to move into an externally focused future. The “Genesis” initiative in Mesoamerica is one example of moving into locations where there is little or no presence of the Church of the Nazarene. The goal of “Genesis” is to create ministry teams that will establish and develop healthy churches.

Although we have not been known as a denomination that actively reaches the cities and large urban areas of the world, we do have the opportunity to learn, plan, and partner in establishing holiness movements that respond to the new urban realities of the 21st century. Wesley’s Methodist movement started on the premise that the church was going to respond to the new urban realities resulting from the Industrial Revolution. We are at the historic junction where holiness optimism of Nazarenes worldwide helps us dream the dream of responding to the new realities of the Urban Technological Revolution.

Jesus said, “Whoever believes in me ... will do even greater things than these” (John 14:12–13, NIV).

May God help us not to miss opportunities that come our way through the Holy Spirit.

2. ***New spiritual leaders who are being developed; some are in place as we speak***

They are coming from schools of discipleship and learning on the job. Their hearts are totally given over to the Lord, and they are ready for increased responsibilities like the ones Paul gave to Timothy.

“For the eyes of the Lord range throughout the earth to strengthen those whose hearts are fully committed to him” (2 Chronicles 16:9, NIV).

Qualifications for spiritual leadership in the church include being equipped as a disciple and servant of Jesus Christ. To be trusted by others, one must understand the way holiness and humility go together. These are Christian characteristics pleasing to God.

As we enter this new century, the church needs to dedicate anew its original commitment to women in ministry. “The holiness movement was born of great revivals. It prospered from the newly employed energies of laymen and women preachers.”²⁸

“The Church of the Nazarene supports the right of women to use their God-given spiritual gifts within the church and affirms the historic right of women to be elected and appointed to places of leadership ... including the offices of both elder and deacon.”²⁹

Women not only need to be in the pastorate, but they should also be chosen in increasing numbers to serve on the denomination’s governing boards, committees, and commissions.

The church has built-in channels for development of children and youth. Who will disciple the Bible quizzers? Maybe these young people will help disciple the church.

Nazarene Youth International is perhaps the most global entity in our denomination. Its convention last week took place in 12 locations around the world. We intentionally put children and youth at the very heart of our mission, ecclesiology, and polity. By doing this, we are ensuring the continuity and sustainability of our mission and message. Our intentional passion for involving and encouraging the next generation provides a lifeline that extends beyond the present generation.

How can we help Nazarene women clergy, children, and youth find and fulfill their calling? Prayer, encouragement, providing opportunities for hands-on experience, and supporting rising generations are essential for a successful transition.

Nazarenes would be wise to avoid the mistakes of Joshua. For all the great victories that Joshua achieved, he failed to learn an important lesson taught by Moses. When Joshua died there was no successor. (Judges 21:25, NIV)

3. ***New kinds of resources and existing resources that may be deployed in new ways***

The most important resources for the church are transformed lives. This is what has brought the Church of the Nazarene to where it is today. It is how the mission will continue into the future. Ministry is carried out through individuals who have a deep sense of calling, even when the call may come later in life.

National leaders, missionaries, volunteers, and creative partnerships are taking the church beyond its original designs. It is encouraging to think about a wider mission engagement that includes students from Nazarene colleges.

Even as sources of giving broaden beyond the World Evangelism Fund, the *base* of financial support for the mission should continue to be tithes and offerings. Giving is not about money. It is about discipleship and stewardship. God owns it all, not just 10 percent.

Being an international church is challenging, but it has many potential benefits if we

²⁸ *Called Unto Holiness, Volume 1*

²⁹ Paragraph 903.5, *Manual*, Church of the Nazarene

know what they are and how to employ them.

4. *A variety of new technologies*

The church has relied on technology since its inception. The latest printing techniques, when affordable, have been put in place by Nazarene Publishing House. For years radio was used innovatively to broadcast *Showers of Blessing* around the world. Even today, other Nazarene radio programs are heard in many countries

Now the Internet and digital technologies are used increasingly. In fact, historians may look at the 28th General Assembly as the first social media general assembly, with tweets and texting as primary methods of communication.

Facebook has more than a billion monthly active users, including the Board of General Superintendents. Approximately 80 percent of those using Facebook are outside the USA and Canada.³⁰

It is a mobile world.

Globalization and technology go together, and for younger generations, they are as natural as breathing.

What does this mean for the church? There are already on-line gatherings for Bible study. More are coming. Educational opportunities will expand globally. Children in developing countries are going to school using tablets. Is this how they will read and study the Bible?

Over 100 water wells were drilled in Africa, South Asia, and Haiti through Nazarene Compassionate Ministries-sponsored efforts, using locally-accessible and sustainable technologies.

The church should take advantage of the newest technologies as it has in the past, but it should not allow these expanding possibilities to replace sound doctrine or the personal touch that comes from local ministry.

5. *A new effort to bring our Wesleyan-holiness theology and our mission closer together*

Theology and mission are inseparable. Entire sanctification and making Christlike disciples go together. Each makes the other possible. Holiness *is* Christlikeness.

Most of the 640,000 new Nazarenes this last quadrennium have little or no background in church doctrines and the Wesleyan understanding of Scripture.

There is a continual need to ask and answer the question, “Why the Church of the Nazarene?” In a period of major generational change, there is a compelling urgency to clarify why our denomination exists.

The church’s beliefs and practices need to be put in plain language for a projected faith goal of five million Nazarenes by 2030—or many more, from the faith vantage point of many of us. 85 percent of these could be from outside the USA/Canada Region.

6. *New outpourings of the Holy Spirit upon His Church that help form us into the likeness of Christ, make it possible to love our neighbor as ourselves, and bear fruit that will last*

Unless this happens nothing else matters. Let it begin with me.

It is God’s Spirit that makes everything possible. Nazarenes are a church of the Holy Spirit. Many denominations worldwide are embracing the language of holiness. Even some religions that appeal to the postmodern mindset are focusing on holy living as a means to attract new followers. The Nazarene message of holiness is more than just a catchphrase. It is the powerful potential to engage a world that is crying out for transparency, integrity, and authenticity on the part of organized religion. Our message is needed, relevant, and very

³⁰ Facebook.com

appealing.

The need is greater than it has ever been for our pastors to live and preach the holiness message. As the late general superintendent Edward Lawlor once wrote, “Our task is to see that this message (of holiness) becomes the fulfillment of all the hopes and dreams of all mankind in this world of tension.”

While we honor our “goodly heritage,” the church cannot go back—nor can it remain where it is. As followers of Jesus Christ, we are to keep moving toward the city “whose builder and maker is God” (Hebrews 11:10, KJV).

Behold, He is making all things new!

Closing Story

In 1979 the Philippine government built a resettlement area to provide homes for many who had been living in the slums of Metro Manila. This new town was called General Mariano Alvarez, and it is now home to 170,000 people. Last year, Stephen Gualberto honored me with an invitation to preach at his local church in the area. On the way back from that splendid church service, Stephen shared with me a taste of a dream come true for him.

It was to a small house in this town that Stephen’s family relocated when he was a child.

The lack of basic services and jobs there forced Stephen’s father and mother to work weekdays in Manila, and Stephen joined them to go to school. On weeknights they stayed in the basement of the garment factory where his mother worked, returning to the resettlement area on weekends to care for and protect their house.

Metro Manila First Church reached out to Stephen’s family, showing the love and compassion of Jesus and meeting their needs.

When Stephen’s father found a job in Saudi Arabia, the Lord blessed them with material things, including land in the resettlement area. It then became possible for Stephen’s parents to build a commercial building, which they leased out for additional income.

Once, when the building became empty, Stephen asked his mother if he could use it as a youth center. She had a different plan for the building at the time, but she promised him that if she died, he could have it.

Several years later she passed away. Stephen’s father honored her promise.

Today, the youth center, called Power Life Ministries, is sustained by a collaboration of evangelical groups, including Stephen’s home church, the General Mariano Alvarez Church of the Nazarene. Power Life Ministries is reaching hundreds of high school and college-age people. Some come from broken families or are abused—physically, verbally, and even sexually. Some are in youth gangs. Some are orphans.

Ministries at the center include evangelism, discipleship, weekly worship, youth camps, skills training for out-of-school youth, job placement, counseling, and HIV/AIDS training. This is also a place where youth can play, talk, pray, listen to the Word, have friends, and be safe.

The former vice-mayor of the community came to know the Lord through this center. He is now one of the ministry’s active supporters.

Joshua Garcia, 15 years old, has been touched by Power Life Ministries. When Joshua was nine, his mother abandoned his family to live with another man, and his father became an alcoholic.

So Joshua and his brother were cared for by their grandmother. Joshua began misbehaving and bullying other youth in his anger toward his parents.

When he was 11, he and some of his friends started vandalizing a nearby church. A

volunteer pastor in the center reached out to the boys, and they began to attend the center's activities.

Several months later Joshua accepted Jesus as his personal Savior, and he was disciplined at the center. Now he is an active leader of a small group at the public high school. They study the Bible, do their homework, and encourage one another.

Joshua dreams of becoming a pastor. He plans to study theology at Philippine Nazarene College next year.

This story is an illustration of what God wants to accomplish through the Church of the Nazarene. It is a reminder that a statement of mission is of little value unless we do something with it.

Jesus Christ, the "Cornerstone," makes it possible for those being reached by Power Life Ministries to become "living stones," to be "built up as a spiritual house for a holy priesthood" (1 Peter 2:5, NASB).

Final Thoughts

Let me conclude this time together with some questions:

- In the coming year will you prayerfully commit to lifting up Christ in all you do so that others may know who Jesus is?
- Will you look for opportunities "to seek and to save the lost" as Jesus taught us? (Luke 19:10, NIV) To help make Christlike disciples who become living stones acceptable to God through Jesus Christ?
- As we enter a new era filled with possibilities for the Church of the Nazarene, will you trust Him to give you greater passion for holiness?

This is our future. "The promise is for you and your children and for all who are far off—for all whom the Lord our God will call" (Acts 2:39, NIV).

This is how we can co-labor with Him as He builds His Church—one stone at a time.

Respectfully and prayerfully submitted,
BOARD OF GENERAL SUPERINTENDENTS
JERRY D. PORTER
JESSE C. MIDDENDORF
J. K. WARRICK
EUGÉNIO R. DUARTE
DAVID W. GRAVES
STAN A. TOLER

Prepared and read by Eugénio R. Duarte
bgs@nazarene.org

GENERAL SECRETARY

To the Board of General Superintendents and delegates of the 28th General Assembly:

The 2009-13 quadrennium has been a very active one for the office of the General Secretary.

In the 2009 General Board session, the Board of General Superintendents presented a White Paper with seven recommendations. With the approval of the General Board, the General Secretary assisted the Board of General Superintendents, the General Board, and Global Ministry Center (GMC) offices with implementation.

One specific action was re-working the General Board organizational documents to bring them in harmony with the White Paper recommendations. The General Board now has an updated set of bylaws and a Policy Manual. Further work was done on the Administrative Handbook, a procedures tool used by the Board of General Superintendents at the Global Ministry Center.

In addition, the General Board's committee structure was developed around the "single-mission framework" advocated in the report. USA/Canada became a region of Global Missions. A Senior Leadership Team (SLT) was created for the Global Ministry Center. New allocation formulas were developed for the World Evangelism Fund and for USA Pensions and Education.

The General Secretary and staff have been active in facilitating two study groups this quadrennium, the Scripture Study Committee, led by Thomas King, and the Nazarene Future Study Group, chaired by David McClung. Reports have been prepared and resolutions will be offered at this General Assembly.

A significant study was conducted to help determine ways to increase participation of elected delegates to General Assembly. Delegates from regions outside of North America often have difficulties acquiring visas and affording the expenses connected with travel. Representatives from each region were involved in this study.

The General Secretary assisted in the election of process of Verne Ward, Global Mission Director, and Gerald Smith, president of Nazarene Publishing House. Both elections occurred in 2012.

The General Secretary's staff is involved in a myriad of responsibilities that serves the denomination at all levels. They provide leadership in planning and implementing General Assemblies and Conventions and General Board meetings, and assist the Board of General Superintendents and the staff at the Global Ministry Center. They also gather and disseminate statistical information and maintain ministerial records for pastors throughout the denomination. A key role played by the General Secretary is resourcing districts and regions with legal updates and *Manual* interpretation.

The work of the General Secretary's office extends to Archives, Research, *Holiness Today* and *NCN News*, Legal Support and Information Technology.

Archives

Nazarene Archives receives materials in the form of research papers, sermons, photographs, and other collections that have significance for the Church of the Nazarene and its greater Wesleyan-holiness heritage.

In addition to receiving and processing numerous accessions during the 2009-2013 quadrennium, Nazarene Archives resourced the work of the Scripture Study Committee and the Nazarene Future Study Group. They serviced the ministries of the Global Ministry Center with

archival data and helped with projects with historical importance.

The Archives staff assists researchers who visit the Global Ministry Center in their academic and editorial work. They provide material for local churches, districts, and regions celebrating anniversaries and other special occasions.

Holiness Today

Significant changes are on the horizon for *Holiness Today*, the official publication of the Church of the Nazarene. The 2009-2013 quadrennium has been spent positioning the magazine for the move to a digital format. Church leadership desires that technology be used to make accessible for every Nazarene the doctrinal articles and personal accounts which comprise the content of the magazine at no cost. This will help the denomination in its effort to spark a new level of the connectionalism that has been characteristic of the Church of the Nazarene since its earliest days.

David J. Felter announced his retirement as editor-in-chief of *Holiness Today* and General Editor for the Church of the Nazarene, effective July 31, 2013.

Information Technology

Information Technology grows in importance as a tool for assisting the ministries at the Global Ministry Center (GMC) and the denomination at large. They develop software, provide a help desk to service equipment needs and training for users, offer consultative technical assistance for projects, and give assurance that security issues are met for systems, services, and programs at the GMC.

Plans for expanding services to provide regional support are being developed as the Church of the Nazarene continues to move steadily toward internationalization. Information Technology endeavors to be part of the overall mission and strategic vision of the denomination.

Legal Assistance

One of the most significant actions taken by the General Secretary's office during the quadrennium was the addition of legal assistance to the staff. Michael B. Thompson, J.D., and an elder in the Church of the Nazarene, serves as General Counsel for the Global Ministry Center. His job responsibilities include the administration of "Nazarene Safe," a suggested tool that provides guidance for local churches in developing protection programs against the sexual abuse of children and teens. He also advises the General Board and GMC ministries on corporate matters requiring legal counsel and provides initial consultative services to regions and districts.

NCN News

The Nazarene Communications Network (NCN) is a member of the Evangelical Press Association. Each week *NCN News* provides a global summary that is received by 14,500 subscribers. Thousands more visit the site through social media. The site averages 42,000 "hits" per month, with 25,000 being unique.

In an effort to maintain a global focus, *NCN News* has correspondents and contributors from numerous countries. Support and appreciation for this weekly communication source remains strong throughout the denomination.

Research

The Research Center provides vital support for Global Ministry Center offices and the

international church. They supply demographic information, assist with compilation of statistical data, and wide-ranging reports on research topics.

The Research staff supports the annual meeting of the Association of Nazarene Sociologists and Researchers (ANSR), a group that contributes significantly to the work of the denomination. They also develop, conduct, and interpret results for numerous surveys. During the 2009-2013 quadrennium, Research provided outstanding support for the work of the Nazarene Future Study Group.

Research has acquired a strong reputation in the research community, and in so doing, represent the denomination well. They were chosen by the Association of Statisticians of American Religious Bodies to produce the 2010 U.S. Religion Census, a report that provides information on congregations and adherents for religious bodies by county in the United States.

Corporate Affairs and Insurance Matters

The General Secretary's office is responsible for processing and maintaining corporate documents including contracts, deeds, and other official papers. Auditor reports for the General Board and Nazarene Publishing House have been received and are on file. To date, all litigation has been settled.

With assistance from Human Resources, the General Secretary's office has responsibility for risk management insurance for General Board entities including the Global Ministry Center, Nazarene Theological Seminary, Nazarene Publishing House, Nazarene Compassionate Ministries, Inc., Church of the Nazarene Foundation, and Jesus Film Harvest Partners, Inc.

For the Record

The Global Church of the Nazarene has reason to feel hope as records are evaluated. Church membership has reached 2,150,883 – a quadrennial gain of 313,490. A record 640,010 new Nazarenes were received. New churches organized were 4,378. There are now 20,041 organized churches of the Nazarene globally.

Nazarenes increased their giving to \$3,534,788,828 in this quadrennium. The number of new elders ordained was 2,991, deacons ordained 135, and an additional 104 ministers had their credentials recognized from other denominations. There are 455 districts around the world. Of these, 194 are Phase 3; 120 are Phase 2; 117 are Phase 1; and 24 are pioneer areas.

Conclusion

The General Secretary and staff continue to serve the church with hope and confidence, believing in the message of holiness that we have been called to proclaim and in the God who leads us. We find the greatest joy in hearing the stories of sinners coming to believe in the Christ who died for them and going on to entire sanctification. We rejoice in being part of the Church of the Nazarene.

Respectfully submitted,
DAVID P. WILSON
General Secretary

QUADRENNIAL SUMMARY STATISTICS

Table I - Churches

	2009	2010	2011	2012
<i>Fully Organized</i>				
Africa	3,430	4,100	4,237	4,372
Asia-Pacific	1,278	1,290	1,322	1,353
Eurasia	2,896	3,385	3,941	4,577
Mesoamerica	2,720	2,751	2,766	2,792
South America	2,126	2,190	2,178	2,197
USA/Canada	4,830	4,811	4,810	4,750
Grand Total	17,280	18,527	19,254	20,041
<i>Not Yet Organized</i>				
Africa	3,725	3,905	4,195	4,040
Asia-Pacific	416	447	470	505
Eurasia	2,110	2,503	2,631	2,509
Mesoamerica	213	229	221	238
South America	330	320	322	323
USA/Canada	413	422	431	474
Grand Total	7,207	7,826	8,270	8,089

Table II - Church Members (Full and Associate)

	2009	2010	2011	2012
Africa	457,382	511,373	549,463	568,491
Asia-Pacific	106,892	109,940	110,435	113,777
Eurasia	174,894	203,873	221,875	215,333
Mesoamerica	326,639	338,056	344,257	348,025
South America	220,222	232,644	246,191	252,396
USA/Canada	659,513	663,375	663,901	652,861
Grand Total	1,945,542	2,059,261	2,136,122	2,150,883

Table III - Analysis of Church Membership

Full Members at Beginning of Quadrennium (2008)	1,655,685	
Received by Profession of Faith		528,531
Received from Other Denominations		111,479
Received by Transfer from Other Nazarene		201,571
Total	841,581	
Gains		48,093
Lost by Removal, Commendation, or Release		255,862
Lost by Transfer to Other Nazarene Churches		231,054
Total Losses	535,009	
Full Members at End of Quadrennium (2012)	1,962,257	
Associate Members	188,626	
Grand Total World Membership	2,150,883	
Percent of Quadrennial Growth (2008 compared to 2012)*		17.06%

*Based on 2008 Full & Associate Membership of 1,837,393

Table IV - Number and Membership, Auxiliary Organizations Discipleship

<i>Number of churches reporting</i>	<i>2009</i>	<i>2010</i>	<i>2011</i>	<i>2012</i>
Africa	3,659	3,517	3,811	4,166
Asia-Pacific	1,132	1,093	1,175	1,215
Eurasia	2,090	2,269	3,403	3,681
Mesoamerica	2,491	2,356	2,458	2,482
South America	1,832	1,790	1,758	1,848
USA/Canada	4,769	4,828	4,836	4,780
Grand Total	15,973	15,853	17,441	18,172
<i>Responsibility List (Enrollment)</i>				
Africa	253,443	240,580	244,971	254,820
Asia-Pacific	61,959	62,446	60,312	67,803
Eurasia	42,350	40,319	87,998	100,112
Mesoamerica	241,266	220,690	236,175	258,016
South America	133,449	135,207	153,497	163,927
USA/Canada	778,753	788,085	795,670	794,194
Grand Total	1,511,220	1,487,327	1,578,623	1,638,872
<i>Attendance</i>				
Africa	156,024	152,660	240,176	210,854
Asia-Pacific	42,030	39,365	58,431	66,646
Eurasia	33,004	46,199	89,059	92,663
Mesoamerica	168,263	183,720	178,831	196,311
South America	102,014	118,087	126,061	135,378
USA/Canada	341,789	394,834	395,669	393,123
Grand Total	843,124	934,865	1,088,227	1,094,975
Vacation Bible Schools				
<i>Number of churches reporting</i>	<i>2009</i>	<i>2010</i>	<i>2011</i>	<i>2012</i>
Africa	465	501	521	473
Asia-Pacific	339	311	341	308
Eurasia	490	390	766	878
Mesoamerica	1,229	1,118	1,177	1,176
South America	692	669	686	685
USA/Canada	2,624	2,713	2,645	2,612
Grand Total	5,839	5,702	6,136	6,132
<i>Membership</i>				
Africa	24,243	27,634	30,286	30,747
Asia-Pacific	21,055	21,063	19,864	17,884
Eurasia	16,953	16,991	27,833	35,459
Mesoamerica	99,832	88,117	87,836	90,532
South America	57,106	59,243	58,664	60,538
USA/Canada	204,027	179,984	173,519	171,166
Grand Total	423,216	393,032	398,002	406,326

Nazarene Youth International

<i>Number of churches reporting</i>	2009	2010	2011	2012
Africa	3,270	3,104	3,616	3,848
Asia-Pacific	888	879	943	863
Eurasia	1,990	2,154	3,116	3,442
Mesoamerica	2,154	2,191	2,231	2,402
South America	1,519	1,550	1,634	1,695
USA/Canada	4,402	3,882	4,306	3,906
Grand Total	14,223	13,760	15,846	16,156

Membership

Africa	87,676	87,441	98,506	99,471
Asia-Pacific	17,315	16,930	18,244	16,896
Eurasia	24,025	24,272	35,553	35,452
Mesoamerica	76,071	79,432	80,104	83,831
South America	54,737	55,583	60,795	61,662
USA/Canada	165,747	130,942	156,469	126,612
Grand Total	425,571	394,600	449,671	423,924

Nazarene Missions International

<i>Number of churches reporting</i>	2009	2010	2011	2012
Africa	3,107	3,219	3,642	3,689
Asia-Pacific	862	822	816	762
Eurasia	1,951	2,135	3,109	3,434
Mesoamerica	2,235	2,238	2,294	2,473
South America	1,496	1,550	1,574	1,643
USA/Canada	4,270	4,288	4,291	4,232
Grand Total	13,921	14,252	15,726	16,233

Membership

Africa	163,730	193,802	197,478	184,990
Asia-Pacific	36,499	33,927	35,872	34,738
Eurasia	34,567	33,806	46,903	49,266
Mesoamerica	122,196	130,656	129,397	156,670
South America	96,379	105,700	110,834	116,867
USA/Canada	515,174	502,758	494,515	481,675
Grand Total	968,545	1,000,649	1,014,999	1,024,206

Table V - Worship and Evangelism

<i>Worship Attendance</i>	<i>2009</i>	<i>2010</i>	<i>2011</i>	<i>2012</i>
Africa	316,041	334,340	349,410	323,477
Asia-Pacific	72,078	69,928	74,192	80,870
Eurasia	91,814	106,450	144,403	155,779
Mesoamerica	200,711	205,755	209,018	223,118
South America	138,105	150,082	155,549	160,558
USA/Canada	515,373	514,215	506,789	495,459
Grand Total	1,334,122	1,380,770	1,439,361	1,439,261
<i>Conversions*</i>				
Africa		5,992	27,729	39,511
Asia-Pacific		3,439	5,228	7,024
Eurasia		3,834	24,663	28,450
Mesoamerica		16,956	21,474	21,654
South America		29,250	32,427	33,506
USA/Canada	60,053	64,706	56,264	55,008
Grand Total		124,177	167,785	185,153
<i>Baptisms*</i>				
Africa		2,398	14,400	19,756
Asia-Pacific		1,148	1,684	2,990
Eurasia		15,237	19,501	21,310
Mesoamerica		9,578	10,171	10,596
South America		10,495	12,594	12,653
USA/Canada	20,467	21,235	20,811	20,374
Grand Total		60,091	79,161	87,679

*Global totals included beginning in 2010.

Table VI - Church Property

<i>Valuation</i>	2009	2010	2011	2012
Local Churches	\$ 5,645,326,084	\$ 5,476,889,514	\$ 5,451,668,154	\$ 5,596,699,514
Districts	127,894,957	361,830,550	545,372,298	461,493,007
Global Ministry Center	36,699,368	35,226,704	33,058,052	31,805,253
Nazarene Publishing House	9,981,744	9,319,047	8,882,625	8,349,161
Educational Institutions	791,475,522	820,113,327	898,901,692	925,414,980
Grand Total	<u>\$ 6,611,377,675</u>	<u>\$ 6,703,379,142</u>	<u>\$ 6,937,882,821</u>	<u>\$ 7,023,761,915</u>
 <i>Indebtedness</i>				
Local Churches	\$ 763,207,191	\$ 774,016,955	\$ 921,033,254	\$ 896,520,788
Districts	12,494,909	23,712,650	38,791,768	54,500,602
Educational Institutions	294,157,547	311,664,831	349,078,621	364,762,460
Grand Total	<u>\$ 1,069,859,647</u>	<u>\$ 1,109,394,436</u>	<u>\$ 1,308,903,643</u>	<u>\$ 1,315,783,850</u>

Table VII - Financial

	2009	2010	2011	2012
Total Church Income	\$ 914,810,110	\$ 899,642,665	\$ 862,335,696	\$ 858,000,357
 <i>Given to Global Mission</i>				
World Evangelism Fund	\$ 46,910,377	\$ 45,158,677	\$ 38,753,511	\$ 38,453,024
Approved Mission Specials	31,618,895	26,751,647	31,362,681	31,665,594
Other Global Interests	2,893,862	7,133,472	4,106,324	3,724,461
Total	\$ 81,423,134	\$ 79,043,796	\$ 74,222,516	\$ 73,843,079
 <i>Given to Pension Fund</i>				
Pension Fund	\$ 12,803,400	\$ 12,600,744	\$ 12,573,111	\$ 12,878,591
 <i>Given to District Mission</i>				
District Ministry Funds	\$ 38,142,907	\$ 35,685,944	\$ 36,810,986	\$ 37,158,027
Other District Interests	1,109,747	4,115,341	2,833,992	2,566,002
Total	\$ 39,252,654	\$ 39,801,285	\$ 39,644,978	\$ 39,724,029

Given to Educational Institutions

Educational Institution Fund	\$	19,868,870	\$	18,131,815	\$	14,726,775	\$	15,080,150
Other Contributions to Nazarene Institutions		-		700,743		674,283		806,189
Total	\$	19,868,870	\$	18,832,558	\$	15,401,058	\$	15,886,339

Local Ministry

Buildings, Properties, and Capital Improvements	\$	127,793,708	\$	120,719,385	\$	118,208,184	\$	104,727,722
Debt Service		83,076,538		81,442,451		86,495,393		78,962,066
Pastor, Associate, and Support Staff Salaries		116,655,933		194,321,588		210,316,879		213,674,782
Pastor, Associate, and Support Staff Benefits		136,751,134		122,084,084		122,528,983		120,827,801
Local Compassionate Ministries		7,629,314		13,742,997		14,451,093		16,225,947
Other Church Ministries		313,718,314		215,724,014		183,561,027		182,483,749
Total	\$	<u>785,624,941</u>	\$	<u>748,034,519</u>	\$	<u>735,561,559</u>	\$	<u>716,902,067</u>
Total Missional Disbursements	\$	938,972,999	\$	898,312,902	\$	877,403,222	\$	859,234,105

Table VIII - Per Capita Giving (Expended)

	2009	2010	2011	2012
Africa	\$ 12.19	\$ 12.58	\$ 11.31	\$ 14.20
Asia-Pacific	256.46	255.63	252.28	277.56
Eurasia	64.62	54.23	52.10	50.76
Mesoamerica	58.79	49.22	54.85	56.51
South America	135.90	155.75	170.42	154.49
USA/Canada	1,272.75	1,193.64	1,153.12	1,138.39
Total	\$ 482.63	\$ 436.23	\$ 410.75	\$ 399.48

Table IX - Quadrennial Growth by End Years

	2008	2012	Increase/Decrease
Organized Churches	16,209	20,041	3,832
Church Members	1,837,393	2,150,883	313,490
Discipleship Responsibility List	1,499,335	1,638,872	139,537
Discipleship Attendance	812,672	1,094,975	282,303
VBS Members	424,599	406,326	(18,273)
NYI Members	415,041	423,924	8,883
NMI Members	961,278	1,024,206	62,928
Worship Attendance	1,291,770	1,439,261	147,491
Value Church Property	\$ 5,870,512,245	\$ 5,596,699,514	\$ (273,812,731)
Indebtedness (Local)	\$ 871,024,827	\$ 896,520,788	\$ 25,495,961
Ordained Elders	15,149	16,560	1,411
Ordained Deacons	676	770	94
Licensed Ministers	8,240	8,586	346
Missionaries	794	712	(82)

Table X - Membership of Churches and Auxiliaries

<i>Year</i>	<i>Churches***</i>	<i>Discipleship</i>	<i>NYI</i>	<i>NMI</i>	<i>VBS</i>
1907	6,198	5,469			
1908	10,414	7,780	523		
1911	20,501	20,179	1,491		
1912	21,501	26,237	1,848		
1913	22,910	29,176	2,218		
1914	27,526	34,687	2,923		
1915	31,600	35,971	3,162		
1916	33,267	45,163	4,226		
1917	33,090	45,702	5,137		
1918	34,306	47,617	5,025		
1919	34,928	50,397	5,371		
1920	37,478	56,876	6,762		
1921	43,708	72,753	8,661	3,637	
1922	48,118	83,801	10,864	5,329	
1923	52,741	88,946	12,768	6,601	
1924	57,285	103,314	15,189	10,052	
1925	62,818	120,259	17,898	11,285	
1926	67,070	134,761	21,846	11,810	
1927	72,719	144,229	25,821	15,899	
1928	78,044	154,994	27,279	17,379	
1929	81,649	160,085	26,289	18,817	
1930	88,762	178,029	28,839	22,182	
1931	99,127	202,908	34,138	24,880	1,235
1932	109,841	225,707	40,647	27,555	
1933	119,473	239,341	48,533	31,784	8,027
1934	130,848	259,985	53,654	38,126	11,111
1935	139,025	270,351	56,964	41,604	12,787
1936	146,108	271,779	57,535	44,282	13,228
1937	153,090	277,250	56,326	45,938	12,575
1938	162,160	307,083	60,338	49,236	14,680
1939	172,144	329,121	64,108	51,797	18,983
1940	180,014	343,146	66,891	53,923	20,971
1941	185,502	342,755	66,347	55,809	24,114
1942	192,489	340,440	67,125	57,530	27,699
1943	197,892	332,753	65,760	60,214	27,200
1944	202,706	337,619	67,616	64,018	32,085
1945	206,837	350,279	59,569	66,145	41,183
1946	213,007	369,726	63,727	69,287	56,000
1947	221,033	398,940	65,726	74,518	71,000
1948	228,862	422,832	69,036	77,422	85,475
1949	248,535	453,413	71,978	80,990	107,469
1950	258,340	479,232	75,249	85,341	128,550
1951	275,964	499,698	78,450	90,095	135,000
1952	283,732	521,030	80,594	96,247	137,697
1953	295,104	537,065	81,327	101,359	143,300
1954	307,587	573,774	84,539	110,111	172,527
1955	318,173	605,684	88,523	120,470	189,016
1956	331,005	611,319	89,249	125,891	178,686
1957	335,464	632,125	90,294	137,441	217,259
1958	348,168	678,830	93,069	155,778	237,921
1959	361,644	700,493	97,080	173,825	253,902

1960	372,178	701,216	139,525	188,174	242,311
1961	383,770	702,265	132,787	205,966	266,868
1962	394,002	706,133	138,805	216,093	279,563
1963	404,847	719,026	148,587	227,532	276,554
1964	415,495	730,611	150,155	235,465	270,030
1965	424,505	776,951	155,577	249,508	292,745
1966	438,771	805,652	158,269	259,981	299,095
1967	453,808	835,200	163,390	272,219	301,536
1968	464,962	883,722	168,422	281,255	290,462
1969	471,846	864,724	167,698	282,443	308,550
1970	490,573	871,782	165,944	288,602	315,334
1971	505,310	901,475	179,266	299,488	315,537
1972*	517,274	1,108,185	220,806	359,528	390,463
1973	538,081	1,131,151	221,375	364,065	407,256
1974	566,904	1,175,212	230,000	377,564	420,387
1975	586,532	1,213,878	244,547	385,900	413,935
1976	605,185	1,227,800	241,173	400,162	400,473
1977	625,152	1,206,511	138,261	412,905	356,456
1978	641,160	1,201,000	126,376	420,568	354,652
1979	661,114	1,200,139	150,669	430,056	351,659
1980**	674,329	1,125,192	145,921	433,072	344,780
1981	686,484	1,118,230	205,100	432,712	339,593
1982	706,811	1,084,258	213,402	451,379	326,718
1983	729,989	1,128,456	225,284	467,510	363,187
1984	749,797	1,134,413	228,534	489,987	353,089
1985	779,221	1,193,667	235,141	498,825	359,121
1986	809,666	1,231,288	224,690	516,298	361,514
1987	838,136	1,264,876	243,736	531,384	375,387
1988	873,978	1,299,280	247,857	552,769	369,915
1989	919,262	1,297,407	250,785	568,198	371,425
1990	947,880	1,319,501	246,502	580,854	377,269
1991	1,002,150	1,323,343	257,127	590,207	388,255
1992	1,072,823	1,334,680	276,036	610,263	408,168
1993	1,104,694	1,345,048	287,420	630,812	392,441
1994	1,138,504	1,352,558	283,734	649,215	375,226
1995	1,171,290	1,338,417	289,986	662,683	378,936
1996	1,216,657	1,330,301	299,469	677,999	378,583
1997	1,254,315	1,344,397	307,563	698,145	379,834
1998	1,304,009	1,348,689	312,674	712,355	388,719
1999	1,342,252	1,340,129	305,527	728,793	387,075
2000	1,390,306	1,372,030	319,152	767,417	404,354
2001	1,417,664	1,374,033	318,672	779,340	400,871
2002	1,466,920	1,404,755	330,755	819,383	398,796
2003	1,435,780	1,410,693	330,701	808,233	415,363
2004	1,496,296	1,409,946	336,950	827,200	417,362
2005	1,566,305	1,431,347	341,307	846,982	418,193
2006	1,622,669	1,444,675	381,343	865,770	408,279
2007	1,733,772	1,475,604	396,723	916,470	419,534
2008	1,837,393	1,499,335	415,041	961,278	424,599
2009	1,945,542	1,511,220	425,571	968,545	423,216
2010	2,059,261	1,487,327	394,600	1,000,649	393,032
2011	2,136,122	1,578,623	449,671	1,014,999	398,002
2012	2,150,883	1,638,872	423,924	1,024,206	406,326

*Global totals included for all columns beginning in 1972.

**From 1980 to 2009, Discipleship Enrollment excludes Outreach Classes.

*** Journals prior to 2009 listed membership for just the Home Mission areas prior to 1972. This listing includes world area membership figures from their first report in 1923.

Table XI - Numerical - Churches, Auxiliaries, and Personnel

<i>Organized</i>								
<i>Year</i>	<i>Churches</i>	<i>Disc.</i>	<i>NYI</i>	<i>NMI</i>	<i>VBS</i>	<i>Elder</i>	<i>Deacon</i>	<i>L.M.</i>
1907	99					175		96
1908	288					434		172
1911	470					545		570
1912	576	381				608		675
1913	625	492				606		750
1914	703	593				687		988
1915	792	587				638		885
1916	923	775				774		889
1917	942	795				739		809
1918	967	824				811		822
1919	978	879				852		781
1920	1,044	918				893		776
1921	1,145	1,040	335			945		866
1922	1,208	1,112	445			1,028		1,004
1923	1,304	1,149	454			1,085		1,054
1924	1,386	1,255	589			1,150		1,139
1925	1,486	1,343	700			1,262		1,006
1926	1,548	1,402	772			1,526		975
1927	1,583	1,309	805			1,902		953
1928	1,700	1,408	858	806		2,032		1,022
1929	1,774	1,417	932	871		2,104		990
1930	1,845	1,662	1,079	1,023		2,166		1,018
1931	1,861	1,736	1,122	1,158		2,304		1,031
1932	1,963	1,863	1,233	1,219		2,362		1,047
1933	2,030	1,954	1,378	1,388	113	2,486		1,085
1934	2,146	2,092	1,464	1,563	162	2,559		1,190
1935	2,255	2,170	1,623	1,923	169	2,638		1,276
1936	2,335	2,268	1,705	2,041	160	2,758		1,321
1937	2,428	2,313	1,686	2,164		2,885		1,272
1938	2,527	2,425	1,811	2,333	246	2,971		1,335
1939	2,617	2,532	1,918	2,437		3,087		1,336
1940	2,728	2,641	2,053	2,573		3,218		1,427
1941	2,819	2,692	2,097	2,719	412	3,360		1,371
1942	2,923	2,817	2,150	2,789	472	3,434		1,403
1943	3,048	2,912	2,160	2,900		3,576		1,424
1944	3,095	2,951	2,202	2,990	559	3,669		1,472
1945	3,153	3,020	2,315	3,080	586	3,952		1,470
1946	3,258	3,120	2,799	3,244	904	4,051		1,492
1947	3,316	3,199	2,443	3,407	1,102	4,182		1,558
1948	3,390	3,290	2,553	2,737	1,325	4,160		1,674
1949	3,496	3,395	2,595	2,969	1,572	4,415		1,846
1950	3,638	3,541	2,755	3,113	1,801	4,555		1,910
1951	3,790	3,640	2,960	3,245	1,875	4,673		1,930
1952	3,888	3,813	3,053	3,429	1,889	4,958		1,968
1953	4,040	3,979	3,154	3,449	1,961	5,104		1,976
1954	4,200	4,162	3,331	3,644	2,249	5,227		1,954
1955	4,326	4,306	3,442	3,814	2,399	5,404		1,957
1956	4,435	4,413	3,512	3,895	2,294	5,508		1,952
1957	4,497	4,446	3,559	4,007	2,377	5,580		1,875
1958	4,587	4,509	3,593	4,109	2,512	5,767		1,859

1959	4,696	4,631	3,614	4,260	2,642	5,578		1,830
1960	4,740	4,753	3,671	4,302	2,533	6,013		1,759
1961	4,775	4,784	3,793	4,341	2,732	6,086		1,761
1962	4,803	4,836	3,892	4,415	2,831	6,242		1,821
1963	4,849	4,851	4,024	4,456	2,848	6,308		1,792
1964	4,877	4,897	4,038	4,531	2,757	6,326		1,795
1965	4,889	4,906	4,053	4,567	2,947	6,486		1,804
1966	4,929	4,942	4,028	4,587	2,939	6,558		1,837
1967	4,958	4,954	4,067	4,599	2,963	6,658		1,950
1968	4,982	4,870	4,073	4,621	2,772	6,681		2,060
1969	4,969	4,851	4,118	4,619	2,953	6,754		2,077
1970	4,939	4,847	4,056	4,641	3,012	6,931		2,237
1971	4,956	4,872	4,080	5,652	3,020	7,113		2,316
1972*	6,427	7,312	4,942	6,038	3,859	7,195		2,374
1973	6,532	7,365	5,108	6,104	3,907	7,394		2,411
1974	6,602	7,543	5,021	6,257	4,129	8,178		2,432
1975	6,736	7,486	5,089	6,292	4,297	8,287		2,583
1976	6,789	8,541	5,149	6,311	3,569	8,371		3,976
1977	6,900	8,833	4,514	6,353	3,808	8,693		3,847
1978	7,051	8,544	4,380	6,280	3,783	8,881		3,531
1979	7,090	8,686	4,679	6,321	3,919	8,965		3,638
1980	7,273	7,290	4,974	6,311	3,962	9,107		3,611
1981	7,445	7,397	5,606	6,257	3,773	9,348		3,632
1982	7,547	7,117	5,707	6,379	3,736	9,385		3,667
1983	7,795	7,339	5,974	6,613	3,850	9,626		3,923
1984	8,067	7,621	6,234	6,850	3,932	10,000		3,939
1985	8,242	8,163	6,563	7,108	4,078	10,092		3,962
1986	8,417	8,068	7,003	7,291	4,338	10,347	17	3,991
1987	8,615	8,215	6,956	7,445	4,388	10,579	29	4,086
1988	8,931	8,925	7,118	7,747	4,370	10,857	57	4,215
1989	9,294	9,084	7,191	7,911	4,391	11,080	104	4,390
1990	9,708	9,264	7,311	8,096	4,353	11,207	129	4,419
1991	10,164	9,497	7,745	8,405	4,669	11,430	168	4,567
1992	10,599	9,919	8,363	8,656	4,854	11,618	181	4,676
1993	10,882	9,992	8,687	8,902	4,751	11,765	232	4,691
1994	11,118	10,377	9,139	9,221	4,676	11,951	296	5,061
1995	11,482	10,348	9,246	9,200	4,721	12,206	310	5,128
1996	11,857	10,680	9,569	8,532	4,843	12,354	305	5,341
1997	12,134	10,940	9,819	9,704	4,856	12,547	350	5,482
1998	12,165	10,853	9,741	9,589	5,002	12,810	367	5,488
1999	12,375	11,120	9,476	9,795	4,946	12,922	392	5,566
2000	12,578	11,582	9,744	10,226	5,104	13,203	436	5,888
2001	12,799	12,166	10,058	10,426	4,983	13,484	428	6,174
2002	12,977	12,626	10,508	10,812	5,078	13,490	504	6,276
2003	13,259	12,874	10,792	11,073	5,240	13,541	674	6,362
2004	13,672	13,119	10,979	11,313	5,224	14,069	593	6,889
2005	14,043	13,555	11,144	11,516	5,353	14,364	623	7,168
2006	14,567	13,822	12,359	11,923	5,313	14,314	654	7,133
2007	15,359	14,517	13,035	12,688	5,459	14,869	684	7,435
2008	16,209	15,368	13,706	13,446	5,619	15,149	676	8,240
2009	17,280	15,973	14,223	13,921	5,839	15,084	693	8,341
2010	18,527	15,853	13,760	14,252	5,702	15,151	721	8,632
2011	19,254	17,441	15,846	15,726	6,136	15,962	742	8,925

2012	20,041	18,172	16,156	16,233	6,132	16,560	770	8,586
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*Global totals beginning in 1972 when available.

Table XII - Total Missional Disbursements

<i>Year</i>	<i>Amount</i>	<i>Increase</i>	<i>Per Capita</i>
1907	\$106,087	\$ -	\$ 17.12
1908	144,556	38,469	13.88
1911	301,953	157,397	14.73
1912	392,584	90,631	18.26
1913	464,140	71,556	20.26
1914	560,437	96,297	20.36
1915	553,894	(6,543)	17.53
1916	691,599	137,705	20.79
1917	860,003	168,404	25.99
1918	1,010,892	150,889	29.47
1919	1,321,196	310,304	37.83
1920	1,836,636	515,440	49.01
1921	2,121,554	284,918	48.54
1922	2,148,057	26,503	44.64
1923	2,293,641	145,584	45.30
1924	2,697,533	403,892	48.92
1925	2,931,155	233,622	49.04
1926	3,233,172	302,017	50.66
1927	3,447,325	214,153	50.24
1928	3,530,044	82,719	47.67
1929	3,414,295	(115,749)	43.96
1930	3,481,318	67,023	41.65
1931	3,121,696	(359,622)	33.54
1932	2,931,826	(189,870)	28.74
1933	2,635,576	(296,250)	23.55
1934	2,995,572	359,996	24.47
1935	3,330,926	335,354	25.55
1936	3,820,613	489,687	28.02
1937	4,428,102	607,489	30.89
1938	4,737,385	309,283	31.03
1939	4,944,266	206,881	30.62
1940	5,480,932	536,666	32.35
1941	6,277,076	796,144	35.97
1942	7,664,562	1,387,486	42.29
1943	10,056,764	2,392,202	54.00
1944	12,409,597	2,352,833	64.74
1945	14,770,307	2,360,710	75.54
1946	16,559,748	1,789,441	82.19
1947	18,805,555	2,245,807	89.86
1948	22,096,555	3,291,000	101.78
1949	23,490,798	1,394,243	104.64
1950	24,355,469	864,671	104.56
1951	27,082,889	2,727,420	111.69
1952	29,519,714	2,436,825	117.97
1953	30,544,278	1,024,564	118.33
1954	33,611,046	3,066,768	124.71
1955	35,144,678	1,533,632	125.59
1956	37,404,741	2,260,063	129.94
1957	39,085,450	1,680,709	133.77
1958	40,140,220	1,054,770	133.06
1959	42,183,554	2,043,334	135.51

1960	45,346,965	3,163,411	142.33
1961	47,122,078	1,775,113	144.16
1962	49,443,521	2,321,443	147.59
1963	52,433,908	2,990,387	153.30
1964	56,016,446	3,582,538	160.38
1965	59,893,452	3,877,006	168.33
1966	65,334,650	5,441,198	179.70
1967	70,562,108	5,227,458	190.13
1968	76,681,899	6,119,791	203.02
1969	82,109,006	5,427,107	212.74
1970	87,737,626	5,628,620	221.35
1971	95,788,676	8,051,050	235.08
1972	106,369,614	10,580,938	254.41
1973	117,942,483	11,572,869	273.75
1974	134,519,804	16,577,321	302.88
1975	148,726,145	14,206,341	326.41
1976	169,902,267	21,176,122	309.78
1977	186,345,087	16,442,820	331.25
1978	204,668,633	18,323,546	355.52
1979	227,381,446	22,712,813	384.42
1980*	251,684,421	24,302,975	373.24
1981	269,391,600	17,707,179	392.42
1982	295,541,903	26,150,303	418.13
1983	313,827,152	18,285,249	429.91
1984	335,461,876	21,634,724	447.40
1985	354,499,528	19,037,652	454.94
1986	377,523,036	23,023,508	466.27
1987	391,974,308	14,451,272	467.67
1988	411,698,075	19,723,767	471.06
1989	431,393,869	19,695,794	469.28
1990	446,330,129	14,936,260	470.87
1991	468,476,452	22,146,323	467.47
1992	486,313,949	17,837,497	453.30
1993	498,212,194	11,898,245	450.99
1994	526,135,285	27,923,091	462.13
1995	542,933,951	16,798,666	463.54
1996	571,671,129	28,737,178	469.86
1997	586,908,906	15,237,777	467.91
1998	615,386,347	28,477,441	471.93
1999	653,780,719	38,394,372	487.08
2000	698,636,065	44,855,346	502.51
2001	741,913,707	43,277,642	523.34
2002	778,264,949	36,351,242	530.54
2003	791,833,577	13,568,628	551.50
2004	817,847,424	26,013,847	546.58
2005	849,409,451	31,562,027	542.30
2006	895,396,913	45,987,462	551.81
2007	923,412,148	28,015,235	532.60
2008	946,777,409	23,365,261	515.28
2009	938,972,999	(7,804,410)	482.63
2010	898,312,902	(40,660,097)	436.23
2011	877,403,222	(20,909,680)	410.75

2012	859,234,105	(18,169,117)	399.48
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*Prior to 1980 does not include all world areas.

Table XIII - Property (2009 thru 2012)

<i>Year</i>	<i>Value of Church Bldgs, Parsonages</i>	<i>Indebtedness</i>	<i>Paid for Bldg. and Improvements</i>	<i>Paid on Indebtedness</i>
2009	\$ 5,645,326,084	\$ 763,207,191	\$ 127,793,708	\$ 83,076,538
2010	5,476,889,514	774,016,955	120,719,385	81,442,451
2011	5,451,668,154	921,033,254	118,208,184	86,495,393
2012	5,596,699,514	896,520,788	104,727,722	78,962,066

GENERAL TREASURER/FINANCIAL OFFICER

To the Board of General Superintendents and Delegates of the 28th General Assembly:

We have seen unprecedented financial challenges over the past four years in the wake of the Great Recession, but God's faithfulness and the commitment of Nazarenes to our mission have remained steadfast.

Flexibility In Trying Times

Revenue and Operating Costs

In each of the last four years, we have adjusted our expected revenue and operating costs to remain in line with the economic climate. We also implemented a new annual Global Ministry Center (GMC) Operational Budget process with the Global Administration and Finance Committee, as approved by the General Board. Each year, with God's help, we have exceeded our revenue projections and have been under budget for operating costs. Since my first report in 2003, the collective efforts of our congregations to help by giving to the World Evangelism Fund, Mission Specials, and designated gifts total \$804.0 million!

Generosity of our congregations continues. We are thankful that the fiscal year 2012 World Evangelism receipts exceeded our forecast by 2 percent. But, we remain challenged to pray for generosity that will enable the denomination to fund mission opportunities that are being missed due to over a \$10 million decrease in WEF receipts since 2008. This decrease is due, in part, to the new Funding the Mission plan, which was designed to leave more funds for ministry at the local church level.

We are also able to report that, due to extraordinary leadership effort to contain costs, the general arrangements and departmental expenses of the 2009 Orlando General Assembly totaled \$6,241,383, only \$84,000 over the expenses of the 2005 General Assembly. The event's cost will drop dramatically for the 2013 General Assembly, which has been budgeted and funded for just \$5.5 million.

Our Workforce

Our workforce remains a group of men and women committed to ministry service, even through difficult times. Employees gracefully accepted a cut back or freeze on salaries and benefits beginning in 2008. Many responded to the General Board-approved voluntary resignation and retirement programs that were offered. GMC leaders worked hard to adjust their operating budgets and reduce 2012 department budgets by nearly \$3 million to ensure prioritization of the mission.

A GMC Volunteer Services Program was introduced in 2011. We value this program as a way to provide opportunities for partnership between GMC ministries and individuals who wish to contribute their time and talents to further the mission.

We greatly miss those who have left the employment of the GMC through department downsizing and natural attrition. Thankfully, I am able to report that we were able to reward our diligent employees in 2012 with an increase in pay for the first time since 2008!

Funding the Mission

The Funding the Mission denominational giving plan was implemented beginning with the 2010-2011 assembly year and was blessed with faith and action around the world to support

ministry priorities.

During its first year, districts participating in denominational allocations at 100% and beyond more than tripled over prior year, the greatest number in recent history. The funding plan even increased WEF giving on an international level: for fiscal year 2011, non-USA/Canada WEF Giving increased 12.9% over the prior year.

We have seen churches and districts in the USA embracing the plan's online tools as well. Through the Funding the Mission application, churches are able to give online and track their income and goals and districts are closer than ever before to district-wide giving data. These online tools, and the support staff in Stewardship Ministries and Donor Services, have made the business of ministry a much simpler process.

Accountability

Financial accountability and transparency, as always, are high priorities. The General Board continues to be a fully accredited member of the Evangelical Council for Financial Accountability. Financial information for the General Board is available on the website www.ecfa.org.

Grant Thornton LLP completes independent audits of the General Board on an annual basis. These audits are made available to members of the General Board and an "Annual Review and Financial Summary" is made available to the public online and in print.

The Global Ministry Center and 6401 Paseo

In 2011, we signed a financial agreement with the Wesleyan Investment Foundation. This agreement resulted in the sale of the USA Church Loan Fund to the Wesleyan Investment Foundation and enhancement of loan services provided to Nazarene churches.

The sale of the USA Church Loan Fund and liquidation of the loan portfolio provided funds sufficient to retire the GMC tax-exempt bond financing in full. The ability to pay a 20-year debt in full, less than three years after the completion of the GMC, is significant. The remaining \$13.3 million in cash will be retained for investment as a long-term capital General Board asset. The remaining Paseo Campus was sold for \$2.7 million to the high-profile Kansas City Kauffman Foundation for their new school. The Kauffman mission is to provide education to urban children that will prepare them for college, which is a wonderful legacy for the Church of the Nazarene.

The following reports of our dedicated Financial Services leaders from Pensions & Benefits, Stewardship Ministries, Global Treasury Services, Donor Services, Human Resources, Business Center, and the Church of the Nazarene Foundation reflect many additional accomplishments this quadrennium. It is with much admiration and appreciation that I submit the reports of these leaders who are committed to serving the church.

Pensions and Benefits USA, Don Walter, Director

Bumpy Ride to a Record High

For Pensions and Benefits USA (P&B), 2009 to 2013 was a roller-coaster ride with more than a few worrisome drops and turns that, thankfully, rolled to a reassuring ending. We experienced a fragile economy marked by high unemployment, increases in healthcare expenses and fuel costs, changes in the church-giving formula, and an uncertain stock market. But at this writing, economic trends have improved and giving to the Pensions and Benefits Fund has reached a record high.

The quadrennium began with a 7.4 percent drop in giving to the P&B Fund—from a then record high of just over \$12.4 million in 2008, to \$11.5 million in 2009. The period concluded with a new giving record of more than \$12.7 million. Receipts for the four years totaled just under \$48 million. This compares to \$49.4 million during the previous quadrennium—a decline of about \$1.4 million, or a decrease of about 3%. We are thankful to God and our churches for their faithfulness.

For 2012, the Board of General Superintendents recommended an increase in the P&B allocation, along with the reallocation of funds from other sources to bolster the Pension Trust. In response to this recommendation, the presidents of our universities agreed to take a reduction in their allocation of 2.5 percent by a quarter percent. This generous action increased the allocation for P&B to 2.25 percent. None of our colleges or universities has extra money, yet the presidents of these institutions came alongside our active and retired ministers in a show of solidarity and sacrificial support.

How Your Money Was Used

The number of ministers (active and retired) served by Pensions and Benefits USA during this quadrennium remained relatively constant from the past one with about 14,000 participants—of which about 5,000 are retired ministers or widowed spouses. The various plans under our administration paid out nearly \$156.5 million in benefits between 2009 and 2013. This compares to \$142.5 million in the previous quadrennium, an increase of about 10%.

Retirement

The number of retired ministers and widowed spouses served by the Basic Pension Plan grew to about 5,000. During this time, we paid nearly \$60 million to these retirees. This compares to about \$61 million in the previous quadrennium.

We paid nearly \$16.5 million in annual pension supplements (APS) to the Nazarene 403(b) Retirement Savings Plan accounts of eligible pastors, full-time associates, evangelists, and district superintendents (compared to \$21 million in the previous quadrennium). During this same period, about \$56.7 million were paid in distributions from 403(b) accounts (compared to \$47.5 million in the previous quadrennium). The single largest source of contributions to these accounts remains individual salary reductions by participants.

Distributions from the Nazarene Individual Retirement Annuity (IRA) Plan totaled nearly \$2.3 million (compared to \$3 million in the previous quadrennium).

Insurance and Benevolence

Pensions and Benefits USA provides a basic level of life and disability insurance for eligible USA ministers and their families. We also offer additional life and disability insurance plans, all of which feature affordable premiums and offer valuable protection to eligible Nazarene participants.

During the quadrennium, we paid nearly \$4 million from the P&B Fund to make available basic life and disability insurance. Another \$900,000 was distributed to help meet the needs of those qualifying for benevolence assistance.

We promoted two periods of open enrollment to our Supplemental Group Term Life Insurance. This allowed eligible persons to apply for new or to increase existing coverage without proof of health. An additional 150 individuals chose to take advantage of these opportunities.

In 2009, we transitioned from our previous insurance vendor of 30 years to Aetna Life Insurance Company. This is proving to be a positive relationship. We believe it will continue to benefit our constituents.

Health care was on the minds of most Americans—including Nazarenes—during the past four years. We are pleased to announce that work begun with GuideStone Financial Resources during the previous quadrennium resulted in that organization extending enrollment to USA Nazarene districts and churches as of the beginning of 2013. While the Church of the Nazarene does not officially endorse this program, we believe GuideStone’s plans offer a number of features, such as portability from church to church, that could benefit our ministers.

Stewardship in Lean Times

While the quadrennium closed on an up note, the uneven journey prompted us to examine procedures and make several adjustments. For example, we eliminated printing of annual tax guides for ministers and church treasurers, choosing instead to make the information available online. We hosted several webinars to provide information to pastors, avoiding the costs associated with travel.

A 2011 analysis of P&B giving revealed only 51.3 percent of our churches paid their P&B Fund goal in full. Eighteen percent of our churches contributed nothing. This prompted the Board of Pensions to require at least 50% payment of the P&B Fund allocation for ministers to receive APS contributions to their 403(b) accounts.

Other Matters

In 2011, the Board of General Superintendents announced the implementation of voluntary retirements and resignations at the Global Ministry Center. This resulted in the reduction of a number of GMC staff members, three of which were from Pensions and Benefits USA. These P&B staff positions were not filled.

In some situations this resulted in staff members taking on additional responsibilities. In others, it involved engaging partners, such as Fidelity and Aetna, to fulfill some of the tasks we performed in the past. We contracted with online data management company *Stewardship Technology* to process insurance premium payments. Besides easing office workload, this move allows constituents to make insurance payments more conveniently online and assures compliance with Payment Card Industry (PCI) regulations. We continued to work on technological offerings to enhance communication with churches and districts. This included the development of online access for ministers to GMC databases for data such as contact, ministry history, and benefits information.

Once again, we updated our website (pbusa.org) to make it more user-friendly. It continues to be a major source of information dissemination, along with our newsletters—*P&B Quarterly* (print) and *P&B eNews* (electronic).

Looking Ahead

The past four years were disheartening at times; worrisome at others. But they also proved encouraging in that we saw our churches, universities, and leadership working together for solutions to the problems we faced. Truly, we have weathered the storm together under God’s faithful hand.

One of the most encouraging moments during this quadrennium occurred when I received a note from a retired ministerial couple living in Oklahoma City. It simply stated: “Don, Just

want to be part of the solution.”

Attached was a check for \$325—a sizeable amount for retirees on a fixed income. I held the note and the check with a lump in my throat and gratitude in my heart. It was a reminder from one of our faithful servants of the church—and from God—that things would get better.

We may face tough situations, and we may disagree at times, but through it all, Nazarenes love and care for one another. I am grateful to be part of this great family and for the opportunity to serve Christ and His Church.

Pensions and Benefits--International, Don Walter, Director

The Mission

Pensions and Benefits–International operates as a resource partner for pension and benefit services for those who serve the Church of the Nazarene within the greater global community; particularly those who are members of non-USA districts and who are working in international areas. To accomplish this, Pensions and Benefits – International works alongside the Global Mission office and the regional offices. The following represent the focus of the past quadrennium (2009-2012).

The International Contributory Retirement Program

The International Contributory Retirement Program (ICRP) is offered to the Nazarene ministers on the Africa, Asia-Pacific, Eurasia, Mesoamerica, and South America regions. It served participants in over 150 world areas. At the end of the quadrennium, total enrollment was nearly 800, and the cash value of the plan had grown to over \$2.5 million. Distributions during the quadrennium totaled about \$560,000. Securian (formerly the Minnesota Life Insurance Company) manages the record keeping and investments for this program. Securian has informed us that effective January 1, 2013, no new accounts will be accepted to this program. Current account holders will be unaffected. We are working with the Global Mission office to determine how to assist the regions in identifying program alternatives.

Other International Pension Plans

Global Treasury Services manages nearly \$470,000 of pooled assets on behalf of international plans. Pensions and Benefits – International continued to request, receive, review, and retain annual reports from 45 international pension plans in the Church of the Nazarene. Email and the P&B – International web site have facilitated this work and its communications. Pensions and Benefits – International remains available to provide consultation services to representatives of any of these plans and makes resources available via the web.

Key Concepts

Two key concepts continue to be promoted as opportunity allows: every local church must joyfully accept the stewardship issue of providing sufficient pastoral compensation and every church employer and every church employee must be engaged with the stewardship issue of personal participation in preparing for the future.

Stewardship Ministries, Mark Lail, Director

Biblical stewardship is key to the mission of the Church of the Nazarene. The role of Stewardship Ministries (SM) is **to make generous disciples that accomplish the mission of the Church of the Nazarene**. Local churches have proven to be faithful, generous, and willing to

sacrifice for the purpose of making Christlike disciples in the nations. The Lord has blessed the Church with an ability to use resources effectively and to accomplish the mission efficiently.

Church Relations and Resource Share

Helping pastors and church leaders carry out the mission of the Church of the Nazarene requires us to respond accordingly to current trends. SM has utilized effective and cost efficient tools over the past four years, including the **(dot) Stewardship e-newsletter**, the **Wholly Stewardship blog**, the **Funding the Mission e-newsletter**, **Facebook**, **Twitter**, monthly **webinars**, and on-site presentations through the **School of Stewardship**. As we create new resources, our commitment is to provide them free to everyone through our websites: **www.FundingtheMission.org** and **www.nazarene.org/stewardship**.

Along with providing resources to current pastors, SM makes sure to resource future pastors via the **Stewardship Sermon Scholarship**. This scholarship is funded by a legacy gift to SM and was designed to affect the minds of young ministerial students towards stewardship-centric preaching.

In 2011, SM published and distributed *The Tithing Principle: Understanding Why We Give*. The book, written by staff member Tom Felder, tells the story of Nazarenes who have committed to tithe regardless of life circumstances or economic climates. *The Tithing Principle* was distributed to every Nazarene pastor in the USA and Canada for use as a personal devotional or small group resource.

School of Stewardship

Even with the growth of electronic media, there is still the need for face-to-face training. Over the past four years, Stewardship Ministries has consistently expanded the **School of Stewardship** on-site training program. This seminar includes a variety of workshops covering topics of interest to pastors and church treasurers and is available to all districts. In addition to the practical themes, there is also a special emphasis on developing generous givers in the modern church.

World Evangelism Fund Promotion & Support

Giving to the World Evangelism Fund remains central to carrying out the Great Commission by the Church of the Nazarene. Historically, Stewardship Ministries, in partnership with Nazarene Missions International (NMI), has been responsible for promoting giving to this “lifeline” of the church. SM created resources for **Easter and Thanksgiving WEF offerings** and created numerous printed materials to educate the Church about the importance of WEF. As of spring 2012, this task is now a partnership between NMI and the Office of Advancement and Development; however, SM continues to produce three annual WEF and Mission Specials reports: the **Annual Review and Financial Summary**, the **Global Giving Report**, and the **Distribution of Donor Gifts** report.

Funding the Mission Plan & Application

The Funding the Mission (FTM) plan, mandated by the 2005 General Assembly, was the most dramatic change in denominational funding in over 50 years. SM has the lead role in “putting wheels” under the plan and currently controls the logistical interaction with the Annual Pastor’s Report (APR), transaction histories, and district reporting features.

SM also developed and administrates the **FTM application**,

www.fundingthemission.org. The FTM application is a financial resource for church and district leaders. It was originally designed to help churches transition to the new funding plan, but it has since become a financial hub for district offices too. Once logged in, churches can track their progress toward giving goals, view their transaction history, and make online donations. In 2011, SM partnered extensively with the Information Technology department to develop phase two of the FTM application, which extended reporting features and enhanced compatibility with the APR.

Conclusion

On a regular basis, I thank the Lord for the opportunity to serve the Church of the Nazarene as the director of Stewardship Ministries, for the capable leadership of Marilyn McCool and the general superintendents and for the dedication and expertise of the Stewardship Ministries team. I consider my job to be a genuine blessing that flows from the generosity of my Lord. Thank you for the opportunity to serve.

General Treasurer's Office, Kathleen Kruse, Controller and Administrative Director

Mission

The Mission of Global Treasury Services is to **Serve** our customers with **Efficiency** and **Respect**. **Value** our customers with **Integrity** and **Concern** for their needs. **Exceed** customer expectations.

Goals

Our goals are to process funds as designated; serve as liaison between donors and “doers”; record financial transactions accurately; protect and account for resources; provide financial information and analysis for decision-making; collect revenue and control costs; and fulfill financial obligations through payroll and accounts payable.

Changes

We have experienced a staff reduction of two full-time equivalent (FTE) employees and continue to adjust responsibilities to cover those functions. A new VISA corporate card program was introduced and used by our regions as well as GMC employees. We continue to find ways to use document imaging as a storage resource for financial transactions and retention requirements reducing space needs. Our planned giving back office operations was converted from Teachers Insurance and Annuity Association – College Retirement Equities Fund (TIAA-CREF) to Kaspick.

Challenges

We are constantly challenged to be more efficient in our processes as we work to reduce our overall costs to match the changing economy. There are always opportunities for improvement and we hope you will pray with us that we choose wisely the resources needed to meet these challenges. We want to be good stewards of our time, talent, and finances.

Giving

The faithfulness of Nazarenes and friends as they support the ministries of the general church continues to be an exciting bright spot in our work. We are grateful for the support of general church ministries this giving represents even in difficult financial times. The figures for

World Evangelism Fund and Mission Specials for the last two quadrennia are listed below:

Fiscal Year	World Evangelism Funds	Mission Specials	Total
2012	38,211,339	24,322,809	62,534,148
2011	38,464,179	24,825,716	63,289,895
2010	44,123,911	25,105,002	69,228,913
2009	45,906,503	22,005,165	67,911,668
	<u>\$ 166,705,932</u>	<u>\$ 96,258,692</u>	<u>\$ 262,964,624</u>
2008	48,629,856	29,267,879	77,897,735
2007	48,528,319	26,717,960	75,246,279
2006	47,973,629	28,388,331	76,361,960
2005	47,045,980	32,512,484	79,558,464
	<u>\$ 192,177,784</u>	<u>\$ 116,886,654</u>	<u>\$ 309,064,438</u>

Note: All amounts are expressed in USA Dollars

**The certified public accounting firm of Grant Thornton, LLP has audited the financial records of the General Board annually during this quadrennium. Official copies of the audit reports have been filed with the general secretary.*

Conclusion

It is always exciting to recognize God's faithfulness as we do the day to day tasks of supporting our general church ministries. We thank you for your ideas and comments throughout the quadrennium, as they help provide direction to our service. May *your* place of service be blessed by God.

Donor Services, DJ Crocker, Manager

Donor Services has dedicated significant time and effort toward donor-focused initiatives while integrating technical processing with new service programs. It has been my privilege to assume the responsibilities of Donor Services manager as an enhancement to my role as administrative director of Nazarene Financial Services.

The Donor Services' team has participated in the mission of the Church of the Nazarene by carefully handling the receiving and depositing of ministry dollars, accounting for these dollars accurately, providing timely receipts and reports to donors, and responding with excellence to constituent inquiries.

Since October 2009, over 990,473 individual gift and fee transactions (not including adjustments) have been handled and processed by Donor Services' staff. Over half of these transactions were processed on behalf of global Nazarene Compassionate Ministries' initiatives.

For over six years, individuals and local churches have had the opportunity to process gifts online. We have seen continued growth in online giving as \$20.2 million in 48,715 separate transactions were processed during the fiscal year ending September 30, 2012 compared with \$5.3 million in 11,244 separate transactions during the fiscal year ending September 30, 2009. We expect to see this trend continue in years to come.

The Donor Services' budget has been carefully managed in an effort to be good stewards

of the monies entrusted to our care. In the fiscal year ending September 30, 2012, we ended the year 1.3% under budget.

Significant efforts have been undertaken to treat every donor with professionalism and respect. Well over 12,000 phone calls and e-mails have been personally handled by staff in an effort to provide ready, responsive, and reliable service.

I wish to express my thanks and appreciation for the excellent efforts of the Donor Services' team. They are committed and faithful servants of the Lord devoted to the global mission of the Church of the Nazarene.

Thank you for the opportunity to be of service.

Human Resources, Insurance, and Legal Matters,

Cindy Armstrong, Administrative Director

The Human Resources (HR) Office gives direction in the employment of approximately 160 regular full- and part-time employees at the Global Ministry Center. A minimal HR staff provides services including government compliance, employee benefits administration, and employee relations. An ongoing strategy is to enhance benefits with little or no increase in costs, with the goal of attracting and retaining well-qualified, ministry-oriented employees.

Additionally, this office manages a corporate insurance portfolio which includes coverages for various General Board entities including the Global Ministry Center, Nazarene Publishing House, Nazarene Theological Seminary, Nazarene Compassionate Ministries, Inc., Nazarene Foundation, and JESUS Film Harvest Partners, Inc.

Correspondence and details pertaining to General Board legal matters are handled in this office as well.

Business Center, Jackie Berdych, Administrative Director

The Business Center motto is "Partnering with you to serve the Global Church" and we live that out every day as we work behind the scenes to support the offices of the GMC. The areas of support include Guest Services and Reception Desk/Switchboard, Mail Services, Telecommunications, Transportation, and Document/Print Center services.

Over the past 4 years with economic restraints in place, our office has reduced personnel by 50%. This reduction did not include a decrease in work load, but an increase as other offices also reduced staff and shifted work tasks to our area. This shift has given the Business Center the opportunity to stretch, grow and streamline work flow.

Listed are key figures for the various services we provided over the past 4 years:

- Over 50,000 calls were handled by the switchboard
- 719,819 incoming calls to the GMC
- Over 1.5 million pieces of outgoing mail
- Over 13 tons of incoming mail from the postal service alone for daily processing
- 3,300 Transportation shuttle runs
- Shuttle service for close to 6,000 individuals
- Greeted close to 20,000 visitors and guests
- Close to 7,000 work orders to assist other offices in their daily tasks

Estimated savings when suggested recommendations were employed:

- Copier costs were reduced by over \$34,000 per year
- Postage savings over the past 4 years was well over \$125,000.00

While the main focus of the Business Center is to provide support to the offices and

ministries of the GMC, guests and constituents are also touched by the work we do. The first point of contact to the GMC for many of our guests is the shuttle drivers who provide curbside service from the airport to the GMC or their hotel. Others that visit or call the GMC are greeted warmly by the front desk personnel. With the exceptions of a few printed publications, all mail and packages are processed in the Business Center after being printed, folded, and inserted into envelopes to be mailed.

The challenges we face are numerous. Rapidly changing regulations require Mail Services personnel to attend postal forums to keep current. This keeps the mail piece designs compliant but also provides information for substantial savings. The Transportation office logged over 375,000 miles, keeping all drivers and passengers safe under all kinds of weather conditions. Telecom is constantly working to keep current with technological advances with the telephony system and cell phones.

Each person in the Business Center is committed to serving the needs of the GMC, conserving the constituents' contributions, while maintaining a standard of excellence.

Church of the Nazarene Foundation, Kenneth R. Roney, President

“Remember this: Whoever sows sparingly will also reap sparingly, and whoever sows generously will also reap generously.” Nearly two thousand years ago the Apostle Paul preached the message of generosity. I take pleasure in announcing to you that this message still resonates with Nazarenes. God’s generous saints continue to recognize that He will supply their needs as they faithfully support the mission of the church. God continues to bless the generosity of His people and multiplies it, “abundantly above all that we ask or think.”

The Church of the Nazarene, through five wars, a great depression, and several economic recessions, has continued to proclaim the message of heart holiness around the world. I am pleased to report that over the last four years, during very difficult economic times, the members and friends of the Church of the Nazarene have stood as a testament that our God is able to do exceedingly abundantly more than we can ask or think.

With changing times and increased demands for financial support, the Church of the Nazarene Foundation (CNF), as the planned and deferred giving arm of the church, continues to supplement the regular tithes and offerings with additional ministry dollars. **Just this past year, we distributed nearly \$3,000,000 to ministries of the church (local, district, and general) and accumulated an additional \$6,000,000 in planned and deferred gifts that will be used to support ministries in the days ahead.** To God be the glory!

In simple terms, **our church family gives to Christian ministries because of an inner passion to see Christ save and change human lives.** With that purpose in mind, I have some very positive news in these challenging times. **The CNF is now the steward of ministry funds for the future that now total \$45,142,579.** This represents a phenomenal gain of 15.2% within the last year.

These cumulative assets include:

- **Endowments** which now total **\$4,623,982**. These funds have sky-rocketed by nearly 51% just in the last year. They will produce a steady and dependable income stream to countless local churches, districts, and a vast variety of other ministries.
- **Charitable Gift Annuities**, which enable donors to receive a generous income and tax benefit and then leave a gift to ministry after their death, now total **\$5,256,738**. During a time of low interest rates in an uncertain economy many are seeing the benefit of a steady and guaranteed income that far exceeds many other investments.

- **Charitable Trusts**, which may permit a donor to set aside property for ministry while retaining income benefits and tax deductions, total **\$3,328,949**.
- **Donor-Advised Funds** total **\$5,855,559**. Prior to the beginning of the CNF in 2004, our planned giving opportunities did not offer a Donor-Advised Fund (DAF). This gifting option has proven to be a tool that an increasing number of donors are utilizing.
- **Investment Management Accounts (IMA)** total **\$24,173,004** for ministry for local church building projects, mission partnerships, Work and Witness teams, compassionate ministries, and district church plants. IMAs have become a wonderful way for the churches and districts to partner with the denomination to achieve excellent investment returns.

Cause for Celebration

In this last quadrennium the CNF has distributed **\$16,439,717** in planned and deferred gifts for a host of ministries. While most of these distributions have been to ministries of the Church of the Nazarene, some of the distributions have been to other like-minded organizations as we work to carry the gospel around the world.

Teamwork enhances planned giving

The effectiveness of the Body of Christ is dependent on every member utilizing their gifts and relationships to accomplish the mission – which in the case of the CNF is the **Linking of Vision and Resources with Gift Planning**.

The challenges ahead will be the best of times as our CNF Board of Directors and all church entities partner through websites, publications, newsletters, and brochures to open doors of opportunity.

I am blessed to have a well-equipped staff with loving hearts for people, for Christ, and for the Church of the Nazarene. Their names and titles are as follows:

Mark E. Lail, D.Min.	Executive Vice President
Harold E. Henderson, D.Min., CEF	Vice President of Gift Planning
Sheila Bird, MBA, MA Non-Profit	Director of Development and Strategy
Felicia Thornhill, MBA, MAFM, CPA	Director of Finance
Julia Duty, BA Accounting	Accounting Assistant
Bob Crew, CFA, CFP	Legacy Ministry Consultant

Everyone in our church family can be a partner! Our newsletter, *Model Generosity*, is mailed to approximately 10,000 Nazarene leaders and donors. Those who have created an endowment or deferred gift to the many local, district, national, and international ministries connected to the Church of the Nazarene are a part of our Nazarene Legacy Partners (NLP). We honor our NLP members with a commemorative display in the Foundation office in Lenexa, Kansas.

What Legacy Will We Leave?

Over the years, we have often reflected on the legacy that was left by those who marched around the now famous tent in the dusty Texas soil in a small railhead town of Pilot Point, Texas. As we complete each and every year in ministry, we can't help but ask what impact our legacy will have on our children and those who follow. First and foremost, we must leave the

remembrance of a holy, Christlike life, core values based on God's Word, and an unconditional love that reminds our family and friends of Jesus. Secondly, we should all consider leaving a tangible legacy to our church.

A central question we should all ask ourselves is: does God care about our estate plan? Does He care if we leave a legacy? The simple answer is yes. He wants us to provide for our **FAMILIES**. In 1 Timothy 5:8 we read, "If anyone does not provide for his relatives, and especially for his immediate family, he has denied the faith and is worse than an unbeliever." He also expects us to provide for the **CHURCH**. In 2 Corinthians 8:7 we read, "But just as you excel in everything – in faith, in speech, in knowledge, in complete earnestness and in love for us – see that you also excel in this grace of giving."

To facilitate gifts to the church, the Foundation provides some of the most effective ways God's generous saints can leave a legacy. We partner with all of our people who want to consider giving back to the ministries that have made a difference in their lives. On the Foundation website at www.nazarenefoundation.org donors will find useful information to help them foster and develop a lasting legacy for Christ and the kingdom.

As we turn our focus to the future, I am grateful that the Church of the Nazarene established the Foundation to help propel resources into the various ministries of the church, now and in the days ahead.

General Treasurer's Summary

We commit the next four years and our efforts to make Christlike disciples to God, "who is able to do immeasurably more than all we ask or imagine, according to his power that is at work within us" (Ephesians 3:20).

I am grateful to Him for the wonderful blessings of answered prayers over the past four years. Thank you for this opportunity to serve our global church. I love and appreciate my leaders, my staff, and all employees of the GMC.

Respectfully submitted,
Marilyn J. McCool
General Treasurer/Financial Officer

FINANCIAL STATEMENTS

Consolidated Financial Statements and Report of Independent Certified Public Accountants

The Global Ministry Center of the General Board of the Church of the Nazarene

September 30, 2009 and 2008



Grant Thornton LLP
1201 Walnut Street, Suite 1000
Kansas City, MO 64106-2176
T 816.412.2400
F 816.412.2404
GrantThornton.com
Linkd.in/GrantThorntonUS
Twitter.com/GrantThorntonUS

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

General Board of the Church of the Nazarene

We have audited the accompanying consolidated statements of financial position of The Global Ministry Center of the General Board of the Church of the Nazarene as of September 30, 2009 and 2008, and the related consolidated statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the General Board's management. Our responsibility is to express an opinion on these financial statements based on our audits. We did not audit the financial statements of Church of the Nazarene Foundation, a 509(a) supporting organization, which statements reflect total assets of 17% and 16% as of September 30, 2009 and 2008, respectively, and total revenues and gains of 3% for the years then ended. Those statements were audited by other auditors, whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for Church of the Nazarene Foundation, is based solely on the report of the other auditors.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America as established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the General Board's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements and assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits and the report of the other auditors provide a reasonable basis for our opinion.

In our opinion, based on our audits and the report of the other auditors, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of The Global Ministry Center of the General Board of the Church of the Nazarene as of September 30, 2009 and 2008, 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.

As discussed in Note B to the financial statements, certain errors pertaining to the Church of the Nazarene Foundation resulting in the understatement of deferred gift agreements and overstatement and misclassification of net assets as of October 1, 2007 were discovered during the current year. Accordingly, adjustments have been made to the previously issued statement of financial position as of September 30, 2008 and to the statement of activities for the year ended September 30, 2008 for the correction of these errors.

Grant Johnston LLP

Kansas City, Missouri
February 26, 2010

The Global Ministry Center of the General Board of the Church of the Nazarene

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

September 30,

	<u>2009</u>	2008 (restated)
ASSETS		
Cash and cash equivalents	\$ 6,598,090	\$ 4,489,562
Investment held from bond proceeds	-	3,790,528
Investments	120,891,254	127,285,887
Investment in LLC	1,000,000	1,000,000
Receivables		
Church mortgages and loans - USA Church Loan Fund	28,623,616	26,515,921
Other	2,340,435	1,364,028
Accrued interest	347,543	302,914
Notes receivable	120,754	145,153
Property and equipment, net	36,719,233	38,347,915
Bond issuance costs, net	422,611	439,300
Beneficial interest in charitable trusts	2,199,630	1,954,770
	<u><u>\$ 199,263,166</u></u>	<u><u>\$ 205,635,978</u></u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable and accrued expenses	\$ 4,783,851	\$ 6,183,507
Interest rate swap liability	1,763,271	-
Bonds payable	25,000,000	25,000,000
Deferred gift agreements	18,595,005	18,481,424
Funds held in trust	40,367,665	40,834,825
Pension obligation	6,567,743	4,601,802
Postretirement benefit obligation	27,675,241	28,588,077
	<u>124,752,776</u>	<u>123,689,635</u>
COMMITMENTS AND CONTINGENCIES		
NET ASSETS		
Unrestricted	66,410,947	72,559,774
Temporarily restricted	8,100,291	7,514,918
Permanently restricted	3,901,019	3,870,498
Unamortized pension liability	(3,901,867)	(1,998,847)
	<u>74,510,390</u>	<u>81,946,343</u>
	<u><u>\$ 199,263,166</u></u>	<u><u>\$ 205,635,978</u></u>

The Global Ministry Center of the General Board of the Church of the Nazarene

CONSOLIDATED STATEMENTS OF ACTIVITIES

Year ended September 30,

	2009	2008 (restated)
Changes in unrestricted net assets		
Revenues and gains		
World Evangelism Fund	\$ 45,906,503	\$ 48,629,856
Mission Specials	21,568,801	28,600,475
Nazarene Publishing House editorial budget funds	407,604	412,464
Interest on church mortgages and loans	1,513,383	1,563,866
Net investment income (loss)	1,206,662	(6,177,456)
Legacy, gifts, and charitable remainders, net	3,317,604	4,666,592
Auxiliary service	355	95,052
Other	2,733,745	3,020,059
Total unrestricted revenues and gains	76,654,657	80,810,908
Net assets released from restrictions	173,033	422,006
Total net assets released from restrictions	173,033	422,006
Total unrestricted revenues and gains	76,827,690	81,232,914
Expenses		
Program services		
Global Mission	47,701,495	53,299,311
USA/Canada Office	4,767,717	6,116,185
International Board of Education	3,772,454	3,846,823
Sunday School and Discipleship Ministries	2,628,795	2,607,372
Nazarene Youth International	940,790	1,185,263
Board of General Superintendents	2,428,376	2,276,114
USA Church Loan Fund	287,442	255,960
Nazarene communication services	1,284,568	1,313,481
Church of the Nazarene Foundation	1,332,135	2,366,198
Other program services, net	4,022,731	606,004
Total program services	69,166,503	73,872,711
Support services		
Global Ministry Center Financial Office	3,713,126	3,760,437
Global Ministry Center Operations Office	5,002,856	4,489,967
Church of the Nazarene Foundation	1,229,060	1,138,973
Other support services	4,404,055	1,682,614
Total support services	14,349,097	11,071,991
Total expenses	83,515,600	84,944,702
Decrease in unrestricted net assets	(6,687,910)	(3,711,788)
Reclassification of endowment upon UPMIFA adoption	539,083	-
Decrease in unrestricted net assets	(6,148,827)	(3,711,788)

The Global Ministry Center of the General Board of the Church of the Nazarene
CONSOLIDATED STATEMENTS OF ACTIVITIES - CONTINUED
Year ended September 30,

	2009	2008 (restated)
Changes in temporarily restricted net assets		
Legacy, gifts, and charitable remainders, net	\$ 973,490	\$ (173,664)
Net investment income (loss)	201,041	(960,531)
Actuarial adjustment of deferred gift agreements	(210,327)	78,172
Expenses and administrative fees	(15,225)	(44,455)
Net assets released from restrictions	(173,033)	(422,006)
Net assets reclassified	34,055	(27,671)
Increase (decrease) in temporarily restricted net assets	810,001	(1,550,155)
Reclassification of endowment upon UPMIFA adoption	(224,628)	-
Increase (decrease) in temporarily restricted net assets	585,373	(1,550,155)
Changes in permanently restricted net assets		
Legacy, gifts, and charitable remainders, net	347,174	468,093
Net investment income (loss)	(2,510)	7,139
Expenses and administrative fees	(299)	(348)
Net assets reclassified	611	-
Increase in permanently restricted net assets	344,976	474,884
Reclassification of endowment upon UPMIFA adoption	(314,455)	-
Increase in permanently restricted net assets	30,521	474,884
Change in net assets before pension liability adjustment	(5,532,933)	(4,787,059)
Changes in pension liability not included in pension expense	(1,903,020)	(64,399)
Decrease in net assets	(7,435,953)	(4,851,458)
Net assets, beginning of year, as previously reported	81,946,343	87,792,425
Restatement	-	(994,624)
Net assets, beginning of year, as restated	81,946,343	86,797,801
Net assets, end of year	\$ 74,510,390	\$ 81,946,343

The Global Ministry Center of the General Board of the Church of the Nazarene

CONSOLIDATED STATEMENTS OF CASH FLOWS

Year ended September 30,

	<u>2009</u>	<u>2008</u> (restated)
Cash flows from operating activities		
Decrease in net assets	\$ (7,435,953)	\$ (4,851,458)
Adjustments to reconcile decrease in net assets to net cash provided by operating activities		
Depreciation	1,871,204	1,120,679
Amortization of bond issuance costs	16,689	16,047
Net realized and unrealized (gains) losses on investments	237,894	10,108,846
Contributions restricted for long-term investment	(55,244)	(60,236)
Beneficial interest in charitable trusts	(244,860)	557,744
Loss on disposal of property and equipment	91,645	1,554
Donated assets received	(95,340)	(1,854,886)
Assets donated	378,795	-
Non-cash assets held for future distribution	395,000	1,100,000
Non-cash assets held in deferred agreements	-	(254,686)
Loss on swap liability	1,763,271	-
Pension obligation	1,965,941	102,930
Postretirement benefit obligation	(912,836)	(482,974)
Changes in		
Other receivables	(952,008)	(151,565)
Accrued interest	(44,629)	87,340
Accounts payable and accrued expenses	(1,347,056)	3,614,840
Net cash provided by (used in) operating activities	<u>(4,367,487)</u>	<u>9,054,175</u>
Cash flows from investing activities		
Acquisition of property and equipment	(928,060)	(26,280,657)
Proceeds from disposal of property and equipment	215,097	332,115
Funding of church mortgages and loans - USA Church Loan Fund	(4,404,676)	(2,549,847)
Proceeds from church mortgages and loans - USA Church Loan Fund	2,296,981	2,248,493
Proceeds from sales and maturities of investments	79,690,068	438,850,947
Purchases of investments	(73,164,325)	(432,715,793)
Purchases of investment held from bond proceeds	(26,452)	(818,161)
Proceeds from sales of investment held from bond proceeds	3,816,982	17,498,730
Net cash provided by (used in) investing activities	<u>7,495,615</u>	<u>(3,434,173)</u>
Cash flows from financing activities		
Payments on notes payable - USA Church Loan Fund	-	(429,929)
Change in deferred gift agreements and funds held in trust	(1,074,844)	(3,558,522)
Proceeds on contributions restricted for investment in endowments	55,244	60,236
Net cash used in financing activities	<u>(1,019,600)</u>	<u>(3,928,215)</u>
Net increase in cash and cash equivalents	2,108,528	1,691,787
Cash and cash equivalents, beginning of year	4,489,562	2,797,775
Cash and cash equivalents, end of year	<u>\$ 6,598,090</u>	<u>\$ 4,489,562</u>
Supplemental schedule of cash flow information		
Cash paid during the year for interest	\$ 1,103,470	\$ 366,594
Noncash investment activities that increased liabilities for deferred gift agreements and funds held in trust		
Investments received	\$ 55,924	\$ 263,033
Net realized and unrealized gains (losses) on investments	527,344	(4,957,531)

The Global Ministry of the General Board of the Church of the Nazarene

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2009 and 2008

NOTE A - NATURE OF ORGANIZATION

The Church of the Nazarene exists to serve as an instrument for advancing the kingdom of God through the preaching and teaching of the Gospel throughout the world. The Global Ministry Center of the General Board of the Church of the Nazarene (the General Board), previously known as the International Headquarters of the General Board of the Church of the Nazarene, shall encourage and expect all national, regional, district, and local boards to fulfill the mission of the Church of the Nazarene (the Church). The General Board shall promote the financial and material affairs of all the departments of the Church, subject to such instructions as may be given by the General Assembly. It shall coordinate, correlate, and unify the plans and activities of the several constituent departments so that a unified policy may be established by and in all the activities of the Church.

The objectives of the General Board are to advance the cause of Christian holiness:

- by fostering growth in the Church
- by the production and distribution of print and nonprint media for the various services; to awaken and strengthen interest throughout the Church in the value and proper use of contemporary media resources
- by articulating the philosophy of Christian education, enhancing the role of Sunday School, strengthening other training in the Church, and emphasizing the importance of ministry to home and family as a task of the Church throughout the world in accordance with the Great Commission
- by strengthening the bonds between the educational institutions and the Church at large (and to provide information and services as appropriate); to serve Nazarene educational institutions worldwide; and to encourage them to be all they can be in quality, achievement, and service to Christ

NOTE B - RESTATEMENT OF FINANCIAL STATEMENTS

The previously issued statement of financial position of the General Board as of September 30, 2008 did not account for Church of the Nazarene Foundation's deferred gift agreements and net assets in accordance with accounting principles generally accepted in the United States of America. As a result, deferred gift agreements increased \$994,624 and total net assets decreased \$994,624 as of October 1, 2007. During the year ended September 30, 2008, beneficial interest in charitable trusts increased \$190,420, deferred gift agreements increased \$1,197,888, unrestricted net assets increased \$1,319, temporarily restricted net assets decreased \$1,730,875 and permanently restricted net assets increased \$722,088 relating to these errors.

The error in prior accounting for deferred gift agreements impacted several accounts on the statement of activities during the year ended September 30, 2008. Accordingly, the General Board has restated its previously issued 2008 financial statements as follows:

Adjustment of previously reported decrease in unrestricted net assets	\$ (12,572)
Adjustment of previously reported decrease in temporarily restricted net assets	(435,700)
Adjustment of previously reported increase in permanently restricted net assets	407,857
Total decrease in net assets	<u><u>\$ (40,415)</u></u>

In addition to the previously described errors in accounting, the General Board adjusted previously issued 2008 financial statements for immaterial reclassifications (see Note C13). The following is a summary of the effects of these accounting corrections and adjustments on the previously issued statement of financial position as of September 30, 2008 and the statement of activities and cash flows for the year ended September 30, 2008:

	<u>As previously reported</u>	<u>Restatement amount</u>	<u>Reclassification</u>	<u>As restated</u>
Statement of financial position				
Investments	\$ 128,284,231	\$ -	\$ (998,344)	\$ 127,285,887
Investment in LLC	-	-	1,000,000	1,000,000
Receivables - other	1,442,106	-	(78,078)	1,364,028
Beneficial interest in charitable trusts	1,766,006	190,420	(1,656)	1,954,770
Total assets	205,523,636	190,420	(78,078)	205,635,978
Accounts payable and accrued expenses	6,248,315	-	(64,808)	6,183,507
Deferred gift agreements	17,283,536	1,197,888		18,481,424
Total liabilities	122,556,555	1,197,888	(64,808)	123,689,635
Net assets				
Unrestricted	72,610,652	1,319	(52,197)	72,559,774
Temporarily restricted	9,206,866	(1,730,875)	38,927	7,514,918
Permanently restricted	3,148,410	722,088	-	3,870,498
Total net assets	82,967,081	(1,007,468)	(13,270)	81,946,343
Statement of activities				
Changes in unrestricted net assets				
Revenues and gains				
Mission specials	28,587,205	-	13,270	28,600,475
Net investment income (loss)	(6,138,870)	(690)	(37,896)	(6,177,456)
Other	3,021,090	(1,031)	-	3,020,059
Net assets released from restrictions	474,429	(52,423)	-	422,006
Total unrestricted revenues and gains	81,311,684	(54,144)	(24,626)	81,232,914
Expenses				
Program services				
Church of the Nazarene Foundation	2,407,484	(41,286)	-	2,366,198
Total program services	73,913,997	(41,286)	-	73,872,711
Support services				
Church of the Nazarene Foundation	1,139,259	(286)	-	1,138,973
Total support services	11,072,277	(286)	-	11,071,991
Total expenses	84,986,274	(41,572)	-	84,944,702
Decrease in unrestricted net assets	(3,674,590)	(12,572)	(24,626)	(3,711,788)
Changes in temporarily restricted net assets				
Legacy, gifts, and charitable remainders, net	424,250	(597,914)	-	(173,664)
Net investment income (loss)	(1,109,249)	109,791	38,927	(960,531)
Net assets released from restrictions	(474,429)	52,423	-	(422,006)
Decrease in temporarily restricted net assets	(1,153,382)	(435,700)	38,927	(1,550,155)
Changes in permanently restricted net assets				
Legacy, gifts, and charitable remainders, net	60,236	407,857	-	468,093
Increase in permanently restricted net assets	67,027	407,857	-	474,884
Change in net assets before change in pension liability	(4,760,945)	(40,415)	14,301	(4,787,059)
Decrease in net assets	(4,825,344)	(40,415)	14,301	(4,851,458)
Net assets - beginning of year	87,792,425	(994,624)	-	86,797,801
Net assets - end of year	82,967,081	(1,035,039)	14,301	81,946,343

	<u>As previously reported</u>	<u>Restatement amount</u>	<u>Reclassification</u>	<u>As restated</u>
Statement of cash flows				
Cash flows from operating activities				
Decrease in net assets	\$ (4,825,344)	\$ (40,415)	\$ 14,301	\$ (4,851,458)
Net realized and unrealized (gains) losses on investments	10,262,839	(153,993)	-	10,108,846
Beneficial interest in chartable trusts	224,575	35,873	297,296	557,744
Loss on disposal of property and equipment	883	-	671	1,554
Donated assets received	-	-	(1,854,886)	(1,854,886)
Non-cash assets held for future distribution	-	-	1,100,000	1,100,000
Non-cash assets held in deferred agreements	-	-	(254,686)	(254,686)
Changes in other receivables	(37,776)	-	(113,789)	(151,565)
Changes in accrued interest	-	-	87,340	87,340
Changes in receivable from pension plans	(104,526)	-	104,526	-
Changes in accounts payable and accrued expenses	3,949,526	(11,079)	(323,607)	3,614,840
Net cash provided by operating activities	10,166,623	(169,614)	(942,834)	9,054,175
Cash flows from investing activities				
Purchases of investments	(433,202,683)	486,890	-	(432,715,793)
Net cash used in investing activities	(3,921,063)	486,890	-	(3,434,173)
Cash flows from financing activities				
Change in deferred gift agreements and funds held in trust	(4,184,080)	344,847	280,711	(3,558,522)
Net cash used in financing activities	(4,553,773)	344,847	280,711	(3,928,215)

NOTE C - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies consistently applied in the preparation of the accompanying consolidated financial statements follows.

1. *Basis of Presentation*

The accompanying consolidated financial statements present the activities and operations of the General Board, including amounts transferred to the World Mission regions. Also included in the consolidated financial statements are transactions for Church of the Nazarene Foundation and Harvest Partners, Inc. Each of these entities is a 501(c)(3) corporation organized as a 509(a) supporting organization. Individual congregations and related service corporations are not included herein, nor are the activities and operations of the individual World Mission regions included. These financial statements have been prepared on the accrual basis of accounting. All significant inter-entity balances and transactions have been eliminated.

2. *Cash and Cash Equivalents*

Cash and cash equivalents include only funds and overnight investments held in banks for operating purposes. Bank rating services are regularly monitored for the ongoing safety ratings of the financial institutions in which deposits are maintained. As of September 30, 2009 and 2008, cash in banks in excess of federally insured limits was approximately \$0 and \$4,308,346, respectively. Foreign bank balances amounted to \$818,208 and \$962,950 as of September 30, 2009 and 2008, respectively.

3. *Contributions*

Contributions received, including unconditional promises to give, are recognized as revenues when the donor's commitment is received. All contributions are considered to be available for unrestricted use unless restricted by the donor for specific purposes outside the general nature of the organization. Amounts received that are designated for future periods or restricted by the donor for specific purposes outside the general nature of the organization are reported as temporarily restricted or permanently restricted support which increases those net asset classes. However, if a restriction is generally fulfilled in the same time period in which the contribution is received, the General Board reports the support as unrestricted.

The General Board reports gifts of land, buildings, and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets are to be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the General Board reports expirations of donor restrictions when the donated or acquired long-lived assets are placed into service.

4. *Investments*

Investments are carried at fair value based on quoted market prices for those or similar investments, with gains and losses, to the extent they accrue to the benefit of the General Board, included in the consolidated statements of activities. Certain investments are held in trust for others or pursuant to deferred gift agreements. Gains and losses associated with such investments are reflected as increases or decreases in the associated liability amounts.

5. *Property and Equipment*

Property and equipment are stated at cost, net of accumulated depreciation. Depreciation is calculated using the straight-line method over the estimated useful lives of the depreciable assets. Estimated useful lives of property and equipment are as follows:

Buildings	10-50 years
Equipment	4-8 years

The General Board periodically reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Assets to be disposed of are reported at the lower of carrying amount or fair value, less costs to sell.

6. *Deferred Gift/Planned Giving Agreements*

The General Board is a party to various deferred gift and planned giving agreements, including gift annuities, unitrusts, and revocable and irrevocable trusts, whereby the General Board receives funds or assets for which it has fiduciary responsibility for the safekeeping, investment management, and distribution of funds to donor-designated beneficiaries.

The General Board recognizes an asset and a liability for funds or assets received pursuant to revocable and irrevocable deferred gift agreements for which the General Board is not the donor-designated beneficiary. In certain cases, the General Board is the donor-designated beneficiary and recognizes the receipt of funds or assets as temporarily restricted revenues.

Certain of the agreements contain an annuity feature, whereby the General Board will pay a fixed annuity to the donor or donor's beneficiary over specified periods of time. At the inception of the agreement, the General Board recognizes a liability equal to the present value of the expected annuity obligation, at the current discount rate, over the remaining expected life of the annuitant based on established mortality tables. The excess of the value of the funds or assets received over the present value of the annuity obligation is recognized as temporarily restricted net assets of the General Board if the General Board is the designated recipient of the corpus remaining upon the death of the annuitant. The annuity obligation is recalculated on an annual basis to take into consideration changes in the discount period (due to the passage of time) and mortality rates.

7. *Income Taxes*

The General Board is exempt from federal and state income taxes on its principal operations, although the General Board would be subject to federal income taxes on the net income from certain operations if such operations generated unrelated business income. No such unrelated business income was earned during 2009 or 2008.

In July 2006, the Financial Accounting Standards Board (the FASB) issued new guidance on uncertain tax positions in Accounting Standards Codification Topic 740, *Income Taxes* (ASC 740). ASC 740 requires that all tax positions be evaluated using a recognition threshold and measurement of a tax position taken or expected to be taken in a tax return. Differences between positions taken in a tax return and amounts recognized in the financial statements are recorded as adjustments to income taxes payable or receivable, or adjustments to deferred income taxes, or both. ASC 740 also requires expanded disclosures at the end of each annual reporting period. ASC 740-10-65-1(e) permits an entity within its scope to defer the effective date of the uncertain tax position guidance in ASC 740 to the annual financial statements for fiscal years beginning before December 15, 2008. The General Board elected to defer the application of the uncertain tax position guidance in ASC 740 in accordance with ASC 740-10-65-1(e) until October 1, 2009. Management does not expect the impact of the new standard to affect the financial statements. The General Board currently accounts for its uncertain tax positions in accordance with ASC 450, *Contingencies*. Accordingly, a loss contingency is recognized when it is probable that a liability has been incurred as of the date of the financial statements and the amount of the loss can be reasonably estimated. No amounts have been recorded at September 30, 2009 or 2008.

8. *Fair Value Measurements*

Effective October 1, 2008, the General Board adopted the provisions of ASC Topic 820, *Fair Value Measurements and Disclosures* (ASC 820). This standard defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. The provisions of ASC 820 apply to all financial instruments that are being measured and reported on a

fair-value basis and items disclosed at fair value in the notes to the financial statements. ASC 820 does not change existing accounting rules governing what can or must be recognized and reported at fair value in the General Board's financial statements or disclosed at fair value in the General Board's notes to the financial statements. As a result, the General Board will not be required to recognize any new assets or liabilities at fair value.

Prior to the General Board's adoption of ASC 820, certain measurements of fair value were based on the amount that would be paid to acquire an asset or received to assume a liability (an entry price). ASC 820 clarifies the definition of fair value as the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price). The exit price is based on the amount that the holder of the asset or liability would receive or pay in an actual transaction (or in a hypothetical transaction if an actual transaction does not exist) at the measurement date. In some circumstances, the entry and exit prices may be the same; however, they are conceptually different.

In February 2008, the FASB issued ASC 825, *Financial Instruments*, (ASC 825), which, among other things, provides an option to elect fair value as an alternative measurement for selected assets and liabilities not previously recorded at fair value. While adopting ASC 825, the General Board did not elect fair value accounting for any additional assets or liabilities.

In February 2008, the FASB issued ASC 820, *Fair Value Measurements*, (ASC 820), which defers the effective date to fiscal years beginning after November 15, 2008 for certain nonfinancial assets and liabilities. The General Board currently does not have nonfinancial assets or liabilities subject to this deferral.

Fair value is generally determined based on quoted market prices in active markets for identical assets or liabilities. If quoted market prices are not available, the General Board uses valuation techniques that place greater reliance on observable inputs and less reliance on unobservable inputs (see Note F). In measuring fair value, the General Board may make adjustments for risks and uncertainties if a market participant would include such an adjustment in its pricing.

9. *Interest Rate Swap Liability*

The General Board's use of interest rate swaps is limited to instruments intended to manage interest rate risk associated with the General Board's long-term debt obligations. The General Board does not enter into interest rate swaps for trading purposes. The General Board has not formally designated any interest rate swaps as hedges and accordingly the General Board has recorded the change in fair value of those instruments as interest expense in the consolidated statements of activities. See Note I for further detail regarding the General Board's interest rate swap activity.

10. *Use of Estimates*

In preparing financial statements in conformity with accounting principles generally accepted in the United States of America, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the 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. Significant estimates included in the consolidated financial statements are the valuations of pension and postretirement benefit obligations, deferred gift agreements and swap liability. Actual results could differ from those estimates.

The General Board invests in various securities which may include U.S. government obligations, corporate debt instruments, and corporate stocks. Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the financial statements.

11. *Long-Lived Assets*

Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset with estimated future net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. For purposes of determining impairment, the General Board groups assets by category. Assets to be disposed of are reported at the lower of the carrying amount or fair value, less costs to sell. During the years ended September 30, 2009 and 2008, the General Board recognized no such impairment expense.

12. *Subsequent Events*

In accordance with ASC Topic 855, *Subsequent Events*, the General Board has evaluated subsequent events through February 26, 2010, which is the date these financial statements were available to be issued. The General Board is not aware of any subsequent events which would require recognition or disclosure in the financial statements.

13. *Reclassifications*

Certain immaterial items in the 2008 financial statements have been reclassified to conform to the 2009 presentation. See Note B for additional information.

NOTE D - INVESTMENTS

Investments consisted of the following at September 30,

	2009		2008 (restated)	
	Cost	Fair value	Cost	Fair value
Temporary investments	\$ 22,417,020	\$ 22,904,797	\$ 24,278,171	\$ 24,874,469
Real estate held for distribution	1,379,000	1,414,900	1,652,000	1,750,900
Partial interests in real estate	275,000	275,000	500,000	500,000
Common stocks	18,511,016	20,237,957	24,244,865	21,510,399
Corporate bonds	19,790,615	19,985,764	24,149,696	23,391,610
U.S. government obligations	359,838	411,772	-	-
Mutual funds	57,546,300	55,661,064	60,453,079	55,258,509
	<u>\$ 120,278,789</u>	<u>\$ 120,891,254</u>	<u>\$ 135,277,811</u>	<u>\$ 127,285,887</u>

Included in the investment totals above are investments held in trust for affiliated organizations and investments held pursuant to deferred gift and planned giving agreements. The fair value of those investments amounted to \$58,962,670 and \$59,316,249 as of September 30, 2009 and 2008, respectively.

There were no new real estate assets to be held for future distribution in 2009 or 2008. Total donated real estate as of September 30, 2009 and 2008 was valued at \$0 and \$220,000, respectively. The General Board contributed the land to an unrelated not-for-profit organization during 2009.

Net investment income (loss) consisted of the following for the year ended September 30,

	2009	2008 (restated)
Realized gain (loss) on sale of investments	\$ (4,193,919)	\$ 1,294,750
Unrealized gain (loss) on investments	3,956,023	(11,403,596)
Interest, dividends, and other income	1,807,928	2,370,790
Foreign currency loss	(191,296)	(168,592)
Other interest income	26,456	775,800
	<u>\$ 1,405,192</u>	<u>\$ (7,130,848)</u>

NOTE E - FAIR VALUE MEASUREMENTS

As is disclosed in Note C8, the General Board adopted ASC 820 effective October 1, 2008. ASC 820 establishes a fair value hierarchy that distinguishes between assumptions based on market data (observable inputs) and management's assumptions (unobservable inputs). Where an asset or a liability falls within that hierarchy depends on the lowest-level input which is significant to the fair value measurements as a whole. An adjustment to the pricing method used within either Level 1 or Level 2 inputs could generate a fair value measurement that effectively falls in a lower level in the hierarchy. The hierarchy consists of three broad levels as follows:

Level 1 - Quoted market prices in active markets for identical assets or liabilities

Level 2 - Inputs other than Level 1 inputs which are either directly or indirectly observable.

Level 3 - Unobservable inputs developed using management's estimates and assumptions, which reflect those which market participants would use.

The determination of where an asset or a liability falls in the hierarchy requires significant judgment. The General Board evaluates its hierarchy disclosures for each reporting period; based on various factors; it is possible that an asset or a liability may be classified differently from one reporting period to another. However, the General Board expects that changes in classifications between different levels will be rare.

Following is a description of the valuation methodologies used for assets and liabilities measured at fair value:

Temporary investments - Valued based on quoted market prices of the underlying assets.

Common stocks - Valued based on quoted market prices.

Corporate bonds - Determined through evaluated bid prices based on recent trading activity and other relevant information, including market interest rate curves and referenced credit spreads, and estimated prepayment rates, where applicable, are used for valuation purposes provided by third-party pricing services where quoted market values are not available.

U.S. government obligations - Valued based on quoted market prices.

Mutual funds - Valued based on quoted market prices of the underlying assets.

Beneficial interests in charitable trusts, net - Determined by calculating the present value of the future distributions expected to be received, using published life expectancy tables and a 5% rate of return.

Real estate - Valued based on information available annually, such as tax assessment values, data from the Farm Service Agency and donor information.

Interest rate swap liability - Valued based on present value of future cash flows valuation models. This analysis reflects the contractual terms of the swap, including the period to maturity and uses observable market based inputs, including interest rate curves.

The General Board's financial assets measured at fair value on a recurring basis, subject to the disclosure requirements of ASC 820, were as follows at September 30, 2009:

	Fair value measurements at reporting date using			
	Level 1	Level 2	Level 3	Total
Temporary investments	\$ 20,503,024	\$ -	\$ 2,365,046	\$ 22,868,070
Common stocks	20,237,957	-	36,727	20,274,684
Corporate bonds	16,033,299	3,649,124	303,341	19,985,764
U.S. government obligations	411,772	-	-	411,772
Mutual funds	54,831,547	-	833,997	55,665,544
Beneficial interests in charitable trusts, net	-	-	2,199,630	2,199,630
Real estate	-	-	1,689,900	1,689,900
Interest rate swap liability	-	-	(1,763,271)	(1,763,271)
	<u>\$ 112,017,599</u>	<u>\$ 3,649,124</u>	<u>\$ 5,665,370</u>	<u>\$ 121,332,093</u>

The following is a reconciliation of the beginning and ending balances of financial assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) during the year ended September 30, 2009.

October 1, 2008	\$9,223,752
Total gains or losses (realized and unrealized)	(2,254,217)
Purchases, contributions, and accruals	765,780
Disposals	(1,122,956)
Transfers in and/or out of Level 3	(448,000)
Intercompany eliminations of beneficial interests	(498,989)
September 30, 2009	<u>\$5,665,370</u>

The Company's valuation is sensitive to market conditions and management's judgment. It is reasonably possible that a change in the fair value estimates could occur in the near term.

NOTE F - PROPERTY AND EQUIPMENT

Major classifications of property and equipment consisted of the following at September 30,

	<u>2009</u>	<u>2008</u>
Buildings	\$ 29,230,206	\$ 29,977,221
Equipment	9,507,442	9,192,392
	<u>38,737,648</u>	<u>39,169,613</u>
Accumulated depreciation	(6,227,218)	(5,507,873)
	<u>32,510,430</u>	<u>33,661,740</u>
Land	3,413,556	3,668,332
Assets in progress	21,064	-
Assets held for sale	774,183	1,017,843
	<u>\$ 36,719,233</u>	<u>\$ 38,347,915</u>

Depreciation expense amounted to \$1,871,204 and \$1,120,679 for the years ended September 30, 2009 and 2008, respectively. The General Board completed construction on a new global ministry center during the year ended September 30, 2008. Capitalized interest relating to the construction of the new global ministry center was \$0 and \$736,250 as of September 30, 2009 and 2008, respectively.

NOTE G - NOTES PAYABLE - USA CHURCH LOAN FUND

Notes payable consisted of funds borrowed from individual members, churches, and certain districts of the Church. The funds were used to make loans to small churches for the purpose of acquiring real Church property.

The notes payable bore interest rates ranging from 3.30% to 4.5% with terms of one, two, or five years. A decision was made at the 2003 General Board meeting to eliminate the General Board notes in anticipation of a self-funded program. All remaining notes payable were paid in full during 2008.

NOTE H - BONDS PAYABLE

Effective January 1, 2007, the General Board entered into a loan agreement for \$25,000,000 of tax-exempt bonds for the construction of a new global ministry center. The bonds payable require monthly interest payments for the first two years, with interest payable at an adjusting rate that is calculated at the Bond Market Association Index plus .75% (1.09% at September 30, 2009). Thereafter, annual principal and monthly interest will be due on the bonds based upon a 20-year mortgage-style amortization. The bonds have a 20-year final maturity, with the bondholder retaining the option to “put” the bonds back to the General Board five years from the effective date of the loan agreement and annually thereafter. The bonds are collateralized by a mortgage and a negative pledge on the property and improvements of the new global ministry facility. The mortgage will not be filed unless there is an event of default under the bonds.

For the year ended September 30, 2009 and 2008, interest on the bonds payable totaled \$492,410 and \$827,209, respectively, of which \$0 and \$736,250, respectively, was capitalized relating to construction (see Note F) and \$492,410 and \$90,959, respectively, was expensed.

Future principal maturities relating to the bonds payable are as follows:

<u>Year ending September 30,</u>	<u>Amount</u>
2010	\$ 910,000
2011	955,000
2012	1,000,000
2013	1,045,000
2014	1,095,000
Thereafter	<u>19,995,000</u>
	<u><u>\$ 25,000,000</u></u>

The bonds payable contain certain restrictive covenants, some of which require the maintenance of prescribed debt service and liquidity ratios. The General Board was in compliance with all financial covenants relating to the bonds payable as of September 30, 2009 and 2008.

NOTE I - INTEREST RATE SWAP LIABILITY

The General Board entered into an interest rate-swap agreement to convert an initial aggregate notional amount of \$20,000,000 of the floating-rate debt to fixed-rate debt. The nominal amount of the swap decreases throughout the term of the agreement, which ends January 1, 2027. Under the agreement, the General Board receives a payment based on a variable interest rate tied to one month Municipal Swap Index, which was .34 at September 30, 2009. The General Board pays a fixed amount based on an interest rate of 3.93%. Interest expense of \$611,060 was paid during the year ended September 30, 2009 as a result of this swap. Management estimated the market value of the swap using valuation models based on the present value of future cash flows resulting in the General Board recognizing a loss of \$1,763,271 in 2009, which was classified as interest expense in the consolidated statements of activities. The agreement can be terminated at the General Board's option but would result in certain termination fees. At September 30, 2009, the liability amounted to \$1,763,271.

NOTE J - LINE OF CREDIT

In September 2006, the General Board entered into an agreement for a line of credit with available borrowings of \$5,000,000 with interest payable monthly at LIBOR which was due March 31, 2009. The line was amended on March 31, 2009 to \$3,000,000, with a maturity date of March 31, 2012 and is collateralized by church mortgages and loans - USA Church Loan

Fund receivables. Interest is payable monthly at LIBOR plus 1.5% (1.75% at September 30, 2009). There were no borrowings under the line of credit at September 30, 2009 or 2008.

NOTE K - DEFERRED GIFT AGREEMENTS OUTSTANDING

Deferred gift agreements outstanding represent the liability for various planned giving and revocable and irrevocable trust instruments for which the General Board has fiduciary responsibility for the safekeeping, investment management, and distribution of such funds to donor-designated Church ministries at the termination of such instruments.

NOTE L - FUNDS HELD IN TRUST

Funds held in trust consist of deposits made with the General Board by affiliated organizations for investment purposes and other miscellaneous deposits. Income earned from the investment of these deposits serves to increase the funds held in trust.

NOTE M - NET ASSETS

Temporarily restricted net assets were available for the following purposes or periods as of September 30,

	2009	2008 (restated)
Scholarships	<u>\$ 262,955</u>	<u>\$ 466,473</u>
Deferred gift/planned giving agreements	6,278,597	5,959,743
Other	1,558,739	1,088,702
	<u>\$ 8,100,291</u>	<u>\$ 7,514,918</u>

Permanently restricted net assets consisted of the following as of September 30,

	<u>2009</u>	<u>2008</u> (restated)
Investment in perpetuity, the income from which is expendable to support		
World Mission	\$ 1,894,615	\$ 1,691,434
International Board of Education	973,352	1,042,608
Church growth	437,966	448,566
Undesignated	16,797	19,323
Certain local Nazarene churches	149,272	165,348
Certain Nazarene colleges/seminaries	-	60,995
Church of the Nazarene Foundation	10,912	10,912
Nazarene Youth International	10,500	-
Other Nazarene ministries	120,736	123,500
Endowments requiring a portion of the income to be added to the principal, with the remaining income distributed to World Mission	<u>286,869</u>	<u>307,812</u>
	<u>\$ 3,901,019</u>	<u>\$ 3,870,498</u>

Net assets amounting to \$173,033 and \$422,006 for the years ended September 30, 2009 and 2008, respectively, were released from temporary restrictions due primarily to the termination of the related planned giving agreements.

NOTE N - PENSIONS AND BENEFITS FUND

The Pensions and Benefits Fund (the Fund) provides various retirement, insurance, and benevolence programs to ministers and their spouses or surviving family members. The Fund is funded by local churches participating in the programs. The Fund is administered by the Board of Pensions and Benefits USA (the Board of Pensions) on behalf of the General Board. The assets of the Fund are included in separate financial statements.

NOTE O - NAZARENE HEALTH AND HOSPITALIZATION PROGRAM

The Nazarene Health and Hospitalization Program (the NHHP) was established to provide health care benefits. The NHHP includes coverage under two separate plan documents identified as the Missionary Medical Plan (the Missionary Plan) and the General Church Medical Plan (the General Church Plan). The plans are administered by the Board of Pensions on behalf of the General Board.

Not less than one-half of the contributions for participant coverage are paid by the respective employers. All medical and dental benefits of the two plans are self-funded through specific and aggregate reinsurance policies.

The General Board contributed \$2,274,828 and \$2,003,578 to the Missionary Plan and \$2,463,369 and \$2,499,528 to the General Church Plan for the years ended September 30, 2009 and 2008, respectively.

The assets of the NHHP are included in separate financial statements.

NOTE P - PENSION AND POSTRETIREMENT BENEFITS

1. *World Mission Pension Plans*

The General Board maintains a noncontributory defined benefit pension plan covering missionaries under contract with the General Board prior to December 31, 1997. New participation was frozen such that there were no new entrants after December 31, 1997. The benefits are based on years of service. The General Board's funding policy is to contribute annually the amount needed to provide not only for benefits for service to date, but also for those benefits expected to be earned in the future. For new missionaries under contract after December 31, 1997, retirement benefits are provided by the Nazarene 403(b) Retirement Savings Plan.

The General Board's projected benefit obligation under the Plans exceeded the fair value of Plan assets by \$6,567,743 and \$4,601,802 at September 30, 2009 and 2008, respectively; therefore, the Plans are underfunded.

The amounts recognized for the Plans in the General Board's unamortized pension liability at September 30, 2009 consisted of the following:

Transition obligation	\$ -
Prior service cost	568,314
Net actuarial loss	3,333,553
	<u>\$ 3,901,867</u>

The amounts for the Plans included in the General Board's unamortized pension liability at September 30, 2009 and expected to be amortized in net periodic pension cost for fiscal 2010 were as follows:

Transition obligation	\$ -
Prior service cost	226,460
Net actuarial loss	232,117
	<u>\$ 458,577</u>

The following table presents the benefit obligation, the fair value of Plan assets, the funded status of the Plans, and the principal weighted-average assumptions used as of September 30,

	<u>2009</u>	<u>2008</u>
Change in benefit obligation		
Benefit obligation, beginning of year	\$ 9,679,901	\$ 11,050,134
Service cost	31,444	42,667
Interest cost	691,179	635,798
Benefits paid	(875,993)	(871,863)
Actuarial (gain) loss	1,930,605	(1,176,835)
Benefit obligation, end of year	<u>11,457,136</u>	<u>9,679,901</u>
Change in Plan assets		
Fair value of Plan assets, beginning of year	5,078,099	6,551,262
Actual return (loss) on Plan assets	138,003	(1,001,324)
Employer contributions	586,790	439,551
Benefits paid	(875,993)	(871,863)
Expenses paid	(37,506)	(39,527)
Fair value of Plan assets, end of year	<u>4,889,393</u>	<u>5,078,099</u>
Funded status, end of year	<u>\$ (6,567,743)</u>	<u>\$ (4,601,802)</u>

Measurement date and weighted-average assumptions

Used to determine benefit obligation		
Measurement date	9/30/09	9/30/08
Discount rate	5.5%	7.50%
Used to determine net periodic benefit cost		
Measurement date	10/1/08	10/1/07
Discount rate	7.50%	6.00%
Expected return on Plan assets	7.00%	7.00%

Net periodic pension cost included the following components as of September 30,

	<u>2009</u>	<u>2008</u>
Service cost	\$ 31,444	\$ 42,667
Interest cost	691,179	635,798
Expected return on Plan assets	(322,974)	(426,843)
Amortization of		
Prior service cost	226,460	226,460
Net actuarial loss	23,602	-
	<u>\$ 649,711</u>	<u>\$ 478,082</u>

The General Board's investment policy for the World Mission Pension Plans is to maintain a target allocation of 62% of Plan assets in equity securities and 38% of Plan assets in bond or other fixed-

income securities. Contributions and benefit payments are used to maintain the actual asset allocation as close as is practicable to the target allocation. Plan assets are broadly diversified to limit the impact of losses in individual investments on the total portfolio.

Actual allocation of Plan assets by percentage was as follows at September 30,

	<u>2009</u>	<u>2008</u>
Equity securities	62%	62%
Debt securities	38%	38%
Real estate	0%	0%
Other	0%	0%
	<u>100%</u>	<u>100%</u>

During the year ending September 30, 2010, employer contributions to the World Mission Pension Plans are expected to be approximately \$761,000.

Benefits reflecting future service are expected to be paid as follows for the year ending September 30,

2010	\$ 920,072
2011	918,181
2012	933,806
2013	929,891
2014	924,705
2015-2019	4,471,101

2. *Postretirement Benefits*

In conjunction with the NHHP, the General Board has plans that provide postretirement health care benefits for certain groups of retired employees. The General Board's postretirement benefit health care plans are not currently funded.

The following table sets forth the other postretirement benefit plans' status as of September 30,

	<u>2009</u>	<u>2008</u>
Benefit obligation as of September 30,	\$ (19,952,906)	\$ (19,176,075)
Fair value of Plan assets as of September 30,	-	-
Unfunded status	(19,952,906)	(19,176,075)
Unrecognized net actuarial gain (loss)	(1,544,716)	(2,508,448)
Unrecognized prior service cost	(6,177,619)	(6,903,554)
Benefit liability recognized in the statements of financial position	<u>\$ (27,675,241)</u>	<u>\$ (28,588,077)</u>
Benefit cost recognized in the statements of activities	<u>\$ 472,595</u>	<u>\$ 1,010,389</u>

	<u>2009</u>	<u>2008</u>
Weighted-average assumptions Used to determine benefit obligation		
Discount rate	5.50%	7.50%

During the year ending September 30, 2010, employer contributions to other postretirement benefit plans are expected to be approximately \$1,504,907.

Benefits, net of Medicare Part D subsidy, reflecting future service are expected to be paid as follows for the year ending September 30,

2010	\$ 1,504,907
2011	1,536,387
2012	1,560,911
2013	1,578,087
2014	1,594,404
2015-2019	7,949,172

For measurement purposes, an annual rate of increase of 8.5% and 9.0% in the per capita cost of covered health care benefits was assumed for 2009 and 2008, respectively. The rate was assumed to decrease by 1% per year thereafter, to become 5% in 2016.

Selected components of net periodic benefit cost were as follows at September 30,

	<u>2009</u>	<u>2008</u>
Current service cost	\$ 229,133	\$ 352,674
Employer contributions	1,385,431	1,493,363
Benefits paid	(1,385,431)	(1,493,363)

Single Defined Benefit Pension Plan

The Basic Pension Plan and the General Church Pension Plan have been merged to form the Single Defined Benefit Pension Plan (the Single Benefit Plan), and no new entrants were admitted into the Single Benefit Plan after December 31, 1995. Participants in the Single Benefit Plan have been grandfathered in so that no one having years of service under the predecessor plans will receive less under the Single Benefit Plan than what would have been paid under the predecessor plans had they continued unchanged. The Single Benefit Plan is a multiemployer plan that provides retirement benefits at age 65 to qualified full-time employees, pastors, evangelists, and district-licensed laypersons serving organized churches. The Single Benefit Plan is a defined benefit plan and is administered by the Board of Pensions on behalf of the General Board. The assets are held in trust by the Board of Pensions, and separate financial statements are prepared for the Single Benefit Plan. No contributions were made by the employers to the Single Benefit Plan for the years ended September 30, 2009 or 2008.

Nazarene 403(b) Retirement Savings Plan

The Nazarene 403(b) Retirement Savings Plan [the 403(b) Plan] was established for all U.S. ministers and laypersons serving local congregations and districts, as well as for general church employees. The annual pension supplement amount contributed from the Fund receipts or agency funds is determined annually by the Board of Pensions. Ministerial employees may receive a bonus if their local church or district pays 100% of their allocated Fund amounts. The bonus amount is determined annually by the Board of Pensions.

For each of the years ended September 30, 2009 and 2008, the annual pension supplement amount was \$500 per participant and the bonus amount was \$500. Employees may elect to participate in the 403(b) Plan through salary-reduction contributions. Employers make matching contributions to their respective participating employees' accounts. Local church and agency employers are encouraged to establish policies to match amounts of voluntary salary-reduction contributions up to at least 3% of salary. Contributions are made directly to Fidelity Investments. The cash value of all participant accounts that were not included in the Fund was \$291,259,493 and \$285,631,808 as of September 30, 2009 and 2008, respectively.

Nazarene 403(b) Retirement Savings Plan - Continued

The total cost of contributions made to the 403(b) Plan through the Fund was \$3,017,482 and \$4,057,830 for the years ended September 30, 2009 and 2008, respectively. The cash value of all participant accounts was \$291,259,493 and \$285,631,808 as of September 30, 2009 and 2008, respectively.

NOTE Q - OTHER REVENUE AND EXPENSE

Other revenue consisted of the following during the year ended September 30,

	<u>2009</u>	2008 (restated)
Nazarene Youth Conference	\$ -	\$ 89,607
Event registrations	332,350	725,909
Subscriptions and literature sales	672,250	721,006
American Bible Society	1,515	1,838
W&W participant insurance funds	309,697	325,768
Church of the Nazarene Foundation	207,613	196,001
Miscellaneous	503,253	596,730
ASARB/Lilly grant	-	250,000
Casa Robles	197,865	113,200
General Assembly offering	217,642	-
General Assembly miscellaneous income	291,560	-
	<u>\$ 2,733,745</u>	<u>\$ 3,020,059</u>

Other program services, net related to General Assembly arrangements consisted of the following during the year ended September 30,

	<u>2009</u>	2008 (restated)
Media/audiovisual costs	\$ 1,426,629	\$ -
Guest parking/tolls/taxi	598,882	280
Guest meals/entertainment	461,664	148
Salaries	227,027	141,618
Conference	179,751	15
Travel and lodging, domestic	162,969	7,848
Contracted services	139,935	-
Meals/entertainment, domestic	116,117	3,640
Other	709,757	452,455
	<u>\$ 4,022,731</u>	<u>\$ 606,004</u>

NOTE R - ENDOWMENT FUNDS

1. *Endowment Composition*

In August 2008, ASC Topic 958, *Not-for-Profit Entities* (ASC 958), was updated to include certain changes to net asset classifications and enhanced disclosures of endowment funds subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act (UPMIFA). Per ASC 958-205-65-1 the updated guidance is effective for fiscal years ending after December 15, 2008. The State of Kansas enacted UPMIFA in August 2009. A key component of this update is a requirement to classify the portion of a donor-restricted endowment fund that is not classified as

permanently restricted net assets as temporarily restricted net assets until appropriated for expenditure.

	Unrestricted	Temporarily restricted	Permanently restricted	Total
Endowment composition by net asset category				
Donor restricted endowment funds	\$ 1,820,072	\$ 1,987,841	\$ 3,734,874	\$ 7,542,787
Change in endowment net assets				
Endowment net assets, beginning of year	\$ 1,445,620	\$ 3,247,123	\$ 3,148,411	\$ 7,841,154
ASC 958 reclassifications	5,945	(19,555)	(314,454)	(328,064)
Restatement	415,506	(1,730,875)	555,942	(759,427)
Adjusted endowment net assets, beginning of year	\$ 1,867,071	\$ 1,496,693	\$ 3,389,899	\$ 6,753,663
Investment return				
Investment income	152,448	5,666	(2,510)	155,604
Depreciation, net (realized and unrealized)	157,099	55,934	-	213,033
Total investment return	309,547	61,600	(2,510)	368,637
Contributions				
Administrative fees	1,288	475,850	347,173	824,311
	(28,301)	(20)	(299)	(28,620)
Appropriation of endowment net assets for expenditure				
	(293,705)	(18,322)	-	(312,027)
Transfers of net endowment losses				
	(35,828)	(27,960)	611	(63,177)
Endowment net assets, end of year	\$ 1,820,072	\$ 1,987,841	\$ 3,734,874	\$ 7,542,787

2. Interpretation of Relevant Law

The State of Kansas adopted the UPMIFA, the provisions of which apply to endowment funds existing on or established after that date. Based on its interpretation of the provisions of UPMIFA, the Corporation is required to act prudently when making decisions to spend or accumulate donor-restricted endowment assets and in doing so to consider a number of factors including the duration and preservation of its donor-restricted endowment funds. As a result of this interpretation, the Corporation classified as permanently restricted net assets the original value of the gifts donated to the permanent endowment. The remaining portion of the endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets, unless otherwise directed by the applicable donor, until those amounts are appropriated for expenditure by the Corporation in a manner consistent with the standard prudence prescribed by UPMIFA. The Corporation's endowments are invested in institutional funds that incurred an average gain of 3% for the year ended September 30, 2009 and an average loss of 21% for the year ended September 30, 2008.

3. Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor requires the General Board to retain as a fund of perpetual duration. In accordance with generally accepted accounting principles accepted in the United States of America, deficiencies of this nature are reported in unrestricted net assets and were \$69,563 and \$75,269 as of September 30, 2009 and 2008, respectively. These deficiencies resulted from unfavorable market fluctuations.

Return Objectives and Risk Parameters

The Association has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the organization must hold in perpetuity or for a donor-specified period(s). Under this policy, as approved by the Board of Directors, the endowment assets are invested with the following objectives in priority order: (1) longer-term capital appreciation; and (2) prudent investment risk.

Strategies Employed for Achieving Objectives

The General Board's goal for the investment of non-pension assets is to provide the highest level of appreciation in market value consistent with a prudent level of risk, and taking into consideration the planned duration of the investment. The Investment Committee of the General Board develops and maintains asset mix guidelines for each of the categories of assets taking into consideration the planned duration of the investments. The asset mix guidelines are reviewed by the Investment Committee at least once a year with a formal review every three years. The Investment Committee may change the asset mix at any time.

Spending Policy and How the Investment Objectives Relate to Spending Policy

The General Board has a policy which permits annual spending of an approved percentage, 5% in 2009, multiplied by the fiscal year end fair market value of endowment, with a six month proration for contributions received during the year. Endowment contributions must be received by March 31st of a given year in order to be included in that year's distribution calculation. In the event that the rate of return does not meet expected benchmarks in any given year, endowments which must maintain a minimum historic dollar value will not distribute the full amount if that distribution would cause the endowment's value to drop below its minimum required level. This is consistent with the General Board's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

NOTE S - RELATED PARTY TRANSACTIONS

Included in revenues are amounts totaling \$407,603 and \$412,464 for the years ended September 30, 2009 and 2008, respectively, received from the Nazarene Publishing House (NPH), an affiliated organization, for certain editorial services provided by the General Board. The General Board owed NPH approximately \$38,571 and \$23,723 as of September 30, 2009 and 2008, respectively.

Certain affiliated organizations deposit excess funds with the General Board for investment purposes. As of September 30, 2009 and 2008, total funds held in trust totaled \$40,367,665 and \$40,834,825, respectively. See Note L.

The General Board guarantees debt on real property related to the worldwide missionary and church growth programs. See Note T.

As of September 30, 2009 and 2008, the Board of Pensions and Benefits USA of the General Board of the Church of the Nazarene World Mission Pension Plans owed \$2,142 and \$16,236, respectively, to the General Board. As of September 30, 2009 and 2008, the Board of Pensions and Benefits USA of the General Board of the Church of the Nazarene Single Defined Benefit Pension Plan owed \$28,482 and \$155,526, respectively, to the General Board.

The General Board provides interest-free direct-financing leases to certain employees. The amounts outstanding on these leases are included in receivable - other on the statements of financial position and amounted to \$143,732 and \$185,807 as of September 30, 2009 and 2008, respectively.

Payables to various World Mission regional offices of the Church of the Nazarene are included in accounts payable and accrued expenses on the statements of financial position and amounted to \$483,837 and \$311,933 as of September 30, 2009 and 2008, respectively.

NOTE T - COMMITMENTS AND CONTINGENCIES

The General Board is a party to various legal actions arising in the ordinary course of its operations. In management's opinion, the General Board has adequate legal defenses and/or insurance coverage respecting each of these actions and does not believe that they will materially affect the General Board's financial position, changes in net assets, or cash flows.

Debt in the amount of \$1,135,599 and \$1,234,196 was outstanding on real property related to the worldwide missionary and Church growth programs as of September 30, 2009 and 2008, respectively. The General Board was the guarantor on \$922,205 and \$916,047 of this debt, with the remaining \$213,394 and \$318,149 considered a contingent liability as of September 30, 2009 and 2008, respectively. The General Board believes it has a moral obligation to repay this contingent liability in the event of default to support the two programs, although it is not legally obligated to do so. All of the debt is collateralized by real property, for which management estimates the fair value to approximate \$12,497,710 as of September 30, 2009. The debt and related property are excluded from the General Board's financial statements.

NOTE U - CONCENTRATIONS OF CREDIT RISK

Financial instruments that potentially subject the General Board to significant concentrations of credit risk consist primarily of church mortgages and loans and related notes payable.

Church Mortgages and Loans - USA Church Loan Fund

The General Board extends credit for real estate mortgage loans to individual churches. The General Board evaluates creditworthiness on a loan-by-loan basis and generally requires collateral in the form of mortgages on the related property and guarantees by the applicable District Advisory Board. The loans are expected to be repaid from operations and/or contributions to borrowers. The General Board also controls credit risk through regular evaluations and monitoring procedures.

Notes Payable - USA Church Loan Fund

Prior to 2003, the General Board accepted deposits from individual members, churches, and certain districts of the Church. The deposits were in the form of notes payable with various interest rates and maturity terms for the purpose of funding mortgage loans. The General Board controlled risk by accepting deposits with interest and repayment terms that could be met from cash flows generated by mortgage loans with similar interest rates and maturities. A decision was made at the 2003 General Board meeting to eliminate the General Board notes in anticipation of a self-funded loan program. All remaining notes payable were paid in full during 2008.

NOTE V - FAIR VALUE OF FINANCIAL INSTRUMENTS

In accordance with ASC 825, *Financial Instruments*, the fair value of each class of financial instruments is being disclosed. Fair value is the estimated amount at which financial assets or liabilities can be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. Because no market exists for certain of these financial instruments, the fair values of these instruments have been calculated by discounting expected cash flows, which involves the significant exercise of judgment by management.

Investment Held from Bond Proceeds

The carrying amount of the investment held from bond proceeds approximates fair value due to its short maturity.

Church Mortgages and Loans - USA Church Loan Fund

During 2008, the General Board reassessed its methodology for determining the fair value of church mortgages and loans receivable. The fair values for church mortgages and loans receivable are estimated by discounting their expected future cash flows using the current rates at which the General Board would be able to obtain financing. The fair values of church mortgages and loans receivable approximated \$37,936,868 and \$28,634,325 as of September 30, 2009 and 2008, respectively.

Notes Payable - USA Church Loan Fund

The carrying amounts of the notes payable approximated their fair values due to their short maturities and variable interest rates.

Bonds Payable

The carrying amounts of the bonds payable approximate fair value due to their variable interest rates.

Funds Held in Trust

The carrying amount of funds held in trust approximates fair value because investment income (both realized and unrealized) is recognized when earned and because such funds can be withdrawn on demand.

NOTE W - FUNCTIONAL EXPENSES

The costs of providing various programs and other activities have been summarized on a functional basis in the consolidated statements of activities. Accordingly, certain costs have been allocated among the corresponding program and support services. Fundraising costs approximated \$1,877,069 and \$1,919,612 for the years ended September 30, 2009 and 2008, respectively.

NOTE X - OPERATING LEASES

The General Board leases office space under noncancelable operating leases expiring in January 2010 and 2015. The General Board also leases office equipment under noncancelable operating leases with maturity dates ranging from February 2010 to September 2014.

Minimum lease commitments are as follows:

<u>Year ending September 30,</u>	<u>Amount</u>
2010	\$ 73,809
2011	70,540
2012	60,604
2013	61,783
2014	46,008
Thereafter	15,336
	<u>\$ 328,080</u>

Total lease expense was \$93,710 for 2009 and \$99,393 for 2008.

NOTE Y - TEMPORARILY RESTRICTED NET ASSETS HELD BY THIRD-PARTY TRUSTEES

During the year ended September 30, 2009, the General Board was informed that certain assets in amounts totaling \$1,024,050 are being held on its behalf by third-party trustees. The donors of these assets have designated the General Board as the principal beneficiary of the charitable remainder. These assets are included in temporarily restricted net assets and are invested primarily in fixed money market accounts and land. Because the General Board does not know when conditions will be met for the collection of the charitable remainder, there were no plans as of September 30, 2009 for use of the assets.

SUPPLEMENTAL INFORMATION

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS ON SUPPLEMENTAL INFORMATION

General Board of the Church of the Nazarene

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole of The Global Ministry Center of the General Board of the Church of the Nazarene as of and for the years ended September 30, 2009 and 2008, which are presented in the preceding section of this report. The consolidating information as of and for the year ended September 30, 2009 is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, changes in net assets, and cash flows of the individual entities. The consolidating information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and, in our opinion, which, insofar as it relates to Church of the Nazarene Foundation, is based on the report of other auditors, is fairly stated in all material respects in relation to the consolidated financial statements taken as a whole.

Grant Johnston LLP

Kansas City, Missouri
February 26, 2010

The Global Ministry Center of the General Board of the Church of the Nazarene				
CONSOLIDATING STATEMENT OF FINANCIAL POSITION				
September 30, 2009				
	The Global Ministry Center of the General Board of the Church of the Nazarene	Church of the Nazarene Foundation	Eliminations	Total
ASSETS				
Cash and cash equivalents	\$ 5,948,826	\$ 649,264	\$ -	\$ 6,598,090
Investments	89,727,107	31,164,147	-	120,891,254
Investment in LLC	-	1,000,000	-	1,000,000
Receivables				
Church mortgages and loans - USA Church Loan Fund	28,623,616	-	-	28,623,616
Other	2,292,758	472,775	(425,098)	2,340,435
Accrued interest	347,543	-	-	347,543
Notes receivable	-	120,754	-	120,754
Property and equipment, net	36,699,388	19,845	-	36,719,233
Bond issuance costs, net	422,611	-	-	422,611
Beneficial interest in charitable trusts	1,523,039	1,175,580	(498,989)	2,199,630
	<u>\$ 165,584,888</u>	<u>\$ 34,602,365</u>	<u>\$ (924,087)</u>	<u>\$ 199,263,166</u>
LIABILITIES AND NET ASSETS				
LIABILITIES				
Accounts payable and accrued expenses	\$ 4,668,194	\$ 115,657	\$ -	\$ 4,783,851
Due to General Board	-	924,087	(924,087)	-
Interest rate swap liability	1,763,271	-	-	1,763,271
Bonds payable	25,000,000	-	-	25,000,000
Deferred gift agreements	12,465,094	6,129,911	-	18,595,005
Funds held in trust	21,063,580	19,304,085	-	40,367,665
Pension obligation	6,567,743	-	-	6,567,743
Postretirement benefit obligation	27,675,241	-	-	27,675,241
	99,203,123	26,473,740	(924,087)	124,752,776
COMMITMENTS AND CONTINGENCIES				
NET ASSETS				
Unrestricted	62,100,384	4,310,563	-	66,410,947
Temporarily restricted	5,296,247	2,804,044	-	8,100,291
Permanently restricted	2,887,001	1,014,018	-	3,901,019
Unamortized pension liability	(3,901,867)	-	-	(3,901,867)
	<u>66,381,765</u>	<u>8,128,625</u>	<u>-</u>	<u>74,510,390</u>
	<u>\$ 165,584,888</u>	<u>\$ 34,602,365</u>	<u>\$ (924,087)</u>	<u>\$ 199,263,166</u>

The Global Ministry Center of the General Board of the Church of the Nazarene				
CONSOLIDATING STATEMENT OF ACTIVITIES				
Year ended September 30, 2009				
	The Global Ministry Center of the General Board of the Church of the Nazarene	Church of the Nazarene Foundation	Eliminations	Total
Changes in unrestricted net assets				
Revenues and gains				
World Evangelism Fund	\$ 45,906,503	\$ -	\$ -	\$ 45,906,503
Mission Specials	22,005,166	-	(436,365)	21,568,801
Nazarene Publishing House editorial budget funds	407,604	-	-	407,604
Interest on church mortgages and loans	1,513,383	-	-	1,513,383
Net investment loss	1,244,948	(38,286)	-	1,206,662
Legacy, gifts, and charitable remainders, net	2,470,546	847,058	-	3,317,604
Auxiliary service	355	-	-	355
Subsidy from General Board	-	877,500	(877,500)	-
Other	2,526,132	247,613	(40,000)	2,733,745
Total unrestricted revenues and gains	76,074,637	1,933,885	(1,353,865)	76,654,657
Net assets released from restrictions				
	141,420	31,613	-	173,033
Total net assets released from restrictions	141,420	31,613	-	173,033
Total unrestricted revenues and gains	76,216,057	1,965,498	(1,353,865)	76,827,690
Expenses				
Program services				
Global Mission	47,701,495	-	-	47,701,495
USA/Canada Office	4,767,717	-	-	4,767,717
International Board of Education	3,772,454	-	-	3,772,454
Sunday School and Discipleship Ministries	2,628,795	-	-	2,628,795
Nazarene Youth International	940,790	-	-	940,790
Board of General Superintendents	2,428,376	-	-	2,428,376
USA Church Loan Fund	287,442	-	-	287,442
Nazarene communication services	1,284,568	-	-	1,284,568
Church of the Nazarene Foundation	-	1,768,500	(436,365)	1,332,135
Other program services, net	4,022,731	-	-	4,022,731
Total program services	67,834,368	1,768,500	(436,365)	69,166,503
Support services				
Global Ministry Center Financial Office*	4,153,897	-	(917,500)	3,236,397
Global Ministry Center Operations Office	5,002,856	-	-	5,002,856
Church of the Nazarene Foundation	-	1,229,060	-	1,229,060
Other support services*	3,003,715	-	-	3,003,715
Total support services	12,160,468	1,229,060	(917,500)	12,472,028
Fundraising*				
	1,877,069	-	-	1,877,069
Total expenses	81,871,905	2,997,560	(1,353,865)	83,515,600
Decrease in unrestricted net assets	(5,655,848)	(1,032,062)	-	(6,687,910)
Reclassification of endowment upon UPMIFA adopti	539,083	-	-	539,083
Decrease in unrestricted net assets	(5,116,765)	(1,032,062)	-	(6,148,827)
* The amounts of these accounts are presented differently in the consolidated statements of activities because fundraising and support expenses are combined.				

The Global Ministry Center of the General Board of the Church of the Nazarene

CONSOLIDATING STATEMENT OF ACTIVITIES - CONTINUED

Year ended September 30, 2009

	The Global Ministry Center of the General Board of the Church of the Nazarene	Church of the Nazarene Foundation	Eliminations	Total
Changes in temporarily restricted net assets				
Legacy, gifts, and charitable remainders, net	\$ (253,478)	\$ 1,226,968	\$ -	\$ 973,490
Net investment income	151,697	49,344	-	201,041
Actuarial adjustment of deferred gift agreements	(210,327)	-	-	(210,327)
Expenses and administrative fees	(15,225)	-	-	(15,225)
Net assets released from restrictions	(141,420)	(31,613)	-	(173,033)
Net assets reclassified	34,055	-	-	34,055
Increase (decrease) in temporarily restricted net assets	(434,698)	1,244,699	-	810,001
Reclassification of endowment upon UPMIFA adoption	(224,628)	-	-	(224,628)
Increase (decrease) in temporarily restricted net assets	(659,326)	1,244,699	-	585,373
Changes in permanently restricted net assets				
Legacy, gifts, and charitable remainders, net	55,244	291,930	-	347,174
Net investment loss	(2,510)	-	-	(2,510)
Expenses and administrative fees	(299)	-	-	(299)
Net assets transferred	611	-	-	611
Increase in permanently restricted net assets	53,046	291,930	-	344,976
Reclassification of endowment upon UPMIFA adoption	(314,455)	-	-	(314,455)
Increase in permanently restricted net assets	(261,409)	291,930	-	30,521
Changes in pension liability not included in pension expense				
Decrease in net assets	(7,940,520)	504,567	-	(7,435,953)
Net assets, beginning of year, as restated	74,322,285	7,624,058	-	81,946,343
Net assets, end of year	\$ 66,381,765	\$ 8,128,625	\$ -	\$ 74,510,390

The Global Ministry Center of the General Board of the Church of the Nazarene

CONSOLIDATING STATEMENT OF CASH FLOWS

Year ended September 30, 2009

	The Global Ministry Center of the General Board of the Church of the Nazarene	Church of the Nazarene Foundation	Eliminations	Total
Cash flows from operating activities				
Decrease in net assets	\$ (7,940,520)	\$ 504,567	\$ -	\$ (7,435,953)
Adjustments to reconcile decrease in net assets to net cash provided by operating activities				
Depreciation	1,851,047	20,157	-	1,871,204
Amortization of bond issuance costs	16,689	-	-	16,689
Net realized and unrealized losses on investments	126,954	110,940	-	237,894
Contributions restricted for long-term investment	(55,244)	-	-	(55,244)
Beneficial interest in charitable trusts	363,760	(671,589)	62,969	(244,860)
Loss (gain) on disposal of property and equipment	91,645	-	-	91,645
Donated assets received	-	(95,340)	-	(95,340)
Assets donated	378,795	-	-	378,795
Non-cash assets held for future distribution	-	395,000	-	395,000
Loss on interest rate swap liability	1,763,271	-	-	1,763,271
Pension obligation	1,965,941	-	-	1,965,941
Postretirement benefit obligation	(912,836)	-	-	(912,836)
Changes in				
Other receivables	(612,935)	(440,578)	101,505	(952,008)
Accrued interest	(44,629)	-	-	(44,629)
Accounts payable and accrued expenses	(1,408,949)	61,893	-	(1,347,056)
Due to General Board	-	164,474	(164,474)	-
Net cash provided by (used in) operating activities	(4,417,011)	49,524	-	(4,367,487)
Cash flows from investing activities				
Acquisition of property and equipment	(923,516)	(4,544)	-	(928,060)
Proceeds from disposal of property and equipment	215,097	-	-	215,097
Funding of church mortgages and loans - USA Church Loan Fund	(4,404,676)	-	-	(4,404,676)
Proceeds from church mortgages and loans - USA Church Loan Fund	2,296,981	-	-	2,296,981
Proceeds from sales and maturities of investments	67,508,647	12,181,421	-	79,690,068
Purchases of investments	(61,056,813)	(12,107,512)	-	(73,164,325)
Purchase of investment held from bond proceeds	(26,452)	-	-	(26,452)
Proceeds from sales of investment held from bond proceeds	3,816,982	-	-	3,816,982
Net cash provided by investing activities	7,426,250	69,365	-	7,495,615
Cash flows from financing activities				
Change in deferred gift agreements and funds held in trust	(1,074,844)	-	-	(1,074,844)
Proceeds on contributions restricted for investment in endowments	55,244	-	-	55,244
Net cash used in financing activities	(1,019,600)	-	-	(1,019,600)
Net increase in cash and cash equivalents	1,989,639	118,889	-	2,108,528
Cash and cash equivalents, beginning of year	3,959,187	530,375	-	4,489,562
Cash and cash equivalents, end of year	\$ 5,948,826	\$ 649,264	\$ -	\$ 6,598,090
Supplemental schedule of cash flow information				
Cash paid during the year for interest	\$ 1,103,470	\$ -	\$ -	\$ 1,103,470
Noncash investment activities that increased liabilities for deferred gift agreements and funds held in trust				
Investments received	\$ 24,998	\$ 30,926	\$ -	\$ 55,924
Net realized and unrealized losses on investments	583,693	(56,349)	-	527,344

Financial Statements and Report of Independent Certified Public Accountants

**Board of Pensions and Benefits USA of the General Board of the Church of the Nazarene
403(b) Retirement Savings Plan**

September 30, 2009 and 2008



Grant Thornton LLP
1201 Walnut Street, Suite 1000
Kansas City, MO 64106-2176
T 816.412.2400
F 816.412.2404
GrantThornton.com
[Linkd.in/GrantThorntonUS](https://www.linkedin.com/company/grantthorntonus)
[Twitter.com/GrantThorntonUS](https://twitter.com/GrantThorntonUS)

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Trustees

Board of Pensions and Benefits USA of the General Board of the Church of the Nazarene
403(b) Retirement Savings Plan

We have audited the accompanying statements of net assets available for benefits (modified cash basis) of the Board of Pensions and Benefits USA of the General Board of the Church of the Nazarene 403(b) Retirement Savings Plan as of September 30, 2009 and 2008, and the related statements of changes in net assets available for benefits (modified cash basis) for the years then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America as established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As described in Note B, these financial statements were prepared on a modified cash basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Board of Pensions and Benefits USA of the General Board of the Church of the Nazarene 403(b) Retirement Savings Plan as of September 30, 2009 and 2008, and the changes in its net assets available for benefits for the years then ended, on the basis of accounting described in Note B.

Grant Thornton LLP

Kansas City, Missouri
February 23, 2010

**Board of Pensions and Benefits USA of the General Board of the
Church of the Nazarene 403(b) Retirement Savings Plan**

**STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
(MODIFIED CASH BASIS)**

September 30,

	2009	2008
Investments, at fair value		
Mutual funds		
Fidelity Growth Company Fund	\$ 20,292,625	\$ 20,344,884
Fidelity Balanced Fund	15,750,385	16,261,931
Fidelity Contrafund	15,477,215	16,106,657
Fidelity Freedom 2020	21,597,068	20,396,179
Fidelity Freedom 2010	12,228,361	13,629,861
Spartan U.S. Equity Index	6,357,071	6,941,440
Fidelity Freedom 2030	9,347,808	8,863,443
Fidelity Diversified International Fund	8,335,906	8,553,428
PIMCO Total Return	10,102,270	7,585,208
Fidelity Freedom 2040	5,981,826	5,354,083
Fidelity Equity Income Fund	2,828,979	2,802,863
Fidelity Freedom 2015	11,527,671	10,645,500
MSIF Small Company Growth Institutional Class B	2,332,163	1,857,388
DFA US Small Cap Value	2,663,360	2,731,132
Fidelity Freedom 2000	1,892,664	2,099,789
Fidelity Freedom 2025	10,752,845	9,814,258
Fidelity Freedom Income	1,746,317	1,726,291
Fidelity Freedom 2005	2,721,962	2,896,962
Fidelity Freedom 2035	4,556,985	4,095,802
Domini Social Equity	-	173,538
Fidelity Freedom 2045	1,552,908	927,237
Fidelity Freedom 2050	651,756	256,256
CRM Mid Cap Value Instl	2,201,242	1,942,193
Guidestone Equity Index	169,196	-
Guaranteed Investment Contract		
Fidelity Fixed Fund	112,381,475	104,259,647
Participant loans	2,074,981	2,211,547
Net assets, at fair value	285,525,039	272,477,517
Adjustments from fair value to contract value for fully benefit-responsive investment contract	(1,620,633)	2,383,599
Net assets available for benefits	\$ 283,904,406	\$ 274,861,116

**Board of Pensions and Benefits USA of the General Board of the
Church of the Nazarene 403(b) Retirement Savings Plan**

**STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
(MODIFIED CASH BASIS)**

Year ended September 30,

	2009	2008
ADDITIONS (DEDUCTIONS)		
Investment income		
Net realized and unrealized gain on	\$ (2,322,065)	\$ (50,341,486)
Net depreciation in fair value		
of investments		
Interest and dividends	<u>7,291,561</u>	<u>15,737,400</u>
	<u>4,969,496</u>	<u>(34,604,086)</u>
 Contributions		
Employer contributions	7,325,884	9,042,529
Participant contributions	7,608,081	8,448,178
Rollover contributions	<u>676,562</u>	<u>2,209,340</u>
	<u>15,610,527</u>	<u>19,700,047</u>
Net additions (deductions)	<u>20,580,023</u>	<u>(14,904,039)</u>
 DEDUCTIONS		
Benefits paid to participants	<u>11,536,733</u>	<u>12,391,976</u>
Total deductions	<u>11,536,733</u>	<u>12,391,976</u>
 NET INCREASE (DECREASE)	9,043,290	(27,296,015)
 Net assets available for benefits, beginning of year	<u>274,861,116</u>	<u>302,157,131</u>
Net assets available for benefits, end of year	<u><u>\$ 283,904,406</u></u>	<u><u>\$ 274,861,116</u></u>

**Board of Pensions and Benefits USA of the General Board of the
Church of the Nazarene 403(b) Retirement Savings Plan**

NOTES TO FINANCIAL STATEMENTS

September 30, 2009 and 2008

NOTE A - DESCRIPTION OF PLAN

The following description of the Board of Pensions and Benefits USA of the General Board of the Church of the Nazarene 403(b) Retirement Savings Plan (the Plan) provides only general information. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

1. *General*

The Plan is for the benefit of all U.S. ministers and laypersons serving local congregations and districts, as well as general church employees. The Plan is a defined contribution plan established under Section 403(b) of the Internal Revenue Code (the IRC). Lay or ministerial employees of Nazarene churches or church-controlled agencies and registered Nazarene chaplains may participate in the Plan. Nazarene churches or church-controlled agencies include the Global Ministry Center of the General Board of the Church of the Nazarene (the General Board), the Nazarene Publishing House, Church of the Nazarene Foundation, Nazarene Theological Seminary, Nazarene Bible College, Nazarene Compassionate Ministries, Inc., or the subsidiaries of these entities, including Nazarene-affiliated colleges or universities. The Board of Pensions and Benefits USA serves as the administrator and trustee (the Administrator and/or the Trustee) on behalf of the General Board. Fidelity Management Trust Company (Fidelity) serves as the custodian of the Plan.

The Pensions and Benefits Fund (the Fund) provides administrative services and certain specific funding amounts as determined by the Board of Pensions and Benefits USA to the Plan.

2. *Plan Administration*

The plan administrator is responsible for the day-to-day administration of the Plan. The plan administrator is also responsible for maintaining accurate and detailed records and accounts of employees and of their rights under the Plan and all investments, receipts, disbursements, and other transactions. The plan administrator is not responsible to determine that contributions made to the plan trust by an employer comply with the provisions of the Plan, nor does it have responsibility to collect or monitor the making or the accuracy of any contributions payable or made by an employer to the plan trust.

The plan administrator has the exclusive power and authority to control and manage the operation and administration of the Plan, including determining eligibility and participation in the Plan and overseeing claims procedures.

3. *Contributions*

Contributions are made through either an employer-funded arrangement or a voluntary salary-reduction agreement with each participant's employer. Voluntary salary-reduction contributions are not permitted to exceed IRC limitations on an annual basis. Employers participating in the Plan are encouraged to match amounts totaling at least up to, but not limited to, 3% of the employee's voluntary salary-reduction contribution amounts.

4. *Contributions for Ministerial Employees*

Annual contributions for ministerial employees are determined by the Administrator. The annual pension supplement (APS) contribution is deposited into individual accounts for each eligible U.S. clergy member and layperson from Fund receipts or agency funds, depending upon the participant's employer. The APS contribution for 2008 was \$500 per participant and an additional bonus amount was deposited for eligible participants whose local congregation pays 100% of their Fund amounts or whose district pays 100% of their Fund amounts. The additional bonus amount for 2008 was \$500. The 2009 APS contribution for eligible senior pastors and associates was established using an agreed-upon schedule to be based on the amounts paid to the Fund by eligible participants' local congregations during the 2008-2009 assembly year. The 2009 APS contribution for eligible district superintendents, district assigned, and evangelists will be \$1,000. Total APS contributions amounted to \$3,017,482 and \$4,475,671 for the years ended September 30, 2009 and 2008, respectively.

5. *Participant Accounts*

Each participant's account is credited with the participant's and participating employer's contributions, as applicable, and allocations of (a) the Fund or agency fund contributions and (b) Plan earnings. Allocations are based on participant earnings or account balances. The benefit to which a participant is entitled is the benefit that can be provided from the participant's account.

6. *Vesting and Forfeitures*

Participants are immediately vested in all contributions plus actual earnings thereon.

7. *Investment Options*

Upon enrollment in the Plan, a participant may direct contributions to any of several investment options.

The funds offered by Fidelity as of September 30, 2009 were as follows:

- Fidelity Growth Company Fund
- Fidelity Balanced Fund
- Fidelity Contrafund

- Fidelity Freedom 2020
- Fidelity Freedom 2010
- Spartan U.S. Equity Index
- Fidelity Freedom 2030
- Fidelity Diversified International Fund
- PIMCO Total Return
- Fidelity Freedom 2040
- Fidelity Equity Income Fund
- Fidelity Freedom 2015
- MSIF Small Company Growth Institutional Class B
- DFA US Small Cap Value
- Fidelity Freedom 2000
- Fidelity Freedom 2025
- Fidelity Freedom Income
- Fidelity Freedom 2005
- Fidelity Freedom 2035
- Fidelity Freedom 2045
- Fidelity Freedom 2050
- Fidelity Fixed Fund
- CRM Mid Cap Value Instl
- GuideStone Equity Index Fund

For additional information regarding the Plan's investment alternatives and fund performance, participants should refer to the Plan document and published information provided by such funds.

Participants may change or transfer their investment options on an as-needed basis.

Net depreciation in fair value of investments consisted of the following for the year ended September 30,

	<u>2009</u>	<u>2008</u>
Realized gain (loss) on sale of investments	\$ (4,823,334)	\$ (3,076,743)
Unrealized gain (loss) on investments	<u>2,501,269</u>	<u>(47,264,743)</u>
	<u>\$ (2,322,065)</u>	<u>\$ (50,341,486)</u>

8. *Participant Loans*

Participants may borrow from their fund accounts a minimum of \$1,000, up to the lesser of \$50,000 or 50% of their account balance. Loan terms range from 1 to 5 years. The loans are secured by the balance in the participant's account and bear interest at prime plus 1%. Interest rates for participant loans ranged from 5.00% to 9.25%. Principal and interest are paid ratably through monthly or quarterly installments.

9. *Administrative Expenses*

The Fund, a related party, pays Plan-level administrative expenses, which amounted to \$364,284 and \$272,354 for the years ended September 30, 2009 and 2008, respectively.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. *Basis of Accounting*

The accompanying financial statements have been prepared on a modified cash basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Under this basis, interest, dividends, and contributions are recognized when collected rather than when earned, and expenses are recognized when paid rather than when incurred. Investments are reported at fair value. Consequently, contributions receivable and accrued interest and dividend receivables are not included in the financial statements.

2. *Valuation of Investments*

The Plan's investments are stated at fair value, except for its investment contract with Fidelity. The investment contract is stated at contract value (Note C) based on quoted market prices, with gains and losses included in the statements of changes in net assets available for benefits. Separate account investments are valued based on the net asset value of the underlying shares of the mutual funds held in the accounts. Participant loans are recorded at amortized cost, which approximates fair value.

3. *Investment Risks*

The Plan invests in mutual funds, which hold various securities that may include U.S. Government securities, corporate debt instruments, and corporate stocks. Investment securities, in general, are exposed to various risks such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the financial statements.

4. *Payment of Benefits*

Benefits are recorded when paid.

5. *Use of Estimates*

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

6. *Subsequent Events*

In accordance with ASC Topic 855, *Subsequent Events*, the Plan has evaluated subsequent events through February 23, 2010, which is the date these financial statements were available to be issued. The Plan is not aware of any subsequent events which would require recognition or disclosure in the financial statements.

NOTE C - STABLE VALUE FUND INVESTMENT CONTRACT WITH FIDELITY

The Plan follows the provisions of Financial Accounting Standards Board Codification 965, *Reporting of Fully Benefit-Responsive Investment Contracts Held by Certain Investment Companies Subject to the AICPA Investment Company Guide and Defined-Contribution Health and Welfare and Pension Plans* (ASC 965), wherein investment contracts held by a defined contribution plan are required to be reported at fair value. However, contract value is the relevant measurement attribute for that portion of the net assets available for benefits of a defined contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the plan. The Plan invests in investment contracts through Fidelity Fixed Fund. As is required by ASC 965, the statements of net assets available for benefits present the fair value of the investment, as well as the adjustment of the investment in the collective trusts from fair value to contract value. The statement of changes in net assets available for benefits is prepared on a contract-value basis.

Investments in the Fidelity Managed Fixed Fund consist principally of guaranteed interest contracts, which are included at fair value as determined by Fidelity Management Trust Company based on discounted cash flows using current market interest rates with a maximum estimated fair value compounded at a rate of 1.86% at September 30, 2009 and 3.76% at September 30, 2008. The average yield earned by the trust with an adjustment to reflect the actual interest rate credited to participants in the fully benefit-responsive investment contract was 2.84% at September 30, 2009 and 4.35% at September 30, 2008.

NOTE D - FAIR VALUE MEASUREMENTS

Effective October 1, 2008, the Plan adopted the provisions of ASC Topic 820, *Fair Value Measurements and Disclosures* (ASC 820). ASC 820 establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under ASC 820 are described below.

Level 1 - Quoted market prices in active markets for identical assets or liabilities.

Level 2 - Inputs other than Level 1 inputs which are either directly or indirectly observable.

Level 3 - Unobservable inputs developed using management's estimates and assumptions, which reflect those which market participants would use.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value:

Mutual funds - Valued based on quoted market prices of the underlying assets.

Guaranteed Investment Contract - Valued based on the fair value of the account, which is the amount plan participants or plan sponsors would receive currently if they were to withdraw or transfer funds within the Plan prior to their maturity.

Participant loans - Valued at amortized cost, which approximates fair value.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date.

The following table sets forth, by level within the fair value hierarchy, the Plan's assets at fair value as of September, 30 2009:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual Funds	\$ 171,068,583	\$ -	\$ -	\$ 171,068,583
Guaranteed Investment Contract	-	-	112,381,475	112,381,475
Participant loans	-	-	2,074,981	2,074,981
Total assets at fair value	<u>\$ 171,068,583</u>	<u>\$ -</u>	<u>\$ 114,456,456</u>	<u>\$ 285,525,039</u>

The table below sets forth a summary of changes in the fair value of the Plan's Level 3 assets for the year ended September 30, 2009:

	Guaranteed Investment Contract	Participant loans	Total
Balance, beginning of year	\$ 104,259,647	\$ 2,211,547	\$ 106,471,194
Realized gains	-	-	-
Unrealized gains (losses) relating to instruments still held at the reporting date	4,004,232	-	4,004,232
Purchases, sales, issuances, and settlements (net)	4,117,596	(136,566)	3,981,030
Balance, end of year	<u>\$ 112,381,475</u>	<u>\$ 2,074,981</u>	<u>\$ 114,456,456</u>

NOTE E - TAX STATUS

The Plan is not subject to federal or state income taxes, since the Administrator and legal counsel believe that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC under Section 403(b). The Plan Administrator, with the direction of legal counsel, implemented additional compliance procedures for participating employers and individual participants as required by the revised IRS 403(b) Regulations.

NOTE F - PLAN RESTATEMENT

The Plan document was restated as required by IRC Section 403(b) as of January 1, 2009.

NOTE G - PLAN TERMINATION

Although it has not expressed any intent to do so, the Administrator has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the terms of the Plan agreement. In the event of termination of the Plan, the Trustee shall pay and discharge all expenses and, unless the Administrator elects to continue the trust, all benefits will be payable as soon as is administratively feasible under the terms of the Plan.

The Trustee may either distribute the remaining assets of the Plan trust in kind or liquidate them and distribute the net proceeds to the participants in accordance with their respective account balances.

Financial Statements and Report of Independent Certified Public Accountants

**Board of Pensions and Benefits USA of the General Board of the Church of the Nazarene
Single Defined Benefit Pension Plan**

September 30, 2009 and 2008



Grant Thornton LLP
1201 Walnut Street, Suite 1000
Kansas City, MO 64106-2176
T 816.412.2400
F 816.412.2404
Grant.Thornton.com
Linkd.in/GrantThorntonUS
Twitter.com/GrantThorntonUS

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Trustees

Board of Pensions and Benefits USA of the General Board of the Church of the Nazarene
Single Defined Benefit Pension Plan

We have audited the accompanying statements of net assets available for plan benefits and of accumulated plan benefits of the Board of Pensions and Benefits USA of the General Board of the Church of the Nazarene Single Defined Benefit Pension Plan as of September 30, 2009 and 2008, and the related statements of changes in net assets available for plan benefits and of changes in accumulated plan benefits for the years then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial status of the Board of Pensions and Benefits USA of the General Board of the Church of the Nazarene Single Defined Benefit Pension Plan as of September 30, 2009 and 2008, and the changes in its financial status for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Grant Thornton LLP

Kansas City, Missouri
February 17, 2010

**Board of Pensions and Benefits USA of the General Board of the
Church of the Nazarene Single Defined Benefit Pension Plan**

STATEMENTS OF NET ASSETS AVAILABLE FOR PLAN BENEFITS

September 30,

	2009	2008
ASSETS		
Investments, at fair value (<i>notes D and E</i>)		
Temporary investments	\$ 3,134,563	\$ 4,485,235
Common and preferred stocks	50,658,192	54,420,334
U.S. government and agency securities	6,531	7,185
Mutual funds	50,634,381	57,149,041
	104,433,667	116,061,795
Receivables		
Accrued interest receivable	230,493	247,003
Contributions receivable	270	15,578
	230,763	262,581
Other assets	137,506	217,822
	104,801,936	116,542,198
LIABILITIES		
Accounts payable	109,465	37,083
Due to Global Ministry Center	28,482	155,526
	137,947	192,609
Net assets available for plan benefits	\$ 104,663,989	\$ 116,349,589

**Board of Pensions and Benefits USA of the General Board of the
Church of the Nazarene Single Defined Benefit Pension Plan**

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR PLAN BENEFITS

Year ended September 30,

	<u>2009</u>	<u>2008</u>
Additions		
Investment income		
Interest and dividends	\$ 3,871,823	\$ 4,172,938
Net depreciation in fair value of investments	(1,439,959)	(27,412,921)
Investment expense	(575,547)	(562,654)
	<u>1,856,317</u>	<u>(23,802,637)</u>
Contributions		
Employer contributions - Pensions and Benefits Fund <i>(note C)</i>	3,000,000	3,000,000
Employee contributions	93,023	98,173
Legacy, gifts, and charitable remainder	61,657	159
	<u>3,154,680</u>	<u>3,098,332</u>
Net additions (deductions)	<u>5,010,997</u>	<u>(20,704,305)</u>
Deductions		
Benefits paid to participants	16,175,116	16,394,929
Annuity contract purchase	-	3,352,830
Administrative, accounting, legal, and actuarial expenses	521,481	467,738
Total deductions	<u>16,696,597</u>	<u>20,215,497</u>
Net decrease in net assets available for plan benefits	(11,685,600)	(40,919,802)
Net assets available for plan benefits, beginning of year	<u>116,349,589</u>	<u>157,269,391</u>
Net assets available for plan benefits, end of year	<u>\$ 104,663,989</u>	<u>\$ 116,349,589</u>

**Board of Pensions and Benefits USA of the General Board of the
Church of the Nazarene Single Defined Benefit Pension Plan**

STATEMENTS OF ACCUMULATED PLAN BENEFITS

September 30,

	<u>2009</u>	<u>2008</u>
Actuarial present value of accumulated plan benefits		
Vested benefits		
Participants currently receiving payments	\$ 120,272,938	\$ 122,542,223
Other participants	71,221,804	65,013,103
	<u>191,494,742</u>	<u>187,555,326</u>
Nonvested benefits	1,530,171	3,001,639
	<u>1,530,171</u>	<u>3,001,639</u>
Total actuarial present value of accumulated plan benefits	<u>\$ 193,024,913</u>	<u>\$ 190,556,965</u>

**Board of Pensions and Benefits USA of the General Board of the
Church of the Nazarene Single Defined Benefit Pension Plan**

STATEMENTS OF CHANGES IN ACCUMULATED PLAN BENEFITS

Year ended September 30,

	2009	2008
Actuarial present value of accumulated plan benefits, beginning of year	\$ 190,556,965	\$ 195,595,684
Increase (decrease) during the year attributable to		
Benefits accumulated and actuarial net gain	5,870,205	1,709,355
Increase for interest due to decrease in discount period	12,772,859	12,999,685
Benefits paid to participants	(16,175,116)	(16,394,929)
Annuity contract purchase	-	(3,352,830)
Net increase (decrease)	2,467,948	(5,038,719)
Actuarial present value of accumulated plan benefits, end of year	\$ 193,024,913	\$ 190,556,965

**Board of Pensions and Benefits USA of the General Board of the
Church of the Nazarene Single Defined Benefit Pension Plan**

NOTES TO FINANCIAL STATEMENTS

September 30, 2009 and 2008

NOTE A - DESCRIPTION OF THE PLAN

1. *General*

The Board of Pensions and Benefits USA of the General Board of the Church of the Nazarene Single Defined Benefit Pension Plan (the Plan), established in 1996, combined the assets while retaining the benefit formulas of the Basic Pension Plan and the General Church Pension Plan (collectively, the Predecessor Plans), which were both multiemployer plans. The Plan is administered by the Board of Pensions and Benefits USA (the Administrator) on behalf of the General Board of the Church of the Nazarene (the General Board). The Plan is a qualified church plan which has not elected to be governed by the provisions of the Employee Retirement Income Security Act of 1974 and is not subject to Pension Benefit Guaranty Corporation insurance coverage.

New participation was frozen effective January 1, 1996 and there were no new entrants into either of the Predecessor Plans. Participants in those plans have been grandfathered in so that no one having years of service under those plans will receive less under the Plan than what would have been paid under the Predecessor Plans had they continued unchanged.

Also, effective January 1, 1996, the 403(b) Retirement Savings Plan [the 403(b) Plan, previously known as the Single Defined Contribution or TSA Plan] was established for all U.S. ministers and laypersons serving local congregations and districts, as well as general church employees.

The following brief description of the Plan is provided for general information purposes only. Participants should refer to their respective Plan documents for more complete information.

Prior Basic Pension Plan Participants

The Basic Pension Plan (the Basic Plan) was a noncontributory defined benefit pension plan. The Basic Plan provided retirement benefits at age 65 to full-time pastors, evangelists, and district-credentialed laypersons serving organized churches in the U.S. and Canadian districts participating in the Pensions and Benefits Fund. The Basic Plan was funded by contributions from participating local churches with no employee contributions.

Basic Plan participants are entitled to receive pension benefits beginning at normal retirement age (65) or later after 10 or more years of vesting service in a monthly amount equal to a pension for each year of pension service (to a maximum of 50), including continued accrual

of service credits after December 31, 1995 of \$11.00 increased by .5% for each year of service in excess of 10 (up to 40 excess years).

The Basic Plan permits early retirement at ages 62 through 64. If employees terminate before rendering 10 years of service, they forfeit the right to receive the value of their accumulated plan benefits. Upon retirement, participants may elect to receive the value of their accumulated plan benefits as a life annuity with a 60% survivor benefit, or a reduced life annuity with a 100% survivor benefit.

If an active employee dies after rendering 10 or more years of service, a death benefit equal to 60% of the value of the employee's accumulated plan benefits is paid to the employee's beneficiary. Active employees who become totally disabled after rendering five or more years of service receive annual disability benefits based on years of service to the date of disability, plus a half-year of service credit for each year from the disability date to the retirement date.

Prior General Church Pension Plan Participants

The General Church Pension Plan (the General Church Plan) was a contributory defined benefit pension plan that provided retirement benefits to participating full-time employees of the General Board (excluding missionaries), Nazarene Theological Seminary, and Nazarene Compassionate Ministries, Inc.

General Church Plan participants are entitled to receive pension benefits beginning at normal retirement age (65) equal to (a) minus (b), where (a) is the higher of (1) the monthly pension provided by the amount in the participant's account under the 403(b) Plan derived from contributions from the Pensions and Benefits Fund on or after January 1, 1996, plus earnings thereon accruing on or after January 1, 1996, or (2) a monthly pension equal to 2% of average monthly pay multiplied by years of credited service under the Plan; and (b) is the monthly pension provided in (1) above [the 403(b) offset].

The General Church Plan permits early retirement at ages 60 through 64. Employees may elect to receive their pension benefits in the form of a life and survivor annuity. If employees terminate before rendering seven years of service, they forfeit the right to receive a portion of their accumulated plan benefits attributable to the participating employer's contributions, which are 20% vested after three years of service and increase in 20% increments for each year thereafter, for a total of 100%.

If an active employee dies prior to his or her retirement date, a death benefit equal to the value of the employee's accumulated plan benefits is paid to the employee's beneficiary.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. *Basis of Accounting*

The accompanying financial statements were prepared on the accrual basis of accounting.

2. *Investment Valuation and Income Recognition*

Investments are stated at fair value based on quoted market prices.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

3. *Payment of Benefits*

Benefits are recorded when paid.

4. *Actuarial Present Value of Accumulated Plan Benefits*

Accumulated plan benefits are those future periodic payments, including lump-sum distributions, that are attributable under each Predecessor Plan's provisions for the service employees have rendered. Accumulated plan benefits include benefits expected to be paid to the following: (a) retired or terminated employees or their beneficiaries, (b) beneficiaries of employees who have died, and (c) present employees or their beneficiaries. Benefits payable under all circumstances such as retirement, death, and termination of employment are included, to the extent they are deemed attributable to employee service rendered to the valuation date. Benefits to be provided via annuity contracts excluded from Plan assets are excluded from accumulated plan benefits.

The actuarial present value of accumulated plan benefits for the Plan is determined by actuaries from Watson Wyatt and is that amount which results from applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as death, disability, withdrawal, or retirement) between the valuation date and the expected date of payment. The significant actuarial assumptions used in the valuations as of January 1, 2009 and 2008 were as follows: (a) life expectancy of participants (based on the 1994 Group Annuity Mortality Table), (b) retirement age assumptions (the assumed average retirement age was 65), and (c) investment return. The valuations from the actuary assumed an average rate of return of 7% for 2009 and 2008, a discount rate of 5.5% and 7% for 2009 and 2008, and an assumed salary increase of 3% for both 2009 and 2008 (General Church Plan only). The foregoing actuarial assumptions are based on the presumption that the Plan will continue. Were the Plan to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated plan benefits.

5. *Administrative Expenses*

Certain directly related administrative, accounting, legal, and actuarial expenses are allocated to the Plan by the Administrator. All other expenses are borne by the Pensions and Benefits Fund.

6. *Use of Estimates*

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

7. *Investment Risks*

The Plan invests in a Pension Trust Investment Pool that holds various securities which may include U.S. government securities, corporate debt instruments, mutual funds, and corporate stocks. Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the financial statements.

8. *Subsequent Events*

In accordance with ASC Topic 855, *Subsequent Events*, the Plan has evaluated subsequent events through February 17, 2010, which is the date these financial statements were available to be issued. The Plan is not aware of any subsequent events which would require recognition or disclosure in the financial statements.

NOTE C - FUNDING POLICY

1. *Basic Pension Plan*

The allocation of the total Pensions and Benefits Fund contributions received from local churches in 2009 and 2008, including net amounts contributed to the Pensions and Benefits Fund and the 403(b) Plan, was as follows. Separate financial statements are provided for the Pensions and Benefits Fund and the 403(b) Plan.

	<u>2009</u>	<u>2008</u>
Insurance and benevolence programs of the Pensions and Benefits Fund	\$ 5,507,490	\$ 5,392,368
403(b) Plan contributions	3,017,482	4,057,830
Single Defined Benefit Pension Plan contributions	<u>3,000,000</u>	<u>3,000,000</u>
Total Pensions and Benefits Fund contributions received from local churches	<u>\$ 11,524,972</u>	<u>\$ 12,450,198</u>

2. *General Church Pension Plan*

As a condition of participation, employees are required to contribute 3% of their salary to the General Church Plan. Employees are immediately 100% vested in their contributions, plus interest credited thereon. For the Plan calendar year beginning January 1, 1997, no annual contributions were required from the participating employers to support the present benefit levels under the General Church Plan's actuarial cost method. In 2008, the Plan purchased individual annuity contracts, which distributes benefit payments, in an amount sufficient to maintain the asset level above the benefit floor rider minimum.

3. *Combined Plan*

The participating employers' funding policy is to make annual contributions to the Plan in amounts such that all participants' benefits will be fully provided for by the time they retire. For the Plan calendar years beginning January 1, 2009 and 2008, the net annual contributions required from the participating employers to support the present benefit levels under the Plan's actuarial cost method totaled \$15,444,546 in 2009 and \$4,963,348 in 2008 based on the fair market value of the Plan's net assets.

The following table presents the Plan's unfunded liability as of September 30,

	<u>2009</u>	<u>2008</u>
Net assets available for plan benefits	<u>\$ 104,663,989</u>	<u>\$ 116,349,589</u>
Actuarial present value of accumulated plan benefits	<u>(193,024,913)</u>	<u>(190,556,965)</u>
	<u><u>\$ (88,360,924)</u></u>	<u><u>\$ (74,207,376)</u></u>

NOTE D - INVESTMENTS

The funds of the Plan and the World Mission Pension Plans are combined for collective investment purposes (the Pension Trust Investment Pool). Separate accounting records are maintained for each plan in order to properly reflect each participant's accumulated plan benefits. The net investment income from the Pension Trust Investment Pool is allocated on a pro rata basis between the plans. The allocation of securities held in the Pension Trust Investment Pool is based on a percentage of total fair value.

During 2009 and 2008, the Plan's investments, including gains and losses on investments bought and sold as well as held during the year, depreciated in value by \$1,439,959 and \$27,412,921, respectively, as follows:

	<u>2009</u>	<u>2008</u>
Realized gain (loss) on sale of investments	<u>\$ (14,760,518)</u>	<u>\$ 3,501,979</u>
Unrealized gain (loss) on investments	<u>13,320,559</u>	<u>(30,914,900)</u>
	<u><u>\$ (1,439,959)</u></u>	<u><u>\$ (27,412,921)</u></u>

The following table presents investments at cost and corresponding fair value as of September 30,

	2009		2008	
	Cost	Fair value	Cost	Fair value
Temporary investments	\$ 3,120,256	\$ 3,134,563	\$ 4,465,032	\$ 4,485,235
Common and preferred stocks	46,176,979	50,658,192	60,315,544	54,420,334
U.S. government and agency securities	6,354	6,531	7,357	7,185
Mutual funds	53,360,779	50,634,381	62,824,658	57,149,041
	<u>\$ 102,664,368</u>	<u>\$ 104,433,667</u>	<u>\$ 127,612,591</u>	<u>\$ 116,061,795</u>

NOTE E - FAIR VALUE MEASUREMENTS

Effective October 1, 2008, the Plan adopted the provisions of ASC Topic 820, *Fair Value Measurements and Disclosures* (ASC 820). ASC 820 establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under ASC 820 are described below.

Level 1 - Quoted market prices in active markets for identical assets or liabilities.

Level 2 - Inputs other than Level 1 inputs which are either directly or indirectly observable.

Level 3 - Unobservable inputs developed using management's estimates and assumptions, which reflect those which market participants would use.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value:

Temporary investments - Valued based on quoted market prices for the underlying investments.

Common and preferred stocks - Valued at the closing price reported on the active market on which the security is traded.

U.S. government and agency securities - Valued based on quoted market prices for the underlying investments.

Mutual funds - Valued based on quoted market prices for the underlying investments.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date.

The following table sets forth, by level within the fair value hierarchy, the Plan's assets at fair value as of September 30, 2009:

	Level 1	Level 2	Level 3	Total
Temporary investments	\$ 3,134,563	\$ -	\$ -	\$ 3,134,563
Common and preferred stocks	50,658,192	-	-	50,658,192
U.S. Government obligations	6,531	-	-	6,531
Mutual funds	50,634,381	-	-	50,634,381
Total assets at fair value	<u>\$ 104,433,667</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 104,433,667</u>

NOTE F - CONTRACT WITH INSURANCE COMPANY

Prior to April 2008, the Plan maintained a flexible pension investment (FPI) contract, with Principal facilitating payments to retired participants grandfathered under the prior General Church Pension Plan. That contract also provided certain payment guarantees to those General Church Pension participants who retired prior to 1996. During 2008, the exit provisions of the FPI contract were executed, which resulted in a liquidation of the investment contract with Principal and the purchase of individual annuities for those retirees whose benefits were initiated prior to 1996. The corresponding assets and accumulated plan benefit relating to those participants were transferred from the Plan to Principal via the purchase of an annuity contract for \$3,352,830, which is included as a deduction on the statements of changes in net assets available for plan benefits.

NOTE G - CONCENTRATIONS OF CREDIT RISK

Deposits in excess of federally insured limits are maintained in financial institutions. Bank rating services are regularly monitored for the ongoing safety ratings of financial institutions in which deposits are maintained.

NOTE H - PLAN TERMINATION

Although it has not expressed any intent to do so, the Administrator has the right to terminate the Plan subject to the provisions of the Plan document and the Merger Agreement. Should the Plan terminate at some future time, a particular participant's accumulated plan benefits will be

dependent on the priority of those benefits at that time as set forth in the Plan document and the Merger Agreement.

NOTE I - INCOME TAX STATUS

The Internal Revenue Service has determined and informed the Administrator by letter that the Basic Pension Plan, the General Church Pension Plan, and the related trusts were designed in accordance with applicable sections of the Internal Revenue Code (the IRC). There have been amendments since the Administrator received those determination letters; however, the Administrator believes that the Plan, which encompasses both the Basic Pension Plan and the General Church Pension Plan, is designed and is currently being operated in compliance with the applicable requirements of the IRC.

Financial Statements and Report of Independent Certified Public Accountants

**Board of Pensions and Benefits USA of the General Board of the Church of the Nazarene
Pensions and Benefits Fund**

September 30, 2009 and 2008



Grant Thornton LLP
1201 Walnut Street, Suite 1000
Kansas City, MO 64106-2176
T 816.412.2400
F 816.412.2404
Grant.Thornton.com
Linkd.in/GrantThorntonUS
Twitter.com/GrantThorntonUS

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors
Board of Pensions and Benefits USA of the General Board of the
Church of the Nazarene Pensions and Benefits Fund

We have audited the accompanying statements of financial position of the Board of Pensions and Benefits USA of the General Board of the Church of the Nazarene Pensions and Benefits Fund as of September 30, 2009 and 2008, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America as established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Board of Pensions and Benefits USA of the General Board of the Church of the Nazarene Pensions and Benefits Fund as of September 30, 2009 and 2008 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.

Grant Thornton LLP

Kansas City, Missouri
February 17, 2010

**Board of Pensions and Benefits USA of the General Board of the
Church of the Nazarene Pensions and Benefits Fund**

STATEMENTS OF FINANCIAL POSITION

September 30,

	2009	2008
ASSETS		
CURRENT ASSETS		
Cash	\$ 4,716,965	\$ 2,481,565
Accrued interest receivable	-	4,696
Accounts receivable	547	-
	4,717,512	2,486,261
Assets held for sale	166,351	166,351
Equipment	531,541	514,657
Less accumulated depreciation	(427,808)	(337,899)
	270,084	343,109
	\$ 4,987,596	\$ 2,829,370
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 276,495	\$ 299,892
Deferred revenue	79,046	69,445
	355,541	369,337
DEATH BENEFIT BENEVOLENCE PLAN	561,740	617,695
NET ASSETS, unrestricted	4,070,315	1,842,338
	\$ 4,987,596	\$ 2,829,370

**Board of Pensions and Benefits USA of the General Board of the
Church of the Nazarene Pensions and Benefits Fund**

STATEMENTS OF ACTIVITIES

Year ended September 30,

	2009	2008
Income		
Insurance and benevolence program contributions		
from local churches	\$ 5,507,490	\$ 5,392,368
Other insurance premiums collected	730,070	834,474
Investment income	11,614	47,102
Trust administration fees	4,168	5,035
Other income	9,162	631
Total income	6,262,504	6,279,610
Expenses		
Program expenses		
Minister group life insurance premiums paid	1,202,823	1,301,304
Other insurance premiums paid	719,191	883,435
Benevolence payments	184,387	262,296
Total program expenses	2,106,401	2,447,035
Administrative expenses		
Salaries and benefits	849,005	913,487
Office operations	166,409	175,255
Professional services	453,618	480,370
Conferences/committees	186,038	98,964
Rent	47,228	58,824
Travel and entertainment	34,970	29,908
Depreciation	89,909	162,244
Miscellaneous	36,324	74,097
Contracted services	64,625	75,283
Total administrative expenses	1,928,126	2,068,432
Total expenses	4,034,527	4,515,467
Change in unrestricted net assets	2,227,977	1,764,143
Net assets, beginning of year	1,842,338	78,195
Unrestricted net assets, end of year	\$ 4,070,315	\$ 1,842,338

**Board of Pensions and Benefits USA of the General Board of the
Church of the Nazarene Pensions and Benefits Fund**

STATEMENTS OF CASH FLOWS

Year ended September 30,

	2009	2008
Cash flows from operating activities		
Change in unrestricted net assets	\$ 2,227,977	\$ 1,764,143
Adjustments to reconcile change in unrestricted net assets to net cash provided by operating activities		
Depreciation	89,909	162,244
Loss on sale of equipment	-	26,470
Changes in assets and liabilities		
Accounts receivable	(547)	-
Accrued interest receivable	4,696	372
Accounts payable	(23,397)	(111,358)
Deferred revenue	9,601	(90,322)
Death benefit benevolence plan liability	(55,955)	(47,400)
Net cash provided by operating activities	2,252,284	1,704,149
 Cash flows from investing activities		
Purchases of equipment	(16,884)	(6,357)
Net cash used in investing activities	(16,884)	(6,357)
 Net change in cash	2,235,400	1,697,792
Cash, beginning of year	2,481,565	783,773
Cash, end of year	\$ 4,716,965	\$ 2,481,565

**Board of Pensions and Benefits USA of the General Board of the
Church of the Nazarene Pensions and Benefits Fund**

NOTES TO FINANCIAL STATEMENTS

September 30, 2009 and 2008

NOTE A - DESCRIPTION OF THE PENSIONS AND BENEFITS FUND

The Board of Pensions and Benefits USA of the General Board of the Church of the Nazarene Pensions and Benefits Fund (the Fund) provides various benevolence, retirement, and insurance programs to Nazarene ministers, their spouses, and their surviving family members. All of the programs are self-funded through contributions made by the local churches. The Fund is administered by the Board of Pensions and Benefits USA (the Administrator) on behalf of the General Board of the Church of the Nazarene (the General Board). The Fund provides administrative services and certain specific funding amounts as determined by the Board of Pensions and Benefits USA to the Single Defined Benefit Pension Plan and the 403(b) Retirement Savings Plan.

Benevolence programs - The Fund provides benevolence programs, including death benefit benevolence, emergency medical assistance, temporary monthly disability assistance, administrative benefit adjustment, and funeral assistance. These programs provide various kinds of benevolence assistance payments to ministers, their spouses, and their surviving family members upon the recommendation of their district advisory boards. A more comprehensive description of the Fund's benevolence programs is contained in the Benefits Summary Brochure.

Pastors Life Insurance Plan - The Pastors Life Insurance Plan is a group term life insurance plan for district-licensed and ordained clergy or district-credentialed laypersons who are currently serving in U.S. districts in qualified assignments and who have not begun receiving retirement benefits.

Pensioners Death Benefit Plan - The Pensioners Death Benefit Plan provides death benefits to district-licensed and ordained ministers who are currently receiving a monthly benefit from the Basic Pension Plan portion of the Single Defined Benefit Pension Plan based on years of service or, alternatively, who are vested Plan participants aged 70 1/2 or older and who have not chosen to begin receiving a monthly retirement benefit.

Single Defined Benefit Pension Plan - Effective January 1, 1996, the Basic Pension Plan and the General Church Pension Plan were merged to form the Single Defined Benefit Pension Plan. After January 1, 1996, there were no new entrants in the Basic Pension Plan or the General Church Pension Plan. Participants in both plans were grandfathered in so that no one who had been credited with years of service under the predecessor plans would receive less under the Single Defined Benefit Pension Plan than what would have been paid under the former defined benefit plans had membership in those plans continued unchanged.

403(b) Retirement Savings Plan - Effective January 1, 1996, the 403(b) Retirement Savings Plan [the 403(b) Plan] was established for all U.S. ministers and laypersons serving local congregations and districts, as well as for general church employees. The annual pension supplement (APS) contribution is deposited into individual accounts for each eligible U.S. clergy member and layperson from Fund receipts or agency funds, depending upon the participant's employer. An additional bonus amount is deposited for eligible participants whose local congregation pays 100% of their Fund amount or whose district pays 100% of their Fund amount. The APS amount for 2008 was \$500, with an additional \$500 bonus amount paid to eligible participants. The 2009 APS contribution for eligible senior pastors and associates was established using an agreed-upon schedule to be based on the amounts paid to the Fund by eligible participants' local congregations during the 2008-2009 assembly year. The 2009 APS contribution for eligible district superintendents, district-assigned, and evangelists will be \$1,000.

Employees may elect to participate in the 403(b) Plan through salary-reduction contributions. Employers make matching contributions to their respective participating employees' accounts. Local church and agency employers are encouraged to establish policies to match amounts of voluntary salary-reduction contributions up to at least 3% of salary. Contributions are made directly to Fidelity Investments. The cash value of all participant accounts that were not included in the Fund was \$291,259,493 and \$285,631,808 as of September 30, 2009 and 2008, respectively.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. *Basis of Accounting*

The accompanying financial statements were prepared on the accrual basis of accounting.

2. *Revenue Recognition*

Insurance premiums received are deferred and recognized as revenue ratably over the term of the insurance policy.

3. *Equipment*

Equipment is carried at cost. Depreciation is computed using the straight-line method and is provided in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives, which range from four to eight years.

4. *Payment of Benefits*

Benefits are recorded when paid, except for the death benefit benevolence plan payments, for which the liability is reduced when paid.

5. *Life Insurance Dividends*

Life insurance dividends are recognized as revenue of the Fund to offset the expense of providing the life insurance plans.

6. *Use of Estimates*

In preparing financial statements in conformity with accounting principles generally accepted in the United States of America, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the 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.

7. *Subsequent Events*

In accordance with ASC Topic 855, *Subsequent Events*, the Fund has evaluated subsequent events through February 17, 2010, which is the date these financial statements were available to be issued. The Fund is not aware of any subsequent events which would require recognition or disclosure in the financial statements.

8. *Income Taxes*

The Fund is exempt from federal and state income taxes since it is an entity organized under the General Board, which holds a group exemption.

In July 2006, the Financial Accounting Standards Board (the FASB) issued uncertain tax position guidance in ASC 740, *Income Taxes* (ASC 740). ASC 740 requires that all tax positions be evaluated using a recognition threshold and measurement of a tax position taken or expected to be taken in a tax return. Differences between positions taken in a tax return and amounts recognized in the financial statements are recorded as adjustments to income taxes payable or receivable, or adjustments to deferred income taxes, or both. ASC 740 also requires expanded disclosures at the end of each annual reporting period. ASC 740-10-65-1(e) defers the effective date of the uncertain tax position guidance in ASC 740 for nonpublic entities included within its scope to the annual financial statements for fiscal years beginning after December 15, 2008. The Fund elected to defer the application of the uncertain tax position guidance in ASC 740 in accordance with ASC 740-10-65-1(e) until October 1, 2009. The Fund currently accounts for its uncertain tax positions in accordance with ASC 450, *Contingencies*. Accordingly, a loss contingency is recognized when it is probable that a liability has been incurred as of the date of the financial statements and the amount of the loss can be reasonably estimated. The amount recognized is subject to estimate and management judgment with respect to the likely outcome of each uncertain tax position. The amount that is ultimately sustained for a single uncertain tax position or for all uncertain tax positions in the aggregate could differ from the amount recognized.

NOTE C - CONCENTRATIONS OF CREDIT RISK

Deposits in excess of federally insured limits are maintained at financial institutions. Bank rating services are regularly monitored for the ongoing safety ratings of the financial institutions in which deposits are maintained.

NOTE D - FUNDING POLICY

The allocation of total Fund contributions received from local churches in 2009 and 2008, including net amounts contributed to the Single Defined Benefit Pension Plan and the 403(b) Plan, is as follows. Separate financial statements are provided for the Single Defined Benefit Pension Plan and the 403(b) Plan.

	<u>2009</u>	<u>2008</u>
Insurance and benevolence programs	\$ 5,507,490	\$ 5,392,368
403(b) Plan contributions	3,017,482	4,057,830
Single Defined Benefit Pension Plan contributions	3,000,000	3,000,000
Total Fund contributions received from local churches	<u>\$ 11,524,972</u>	<u>\$ 12,450,198</u>

Financial Statements and Report of Independent Certified Public Accountants

**Board of Pensions and Benefits USA of the General Board of the Church of the Nazarene
World Mission Pension Plans**

September 30, 2009 and 2008



Grant Thornton LLP
1201 Walnut Street, Suite 1000
Kansas City, MO 64106-2176
T 816.412.2400
F 816.412.2404
GrantThornton.com
Linkd.in/GrantThorntonUS
Twitter.com/GrantThorntonUS

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Trustees

Board of Pensions and Benefits USA of the General Board of the Church of the Nazarene
World Mission Pension Plans

We have audited the accompanying statements of net assets available for plan benefits of the Board of Pensions and Benefits USA of the General Board of the Church of the Nazarene World Mission Pension Plans as of September 30, 2009 and 2008, and the related statements of changes in net assets available for plan benefits for the years then ended and the accompanying statements of accumulated plan benefits and the related statements of changes in accumulated plan benefits as of September 30, 2009 and 2008 and for the years then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America as established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial status of the Board of Pensions and Benefits USA of the General Board of the Church of the Nazarene World Mission Pension Plans as of September 30, 2009 and 2008, and the changes in its financial status for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Grant Thornton LLP

Kansas City, Missouri
February 17, 2010

**Board of Pensions and Benefits USA of the General Board of the
Church of the Nazarene World Mission Pension Plans**

STATEMENTS OF NET ASSETS AVAILABLE FOR PLAN BENEFITS

September 30,

	2009	2008
ASSETS		
Investments, at fair value (<i>notes D and E</i>)		
Temporary investments	\$ 579,983	\$ 492,248
Common stocks	2,157,911	2,241,092
U.S. government and agency securities	278	296
Mutual funds	2,156,896	2,353,446
	4,895,068	5,087,082
Accrued interest receivable	9,818	9,561
Total assets	4,904,886	5,096,643
LIABILITIES		
Accounts payable	5,411	2,298
Due to Global Ministry Center	2,141	16,236
	7,552	18,534
Net assets available for Plan benefits	\$ 4,897,334	\$ 5,078,109

**Board of Pensions and Benefits USA of the General Board of the
Church of the Nazarene World Mission Pension Plans**

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR PLAN BENEFITS

Year ended September 30,

	2009	2008
Additions		
Investment income		
Interest and dividends	\$ 166,721	\$ 175,375
Net depreciation in fair value of investments	(7,871)	(1,153,305)
Investment expenses	(24,642)	(23,630)
	134,208	(1,001,560)
Contributions	600,000	439,551
	734,208	(562,009)
Deductions		
Benefits paid to participants	875,993	871,863
Administrative, legal, and actuarial expenses	38,990	39,583
	914,983	911,446
Net decrease in net assets available for benefits	(180,775)	(1,473,455)
Net assets available for Plan benefits, beginning of year	5,078,109	6,551,564
Net assets available for Plan benefits, end of year	\$ 4,897,334	\$ 5,078,109

**Board of Pensions and Benefits USA of the General Board of the
Church of the Nazarene World Mission Pension Plans**

STATEMENTS OF ACCUMULATED PLAN BENEFITS

September 30,

	<u>2009</u>	<u>2008</u>
Actuarial present value of accumulated plan benefits		
Vested benefits		
Participants currently receiving payments	\$ 6,743,356	\$ 6,797,471
Other participants	3,388,153	3,339,686
	<u>10,131,509</u>	<u>10,137,157</u>
Nonvested benefits	<u>-</u>	<u>-</u>
Total actuarial present value of accumulated plan benefits	<u>\$ 10,131,509</u>	<u>\$ 10,137,157</u>

**Board of Pensions and Benefits USA of the General Board of the
Church of the Nazarene World Mission Pension Plans**

STATEMENTS OF CHANGES IN ACCUMULATED PLAN BENEFITS

Year ended September 30,

	<u>2009</u>	<u>2008</u>
Actuarial present value of accumulated plan benefits, beginning of year	\$ 10,137,157	\$ 10,224,903
Increase (decrease) during the year attributable to		
Benefits accumulated and actuarial net gain	191,404	98,889
Increase for interest due to decrease in discount period	678,941	685,228
Benefits paid to participants	(875,993)	(871,863)
Net decrease	(5,648)	(87,746)
Actuarial present value of accumulated plan benefits, end of year	<u>\$ 10,131,509</u>	<u>\$ 10,137,157</u>

**Board of Pensions and Benefits USA of the General Board of the
Church of the Nazarene World Mission Pension Plans**

NOTES TO FINANCIAL STATEMENTS

September 30, 2009 and 2008

NOTE A - DESCRIPTION OF THE PLANS

The following brief description of the Board of Pensions and Benefits USA of the General Board of the Church of the Nazarene World Mission Pension Plans, consisting of the World Mission Non-Qualified Pension Plan and the World Mission Pension Plan (collectively, the Plans), is provided for general information purposes only. Participants should refer to the Plan documents for more complete information.

New participation was frozen such that there were no new entrants effective January 1, 1998. For new missionaries under contract as of January 1, 1998, retirement benefits are provided by the Nazarene 403(b) Retirement Savings Plan.

1. *General*

The Plans are noncontributory defined benefit pension plans administered by the Board of Pensions and Benefits USA (the Administrator) on behalf of the General Board of the Church of the Nazarene (the General Board). The Plans provide retirement benefits at age 65 to missionaries under contract with the General Board. The Plans are church plans that have not elected to be governed by the provisions of the Employee Retirement Income Security Act of 1974 and are not subject to Pension Benefit Guaranty Corporation insurance coverage.

The World Mission Pension Plan (the qualified plan) integrates its benefit formula with that of the total pension benefit provided by the World Mission Non-Qualified Pension Plan. All benefits payable under the World Mission Non-Qualified Pension Plan are offset by any benefits paid under the World Mission Pension Plan (the qualified plan).

2. *Pension Benefits - World Mission Qualified Pension Plan*

Missionaries with 10 or more years of service are entitled to pension benefits beginning at the normal retirement age of 65. The pension benefits are calculated at an amount equal to the greater of (a) and (b) minus (c), where (a) is the sum of (1) \$2.50 per month for each year of service (to a maximum of 50 years) plus (2) \$100 per month for participants with 25 or more years of service, or \$75 per month for participants with 20, but less than 25, years of service; (b) is \$5.00 per month for each year of service with a bonus of .5% for each year of service in excess of 10; and (c) is the pension provided by the amount in the participant's 403(b) plan derived from deposits equal to an amount determined each Plan year by the Plan's Trustee.

For purposes of determining the bonus amount, and only for such purposes, years of service credited under the Single Defined Benefit Pension Plan's grandfathered Basic Pension Plan provisions shall be included in the calculation of years of service under this plan.

3. *Pension Benefits - World Mission Non-Qualified Pension Plan*

Missionaries with 10 or more years of service are entitled to pension benefits beginning at the normal retirement age of 65. The pension benefits are calculated at an amount equal to the greater of (a) and (b) minus (c), where (a) is the sum of (1) \$5 per month for each year of service (to a maximum of 50 years) for married or unmarried (single) participants plus (2) \$200 per month for married participants and \$140 per month for single participants, widows, or widowers with 25 or more years of missionary service, or \$150 or \$100 per month, respectively, with at least 20, but less than 25, years of missionary service or \$0 with less than 20 years of missionary service; (b) is \$10.00 per month for each year of service with a bonus of .5% for each year of service in excess of 10; and (c) is the pension provided by the amount in the participant's 403(b) plan derived from deposits equal to an amount determined each Plan year by the Plan's Trustee. For purposes of determining the bonus amount, and only for such purposes, all years of service credited under this plan and under the Single Defined Benefit Pension Plan's grandfathered Basic Pension Plan provisions shall be included. Amounts payable under this pension plan are also reduced by the extent of any payments made under the World Mission Pension Plan.

4. *Disability Benefits*

Active missionaries with five or more years of service who become totally disabled receive annual disability benefits based on years of service to the date of disability, plus an additional year of service credit for each two years between the date of disability and the normal retirement date.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. *Basis of Accounting*

The accompanying financial statements were prepared on the accrual basis of accounting.

2. *Investment Valuation and Income Recognition*

Investments are stated at fair value based on quoted market prices.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

3. *Payment of Benefits*

Benefits are recorded when paid.

4. *Actuarial Present Value of Accumulated Plan Benefits*

Accumulated plan benefits are those future periodic payments that are attributable under the Plans' provisions to the service employees have rendered. Accumulated plan benefits include benefits expected to be paid to the following: (a) retired or terminated employees or their beneficiaries; (b) beneficiaries of employees who have died; and (c) current employees or their beneficiaries. Benefits payable under all circumstances (retirement, death, disability, or termination of employment) are included to the extent they are deemed attributable to employee service rendered to the valuation date.

The actuarial present value of accumulated plan benefits is determined by actuaries from Watson Wyatt and is that amount which results from applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as death, disability, withdrawal, or retirement) between the valuation date and the expected date of payment. The significant actuarial assumptions used in the valuations as of January 1, 2009 and 2008 were as follows: (a) life expectancy of participants (based on the 1994 Group Annuity Mortality Table); (b) retirement age assumptions (the assumed retirement age ranges from 65 to 70); and (c) investment return. The valuations from the actuary assumed an average rate of return of 7% for both 2009 and 2008, compounded annually, and discount rates of 5.5% in 2009 and 6% in 2008. The foregoing actuarial assumptions are based on the presumption that the Plans will continue. Were the Plans to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated plan benefits.

5. *Administrative Expenses*

Certain directly related administrative, accounting, legal, and actuarial expenses are allocated to the Plans by the Administrator. All other expenses are borne by the Pensions and Benefits Fund.

6. *Investment Risks*

The Plans invest in a Pension Trust Investment Pool that holds various securities which may include U.S. government securities, corporate debt instruments, and corporate stocks. Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the value of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the financial statements.

7. *Use of Estimates*

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and

disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

8. *Subsequent Events*

In accordance with ASC Topic 855, *Subsequent Events*, the Plans have evaluated subsequent events through February 17, 2010, which is the date these financial statements were available to be issued. The Plans are not aware of any subsequent events which would require recognition or disclosure in the financial statements.

NOTE C - FUNDING POLICY

The General Board's funding policy is to make annual contributions to the Plans in amounts such that all participants' benefits will be fully provided for by the time they retire. For the Plans' calendar years beginning January 1, 2009 and 2008, the net annual contributions required from the General Board to support the present benefit levels under the Plans' actuarial cost method were \$760,786 and \$438,428 in 2009 and 2008, respectively.

The following table shows the Plans' unfunded liability as of September 30,

	<u>2009</u>	<u>2008</u>
Net assets available for Plan benefits	\$ 4,897,334	\$ 5,078,109
Actuarial present value of accumulated plan benefits	<u>(10,131,509)</u>	<u>(10,137,157)</u>
Funded status	<u>\$ (5,234,175)</u>	<u>\$ (5,059,048)</u>

NOTE D - INVESTMENTS

The funds of the Plans and the Single Defined Benefit Pension Plan are combined for collective investment purposes (the Pension Trust Investment Pool). Separate accounting records are maintained for each plan in order to properly reflect each participant's accumulated plan benefits. The net investment income from the Pension Trust Investment Pool is allocated on a pro rata basis between the plans. The allocation of securities held in the Pension Trust Investment Pool is based on a percentage of total fair value.

During 2009 and 2008, the Plans' investments, including gains and losses on investments bought and sold, as well as held, during the year depreciated in value by \$7,871 and \$1,153,305, respectively, as follows:

	<u>2009</u>	<u>2008</u>
Net appreciation (depreciation) in fair value		
Realized gain (loss) on sale of investments	\$ (632,518)	\$ 145,043
Unrealized gain (loss) on sale of investments	<u>624,647</u>	<u>(1,298,348)</u>
	<u>\$ (7,871)</u>	<u>\$ (1,153,305)</u>

The following table shows investments at cost and corresponding fair value as of September 30,

	<u>2009</u>		<u>2008</u>	
	<u>Cost</u>	<u>Fair value</u>	<u>Cost</u>	<u>Fair value</u>
Temporary investments	\$ 594,289	\$ 579,983	\$ 511,821	\$ 492,248
Common stocks	2,222,246	2,157,911	2,786,395	2,241,092
U.S. government and agency securities	306	278	340	296
Mutual funds	<u>2,567,964</u>	<u>2,156,896</u>	<u>2,902,309</u>	<u>2,353,446</u>
	<u>\$ 5,384,805</u>	<u>\$ 4,895,068</u>	<u>\$ 6,200,865</u>	<u>\$ 5,087,082</u>

NOTE E - FAIR VALUE MEASUREMENTS

Effective October 1, 2008, the Plan adopted the provisions of ASC Topic 820, *Fair Value Measurements and Disclosures* (ASC 820). ASC 820 establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under ASC 820 are described below.

Level 1 - Quoted market prices in active markets for identical assets or liabilities.

Level 2 - Inputs other than Level 1 inputs which are either directly or indirectly observable.

Level 3 - Unobservable inputs developed using management's estimates and assumptions, which reflect those which market participants would use.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value:

Temporary investments - Valued based on quoted market prices for the underlying investments.

Common stocks - Valued at the closing price reported on the active market on which the security is traded.

U.S. government and agency securities - Valued based on quoted market prices for the underlying investments.

Mutual funds - Valued based on quoted market prices for the underlying investments.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plans believe their valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date.

The following tab sets forth, by level within the fair value hierarchy, the Plans' assets at fair value as of September 30, 2009:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Temporary investments	\$ 579,983	\$ -	\$ -	\$ 579,983
Common stocks	2,157,911	-	-	2,157,911
U. S. government and agency securities	278	-	-	278
Mutual funds	2,156,896	-	-	2,156,896
Total assets at fair value	<u>\$ 4,895,068</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,895,068</u>

NOTE F - CONTRACT WITH INSURANCE COMPANY

Prior to April 2008, the Plans maintained a flexible pension investment (FPI) contract with Principal Life Insurance Company (Principal) facilitating payments to retired participants grandfathered under the prior General Church Pension Plan. No participants of this Plan maintained an FPI. The investment was maintained as a pro-rata allocation of pension pool investments. The contract also provided certain payment guarantees to those General Church Pension Plan participants who retired prior to 1996. During 2008, the exit provisions of that contract were executed, which resulted in a liquidation of the investment contract with Principal and the purchase of individual annuities for those retirees whose benefits were initiated prior to 1996. The corresponding assets and accumulated plan benefit relating to the participants were transferred from the Plans to Principal via the purchase of an annuity contract.

NOTE G - CONCENTRATION OF CREDIT RISK

Deposits in excess of federally insured limits are maintained in financial institutions. Bank rating services are regularly monitored for the ongoing safety of financial institutions in which deposits are maintained.

NOTE H - PLAN TERMINATION

Although it has not expressed any intent to do so, the Administrator has the right to discontinue its contributions at any time and to terminate the Plans subject to the provisions of the Plan documents. Should the Plans terminate at some future time, a particular participant's accumulated plan benefits will be dependent on the priority of those benefits at that time, as set forth in the Plans' documents.

NOTE I - TAX STATUS

The Internal Revenue Service has determined and informed the Administrator by a letter that the World Mission Pension Plan (the qualified plan) and the related trust were designed in accordance with applicable sections of the Internal Revenue Code (the IRC). There have been amendments since the Administrator received the determination letter; however, the Administrator believes that the Plans are designed and are currently being operated in compliance with the applicable requirements of the IRC.

Financial Statements and Report of Independent Certified Public Accountants

**Board of Pensions and Benefits USA of the General Board of the Church of the Nazarene
Health and Hospitalization Program**

September 30, 2009 and 2008



Grant Thornton LLP
1201 Walnut Street, Suite 1000
Kansas City, MO 64106-2176
T 816.412.2400
F 816.412.2404
GrantThornton.com
Linkd.in/GrantThorntonUS
Twitter.com/GrantThorntonUS

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Trustees
Board of Pensions and Benefits USA of the General Board of the
Church of the Nazarene Health and Hospitalization Program

We have audited the accompanying statements of financial position of the Board of Pensions and Benefits USA of the General Board of the Church of the Nazarene Health and Hospitalization Program as of September 30, 2009 and 2008, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Program's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America as established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Program's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Board of Pensions and Benefits USA of the General Board of the Church of the Nazarene Health and Hospitalization Program as of September 30, 2009 and 2008, 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.

Grant Thornton LLP

Kansas City, Missouri

February 23, 2010

**Board of Pensions and Benefits USA of the General Board of the
Church of the Nazarene Health and Hospitalization Program**

STATEMENTS OF FINANCIAL POSITION

September 30,

	General Church Medical Plan	Missionary Medical Plan	Total	
			<u>2009</u>	<u>2008</u>
ASSETS				
Cash	\$ 2,187,701	\$ 787,045	\$ 2,974,746	\$ 2,879,808
Marketable securities, at fair value	1,300,000	913,857	2,213,857	2,201,425
Prepaid expenses	2,312	1,431	3,743	4,145
Accrued interest receivable	-	262	262	4,287
Total assets	<u>\$ 3,490,013</u>	<u>\$ 1,702,595</u>	<u>\$ 5,192,608</u>	<u>\$ 5,089,665</u>
LIABILITIES AND NET ASSETS				
Accounts payable	\$ 7,037	\$ 4,242	\$ 11,279	\$ 12,530
Claims incurred but not reported	488,501	188,179	676,680	626,807
Total liabilities	495,538	192,421	687,959	639,337
Net assets, unrestricted	2,994,475	1,510,174	4,504,649	4,450,328
	<u>\$ 3,490,013</u>	<u>\$ 1,702,595</u>	<u>\$ 5,192,608</u>	<u>\$ 5,089,665</u>

**Board of Pensions and Benefits USA of the General Board of the
Church of the Nazarene Health and Hospitalization Program**

STATEMENTS OF ACTIVITIES

Year ended September 30,

	General Church Medical Plan	Missionary Medical Plan	Total	
			<u>2009</u>	<u>2008</u>
Income				
Premium payments received	\$ 5,182,441	\$ 2,274,828	\$ 7,457,269	\$ 7,210,858
Investment income	46,022	33,786	79,808	86,300
Other income	777	235	1,012	-
Total income	<u>5,229,240</u>	<u>2,308,849</u>	<u>7,538,089</u>	<u>7,297,158</u>
Expenses				
Program expenses				
Medical and dental claims	4,585,918	1,776,215	6,362,133	6,047,856
Reinsurance premiums paid	252,318	162,278	414,596	417,257
Total program expenses	<u>4,838,236</u>	<u>1,938,493</u>	<u>6,776,729</u>	<u>6,465,113</u>
Administrative expenses				
Administrative service fees	338,799	158,514	497,313	787,624
Salaries and benefits	84,492	36,316	120,808	106,687
Rent	2,136	915	3,051	4,164
Professional services	39,192	34,437	73,629	46,618
Miscellaneous	9,106	3,132	12,238	14,669
Total administrative expenses	<u>473,725</u>	<u>233,314</u>	<u>707,039</u>	<u>959,762</u>
Total expenses	<u>5,311,961</u>	<u>2,171,807</u>	<u>7,483,768</u>	<u>7,424,875</u>
Change in unrestricted net assets	(82,721)	137,042	54,321	(127,717)
Unrestricted net assets, beginning of year	<u>3,077,196</u>	<u>1,373,132</u>	<u>4,450,328</u>	<u>4,578,045</u>
Unrestricted net assets, end of year	<u><u>\$ 2,994,475</u></u>	<u><u>\$ 1,510,174</u></u>	<u><u>\$ 4,504,649</u></u>	<u><u>\$ 4,450,328</u></u>

**Board of Pensions and Benefits USA of the General Board of the
Church of the Nazarene Health and Hospitalization Program**

STATEMENTS OF CASH FLOWS

Year ended September 30,

	2009	2008
Cash flows from operating activities		
Change in unrestricted net assets	\$ 54,321	\$ (127,717)
Adjustments to reconcile change in unrestricted net assets to net cash provided by operating activities		
Net realized and unrealized loss (gain) on investments	(79,808)	(86,300)
Changes in assets and liabilities		
Prepaid expenses	402	146
Accrued interest receivable	4,025	5,015
Accounts payable	(1,251)	6,776
Claims incurred but not reported	49,873	130,349
Net cash provided by operating activities	27,562	(71,731)
 Cash flows from investing activities		
Net proceeds from sales and maturities of investments	67,376	128,206
Net cash used in investing activities	67,376	128,206
 Change in cash	94,938	56,475
Cash, beginning of year	2,879,808	2,823,333
Cash, end of year	\$ 2,974,746	\$ 2,879,808

**Board of Pensions and Benefits USA of the General Board of the
Church of the Nazarene Health and Hospitalization Program**

NOTES TO FINANCIAL STATEMENTS

September 30, 2009 and 2008

NOTE A - DESCRIPTION OF THE PROGRAM

The Board of Pensions and Benefits USA (the Administrator) of the General Board of the Church of the Nazarene Health and Hospitalization Program (the Program) administers, on behalf of the General Board of the Church of the Nazarene (the General Board), medical, dental, and vision benefits under two separate plans: the General Church Medical Plan and the Missionary Medical Plan (collectively, the Plans). These financial statements present the fiduciary activities of the Program's Administrator and do not purport to present the financial status of the Plans. These statements do not contain certain information regarding benefit obligations and other disclosures necessary for a fair presentation of the financial status of the Plans in conformity with accounting principles generally accepted in the United States of America.

1. *Benefits*

The Program administers the provision of medical, dental, and vision benefits to full-time employees (defined as those working at least 30 hours per week) of the General Board and related employers and their beneficiaries and covered dependents (the General Church Medical Plan) and to missionaries under contract with the General Board and their beneficiaries and covered dependents (the Missionary Medical Plan). Medical and dental benefits in excess of Medicare coverage may also be extended to retired participants and their beneficiaries and covered dependents pursuant to the provisions of each Plan's document and/or the policies of the participating employers.

The medical, dental, and vision benefits are similar under both Plans, which pay a major portion of medical, dental, and vision expense after the satisfaction of a calendar-year deductible.

Medical and vision claims of active and retired participants, dependents, and beneficiaries are processed by Principal Life Insurance Company. Dental claims of active and retired participants, dependents, and beneficiaries are processed by Delta Dental Company. The responsibility for administration of payments to participants and providers is retained by the Administrator.

Participants should refer to the Plan documents for a complete description of the Plans' provisions.

2. *Contributions*

Not less than one-half of the contributions for participant coverage are paid by General Board-related employers. The Program is self-funded with specific and aggregate reinsurance limits.

3. *Plan Termination*

Although it has not expressed any intent to do so, the Administrator has the right under the Plans to modify the benefits provided to active participants, to discontinue contributions at any time, and to terminate the Plans subject to the Plans' provisions.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. *Basis of Accounting*

The financial statements are prepared on the accrual basis of accounting.

2. *Marketable Securities*

Marketable securities are carried at fair value based on quoted market prices for those or similar securities, with realized and unrealized gains and losses reflected in the statements of activities.

3. *Claims Incurred but Not Reported*

Other obligations for current benefit coverage at September 30, 2009 and 2008 include IBNR amounts, which represent estimated medical and dental costs for services performed in the Plan year that have not yet been submitted for payment by Plan participants. The IBNR amounts are estimated based on historical lag factors between the date of service and the date of payment.

4. *Administrative Expenses*

Directly related administrative and other expenses of the Administrator are allocated to the Program.

5. *Investment Risks*

The Program invests in funds that hold various securities which may include U.S. government securities, corporate debt instruments, and corporate stocks. Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the financial statements.

6. *Use of Estimates*

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

7. *Subsequent Events*

In accordance with Financial Accounting Standards Board (the FASB) Accounting Standards Codification™ (ASC) Topic 855, *Subsequent Events*, the Program has evaluated subsequent events through February 23, 2010, which is the date these financial statements were available to be issued. The Program is not aware of any subsequent events which would require recognition or disclosure in the financial statements.

NOTE C - CONCENTRATION OF RISK

Deposits in excess of federally insured limits are maintained in financial institutions. Bank rating services are regularly monitored for the ongoing safety ratings of financial institutions in which deposits are maintained.

NOTE D - INCOME TAX STATUS

The Program is exempt from federal and state income taxes because it is an entity organized under the General Board, which holds a group exemption. The Administrator has not obtained a determination letter from the Internal Revenue Service for the Plans. However, the Administrator believes the Plans are designed and are currently being operated in compliance with the applicable requirements of the Internal Revenue Code.

NOTE E - MARKETABLE SECURITIES

The Program's marketable securities consist of equity securities maintained in a pooled investment fund (the PIF) administered by the General Board. At September 30, 2009 and 2008, equity securities were reported at a fair value of \$2,213,857 and \$2,201,425, respectively. Equity securities had a cost basis of \$2,218,968 and \$2,225,631 at September 30, 2009 and 2008, respectively.

Investment income (loss) for the year ended September 30, 2009 consisted of \$46,554 of allocated income from the PIF and \$33,254 of unrealized gain. Investment income (loss) for the year ended September 30, 2008 consisted of \$140,718 of allocated income from the PIF and \$54,418 of unrealized loss.

NOTE F - FAIR VALUE MEASUREMENTS

Effective October 1, 2008, the Program adopted the provisions of ASC Topic 820, *Fair Value Measurements and Disclosures* (ASC 820). ASC 820 establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under ASC 820 are described below.

Level 1 - Quoted market prices in active markets for identical assets or liabilities.

Level 2 - Inputs other than Level 1 inputs which are either directly or indirectly observable.

Level 3 - Unobservable inputs developed using management's estimates and assumptions, which reflect those which market participants would use.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value:

Temporary Investments - Valued based on quoted market prices of the underlying assets.

Common stock - Valued at the closing price reported on the active market on which the security is traded.

Corporate bonds - Valued at the last traded price by obtaining feeds from a number of live data sources including active market makers and inter-dealer brokers.

Mutual funds - Valued based on quoted market prices of the underlying assets.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Program believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date.

The following tab sets forth, by level within the fair value hierarchy, the Program's assets at fair value as of September 30, 2009:

	Level 1	Level 2	Level 3	Total
Temporary investments	\$ 1,347,278	\$ -	\$ -	\$ 1,347,278
Common stock	112,281	-	-	112,281
Corporate bonds	-	636,807	-	636,807
Mutual funds	117,491	-	-	117,491
Total assets at fair value	<u>\$ 1,577,050</u>	<u>\$ 636,807</u>	<u>\$ -</u>	<u>\$ 2,213,857</u>

NOTE G - MEDICARE PRESCRIPTION DRUG, IMPROVEMENT, AND MODERNIZATION ACT OF 2003

Effective October 1, 2008, the Program adopted the provisions of ASC Topic 715, *Medicare Prescription Drug, Improvement, and Modernization* (ASC 715). ASC 715 provides guidance on accounting for the effects of a subsidy available, under the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (the Act) to companies that sponsor retiree medical programs with drug benefits which are at least actuarially equivalent to those available under Medicare. In addition to the direct benefit to a company from qualifying for and receiving the subsidy, the effects would include expected changes in retiree participation rates and changes in estimated health care costs that result from the Act.

The Administrator believes that its postretirement benefit plans currently provide prescription drug coverage which is at least actuarially equivalent to the new benefit available under Medicare and it will therefore qualify for the subsidy for an initial period of time after the Act is implemented until actuarial equivalency changes as a result of existing limits on the Plans' cost of providing the benefit. During the years ended September 30, 2009 and 2008, the Program's sponsor received a subsidy of approximately \$59,000 and \$75,000, respectively, under the Act.

Consolidated Financial Statements and Report of Independent Certified Public Accountants
The Global Ministry Center of the General Board of the Church of the Nazarene
September 30, 2010 and 2009



Grant Thornton LLP
1201 Walnut Street, Suite 1000
Kansas City, MO 64106-2176
T 816.412.2400
F 816.412.2404
GrantThornton.com
Linkd.in/GrantThorntonUS
Twitter.com/GrantThorntonUS

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

General Board of the Church of the Nazarene

We have audited the accompanying consolidated statements of financial position of the Global Ministry Center of the General Board of the Church of the Nazarene as of September 30, 2010 and 2009, and the related consolidated statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the General Board's management. Our responsibility is to express an opinion on these financial statements based on our audits. We did not audit the financial statements of Church of the Nazarene Foundation, a 509(a) supporting organization, which statements reflect total assets of 20% and 17% as of September 30, 2010 and 2009, respectively, and total revenues and gains of 6% and 3% for the years then ended. Those statements were audited by other auditors, whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for Church of the Nazarene Foundation, is based solely on the report of the other auditors.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America as established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the General Board's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements and assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits and the report of the other auditors provide a reasonable basis for our opinion.

In our opinion, based on our audits and the report of the other auditors, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of The Global Ministry Center of the General Board of the Church of the Nazarene as of September 30, 2010 and 2009, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Grant Thornton LLP

Kansas City, Missouri
February 10, 2011

The Global Ministry Center of the General Board of the Church of the Nazarene

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

September 30,

	<u>2010</u>	<u>2009</u>
ASSETS		
Cash and cash equivalents	\$ 6,521,544	\$ 6,940,896
Investments	118,818,454	109,254,384
Investments - other	13,493,836	12,294,064
Receivables		
Church mortgages and loans - USA Church Loan Fund	29,697,966	28,623,616
Other	4,648,643	2,340,435
Property and equipment, net	35,238,790	36,719,233
Beneficial interest in charitable trusts	2,280,412	2,199,630
Other assets	818,878	890,908
	<u><u>\$ 211,518,523</u></u>	<u><u>\$ 199,263,166</u></u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable and accrued expenses	\$ 4,568,450	\$ 4,783,851
Interest rate swap liability	2,603,131	1,763,271
Bonds payable	24,090,000	25,000,000
Deferred gift agreements	20,048,922	18,595,005
Funds held in trust	43,038,322	40,367,665
Pension obligation	6,298,392	6,567,743
Postretirement benefit obligation	27,205,158	27,675,241
	<u>127,852,375</u>	<u>124,752,776</u>
COMMITMENTS AND CONTINGENCIES		
NET ASSETS		
Unrestricted	71,758,559	66,410,947
Temporarily restricted	11,092,927	8,100,291
Permanently restricted	4,216,815	3,901,019
Unamortized pension liability	(3,402,153)	(3,901,867)
	<u>83,666,148</u>	<u>74,510,390</u>
	<u><u>\$ 211,518,523</u></u>	<u><u>\$ 199,263,166</u></u>

The Global Ministry Center of the General Board of the Church of the Nazarene

CONSOLIDATED STATEMENTS OF ACTIVITIES

Year ended September 30,

	2010	2009
Changes in unrestricted net assets		
Revenues and gains		
World Evangelism Fund	\$ 44,123,911	\$ 45,906,503
Mission specials	20,224,504	21,568,801
Interest on church mortgages and loans	1,549,147	1,513,383
Net investment income	3,182,383	1,206,662
Legacy, gifts, and charitable remainders, net	7,396,983	3,317,604
Other	<u>3,083,156</u>	<u>3,141,704</u>
Total unrestricted revenues and gains	79,560,084	76,654,657
Net assets released from restrictions	<u>2,908,822</u>	<u>173,033</u>
Total unrestricted revenues and gains	82,468,906	76,827,690
Expenses		
Program services		
Global Mission	50,285,803	52,469,212
International Board of Education	3,058,255	3,772,454
Sunday School and Discipleship Ministries	1,842,617	2,628,795
Nazarene Youth International	1,109,192	940,790
Board of General Superintendents	2,356,280	2,428,376
USA Church Loan Fund	260,013	287,442
Nazarene communication services	969,391	1,284,568
Church of the Nazarene Foundation	522,380	1,332,135
Other program services, net	<u>14,398</u>	<u>4,022,731</u>
Total program services	60,418,329	69,166,503
Support services		
Global Ministry Center Financial Office	8,396,958	3,713,126
Global Ministry Center Operations Office	4,131,135	5,002,856
Church of the Nazarene Foundation	1,146,057	1,229,060
Other support services	<u>3,028,815</u>	<u>4,404,055</u>
Total support services	<u>16,702,965</u>	<u>14,349,097</u>
Total expenses	<u>77,121,294</u>	<u>83,515,600</u>
Increase (decrease) in unrestricted net assets	<u>5,347,612</u>	<u>(6,687,910)</u>
Reclassification of endowment upon UPMIFA adoption	<u>-</u>	<u>539,083</u>
Increase (decrease) in unrestricted net assets	5,347,612	(6,148,827)

The Global Ministry Center of the General Board of the Church of the Nazarene

CONSOLIDATED STATEMENTS OF ACTIVITIES - CONTINUED

Year ended September 30,

	<u>2010</u>	<u>2009</u>
Changes in temporarily restricted net assets		
Mission specials	\$ 4,467,389	\$ -
Legacy, gifts, and charitable remainders, net	868,975	973,490
Net investment income	726,697	201,041
Actuarial adjustment of deferred gift agreements	(102,459)	(210,327)
Expenses and administrative fees	(49,724)	(15,225)
Net assets released from restrictions	(2,908,822)	(173,033)
Net assets reclassified	(9,420)	34,055
Increase in temporarily restricted net assets	<u>2,992,636</u>	810,001
Reclassification of endowment upon UPMIFA adoption	-	(224,628)
Increase in temporarily restricted net assets	<u>2,992,636</u>	585,373
Changes in permanently restricted net assets		
Legacy, gifts, and charitable remainders, net	315,746	347,174
Net investment income (loss)	65	(2,510)
Expenses and administrative fees	(15)	(299)
Net assets reclassified	-	611
Increase in permanently restricted net assets	<u>315,796</u>	344,976
Reclassification of endowment upon UPMIFA adoption	-	(314,455)
Increase in permanently restricted net assets	<u>315,796</u>	30,521
Change in net assets before pension liability adjustment	<u>8,656,044</u>	(5,532,933)
Changes in pension liability not included in pension expense	<u>499,714</u>	(1,903,020)
Increase (decrease) in net assets	<u>9,155,758</u>	(7,435,953)
Net assets, beginning of year	<u>74,510,390</u>	81,946,343
Net assets, end of year	<u>\$ 83,666,148</u>	\$ 74,510,390

The Global Ministry Center of the General Board of the Church of the Nazarene

CONSOLIDATED STATEMENTS OF CASH FLOWS

Year ended September 30,

	2010	2009
Cash flows from operating activities		
Increase (decrease) in net assets	\$ 9,155,758	\$ (7,435,953)
Adjustments to reconcile decrease in net assets to net cash provided by (used in) operating activities		
Depreciation	1,806,294	1,871,204
Amortization of bond issuance costs	17,358	16,689
Net realized and unrealized (gains) losses on investments	(2,721,886)	237,894
Contributions restricted for long-term investment	(32,095)	(55,244)
Beneficial interest in charitable trusts	(80,782)	(244,860)
Loss on disposal of property and equipment	54,009	91,645
Donated assets received	-	(95,340)
Assets donated	(2,125,321)	378,795
Impairment of Investment in LLC	237,500	-
Non-cash assets held for future distribution	-	395,000
Loss on swap liability	839,860	1,763,271
Pension obligation	(269,351)	1,965,941
Postretirement benefit obligation	(470,083)	(912,836)
Changes in		
Other receivables	(2,292,220)	(952,008)
Accrued interest	38,685	(44,629)
Accounts payable and accrued expenses	839,073	(1,347,056)
Net cash provided by (used in) operating activities	4,996,799	(4,367,487)
Cash flows from investing activities		
Acquisition of property and equipment	(650,594)	(928,060)
Proceeds from disposal of property and equipment	270,733	215,097
Funding of church mortgages and loans - USA Church Loan Fund	(3,153,198)	(4,404,676)
Proceeds from church mortgages and loans - USA Church Loan Fund	2,078,848	2,296,981
Proceeds from sales and maturities of investments	78,310,395	84,320,631
Purchases of investments	(78,744,012)	(78,439,872)
Purchases of investment held from bond proceeds	-	(26,452)
Proceeds from sales of investment held from bond proceeds	-	3,816,982
Net cash (used in) provided by investing activities	(1,887,828)	6,850,631
Cash flows from financing activities		
Payments on bonds payable	(910,000)	-
Change in deferred gift agreements and funds held in trust	(2,650,418)	(1,061,860)
Proceeds on contributions restricted for investment in endowments	32,095	55,244
Net cash used in financing activities	(3,528,323)	(1,006,616)
Net (decrease) increase in cash and cash equivalents	(419,352)	1,476,528
Cash and cash equivalents, beginning of year	6,940,896	5,464,368
Cash and cash equivalents, end of year	\$ 6,521,544	\$ 6,940,896
Supplemental schedule of cash flow information		
Cash paid during the year for interest	\$ 955,014	\$ 1,103,470
Noncash investment activities that increased liabilities for deferred gift agreements and funds held in trust		
Investments received	\$ 89,233	\$ 55,924
Net realized and unrealized gains (losses) on investments	2,709,593	527,344

The Global Ministry of the General Board of the Church of the Nazarene

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2010 and 2009

NOTE A - NATURE OF ORGANIZATION

The Church of the Nazarene exists to serve as an instrument for advancing the kingdom of God through the preaching and teaching of the Gospel throughout the world. The Global Ministry Center of the General Board of the Church of the Nazarene (the General Board) shall encourage and expect all national, regional, district, and local boards to fulfill the mission of the Church of the Nazarene (the Church). The General Board shall promote the financial and material affairs of all the departments of the Church, subject to such instructions as may be given by the General Assembly. It shall coordinate, correlate, and unify the plans and activities of the several constituent departments so that a unified policy may be established by and in all the activities of the Church.

The objectives of the General Board are to advance the cause of Christian holiness:

- by fostering growth in the Church
- by the production and distribution of print and nonprint media for the various services; to awaken and strengthen interest throughout the Church in the value and proper use of contemporary media resources
- by articulating the philosophy of Christian education, enhancing the role of Sunday School, strengthening other training in the Church, and emphasizing the importance of ministry to home and family as a task of the Church throughout the world in accordance with the Great Commission
- by strengthening the bonds between the educational institutions and the Church at large (and to provide information and services as appropriate); to serve Nazarene educational institutions worldwide; and to encourage them to be all they can be in quality, achievement, and service to Christ

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies consistently applied in the preparation of the accompanying consolidated financial statements follows.

1. *Basis of Presentation*

The accompanying consolidated financial statements present the activities and operations of the General Board, including amounts transferred to the Global Mission regions. Also included in the consolidated financial statements are transactions for Church of the Nazarene Foundation and Harvest Partners, Inc. Each of these entities is a 501(c)(3) corporation organized as a 509(a)

supporting organization. Individual congregations and related service corporations are not included herein, nor are the activities and operations of the individual Global Mission regions included, with the exception of the USA/Canada regional office. These financial statements have been prepared on the accrual basis of accounting. All significant inter-entity balances and transactions have been eliminated.

2. *Cash and Cash Equivalents*

Cash and cash equivalents include only funds and overnight investments held in banks for operating purposes. Bank rating services are regularly monitored for the ongoing safety ratings of the financial institutions in which deposits are maintained. As of September 30, 2010 and 2009, cash in banks in excess of federally insured limits was approximately \$4,910,617 and \$0, respectively. Foreign bank balances amounted to \$826,518 and \$818,208 as of September 30, 2010 and 2009, respectively.

3. *Contributions*

Contributions received, including unconditional promises to give, are recognized as revenues when the donor's commitment is received. All contributions are considered to be available for unrestricted use unless restricted by the donor for specific purposes outside the general nature of the organization. Amounts received that are designated for future periods or restricted by the donor for specific purposes outside the general nature of the organization are reported as temporarily restricted or permanently restricted support which increases those net asset classes. However, if a restriction is generally fulfilled in the same time period in which the contribution is received, the General Board reports the support as unrestricted.

The General Board reports gifts of land, buildings, and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets are to be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the General Board reports expirations of donor restrictions when the donated or acquired long-lived assets are placed into service.

4. *Investments*

Investments consist primarily of marketable debt and equity securities that are carried at fair value with realized and unrealized gains and losses included in the consolidated statement of activities and changes in net assets (see Note K). Fair values are based on quoted market prices or dealer quotes, if available. If a quoted market price is not available, fair value is estimated using quoted market prices for similar securities.

The General Board invests primarily in securities, alternative investments, and mutual funds, which hold various securities, including U.S. government securities, corporate debt instruments, and corporate stocks. Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain

investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the consolidated financial statements.

5. *Investments - Other*

The General Board's investments in certificates of deposit are classified as Investments – Other in the consolidated statement of financial position and are carried at amortized cost. The General Board also holds a 30.5% interest in a limited liability company, which is accounted for on the equity method of accounting.

6. *Property and Equipment*

Property and equipment are stated at cost, net of accumulated depreciation. Depreciation is calculated using the straight-line method over the estimated useful lives of the depreciable assets. Estimated useful lives of property and equipment are as follows:

Buildings	10-50 years
Equipment	4-8 years

The General Board periodically reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Assets to be disposed of are reported at the lower of carrying amount or fair value, less costs to sell. Expenditures for repairs and maintenance, which do not improve or extend the expected useful lives of the assets, are expensed as incurred while major replacements and improvements are capitalized.

7. *Deferred Gift/Planned Giving Agreements*

The General Board is a party to various deferred gift and planned giving agreements, including gift annuities, unitrusts, and revocable and irrevocable trusts, whereby the General Board receives funds or assets for which it has fiduciary responsibility for the safekeeping, investment management, and distribution of funds to donor-designated beneficiaries.

The General Board recognizes an asset and a liability for funds or assets received pursuant to revocable and irrevocable deferred gift agreements for which the General Board is not the donor-designated beneficiary. In certain cases, the General Board is the donor-designated beneficiary and recognizes the receipt of funds or assets as temporarily restricted revenues.

Certain of the agreements contain an annuity feature, whereby the General Board will pay a fixed annuity to the donor or donor's beneficiary over specified periods of time. At the inception of the agreement, the General Board recognizes a liability equal to the present value of the expected annuity obligation, at the current discount rate, over the remaining expected life of the annuitant based on established mortality tables. The excess of the value of the funds or assets received over the present value of the annuity obligation is recognized as temporarily restricted net assets

of the General Board if the General Board is the designated recipient of the corpus remaining upon the death of the annuitant. The annuity obligation is recalculated on an annual basis to take into consideration changes in the discount period (due to the passage of time) and mortality rates.

8. *Income Taxes*

The General Board is exempt from federal and state income taxes on its principal operations, although the General Board would be subject to federal income taxes on the net income from certain operations if such operations generated unrelated business income. No such unrelated business income was earned during 2010 or 2009.

The General Board applies the provision of ASC Topic 740, *Income Taxes*, (ASC 740) with respect to uncertain tax positions. ASC 740 requires that all tax positions be evaluated using a recognition threshold and measurement of a tax position taken or expected to be taken in a tax return. Differences between positions taken in a tax return and amounts recognized in the financial statements are recorded as adjustments to income taxes payable or receivable, or adjustments to deferred income taxes, or both. ASC 740 also requires expanded disclosures at the end of each annual reporting period. No amounts have been recorded at September 30, 2010 or 2009 with respect to uncertain tax positions.

9. *Fair Value Measurements*

The General Board applies the provisions of ASC Topic 820, *Fair Value Measurements and Disclosures* (ASC 820) with respect to financial and non-financial assets and liabilities. This standard defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. The provisions of ASC 820 apply to all financial instruments that are being measured and reported on a fair-value basis and items disclosed at fair value in the notes to the financial statements.

Prior to the General Board's adoption of ASC 820, certain measurements of fair value were based on the amount that would be paid to acquire an asset or received to assume a liability (an entry price). ASC 820 clarifies the definition of fair value as the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price). The exit price is based on the amount that the holder of the asset or liability would receive or pay in an actual transaction (or in a hypothetical transaction if an actual transaction does not exist) at the measurement date. In some circumstances, the entry and exit prices may be the same; however, they are conceptually different.

Fair value is generally determined based on quoted market prices in active markets for identical assets or liabilities. If quoted market prices are not available, the General Board uses valuation techniques that place greater reliance on observable inputs and less reliance on unobservable inputs (see Note D). In measuring fair value, the General Board may make adjustments for risks and uncertainties if a market participant would include such an adjustment in its pricing.

10. *Interest Rate Swap Liability*

The General Board's use of interest rate swaps is limited to instruments intended to manage interest rate risk associated with the General Board's long-term debt obligations. The General Board does not enter into interest rate swaps for trading purposes. The General Board has not formally designated any interest rate swaps as hedges and accordingly the General Board has recorded the change in fair value of those instruments as interest expense in the consolidated statements of activities. See Note G for further detail regarding the General Board's interest rate swap activity.

11. *Use of Estimates*

In preparing financial statements in conformity with accounting principles generally accepted in the United States of America, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the 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. Significant estimates included in the consolidated financial statements are the valuations of pension and postretirement benefit obligations, deferred gift agreements and swap liability. Actual results could differ from those estimates.

12. *Long-Lived Assets*

Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset with estimated future net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. For purposes of determining impairment, the General Board groups assets by category. Assets to be disposed of are reported at the lower of the carrying amount or fair value, less costs to sell. During the years ended September 30, 2010 and 2009, the General Board recognized no such impairment expense.

13. *Subsequent Events*

The General Board has evaluated subsequent events through February 10, 2011, which is the date these financial statements were available to be issued. The General Board is not aware of any subsequent events which would require recognition or disclosure in the financial statements.

14. *Reclassifications*

Certain immaterial items in the 2009 financial statements have been reclassified to conform to the 2010 presentation.

NOTE C - INVESTMENTS

Investments consisted of the following at September 30,

	2010		2009	
	Cost	Fair value	Cost	Fair value
Money market funds	\$ 8,314,399	\$ 8,314,399	\$ 14,306,166	\$ 14,306,166
Mutual funds				
Large blend	15,837,164	17,258,203	16,740,282	16,808,791
Foreign large blend	13,207,113	11,998,709	11,984,331	9,799,434
Intermediate-term bond	26,192,405	28,274,167	26,462,071	26,844,873
High yield bond	2,177,502	2,185,138	2,310,634	2,155,697
Common stocks				
Large cap core	12,076,826	12,945,953	10,291,630	10,892,846
Large cap growth	5,740,569	6,548,308	4,920,421	5,603,451
Small cap growth	2,523,363	2,822,889	1,541,760	1,748,465
Small cap value	2,110,150	2,394,394	1,806,185	2,045,464
U.S. government obligations	363,085	440,542	359,838	411,772
Corporate bonds	21,321,732	22,398,623	14,387,329	14,582,479
Alternative investments	4,005,286	3,237,129	4,395,297	4,054,946
	<u>\$ 113,869,594</u>	<u>\$ 118,818,454</u>	<u>\$ 109,505,944</u>	<u>\$ 109,254,384</u>

Included in the investment totals above are investments held in trust for affiliated organizations and investments held pursuant to deferred gift and planned giving agreements. The fair value of those investments amounted to \$63,087,244 and \$58,962,670 as of September 30, 2010 and 2009, respectively.

Net investment income (loss) consisted of the following for the year ended September 30,

	2010	2009
Realized gain (loss) on sale of investments	\$ 1,305,007	\$ (4,193,919)
Unrealized gain on investments	1,416,879	3,956,023
Interest, dividends, and other income	1,101,553	1,807,928
Foreign currency gain (loss)	85,706	(191,296)
Other interest income	-	26,456
	<u>\$ 3,909,145</u>	<u>\$ 1,405,192</u>

NOTE D - FAIR VALUE MEASUREMENTS

ASC 820 establishes a fair value hierarchy that distinguishes between assumptions based on market data (observable inputs) and management's assumptions (unobservable inputs). Where an asset or a

liability falls within that hierarchy depends on the lowest-level input which is significant to the fair value measurements as a whole. An adjustment to the pricing method used within either Level 1 or Level 2 inputs could generate a fair value measurement that effectively falls in a lower level in the hierarchy. The hierarchy consists of three broad levels as follows:

Level 1 - Quoted market prices in active markets for identical assets or liabilities

Level 2 - Inputs other than Level 1 inputs which are either directly or indirectly observable.

Level 3 - Unobservable inputs developed using management's estimates and assumptions, which reflect those which market participants would use.

The determination of where an asset or a liability falls in the hierarchy requires significant judgment. The General Board evaluates its hierarchy disclosures for each reporting period; based on various factors; it is possible that an asset or a liability may be classified differently from one reporting period to another. However, the General Board expects that changes in classifications between different levels will be rare.

Following is a description of the valuation methodologies used for assets and liabilities measured at fair value:

Money market funds - Valued based on quoted market prices.

Mutual funds - Valued based on quoted market prices which represent the net asset value of the shares held by the General Board at year-end.

Common stocks - Valued based on quoted market prices.

U.S. government obligations - Valued based on quoted market prices.

Corporate bonds - Determined through evaluated bid prices based on recent trading activity and other relevant information, including market interest rate curves and referenced credit spreads, and estimated prepayment rates, where applicable, are used for valuation purposes provided by third-party pricing services where quoted market values are not available.

Alternative investments - Consists of investments aggregated into real assets, mineral rights, and insurance contracts based upon their underlying investments. The fair values of real assets are based on realtor estimates, comparable sales data, and tax assessments. The fair values of mineral rights are based upon the expected future cash flows of the mineral assets. The fair values of life insurance policies are determined from the cash surrender value quotes obtained from life insurance agents. These investments are classified within Level 3 of the fair value hierarchy.

Beneficial interests in charitable trusts, net - Valued based on the fair value of the underlying trust assets less a payment liability. The payment liability is determined by calculating the present value of the expected future distributions, using published life expectancy tables and a 5% rate of return.

Interest rate swap liability - Valued based on present value of future cash flows valuation models. This analysis reflects the contractual terms of the swap, including the period to maturity and uses observable market based inputs, including interest rate curves.

Funds held in trust - Valued based upon the corresponding fair values of the common stock and mutual funds that the General Board has invested on the behalf of participating members.

The General Board's financial assets and liabilities measured at fair value on a recurring basis were as follows at September 30, 2010:

	Fair value measurements at reporting date using			
	Level 1	Level 2	Level 3	Total
Money market funds	\$ 8,314,399	\$ -	\$ -	\$ 8,314,399
Mutual funds				
Large blend	17,258,203	-	-	17,258,203
Foreign large blend	11,998,709	-	-	11,998,709
Intermediate-term bond	28,274,167	-	-	28,274,167
High yield bond	2,185,138	-	-	2,185,138
Common stocks				
Large cap core	12,934,953	-	11,000	12,945,953
Large cap growth	6,548,308	-	-	6,548,308
Small cap growth	2,822,889	-	-	2,822,889
Small cap value	2,394,394	-	-	2,394,394
U.S. government obligations	440,542	-	-	440,542
Corporate bonds	16,289,448	5,802,217	306,958	22,398,623
Alternative Investments				
Real assets	-	-	2,082,092	2,082,092
Mineral rights	-	-	674,475	674,475
Insurance contracts	-	-	480,562	480,562
Beneficial interests in charitable trusts, net	726,000	-	1,554,412	2,280,412
Interest rate swap liability	-	-	(2,603,131)	(2,603,131)
Funds held in trust	(43,038,322)	-	-	(43,038,322)
	<u>\$ 67,148,828</u>	<u>\$ 5,802,217</u>	<u>\$ 2,506,368</u>	<u>\$ 75,457,413</u>

The following is a reconciliation of the beginning and ending balances of financial assets and liabilities measured at fair value on a recurring basis using significant unobservable inputs (Level 3) during the year ended September 30, 2010.

October 1, 2009	\$4,896,924
Total gains or losses (realized and unrealized)	(1,521,858)
Purchases, contributions, and accruals	150,304
Disposals	(1,019,002)
Transfers in and/or out of Level 3	-
September 30, 2010	<u>\$2,506,368</u>

The General Board's financial assets and liabilities measured at fair value on a recurring basis were as follows at September 30, 2009:

	Fair value measurements at reporting date using			
	Level 1	Level 2	Level 3	Total
Money market funds	\$ 14,269,439	\$ -	\$ 36,727	\$ 14,306,166
Mutual funds				
Large blend	15,974,794	-	833,997	16,808,791
Foreign large blend	9,799,434	-	-	9,799,434
Intermediate-term bond	26,844,873	-	-	26,844,873
High yield bond	2,155,697	-	-	2,155,697
Common stocks				
Large cap core	10,892,846	-	-	10,892,846
Large cap growth	5,603,451	-	-	5,603,451
Small cap growth	1,748,465	-	-	1,748,465
Small cap value	2,045,464	-	-	2,045,464
U.S. government obligations	411,772	-	-	411,772
Corporate bonds	10,630,014	3,649,124	303,341	14,582,479
Alternative investments				
Real assets	-	-	2,701,842	2,701,842
Mineral rights	-	-	842,192	842,192
Insurance contracts	-	-	510,912	510,912
Beneficial interests in charitable trusts, net	768,446	-	1,431,184	2,199,630
Interest rate swap liability	-	-	(1,763,271)	(1,763,271)
Funds held in trust	(40,367,665)	-	-	(40,367,665)
	<u>\$ 60,777,030</u>	<u>\$ 3,649,124</u>	<u>\$ 4,896,924</u>	<u>\$ 69,323,078</u>

The following is a reconciliation of the beginning and ending balances of financial assets and liabilities measured at fair value on a recurring basis using significant unobservable inputs (Level 3) during the year ended September 30, 2009:

October 1, 2008	\$ 7,791,326
Total gains or losses (realized and unrealized)	(2,089,226)
Purchases, contributions, and accruals	765,780
Disposals	(1,122,956)
Transfers in and/or out of Level 3	(448,000)
September 30, 2009	<u>\$ 4,896,924</u>

NOTE E - PROPERTY AND EQUIPMENT

Major classifications of property and equipment consisted of the following at September 30,

	<u>2010</u>	<u>2009</u>
Buildings	\$ 29,396,688	\$ 29,230,206
Equipment	8,784,338	9,507,442
	38,181,026	38,737,648
Accumulated depreciation	(7,161,026)	(6,227,218)
	31,020,000	32,510,430
Land	3,447,707	3,413,556
Assets in progress	4,745	21,064
Assets held for sale	766,338	774,183
	<u>\$ 35,238,790</u>	<u>\$ 36,719,233</u>

Depreciation expense amounted to \$1,806,294 and \$1,871,204 for the years ended September 30, 2010 and 2009, respectively.

NOTE F - BONDS PAYABLE

Effective January 1, 2007, the General Board entered into a loan agreement for \$25,000,000 of tax-exempt bonds for the construction of a new global ministry center. The bonds payable require monthly interest payments for the first two years, with interest payable at an adjusting rate that is calculated at the Bond Market Association Index plus .75% (1.02% at September 30, 2010). Thereafter, annual principal and monthly interest will be due on the bonds based upon a 20-year mortgage-style amortization. The bonds have a 20-year final maturity, with the bondholder retaining the option to accelerate the bonds maturity five years from the effective date of the loan agreement and annually thereafter. The bonds are collateralized by a mortgage and a negative pledge on the property and improvements of the new global ministry facility. The mortgage will not be filed unless there is an event of default under the bonds.

For the year ended September 30, 2010 and 2009, interest on the bonds payable totaled \$245,459 and \$492,410, respectively.

Future principal maturities relating to the bonds payable are as follows:

<u>Year ending</u> <u>September 30,</u>	<u>Amount</u>
2011	\$ 955,000
2012	1,000,000
2013	1,045,000
2014	1,095,000
2015	1,150,000
Thereafter	18,845,000
	<u>\$ 24,090,000</u>

The bonds payable contain certain restrictive covenants, some of which require the maintenance of prescribed debt service and liquidity ratios. The General Board was in compliance with all financial covenants relating to the bonds payable as of September 30, 2010 and 2009.

NOTE G - INTEREST RATE SWAP LIABILITY

The General Board entered into an interest rate-swap agreement to convert an initial aggregate notional amount of \$20,000,000 of the floating-rate debt to fixed-rate debt. The nominal amount of the swap decreases throughout the term of the agreement, which ends January 1, 2027. Under the agreement, the General Board receives a payment based on a variable interest rate tied to one month Municipal Swap Index, which was 0.27% at September 30, 2010. The General Board pays a fixed amount based on an interest rate of 3.93%. Interest expense of \$709,554 and \$611,060 was recognized during the year ended September 30, 2010 and 2009, respectively, as a result of this swap. Management estimated the market value of the swap using valuation models based on the present value of future cash flows resulting in the General Board recognizing a loss of \$839,860 and \$1,763,271 in 2010 and 2009, respectively, which was classified as interest expense in the consolidated statements of activities. The agreement can be terminated at the General Board's option but would result in certain termination fees. At September 30, 2010, the liability amounted to \$2,603,131 and \$1,763,271, respectively.

NOTE H - LINE OF CREDIT

In September 2006, the General Board entered into an agreement for a line of credit with available borrowings of \$5,000,000 with interest payable monthly at LIBOR which was due March 31, 2009. The line was amended on March 31, 2009 to \$3,000,000, with a maturity date of March 31, 2012 and is collateralized by church mortgages and loans - USA Church Loan Fund receivables. Interest is payable monthly at LIBOR plus 1.5% (1.79% at September 30, 2010). There were no borrowings under the line of credit at September 30, 2010 or 2009.

NOTE I - DEFERRED GIFT AGREEMENTS OUTSTANDING

Deferred gift agreements outstanding represent the liability for various planned giving and revocable and irrevocable trust instruments for which the General Board has fiduciary responsibility for the safekeeping, investment management, and distribution of such funds to donor-designated Church ministries at the termination of such instruments.

NOTE J - FUNDS HELD IN TRUST

Funds held in trust consist of deposits made with the General Board by affiliated organizations for investment purposes and other miscellaneous deposits. Income earned from the investment of these deposits serves to increase the funds held in trust.

NOTE K - NET ASSETS

Temporarily restricted net assets were available for the following purposes or periods as of September 30,

	<u>2010</u>	<u>2009</u>
Scholarships	\$ 353,370	\$ 262,955
Deferred gift/planned giving agreements	6,793,889	6,278,597
Haiti disaster relief	2,470,274	-
GMC building fund	217,647	-
Other	1,257,747	1,558,739
	<u>\$ 11,092,927</u>	<u>\$ 8,100,291</u>

Permanently restricted net assets consisted of the following as of September 30,

	<u>2010</u>	<u>2009</u>
Investment in perpetuity, the income from which is expendable to support		
Global Mission	\$ 2,173,321	\$ 1,894,615
International Board of Education	1,009,075	973,352
Church growth	438,073	437,966
Undesignated	16,797	16,797
Certain local Nazarene churches	149,272	149,272
Church of the Nazarene Foundation	10,912	10,912
Nazarene Youth International	11,729	10,500
Other Nazarene ministries	120,767	120,736
Endowments requiring a portion of the income to be added to the principal, with the remaining income distributed to Global Mission	<u>286,869</u>	<u>286,869</u>
	<u>\$ 4,216,815</u>	<u>\$ 3,901,019</u>

Net assets amounting to \$2,908,822 and \$173,033 for the years ended September 30, 2010 and 2009, respectively, were released from temporary restrictions due primarily to the termination of the related planned giving agreements.

NOTE L - PENSIONS AND BENEFITS FUND

The Pensions and Benefits Fund (the Fund) provides various retirement, insurance, and benevolence programs to ministers and their spouses or surviving family members. The Fund is funded by local churches participating in the programs. The Fund is administered by the Board

of Pensions and Benefits USA (the Board of Pensions) on behalf of the General Board. The assets of the Fund are included in separate financial statements.

NOTE M - NAZARENE HEALTH AND HOSPITALIZATION PROGRAM

The Nazarene Health and Hospitalization Program (the NHHP) was established to provide health care benefits. The NHHP includes coverage under two separate plan documents identified as the Missionary Medical Plan (the Missionary Plan) and the General Church Medical Plan (the General Church Plan). The plans are administered by the Board of Pensions on behalf of the General Board.

Not less than one-half of the contributions for participant coverage are paid by the respective employers. All medical and dental benefits of the two plans are self-funded through specific and aggregate reinsurance policies.

The General Board contributed \$1,767,816 and \$2,274,828 to the Missionary Plan and \$2,147,532 and \$2,463,369 to the General Church Plan for the years ended September 30, 2010 and 2009, respectively.

The assets of the NHHP are included in separate financial statements.

NOTE N - PENSION AND POSTRETIREMENT BENEFITS

1. World Mission Pension Plans

The General Board maintains a noncontributory defined benefit pension plan covering missionaries under contract with the General Board prior to December 31, 1997. New participation was frozen such that there were no new entrants after December 31, 1997. The benefits are based on years of service. The General Board's funding policy is to contribute annually the amount needed to provide not only for benefits for service to date, but also for those benefits expected to be earned in the future. For new missionaries under contract after December 31, 1997, retirement benefits are provided by the Nazarene 403(b) Retirement Savings Plan.

The General Board's projected benefit obligation under the Plans exceeded the fair value of Plan assets by \$6,298,392 and \$6,567,743 at September 30, 2010 and 2009, respectively; therefore, the Plans are underfunded.

The amounts recognized for the Plans in the General Board's unamortized pension liability at September 30, 2010 consisted of the following:

Transition obligation	\$ -
Prior service cost	341,854
Net actuarial loss	<u>3,060,299</u>
	<u>\$ 3,402,153</u>

The amounts for the Plans included in the General Board's unamortized pension liability at September 30, 2010 and expected to be amortized in net periodic pension cost for fiscal 2011 were as follows:

Transition obligation	\$ -
Prior service cost	137,750
Net actuarial loss	<u>219,298</u>
	<u>\$ 357,048</u>

1. *World Mission Pension Plans - Continued*

The following table presents the benefit obligation, the fair value of Plan assets, the funded status of the Plans, and the principal weighted-average assumptions used as of September 30,

	<u>2010</u>	<u>2009</u>
Change in benefit obligation		
Benefit obligation, beginning of year	\$ 11,457,136	\$ 9,679,901
Service cost	35,483	31,444
Interest cost	604,816	691,179
Benefits paid	(880,715)	(875,993)
Actuarial (gain) loss	83,885	1,930,605
Benefit obligation, end of year	<u>11,300,605</u>	<u>11,457,136</u>
Change in Plan assets		
Fair value of Plan assets, beginning of year	4,889,393	5,078,099
Actual return (loss) on Plan assets	435,046	138,003
Employer contributions	558,489	586,790
Benefits paid	(880,715)	(875,993)
Expenses paid	-	(37,506)
Fair value of Plan assets, end of year	<u>5,002,213</u>	<u>4,889,393</u>
Funded status, end of year	<u>\$ (6,298,392)</u>	<u>\$ (6,567,743)</u>

Measurement date and weighted-average assumptions

Used to determine benefit obligation		
Measurement date	9/30/10	9/30/09
Discount rate	5.25%	5.5%
Used to determine net periodic benefit cost		
Measurement date	10/1/09	10/1/08
Discount rate	5.50%	7.50%
Expected return on Plan assets	7.00%	7.00%

Net periodic pension cost included the following components as of September 30,

	<u>2010</u>	<u>2009</u>
Service cost	\$ 35,483	\$ 31,444
Interest cost	604,816	691,179
Expected return on Plan assets	(310,024)	(322,974)
Amortization of		
Prior service cost	226,460	226,460
Net actuarial loss	232,117	23,602
	<u>\$ 788,852</u>	<u>\$ 649,711</u>

The General Board's investment policy for the World Mission Pension Plans is to maintain a target allocation of 62% of Plan assets in equity securities and 38% of Plan assets in bond or other fixed-income securities. Contributions and benefit payments are used to maintain the actual asset

allocation as close as is practicable to the target allocation. Plan assets are broadly diversified to limit the impact of losses in individual investments on the total portfolio.

Actual allocation of Plan assets by percentage was as follows at September 30,

	<u>2010</u>	<u>2009</u>
Equity securities	62%	62%
Debt securities	38%	38%
Real estate	0%	0%
Other	0%	0%
	<u>100%</u>	<u>100%</u>

The fair value hierarchy for classifying fair value measurements of assets and liabilities, as set forth in ASC 820, is as follows:

- Level 1 - Quoted market prices in active markets for identical assets or liabilities.
- Level 2 - Inputs other than Level 1 inputs which are either directly or indirectly observable.
- Level 3 - Unobservable inputs developed using the Organization's estimates and assumptions, which reflect those which market participants would use.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value:

Money market funds - Valued based on quoted market prices for the underlying investments.

Common stocks - Valued at the closing price reported on the active market on which the security is traded.

U.S. government and agency securities - Valued based on quoted market prices for the underlying investments.

Mutual funds - Valued based on quoted market prices for the underlying investments.

The Pension Plan's assets measured at fair value on a recurring basis, subject to the disclosure requirements of ASC 715, were as follows at September 30, 2010:

	Fair value measurements at reporting date			
	Level 1	Level 2	Level 3	Total
Money market funds	\$ 167,590	\$ -	\$ -	\$ 167,590
Common stock	2,432,220	-	-	2,432,220
U.S. government and agency securities	255	-	-	255
Mutual funds				
Intermediate - term bond	1,888,845	-	-	1,888,845
International funds	482,463	-	-	482,463
	<u>\$ 4,971,373</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,971,373</u>

The Pension Plan's assets measured at fair value on a recurring basis, subject to the disclosure requirements of ASC 715, were as follows at September 30, 2009:

	Fair value measurements at reporting date			
	Level 1	Level 2	Level 3	Total
Money market funds	\$ 115,568	\$ -	\$ -	\$ 115,568
Common stock	2,157,911	-	-	2,157,911
U.S. government and agency securities	278	-	-	278
Mutual funds				
Intermediate - term bond	1,688,516	-	-	1,688,516
International funds	468,380	-	-	468,380
	<u>\$ 4,430,653</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,430,653</u>

During the year ending September 30, 2011, employer contributions to the World Mission Pension Plans are expected to be approximately \$650,000.

Benefits reflecting future service are expected to be paid as follows for the year ending September 30,

Year ending September 30,	Amount
2011	\$ 919,134
2012	931,347
2013	927,066
2014	922,828
2015	918,472
2016-2020	4,364,335

2. *Postretirement Benefits*

In conjunction with the NHHP, the General Board has plans that provide postretirement health care benefits for certain groups of retired employees. The General Board's postretirement benefit health care plans are not currently funded.

The following table sets forth the other postretirement benefit plans' status as of September 30,

	2010	2009
Benefit obligation as of September 30,	<u>\$ (21,053,739)</u>	<u>\$ (19,952,906)</u>
Fair value of Plan assets as of September 30,	<u>-</u>	<u>-</u>
Unfunded status	(21,053,739)	(19,952,906)
Unrecognized net actuarial gain (loss)	(1,223,008)	(1,544,716)
Unrecognized prior service cost	<u>(4,928,411)</u>	<u>(6,177,619)</u>
Benefit liability recognized in the statements of financial position	<u>\$ (27,205,158)</u>	<u>\$ (27,675,241)</u>
Benefit cost recognized in the statements of activities	<u>\$ 768,041</u>	<u>\$ 472,595</u>
	2010	2009
Weighted-average assumptions used to determine benefit obligation discount rate	5.25%	5.50%

During the year ending September 30, 2011, employer contributions to other postretirement benefit plans are expected to be approximately \$1,621,118.

Benefits, net of Medicare Part D subsidy, reflecting future service are expected to be paid as follows for the year ending September 30,

<u>Year ending</u>	<u>Amount</u>
2011	\$ 1,621,118
2012	1,661,643
2013	1,692,340
2014	1,712,197
2015	1,728,179
2016-2020	8,557,640

For measurement purposes, an annual rate of increase of 8.5% and 8.5% in the per capita cost of covered health care benefits was assumed for 2010 and 2009, respectively. The rate was assumed to decrease by 0.5% per year thereafter, to become 5% in 2017.

Selected components of net periodic benefit cost were as follows at September 30,

	<u>2010</u>	<u>2009</u>
Current service cost	\$ 401,108	\$ 229,133
Employer contributions	1,238,124	1,385,431
Benefits paid	(1,238,124)	(1,385,431)

3. *Single Defined Benefit Pension Plan*

The Basic Pension Plan and the General Church Pension Plan have been merged to form the Single Defined Benefit Pension Plan (the Single Benefit Plan), and no new entrants were admitted into the Single Benefit Plan after December 31, 1995. Participants in the Single Benefit Plan have been grandfathered in so that no one having years of service under the predecessor plans will receive less under the Single Benefit Plan than what would have been paid under the predecessor plans had they continued unchanged. The Single Benefit Plan is a multiemployer plan that provides retirement benefits at age 65 to qualified full-time employees, pastors, evangelists, and district-licensed laypersons serving organized churches. The Single Benefit Plan is a defined benefit plan and is administered by the Board of Pensions on behalf of the General Board. The assets are held in trust by the Board of Pensions, and separate financial statements are prepared for the Single Benefit Plan. No contributions were made by the employers to the Single Benefit Plan for the years ended September 30, 2010 and 2009.

4. *Nazarene 403(b) Retirement Savings Plan*

The Nazarene 403(b) Retirement Savings Plan [the 403(b) Plan] was established for all U.S. ministers and laypersons serving local congregations and districts, as well as for general church employees. The annual pension supplement amount contributed from the Fund receipts or agency funds is determined annually by the Board of Pensions. Ministerial employees may receive a bonus if their local church or district pays 100% of their allocated Fund amounts. The bonus amount is determined annually by the Board of Pensions.

For each of the years ended September 30, 2010 and 2009, the annual pension supplement amount was \$500 per participant and the bonus amount was \$500. Employees may elect to participate in the 403(b) Plan through salary-reduction contributions. Employers make matching contributions to their respective participating employees' accounts. Local church and agency employers are encouraged to establish policies to match amounts of voluntary salary-reduction contributions up to at least 3% of salary. Contributions are made directly to Fidelity Investments. The cash value of all participant accounts that were not included in the Fund was \$301,337,016 and \$291,259,493 as of September 30, 2010 and 2009, respectively.

The total cost of contributions made to the 403(b) Plan through the Fund was \$4,769,289 and \$3,017,482 for the years ended September 30, 2010 and 2009, respectively. The cash value of all participant accounts was \$301,337,016 and \$291,259,493 as of September 30, 2010 and 2009, respectively.

NOTE O - OTHER REVENUE AND EXPENSE

Other revenue consisted of the following during the year ended September 30,

	<u>2010</u>	<u>2009</u>
Event registrations	\$ 1,002,238	\$ 332,350
Subscriptions and literature sales	588,148	672,250
W&W participant insurance funds	362,741	309,697
Casa Robles	221,174	197,865
Nazarene Publishing House funds	128,974	407,604
American Bible Society	613	1,515
Trustee fees	253,272	207,613
General Assembly offering	-	217,642
General Assembly miscellaneous income	-	291,560
Miscellaneous	525,996	503,608
	<u>\$ 3,083,156</u>	<u>\$ 3,141,704</u>

Other program services, net related to General Assembly arrangements consisted of the following during the year ended September 30,

	<u>2010</u>	<u>2009</u>
Media/audiovisual costs	\$ -	\$ 1,426,629
Guest parking/tolls/taxi	111	598,882
Guest meals/entertainment	208	461,664
Salaries	-	227,027
Conference	-	179,751
Travel and lodging, domestic	299	162,969
Contracted services	-	139,935
Meals/entertainment, domestic	63	116,117
Other	13,717	709,757
	<u>\$ 14,398</u>	<u>\$ 4,022,731</u>

NOTE P - ENDOWMENT FUNDS

2. *Endowment Composition*

The General Board applies the provisions of ASC Topic 958, *Not-for-Profit Entities* (ASC 958). A key component of ASC 958 is a requirement to classify the portion of a donor-restricted endowment fund that is not classified as permanently restricted net assets as temporarily restricted net assets until appropriated for expenditure.

	<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>Permanently restricted</u>	<u>Total</u>
Endowment composition by net asset category				
Donor restricted endowment funds	<u>\$ 2,026,183</u>	<u>\$ 1,611,117</u>	<u>\$ 4,216,816</u>	<u>\$ 7,854,116</u>
Change in endowment net assets				
Endowment net assets, beginning of year	\$ 1,886,826	\$ 1,821,694	\$ 3,901,020	\$ 7,609,540
Investment return				
Investment income	52,317	114,450	65	166,832
Depreciation, net (realized and unrealized)	<u>144,212</u>	<u>315,113</u>	<u>-</u>	<u>459,325</u>
Total investment return	196,529	429,563	65	626,157
Contributions	3,038	45,398	315,745	364,181
Administrative fees	(4,752)	(22,137)	(14)	(26,903)
Appropriation of endowment net assets for expenditure	(66,783)	(652,076)	-	(718,859)
Transfers of net endowment losses	11,325	(11,325)	-	-
Endowment net assets, end of year	<u>\$ 2,026,183</u>	<u>\$ 1,611,117</u>	<u>\$ 4,216,816</u>	<u>\$ 7,854,116</u>

2. *Interpretation of Relevant Law*

The State of Kansas adopted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) in August 2009, the provisions of which apply to endowment funds existing on or established after that date. Based on its interpretation of the provisions of UPMIFA, the Corporation is required to act prudently when making decisions to spend or accumulate donor-restricted endowment assets and in doing so to consider a number of factors including the duration and preservation of its donor-restricted endowment funds. As a result of this interpretation, the Corporation classified as permanently restricted net assets the original value of the gifts donated to the permanent endowment. The remaining portion of the endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets, unless otherwise directed by the applicable donor, until those amounts are appropriated for expenditure by the Corporation in a manner consistent with the standard prudence prescribed by UPMIFA. The Corporation's endowments are invested in institutional funds that incurred an average gain of 9% and 3% for the years ended September 30, 2010 and 2009, respectively.

3. *Funds with Deficiencies*

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor requires the General Board to retain as a fund of perpetual duration. In accordance with generally accepted accounting principles accepted in the United States of America, deficiencies of this nature are reported in unrestricted net assets and were \$27,082 and \$69,563 as of September 30, 2010 and 2009, respectively. These deficiencies resulted from unfavorable market fluctuations.

Return Objectives and Risk Parameters

The Association has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the organization must hold in perpetuity or for a donor-specified period(s). Under this policy, as approved by the Board of Directors, the endowment assets are invested with the following objectives in priority order: (1) longer-term capital appreciation; and (2) prudent investment risk.

Strategies Employed for Achieving Objectives

The General Board's goal for the investment of non-pension assets is to provide the highest level of appreciation in market value consistent with a prudent level of risk, and taking into consideration the planned duration of the investment. The Investment Committee of the General Board develops and maintains asset mix guidelines for each of the categories of assets taking into consideration the planned duration of the investments. The asset mix guidelines are reviewed by the Investment Committee at least once a year with a formal review every three years. The Investment Committee may change the asset mix at any time.

Spending Policy and How the Investment Objectives Relate to Spending Policy

The General Board has a policy which permits annual spending of an approved percentage, 5% in 2009, multiplied by the fiscal year end fair market value of endowment, with a six month proration for contributions received during the year. Endowment contributions must be received by March 31 of a given year in order to be included in that year's distribution calculation. In the event that the rate of return does not meet expected benchmarks in any given year, endowments which must maintain a minimum historic dollar value will not distribute the full amount if that distribution would cause the endowment's value to drop below its minimum required level. This is consistent with the General Board's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

NOTE Q - RELATED PARTY TRANSACTIONS

Included in revenues are amounts totaling \$128,974 and \$407,603 for the years ended September 30, 2010 and 2009, respectively, received from the Nazarene Publishing House (NPH), an affiliated organization, for certain editorial services provided by the General Board. The General Board owed NPH approximately \$0 and \$38,571 as of September 30, 2010 and 2009, respectively.

Certain affiliated organizations deposit excess funds with the General Board for investment purposes. As of September 30, 2010 and 2009, total funds held in trust totaled \$43,038,322 and \$40,367,665, respectively. See Note J.

The General Board guarantees debt on real property related to the worldwide missionary and church growth programs. See Note S.

As of September 30, 2010 and 2009, the Board of Pensions and Benefits USA of the General Board of the Church of the Nazarene World Mission Pension Plans owed \$8,555 and \$2,142, respectively, to the General Board. As of September 30, 2010 and 2009, the Board of Pensions and Benefits USA of the General Board of the Church of the Nazarene Single Defined Benefit Pension Plan owed \$37,255 and \$28,482, respectively, to the General Board.

The General Board provides interest-free direct-financing leases to certain employees. The amounts outstanding on these leases are included in receivable - other on the statements of financial position and amounted to \$111,243 and \$143,732 as of September 30, 2010 and 2009, respectively.

Payables to various Global Mission regional offices of the Church of the Nazarene are included in accounts payable and accrued expenses on the statements of financial position and amounted to \$0 and \$483,837 as of September 30, 2010 and 2009, respectively. Receivables from various Global Mission regional offices of the Church of the Nazarene are included in accounts receivables other on the statements of financial position and amounted to \$130,021 and \$0 as of September 30, 2010 and 2009, respectively.

NOTE R - COMMITMENTS AND CONTINGENCIES

The General Board is a party to various legal actions arising in the ordinary course of its operations. In management's opinion, the General Board has adequate legal defenses and/or insurance coverage respecting each of these actions and does not believe that they will materially affect the General Board's financial position, changes in net assets, or cash flows.

Debt in the amount of \$925,227 and \$1,135,599 was outstanding on real property related to the worldwide missionary and Church growth programs as of September 30, 2010 and 2009, respectively. The General Board was the guarantor on \$925,227 and \$922,205 of this debt, with the remaining \$0 and \$213,394 considered a contingent liability as of September 30, 2010 and 2009, respectively. The General Board believes it has a moral obligation to repay this contingent liability in the event of default to support the two programs, although it is not legally obligated to do so. All of the debt is collateralized by real property, for which management estimates the fair value to approximate \$12,104,190 as of September 30, 2010. The debt and related property are excluded from the General Board's financial statements.

NOTE S - CONCENTRATIONS OF CREDIT RISK

Financial instruments that potentially subject the General Board to significant concentrations of credit risk consist primarily of church mortgages and loans and related notes payable.

Church Mortgages and Loans - USA Church Loan Fund

The General Board extends credit for real estate mortgage loans to individual churches. The General Board evaluates creditworthiness on a loan-by-loan basis and generally requires

collateral in the form of mortgages on the related property and guarantees by the applicable District Advisory Board. The loans are expected to be repaid from operations and/or contributions to borrowers. The General Board also controls credit risk through regular evaluations and monitoring procedures.

NOTE T - FAIR VALUE OF FINANCIAL INSTRUMENTS

In accordance with ASC 825, *Financial Instruments*, the fair value of each class of financial instruments is being disclosed. Fair value is the estimated amount at which financial assets or liabilities can be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. Because no market exists for certain of these financial instruments, the fair values of these instruments have been calculated by discounting expected cash flows, which involves the significant exercise of judgment by management.

Church Mortgages and Loans - USA Church Loan Fund

During 2008, the General Board reassessed its methodology for determining the fair value of church mortgages and loans receivable. The fair values for church mortgages and loans receivable are estimated by discounting their expected future cash flows using the current rates at which the General Board would be able to obtain financing. The fair values of church mortgages and loans receivable approximated \$38,040,602 and \$37,936,868 as of September 30, 2010 and 2009, respectively.

Bonds Payable

The carrying amounts of the bonds payable approximate fair value due to their variable interest rates.

Funds Held in Trust

The carrying amount of funds held in trust approximates fair value because investment income (both realized and unrealized) is recognized when earned and because such funds can be withdrawn on demand.

NOTE U - FUNCTIONAL EXPENSES

The costs of providing various programs and other activities have been summarized on a functional basis in the consolidated statements of activities. Accordingly, certain costs have been allocated among the corresponding program and support services. Fundraising costs approximated \$1,424,039 and \$1,877,069 for the years ended September 30, 2010 and 2009, respectively.

NOTE V - OPERATING LEASES

The General Board leases office space under noncancelable operating lease expiring in January 2015. The General Board also leases office equipment under noncancelable operating leases with maturity dates ranging from March 2011 to September 2013.

Minimum lease commitments are as follows:

<u>Year ending September 30,</u>	<u>Amount</u>
2011	\$ 73,438
2012	60,604
2013	61,783
2014	46,008
2015	15,336
	<u>\$ 257,169</u>

Total lease expense was \$90,078 for 2010 and \$93,710 for 2009.

NOTE W - TEMPORARILY RESTRICTED NET ASSETS HELD BY THIRD-PARTY TRUSTEES

The General Board was informed that certain assets in amounts totaling \$1,032,248 and \$1,024,050 were being held on its behalf by third-party trustees at September 30, 2010 and 2009, respectively. The donors of these assets have designated the General Board as the principal beneficiary of the charitable remainder. These assets are included in temporarily restricted net assets and are invested primarily in fixed money market accounts and land. Because the General Board does not know when conditions will be met for the collection of the charitable remainder, there were no plans as of September 30, 2010 for use of the assets.

SUPPLEMENTAL INFORMATION

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS ON SUPPLEMENTAL INFORMATION

General Board of the Church of the Nazarene

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole of The Global Ministry Center of the General Board of the Church of the Nazarene as of and for the years ended September 30, 2010 and 2009, which are presented in the preceding section of this report. The consolidating information as of and for the year ended September 30, 2010 is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, changes in net assets, and cash flows of the individual entities. The consolidating information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and, in our opinion, which, insofar as it relates to Church of the Nazarene Foundation, is based on the report of other auditors, is fairly stated in all material respects in relation to the consolidated financial statements taken as a whole.

Grant Johnston LLP

Kansas City, Missouri
February 10, 2011

The Global Ministry Center of the General Board of the Church of the Nazarene				
CONSOLIDATING STATEMENT OF FINANCIAL POSITION				
September 30, 2010				
	The Global Ministry Center of the General Board of the Church of the Nazarene	Church of the Nazarene Foundation	Eliminations	Total
ASSETS				
Cash and cash equivalents	\$ 6,125,771	\$ 395,773	\$ -	\$ 6,521,544
Investments	81,468,952	38,352,026	(1,002,524)	118,818,454
Investments - other	12,731,336	762,500	-	13,493,836
Receivables				
Church mortgages and loans - USA Church Loan Fund	29,697,966	-	-	29,697,966
Other	3,058,291	1,672,923	(82,571)	4,648,643
Property and equipment, net	35,226,704	12,086	-	35,238,790
Beneficial interest in charitable trusts	1,646,917	1,248,164	(614,669)	2,280,412
Other assets	714,112	104,766	-	818,878
	<u>\$ 170,670,049</u>	<u>\$ 42,548,238</u>	<u>\$ (1,699,764)</u>	<u>\$ 211,518,523</u>
LIABILITIES AND NET ASSETS				
LIABILITIES				
Accounts payable and accrued expenses	\$ 4,434,026	\$ 134,424	\$ -	\$ 4,568,450
Due to General Board	-	697,240	(697,240)	-
Interest rate swap liability	2,603,131	-	-	2,603,131
Bonds payable	24,090,000	-	-	24,090,000
Deferred gift agreements	12,585,367	7,463,555	-	20,048,922
Funds held in trust	21,205,066	22,835,780	(1,002,524)	43,038,322
Pension obligation	6,298,392	-	-	6,298,392
Postretirement benefit obligation	27,205,158	-	-	27,205,158
	98,421,140	31,130,999	(1,699,764)	127,852,375
COMMITMENTS AND CONTINGENCIES				
NET ASSETS				
Unrestricted	64,929,916	6,828,643	-	71,758,559
Temporarily restricted	7,802,000	3,290,927	-	11,092,927
Permanently restricted	2,919,146	1,297,669	-	4,216,815
Unamortized pension liability	(3,402,153)	-	-	(3,402,153)
	<u>72,248,909</u>	<u>11,417,239</u>	<u>-</u>	<u>83,666,148</u>
	<u>\$ 170,670,049</u>	<u>\$ 42,548,238</u>	<u>\$ (1,699,764)</u>	<u>\$ 211,518,523</u>

The Global Ministry Center of the General Board of the Church of the Nazarene				
CONSOLIDATING STATEMENT OF ACTIVITIES				
Year ended September 30, 2010				
	The Global Ministry Center of the General Board of the Church of the Nazarene	Church of the Nazarene Foundation	Eliminations	Total
Changes in unrestricted net assets				
Revenues and gains				
World Evangelism Fund	\$ 44,123,911	\$ -	\$ -	\$ 44,123,911
Mission Specials	20,637,614	-	(413,110)	20,224,504
Interest on church mortgages and loans	1,549,147	-	-	1,549,147
Net investment loss	3,468,315	(285,932)	-	3,182,383
Legacy, gifts, and charitable remainders, net	3,646,849	3,750,134	-	7,396,983
Subsidy from General Board	-	794,771	(794,771)	-
Other	2,829,884	293,272	(40,000)	3,083,156
Total unrestricted revenues and gains	76,255,720	4,552,245	(1,247,881)	79,560,084
Net assets released from restrictions	2,861,440	47,382	-	2,908,822
Total net assets released from restrictions	2,861,440	47,382	-	2,908,822
Total unrestricted revenues and gains	79,117,160	4,599,627	(1,247,881)	82,468,906
Expenses				
Program services				
Global Mission	50,285,803	-	-	50,285,803
International Board of Education	3,058,255	-	-	3,058,255
Sunday School and Discipleship Ministries	1,842,617	-	-	1,842,617
Nazarene Youth International	1,109,192	-	-	1,109,192
Board of General Superintendents	2,356,280	-	-	2,356,280
USA Church Loan Fund	260,013	-	-	260,013
Nazarene communication services	969,391	-	-	969,391
Church of the Nazarene Foundation	-	935,490	(413,110)	522,380
Other program services, net	14,398	-	-	14,398
Total program services	59,895,949	935,490	(413,110)	60,418,329
Support services				
Global Ministry Center Financial Office*	8,825,946	-	(834,771)	7,991,175
Global Ministry Center Operations Office	4,131,135	-	-	4,131,135
Church of the Nazarene Foundation	-	1,146,057	-	1,146,057
Other support services*	2,010,559	-	-	2,010,559
Total support services	14,967,640	1,146,057	(834,771)	15,278,926
Fundraising*	1,424,039	-	-	1,424,039
Total expenses	76,287,628	2,081,547	(1,247,881)	77,121,294
Decrease in unrestricted net assets	2,829,532	2,518,080	-	5,347,612

* The amounts of these accounts are presented differently in the consolidated statements of activities because fundraising and support expenses are combined.

The Global Ministry Center of the General Board of the Church of the Nazarene

CONSOLIDATING STATEMENT OF ACTIVITIES - CONTINUED

Year ended September 30, 2010

	The Global Ministry Center of the General Board of the Church of the Nazarene	Church of the Nazarene Foundation	Eliminations	Total
Changes in temporarily restricted net assets				
Mission Specials	\$ 4,467,389	\$ -	\$ -	\$ 4,467,389
Legacy, gifts, and charitable remainders, net	354,921	514,054	-	868,975
Net investment income	706,486	20,211	-	726,697
Actuarial adjustment of deferred gift agreements	(102,459)	-	-	(102,459)
Expenses and administrative fees	(49,724)	-	-	(49,724)
Net assets released from restrictions	(2,861,440)	(47,382)	-	(2,908,822)
Net assets reclassified	(9,420)	-	-	(9,420)
Increase (decrease) in temporarily restricted net assets	2,505,753	486,883	-	2,992,636
Changes in permanently restricted net assets				
Legacy, gifts, and charitable remainders, net	32,095	283,651	-	315,746
Net investment loss	65	-	-	65
Expenses and administrative fees	(15)	-	-	(15)
Net assets transferred	-	-	-	-
Increase in permanently restricted net assets	32,145	283,651	-	315,796
Changes in pension liability not included in				
pension expense	499,714			499,714
Decrease in net assets	5,867,144	3,288,614	-	9,155,758
Net assets, beginning of year	66,381,765	8,128,625		74,510,390
Net assets, end of year	\$ 72,248,909	\$ 11,417,239	\$ -	\$ 83,666,148

The Global Ministry Center of the General Board of the Church of the Nazarene

CONSOLIDATING STATEMENT OF CASH FLOWS

Year ended September 30, 2010

	The Global Ministry Center of the General Board of the Church of the Nazarene	Church of the Nazarene Foundation	Eliminations	Total
Cash flows from operating activities				
Increase in net assets	\$ 5,867,144	\$ 3,288,614	\$ -	\$ 9,155,758
Adjustments to reconcile decrease in net assets to net cash provided by (used in) operating activities				
Depreciation	1,794,153	12,141	-	1,806,294
Amortization of bond issuance costs	17,358	-	-	17,358
Net realized and unrealized losses on investments	(3,086,367)	364,481	-	(2,721,886)
Contributions restricted for long-term investment	(32,095)	-	-	(32,095)
Beneficial interest in charitable trusts	(123,878)	(72,584)	115,680	(80,782)
Loss on disposal of property and equipment	54,009	-	-	54,009
Assets donated	-	(2,125,321)	-	(2,125,321)
Impairment of investment in LLC	-	237,500	-	237,500
Loss on interest rate swap liability	839,860	-	-	839,860
Pension obligation	(269,351)	-	-	(269,351)
Postretirement benefit obligation	(470,083)	-	-	(470,083)
Changes in				
Other receivables	(765,533)	(1,184,160)	(342,527)	(2,292,220)
Accrued interest	38,685	-	-	38,685
Accounts payable and accrued expenses	(234,168)	1,073,241	-	839,073
Due to General Board	-	(226,847)	226,847	-
Net cash provided by operating activities	3,629,734	1,367,065	-	4,996,799
Cash flows from investing activities				
Acquisition of property and equipment	(646,212)	(4,382)	-	(650,594)
Proceeds from disposal of property and equipment	270,733	-	-	270,733
Funding of church mortgages and loans - USA Church Loan Fund	(3,153,198)	-	-	(3,153,198)
Proceeds from church mortgages and loans - USA Church Loan Fund	2,078,848	-	-	2,078,848
Proceeds from sales and maturities of investments	68,453,590	9,856,805	-	78,310,395
Purchases of investments	(67,271,033)	(11,472,979)	-	(78,744,012)
Net cash used in investing activities	(267,272)	(1,620,556)	-	(1,887,828)
Cash flows from financing activities				
Payments on bonds payable	(910,000)	-	-	(910,000)
Change in deferred gift agreements and funds held in trust	(2,650,418)	-	-	(2,650,418)
Proceeds on contributions restricted for investment in endowments	32,095	-	-	32,095
Net cash used in financing activities	(3,528,323)	-	-	(3,528,323)
Net decrease in cash and cash equivalents	(165,861)	(253,491)	-	(419,352)
Cash and cash equivalents, beginning of year	6,291,632	649,264		6,940,896
Cash and cash equivalents, end of year	\$ 6,125,771	\$ 395,773	\$ -	\$ 6,521,544
Supplemental schedule of cash flow information				
Cash paid during the year for interest	\$ 955,014	\$ -	\$ -	\$ 955,014
Noncash investment activities that increased liabilities for deferred gift agreements and funds held in trust				
Investments received	\$ 53,457	\$ 35,776	\$ -	\$ 89,233
Net realized and unrealized losses on investments	2,858,719	(149,126)	-	2,709,593

Financial Statements and Report of Independent Certified Public Accountants

**Board of Pensions and Benefits USA of the General Board of the Church of the Nazarene
403(b) Retirement Savings Plan**

September 30, 2010 and 2009



Grant Thornton LLP
1201 Walnut Street, Suite 1000
Kansas City, MO 64106-2176
T 816.412.2400
F 816.412.2404
GrantThornton.com
Linkd.in/GrantThorntonUS
Twitter.com/GrantThorntonUS

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Trustees

Board of Pensions and Benefits USA of the General Board of the
Church of the Nazarene 403(b) Retirement Savings Plan

We have audited the accompanying statements of net assets available for benefits (modified cash basis) of the Board of Pensions and Benefits USA of the General Board of the Church of the Nazarene 403(b) Retirement Savings Plan as of September 30, 2010 and 2009, and the related statements of changes in net assets available for benefits (modified cash basis) for the years then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America as established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As described in Note B, these financial statements were prepared on a modified cash basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Board of Pensions and Benefits USA of the General Board of the Church of the Nazarene 403(b) Retirement Savings Plan as of September 30, 2010 and 2009, and the changes in its net assets available for benefits for the years then ended, on the basis of accounting described in Note B.

Grant Thornton LLP

Kansas City, Missouri
February 10, 2011

**Board of Pensions and Benefits USA of the General Board of the
Church of the Nazarene 403(b) Retirement Savings Plan**

**STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
(MODIFIED CASH BASIS)**

September 30,

	2010	2009
Investments, at fair value		
Mutual funds		
Fidelity Growth Company Fund	\$ 22,916,618	\$ 20,292,625
Fidelity Balanced Fund	16,595,970	15,750,385
Fidelity Contrafund	16,660,516	15,477,215
Fidelity Freedom 2020	25,229,864	21,597,068
Fidelity Freedom 2010	12,968,205	12,228,361
Spartan U.S. Equity Index	6,819,973	6,357,071
Fidelity Freedom 2030	11,425,986	9,347,808
Fidelity Diversified International Fund	8,214,910	8,335,906
PIMCO Total Return	15,626,915	10,102,270
Fidelity Freedom 2040	7,412,655	5,981,826
Fidelity Equity Income Fund	3,135,769	2,828,979
Fidelity Freedom 2015	13,084,486	11,527,671
MSIF Small Company Growth Institutional Class B	2,454,014	2,332,163
DFA US Small Cap Value	3,475,042	2,663,360
Fidelity Freedom 2000	1,592,059	1,892,664
Fidelity Freedom 2025	12,673,397	10,752,845
Fidelity Freedom Income	1,964,536	1,746,317
Fidelity Freedom 2005	2,456,244	2,721,962
Fidelity Freedom 2035	5,629,586	4,556,985
Fidelity Freedom 2045	2,327,063	1,552,908
Fidelity Freedom 2050	1,310,847	651,756
CRM Mid Cap Value Instl	2,375,862	2,201,242
Guidestone Equity Index	214,427	169,196
Guaranteed Investment Contract		
Fidelity Fixed Fund	114,079,347	112,381,475
Participant loans	2,516,704	2,074,981
Net assets, at fair value	313,160,995	285,525,039
Adjustments from fair value to contract value for fully benefit-responsive investment contract	(4,404,890)	(1,620,633)
Net assets available for benefits	\$ 308,756,105	\$ 283,904,406

**Board of Pensions and Benefits USA of the General Board of the
Church of the Nazarene 403(b) Retirement Savings Plan**

**STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
(MODIFIED CASH BASIS)**

Year ended September 30,

	2010	2009
ADDITIONS		
Investment income (loss)		
Net realized and unrealized gain (loss) on net appreciation (depreciation) in fair value of investments	\$ 13,992,559	\$ (2,322,065)
Interest and dividends	<u>6,344,876</u>	<u>7,291,561</u>
	20,337,435	<u>4,969,496</u>
 Contributions		
Employer contributions	9,195,492	7,325,884
Participant contributions	7,501,423	7,608,081
Rollover contributions	<u>1,150,601</u>	<u>676,562</u>
	<u>17,847,516</u>	<u>15,610,527</u>
Net additions	38,184,951	20,580,023
 DEDUCTIONS		
Benefits paid to participants	<u>13,333,252</u>	<u>11,536,733</u>
Total deductions	<u>13,333,252</u>	<u>11,536,733</u>
 NET INCREASE	24,851,699	9,043,290
 Net assets available for benefits, beginning of year	<u>283,904,406</u>	<u>274,861,116</u>
Net assets available for benefits, end of year	<u><u>\$ 308,756,105</u></u>	<u><u>\$ 283,904,406</u></u>

**Board of Pensions and Benefits USA of the General Board of the
Church of the Nazarene 403(b) Retirement Savings Plan**

NOTES TO FINANCIAL STATEMENTS

September 30, 2010 and 2009

NOTE A - DESCRIPTION OF PLAN

The following description of the Board of Pensions and Benefits USA of the General Board of the Church of the Nazarene 403(b) Retirement Savings Plan (the Plan) provides only general information. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

1. *General*

The Plan is for the benefit of all U.S. ministers and laypersons serving local congregations and districts, as well as general church employees. The Plan is a defined contribution plan established under Section 403(b) of the Internal Revenue Code (the IRC). Lay or ministerial employees of Nazarene churches or church-controlled agencies and registered Nazarene chaplains may participate in the Plan. Nazarene churches or church-controlled agencies include the Global Ministry Center of the General Board of the Church of the Nazarene (the General Board), the Nazarene Publishing House, Church of the Nazarene Foundation, Nazarene Theological Seminary, Nazarene Bible College, Nazarene Compassionate Ministries, Inc., or the subsidiaries of these entities, including Nazarene-affiliated colleges or universities. The Board of Pensions and Benefits USA serves as the administrator and trustee (the Administrator and/or the Trustee) on behalf of the General Board. Fidelity Management Trust Company (Fidelity) serves as the custodian of the Plan.

The Pensions and Benefits Fund (the Fund) provides administrative services and certain specific funding amounts as determined by the Board of Pensions and Benefits USA to the Plan.

2. *Plan Administration*

The plan administrator is responsible for the day-to-day administration of the Plan. The plan administrator is also responsible for maintaining accurate and detailed records and accounts of employees and of their rights under the Plan and all investments, receipts, disbursements, and other transactions. The plan administrator is not responsible to determine that contributions made to the plan trust by an employer comply with the provisions of the Plan, nor does it have responsibility to collect or monitor the making or the accuracy of any contributions payable or made by an employer to the plan trust.

The plan administrator has the exclusive power and authority to control and manage the operation and administration of the Plan, including determining eligibility and participation in the Plan and overseeing claims procedures.

3. *Contributions*

Contributions are made through either an employer-funded arrangement or a voluntary salary-reduction agreement with each participant's employer. Voluntary salary-reduction contributions are not permitted to exceed IRC limitations on an annual basis. Employers participating in the Plan are encouraged to match amounts totaling at least up to, but not limited to, 3% of the employee's voluntary salary-reduction contribution amounts.

4. *Contributions for Ministerial Employees*

Annual contributions for ministerial employees are determined by the Administrator. The annual pension supplement (APS) contribution is deposited into individual accounts for each eligible U.S. clergy member and layperson from Fund receipts or agency funds, depending upon the participant's employer. The 2010 and 2009 APS contribution for eligible senior pastors and associates was established using an agreed-upon schedule to be based on the amounts paid to the Fund by eligible participants' local congregations. The 2010 and 2009 APS contribution for eligible district superintendents, district assigned, and evangelists will be \$1,000. Total APS contributions amounted to \$4,920,866, consisting of \$4,789,866 from the Fund and \$131,000 from Global Mission, for the year ended September 30, 2010. Total APS contributions for the year ended September 30, 2009 amounted to \$3,017,482 all of which was received from the Fund.

5. *Participant Accounts*

Each participant's account is credited with the participant's and participating employer's contributions, as applicable, and allocations of (a) the Fund or agency fund contributions and (b) Plan earnings. Allocations are based on participant earnings or account balances. The benefit to which a participant is entitled is the benefit that can be provided from the participant's account.

6. *Vesting and Forfeitures*

Participants are immediately vested in all contributions plus actual earnings thereon.

7. *Investment Options*

Upon enrollment in the Plan, a participant may direct contributions to any of several investment options.

The funds offered by Fidelity as of September 30, 2010 were as follows:

- Fidelity Growth Company Fund
- Fidelity Balanced Fund
- Fidelity Contrafund
- Fidelity Freedom 2020
- Fidelity Freedom 2010

- Spartan U.S. Equity Index
- Fidelity Freedom 2030
- Fidelity Diversified International Fund
- PIMCO Total Return
- Fidelity Freedom 2040
- Fidelity Equity Income Fund
- Fidelity Freedom 2015
- MSIF Small Company Growth Institutional Class B
- DFA US Small Cap Value
- Fidelity Freedom 2000
- Fidelity Freedom 2025
- Fidelity Freedom Income
- Fidelity Freedom 2005
- Fidelity Freedom 2035
- Fidelity Freedom 2045
- Fidelity Freedom 2050
- Fidelity Fixed Fund
- CRM Mid Cap Value Instl
- GuideStone Equity Index Fund

Effective February 16, 2011, the Fidelity Freedom Funds will be replaced by the Fidelity Freedom Index Funds as a result of decisions by the Board of Pensions and Benefits USA and the Investment Committee of the General Board.

For additional information regarding the Plan's investment alternatives and fund performance, participants should refer to the Plan document and published information provided by such funds.

Participants may change or transfer their investment options on an as-needed basis.

Net depreciation in fair value of investments consisted of the following for the year ended September 30,

	<u>2010</u>	<u>2009</u>
Realized gain (loss) on sale of investments	\$ 756,092	\$ (4,823,334)
Unrealized gain on investments	13,236,467	2,501,269
	<u>\$ 13,992,559</u>	<u>\$ (2,322,065)</u>

8. *Participant Loans*

Participants may borrow from their fund accounts a minimum of \$1,000, up to the lesser of \$50,000 or 50% of their account balance. Loan terms range from 1 to 5 years. The loans are secured by the balance in the participant's account and bear interest at prime plus 1%. Interest rates for participant loans ranged from 4.25% to 9.25%. Principal and interest are paid ratably through monthly or quarterly installments.

9. *Administrative Expenses*

The Fund, a related party, pays Plan-level administrative expenses, which amounted to \$282,677 and \$364,284 for the years ended September 30, 2010 and 2009, respectively. Beginning April 1, 2011, each participant account will be responsible for these expenses.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. *Basis of Accounting*

The accompanying financial statements have been prepared on a modified cash basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Under this basis, interest, dividends, and contributions are recognized when collected rather than when earned, and expenses are recognized when paid rather than when incurred. Investments are reported at fair value. Consequently, contributions receivable and accrued interest and dividend receivables are not included in the financial statements.

2. *Valuation of Investments*

The Plan's investments are stated at fair value, except for its investment contract with Fidelity. The investment contract is stated at contract value (Note C) based on quoted market prices, with gains and losses included in the statements of changes in net assets available for benefits. Separate account investments are valued based on the net asset value of the underlying shares of the mutual funds held in the accounts. Participant loans are recorded at amortized cost, which approximates fair value.

3. *Investment Risks*

The Plan invests in mutual funds, which hold various securities that may include U.S. Government securities, corporate debt instruments, and corporate stocks. Investment securities, in general, are exposed to various risks such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the financial statements.

4. *Payment of Benefits*

Benefits are recorded when paid.

5. *Use of Estimates*

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

6. *Subsequent Events*

The Plan has evaluated subsequent events through February 10, 2011, which is the date these financial statements were available to be issued. The Plan is not aware of any other subsequent events which would require recognition or disclosure in the financial statements with the exception of the fund investment options as discussed in Note A7 and the payment of administrative expenses as discussed in Note A9.

NOTE C - STABLE VALUE FUND INVESTMENT CONTRACT WITH FIDELITY

The Plan follows the provisions of Financial Accounting Standards Board Codification 965, *Reporting of Fully Benefit-Responsive Investment Contracts Held by Certain Investment Companies Subject to the AICPA Investment Company Guide and Defined-Contribution Health and Welfare and Pension Plans* (ASC 965), wherein investment contracts held by a defined contribution plan are required to be reported at fair value. However, contract value is the relevant measurement attribute for that portion of the net assets available for benefits of a defined contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the plan. The Plan invests in investment contracts through Fidelity Fixed Fund. As is required by ASC 965, the statements of net assets available for benefits present the fair value of the investment, as well as the adjustment of the investment in the collective trusts from fair value to contract value. The statement of changes in net assets available for benefits is prepared on a contract-value basis.

Investments in the Fidelity Managed Fixed Fund consist principally of guaranteed interest contracts, which are included at fair value as determined by Fidelity Management Trust Company based on discounted cash flows using current market interest rates with a maximum estimated fair value compounded at a rate of 1.80% at September 30, 2010 and 1.86% at September 30, 2009. The average yield earned by the trust with an adjustment to reflect the actual interest rate credited to participants in the fully benefit-responsive investment contract was 1.84% at September 30, 2010 and 2.84% at September 30, 2009.

NOTE D - FAIR VALUE MEASUREMENTS

Effective October 1, 2008, the Plan adopted the provisions of ASC Topic 820, *Fair Value Measurements and Disclosures* (ASC 820). ASC 820 establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the

lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under ASC 820 are described below.

Level 1 - Quoted market prices in active markets for identical assets or liabilities.

Level 2 - Inputs other than Level 1 inputs which are either directly or indirectly observable.

Level 3 - Unobservable inputs developed using management's estimates and assumptions, which reflect those which market participants would use.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value:

Mutual funds - Valued based on quoted market prices of the underlying assets.

Guaranteed investment contract - Valued based on the fair value of the account, which is the amount plan participants or plan sponsors would receive currently if they were to withdraw or transfer funds within the Plan prior to their maturity.

Participant loans - Valued at amortized cost, which approximates fair value.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date.

The following table sets forth, by level within the fair value hierarchy, the Plan's assets at fair value as of September 30, 2010:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual funds				
Intermediate - term bond	\$ 15,626,914	\$ -	\$ -	\$ 15,626,914
Growth funds	19,114,530	-	-	19,114,530
Value funds	124,081,161	-	-	124,081,161
Blend funds	29,527,429	-	-	29,527,429
International funds	8,214,910	-	-	8,214,910
Guaranteed investment contract	-	-	114,079,347	114,079,347
Participant loans	-	-	2,516,704	2,516,704
Total assets at fair value	<u>\$ 196,564,944</u>	<u>\$ -</u>	<u>\$ 116,596,051</u>	<u>\$ 313,160,995</u>

The table below sets forth a summary of changes in the fair value of the Plan's Level 3 assets for the year ended September 30, 2010:

	<u>Guaranteed Investment Contract</u>	<u>Participant loans</u>	<u>Total</u>
Balance, beginning of year	<u>\$ 112,381,475</u>	<u>\$ 2,074,981</u>	<u>\$ 114,456,456</u>
Realized gains	-	-	-
Unrealized gains (losses) relating to instruments still held at the reporting date	2,784,256	-	2,784,256
Purchases, sales, issuances, and settlements (net)	(1,086,384)	441,723	(644,661)
Balance, end of year	<u>\$ 114,079,347</u>	<u>\$ 2,516,704</u>	<u>\$ 116,596,051</u>

The following table sets forth, by level within the fair value hierarchy, the Plan's assets at fair value as of September 30, 2009:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual Funds				
Intermediate - term bond	\$ 10,102,270	\$ -	\$ -	\$ 10,102,270
Growth funds	17,809,378	-	-	17,809,378
Blend funds	109,036,065	-	-	109,036,065
Value funds	25,784,964	-	-	25,784,964
International funds	8,335,906	-	-	8,335,906
Guaranteed Investment Contract	-	-	112,381,475	112,381,475
Participant loans	-	-	2,074,981	2,074,981
Total assets at fair value	<u>\$ 171,068,583</u>	<u>\$ -</u>	<u>\$ 114,456,456</u>	<u>\$ 285,525,039</u>

The table below sets forth a summary of changes in the fair value of the Plan's Level 3 assets for the year ended September 30, 2009:

	Guaranteed Investment Contract	Participant loans	Total
Balance, beginning of year	\$ 104,259,647	\$ 2,211,547	\$ 106,471,194
Realized gains	-	-	-
Unrealized gains (losses) relating to instruments still held at the reporting date	4,004,232	-	4,004,232
Purchases, sales, issuances, and settlements (net)	4,117,596	(136,566)	3,981,030
Balance, end of year	<u>\$ 112,381,475</u>	<u>\$ 2,074,981</u>	<u>\$ 114,456,456</u>

NOTE E - TAX STATUS

The Plan is not subject to federal or state income taxes, since the Administrator and legal counsel believe that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC under Section 403(b). The Plan Administrator, with the direction of legal counsel, implemented additional compliance procedures for participating employers and individual participants as required by the revised IRS 403(b) Regulations.

NOTE F - PLAN RESTATEMENT

The Plan document was restated as required by IRC Section 403(b) as of January 1, 2009.

NOTE G - PLAN TERMINATION

Although it has not expressed any intent to do so, the Administrator has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the terms of the Plan agreement. In the event of termination of the Plan, the Trustee shall pay and discharge all expenses and, unless the Administrator elects to continue the trust, all benefits will be payable as soon as is administratively feasible under the terms of the Plan.

The Trustee may either distribute the remaining assets of the Plan trust in kind or liquidate them and distribute the net proceeds to the participants in accordance with their respective account balances.

Financial Statements and Report of Independent Certified Public Accountants

**Board of Pensions and Benefits USA of the General Board of the Church of the Nazarene
Single Defined Benefit Pension Plan**

September 30, 2010 and 2009



Grant Thornton LLP
1201 Walnut Street, Suite 1000
Kansas City, MO 64106-2176
T 816.412.2400
F 816.412.2404
GrantThornton.com
Linkd.in/GrantThorntonUS
Twitter.com/GrantThorntonUS

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Trustees
Board of Pensions and Benefits USA of the General Board of the
Church of the Nazarene Single Defined Benefit Pension Plan

We have audited the accompanying statements of net assets available for plan benefits and of accumulated plan benefits of the Board of Pensions and Benefits USA of the General Board of the Church of the Nazarene Single Defined Benefit Pension Plan as of September 30, 2010 and 2009, and the related statements of changes in net assets available for plan benefits and of changes in accumulated plan benefits for the years then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America as established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial status of the Board of Pensions and Benefits USA of the General Board of the Church of the Nazarene Single Defined Benefit Pension Plan as of September 30, 2010 and 2009, and the changes in its financial status for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Grant Thornton LLP

Kansas City, Missouri
February 10, 2011

**Board of Pensions and Benefits USA of the General Board of the
Church of the Nazarene Single Defined Benefit Pension Plan**

STATEMENTS OF NET ASSETS AVAILABLE FOR PLAN BENEFITS

September 30,

	2010	2009
ASSETS		
Cash	\$ 441,978	\$ 421,533
Investments, at fair value (<i>notes D and E</i>)		
Money market funds	3,502,881	2,713,030
Common and preferred stocks	50,837,054	50,658,192
U.S. government and agency securities	5,322	6,531
Mutual funds	49,563,903	50,634,381
	103,909,160	104,012,134
Receivables		
Accrued interest receivable	127,155	230,493
Contributions receivable	6,128	270
	133,283	230,763
Other assets	56,942	137,506
	104,541,363	104,801,936
LIABILITIES		
Accounts payable	106,216	109,465
Due to Global Ministry Center	37,255	28,482
	143,471	137,947
Net assets available for plan benefits	\$ 104,397,892	\$ 104,663,989

**Board of Pensions and Benefits USA of the General Board of the
Church of the Nazarene Single Defined Benefit Pension Plan**

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR PLAN BENEFITS

Year ended September 30,

	<u>2010</u>	<u>2009</u>
Additions		
Investment income		
Interest and dividends	\$ 2,272,060	\$ 3,871,823
Net appreciation/(depreciation) in fair value of investments	8,199,344	(1,439,959)
Investment expense	(430,924)	(575,547)
	<u>10,040,480</u>	<u>1,856,317</u>
Contributions		
Employer contributions - Pensions and Benefits Fund <i>(note C)</i>	6,500,000	3,000,000
Employee contributions	76,622	93,023
Legacy, gifts, and charitable remainder	25,129	61,657
	<u>6,601,751</u>	<u>3,154,680</u>
Total additions	<u>16,642,231</u>	<u>5,010,997</u>
Deductions		
Benefits paid to participants	16,504,321	16,175,116
Administrative, accounting, legal, and actuarial expenses	404,007	521,481
Total deductions	<u>16,908,328</u>	<u>16,696,597</u>
Net decrease in net assets available for plan benefits	(266,097)	(11,685,600)
Net assets available for plan benefits, beginning of year	<u>104,663,989</u>	<u>116,349,589</u>
Net assets available for plan benefits, end of year	<u>\$ 104,397,892</u>	<u>\$ 104,663,989</u>

**Board of Pensions and Benefits USA of the General Board of the
Church of the Nazarene Single Defined Benefit Pension Plan**

STATEMENTS OF ACCUMULATED PLAN BENEFITS

September 30,

	<u>2010</u>	<u>2009</u>
Actuarial present value of accumulated plan benefits		
Vested benefits		
Participants currently receiving payments	\$ 122,046,647	\$ 120,272,938
Other participants	66,009,804	71,221,804
	<u>188,056,451</u>	<u>191,494,742</u>
Nonvested benefits	1,169,102	1,530,171
	<u>1,169,102</u>	<u>1,530,171</u>
Total actuarial present value of accumulated plan benefits	<u>\$ 189,225,553</u>	<u>\$ 193,024,913</u>

**Board of Pensions and Benefits USA of the General Board of the
Church of the Nazarene Single Defined Benefit Pension Plan**

STATEMENTS OF CHANGES IN ACCUMULATED PLAN BENEFITS

Year ended September 30,

	<u>2010</u>	<u>2009</u>
Actuarial present value of accumulated plan benefits, beginning of year	\$ 193,024,913	\$ 190,556,965
Increase (decrease) during the year attributable to		
Benefits accumulated and actuarial net gain (loss)	(229,132)	5,870,205
Increase for interest due to decrease in discount period	12,934,093	12,772,859
Benefits paid to participants	(16,504,321)	(16,175,116)
Net change	(3,799,360)	2,467,948
Actuarial present value of accumulated plan benefits, end of year	<u>\$ 189,225,553</u>	<u>\$ 193,024,913</u>

**Board of Pensions and Benefits USA of the General Board of the
Church of the Nazarene Single Defined Benefit Pension Plan**

NOTES TO FINANCIAL STATEMENTS

September 30, 2010 and 2009

NOTE A - DESCRIPTION OF THE PLAN

1. *General*

The Board of Pensions and Benefits USA of the General Board of the Church of the Nazarene Single Defined Benefit Pension Plan (the Plan), established in 1996, combined the assets while retaining the benefit formulas of the Basic Pension Plan and the General Church Pension Plan (collectively, the Predecessor Plans), which were both multiemployer plans. The Plan is administered by the Board of Pensions and Benefits USA (the Administrator) on behalf of the General Board of the Church of the Nazarene (the General Board). The Plan is a qualified church plan which has not elected to be governed by the provisions of the Employee Retirement Income Security Act of 1974 and is not subject to Pension Benefit Guaranty Corporation insurance coverage.

New participation was frozen effective January 1, 1996 and there were no new entrants into either of the Predecessor Plans. Participants in those plans have been grandfathered in so that no one having years of service under those plans will receive less under the Plan than what would have been paid under the Predecessor Plans had they continued unchanged.

Also, effective January 1, 1996, the 403(b) Retirement Savings Plan [the 403(b) Plan, previously known as the Single Defined Contribution or TSA Plan] was established for all U.S. ministers and laypersons serving local congregations and districts, as well as general church employees.

The following brief description of the Plan is provided for general information purposes only. Participants should refer to their respective Plan documents for more complete information.

Prior Basic Pension Plan Participants

The Basic Pension Plan (the Basic Plan) was a noncontributory defined benefit pension plan. The Basic Plan provided retirement benefits at age 65 to full-time pastors, evangelists, and district-credentialed laypersons serving organized churches in the U.S. and Canadian districts participating in the Pensions and Benefits Fund. The Basic Plan was funded by contributions from participating local churches with no employee contributions.

Basic Plan participants are entitled to receive pension benefits beginning at normal retirement age (65) or later after 10 or more years of vesting service in a monthly amount equal to a pension for each year of pension service (to a maximum of 50), including continued accrual

of service credits after December 31, 1995 of \$11.00 increased by .5% for each year of service in excess of 10 (up to 40 excess years).

The Basic Plan permits early retirement at ages 62 through 64. If employees terminate before rendering 10 years of service, they forfeit the right to receive the value of their accumulated plan benefits. Upon retirement, participants may elect to receive the value of their accumulated plan benefits as a life annuity with a 60% survivor benefit, or a reduced life annuity with a 100% survivor benefit.

If an active employee dies after rendering 10 or more years of service, a death benefit equal to 60% of the value of the employee's accumulated plan benefits is paid to the employee's beneficiary. Active employees who become totally disabled after rendering five or more years of service receive annual disability benefits based on years of service to the date of disability, plus a half-year of service credit for each year from the disability date to the retirement date.

Prior General Church Pension Plan Participants

The General Church Pension Plan (the General Church Plan) was a contributory defined benefit pension plan that provided retirement benefits to participating full-time employees of the General Board (excluding missionaries), Nazarene Theological Seminary, and Nazarene Compassionate Ministries, Inc.

General Church Plan participants are entitled to receive pension benefits beginning at normal retirement age (65) equal to (a) minus (b), where (a) is the higher of (1) the monthly pension provided by the amount in the participant's account under the 403(b) Plan derived from contributions from the Pensions and Benefits Fund on or after January 1, 1996, plus earnings thereon accruing on or after January 1, 1996, or (2) a monthly pension equal to 2% of average monthly pay multiplied by years of credited service under the Plan; and (b) is the monthly pension provided in (1) above [the 403(b) offset].

The General Church Plan permits early retirement at ages 60 through 64. Employees may elect to receive their pension benefits in the form of a life and survivor annuity. If employees terminate before rendering seven years of service, they forfeit the right to receive a portion of their accumulated plan benefits attributable to the participating employer's contributions, which are 20% vested after three years of service and increase in 20% increments for each year thereafter, for a total of 100%.

If an active employee dies prior to his or her retirement date, a death benefit equal to the value of the employee's accumulated plan benefits is paid to the employee's beneficiary.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. *Basis of Accounting*

The accompanying financial statements were prepared on the accrual basis of accounting.

2. *Investment Valuation and Income Recognition*

Investments are stated at fair value based on quoted market prices.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

3. *Payment of Benefits*

Benefits are recorded when paid.

4. *Actuarial Present Value of Accumulated Plan Benefits*

Accumulated plan benefits are those future periodic payments, including lump-sum distributions, that are attributable under each Predecessor Plan's provisions for the service employees have rendered. Accumulated plan benefits include benefits expected to be paid to the following: (a) retired or terminated employees or their beneficiaries, (b) beneficiaries of employees who have died, and (c) present employees or their beneficiaries. Benefits payable under all circumstances such as retirement, death, and termination of employment are included, to the extent they are deemed attributable to employee service rendered to the valuation date. Benefits to be provided via annuity contracts excluded from Plan assets are excluded from accumulated plan benefits.

The actuarial present value of accumulated plan benefits for the Plan is determined by actuaries from Towers Watson and is that amount which results from applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as death, disability, withdrawal, or retirement) between the valuation date and the expected date of payment. The significant actuarial assumptions used in the valuations as of January 1, 2010 and 2009 were as follows: (a) life expectancy of participants (based on the 1994 Group Annuity Mortality Table), (b) retirement age assumptions (the assumed average retirement age was 65), and (c) investment return. The valuations from the actuary assumed an average rate of return of 7% for 2010 and 2009, a discount rate of 7.0% and 5.5% for 2010 and 2009, respectively, and an assumed salary increase of 3% for both 2010 and 2009 (General Church Plan only). The foregoing actuarial assumptions are based on the presumption that the Plan will continue. Were the Plan to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated plan benefits.

5. *Administrative Expenses*

Certain directly related administrative, accounting, legal, and actuarial expenses are allocated to the Plan by the Administrator. All other expenses are borne by the Pensions and Benefits Fund.

6. *Use of Estimates*

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

7. *Investment Risks*

The Plan invests in a Pension Trust Investment Pool that holds various securities which may include U.S. government securities, corporate debt instruments, mutual funds, and corporate stocks. Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the financial statements.

8. *Subsequent Events*

The Plan has evaluated subsequent events through February 10, 2011, which is the date these financial statements were available to be issued. The Plan is not aware of any subsequent events which would require recognition or disclosure in the financial statements.

NOTE C - FUNDING POLICY

1. *Basic Pension Plan*

The allocation of the total Pensions and Benefits Fund contributions received from local churches in 2010 and 2009, including amounts contributed to the Pensions and Benefits Fund and the 403(b) Plan, was as follows. Fund reserves from prior year contributions were contributed to the Plan during the year ended September 30, 2010. Separate financial statements are provided for the Pensions and Benefits Fund and the 403(b) Plan.

	<u>2010</u>	<u>2009</u>
Total Pensions and Benefits Fund contributions received from local churches	\$ 11,699,204	\$ 11,524,972
403(b) Plan contributions	4,769,289	3,017,482
Single Defined Benefit Pension Plan contributions	6,500,000	3,000,000
Insurance and benevolence program expenses of the Pensions and Benefits Fund	1,810,121	2,106,401
Administrative expenses of the Pensions and Benefits Fund	1,891,397	1,928,126
(Decrease) increase in net assets of the Pensions and Benefits Fund	(2,584,468)	2,227,977

2. *General Church Pension Plan*

As a condition of participation, employees are required to contribute 3% of their salary to the General Church Plan. Employees are immediately 100% vested in their contributions, plus interest credited thereon. For the Plan calendar year beginning January 1, 1997, no annual contributions were required from the participating employers to support the present benefit levels under the General Church Plan's actuarial cost method. In 2008, the Plan purchased individual annuity contracts, which distributes benefit payments, in an amount sufficient to maintain the asset level above the benefit floor rider minimum.

3. *Combined Plan*

The participating employers' funding policy is to make annual contributions to the Plan in amounts such that all participants' benefits will be fully provided for by the time they retire. For the Plan calendar years beginning January 1, 2010 and 2009, the net annual contributions required from the participating employers to support the present benefit levels under the Plan's actuarial cost method totaled \$11,958,549 in 2010 and \$15,444,546 in 2009 based on the fair market value of the Plan's net assets.

The following table presents the Plan's unfunded liability as of September 30,

	<u>2010</u>	<u>2009</u>
Net assets available for plan benefits	\$ 104,387,892	\$ 104,663,989
Actuarial present value of accumulated plan benefits	(189,225,553)	(193,024,913)
	<u>\$ (84,837,661)</u>	<u>\$ (88,360,924)</u>

NOTE D - INVESTMENTS

The funds of the Plan and the World Mission Pension Plans are combined for collective investment purposes (the Pension Trust Investment Pool). Separate accounting records are maintained for each plan in order to properly reflect each participant's accumulated plan

benefits. The net investment income from the Pension Trust Investment Pool is allocated on a pro rata basis between the plans. The allocation of securities held in the Pension Trust Investment Pool is based on a percentage of total fair value.

During 2010 and 2009, the Plan's investments, including gains and losses on investments bought and sold as well as held during the year, appreciated (depreciated) in value by \$8,199,344 and \$(1,439,959), respectively, as follows:

	<u>2010</u>	<u>2009</u>
Realized gain (loss) on sale of investments	\$ 3,755,416	\$ (14,760,518)
Unrealized gain on investments	4,443,928	13,320,559
	<u>\$ 8,199,344</u>	<u>\$ (1,439,959)</u>

The following table presents investments at cost and corresponding fair value as of September 30,

	<u>2010</u>		<u>2009</u>	
	<u>Cost</u>	<u>Fair value</u>	<u>Cost</u>	<u>Fair value</u>
Money market funds	\$ 3,483,617	\$ 3,502,881	\$ 2,698,723	\$ 2,713,030
Common and preferred stocks	45,564,164	50,837,054	46,176,979	50,658,192
U.S. government and agency securities	5,069	5,322	6,354	6,531
Mutual funds				
Intermediate - term bond	36,374,279	39,479,708	39,152,131	39,638,886
International funds	12,268,464	10,084,195	14,208,648	10,995,495
	<u>\$ 97,695,593</u>	<u>\$ 103,909,160</u>	<u>\$ 102,242,835</u>	<u>\$ 104,012,134</u>

NOTE E - FAIR VALUE MEASUREMENTS

Effective October 1, 2008, the Plan adopted the provisions of ASC Topic 820, *Fair Value Measurements and Disclosures* (ASC 820). ASC 820 establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under ASC 820 are described below.

Level 1 - Quoted market prices in active markets for identical assets or liabilities.

Level 2 - Inputs other than Level 1 inputs which are either directly or indirectly observable.

Level 3 - Unobservable inputs developed using management's estimates and assumptions, which reflect those which market participants would use.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value:

Money market funds - Valued based on quoted market prices for the underlying investments.

Common and preferred stocks - Valued at the closing price reported on the active market on which the security is traded.

U.S. government and agency securities - Valued based on quoted market prices for the underlying investments.

Mutual funds - Valued based on quoted market prices for the underlying investments.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date.

The following table sets forth, by level within the fair value hierarchy, the Plan's assets at fair value as of September 30, 2010:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money market funds	\$ 3,502,881	\$ -	\$ -	\$ 3,502,881
Common and preferred stocks	50,837,054	-	-	50,837,054
U.S. Government obligations and agency securities	5,322	-	-	5,322
Mutual funds				
Intermediate - term bond	39,479,708	-	-	39,479,708
International funds	10,084,195	-	-	10,084,195
Total assets at fair value	<u>\$ 103,909,160</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 103,909,160</u>

The following table sets forth, by level within the fair value hierarchy, the Plan's assets at fair value as of September 30, 2009:

	Level 1	Level 2	Level 3	Total
Money market funds	\$ 2,713,030	\$ -	\$ -	\$ 2,713,030
Common and preferred stocks	50,658,192	-	-	50,658,192
U.S. Government obligations and agency securities	6,531	-	-	6,531
Mutual funds				
Intermediate - term bond				
International funds	50,634,381	-	-	50,634,381
Total assets at fair value	<u>\$ 104,012,134</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 104,012,134</u>

NOTE F - CONCENTRATIONS OF CREDIT RISK

Deposits in excess of federally insured limits are maintained in financial institutions. Bank rating services are regularly monitored for the ongoing safety ratings of financial institutions in which deposits are maintained.

NOTE G - PLAN TERMINATION

Although it has not expressed any intent to do so, the Administrator has the right to terminate the Plan subject to the provisions of the Plan document and the Merger Agreement. Should the Plan terminate at some future time, a particular participant's accumulated plan benefits will be dependent on the priority of those benefits at that time as set forth in the Plan document and the Merger Agreement.

NOTE I - INCOME TAX STATUS

The Internal Revenue Service has determined and informed the Administrator by letter that the Basic Pension Plan, the General Church Pension Plan, and the related trusts were designed in accordance with applicable sections of the Internal Revenue Code (the IRC). There have been amendments since the Administrator received those determination letters; however, the Administrator believes that the Plan, which encompasses both the Basic Pension Plan and the General Church Pension Plan, is designed and is currently being operated in compliance with the applicable requirements of the IRC.

Financial Statements and Report of Independent Certified Public Accountants

**Board of Pensions and Benefits USA of the General Board of the Church of the Nazarene
Pensions and Benefits Fund**

September 30, 2010 and 2009



Grant Thornton LLP
1201 Walnut Street, Suite 1000
Kansas City, MO 64106-2176
T 816.412.2400
F 816.412.2404
GrantThornton.com
Linkd.in/GrantThorntonUS
Twitter.com/GrantThorntonUS

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors
Board of Pensions and Benefits USA of the General Board of the
Church of the Nazarene Pensions and Benefits Fund

We have audited the accompanying statements of financial position of the Board of Pensions and Benefits USA of the General Board of the Church of the Nazarene Pensions and Benefits Fund as of September 30, 2010 and 2009, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America as established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Board of Pensions and Benefits USA of the General Board of the Church of the Nazarene Pensions and Benefits Fund as of September 30, 2010 and 2009 and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Grant Thornton LLP

Kansas City, Missouri
February 10, 2011

**Board of Pensions and Benefits USA of the General Board of the
Church of the Nazarene Pensions and Benefits Fund**

STATEMENTS OF FINANCIAL POSITION

September 30,

	2010	2009
ASSETS		
CURRENT ASSETS		
Cash	\$ 2,191,667	\$ 4,716,965
Accounts receivable	2,594	547
	2,194,261	4,717,512
Assets held for sale	-	166,351
Equipment	511,826	531,541
Less accumulated depreciation	(433,687)	(427,808)
	78,139	270,084
	\$ 2,272,400	\$ 4,987,596
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 221,487	\$ 276,495
Deferred revenue	68,976	79,046
	290,463	355,541
DEATH BENEFIT BENEVOLENCE PLAN	496,090	561,740
NET ASSETS, unrestricted	1,485,847	4,070,315
	\$ 2,272,400	\$ 4,987,596

**Board of Pensions and Benefits USA of the General Board of the
Church of the Nazarene Pensions and Benefits Fund**

STATEMENTS OF ACTIVITIES

Year ended September 30,

	2010	2009
Income		
Insurance and benevolence program contributions		
from local churches	\$ 11,699,204	\$ 11,524,972
Other insurance premiums collected	683,157	730,070
Investment income	-	11,614
Trust administration fees	3,728	4,168
Other income	250	9,162
Total income	12,386,339	12,279,986
Expenses		
Program expenses		
Single Defined Benefit Pension Plan contributions	6,500,000	3,000,000
403(b) Plan contributions	4,769,289	3,017,482
Minister group life insurance premiums paid	971,021	1,202,823
Other insurance premiums paid	651,925	719,191
Benevolence payments	187,175	184,387
Total program expenses	13,079,410	8,123,883
Administrative expenses		
Salaries and benefits	846,143	849,005
Office operations	140,896	166,409
Professional services	402,891	453,618
Conferences/committees	93,442	186,038
Rent	46,130	47,228
Travel and entertainment	30,876	34,970
Depreciation	56,981	89,909
Miscellaneous	33,757	36,324
Impairment of assets held for sale	166,351	-
Contracted services	73,930	64,625
Total administrative expenses	1,891,397	1,928,126
Total expenses	14,970,807	10,052,009
Change in unrestricted net assets	(2,584,468)	2,227,977
Unrestricted net assets, beginning of year	4,070,315	1,842,338
Unrestricted net assets, end of year	\$ 1,485,847	\$ 4,070,315

**Board of Pensions and Benefits USA of the General Board of the
Church of the Nazarene Pensions and Benefits Fund**

STATEMENTS OF CASH FLOWS

Year ended September 30,

	<u>2010</u>	<u>2009</u>
Cash flows from operating activities		
Change in unrestricted net assets	\$ (2,584,468)	\$ 2,227,977
Adjustments to reconcile change in unrestricted net assets to net cash provided by operating activities		
Depreciation	56,981	89,909
Gain on sale of equipment	(1,261)	-
Impairment of assets held for sale	166,351	-
Changes in assets and liabilities		
Accounts receivable	(2,047)	(547)
Accrued interest receivable	-	4,696
Accounts payable	(55,008)	(23,397)
Deferred revenue	(10,069)	9,601
Death benefit benevolence plan liability	(65,650)	(55,955)
Net cash provided by (used in) operating activities	<u>(2,495,171)</u>	<u>2,252,284</u>
Cash flows from investing activities		
Purchases of equipment	(32,394)	(16,884)
Proceeds from sale of equipment	2,267	-
Net cash used in investing activities	<u>(30,127)</u>	<u>(16,884)</u>
Net change in cash	(2,525,298)	2,235,400
Cash, beginning of year	4,716,965	2,481,565
Cash, end of year	<u>\$ 2,191,667</u>	<u>\$ 4,716,965</u>

**Board of Pensions and Benefits USA of the General Board of the
Church of the Nazarene Pensions and Benefits Fund**

NOTES TO FINANCIAL STATEMENTS

September 30, 2010 and 2009

NOTE A - DESCRIPTION OF THE PENSIONS AND BENEFITS FUND

The Board of Pensions and Benefits USA of the General Board of the Church of the Nazarene Pensions and Benefits Fund (the Fund) provides various benevolence, retirement, and insurance programs to Nazarene ministers, their spouses, and their surviving family members. All of the programs are self-funded through contributions made by the local churches. The Fund is administered by the Board of Pensions and Benefits USA (the Administrator) on behalf of the General Board of the Church of the Nazarene (the General Board). The Fund provides administrative services and certain specific funding amounts as determined by the Board of Pensions and Benefits USA to the Single Defined Benefit Pension Plan and the 403(b) Retirement Savings Plan.

Benevolence programs - The Fund provides benevolence programs, including death benefit benevolence, emergency medical assistance, temporary monthly disability assistance, administrative benefit adjustment, and funeral assistance. These programs provide various kinds of benevolence assistance payments to ministers, their spouses, and their surviving family members upon the recommendation of their district advisory boards. A more comprehensive description of the Fund's benevolence programs is contained in the Benefits Summary Brochure.

Pastors Life Insurance Plan - The Pastors Life Insurance Plan is a group term life insurance plan for district-licensed and ordained clergy or district-credentialed laypersons who are currently serving in U.S. districts in qualified assignments and who have not begun receiving retirement benefits.

Pensioners Death Benefit Plan - The Pensioners Death Benefit Plan provides death benefits to district-licensed and ordained ministers who are currently receiving a monthly benefit from the Basic Pension Plan portion of the Single Defined Benefit Pension Plan based on years of service or, alternatively, who are vested Plan participants aged 70 1/2 or older and who have not chosen to begin receiving a monthly retirement benefit.

Single Defined Benefit Pension Plan - Effective January 1, 1996, the Basic Pension Plan and the General Church Pension Plan were merged to form the Single Defined Benefit Pension Plan. After January 1, 1996, there were no new entrants in the Basic Pension Plan or the General Church Pension Plan. Participants in both plans were grandfathered in so that no one who had been credited with years of service under the predecessor plans would receive less under the Single Defined Benefit Pension Plan than what would have been paid under the former defined benefit plans had membership in those plans continued unchanged.

403(b) Retirement Savings Plan - Effective January 1, 1996, the 403(b) Retirement Savings Plan [the 403(b) Plan] was established for all U.S. ministers and laypersons serving local congregations and districts, as well as for general church employees. The annual pension supplement (APS) contribution is deposited into individual accounts for each eligible U.S. clergy member and layperson from Fund receipts or agency funds, depending upon the participant's employer. Some years, an additional bonus amount is deposited for eligible participants whose local congregation pays 100% of their Fund amount or whose district pays 100% of their Fund amount. The 2009 APS contribution for eligible senior pastors and associates was established using an agreed-upon schedule to be based on the amounts paid to the Fund by eligible participants' local congregations during the 2008-2009 assembly year. The 2010 APS contribution for eligible senior pastors and associates was established using an agreed-upon schedule to be based on the amounts paid to the Fund by eligible participants' local congregations during the 2009-2010 assembly year. The 2009 and 2010 APS contribution for eligible district superintendents, district-assigned, and evangelists will be \$1,000.

Employees may elect to participate in the 403(b) Plan through salary-reduction contributions. Employers make matching contributions to their respective participating employees' accounts. Local church and agency employers are encouraged to establish policies to match amounts of voluntary salary-reduction contributions up to at least 3% of salary. Contributions are made directly to Fidelity Investments. The cash value of all participant accounts that were not included in the Fund was \$301,337,015 and \$291,259,493 as of September 30, 2010 and 2009, respectively.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Accounting

The accompanying financial statements were prepared on the accrual basis of accounting.

2. Revenue Recognition

Insurance premiums received are deferred and recognized as revenue ratably over the term of the insurance policy.

3. Equipment

Equipment is carried at cost. Depreciation is computed using the straight-line method and is provided in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives, which range from four to eight years.

4. Impairment of Long-Lived Assets

The Fund periodically reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Assets to be disposed of are reported at the lower of carrying amount or fair value, less costs to sell.

5. *Payment of Benefits*

Benefits are recorded when paid, except for the death benefit benevolence plan payments, for which the liability is reduced when paid.

6. *Use of Estimates*

In preparing financial statements in conformity with accounting principles generally accepted in the United States of America, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the 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.

7. *Subsequent Events*

The Fund has evaluated subsequent events through February 10, 2011, which is the date these financial statements were available to be issued. The Fund is not aware of any subsequent events which would require recognition or disclosure in the financial statements.

8. *Income Taxes*

The Fund is exempt from federal and state income taxes since it is an entity organized under the General Board, which holds a group exemption.

The Fund applies the provision of ASC Topic 740, Income Taxes, (ASC 740) with respect to uncertain tax positions. ASC 740 requires that all tax positions be evaluated using a recognition threshold and measurement of a tax position taken or expected to be taken in a tax return. Differences between positions taken in a tax return and amounts recognized in the financial statements are recorded as adjustments to income taxes payable or receivable, or adjustments to deferred income taxes, or both. ASC 740 also requires expanded disclosures at the end of each annual reporting period. No amounts have been recorded at September 30, 2010 or 2009 with respect to uncertain tax positions.

9. *Presentation of the Statement of Activities*

The presentation of Fund contributions received from local churches in the Statement of Activities in the 2009 financial statements has been modified to conform to the 2010 presentation.

NOTE C - CONCENTRATIONS OF CREDIT RISK

At certain times, the Fund maintains cash balances in excess of the Federal Deposit Insurance Company (the FDIC) insurance limits. Management evaluates the financial stability of these financial institutions and considers the risk to be minimal.

NOTE D - FUNDING POLICY

The allocation of total Fund contributions received from local churches in 2010 and 2009, including amounts contributed to the Single Defined Benefit Pension Plan and the 403(b) Plan, is as follows. Fund reserves from prior year contributions were contributed to the Single Defined Benefit Plan during the year ended September 30, 2010. Separate financial statements are provided for the Single Defined Benefit Pension Plan and the 403(b) Plan.

	<u>2010</u>	<u>2009</u>
Total Fund contributions received from local churches	\$ 11,699,204	\$ 11,524,972
403(b) Plan contributions	4,769,289	3,017,482
Single Defined Benefit Pension Plan contributions	6,500,000	3,000,000
Insurance and benevolence programs expenses of the Fund	1,810,121	2,106,401
Administrative expenses of the Fund	1,891,397	1,928,126
(Decrease) increase in net assets of the Fund	(2,584,468)	2,227,977

Financial Statements and Report of Independent Certified Public Accountants

**Board of Pensions and Benefits USA of the General Board of the Church of the Nazarene
World Mission Pension Plans**

September 30, 2010 and 2009



Grant Thornton LLP
1201 Walnut Street, Suite 1000
Kansas City, MO 64106-2176
T 816.412.2400
F 816.412.2404
Grant.Thornton.com
Linkd.in/GrantThorntonUS
Twitter.com/GrantThorntonUS

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Trustees

Board of Pensions and Benefits USA of the General Board of the
Church of the Nazarene World Mission Pension Plans

We have audited the accompanying statements of net assets available for plan benefits of the Board of Pensions and Benefits USA of the General Board of the Church of the Nazarene World Mission Pension Plans as of September 30, 2010 and 2009, and the related statements of changes in net assets available for plan benefits for the years then ended and the accompanying statements of accumulated plan benefits and the related statements of changes in accumulated plan benefits as of September 30, 2010 and 2009 and for the years then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America as established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial status of the Board of Pensions and Benefits USA of the General Board of the Church of the Nazarene World Mission Pension Plans as of September 30, 2010 and 2009, and the changes in its financial status for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Grant Thornton LLP

Kansas City, Missouri
February 10, 2011

**Board of Pensions and Benefits USA of the General Board of the
Church of the Nazarene World Mission Pension Plans**

STATEMENTS OF NET ASSETS AVAILABLE FOR PLAN BENEFITS

September 30,

	2010	2009
ASSETS		
Cash	\$ 33,271	\$ 464,415
Investments, at fair value (<i>notes D and E</i>)		
Money market funds	167,590	115,568
Common stocks	2,432,220	2,157,911
U.S. government and agency securities	255	278
Mutual funds	2,371,308	2,156,896
	4,971,373	4,430,653
Accrued interest receivable	6,085	9,818
Total assets	5,010,729	4,904,886
LIABILITIES		
Accounts payable	4,350	5,411
Due to Global Ministry Center	8,555	2,141
	12,905	7,552
Net assets available for Plan benefits	\$ 4,997,824	\$ 4,897,334

**Board of Pensions and Benefits USA of the General Board of the
Church of the Nazarene World Mission Pension Plans**

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR PLAN BENEFITS

Year ended September 30,

	2010	2009
Additions		
Investment income		
Interest and dividends	\$ 105,230	\$ 166,721
Net appreciation (depreciation) in fair value of investments	388,015	(7,871)
Investment expenses	(19,822)	(24,642)
	473,423	134,208
Contributions	558,489	600,000
	1,031,912	734,208
Deductions		
Benefits paid to participants	880,715	875,993
Administrative, legal, and actuarial expenses	50,707	38,990
	931,422	914,983
Change in net assets available for benefits	100,490	(180,775)
Net assets available for Plan benefits, beginning of year	4,897,334	5,078,109
Net assets available for Plan benefits, end of year	\$ 4,997,824	\$ 4,897,334

**Board of Pensions and Benefits USA of the General Board of the
Church of the Nazarene World Mission Pension Plans**

STATEMENTS OF ACCUMULATED PLAN BENEFITS

September 30,

	<u>2010</u>	<u>2009</u>
Actuarial present value of accumulated plan benefits		
Vested benefits		
Participants currently receiving payments	\$ 6,747,649	\$ 6,743,356
Other participants	3,058,803	3,388,153
	<u>9,806,452</u>	<u>10,131,509</u>
Nonvested benefits	23,273	-
Total actuarial present value of accumulated plan benefits	<u>\$ 9,829,725</u>	<u>\$ 10,131,509</u>

**Board of Pensions and Benefits USA of the General Board of the
Church of the Nazarene World Mission Pension Plans**

STATEMENTS OF CHANGES IN ACCUMULATED PLAN BENEFITS

Year ended September 30,

	<u>2010</u>	<u>2009</u>
Actuarial present value of accumulated plan benefits, beginning of year	\$ 10,131,509	\$ 10,137,157
Increase (decrease) during the year attributable to		
Benefits accumulated and actuarial net gain (loss)	(99,450)	191,404
Increase for interest due to decrease in discount period	678,381	678,941
Benefits paid to participants	(880,715)	(875,993)
Net decrease	(301,784)	(5,648)
Actuarial present value of accumulated plan benefits, end of year	<u>\$ 9,829,725</u>	<u>\$ 10,131,509</u>

**Board of Pensions and Benefits USA of the General Board of the
Church of the Nazarene World Mission Pension Plans**

NOTES TO FINANCIAL STATEMENTS

September 30, 2010 and 2009

NOTE A - DESCRIPTION OF THE PLANS

The following brief description of the Board of Pensions and Benefits USA of the General Board of the Church of the Nazarene World Mission Pension Plans, consisting of the World Mission Non-Qualified Pension Plan and the World Mission Pension Plan (collectively, the Plans), is provided for general information purposes only. Participants should refer to the Plan documents for more complete information.

New participation was frozen such that there were no new entrants effective January 1, 1998. For new missionaries under contract as of January 1, 1998, retirement benefits are provided by the Nazarene 403(b) Retirement Savings Plan.

1. *General*

The Plans are noncontributory defined benefit pension plans administered by the Board of Pensions and Benefits USA (the Administrator) on behalf of the General Board of the Church of the Nazarene (the General Board). The Plans provide retirement benefits at age 65 to missionaries under contract with the General Board. The Plans are church plans that have not elected to be governed by the provisions of the Employee Retirement Income Security Act of 1974 and are not subject to Pension Benefit Guaranty Corporation insurance coverage.

The World Mission Pension Plan (the qualified plan) integrates its benefit formula with that of the total pension benefit provided by the World Mission Non-Qualified Pension Plan. All benefits payable under the World Mission Non-Qualified Pension Plan are offset by any benefits paid under the World Mission Pension Plan (the qualified plan).

2. *Pension Benefits - World Mission Qualified Pension Plan*

Missionaries with 10 or more years of service are entitled to pension benefits beginning at the normal retirement age of 65. The pension benefits are calculated at an amount equal to the greater of (a) and (b) minus (c), where (a) is the sum of (1) \$2.50 per month for each year of service (to a maximum of 50 years) plus (2) \$100 per month for participants with 25 or more years of service, or \$75 per month for participants with 20, but less than 25, years of service; (b) is \$5.00 per month for each year of service with a bonus of .5% for each year of service in excess of 10; and (c) is the pension provided by the amount in the participant's 403(b) plan derived from deposits equal to an amount determined each Plan year by the Plan's Trustee.

For purposes of determining the bonus amount, and only for such purposes, years of service credited under the Single Defined Benefit Pension Plan's grandfathered Basic Pension Plan provisions shall be included in the calculation of years of service under this plan.

3. *Pension Benefits - World Mission Non-Qualified Pension Plan*

Missionaries with 10 or more years of service are entitled to pension benefits beginning at the normal retirement age of 65. The pension benefits are calculated at an amount equal to the greater of (a) and (b) minus (c), where (a) is the sum of (1) \$5 per month for each year of service (to a maximum of 50 years) for married or unmarried (single) participants plus (2) \$200 per month for married participants and \$140 per month for single participants, widows, or widowers with 25 or more years of missionary service, or \$150 or \$100 per month, respectively, with at least 20, but less than 25, years of missionary service or \$0 with less than 20 years of missionary service; (b) is \$10.00 per month for each year of service with a bonus of .5% for each year of service in excess of 10; and (c) is the pension provided by the amount in the participant's 403(b) plan derived from deposits equal to an amount determined each Plan year by the Plan's Trustee. For purposes of determining the bonus amount, and only for such purposes, all years of service credited under this plan and under the Single Defined Benefit Pension Plan's grandfathered Basic Pension Plan provisions shall be included. Amounts payable under this pension plan are also reduced by the extent of any payments made under the World Mission Pension Plan.

4. *Disability Benefits*

Active missionaries with five or more years of service who become totally disabled receive annual disability benefits based on years of service to the date of disability, plus an additional year of service credit for each two years between the date of disability and the normal retirement date.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. *Basis of Accounting*

The accompanying financial statements were prepared on the accrual basis of accounting.

2. *Investment Valuation and Income Recognition*

Investments are stated at fair value based on quoted market prices.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

3. *Payment of Benefits*

Benefits are recorded when paid.

4. *Actuarial Present Value of Accumulated Plan Benefits*

Accumulated plan benefits are those future periodic payments that are attributable under the Plans' provisions to the service employees have rendered. Accumulated plan benefits include benefits expected to be paid to the following: (a) retired or terminated employees or their beneficiaries; (b) beneficiaries of employees who have died; and (c) current employees or their beneficiaries. Benefits payable under all circumstances (retirement, death, disability, or termination of employment) are included to the extent they are deemed attributable to employee service rendered to the valuation date.

The actuarial present value of accumulated plan benefits is determined by actuaries from Towers Watson Delaware and is that amount which results from applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as death, disability, withdrawal, or retirement) between the valuation date and the expected date of payment. The significant actuarial assumptions used in the valuations as of January 1, 2010 and 2009 were as follows: (a) life expectancy of participants (based on the 1994 Group Annuity Mortality Table); (b) retirement age assumptions (the assumed retirement age ranges from 65 to 70); and (c) investment return. The valuations from the actuary assumed an average rate of return of 7% for both 2010 and 2009, compounded annually, and discount rates of 7% in 2010 and 5.5% in 2009. The foregoing actuarial assumptions are based on the presumption that the Plans will continue. Were the Plans to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated plan benefits.

5. *Administrative Expenses*

Certain directly related administrative, accounting, legal, and actuarial expenses are allocated to the Plans by the Administrator. All other expenses are borne by the Pensions and Benefits Fund.

6. *Investment Risks*

The Plans invest in a Pension Trust Investment Pool that holds various securities which may include U.S. government securities, corporate debt instruments, and corporate stocks. Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the value of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the financial statements.

7. *Use of Estimates*

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and

disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

8. *Subsequent Events*

The Plans have evaluated subsequent events through February 10, 2011, which is the date these financial statements were available to be issued. The Plans are not aware of any subsequent events which would require recognition or disclosure in the financial statements.

NOTE C - FUNDING POLICY

The General Board's funding policy is to make annual contributions to the Plans in amounts such that all participants' benefits will be fully provided for by the time they retire. For the Plans' calendar years beginning January 1, 2010 and 2009, the net annual contributions required from the General Board to support the present benefit levels under the Plans' actuarial cost method were \$649,772 and \$760,786 in 2010 and 2009, respectively.

The following table shows the Plans' unfunded liability as of September 30,

	<u>2010</u>	<u>2009</u>
Net assets available for Plan benefits	\$ 4,997,824	\$ 4,897,334
Actuarial present value of accumulated plan benefits	<u>(9,829,725)</u>	<u>(10,131,509)</u>
Funded status	<u>\$ (4,831,901)</u>	<u>\$ (5,234,175)</u>

NOTE D - INVESTMENTS

The funds of the Plans and the Single Defined Benefit Pension Plan are combined for collective investment purposes (the Pension Trust Investment Pool). Separate accounting records are maintained for each plan in order to properly reflect each participant's accumulated plan benefits. The net investment income from the Pension Trust Investment Pool is allocated on a pro rata basis between the plans. The allocation of securities held in the Pension Trust Investment Pool is based on a percentage of total fair value.

During 2010 and 2009, the Plans' investments, including gains and losses on investments bought and sold, as well as held, during the year appreciated (depreciated) in value by \$388,015 and \$(7,871), respectively, as follows:

	<u>2010</u>	<u>2009</u>
Net appreciation (depreciation) in fair value		
Realized gain on sale of investments	\$ 174,131	\$ (632,518)
Unrealized gain (loss) on sale of investments	<u>213,884</u>	<u>624,647</u>
	<u>\$ 388,015</u>	<u>\$ (7,871)</u>

The following table shows investments at cost and corresponding fair value as of September 30,

	2010		2009	
	Cost	Fair value	Cost	Fair value
Money market funds	\$ 187,123	\$ 167,590	\$ 129,874	\$ 115,568
Common stocks	2,447,490	2,432,220	2,222,246	2,157,911
U.S. government and agency securities	272	255	306	278
Mutual funds				
Intermediate - term bond	1,953,853	1,888,845	1,884,179	1,688,516
International funds	659,004	482,463	683,785	468,380
	<u>\$5,247,742</u>	<u>\$4,971,373</u>	<u>\$4,920,390</u>	<u>\$4,430,653</u>

NOTE E - FAIR VALUE MEASUREMENTS

Effective October 1, 2008, the Plan adopted the provisions of ASC Topic 820, *Fair Value Measurements and Disclosures* (ASC 820). ASC 820 establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under ASC 820 are described below.

Level 1 - Quoted market prices in active markets for identical assets or liabilities.

Level 2 - Inputs other than Level 1 inputs which are either directly or indirectly observable.

Level 3 - Unobservable inputs developed using management's estimates and assumptions, which reflect those which market participants would use.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value:

Money market funds - Valued based on quoted market prices for the underlying investments.

Common stocks - Valued at the closing price reported on the active market on which the security is traded.

U.S. government and agency securities - Valued based on quoted market prices for the underlying investments.

Mutual funds - Valued based on quoted market prices for the underlying investments.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plans believe their valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date.

The following tab sets forth, by level within the fair value hierarchy, the Plans' assets at fair value as of September 30, 2010:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money market funds	\$ 167,590	-	-	\$ 167,590
Common stocks	2,432,220	-	-	2,432,220
U.S. government and agency securities	255	-	-	255
Mutual funds				
Intermediate - term bond	1,888,845	-	-	1,888,845
International funds	482,463	-	-	482,463
Total assets at fair value	<u>\$ 4,971,373</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,971,373</u>

The following tab sets forth, by level within the fair value hierarchy, the Plans' assets at fair value as of September 30, 2009:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money market funds	\$ 115,568	\$ -	\$ -	\$ 115,568
Common stocks	2,157,911	-	-	2,157,911
U.S. government and agency securities	278	-	-	278
Mutual funds				
Intermediate - term bond	1,688,516	-	-	1,688,516
International funds	468,380	-	-	468,380
Total assets at fair value	<u>\$ 4,430,653</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,430,653</u>

NOTE F - CONCENTRATION OF CREDIT RISK

Deposits in excess of federally insured limits are maintained in financial institutions. Bank rating services are regularly monitored for the ongoing safety of financial institutions in which deposits are maintained.

NOTE G - PLAN TERMINATION

Although it has not expressed any intent to do so, the Administrator has the right to discontinue its contributions at any time and to terminate the Plans subject to the provisions of the Plan documents. Should the Plans terminate at some future time, a particular participant's accumulated plan benefits will be dependent on the priority of those benefits at that time, as set forth in the Plans' documents.

NOTE H - TAX STATUS

The Internal Revenue Service has determined and informed the Administrator by a letter that the World Mission Pension Plan (the qualified plan) and the related trust were designed in accordance with applicable sections of the Internal Revenue Code (the IRC). There have been amendments since the Administrator received the determination letter; however, the Administrator believes that the Plans are designed and are currently being operated in compliance with the applicable requirements of the IRC.

Financial Statements and Report of Independent Certified Public Accountants

**Board of Pensions and Benefits USA of the General Board of the Church of the Nazarene
Health and Hospitalization Program**

September 30, 2010 and 2009



REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Grant Thornton LLP
1201 Walnut Street, Suite 1000
Kansas City, MO 64106-2176
T 816.412.2400
F 816.412.2404
GrantThornton.com
Linkd.in/GrantThorntonUS
Twitter.com/GrantThorntonUS

Trustees
Board of Pensions and Benefits USA of the General Board of the
Church of the Nazarene Health and Hospitalization Program

We have audited the accompanying statements of financial position of the Board of Pensions and Benefits USA of the General Board of the Church of the Nazarene Health and Hospitalization Program as of September 30, 2010 and 2009, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Program's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America as established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Program's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Board of Pensions and Benefits USA of the General Board of the Church of the Nazarene Health and Hospitalization Program as of September 30, 2010 and 2009, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Grant Thornton LLP

Kansas City, Missouri
February 10, 2011

**Board of Pensions and Benefits USA of the General Board of the
Church of the Nazarene Health and Hospitalization Program**

STATEMENTS OF FINANCIAL POSITION

September 30,

	General Church Medical Plan	Missionary Medical Plan	Total	
			<u>2010</u>	<u>2009</u>
ASSETS				
Cash	\$ 2,626,229	\$ 551,834	\$ 3,178,063	\$ 2,974,746
Investments, at fair value	590,576	569,260	1,159,836	1,788,980
Investments - other	709,424	368,354	1,077,778	424,877
Prepaid expenses	2,465	1,480	3,945	3,743
Accrued interest receivable	-	78	78	262
Total assets	<u>\$ 3,928,694</u>	<u>\$ 1,491,006</u>	<u>\$ 5,419,700</u>	<u>\$ 5,192,608</u>
LIABILITIES AND NET ASSETS				
Accounts payable	\$ 9,477	\$ 4,428	\$ 13,905	\$ 11,279
Claims incurred but not reported	<u>354,340</u>	<u>165,320</u>	<u>519,660</u>	<u>676,680</u>
Total liabilities	363,817	169,748	533,565	687,959
Net assets, unrestricted	<u>3,564,877</u>	<u>1,321,258</u>	<u>4,886,135</u>	<u>4,504,649</u>
	<u>\$ 3,928,694</u>	<u>\$ 1,491,006</u>	<u>\$ 5,419,700</u>	<u>\$ 5,192,608</u>

**Board of Pensions and Benefits USA of the General Board of the
Church of the Nazarene Health and Hospitalization Program**

STATEMENTS OF ACTIVITIES

Year ended September 30,

	General Church Medical Plan	Missionary Medical Plan	Total	
			<u>2010</u>	<u>2009</u>
Income				
Premium payments received	\$ 4,526,690	\$ 1,767,816	\$ 6,294,506	\$ 7,457,269
Investment income	25,968	36,979	62,947	79,808
Other income	-	-	-	1,012
Total income	<u>4,552,658</u>	<u>1,804,795</u>	<u>6,357,453</u>	<u>7,538,089</u>
Expenses				
Program expenses				
Medical and dental claims	2,975,156	1,604,554	4,579,710	6,362,133
HSA/FSA funding	292,000	-	292,000	-
Reinsurance premiums paid	247,026	161,990	409,016	414,596
Total program expenses	<u>3,514,182</u>	<u>1,766,544</u>	<u>5,280,726</u>	<u>6,776,729</u>
Administrative expenses				
Administrative service fees	307,518	149,942	457,460	497,313
Salaries and benefits	79,313	39,870	119,183	120,808
Rent	2,136	915	3,051	3,051
Professional services	62,685	34,964	97,649	73,629
Miscellaneous	16,422	1,476	17,898	12,238
Total administrative expenses	<u>468,074</u>	<u>227,167</u>	<u>695,241</u>	<u>707,039</u>
Total expenses	<u>3,982,256</u>	<u>1,993,711</u>	<u>5,975,967</u>	<u>7,483,768</u>
Change in unrestricted net assets	570,402	(188,916)	381,486	54,321
Unrestricted net assets, beginning of year	<u>2,994,475</u>	<u>1,510,174</u>	<u>4,504,649</u>	<u>4,450,328</u>
Unrestricted net assets, end of year	<u>\$ 3,564,877</u>	<u>\$ 1,321,258</u>	<u>\$ 4,886,135</u>	<u>\$ 4,504,649</u>

**Board of Pensions and Benefits USA of the General Board of the
Church of the Nazarene Health and Hospitalization Program**

STATEMENTS OF CASH FLOWS

Year ended September 30,

	2010	2009
Cash flows from operating activities		
Change in unrestricted net assets	\$ 381,486	\$ 54,321
Adjustments to reconcile change in unrestricted net assets to net cash provided by operating activities		
Net realized and unrealized loss (gain) on investments	(62,947)	(79,808)
Changes in assets and liabilities		
Prepaid expenses	(202)	402
Accrued interest receivable	184	4,025
Accounts payable	2,626	(1,251)
Claims incurred but not reported	(157,020)	49,873
Net cash provided by operating activities	164,127	27,562
 Cash flows from investing activities		
Net proceeds from sales and maturities of investments	39,190	67,376
Net cash provided by investing activities	39,190	67,376
 Change in cash	203,317	94,938
Cash, beginning of year	2,974,746	2,879,808
Cash, end of year	\$ 3,178,063	\$ 2,974,746

**Board of Pensions and Benefits USA of the General Board of the
Church of the Nazarene Health and Hospitalization Program**

NOTES TO FINANCIAL STATEMENTS

September 30, 2010 and 2009

NOTE A - DESCRIPTION OF THE PROGRAM

The Board of Pensions and Benefits USA (the Administrator) of the General Board of the Church of the Nazarene Health and Hospitalization Program (the Program) administers, on behalf of the General Board of the Church of the Nazarene (the General Board), medical, dental, and vision benefits under two separate plans: the General Church Medical Plan and the Missionary Medical Plan (collectively, the Plans). These financial statements present the fiduciary activities of the Program's Administrator and do not purport to present the financial status of the Plans. These statements do not contain certain information regarding benefit obligations and other disclosures necessary for a fair presentation of the financial status of the Plans in conformity with accounting principles generally accepted in the United States of America.

1. *Benefits*

The Program administers the provision of medical, dental, and vision benefits to full-time employees (defined as those working at least 30 hours per week) of the General Board and related employers and their beneficiaries and covered dependents (the General Church Medical Plan) and to missionaries under contract with the General Board and their beneficiaries and covered dependents (the Missionary Medical Plan). Medical and dental benefits in excess of Medicare coverage may also be extended to retired participants and their beneficiaries and covered dependents pursuant to the provisions of each Plan's document and/or the policies of the participating employers.

The medical, dental, and vision benefits are similar under both Plans, which pay a major portion of medical, dental, and vision expense after the satisfaction of a calendar-year deductible.

Medical and vision claims of active and retired participants, dependents, and beneficiaries are processed by Principal Life Insurance Company. Dental claims of active and retired participants, dependents, and beneficiaries are processed by Delta Dental Company. The responsibility for administration of payments to participants and providers is retained by the Administrator.

Participants should refer to the Plan documents for a complete description of the Plans' provisions.

2. *Contributions*

Not less than one-half of the contributions for participant coverage are paid by General Board-related employers. The Program is self-funded with specific and aggregate reinsurance limits.

3. *Plan Termination*

Although it has not expressed any intent to do so, the Administrator has the right under the Plans to modify the benefits provided to active participants, to discontinue contributions at any time, and to terminate the Plans subject to the Plans' provisions.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. *Basis of Accounting*

The financial statements are prepared on the accrual basis of accounting.

2. *Investments*

Marketable securities are carried at fair value based on quoted market prices for those or similar securities, with realized and unrealized gains and losses reflected in the statements of activities.

3. *Investments - Other*

Investments - other consist of certificates of deposit with original maturities greater than three months and are carried at amortized cost.

4. *Claims Incurred but Not Reported*

Other obligations for current benefit coverage at September 30, 2010 and 2009 include IBNR amounts, which represent estimated medical and dental costs for services performed in the Plan year that have not yet been submitted for payment by Plan participants. The IBNR amounts are estimated based on historical lag factors between the date of service and the date of payment.

5. *Administrative Expenses*

Directly related administrative and other expenses of the Administrator are allocated to the Program.

6. *Investment Risks*

The Program invests in funds that hold various securities which may include U.S. government securities, corporate debt instruments, and corporate stocks. Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall

market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the financial statements.

7. *Use of Estimates*

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

8. *Subsequent Events*

The Program has evaluated subsequent events through February 10, 2011, which is the date these financial statements were available to be issued. The Program is not aware of any subsequent events which would require recognition or disclosure in the financial statements.

9. *Reclassifications*

Investments - other in the 2009 financial statements have been reclassified to conform to the 2010 presentation.

NOTE C - CONCENTRATION OF RISK

At certain times, the Program maintains cash balances in excess of the Federal Deposit Insurance Company (the FDIC) insurance limits. Management evaluates the financial stability of these financial institutions and considers the risk to be minimal.

NOTE D - INVESTMENTS

The Program's marketable securities consist of equity securities and other investments maintained in a pooled investment fund (the PIF) administered by the General Board. At September 30, 2010 and 2009, equity securities were reported at a fair value of \$1,159,836 and \$1,788,980, respectively. Equity securities had a cost basis of \$1,143,721 and \$1,788,980 at September 30, 2010 and 2009, respectively. Other investments were reported at amortized cost approximating fair value and had a cost basis of \$1,077,778 and \$424,877 at September 30, 2010 and 2009, respectively.

Investment income (loss) for the year ended September 30, 2010 consisted of \$51,413 of allocated income from the PIF and \$11,534 of unrealized gain. Investment income (loss) for the year ended September 30, 2009 consisted of \$46,554 of allocated income from the PIF and \$33,254 of unrealized gain.

NOTE E - FAIR VALUE MEASUREMENTS

The Program applies the provisions of Accounting Standards Codification (ASC) Topic 820, *Fair Value Measurements and Disclosures* (ASC 820). ASC 820 establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under ASC 820 are described below.

Level 1 - Quoted market prices in active markets for identical assets or liabilities.

Level 2 - Inputs other than Level 1 inputs which are either directly or indirectly observable.

Level 3 - Unobservable inputs developed using management's estimates and assumptions, which reflect those which market participants would use.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value:

Money market funds - Valued based on quoted market prices of the underlying assets.

Common stock - Valued at the closing price reported on the active market on which the security is traded.

Corporate bonds - Valued at the last traded price by obtaining feeds from a number of live data sources including active market makers and inter-dealer brokers.

Mutual funds - Valued based on quoted market prices of the underlying assets.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Program believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date.

The following tab sets forth, by level within the fair value hierarchy, the Program's assets at fair value as of September 30, 2010:

Fair value measurements at September 30, 2010				
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money market funds	\$ 89,256	\$ -	\$ -	89,256
Common stock	120,995	-	-	120,995
Corporate bonds	-	817,443	-	817,443
Mutual funds				
International	28,948	-	-	28,948
Intermediate - term bond	103,194	-	-	103,194
Total assets at fair value	<u>\$ 342,393</u>	<u>\$ 817,443</u>	<u>\$ -</u>	<u>\$ 1,159,836</u>

The following tab sets forth, by level within the fair value hierarchy, the Program's assets at fair value as of September 30, 2009:

Fair value measurements at September 30, 2009				
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money market funds	\$ 922,401	\$ -	\$ -	922,401
Common stock	112,281	-	-	112,281
Corporate bonds	-	636,807	-	636,807
Mutual funds				
International	21,860	-	-	21,860
Intermediate - term bond	95,631	-	-	95,631
Total assets at fair value	<u>\$ 1,152,173</u>	<u>\$ 636,807</u>	<u>\$ -</u>	<u>\$ 1,788,980</u>

NOTE F - MEDICARE PRESCRIPTION DRUG, IMPROVEMENT, AND MODERNIZATION ACT OF 2003

Effective October 1, 2008, the Program adopted the provisions of ASC Topic 715, *Medicare Prescription Drug, Improvement, and Modernization* (ASC 715). ASC 715 provides guidance on accounting for the effects of a subsidy available, under the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (the Act) to companies that sponsor retiree medical programs with drug benefits which are at least actuarially equivalent to those available under Medicare. In addition to the direct benefit to a company from qualifying for and receiving the subsidy, the effects would include expected changes in retiree participation rates and changes in estimated health care costs that result from the Act.

The Administrator believes that its postretirement benefit plans currently provide prescription drug coverage which is at least actuarially equivalent to the new benefit available under Medicare and it will therefore qualify for the subsidy for an initial period of time after the Act is implemented until actuarial equivalency changes as a result of existing limits on the Plans' cost of providing the benefit. During the years ended September 30, 2010 and 2009, the Program's sponsor received a subsidy of approximately \$26,000 and \$59,000, respectively, under the Act.

NOTE G - INCOME TAX STATUS

The Program is exempt from federal and state income taxes because it is an entity organized under the General Board, which holds a group exemption. The Administrator has not obtained a determination letter from the Internal Revenue Service for the Plans. However, the Administrator believes the Plans are designed and are currently being operated in compliance with the applicable requirements of the Internal Revenue Code.

Consolidated Financial Statements and Report of Independent Certified Public Accountants
The Global Ministry Center of the General Board of the Church of the Nazarene
September 30, 2011 and 2010



**REPORT OF INDEPENDENT
CERTIFIED PUBLIC ACCOUNTANTS**

General Board of the Church of the Nazarene

Grant Thornton LLP
1201 Walnut Street, Suite 1000
Kansas City, MO 64106-2176
T 816.412.2400
F 816.412.2404
Grant.Thornton.com
Linkd.in/GrantThorntonUS
Twitter.com/GrantThorntonUS

We have audited the accompanying consolidated statements of financial position of The Global Ministry Center of the General Board of the Church of the Nazarene as of September 30, 2011 and 2010, and the related consolidated statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the General Board's management. Our responsibility is to express an opinion on these financial statements based on our audits. We did not audit the financial statements of Church of the Nazarene Foundation, a 509(a) supporting organization, which statements reflect total assets of 20% as of September 30, 2010, and total revenues and gains of 6% for the year then ended. Those statements were audited by other auditors, whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for Church of the Nazarene Foundation, is based solely on the report of the other auditors.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the General Board's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements and assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits and the report of the other auditors provide a reasonable basis for our opinion.

In our opinion, based on our audits and the report of the other auditors, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of The Global Ministry Center of the General Board of the Church of the Nazarene as of September 30, 2011 and 2010, 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.

Grant Thornton LLP

Kansas City, Missouri

February 22, 2012

The Global Ministry Center of the General Board of the Church of the Nazarene

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

September 30,

	<u>2011</u>	<u>2010</u>
ASSETS		
Cash and cash equivalents	\$ 7,762,492	\$ 6,521,544
Investments, at fair value	111,891,065	114,449,211
Investments - other	16,434,529	17,863,079
Receivables		
Church mortgages and loans - USA Church Loan Fund	-	29,697,966
Other	1,698,652	4,648,643
Property and equipment, net	33,062,886	35,238,790
Beneficial interest in charitable trusts, net	2,079,005	2,092,865
Notes receivable	837,910	104,766
Other assets	437,711	901,659
	<u>\$ 174,204,250</u>	<u>\$ 211,518,523</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable and accrued expenses	\$ 3,870,738	\$ 4,568,450
Interest rate swap liability	-	2,603,131
Bonds payable	-	24,090,000
Deferred gift agreements	15,800,967	17,656,782
Funds held in trust	41,752,470	45,430,462
Pension obligation	4,389,629	6,298,392
Postretirement benefit obligation	26,670,039	27,205,158
	<u>92,483,843</u>	<u>127,852,375</u>
COMMITMENTS AND CONTINGENCIES		
NET ASSETS		
Unrestricted	70,904,308	71,758,559
Temporarily restricted	9,376,999	11,092,927
Permanently restricted	4,729,885	4,216,815
Unamortized pension liability	(3,290,785)	(3,402,153)
	<u>81,720,407</u>	<u>83,666,148</u>
	<u>\$ 174,204,250</u>	<u>\$ 211,518,523</u>

The Global Ministry Center of the General Board of the Church of the Nazarene

CONSOLIDATED STATEMENTS OF ACTIVITIES

Year ended September 30,

	<u>2011</u>	<u>2010</u>
Changes in unrestricted net assets		
Revenues and gains		
World Evangelism Fund	\$ 38,464,179	\$ 44,123,911
Mission specials	23,810,602	20,224,504
Interest on church mortgages and loans	992,685	1,549,147
Net investment (loss) income	(1,365,973)	3,182,383
Legacy, gifts, and charitable remainders, net	1,303,217	7,396,983
Other	5,156,482	3,083,156
Total unrestricted revenues and gains	<u>68,361,192</u>	<u>79,560,084</u>
Net assets released from restrictions	<u>2,334,226</u>	<u>2,908,822</u>
Total unrestricted revenues and gains	<u>70,695,418</u>	<u>82,468,906</u>
Expenses		
Program services		
Global Mission	48,174,432	50,285,803
International Board of Education	2,850,609	3,058,255
Sunday School and Discipleship Ministries	1,602,429	1,842,617
Nazarene Youth International	2,608,460	1,109,192
Board of General Superintendents	2,333,510	2,356,280
USA Church Loan Fund	3,139,734	260,013
Nazarene communication services	1,379,473	969,391
Church of the Nazarene Foundation	750,928	522,380
Other program services, net	16,643	14,398
Total program services	<u>62,856,218</u>	<u>60,418,329</u>
Support services		
Global Ministry Center Financial Office	3,291,108	8,396,958
Global Ministry Center Operations Office	4,169,709	4,131,135
Church of the Nazarene Foundation	1,249,729	1,146,057
Other support services	(17,095)	3,028,815
Total support services	<u>8,693,451</u>	<u>16,702,965</u>
Total expenses	<u>71,549,669</u>	<u>77,121,294</u>
(Decrease) increase in unrestricted net assets	<u>(854,251)</u>	<u>5,347,612</u>

The Global Ministry Center of the General Board of the Church of the Nazarene
CONSOLIDATED STATEMENTS OF ACTIVITIES - CONTINUED
Year ended September 30,

	2011	2010
Changes in temporarily restricted net assets		
Mission specials	\$ 718,140	\$ 4,467,389
Legacy, gifts, and charitable remainders, net	685,561	868,975
Net investment (loss) income	(595,773)	726,697
Actuarial adjustment of deferred gift agreements	14,180	(102,459)
Expenses and administrative fees	(45,631)	(49,724)
Net assets released from restrictions	(2,334,226)	(2,908,822)
Net assets reclassified	(158,179)	(9,420)
(Decrease) increase in temporarily restricted net assets	(1,715,928)	2,992,636
Changes in permanently restricted net assets		
Legacy, gifts, and charitable remainders, net	381,407	315,746
Net investment income	257	65
Expenses and administrative fees	(15)	(15)
Net assets reclassified	131,421	-
Increase in permanently restricted net assets	513,070	315,796
Change in net assets before pension liability adjustment	(2,057,109)	8,656,044
Changes in pension liability not included in pension expense		
(Decrease) increase in net assets	(1,945,741)	499,714
Net assets, beginning of year	83,666,148	74,510,390
Net assets, end of year	\$ 81,720,407	\$ 83,666,148

The Global Ministry Center of the General Board of the Church of the Nazarene

CONSOLIDATED STATEMENTS OF CASH FLOWS

Year ended September 30,

	2011	2010
Cash flows from operating activities		
(Decrease) increase in net assets	\$ (1,945,741)	\$ 9,155,758
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities		
Depreciation	1,588,607	1,806,294
Net realized and unrealized losses (gains) on investments	3,193,850	(2,721,886)
Contributions restricted for long-term investment	(29,354)	(32,095)
Beneficial interest in charitable trusts	13,860	(56,658)
(Gain) loss on disposal of property and equipment	(1,729,052)	54,009
Loss on sale of USA Church Loan Fund	2,947,875	-
Assets donated	(294,816)	(2,125,321)
Impairment of Investment in LLC	468,211	237,500
Other assets	463,948	31,919
Non-cash assets held for future distribution	38,000	-
(Gain) loss on swap liability	(637,886)	839,860
Pension obligation	(1,908,763)	(269,351)
Postretirement benefit obligation	(535,119)	(470,083)
Changes in		
Other receivables	2,962,819	(2,308,208)
Notes receivable	(733,144)	15,988
Accounts payable and accrued expenses	(2,546,026)	839,073
Net cash provided by operating activities	1,317,269	4,996,799
Cash flows from investing activities		
Acquisition of property and equipment	(188,310)	(650,594)
Proceeds from disposal of property and equipment	2,504,659	270,733
Funding of church mortgages and loans - USA Church Loan Fund	(1,011,782)	(3,153,198)
Proceeds from church mortgages and loans - USA Church Loan Fund	1,055,838	2,078,848
Proceeds from sales of USA Church Loan Fund	26,706,034	-
Proceeds from sales and maturities of investments	64,900,016	78,310,395
Purchases of investments	(64,553,775)	(78,744,012)
Net cash provided by (used in) investing activities	29,412,680	(1,887,828)
Cash flows from financing activities		
Payments on bonds payable	(24,090,000)	(910,000)
Payment on swap liability	(1,965,245)	-
Change in deferred gift agreements and funds held in trust	(3,463,110)	(2,650,418)
Proceeds on contributions restricted for investment in endowments	29,354	32,095
Net cash used in financing activities	(29,489,001)	(3,528,323)
Net increase (decrease) in cash and cash equivalents	1,240,948	(419,352)
Cash and cash equivalents, beginning of year	6,521,544	6,940,896
Cash and cash equivalents, end of year	\$ 7,762,492	\$ 6,521,544
Supplemental schedule of cash flow information		
Cash paid during the year for interest	\$ 445,029	\$ 955,014
Noncash investment activities that increased liabilities for deferred gift agreements and funds held in trust		
Investments received	\$ 27,598	\$ 89,233
Net realized and unrealized (losses) gains on investments	(331,884)	2,709,593

The Global Ministry of the General Board of the Church of the Nazarene

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2011 and 2010

NOTE A - NATURE OF ORGANIZATION

The Church of the Nazarene exists to serve as an instrument for advancing the kingdom of God through the preaching and teaching of the Gospel throughout the world. The Global Ministry Center of the General Board of the Church of the Nazarene (the General Board) shall encourage and expect all national, regional, district, and local boards to fulfill the mission of the Church of the Nazarene (the Church). The General Board shall promote the financial and material affairs of all the departments of the Church, subject to such instructions as may be given by the General Assembly. It shall coordinate, correlate, and unify the plans and activities of the several constituent departments so that a unified policy may be established by and in all the activities of the Church.

The objectives of the General Board are to advance the cause of Christian holiness:

- by fostering growth in the Church
- by the production and distribution of print and nonprint media for the various services; to awaken and strengthen interest throughout the Church in the value and proper use of contemporary media resources
- by articulating the philosophy of Christian education, enhancing the role of Sunday School, strengthening other training in the Church, and emphasizing the importance of ministry to home and family as a task of the Church throughout the world in accordance with the Great Commission
- by strengthening the bonds between the educational institutions and the Church at large (and to provide information and services as appropriate); to serve Nazarene educational institutions worldwide; and to encourage them to be all they can be in quality, achievement, and service to Christ

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies consistently applied in the preparation of the accompanying consolidated financial statements follows.

1. *Basis of Presentation*

The accompanying consolidated financial statements present the activities and operations of the General Board, including amounts transferred to the Global Mission regions. Also included in the consolidated financial statements are transactions for Church of the Nazarene Foundation and Harvest Partners, Inc. Each of these entities is a 501(c)(3) corporation organized as a 509(a)

supporting organization. Individual congregations and related service corporations are not included herein, nor are the activities and operations of the individual Global Mission regions included, with the exception of the USA/Canada regional office. These financial statements have been prepared on the accrual basis of accounting. All significant inter-entity balances and transactions have been eliminated.

2. *Cash and Cash Equivalents*

Cash and cash equivalents include only funds and overnight investments held in banks for operating purposes. Bank rating services are regularly monitored for the ongoing safety ratings of the financial institutions in which deposits are maintained. As of September 30, 2011 and 2010, cash in banks in excess of federally insured limits was approximately \$0 and \$4,910,617, respectively. Beginning December 31, 2010 and through December 31, 2012, section 343 of the Dodd-Frank Wall Street Reform and Consumer Protection Act provides for unlimited insurance coverage of noninterest-bearing transaction accounts. Money market accounts, which are classified as investments-other in the statements of financial position, are not FDIC insured. Foreign bank balances amounted to \$1,214,502 and \$826,518 as of September 30, 2011 and 2010, respectively.

3. *Contributions*

Contributions received, including unconditional promises to give, are recognized as revenues when the donor's commitment is received. All contributions are considered to be available for unrestricted use unless restricted by the donor for specific purposes outside the general nature of the organization. Amounts received that are designated for future periods or restricted by the donor for specific purposes outside the general nature of the organization are reported as temporarily restricted or permanently restricted support which increases those net asset classes. However, if a restriction is generally fulfilled in the same time period in which the contribution is received, the General Board reports the support as unrestricted.

The General Board reports gifts of land, buildings, and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets are to be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the General Board reports expirations of donor restrictions when the donated or acquired long-lived assets are placed into service.

4. *Investments*

Investments consist primarily of marketable debt, equity securities and alternative investments that are carried at fair value with realized and unrealized gains and losses included in the consolidated statement of activities and changes in net assets (see Note K). Fair values are based on quoted market prices or dealer quotes, if available. If a quoted market price is not available, fair value is estimated using quoted market prices for similar securities.

Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the consolidated financial statements.

5. *Investments - Other*

The General Board's investments in certificates of deposit are classified as Investments – Other in the consolidated statement of financial position and are carried at amortized cost. The General Board also holds a 30.5% interest in a limited liability company, which is accounted for using the equity method of accounting.

6. *Property and Equipment*

Property and equipment are stated at cost, net of accumulated depreciation. Depreciation is calculated using the straight-line method over the estimated useful lives of the depreciable assets. Estimated useful lives of property and equipment are as follows:

Buildings	10-50 years
Equipment	4-8 years

The General Board periodically reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Assets to be disposed of are reported at the lower of carrying amount or fair value, less costs to sell. Expenditures for repairs and maintenance, which do not improve or extend the expected useful lives of the assets, are expensed as incurred while major replacements and improvements are capitalized.

7. *Deferred Gift/Planned Giving Agreements*

The General Board is a party to various deferred gift and planned giving agreements, including gift annuities, unitrusts, and revocable and irrevocable trusts, whereby the General Board receives funds or assets for which it has fiduciary responsibility for the safekeeping, investment management, and distribution of funds to donor-designated beneficiaries.

The General Board recognizes an asset and a liability for funds or assets received pursuant to revocable and irrevocable deferred gift agreements for which the General Board is not the donor-designated beneficiary. In certain cases, the General Board is the donor-designated beneficiary and recognizes the receipt of funds or assets as temporarily restricted revenues.

Certain of the agreements contain an annuity feature, whereby the General Board will pay a fixed annuity to the donor or donor's beneficiary over specified periods of time. At the inception of the agreement, the General Board recognizes a liability equal to the present value of the expected annuity obligation, at the current discount rate of 5%, over the remaining expected life of the

annuitant based on established mortality tables. The excess of the value of the funds or assets received over the present value of the annuity obligation is recognized as temporarily restricted net assets of the General Board if the General Board is the designated recipient of the corpus remaining upon the death of the annuitant. The annuity obligation is recalculated on an annual basis to take into consideration changes in the discount period (due to the passage of time) and mortality rates.

8. *Income Taxes*

The General Board is exempt from federal and state income taxes on its principal operations, although the General Board would be subject to federal income taxes on the net income from certain operations if such operations generated unrelated business income. No such unrelated business income was earned during 2011 or 2010.

The General Board applies the provision of Accounting Standards Codification Topic 740, *Income Taxes*, (ASC 740) with respect to uncertain tax positions. ASC 740 requires that all tax positions be evaluated using a recognition threshold and measurement of a tax position taken or expected to be taken in a tax return. Differences between positions taken in a tax return and amounts recognized in the financial statements are recorded as adjustments to income taxes payable or receivable, or adjustments to deferred income taxes, or both. ASC 740 also requires expanded disclosures at the end of each annual reporting period. No amounts have been recorded at September 30, 2011 or 2010 with respect to uncertain tax positions.

9. *Fair Value Measurements*

The General Board applies the provisions of ASC Topic 820, *Fair Value Measurements and Disclosures* (ASC 820) with respect to financial and non-financial assets and liabilities. This standard defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. The provisions of ASC 820 apply to all financial instruments that are being measured and reported on a fair-value basis and items disclosed at fair value in the notes to the financial statements.

ASC 820, defines fair value as the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price). The exit price is based on the amount that the holder of the asset or liability would receive or pay in an actual transaction (or in a hypothetical transaction if an actual transaction does not exist) at the measurement date.

Fair value is generally determined based on quoted market prices in active markets for identical assets or liabilities. If quoted market prices are not available, the General Board uses valuation techniques that place greater reliance on observable inputs and less reliance on unobservable inputs (see Note D). In measuring fair value, the General Board may make adjustments for risks and uncertainties if a market participant would include such an adjustment in its pricing.

10. *Interest Rate Swap Liability*

The General Board's use of interest rate swaps is limited to instruments intended to manage interest rate risk associated with the General Board's long-term debt obligations. The General Board does not enter into interest rate swaps for trading purposes. The General Board has not formally designated any interest rate swaps as hedges and accordingly the General Board has recorded the change in fair value of those instruments as interest expense in the consolidated statements of activities. See Note G for further detail regarding the General Board's interest rate swap activity.

11. *Use of Estimates*

In preparing financial statements in conformity with accounting principles generally accepted in the United States of America, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the 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. Significant estimates included in the consolidated financial statements are the valuations of pension and postretirement benefit obligations, deferred gift agreements, fair value of investments, useful lives of property plant and equipment and swap liability. Actual results could differ from those estimates.

12. *Long-Lived Assets*

Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset with estimated future net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. For purposes of determining impairment, the General Board groups assets by category. Assets to be disposed of are reported at the lower of the carrying amount or fair value, less costs to sell. During the years ended September 30, 2011 and 2010, the General Board recognized no such impairment expense.

14. *Reclassifications*

Certain immaterial items in the 2010 financial statements have been reclassified to conform to the 2011 presentation. The reclassifications were primarily to conform to changes in the 2011 Church of the Nazarene Foundation presentation.

13. *Subsequent Events*

The General Board has evaluated subsequent events through February 22, 2012, which is the date these financial statements were available to be issued. The General Board is not aware of any subsequent events which would require recognition or disclosure in the financial statements.

NOTE C - INVESTMENTS, AT FAIR VALUE

Investments consisted of the following at September 30,

	2011		2010	
	Cost	Fair value	Cost	Fair value
Money market funds	\$ 4,629,315	\$ 4,629,315	\$ 3,945,156	\$ 3,945,156
Mutual funds				
Large blend	15,657,129	16,524,581	15,837,164	17,258,203
Foreign large blend	9,298,347	7,034,305	8,250,018	7,345,220
Large cap growth	5,132,697	4,046,284	4,957,095	4,653,489
Intermediate-term bond	39,486,030	40,400,856	37,755,436	40,556,838
High yield bond	6,026,520	5,855,238	6,018,723	6,191,915
Common stocks				
Large cap core	12,493,431	12,268,184	12,065,826	12,934,953
Large cap growth	6,412,099	5,861,470	5,740,569	6,548,308
Small cap growth	2,374,323	2,172,770	2,523,363	2,822,889
Small cap value	2,270,857	2,119,156	2,110,150	2,394,394
U.S. government obligations	366,416	462,043	363,085	440,542
Corporate bonds	7,848,834	7,914,934	5,610,522	5,802,217
Alternative investments				
Real assets	1,006,007	1,319,442	1,762,055	2,082,092
Mineral rights	487,779	494,746	487,668	674,475
Notes receivable	322,306	322,306	306,958	306,958
Insurance contracts	465,435	465,435	480,563	480,562
Closely held stock	-	-	11,000	11,000
	<u>\$ 114,277,525</u>	<u>\$ 111,891,065</u>	<u>\$ 108,225,351</u>	<u>\$ 114,449,211</u>

Included in the investment totals above are investments held in trust for affiliated organizations and investments held pursuant to deferred gift and planned giving agreements. The fair value of those investments amounted to \$57,553,437 and \$63,087,244 as of September 30, 2011 and 2010, respectively.

Net investment income (loss) consisted of the following for the year ended September 30,

	2011	2010
Realized gain on sale of investments	\$ 1,293,746	\$ 1,305,007
Unrealized (loss) gain on investments	(4,487,596)	1,416,879
Interest, dividends, and other income	1,232,421	1,101,553
Foreign currency gain (loss)	(60)	85,706
	<u>\$ (1,961,489)</u>	<u>\$ 3,909,145</u>

NOTE D - FAIR VALUE MEASUREMENTS

ASC 820 establishes a fair value hierarchy that distinguishes between assumptions based on market data (observable inputs) and management's assumptions (unobservable inputs). Where an asset or a liability falls within that hierarchy depends on the lowest-level input which is significant to the fair value measurements as a whole. An adjustment to the pricing method used within either Level 1 or Level 2 inputs could generate a fair value measurement that effectively falls in a lower level in the hierarchy. The hierarchy consists of three broad levels as follows:

- Level 1 - Quoted market prices in active markets for identical assets or liabilities.
- Level 2 - Inputs other than Level 1 inputs which are either directly or indirectly observable.
- Level 3 - Unobservable inputs developed using management's estimates and assumptions, which reflect those which market participants would use.

The determination of where an asset or a liability falls in the hierarchy requires significant judgment. The General Board evaluates its hierarchy disclosures for each reporting period based on various factors. It is possible that an asset or a liability may be classified differently from one reporting period to another. However, the General Board expects that changes in classifications between different levels will be rare.

Following is a description of the valuation methodologies used for assets and liabilities measured at fair value:

Money market funds - Valued based on quoted market prices.

Mutual funds - Valued based on quoted market prices which represent the net asset value of the shares held by the General Board at year-end.

Common stocks - Valued based on quoted market prices.

U.S. government obligations - Valued based on quoted market prices.

Corporate bonds - Determined through evaluated bid prices based on recent trading activity and other relevant information, including market interest rate curves and referenced credit spreads, and estimated prepayment rates, where applicable, are used for valuation purposes provided by third-party pricing services where quoted market values are not available.

Alternative investments - Consists of investments aggregated into real assets, mineral rights, and insurance contracts based upon their underlying investments. The fair values of real assets are based on realtor estimates, comparable sales data, and tax assessments. The fair values of mineral rights are based upon the expected future cash flows of the mineral assets. The fair values of life insurance policies are determined from the cash surrender value quotes obtained from life insurance agents. These investments are classified within Level 3 of the fair value hierarchy.

Beneficial interest in charitable trusts, net - Valued based on the fair value of the underlying trust assets less a payment liability. The payment liability is determined by calculating the present value of the expected future distributions, using published life expectancy tables and a 5% rate of return.

Interest rate swap liability - Valued based on present value of future cash flows valuation models. This analysis reflects the contractual terms of the swap, including the period to maturity and uses observable market based inputs, including interest rate curves.

Funds held in trust - Valued based upon an allocation of quoted market prices for the underlying investments. The fair values of individual holdings in the pool are determined via various level one inputs.

The General Board's financial assets and liabilities measured at fair value on a recurring basis were as follows at September 30, 2011:

	Fair value measurements at reporting date using			
	Level 1	Level 2	Level 3	Total
Money market funds	\$ 4,629,315	\$ -	\$ -	\$ 4,629,315
Mutual funds				
Large blend	16,524,581	-	-	16,524,581
Foreign large blend	7,034,305	-	-	7,034,305
Large cap growth	4,046,284	-	-	4,046,284
Intermediate-term bond	40,400,856	-	-	40,400,856
High yield bond	5,855,238	-	-	5,855,238
Common stocks				
Large cap core	12,268,184	-	-	12,268,184
Large cap growth	5,861,470	-	-	5,861,470
Small cap growth	2,172,770	-	-	2,172,770
Small cap value	2,119,156	-	-	2,119,156
U.S. government obligations	462,043	-	-	462,043
Corporate bonds	-	7,914,934	-	7,914,934
Alternative investments				
Real assets	-	-	1,319,442	1,319,442
Mineral rights	-	-	494,746	494,746
Notes receivable	-	-	322,306	322,306
Insurance contracts	-	-	465,435	465,435
Total investments	101,374,202	7,914,934	2,601,929	111,891,065
Beneficial interest in charitable trusts, net	-	-	2,079,005	2,079,005
Funds held in trust	-	-	(41,752,470)	(41,752,470)
	<u>\$ 101,374,202</u>	<u>\$ 7,914,934</u>	<u>\$ (37,071,536)</u>	<u>\$ 72,217,600</u>

The General Board's financial assets and liabilities measured at fair value on a recurring basis were as follows at September 30, 2010:

	Fair value measurements at reporting date using			
	Level 1	Level 2	Level 3	Total
Money market funds	\$ 3,945,156	\$ -	\$ -	\$ 3,945,156
Mutual funds				
Large blend	17,258,203	-	-	17,258,203
Foreign large blend	7,345,220	-	-	7,345,220
Large cap growth	4,653,489	-	-	4,653,489
Intermediate-term bond	40,556,838	-	-	40,556,838
High yield bond	6,191,915	-	-	6,191,915
Common stocks				
Large cap core	12,934,953	-	-	12,934,953
Large cap growth	6,548,308	-	-	6,548,308
Small cap growth	2,822,889	-	-	2,822,889
Small cap value	2,394,394	-	-	2,394,394
U.S. government obligations	440,542	-	-	440,542
Corporate bonds	-	5,802,217	-	5,802,217
Alternative investments				
Real assets	-	-	2,082,092	2,082,092
Mineral rights	-	-	674,475	674,475
Insurance contracts	-	-	480,562	480,562
Closely held stock	-	-	11,000	11,000
Notes receivable	-	-	306,958	306,958
Total investments	<u>105,091,907</u>	<u>5,802,217</u>	<u>3,555,087</u>	<u>114,449,211</u>
Beneficial interests in charitable trusts, net	-	-	2,092,865	2,092,865
Interest rate swap liability	-	-	(2,603,131)	(2,603,131)
Funds held in trust	-	-	(45,430,462)	(45,430,462)
	<u>\$ 105,091,907</u>	<u>\$ 5,802,217</u>	<u>(42,385,641)</u>	<u>\$ 68,508,483</u>

The following is a reconciliation of the beginning and ending balances of financial assets and liabilities measured at fair value on a recurring basis using significant unobservable inputs (Level 3) during the years ended September 30, 2011 and 2010.

	Real assets	Mineral rights	Notes receivable	Insurance contracts	Closely held stock	Beneficial interests	Funds held in trust	Swap liability	Total
Fair value, October 1, 2009	\$ 2,701,842	\$ 842,192	\$ 296,821	\$ 510,912	\$ 11,000	\$ 2,036,207	\$ (42,979,625)	\$ (1,763,271)	\$ (38,343,922)
Gains (losses)									
Realized	109,286	-	-	-	-	-	(1,684,768)	-	(1,575,482)
Unrealized	(758,507)	(111,607)	(4,480)	32,664	-	(28,949)	(2,657,708)	(839,860)	(4,368,447)
Income	-	-	-	-	-	-	(690,669)	-	(690,669)
Contributions	110,000	16,250	-	17,383	-	37,147	(5,293,821)	-	(5,113,041)
Sales/transfers/payments	(80,529)	(72,360)	-	(80,397)	-	-	7,858,807	-	7,625,521
Accruals	-	-	14,617	-	-	48,460	17,322	-	80,399
Fair value, September 30, 2010	2,082,092	674,475	306,958	480,562	11,000	2,092,865	(45,430,462)	(2,603,131)	(42,385,641)
Gains (losses)									
Realized	(1,917,294)	-	-	-	-	-	(2,580,412)	-	(4,497,706)
Unrealized	1,306,350	(179,840)	-	21,428	-	(142,458)	3,191,362	637,886	4,834,728
Income	-	-	-	-	-	-	(744,262)	-	(744,262)
Contributions	220,000	111	-	6,550	-	288,974	(5,341,356)	-	(4,825,721)
Sales/transfers/payments	(371,706)	-	-	(43,105)	(11,000)	(37,147)	9,157,869	1,965,245	10,660,156
Accruals	-	-	15,348	-	-	(123,229)	(5,209)	-	(113,090)
Fair value, September 30, 2011	\$ 1,319,442	\$ 494,746	\$ 322,306	\$ 465,435	\$ -	\$ 2,079,005	\$ (41,752,470)	\$ -	\$ (37,071,536)

NOTE E - PROPERTY AND EQUIPMENT

Major classifications of property and equipment consisted of the following at September 30,

	2011	2010
Buildings	\$ 29,469,568	\$ 29,396,688
Equipment	8,601,556	8,784,338
	38,071,124	38,181,026
Accumulated depreciation	(8,455,946)	(7,161,026)
	29,615,178	31,020,000
Land	3,447,708	3,447,707
Assets in progress	-	4,745
Assets held for sale	-	766,338
	\$ 33,062,886	\$ 35,238,790

At September 30, 2010, the General Board held \$766,338 of assets held for sale related to certain buildings and land. On June 7, 2011, the General Board executed the sale of the buildings and land for \$2,502,324 which resulted in a gain on the sale of \$1,735,986 which is included in the other support services line item of the Consolidated Statement of Activities.

Depreciation expense amounted to \$1,588,607 and \$1,806,294 for the years ended September 30, 2011 and 2010, respectively.

NOTE F - BONDS PAYABLE

Effective January 1, 2007, the General Board entered into a loan agreement for \$25,000,000 of tax-exempt bonds for the construction of a new global ministry center. The bonds payable required monthly interest payments for the first two years, with interest payable at an adjusting rate that is calculated at the Bond Market Association Index plus .75% (0.91% at September 30, 2011). Thereafter, annual principal and monthly interest would be due on the bonds based upon

a 20-year mortgage-style amortization. The bonds had a 20-year final maturity, with the bondholder retaining the option to accelerate the bonds maturity five years from the effective date of the loan agreement and annually thereafter. The bonds were collateralized by a mortgage and a negative pledge on the property and improvements of the new global ministry facility. On June 2, 2011, the General Board repaid the full principal balance remaining on the bonds in the amount of \$23,135,000.

For the years ended September 30, 2011 and 2010, interest on the bonds payable totaled \$159,139 and \$245,459, respectively.

NOTE G - INTEREST RATE SWAP LIABILITY

The General Board entered into an interest rate-swap agreement to convert an initial aggregate notional amount of \$20,000,000 of the floating-rate debt to fixed-rate debt. The nominal amount of the swap decreases throughout the term of the agreement, which ends January 1, 2027. Under the agreement, the General Board receives a payment based on a variable interest rate tied to one month Municipal Swap Index, which was 0.16% at September 30, 2011. The General Board pays a fixed amount based on an interest rate of 3.93%. Interest expense of \$445,029 and \$709,554 was recognized during the years ended September 30, 2011 and 2010, respectively, as a result of this swap. Management estimated the market value of the swap using valuation models based on the present value of future cash flows resulting in the General Board recognizing a gain of \$637,886 and a loss of \$839,860 in 2011 and 2010, respectively, which was classified as interest expense in the consolidated statements of activities. During the year ended September 30, 2011 the agreement was terminated at the General Board's request resulting in the payment of \$1,965,245, which represented the balance of the swap liability at the termination date. At September 30, 2010, the liability amounted to \$2,603,131.

NOTE H - LINE OF CREDIT

In September 2006, the General Board entered into an agreement for a line of credit with available borrowings of \$5,000,000 with interest payable monthly at LIBOR which was due March 31, 2009. The line was amended on March 31, 2009 to \$3,000,000, with a maturity date of March 31, 2012 and is collateralized by church mortgages and loans - USA Church Loan Fund receivables. There were no borrowings under the line of credit at September 30, 2010 and the line of credit was canceled on March 28, 2011 at the request of the General Board.

NOTE I - DEFERRED GIFT AGREEMENTS OUTSTANDING

Deferred gift agreements outstanding represent the liability for various planned giving and revocable and irrevocable trust instruments for which the General Board has fiduciary responsibility for the safekeeping, investment management, and distribution of such funds to donor-designated Church ministries at the termination of such instruments.

NOTE J - FUNDS HELD IN TRUST

Funds held in trust consist of deposits made with the General Board by affiliated organizations for investment purposes and other miscellaneous deposits. Income earned from the investment of these deposits serves to increase the funds held in trust.

NOTE K - NET ASSETS

Temporarily restricted net assets were available for the following purposes or periods as of September 30,

	<u>2011</u>	<u>2010</u>
Scholarships	\$ 256,774	\$ 353,370
Deferred gift/planned giving agreements	3,838,481	6,793,889
Haiti disaster relief	1,624,964	2,470,274
Japan disaster relief	378,130	-
GMC building fund	-	217,647
Other	3,278,650	1,257,747
	<u>\$ 9,376,999</u>	<u>\$ 11,092,927</u>

Net assets amounting to \$2,334,226 and \$2,908,822 for the years ended September 30, 2011 and 2010, respectively, were released from temporary restrictions due primarily to the termination of the related planned giving agreements.

Permanently restricted net assets consisted of the following as of September 30,

	<u>2011</u>	<u>2010</u>
Investment in perpetuity, the income from which is expendable to support		
Global Mission	\$ 2,344,942	\$ 2,173,321
International Board of Education	1,027,105	1,009,075
Church growth	438,178	438,073
Undesignated	16,767	16,797
Certain local Nazarene churches	424,207	149,272
Church of the Nazarene Foundation	10,912	10,912
Nazarene Youth International	11,729	11,729
Other Nazarene ministries	120,870	120,767
Endowments requiring a portion of the income to be added to the principal, with the remaining income distributed to Global Mission	<u>335,175</u>	<u>286,869</u>
	<u>\$ 4,729,885</u>	<u>\$ 4,216,815</u>

NOTE L - PENSIONS AND BENEFITS FUND

The Pensions and Benefits Fund (the Fund) provides various retirement, insurance, and benevolence programs to ministers and their spouses or surviving family members. The Fund is funded by local churches participating in the programs. The Fund is administered by the Board of Pensions and Benefits USA (the Board of Pensions) on behalf of the General Board. The assets of the Fund are included in separate financial statements.

NOTE M - NAZARENE HEALTH AND HOSPITALIZATION PROGRAM

The Nazarene Health and Hospitalization Program (the NHHP) was established to provide health care benefits. The NHHP includes coverage under two separate plan documents identified as the Missionary Medical Plan (the Missionary Plan) and the General Church Medical Plan (the General Church Plan). The plans are administered by the Board of Pensions on behalf of the General Board.

Not less than one-half of the contributions for participant coverage are paid by the respective employers. All medical and dental benefits of the two plans are self-funded through specific and aggregate reinsurance policies.

The General Board contributed \$1,658,589 and \$1,767,816 to the Missionary Plan and \$1,991,578 and \$2,147,532 to the General Church Plan for the years ended September 30, 2011 and 2010, respectively.

The assets of the NHHP are included in separate financial statements.

NOTE N - PENSION AND POSTRETIREMENT BENEFITS

1. *World Mission Pension Plans*

The General Board maintains a noncontributory defined benefit pension plan covering missionaries under contract with the General Board prior to December 31, 1997. New participation was frozen such that there were no new entrants after December 31, 1997. The benefits are based on years of service. The General Board's funding policy is to contribute annually the amount needed to provide not only for benefits for service to date, but also for those benefits expected to be earned in the future. For new missionaries under contract after December 31, 1997, retirement benefits are provided by the Nazarene 403(b) Retirement Savings Plan.

The General Board's projected benefit obligation under the Plans exceeded the fair value of Plan assets by \$4,389,629 and \$6,298,392 at September 30, 2011 and 2010, respectively; therefore, the Plans are underfunded.

The amounts recognized for the Plans in the General Board's unamortized pension liability at September 30, 2011 consisted of the following:

Transition obligation	\$ -
Prior service cost	204,104
Net actuarial loss	3,086,681
	<u>\$ 3,290,785</u>

The amounts for the Plans included in the General Board's unamortized pension liability at September 30, 2011 and expected to be amortized in net periodic pension cost for fiscal 2012 were as follows:

Transition obligation	\$ -
Prior service cost	81,670
Net actuarial loss	239,599
	<u>\$ 321,269</u>

The following table presents the benefit obligation, the fair value of Plan assets, the funded status of the Plans, and the principal weighted-average assumptions used as of September 30,

	<u>2011</u>	<u>2010</u>
Change in benefit obligation		
Benefit obligation, beginning of year	\$ 11,300,605	\$ 11,457,136
Service cost	42,880	35,483
Interest cost	569,133	604,816
Benefits paid	(884,384)	(880,715)
Actuarial (gain) loss	163,816	83,885
Benefit obligation, end of year	<u>11,192,050</u>	<u>11,300,605</u>
Change in Plan assets		
Fair value of Plan assets, beginning of year	5,002,213	4,889,393
Actual return (loss) on Plan assets	236,092	435,046
Employer contributions	2,448,500	558,489
Benefits paid	(884,384)	(880,715)
Expenses paid	-	-
Fair value of Plan assets, end of year	<u>6,802,421</u>	<u>5,002,213</u>
Funded status, end of year	<u>\$ (4,389,629)</u>	<u>\$ (6,298,392)</u>

Measurement date and weighted-average assumptions

Used to determine benefit obligation		
Measurement date	9/30/11	9/30/10
Discount rate	4.45%	5.25%
Used to determine net periodic benefit cost		
Measurement date	10/1/10	10/1/09
Discount rate	5.25%	5.50%
Expected return on Plan assets	7.00%	7.00%

Net periodic pension cost included the following components as of September 30,

	<u>2011</u>	<u>2010</u>
Service cost	\$ 42,880	\$ 35,483
Interest cost	569,133	604,816
Expected return on Plan assets	(317,956)	(310,024)
Amortization of		
Prior service cost	137,750	226,460
Net actuarial loss	219,298	232,117
	<u>\$ 651,105</u>	<u>\$ 788,852</u>

The General Board's investment policy for the World Mission Pension Plans is to maintain a target allocation of 62% of Plan assets in equity securities and 38% of Plan assets in bond or other fixed-

income securities. Contributions and benefit payments are used to maintain the actual asset allocation as close as is practicable to the target allocation. Plan assets are broadly diversified to limit the impact of losses in individual investments on the total portfolio.

Actual allocation of Plan assets by percentage was as follows at September 30,

	<u>2011</u>	<u>2010</u>
Equity securities	62%	62%
Debt securities	38%	38%
Real estate	0%	0%
Other	0%	0%
	<u>100%</u>	<u>100%</u>

The fair value hierarchy for classifying fair value measurements of assets and liabilities, as set forth in ASC 820, is as follows:

- Level 1 - Quoted market prices in active markets for identical assets or liabilities.
- Level 2 - Inputs other than Level 1 inputs which are either directly or indirectly observable.
- Level 3 - Unobservable inputs developed using the Organization's estimates and assumptions, which reflect those which market participants would use.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value:

Plan interest in pension investment trust - Valued based on an allocation of quoted market prices for the underlying investments. The fair values of individual holdings in the trust are determined via level 1 securities.

The Pension Plan's assets measured at fair value on a recurring basis, subject to the disclosure requirements of ASC 715, *Compensation Retirement Benefits*, were as follows at September 30, 2011:

	<u>Fair value measurements at reporting date</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Plan interest in pension investment trust	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,802,421</u>	<u>\$ 6,802,421</u>
Total assets at fair value	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,802,421</u>	<u>\$ 6,802,421</u>

The following is a reconciliation of the beginning and ending balances of financial assets measured on a recurring basis using significant unobservable inputs (Level 3) during the year ended September 30, 2011:

	Plan interest in pension investment trust
Fair value, September 30, 2010	<u>\$ 5,002,213</u>
Purchases	2,188,363
Issuances, settlements	(679,000)
Interest and dividends	138,849
Unrealized gains (losses)	(303,527)
Realized gains	482,203
Fees and expenses	(26,680)
Fair value, September 30, 2011	<u><u>\$ 6,802,421</u></u>

The Pension Plan's assets measured at fair value on a recurring basis, subject to the disclosure requirements of ASC 715, were as follows at September 30, 2010:

	Fair value measurements at reporting date			
	Level 1	Level 2	Level 3	Total
Plan interest in pension investment trust	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,002,213</u>	<u>\$ 5,002,213</u>
Total assets at fair value	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 5,002,213</u></u>	<u><u>\$ 5,002,213</u></u>

The following is a reconciliation of the beginning and ending balances of financial assets measured on a recurring basis using significant unobservable inputs (Level 3) during the year ended September 30, 2010:

	Plan interest in pension investment trust
Fair value, September 30, 2009	<u>\$ 4,889,393</u>
Purchases	400,000
Issuances, settlements	(337,000)
Interest and dividends	108,964
Unrealized gains (losses)	(214,016)
Realized gains	174,131
Fees and expenses	(19,259)
Fair value, September 30, 2010	<u><u>\$ 5,002,213</u></u>

During the year ending September 30, 2012, employer contributions to the World Mission Pension Plans are expected to be approximately \$448,200.

Benefits reflecting future service are expected to be paid as follows for the year ending September 30,

Year ending September 30,	Amount
2012	\$ 937,077
2013	925,811
2014	914,463
2015	906,135
2016	884,821
2017-2021	4,121,135

2. *Postretirement Benefits*

In conjunction with the NHHP, the General Board has plans that provide postretirement health care benefits for certain groups of retired employees. The General Board's postretirement benefit health care plans are not currently funded.

The following table sets forth the other postretirement benefit plans' status as of September 30,

	<u>2011</u>	<u>2010</u>
Benefit obligation as of September 30,	<u>\$ (20,906,135)</u>	<u>\$ (21,053,739)</u>
Fair value of Plan assets as of September 30,	<u>-</u>	<u>-</u>
Unfunded status	<u>(20,906,135)</u>	<u>(21,053,739)</u>
Unrecognized net actuarial gain (loss)	<u>(1,514,877)</u>	<u>(1,223,008)</u>
Unrecognized prior service cost	<u>(4,249,027)</u>	<u>(4,928,411)</u>
Benefit liability recognized in the statements of financial position	<u>\$ (26,670,039)</u>	<u>\$ (27,205,158)</u>
Benefit cost recognized in the statements of activities	<u>\$ 670,770</u>	<u>\$ 768,041</u>

	<u>2011</u>	<u>2010</u>
Weighted-average assumptions used to determine benefit obligation discount rate	<u>4.45%</u>	<u>5.25%</u>

During the year ending September 30, 2012, employer contributions to other postretirement benefit plans are expected to be approximately \$1,608,630.

Benefits, net of Medicare Part D subsidy, reflecting future service are expected to be paid as follows for the year ending September 30,

<u>Year ending</u>	<u>Amount</u>
2012	\$ 1,608,630
2013	1,644,599
2014	1,666,514
2015	1,675,257
2016	1,683,013
2017-2021	8,006,221

For measurement purposes, an annual rate of increase of 8% and 8.5% in the per capita cost of covered health care benefits was assumed for 2011 and 2010, respectively. The rate was assumed to decrease by 0.5% per year thereafter, to become 5% in 2017.

Selected components of net periodic benefit cost were as follows at September 30,

	<u>2011</u>	<u>2010</u>
Current service cost	\$ 415,618	\$ 401,108
Employer contributions	1,205,889	1,238,124
Benefits paid	(1,205,889)	(1,238,124)

3. *Single Defined Benefit Pension Plan*

The Basic Pension Plan and the General Church Pension Plan have been merged to form the Single Defined Benefit Pension Plan (the Single Benefit Plan), and no new entrants were admitted into the Single Benefit Plan after December 31, 1995. Participants in the Single Benefit Plan have been grandfathered in so that no one having years of service under the predecessor plans will receive less under the Single Benefit Plan than what would have been paid under the predecessor plans had they continued unchanged. The Single Benefit Plan is a multiemployer plan that provides retirement benefits at age 65 to qualified full-time employees, pastors, evangelists, and district-licensed laypersons serving organized churches. The Single Benefit Plan is a defined benefit plan and is administered by the Board of Pensions on behalf of the General Board. The assets are held in trust by the Board of Pensions, and separate financial statements are prepared for the Single Benefit Plan. Contributions of \$5,000,000 and \$6,500,000 were made by the employers to the Single Benefit Plan for the years ended September 30, 2011 and 2010, respectively.

4. *Nazarene 403(b) Retirement Savings Plan*

The Nazarene 403(b) Retirement Savings Plan [the 403(b) Plan] was established for all U.S. ministers and laypersons serving local congregations and districts, as well as for general church employees. The annual pension supplement amount contributed from the Fund receipts or agency funds is determined annually by the Board of Pensions. Ministerial employees may receive a bonus if their local church or district pays 100% of their allocated Fund amounts. The bonus amount is determined annually by the Board of Pensions.

For each of the years ended September 30, 2011 and 2010, the annual pension supplement amount was \$500 per participant and the bonus amount was \$500. Employees may elect to participate in the 403(b) Plan through salary-reduction contributions. Employers make matching contributions to their respective participating employees' accounts. Local church and agency employers are encouraged to establish policies to match amounts of voluntary salary-reduction contributions up to at least 3% of salary. Contributions are made directly to Fidelity Investments. The cash value of all participant accounts that were not included in the Fund was \$318,631,852 and \$301,337,016 as of September 30, 2011 and 2010, respectively.

The total cost of contributions made to the 403(b) Plan through the Fund was \$4,309,524 and \$4,769,289 for the years ended September 30, 2011 and 2010, respectively. The cash value of all participant accounts was \$318,631,852 and \$301,337,016 as of September 30, 2011 and 2010, respectively.

NOTE O - OTHER REVENUE

Other revenue consisted of the following during the year ended September 30,

	<u>2011</u>	<u>2010</u>
Nazarene Youth Conference	\$ 151,686	\$ -
Event registrations	3,001,123	1,002,238
Subscriptions and literature sales	482,565	588,148
W&W participant insurance funds	309,326	362,741
Casa Robles	170,491	221,174
Nazarene Publishing House funds	125,000	128,974
American Bible Society	100	613
Trustee fees	378,108	253,272
Miscellaneous	538,083	525,996
	<u>\$ 5,156,482</u>	<u>\$ 3,083,156</u>

Event registration income is composed of the registration fee charged by the General Board for the various events and conferences hosted throughout the year. During the year ended September 30, 2011 the General Board hosted the Nazarene Youth Conference which resulted in approximately \$2.8 million in registration fees.

NOTE P - ENDOWMENT FUNDS

3. Endowment Composition

The General Board applies the provisions of ASC Topic 958, *Not-for-Profit Entities* (ASC 958). A key component of ASC 958 is a requirement to classify the portion of a donor-restricted endowment

fund that is not classified as permanently restricted net assets as temporarily restricted net assets until appropriated for expenditure.

	<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>Permanently restricted</u>	<u>Total</u>
Endowment composition by net asset category				
Donor restricted endowment funds	<u>\$ 1,880,800</u>	<u>\$ 1,180,025</u>	<u>\$ 4,729,886</u>	<u>\$ 7,790,711</u>
Change in endowment net assets				
Endowment net assets, October 1, 2010	\$ 2,026,183	\$ 1,611,117	\$ 4,216,816	\$ 7,854,116
Investment return				
Investment income	47,173	140,161	101	187,435
Depreciation, net (realized and unrealized)	<u>(109,397)</u>	<u>(208,863)</u>	<u>156</u>	<u>(318,104)</u>
Total investment return	(62,224)	(68,702)	257	(130,669)
Contributions	3,543	4,800	367,141	375,484
Administrative fees	(7,289)	(24,325)	(15)	(31,629)
Appropriation of endowment net assets for expenditure	(44,603)	(377,675)	107,411	(314,867)
Transfers of net endowment losses	(34,810)	34,810	-	-
Net assets released from restriction	-	-	<u>38,276</u>	<u>38,276</u>
Endowment net assets, September 30, 2011	<u>\$ 1,880,800</u>	<u>\$ 1,180,025</u>	<u>\$ 4,729,886</u>	<u>\$ 7,790,711</u>

2. *Interpretation of Relevant Law*

The State of Kansas applies the provisions of the Uniform Prudent Management of Institutional Funds Act (UPMIFA). Based on its interpretation of the provisions of UPMIFA, the General Board is required to act prudently when making decisions to spend or accumulate donor-restricted endowment assets and in doing so to consider a number of factors including the duration and preservation of its donor-restricted endowment funds. As a result of this interpretation, the General Board classified as permanently restricted net assets the original value of the gifts donated to the permanent endowment. The remaining portion of the endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets, unless otherwise directed by the applicable donor, until those amounts are appropriated for expenditure by the General Board in a manner consistent with the standard prudence prescribed by UPMIFA. The General Board's endowments are invested in institutional funds that incurred an average gain (loss) of (4%) and 9% for the years ended September 30, 2011 and 2010, respectively.

3. *Funds with Deficiencies*

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor requires the General Board to retain as a fund of perpetual duration. In accordance with generally accepted accounting principles accepted in the United States of America, deficiencies of this nature are reported in unrestricted net assets and

were \$89,768 and \$27,082 as of September 30, 2011 and 2010, respectively. These deficiencies resulted from unfavorable market fluctuations.

Return Objectives and Risk Parameters

The General Board has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the organization must hold in perpetuity or for a donor-specified period(s). Under this policy, as approved by the Board of Directors, the endowment assets are invested with the following objectives in priority order: (1) longer-term capital appreciation; and (2) prudent investment risk.

Strategies Employed for Achieving Objectives

The General Board's goal for the investment of non-pension assets is to provide the highest level of appreciation in market value consistent with a prudent level of risk, and taking into consideration the planned duration of the investment. The Investment Committee of the General Board develops and maintains asset mix guidelines for each of the categories of assets taking into consideration the planned duration of the investments. The asset mix guidelines are reviewed by the Investment Committee at least once a year with a formal review every three years. The Investment Committee may change the asset mix at any time.

Spending Policy and How the Investment Objectives Relate to Spending Policy

The General Board has a policy which permits annual spending of an approved percentage of 5%, multiplied by the fiscal year end fair market value of endowment, with a six month proration for contributions received during the year. Endowment contributions must be received by March 31 of a given year in order to be included in that year's distribution calculation. In the event that the rate of return does not meet expected benchmarks in any given year, endowments which must maintain a minimum historic dollar value will not distribute the full amount if that distribution would cause the endowment's value to drop below its minimum required level. This is consistent with the General Board's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

NOTE Q - RELATED PARTY TRANSACTIONS

Included in revenues are amounts totaling \$125,000 and \$128,974 for the years ended September 30, 2011 and 2010, respectively, received from the Nazarene Publishing House (NPH), an affiliated organization, for certain editorial services provided by the General Board.

Certain affiliated organizations deposit excess funds with the General Board for investment purposes. As of September 30, 2011 and 2010, total funds held in trust totaled \$41,752,470 and \$45,430,462, respectively. See Note J.

The General Board guarantees debt on real property related to the worldwide missionary and church growth programs. See Note R.

As of September 30, 2011 and 2010, the Board of Pensions and Benefits USA of the General Board of the Church of the Nazarene World Mission Pension Plans owed \$7,820 and \$8,555, respectively, to the General Board. As of September 30, 2011 and 2010, the Board of Pensions and Benefits USA of the General Board of the Church of the Nazarene Single Defined Benefit Pension Plan owed \$57,830 and \$37,255, respectively, to the General Board.

The General Board provides interest-free direct-financing leases to certain employees. The amounts outstanding on these leases are included in receivable - other on the consolidated statements of financial position and amounted to \$30,792 and \$111,243 as of September 30, 2011 and 2010, respectively.

Payables to various Global Mission regional offices of the Church of the Nazarene are included in accounts payable and accrued expenses on the statements of financial position and amounted to \$0 as of September 30, 2011 and 2010, respectively. Receivables from various Global Mission regional offices of the Church of the Nazarene are included in accounts receivables other on the statements of financial position and amounted to \$378,388 and \$130,021 as of September 30, 2011 and 2010, respectively.

NOTE R - COMMITMENTS AND CONTINGENCIES

The General Board is a party to various legal actions arising in the ordinary course of its operations. In management's opinion, the General Board has adequate legal defenses and/or insurance coverage respecting each of these actions and does not believe that they will materially affect the General Board's financial position, changes in net assets, or cash flows.

Debt in the amount of \$948,084 and \$925,227 was outstanding on real property related to the worldwide missionary and Church growth programs as of September 30, 2011 and 2010, respectively. The General Board was the guarantor on \$948,084 and \$925,227 of this debt. The General Board believes it has a moral obligation to repay this contingent liability in the event of default to support the two programs, although it is not legally obligated to do so. All of the debt is collateralized by real property, for which management estimates the fair value to approximate \$13,128,550 as of September 30, 2011. The debt and related property are excluded from the General Board's financial statements.

NOTE S - USA Church Loan Fund

Church Mortgages and Loans - USA Church Loan Fund

Prior to June 1, 2011, the General Board extended credit for real estate mortgage loans to individual churches. The General Board evaluated creditworthiness on a loan-by-loan basis and generally required collateral in the form of mortgages on the related property and guarantees by

the applicable District Advisory Board. The loans are expected to be repaid from operations and/or contributions to borrowers.

On June 1, 2011, the General Board sold its portfolio of church mortgages to an outside party at an agreed upon discount of 10% realizing \$26,706,034 in proceeds, which resulted in a loss of \$2,947,875 being recognized in the USA Church Loan Fund line item on the consolidated statement of activities. In conjunction with the sale of the USA Church Loan Fund the General Board entered into a non-compete agreement which prevents the General Board from extending credit for real estate mortgage loans to individual churches for a period of ten years.

NOTE T - FAIR VALUE OF FINANCIAL INSTRUMENTS

In accordance with ASC 825, *Financial Instruments*, the fair value of each class of financial instruments is being disclosed. Fair value is the estimated amount at which financial assets or liabilities can be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. Because no market exists for certain of these financial instruments, the fair values of these instruments have been calculated by discounting expected cash flows, which involves the significant exercise of judgment by management.

Church Mortgages and Loans - USA Church Loan Fund

The fair values for church mortgages and loans receivable are estimated by discounting their expected future cash flows using the current rates at which the General Board would be able to obtain financing. The fair values of church mortgages and loans receivable approximated \$0 and \$38,040,602 as of September 30, 2011 and 2010, respectively.

Bonds Payable

The carrying amounts of the bonds payable approximate fair value due to their variable interest rates.

Funds Held in Trust

The carrying amount of funds held in trust approximates fair value because investment income (both realized and unrealized) is recognized when earned and because such funds can be withdrawn on demand.

NOTE U - FUNCTIONAL EXPENSES

The costs of providing various programs and other activities have been summarized on a functional basis in the consolidated statements of activities. Accordingly, certain costs have been allocated among the corresponding program and support services. Fundraising costs approximated \$1,750,961 and \$1,424,039 for the years ended September 30, 2011 and 2010, respectively.

NOTE V - OPERATING LEASES

The General Board leases office space under a noncancelable operating lease expiring in January 2015. The General Board also leases office equipment under noncancelable operating leases with maturity dates ranging from September 2013 to October 2015.

Minimum lease commitments are as follows:

<u>Year ending September 30,</u>	<u>Amount</u>
2012	\$ 72,480
2013	73,659
2014	55,286
2015	15,954
	<u>\$ 217,379</u>

Total lease expense was \$89,946 for 2011 and \$90,078 for 2010.

NOTE W - TEMPORARILY RESTRICTED NET ASSETS HELD BY THIRD-PARTY TRUSTEES

The General Board was informed that certain assets in amounts totaling \$1,037,679 and \$1,032,248 were being held on its behalf by third-party trustees at September 30, 2011 and 2010, respectively. The donors of these assets have designated the General Board as the principal beneficiary of the charitable remainder. These assets are included in temporarily restricted net assets and are invested primarily in fixed money market accounts and land. Because the General Board does not know when conditions will be met for the collection of the charitable remainder, there were no plans as of September 30, 2011 for use of the assets.

SUPPLEMENTAL INFORMATION

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS ON SUPPLEMENTAL INFORMATION

General Board of the Church of the Nazarene

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole of The Global Ministry Center of the General Board of the Church of the Nazarene as of and for the years ended September 30, 2011 and 2010, which are presented in the preceding section of this report. The consolidating information as of and for the year ended September 30, 2011 is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, changes in net assets, and cash flows of the individual entities. The consolidating information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and, in our opinion, is fairly stated in all material respects in relation to the consolidated financial statements taken as a whole.

Grant Johnston LLP

Kansas City, Missouri
February 22, 2012

The Global Ministry Center of the General Board of the Church of the Nazarene				
CONSOLIDATING STATEMENT OF FINANCIAL POSITION				
September 30, 2011				
	The Global Ministry Center of the General Board of the Church of the Nazarene	Church of the Nazarene Foundation	Eliminations	Total
ASSETS				
Cash and cash equivalents	\$ 7,361,816	\$ 400,676	\$ -	\$ 7,762,492
Investments, at fair value	80,531,304	32,293,209	(933,448)	111,891,065
Investments - other	12,183,531	4,250,998	-	16,434,529
Receivables				
Other	1,097,148	629,641	(28,137)	1,698,652
Property and equipment, net	33,058,052	4,834	-	33,062,886
Beneficial interest in charitable trusts, net	1,690,964	1,041,326	(653,285)	2,079,005
Notes receivable	-	837,910	-	837,910
Other assets	233,695	204,016	-	437,711
	\$ 136,156,510	\$ 39,662,610	\$ (1,614,870)	\$ 174,204,250
LIABILITIES AND NET ASSETS				
LIABILITIES				
Accounts payable and accrued expenses	\$ 3,746,288	\$ 124,450	\$ -	\$ 3,870,738
Due to General Board	-	40,965	(40,965)	-
Deferred gift agreements	11,301,018	4,499,949	-	15,800,967
Funds held in trust	18,722,018	24,604,357	(1,573,905)	41,752,470
Pension obligation	4,389,629	-	-	4,389,629
Postretirement benefit obligation	26,670,039	-	-	26,670,039
	64,828,992	29,269,721	(1,614,870)	92,483,843
COMMITMENTS AND CONTINGENCIES				
NET ASSETS				
Unrestricted	65,006,879	5,897,429	-	70,904,308
Temporarily restricted	6,624,406	2,752,593	-	9,376,999
Permanently restricted	2,987,018	1,742,867	-	4,729,885
Unamortized pension liability	(3,290,785)	-	-	(3,290,785)
	71,327,518	10,392,889	-	81,720,407
	\$ 136,156,510	\$ 39,662,610	\$ (1,614,870)	\$ 174,204,250

The Global Ministry Center of the General Board of the Church of the Nazarene				
CONSOLIDATING STATEMENT OF ACTIVITIES				
Year ended September 30, 2011				
	The Global Ministry Center of the General Board of the Church of the Nazarene	Church of the Nazarene Foundation	Eliminations	Total
Changes in unrestricted net assets				
Revenues and gains				
World Evangelism Fund	\$ 38,464,179	\$ -	\$ -	\$ 38,464,179
Mission specials	24,107,576	-	(296,974)	23,810,602
Interest on church mortgages and loans	992,685	-	-	992,685
Net investment loss	(815,441)	(550,532)	-	(1,365,973)
Legacy, gifts, and charitable remainders, net	539,121	764,096	-	1,303,217
Subsidy from General Board	-	698,532	(698,532)	-
Other	4,778,374	418,108	(40,000)	5,156,482
Total unrestricted revenues and gains	68,066,494	1,330,204	(1,035,506)	68,361,192
Net assets released from restrictions	2,298,013	36,213	-	2,334,226
Total net assets released from restrictions	2,298,013	36,213	-	2,334,226
Total unrestricted revenues and gains	70,364,507	1,366,417	(1,035,506)	70,695,418
Expenses				
Program services				
Global Mission	48,174,432	-	-	48,174,432
International Board of Education	2,850,609	-	-	2,850,609
Sunday School and Discipleship Ministries	1,602,429	-	-	1,602,429
Nazarene Youth International	2,608,460	-	-	2,608,460
Board of General Superintendents	2,333,510	-	-	2,333,510
USA Church Loan Fund	3,139,734	-	-	3,139,734
Nazarene communication services	1,379,473	-	-	1,379,473
Church of the Nazarene Foundation	-	1,047,902	(296,974)	750,928
Other program services, net	16,643	-	-	16,643
Total program services	62,105,290	1,047,902	(296,974)	62,856,218
Support services				
Global Ministry Center Financial Office*	3,530,634	-	(738,532)	2,792,102
Global Ministry Center Operations Office	4,169,709	-	-	4,169,709
Church of the Nazarene Foundation	-	1,249,729	-	1,249,729
Other support services*	(1,269,050)	-	-	(1,269,050)
Total support services	6,431,293	1,249,729	(738,532)	6,942,490
Fundraising*	1,750,961	-	-	1,750,961
Total expenses	70,287,544	2,297,631	(1,035,506)	71,549,669
Increase (decrease) in unrestricted net assets	76,963	(931,214)	-	(854,251)
* The amounts of these accounts are presented differently in the consolidated statements of activities because fundraising and support expenses are combined.				

The Global Ministry Center of the General Board of the Church of the Nazarene

CONSOLIDATING STATEMENT OF ACTIVITIES - CONTINUED

Year ended September 30, 2011

	The Global Ministry Center of the General Board of the Church of the Nazarene	Church of the Nazarene Foundation	Eliminations	Total
Changes in temporarily restricted net assets				
Mission specials	\$ 718,140	\$ -	\$ -	\$ 718,140
Legacy, gifts, and charitable remainders, net	608,499	77,062	-	685,561
Net investment loss	(109,735)	(486,038)	-	(595,773)
Actuarial adjustment of deferred gift agreements	14,180	-	-	14,180
Expenses and administrative fees	(45,631)	-	-	(45,631)
Net assets released from restrictions	(2,298,013)	(36,213)	-	(2,334,226)
Net assets reclassified	(65,034)	(93,145)	-	(158,179)
Decrease in temporarily restricted net assets	(1,177,594)	(538,334)	-	(1,715,928)
Changes in permanently restricted net assets				
Legacy, gifts, and charitable remainders, net	29,354	352,053	-	381,407
Net investment income	257	-	-	257
Expenses and administrative fees	(15)	-	-	(15)
Net assets reclassified	38,276	93,145	-	131,421
Increase in permanently restricted net assets	67,872	445,198	-	513,070
Changes in pension liability not included in				
pension expense	111,368	-	-	111,368
Decrease in net assets	(921,391)	(1,024,350)	-	(1,945,741)
Net assets, beginning of year	72,248,909	11,417,239	-	83,666,148
Net assets, end of year	\$ 71,327,518	\$ 10,392,889	\$ -	\$ 81,720,407

The Global Ministry Center of the General Board of the Church of the Nazarene

CONSOLIDATING STATEMENT OF CASH FLOWS

Year ended September 30, 2011

	The Global Ministry Center of the General Board of the Church of the Nazarene	Church of the Nazarene Foundation	Eliminations	Total
Cash flows from operating activities				
Change in net assets	\$ (921,391)	\$ (1,024,350)	\$ -	\$ (1,945,741)
Adjustments to reconcile decrease in net assets to net cash provided by (used in) operating activities				
Depreciation	1,581,355	7,252	-	1,588,607
Net realized and unrealized losses on investments	1,997,314	1,196,536	-	3,193,850
Contributions restricted for long-term investment	(29,354)	-	-	(29,354)
Beneficial interest in charitable trusts	(44,047)	19,291	38,616	13,860
Gain on disposal of property and equipment	(1,729,052)	-	-	(1,729,052)
Loss on sale of USA Church Loan Fund	2,947,875	-	-	2,947,875
Assets donated	-	(294,816)	-	(294,816)
Impairment of investment in LLC	-	468,211	-	468,211
Other assets	480,417	(16,469)	-	463,948
Non-cash assets held for future distribution	-	38,000	-	38,000
Gain on interest rate swap liability	(637,886)	-	-	(637,886)
Pension obligation	(1,908,763)	-	-	(1,908,763)
Postretirement benefit obligation	(535,119)	-	-	(535,119)
Changes in				
Other receivables	1,961,143	1,043,282	(41,606)	2,962,819
Accounts payable and accrued expenses	(687,738)	(1,861,278)	2,990	(2,546,026)
Notes receivable	-	(733,144)	-	(733,144)
Net cash provided by (used in) operating activities	<u>2,474,754</u>	<u>(1,157,485)</u>	<u>-</u>	<u>1,317,269</u>
Cash flows from investing activities				
Acquisition of property and equipment	(188,310)	-	-	(188,310)
Proceeds from disposal of property and equipment	2,504,659	-	-	2,504,659
Funding of church mortgages and loans - USA Church Loan Fund	(1,011,782)	-	-	(1,011,782)
Proceeds from church mortgages and loans - USA Church Loan Fund	1,055,838	-	-	1,055,838
Proceeds from sale of USA Church Loan Fund	26,706,034	-	-	26,706,034
Proceeds from sales and maturities of investments	58,552,662	6,347,354	-	64,900,016
Purchases of investments	(59,368,809)	(5,184,966)	-	(64,553,775)
Net cash provided by investing activities	<u>28,250,292</u>	<u>1,162,388</u>	<u>-</u>	<u>29,412,680</u>
Cash flows from financing activities				
Payments on bonds payable	(24,090,000)	-	-	(24,090,000)
Payment on swap liability	(1,965,245)	-	-	(1,965,245)
Change in deferred gift agreements and funds held in trust	(3,463,110)	-	-	(3,463,110)
Proceeds on contributions restricted for investment in endowments	29,354	-	-	29,354
Net cash used in financing activities	<u>(29,489,001)</u>	<u>-</u>	<u>-</u>	<u>(29,489,001)</u>
Net increase in cash and cash equivalents	1,236,045	4,903	-	1,240,948
Cash and cash equivalents, beginning of year	6,125,771	395,773		6,521,544

	Payment on swap liability	(1,965,245)	-	-	(1,965,245)
	Change in deferred gift agreements and funds held in trust	(3,463,110)	-	-	(3,463,110)
	Proceeds on contributions restricted for investment in endowments	29,354	-	-	29,354
	Net cash used in financing activities	(29,489,001)	-	-	(29,489,001)
	Net increase in cash and cash equivalents	1,236,045	4,903	-	1,240,948
	Cash and cash equivalents, beginning of year	6,125,771	395,773		6,521,544
	Cash and cash equivalents, end of year	\$ 7,361,816	\$ 400,676	\$ -	\$ 7,762,492
	Supplemental schedule of cash flow information				
	Cash paid during the year for interest	\$ 445,029	\$ -	\$ -	\$ 445,029
	Noncash investment activities that increased liabilities for deferred gift agreements and funds held in trust				
	Investments received	\$ 27,598	\$ -	\$ -	\$ 27,598
	Net realized and unrealized losses on investments	(331,884)	-	-	(331,884)

Financial Statements and Report of Independent Certified Public Accountants

**Board of Pensions and Benefits USA of the General Board of the Church of the Nazarene
403(b) Retirement Savings Plan**

September 30, 2011 and 2010



**REPORT OF INDEPENDENT
CERTIFIED PUBLIC ACCOUNTANTS**

Grant Thornton LLP
1201 Walnut Street, Suite 1000
Kansas City, MO 64106-2176
T 816.412.2400
F 816.412.2404
GrantThornton.com
Linkd.in/GrantThorntonUS
Twitter.com/GrantThorntonUS

Trustees
Board of Pensions and Benefits USA of the General Board of the
Church of the Nazarene 403(b) Retirement Savings Plan

We have audited the accompanying statements of net assets available for benefits (modified cash basis) of the Board of Pensions and Benefits USA of the General Board of the Church of the Nazarene 403(b) Retirement Savings Plan as of September 30, 2011 and 2010, and the related statements of changes in net assets available for benefits (modified cash basis) for the years then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As described in Note B, these financial statements were prepared on a modified cash basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Board of Pensions and Benefits USA of the General Board of the Church of the Nazarene 403(b) Retirement Savings Plan as of September 30, 2011 and 2010, and the changes in its net assets available for benefits for the years then ended, on the basis of accounting described in Note B.

Grant Thornton LLP

Kansas City, Missouri
February 22, 2012

**Board of Pensions and Benefits USA of the General Board of the
Church of the Nazarene 403(b) Retirement Savings Plan**

**STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
(MODIFIED CASH BASIS)**

September 30,

	2011	2010
Investments, at fair value		
Mutual funds		
Fidelity Growth Company Fund	\$ 23,000,922	\$ 22,916,618
Fidelity Balanced Fund	16,008,297	16,595,970
Fidelity Contrafund	16,488,349	16,660,516
Fidelity Freedom 2020	27,609,572	25,229,864
Fidelity Freedom 2010	12,857,976	12,968,205
Spartan U.S. Equity Index	6,668,255	6,819,973
Fidelity Freedom 2030	12,336,330	11,425,986
Fidelity Diversified International Fund	7,063,970	8,214,910
PIMCO Total Return	15,103,976	15,626,915
Fidelity Freedom 2040	8,053,865	7,412,655
Fidelity Equity Income Fund	2,893,257	3,135,769
Fidelity Freedom 2015	14,744,447	13,084,486
MSIF Small Company Growth Institutional Class B	2,380,076	2,454,014
DFA US Small Cap Value	3,630,125	3,475,042
Fidelity Freedom 2000	1,759,045	1,592,059
Fidelity Freedom 2025	13,896,009	12,673,397
Fidelity Freedom Income	2,130,602	1,964,536
Fidelity Freedom 2005	2,582,079	2,456,244
Fidelity Freedom 2035	6,324,409	5,629,586
Fidelity Freedom 2045	2,862,999	2,327,063
Fidelity Freedom 2050	1,737,987	1,310,847
CRM Mid Cap Value Instl	2,487,058	2,375,862
Guidestone Equity Index	204,407	214,427
Guaranteed Investment Contract		
Fidelity Fixed Fund	112,402,959	114,079,347
Net assets, at fair value	315,226,971	310,644,291
Receivables		
Notes receivable from participants	2,565,796	2,516,704
Adjustments from fair value to contract value for fully benefit-responsive investment contract	(3,992,949)	(4,404,890)
Net assets available for benefits	\$ 313,799,818	\$ 308,756,105

**Board of Pensions and Benefits USA of the General Board of the
Church of the Nazarene 403(b) Retirement Savings Plan**

**STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
(MODIFIED CASH BASIS)**

Year ended September 30,

	2011	2010
ADDITIONS		
Investment income (loss)		
Net realized and unrealized gain (loss) on net appreciation (depreciation) in fair value of investments	\$ (2,626,626)	\$ 13,992,559
Interest and dividends	6,346,198	6,227,416
	3,719,572	20,219,975
 Interest income on notes receivable from participants	 107,894	 117,460
 Contributions		
Employer contributions	8,868,009	9,195,492
Participant contributions	7,416,621	7,501,423
Rollover contributions	1,048,346	1,150,601
	17,332,976	17,847,516
Net additions	21,160,442	38,184,951
 DEDUCTIONS		
Benefits paid to participants	15,966,976	13,333,252
Administrative expenses	149,753	-
Total deductions	16,116,729	13,333,252
 NET INCREASE	 5,043,713	 24,851,699
 Net assets available for benefits, beginning of year	 308,756,105	 283,904,406
Net assets available for benefits, end of year	\$ 313,799,818	\$ 308,756,105

**Board of Pensions and Benefits USA of the General Board of the
Church of the Nazarene 403(b) Retirement Savings Plan**

NOTES TO FINANCIAL STATEMENTS

September 30, 2011 and 2010

NOTE A - DESCRIPTION OF PLAN

The following description of the Board of Pensions and Benefits USA of the General Board of the Church of the Nazarene 403(b) Retirement Savings Plan (the Plan) provides only general information. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

1. *General*

The Plan is for the benefit of all U.S. ministers and laypersons serving local congregations and districts, as well as general church employees. The Plan is a defined contribution plan established under Section 403(b) of the Internal Revenue Code (the IRC). Lay or ministerial employees of Nazarene churches or church-controlled agencies and registered Nazarene chaplains may participate in the Plan. Nazarene churches or church-controlled agencies include the Global Ministry Center of the General Board of the Church of the Nazarene (the General Board), the Nazarene Publishing House, Church of the Nazarene Foundation, Nazarene Theological Seminary, Nazarene Bible College, Nazarene Compassionate Ministries, Inc., or the subsidiaries of these entities, including Nazarene-affiliated colleges or universities. The Board of Pensions and Benefits USA serves as the administrator and trustee (the Administrator and/or the Trustee) on behalf of the General Board. Fidelity Management Trust Company (Fidelity) serves as the custodian of the Plan.

The Pensions and Benefits Fund (the Fund) provides administrative services and certain specific funding amounts as determined by the Board of Pensions and Benefits USA to the Plan.

2. *Plan Administration*

The plan administrator is responsible for the day-to-day administration of the Plan. The plan administrator is also responsible for maintaining accurate and detailed records and accounts of employees and of their rights under the Plan and all investments, receipts, disbursements, and other transactions. The plan administrator is not responsible to determine that contributions made to the plan trust by an employer comply with the provisions of the Plan, nor does it have responsibility to collect or monitor the making or the accuracy of any contributions payable or made by an employer to the plan trust.

The plan administrator has the exclusive power and authority to control and manage the operation and administration of the Plan, including determining eligibility and participation in the Plan and overseeing claims procedures.

3. *Contributions*

Contributions are made through either an employer-funded arrangement or a voluntary salary-reduction agreement with each participant's employer. Voluntary salary-reduction contributions are not permitted to exceed IRC limitations on an annual basis. Employers participating in the Plan are encouraged to match amounts totaling at least up to, but not limited to, 3% of the employee's voluntary salary-reduction contribution amounts.

4. *Contributions for Ministerial Employees*

Annual contributions for ministerial employees are determined by the Administrator. The annual pension supplement (APS) contribution is deposited into individual accounts for each eligible U.S. clergy member and layperson from Fund receipts or agency funds, depending upon the participant's employer. The 2010 and 2009 APS contribution for eligible senior pastors and associates was established using an agreed-upon schedule to be based on the amounts paid to the Fund by eligible participants' local congregations. The 2011 and 2010 APS contribution for eligible district superintendents, district assigned, and evangelists will be \$1,000. Total APS contributions amounted to \$4,434,950, consisting of \$4,318,450 from the Fund and \$116,500 from Global Mission, for the year ended September 30, 2011. Total APS contributions amounted to \$4,920,866, consisting of \$4,789,866 from the Fund and \$131,000 from Global Mission, for the year ended September 30, 2010.

5. *Participant Accounts*

Each participant's account is credited with the participant's and participating employer's contributions, as applicable, and allocations of (a) the Fund or agency fund contributions and (b) Plan earnings. Allocations are based on participant earnings or account balances. The benefit to which a participant is entitled is the benefit that can be provided from the participant's account.

6. *Vesting and Forfeitures*

Participants are immediately vested in all contributions plus actual earnings thereon.

7. *Investment Options*

Upon enrollment in the Plan, a participant may direct contributions to any of several investment options.

The funds offered by Fidelity as of September 30, 2011 were as follows:

- Fidelity Growth Company Fund
- Fidelity Balanced Fund
- Fidelity Contrafund
- Fidelity Freedom Index 2020
- Fidelity Freedom Index 2010
- Spartan U.S. Equity Index

- Fidelity Freedom Index 2030
- Fidelity Diversified International Fund
- PIMCO Total Return
- Fidelity Freedom Index 2040
- Fidelity Equity Income Fund
- Fidelity Freedom Index 2015
- MSIF Small Company Growth Institutional Class B
- DFA US Small Cap Value
- Fidelity Freedom Index 2000
- Fidelity Freedom Index 2025
- Fidelity Freedom Income
- Fidelity Freedom Index 2005
- Fidelity Freedom Index 2035
- Fidelity Freedom Index 2045
- Fidelity Freedom Index 2050
- Fidelity Fixed Fund
- CRM Mid Cap Value Instl
- GuideStone Equity Index Fund

For additional information regarding the Plan's investment alternatives and fund performance, participants should refer to the Plan document and published information provided by such funds.

Participants may change or transfer their investment options on an as-needed basis.

Net appreciation (depreciation) in fair value of investments consisted of the following for the year ended September 30,

	<u>2011</u>	<u>2010</u>
Realized gain on sale of investments	\$ 11,627,970	\$ 756,092
Unrealized gain (loss) on investments	(14,254,596)	13,236,467
	<u>\$ (2,626,626)</u>	<u>\$ 13,992,559</u>

8. *Notes Receivable from Participants*

Participants may borrow from their fund accounts a minimum of \$1,000, up to the lesser of \$50,000 or 50% of their account balance. Loan terms range from 1 to 5 years. The loans are secured by the balance in the participant's account and bear interest at prime plus 1%. Interest rates for participant loans ranged from 4.25% to 9.25%. Principal and interest are paid ratably through monthly or quarterly installments.

9. *Administrative Expenses*

The Fund, a related party, pays Plan-level administrative expenses, which amounted to \$139,958 and \$282,677 for the years ended September 30, 2011 and 2010, respectively.

Beginning April 1, 2011, each participant account became responsible for these expenses. Administrative expenses paid by participant accounts totaled \$149,753 and \$0 for the years ended September 30, 2011 and 2010, respectively.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Accounting

The accompanying financial statements have been prepared on a modified cash basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Under this basis, interest, dividends, and contributions are recognized when collected rather than when earned, and expenses are recognized when paid rather than when incurred. Investments are reported at fair value. Consequently, contributions receivable and accrued interest and dividend receivables are not included in the financial statements.

2. Valuation of Investments

The Plan's investments are stated at fair value, except for its investment contract with Fidelity. The investment contract is stated at contract value (Note C) based on quoted market prices, with gains and losses included in the statements of changes in net assets available for benefits. Separate account investments are valued based on the net asset value of the underlying shares of the mutual funds held in the accounts.

3. Investment Risks

The Plan invests in mutual funds and a stable value investment contract, both of which hold various securities that may include U.S. Government securities, corporate debt instruments, and corporate stocks. Investment securities, in general, are exposed to various risks such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the financial statements.

4. Notes Receivable from Participants

Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Delinquent loans are reclassified as distributions based upon the terms of the Plan document.

5. Payment of Benefits

Benefits are recorded when paid.

6. Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

7. *Adoption of New Accounting Standard*

In September 2010, FASB issued an amendment, Plan Accounting - Defined Contribution Pension Plans (Topic 952): *Reporting Loans to Participants by Defined Contribution Pension Plans*, which provides guidance on how loans to participants should be classified and measured by defined contribution plans. That guidance requires participant loans to be classified as notes receivable from participants, which are segregated from plan investments and measured at their unpaid principal balance plus any accrued but unpaid interest. The Plan adopted this new guidance in its September 30, 2011 financial statements and has reclassified participants' loans of \$2,516,704 from investments to notes receivable from participants and interest income of \$117,460 from investment income to interest income on notes receivable from participants for the year ended September 30, 2010. Net assets of the Plan were not affected by the adoption of the new guidance.

8. *Subsequent Events*

The Plan has evaluated subsequent events through February 22, 2012, which is the date these financial statements were available to be issued.

NOTE C - STABLE VALUE FUND INVESTMENT CONTRACT WITH FIDELITY

The Plan follows the provisions of Financial Accounting Standards Board Codification 965, *Reporting of Fully Benefit-Responsive Investment Contracts Held by Certain Investment Companies Subject to the AICPA Investment Company Guide and Defined-Contribution Health and Welfare and Pension Plans* (ASC 965), wherein investment contracts held by a defined contribution plan are required to be reported at fair value. However, contract value is the relevant measurement attribute for that portion of the net assets available for benefits of a defined contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the plan. The Plan invests in investment contracts through Fidelity Fixed Fund. As is required by ASC 965, the statements of net assets available for benefits present the fair value of the investment, as well as the adjustment of the investment in the investment contracts from fair value to contract value. The statement of changes in net assets available for benefits is prepared on a contract-value basis. Contract value represents contributions made under the contract, plus earnings, less participant withdrawals and administrative expenses. Participants may ordinarily direct the withdrawal of all or a portion of their investment at contract value

Investments in the Fidelity Fixed Fund consist principally of guaranteed interest contracts, which are included at fair value as determined by Fidelity Management Trust Company based on discounted cash flows using current market interest rates with a maximum estimated fair value compounded at a rate of 1.86% at September 30, 2011 and 1.80% at September 30, 2010. The average yield earned by the trust with an adjustment to reflect the actual interest rate credited to participants in the fully benefit-responsive investment contract was 1.81% at September 30, 2011 and 1.84% at September 30, 2010.

The fund could be limited in its ability to transact at contract value if the fund raises its risk profile or is subjected to a period of significant cash outflow. The fund maintains strong risk parameters, internal cash flow, and a maturity ladder of investments to offset cash withdrawals. Further, the fund manager may limit withdrawals in order to maintain sufficient liquidity. The plan administrator does not believe that any events which would limit the Plan's ability to transact at contract value are probable of occurring.

NOTE D - FAIR VALUE MEASUREMENTS

Effective October 1, 2008, the Plan adopted the provisions of ASC Topic 820, *Fair Value Measurements and Disclosures* (ASC 820). ASC 820 establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under ASC 820 are described below.

Level 1 - Quoted market prices in active markets for identical assets or liabilities.

Level 2 - Inputs other than Level 1 inputs which are either directly or indirectly observable.

Level 3 - Unobservable inputs developed using management's estimates and assumptions, which reflect those which market participants would use.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value:

Mutual funds - Valued based on quoted market prices of the underlying assets.

Guaranteed investment contract - Valued based on the fair value of the account, which is the amount plan participants or plan sponsors would receive currently if they were to withdraw or transfer funds within the Plan prior to their maturity.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date.

The following table sets forth, by level within the fair value hierarchy, the Plan's assets at fair value as of September 30, 2011:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual funds				
Intermediate - term bond	\$ 15,103,976	\$ -	\$ -	\$ 15,103,976
Growth funds	41,869,347	-	-	41,869,347
Value funds	3,630,125	-	-	3,630,125
Blend funds	135,156,594	-	-	135,156,594
International funds	7,063,970	-	-	7,063,970
Guaranteed investment contract	-	-	112,402,959	112,402,959
Total assets at fair value	<u>\$ 202,824,012</u>	<u>\$ -</u>	<u>\$ 112,402,959</u>	<u>\$ 315,226,971</u>

The following table sets forth, by level within the fair value hierarchy, the Plan's assets at fair value as of September 30, 2010:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual funds				
Intermediate - term bond	\$ 15,626,914	\$ -	\$ -	\$ 15,626,914
Growth funds	19,114,530	-	-	19,114,530
Value funds	124,081,161	-	-	124,081,161
Blend funds	29,527,429	-	-	29,527,429
International funds	8,214,910	-	-	8,214,910
Guaranteed investment contract	-	-	114,079,347	114,079,347
Total assets at fair value	<u>\$ 196,564,944</u>	<u>\$ -</u>	<u>\$ 114,079,347</u>	<u>\$ 310,644,291</u>

The table below sets forth a summary of changes in the fair value of the Plan's Level 3 assets for the year ended September 30, 2011:

	Guaranteed Investment Contract
Balance, September 30, 2010	\$ 114,079,347
Purchases	13,305,110
Issuances, settlements	(16,505,085)
Interest	1,935,527
Unrealized loss	(411,940)
Balance, September 30, 2011	<u>\$ 112,402,959</u>

The table below sets forth a summary of changes in the fair value of the Plan's Level 3 assets for the year ended September 30, 2010:

	Guaranteed Investment Contract
Balance, September 30, 2009	\$ 112,381,475
Realized gains	-
Unrealized gains relating to instruments still held at the reporting date	2,784,256
Purchases, sales, issuance, and settlements (net)	(1,086,384)
Balance, September 30, 2010	<u>\$ 114,079,347</u>

NOTE E - TAX STATUS

The Plan is not subject to federal or state income taxes, since the Administrator and legal counsel believe that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC under Section 403(b). The Plan Administrator, with the direction of legal counsel, implemented additional compliance procedures for participating employers and individual participants as required by the revised IRS 403(b) Regulations.

NOTE F - PLAN DOCUMENT RESTATEMENT

The Plan document was restated as required by IRC Section 403(b) as of January 1, 2009.

NOTE G - PLAN TERMINATION

Although it has not expressed any intent to do so, the Administrator has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the terms of the Plan agreement. In the event of termination of the Plan, the Trustee shall pay and discharge all expenses and, unless the Administrator elects to continue the trust, all benefits will be payable as soon as is administratively feasible under the terms of the Plan. The Trustee may either distribute the remaining assets of the Plan trust in kind or liquidate them and distribute the net proceeds to the participants in accordance with their respective account balances.

Financial Statements and Report of Independent Certified Public Accountants

**Board of Pensions and Benefits USA of the General Board of the Church of the Nazarene
Single Defined Benefit Pension Plan**

September 30, 2011 and 2010



Grant Thornton LLP
1201 Walnut Street, Suite 1000
Kansas City, MO 64106-2176
T 816.412.2400
F 816.412.2404
Grant.Thornton.com
Linkd.in/GrantThorntonUS
Twitter.com/GrantThorntonUS

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Trustees

Board of Pensions and Benefits USA of the General Board of the
Church of the Nazarene Single Defined Benefit Pension Plan

We have audited the accompanying statements of net assets available for plan benefits and accumulated plan benefits of the Board of Pensions and Benefits USA of the General Board of the Church of the Nazarene Single Defined Benefit Pension Plan as of September 30, 2011 and 2010, and the related statements of changes in net assets available for plan benefits and changes in accumulated plan benefits for the years then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial status of the Board of Pensions and Benefits USA of the General Board of the Church of the Nazarene Single Defined Benefit Pension Plan as of September 30, 2011 and 2010, and the changes in its financial status for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Grant Thornton LLP

Kansas City, Missouri
February 22, 2012

**Board of Pensions and Benefits USA of the General Board of the
Church of the Nazarene Single Defined Benefit Pension Plan**

STATEMENTS OF NET ASSETS AVAILABLE FOR PLAN BENEFITS

September 30,

	2011	2010
ASSETS		
Cash	\$ 480,307	\$ 441,978
Investments, at fair value (<i>note D</i>)		
Plan interest in Pension Investment Trust	91,070,813	103,909,160
Receivables		
Accrued interest receivable	145,212	127,155
Contributions receivable	19,098	6,128
	164,310	133,283
Other assets	6,987	56,942
	91,722,417	104,541,363
LIABILITIES		
Accounts payable	125,944	106,216
Due to Global Ministry Center	57,830	37,255
	183,774	143,471
Net assets available for plan benefits	\$ 91,538,643	\$ 104,397,892

**Board of Pensions and Benefits USA of the General Board of the
Church of the Nazarene Single Defined Benefit Pension Plan**

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR PLAN BENEFITS

Year ended September 30,

	<u>2011</u>	<u>2010</u>
Additions		
Investment income (loss)		
Plan interest in Pension Investment Trust investment income (loss)	\$ (964,572)	\$ 10,040,480
Contributions		
Employer contributions - Pensions and Benefits Fund <i>(note C)</i>	5,000,000	6,500,000
Employee contributions	69,093	76,622
Other	91,946	25,129
	<u>5,161,039</u>	<u>6,601,751</u>
Total additions	4,196,467	16,642,231
Deductions		
Benefits paid to participants	16,673,689	16,504,321
Administrative, accounting, legal, and actuarial expenses	382,027	404,007
Total deductions	<u>17,055,716</u>	<u>16,908,328</u>
Net decrease in net assets available for plan benefits	(12,859,249)	(266,097)
Net assets available for plan benefits, beginning of year	<u>104,397,892</u>	104,663,989
Net assets available for plan benefits, end of year	<u><u>\$ 91,538,643</u></u>	<u><u>\$ 104,397,892</u></u>

**Board of Pensions and Benefits USA of the General Board of the
Church of the Nazarene Single Defined Benefit Pension Plan**

STATEMENTS OF ACCUMULATED PLAN BENEFITS

September 30,

	<u>2011</u>	<u>2010</u>
Actuarial present value of accumulated plan benefits		
Vested benefits		
Participants currently receiving payments	\$ 120,771,003	\$ 122,046,647
Other participants	63,887,581	66,009,804
	<u>184,658,584</u>	<u>188,056,451</u>
Nonvested benefits	<u>1,147,978</u>	<u>1,169,102</u>
Total actuarial present value of accumulated plan benefits	<u><u>\$ 185,806,562</u></u>	<u><u>\$ 189,225,553</u></u>

**Board of Pensions and Benefits USA of the General Board of the
Church of the Nazarene Single Defined Benefit Pension Plan**

STATEMENTS OF CHANGES IN ACCUMULATED PLAN BENEFITS

Year ended September 30,

	<u>2011</u>	<u>2010</u>
Actuarial present value of accumulated plan benefits, beginning of year	\$ 189,225,553	\$ 193,024,913
Increase (decrease) during the year attributable to		
Benefits accumulated and actuarial net gain (loss)	1,905,271	(229,132)
Increase for interest due to decrease in discount period	12,662,211	12,934,093
Benefits paid to participants	(16,673,689)	(16,504,321)
Change in actuarial assumptions	(1,312,784)	-
Net change	<u>(3,418,991)</u>	<u>(3,799,360)</u>
Actuarial present value of accumulated plan benefits, end of year	<u>\$ 185,806,562</u>	<u>\$ 189,225,553</u>

**Board of Pensions and Benefits USA of the General Board of the
Church of the Nazarene Single Defined Benefit Pension Plan**

NOTES TO FINANCIAL STATEMENTS

September 30, 2011 and 2010

NOTE A - DESCRIPTION OF THE PLAN

1. *General*

The Board of Pensions and Benefits USA of the General Board of the Church of the Nazarene Single Defined Benefit Pension Plan (the Plan), established in 1996, combined the assets while retaining the benefit formulas of the Basic Pension Plan and the General Church Pension Plan (collectively, the Predecessor Plans), which were both multiemployer plans. The Plan is also considered to be a multiemployer plan. The Plan is administered by the Board of Pensions and Benefits USA (the Administrator) on behalf of the General Board of the Church of the Nazarene (the General Board). The Plan is a qualified church plan which has not elected to be governed by the provisions of the Employee Retirement Income Security Act of 1974 and is not subject to Pension Benefit Guaranty Corporation insurance coverage.

New participation was frozen effective January 1, 1996 and there were no new entrants into either of the Predecessor Plans. Participants in those plans have been grandfathered in so that no one having years of service under those plans will receive less under the Plan than what would have been paid under the Predecessor Plans had they continued unchanged.

Also, effective January 1, 1996, the 403(b) Retirement Savings Plan [the 403(b) Plan, previously known as the Single Defined Contribution or TSA Plan] was established for all U.S. ministers and laypersons serving local congregations and districts, as well as general church employees.

The following brief description of the Plan is provided for general information purposes only. Participants should refer to their respective Plan documents for more complete information.

Prior Basic Pension Plan Participants

The Basic Pension Plan (the Basic Plan) was a noncontributory defined benefit pension plan. The Basic Plan provided retirement benefits at age 65 to full-time pastors, evangelists, and district-credentialed laypersons serving organized churches in the U.S. and Canadian districts participating in the Pensions and Benefits Fund. The Basic Plan was funded by contributions from participating local churches with no employee contributions.

Basic Plan participants are entitled to receive pension benefits beginning at normal retirement age (65) or later after 10 or more years of vesting service in a monthly amount equal to a pension for each year of pension service (to a maximum of 50), including continued accrual

of service credits after December 31, 1995 of \$11.00 increased by .5% for each year of service in excess of 10 (up to 40 excess years).

The Basic Plan permits early retirement at ages 62 through 64. If employees terminate before rendering 10 years of service, they forfeit the right to receive the value of their accumulated plan benefits. Upon retirement, participants may elect to receive the value of their accumulated plan benefits as a life annuity with a 60% survivor benefit, or a reduced life annuity with a 100% survivor benefit.

If an active employee dies after rendering 10 or more years of service, a death benefit equal to 60% of the value of the employee's accumulated plan benefits is paid to the employee's beneficiary. Active employees who become totally disabled after rendering five or more years of service receive annual disability benefits based on years of service to the date of disability, plus a half-year of service credit for each year from the disability date to the retirement date.

Prior General Church Pension Plan Participants

The General Church Pension Plan (the General Church Plan) was a contributory defined benefit pension plan that provided retirement benefits to participating full-time employees of the General Board (excluding missionaries), Nazarene Theological Seminary, and Nazarene Compassionate Ministries, Inc.

General Church Plan participants are entitled to receive pension benefits beginning at normal retirement age (65) equal to (a) minus (b), where (a) is the higher of (1) the monthly pension provided by the amount in the participant's account under the 403(b) Plan derived from contributions from the Pensions and Benefits Fund on or after January 1, 1996, plus earnings thereon accruing on or after January 1, 1996, or (2) a monthly pension equal to 2% of average monthly pay multiplied by years of credited service under the Plan; and (b) is the monthly pension provided in (1) above [the 403(b) offset].

The General Church Plan permits early retirement at ages 60 through 64. Employees may elect to receive their pension benefits in the form of a life and survivor annuity. If employees terminate before rendering seven years of service, they forfeit the right to receive a portion of their accumulated plan benefits attributable to the participating employer's contributions, which are 20% vested after three years of service and increase in 20% increments for each year thereafter, for a total of 100%. If an active employee dies prior to his or her retirement date, a death benefit equal to the value of the employee's accumulated plan benefits is paid to the employee's beneficiary.

During the year ended September 30, 2011, a Voluntary Retirement Option (the "Option") was offered to active participants in the employ of the General Board of the Church of the Nazarene at the Global Ministry Center and who had attained at least age 60 as of April 1, 2011. The Option applied in the event that such an active participant retires on or before June 30, 2011, and, in the period between April 1, 2011 and June 1, 2011 had given irrevocable written notice of election and acceptance of the Option. For participants electing the Option

who have not yet reached normal retirement age, the participant was granted a year of credited service for the entirety of 2011, plus one additional whole year. For participants electing the Option, who had reached the normal retirement age, the participant was granted a year of credited service for the entirety of 2011, plus two additional whole years. For participants electing the Option as of their early retirement date, the participant's pension benefit is computed as though the participant retired on their normal retirement date.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Accounting

The accompanying financial statements were prepared on the accrual basis of accounting.

2. Investment Valuation and Income Recognition

Investments are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation (depreciation) includes the Plan's gains and losses on investments bought and sold as well as held during the year.

3. Payment of Benefits

Benefits are recorded when paid.

4. Actuarial Present Value of Accumulated Plan Benefits

Accumulated plan benefits are those future periodic payments, including lump-sum distributions, that are attributable under each Predecessor Plan's provisions for the service employees have rendered. Accumulated plan benefits include benefits expected to be paid to the following: (a) retired or terminated employees or their beneficiaries, (b) beneficiaries of employees who have died, and (c) present employees or their beneficiaries. Benefits payable under all circumstances such as retirement, death, and termination of employment are included, to the extent they are deemed attributable to employee service rendered to the valuation date. Benefits to be provided via annuity contracts excluded from Plan assets are excluded from accumulated plan benefits.

The actuarial present value of accumulated plan benefits for the Plan is determined by actuaries from Towers Watson and is that amount which results from applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as death, disability, withdrawal, or retirement) between the valuation date and the expected

date of payment. The significant actuarial assumptions used in the valuations as of January 1, 2011 and 2010 were as follows: (a) life expectancy of participants (based on the RP-2000 Combined Mortality Table, male and female projected to 2011 with Scale AA for 2011 and the 1994 Group Annuity Mortality Table for 2010), (b) retirement age assumptions (the assumed average retirement age was 65), and (c) investment return. The valuations from the actuary assumed an average rate of return of 7% for 2011 and 2010, a discount rate of 7.0% for 2011 and 2010, and an assumed salary increase of 3% for both 2011 and 2010 (General Church Plan only). In the current year, certain actuarial assumptions were changed that resulted in a decrease in the actuarial present value of accumulated plan benefits of \$1,312,784. Those changes include: the assumed mortality rates for all members (to the RP-2000 Combined Mortality Table, male and female, projected with Scale AA in 2011 from the 1994 Group Mortality Table in 2010); the assumed termination rates for members of the former Basic Plan (to 6.5% for all ages in 2011 from a table based on years of service in 2010); and assumed retirement rates for members of the former Basic Plan (to 30% for ages 66-67 in 2011 from 25% in 2010). The foregoing actuarial assumptions are based on the presumption that the Plan will continue. Were the Plan to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated plan benefits.

5. *Administrative Expenses*

Certain directly related administrative, accounting, legal, and actuarial expenses are allocated to the Plan by the Administrator. All other expenses are borne by the Pensions and Benefits Fund.

6. *Use of Estimates*

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

7. *Subsequent Events*

The Plan has evaluated subsequent events through February 22, 2012, which is the date these financial statements were available to be issued. The Plan is not aware of any subsequent events which would require recognition or disclosure in the financial statements.

NOTE C - FUNDING POLICY

1. *Basic Pension Plan*

The allocation of the total Pensions and Benefits Fund contributions received from local churches in 2011 and 2010, including amounts contributed to the Pensions and Benefits Fund and the 403(b) Plan, was as follows. Fund reserves from prior year contributions were

contributed to the Plan during the year ended September 30, 2011. Separate financial statements are provided for the Pensions and Benefits Fund and the 403(b) Plan.

	<u>2011</u>	<u>2010</u>
Total Pensions and Benefits Fund contributions received from local churches	\$ 12,043,708	\$ 11,699,204
403(b) Plan contributions	4,309,524	4,769,289
Single Defined Benefit Pension Plan contributions	5,000,000	6,500,000
Insurance and benevolence program expenses of the Pensions and Benefits Fund	1,780,460	1,810,121
Administrative expenses of the Pensions and Benefits Fund	1,580,394	1,891,397
(Decrease) increase in net assets of the Pensions and Benefits Fund	50,736	(2,584,468)

2. *General Church Pension Plan*

As a condition of participation, employees are required to contribute 3% of their salary to the General Church Plan. Employees are immediately 100% vested in their contributions, plus interest credited thereon. For the Plan calendar year beginning January 1, 1997, no annual contributions were required from the participating employers to support the present benefit levels under the General Church Plan's actuarial cost method. In 2008, the Plan purchased individual annuity contracts, which distributes benefit payments, in an amount sufficient to maintain the asset level above the benefit floor rider minimum. There were no purchases of individual annuity contracts during the years ended September 30, 2011 and 2010, respectively.

3. *Combined Plan*

The participating employers' funding policy is to make annual contributions to the Plan in amounts such that all participants' benefits will be fully provided for by the time they retire. For the Plan calendar years beginning January 1, 2011 and 2010, the net annual contributions required from the participating employers to support the present benefit levels under the Plan's actuarial cost method totaled \$17,405,540 in 2011 and \$11,958,549 in 2010 based on the fair market value of the Plan's net assets. Based on current funding and actuarial projected benefit payments, the Plan's net assets are projected to be depleted by 2023 unless additional funding is secured in future years. Management is currently considering viable options to address the funding concerns, including alternatives to reduce the "pay as you go" scenario to fundable levels upon depletion of the net assets in the future.

The following table presents the Plan's unfunded liability as of September 30,

	<u>2011</u>	<u>2010</u>
Net assets available for plan benefits	\$ 91,538,643	\$ 104,387,892
Actuarial present value of accumulated plan benefits	(185,806,562)	(189,225,553)
	<u>\$ (94,267,919)</u>	<u>\$ (84,837,661)</u>

NOTE D - INTEREST IN PENSION INVESTMENT TRUST

1. *Description of Pension Investment Trust*

The entirety of the Plan's investments is in the Pension Investment Trust which was established for the investment of assets of the Plan and the World Mission Pension Plans. Each participating retirement plan has an undivided interest in the Pension Investment Trust. The assets of the Pension Investment Trust are held by Northern Trust Company (the Custodian).

The value of the Plan's interest in the Pension Investment Trust is based on the beginning of year value of the Plan's interest in the trust plus actual contributions and allocated investment income less actual distributions and allocated administrative expenses. At September 30, 2011 and 2010, the Plan's interest in the net assets of the Pension Investment Trust was approximately 93% and 95%, respectively. There are no restrictions on the redemption of the Plan's interest in the net assets of the Pension Investment Trust as of September 30, 2011 and 2010, respectively. Investment income and administrative expenses relating to the Pension Investment Trust are allocated to the individual plans based upon average monthly balances invested by each plan.

The following table presents the assets, including investments, of the Pension Investment Trust as of September 30,

	<u>2011</u>	<u>2010</u>
Money market funds	\$ 2,965,462	\$ 3,670,471
Common and preferred stocks	45,975,283	53,269,274
U.S. government and agency securities	4,155	5,577
Mutual funds	48,495,332	51,935,211
	<u>\$ 97,440,232</u>	<u>\$ 108,880,533</u>
Plan interest in Pension Investment Trust	\$ 91,070,813	\$ 103,909,160

Investment income for the Pension Investment Trust is comprised of the following as of September 30,

	<u>2011</u>	<u>2010</u>
Investment income:		
Net appreciation (depreciation) in fair value of investments:		
Money market funds	\$ 388	\$ -
Common and preferred stocks	(217,459)	4,881,999
U.S. government and agency securities	(33)	49
Mutual funds	<u>(2,911,200)</u>	<u>3,705,405</u>
	<u>\$ (3,128,304)</u>	<u>\$ 8,587,453</u>
Interest	1,308,440	1,296,207
Dividends	1,234,295	1,081,082
Investment expenses	<u>(489,434)</u>	<u>(450,745)</u>
	<u>\$ (1,075,003)</u>	<u>\$ 10,964,742</u>

2. *Fair Value Measurements of Pension Investment Trust*

ASC Topic 820, *Fair Value Measurements and Disclosures* (ASC 820) establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under ASC 820 are described below.

Level 1 - Quoted market prices in active markets for identical assets or liabilities.

Level 2 - Inputs other than Level 1 inputs which are either directly or indirectly observable.

Level 3 - Unobservable inputs developed using management's estimates and assumptions, which reflect those which market participants would use.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date.

The closing prices reported in the active markets in which the securities are traded are used to value the investments in the Pension Investment Trust. The following table sets forth by level, within the fair value hierarchy, the Pension Investment Trust's assets at fair value as of September 30, 2011:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money market funds	\$ 2,965,462	\$ -	\$ -	\$ 2,965,462
Common and preferred stocks	45,975,283	-	-	45,975,283
U.S. Government obligations and agency securities	4,155	-	-	4,155
Mutual funds				
Intermediate - term bond	36,896,703	-	-	36,896,703
International funds	11,598,629	-	-	11,598,629
Total assets at fair value	<u>\$ 97,440,232</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 97,440,232</u>

The following table sets forth by level, within the fair value hierarchy, the Pension Investment Trust's assets at fair value as of September 30, 2010:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money market funds	\$ 3,670,471	\$ -	\$ -	\$ 3,670,471
Common and preferred stocks	53,269,274	-	-	53,269,274
U.S. Government obligations and agency securities	5,577	-	-	5,577
Mutual funds				
Intermediate - term bond	41,368,553	-	-	41,368,553
International funds	10,566,658	-	-	10,566,658
Total assets at fair value	<u>\$ 108,880,533</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 108,880,533</u>

The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported at the beginning of the reporting period.

We evaluated the significance of transfers between levels based upon the nature of the financial instrument and size of the transfer relative to total net assets available for benefits. For the year ended September 30, 2011, there were no significant transfers in or out of levels 1, 2 or 3.

NOTE E - RISKS AND UNCERTAINTIES

The Plan invests various securities. Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statement of net assets available for benefits.

Deposits in excess of federally insured limits are maintained in financial institutions. Bank rating services are regularly monitored for the ongoing safety ratings of financial institutions in which deposits are maintained.

Plan contributions are made and the actuarial present value of accumulated Plan benefits are reported based on certain assumptions pertaining to interest rates, inflation rates, and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimations and assumptions process, it is at least reasonably possible that changes in these estimates and assumptions in the near term would be material to the financial statements.

NOTE F - PLAN TERMINATION

Although it has not expressed any intent to do so, the Administrator has the right to terminate the Plan subject to the provisions of the Plan document and the Merger Agreement. Should the Plan terminate at some future time, a particular participant's accumulated plan benefits will be dependent on the priority of those benefits at that time as set forth in the Plan document and the Merger Agreement.

NOTE G - INCOME TAX STATUS

The Internal Revenue Service has determined and informed the Administrator by letter that the Basic Pension Plan, the General Church Pension Plan, and the related trusts were designed in accordance with applicable sections of the Internal Revenue Code (the IRC). There have been amendments since the Administrator received those determination letters; however, the Administrator believes that the Plan, which encompasses both the Basic Pension Plan and the General Church Pension Plan, is designed and is currently being operated in compliance with the applicable requirements of the IRC.

Financial Statements and Report of Independent Certified Public Accountants

**Board of Pensions and Benefits USA of the General Board of the Church of the Nazarene
Pensions and Benefits Fund**

September 30, 2011 and 2010



Grant Thornton LLP
1201 Walnut Street, Suite 1000
Kansas City, MO 64106-2176
T 816.412.2400
F 816.412.2404
GrantThornton.com
Linkd.in/GrantThorntonUS
Twitter.com/GrantThorntonUS

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors
Board of Pensions and Benefits USA of the General Board of the
Church of the Nazarene Pensions and Benefits Fund

We have audited the accompanying statements of financial position of the Board of Pensions and Benefits USA of the General Board of the Church of the Nazarene Pensions and Benefits Fund as of September 30, 2011 and 2010, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Board of Pensions and Benefits USA of the General Board of the Church of the Nazarene Pensions and Benefits Fund as of September 30, 2011 and 2010 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.

Grant Thornton LLP

Kansas City, Missouri
February 22, 2012

**Board of Pensions and Benefits USA of the General Board of the
Church of the Nazarene Pensions and Benefits Fund**

STATEMENTS OF FINANCIAL POSITION

September 30,

	2011	2010
ASSETS		
CURRENT ASSETS		
Cash	\$ 2,153,083	\$ 2,191,667
Accounts receivable	959	2,594
	2,154,042	2,194,261
Equipment	509,946	511,826
Less accumulated depreciation	(478,815)	(433,687)
	31,131	78,139
	\$ 2,185,173	\$ 2,272,400
 LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 185,484	\$ 221,487
Deferred revenue	63,312	68,976
	248,796	290,463
DEATH BENEFIT BENEVOLENCE PLAN	399,794	496,090
NET ASSETS, unrestricted	1,536,583	1,485,847
	\$ 2,185,173	\$ 2,272,400

**Board of Pensions and Benefits USA of the General Board of the
Church of the Nazarene Pensions and Benefits Fund**

STATEMENTS OF ACTIVITIES

Year ended September 30,

	2011	2010
Income		
Insurance and benevolence program contributions		
from local churches	\$ 12,043,708	\$ 11,699,204
Other insurance premiums collected	673,736	683,157
Trust administration fees	3,355	3,728
Other income	300	250
Total income	12,721,099	12,386,339
Expenses		
Program expenses		
Single Defined Benefit Pension Plan contributions	5,000,000	6,500,000
403(b) Plan contributions	4,309,524	4,769,289
Minister group life insurance premiums paid	992,118	971,021
Other insurance premiums paid	643,645	651,925
Benevolence payments	144,697	187,175
Total program expenses	11,089,984	13,079,410
Administrative expenses		
Salaries and benefits	819,527	846,143
Office operations	145,530	140,896
Professional services	299,398	402,891
Conferences/committees	98,262	93,442
Rent	46,374	46,130
Travel and entertainment	18,690	30,876
Depreciation	55,427	56,981
Miscellaneous	28,861	33,757
Impairment of assets held for sale	-	166,351
Contracted services	68,310	73,930
Total administrative expenses	1,580,379	1,891,397
Total expenses	12,670,363	14,970,807
Change in unrestricted net assets	50,736	(2,584,468)
Unrestricted net assets, beginning of year	1,485,847	4,070,315
Unrestricted net assets, end of year	\$ 1,536,583	\$ 1,485,847

**Board of Pensions and Benefits USA of the General Board of the
Church of the Nazarene Pensions and Benefits Fund**

STATEMENTS OF CASH FLOWS

Year ended September 30,

	2011	2010
Cash flows from operating activities		
Change in unrestricted net assets	\$ 50,736	\$ (2,584,468)
Adjustments to reconcile change in unrestricted net assets to net cash provided by operating activities		
Depreciation	55,427	56,981
(Gain)/loss on sale of equipment	118	(1,261)
Impairment of assets held for sale	-	166,351
Changes in assets and liabilities		
Accounts receivable	1,635	(2,047)
Accounts payable	(36,003)	(55,008)
Deferred revenue	(5,665)	(10,069)
Death benefit benevolence plan liability	(96,295)	(65,650)
Net cash used in operating activities	(30,047)	(2,495,171)
 Cash flows from investing activities		
Purchases of equipment	(8,787)	(32,394)
Proceeds from sale of equipment	250	2,267
Net cash used in investing activities	(8,537)	(30,127)
 Net change in cash	(38,584)	(2,525,298)
Cash, beginning of year	2,191,667	4,716,965
Cash, end of year	\$ 2,153,083	\$ 2,191,667

**Board of Pensions and Benefits USA of the General Board of the
Church of the Nazarene Pensions and Benefits Fund**

NOTES TO FINANCIAL STATEMENTS

September 30, 2011 and 2010

NOTE A - DESCRIPTION OF THE PENSIONS AND BENEFITS FUND

The Board of Pensions and Benefits USA of the General Board of the Church of the Nazarene Pensions and Benefits Fund (the Fund) provides various benevolence, retirement, and insurance programs to Nazarene ministers, their spouses, and their surviving family members. All of the programs are self-funded through contributions made by the local churches. The Fund is administered by the Board of Pensions and Benefits USA (the Administrator) on behalf of the General Board of the Church of the Nazarene (the General Board). The Fund provides administrative services and certain specific funding amounts as determined by the Board of Pensions and Benefits USA to the Single Defined Benefit Pension Plan and the 403(b) Retirement Savings Plan.

Benevolence programs - The Fund provides benevolence programs, including death benefit benevolence, emergency medical assistance, temporary monthly disability assistance, administrative benefit adjustment, and funeral assistance. These programs provide various kinds of benevolence assistance payments to ministers, their spouses, and their surviving family members upon the recommendation of their district advisory boards. A more comprehensive description of the Fund's benevolence programs is contained in the Benefits Summary Brochure.

Pastors Life Insurance Plan - The Pastors Life Insurance Plan is a group term life insurance plan for district-licensed and ordained clergy or district-credentialed laypersons who are currently serving in U.S. districts in qualified assignments and who have not begun receiving retirement benefits.

Pensioners Death Benefit Plan - The Pensioners Death Benefit Plan provides death benefits to district-licensed and ordained ministers who are currently receiving a monthly benefit from the Basic Pension Plan portion of the Single Defined Benefit Pension Plan based on years of service or, alternatively, who are vested Plan participants aged 70 1/2 or older and who have not chosen to begin receiving a monthly retirement benefit.

Single Defined Benefit Pension Plan - Effective January 1, 1996, the Basic Pension Plan and the General Church Pension Plan were merged to form the Single Defined Benefit Pension Plan. After January 1, 1996, there were no new entrants in the Basic Pension Plan or the General Church Pension Plan. Participants in both plans were grandfathered in so that no one who had been credited with years of service under the predecessor plans would receive less under the Single Defined Benefit Pension Plan than what would have been paid under the former defined benefit plans had membership in those plans continued unchanged.

403(b) Retirement Savings Plan - Effective January 1, 1996, the 403(b) Retirement Savings Plan [the 403(b) Plan] was established for all U.S. ministers and laypersons serving local congregations and districts, as well as for general church employees. The annual pension supplement (APS) contribution is deposited into individual accounts for each eligible U.S. clergy member and layperson from Fund receipts or agency funds, depending upon the participant's employer. Some years, an additional bonus amount is deposited for eligible participants whose local congregation pays 100% of their Fund amount or whose district pays 100% of their Fund amount. The 2010 APS contribution for eligible senior pastors and associates was established using an agreed-upon schedule to be based on the amounts paid to the Fund by eligible participants' local congregations during the 2009-2010 assembly year. The 2011 APS contribution for eligible senior pastors and associates was established using an agreed-upon schedule to be based on the amounts paid to the Fund by eligible participants' local congregations during the 2010-2011 assembly year. The 2010 and 2011 APS contribution for eligible district superintendents, district-assigned, and evangelists will be \$1,000.

Employees may elect to participate in the 403(b) Plan through salary-reduction contributions. Employers make matching contributions to their respective participating employees' accounts. Local church and agency employers are encouraged to establish policies to match amounts of voluntary salary-reduction contributions up to at least 3% of salary. Contributions are made directly to Fidelity Investments. The cash value of all participant accounts that were not included in the Fund was \$318,631,852 and \$301,337,015 as of September 30, 2011 and 2010, respectively.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Accounting

The accompanying financial statements were prepared on the accrual basis of accounting.

2. Revenue Recognition

Insurance premiums received are deferred and recognized as revenue ratably over the term of the insurance policy.

3. Equipment

Equipment is carried at cost. Depreciation is computed using the straight-line method and is provided in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives, which range from four to eight years.

4. Impairment of Long-Lived Assets

The Fund periodically reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Assets to be disposed of are reported at the lower of carrying amount or fair value, less costs to sell.

5. *Payment of Benefits*

Benefits are recorded when paid, except for the death benefit benevolence plan payments, for which the liability is reduced when paid.

6. *Use of Estimates*

In preparing financial statements in conformity with accounting principles generally accepted in the United States of America, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the 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.

7. *Subsequent Events*

The Fund has evaluated subsequent events through February 22, 2012, which is the date these financial statements were available to be issued. The Fund is not aware of any subsequent events which would require recognition or disclosure in the financial statements.

8. *Income Taxes*

The Fund is exempt from federal and state income taxes since it is an entity organized under the General Board, which holds a group exemption.

The Fund applies the provisions of ASC Topic 740, Income Taxes, (ASC 740) with respect to uncertain tax positions. ASC 740 requires that all tax positions be evaluated using a recognition threshold and measurement of a tax position taken or expected to be taken in a tax return. Differences between positions taken in a tax return and amounts recognized in the financial statements are recorded as adjustments to income taxes payable or receivable, or adjustments to deferred income taxes, or both. ASC 740 also requires expanded disclosures at the end of each annual reporting period. No amounts have been recorded at September 30, 2011 or 2010 with respect to uncertain tax positions.

NOTE C - CONCENTRATIONS OF CREDIT RISK

At certain times, the Fund maintains cash balances in excess of the Federal Deposit Insurance Company (the FDIC) insurance limits. Management evaluates the financial stability of these financial institutions and considers the risk to be minimal.

NOTE D - FUNDING POLICY

The allocation of total Fund contributions received from local churches in 2011 and 2010, including amounts contributed to the Single Defined Benefit Pension Plan and the 403(b) Plan, is as follows. Fund reserves from prior year contributions were contributed to the Single Defined Benefit Plan during the year ended September 30, 2011. Separate financial statements are provided for the Single Defined Benefit Pension Plan and the 403(b) Plan.

	<u>2011</u>	<u>2010</u>
Total Fund contributions received from local churches	\$ 12,043,708	\$ 11,699,204
403(b) Plan contributions	4,309,524	4,769,289
Single Defined Benefit Pension Plan contributions	5,000,000	6,500,000
Insurance and benevolence program expenses of the Fund	1,780,460	1,810,121
Administrative expenses of the Fund	1,580,379	1,891,397
(Decrease) increase in net assets of the Fund	50,736	(2,584,468)

Financial Statements and Report of Independent Certified Public Accountants

**Board of Pensions and Benefits USA of the General Board of the Church of the Nazarene
World Mission Pension Plans**

September 30, 2011 and 2010



Grant Thornton LLP
1201 Walnut Street, Suite 1000
Kansas City, MO 64106-2176
T 816.412.2400
F 816.412.2404
GrantThornton.com
Linkd.in/GrantThorntonUS
Twitter.com/GrantThorntonUS

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Trustees

Board of Pensions and Benefits USA of the General Board of the
Church of the Nazarene World Mission Pension Plans

We have audited the accompanying statements of net assets available for plan benefits of the Board of Pensions and Benefits USA of the General Board of the Church of the Nazarene World Mission Pension Plans as of September 30, 2011 and 2010, and the related statements of changes in net assets available for plan benefits for the years then ended and the accompanying statements of accumulated plan benefits and the related statements of changes in accumulated plan benefits as of September 30, 2011 and 2010 and for the years then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial status of the Board of Pensions and Benefits USA of the General Board of the Church of the Nazarene World Mission Pension Plans as of September 30, 2011 and 2010, and the changes in its financial status for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Grant Thornton LLP

Kansas City, Missouri
February 22, 2012

**Board of Pensions and Benefits USA of the General Board of the
Church of the Nazarene World Mission Pension Plans**

STATEMENTS OF NET ASSETS AVAILABLE FOR PLAN BENEFITS

September 30,

	2011	2010
ASSETS		
Cash	\$ 33,773	\$ 33,271
Investments, at fair value (<i>note D</i>)		
Plan interest in Pension Investment Trust	6,369,420	4,971,373
Accrued interest receivable	6,949	6,085
Total assets	6,410,142	5,010,729
LIABILITIES		
Accounts payable	5,406	4,350
Due to Global Ministry Center	7,820	8,555
	13,226	12,905
Net assets available for Plan benefits	\$ 6,396,916	\$ 4,997,824

**Board of Pensions and Benefits USA of the General Board of the
Church of the Nazarene World Mission Pension Plans**

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR PLAN BENEFITS

Year ended September 30,

	2011	2010
Additions		
Investment income (loss)		
Plan interest in Pension Investment Trust investment income (loss)	\$ (110,335)	\$ 473,423
Contributions	2,448,500	558,489
	2,338,165	1,031,912
Deductions		
Benefits paid to participants	884,385	880,715
Administrative, legal, and actuarial expenses	54,688	50,707
	939,073	931,422
Change in net assets available for benefits	1,399,092	100,490
Net assets available for Plan benefits, beginning of year	4,997,824	4,897,334
Net assets available for Plan benefits, end of year	\$ 6,396,916	\$ 4,997,824

**Board of Pensions and Benefits USA of the General Board of the
Church of the Nazarene World Mission Pension Plans**

STATEMENTS OF ACCUMULATED PLAN BENEFITS

September 30,

	<u>2011</u>	<u>2010</u>
Actuarial present value of accumulated plan benefits		
Vested benefits		
Participants currently receiving payments	\$ 6,445,513	\$ 6,747,649
Other participants	2,738,285	3,058,803
	<u>9,183,798</u>	<u>9,806,452</u>
Nonvested benefits	11,285	23,273
Total actuarial present value of accumulated plan benefits	<u>\$ 9,195,083</u>	<u>\$ 9,829,725</u>

**Board of Pensions and Benefits USA of the General Board of the
Church of the Nazarene World Mission Pension Plans**

STATEMENTS OF CHANGES IN ACCUMULATED PLAN BENEFITS

Year ended September 30,

	<u>2011</u>	<u>2010</u>
Actuarial present value of accumulated plan benefits, beginning of year	\$ 9,829,725	\$ 10,131,509
Increase (decrease) during the year attributable to		
Benefits accumulated and actuarial net gain (loss)	36,162	(99,450)
Increase for interest due to decrease in discount period	657,127	678,381
Benefits paid to participants	(884,385)	(880,715)
Change in actuarial assumptions	(443,546)	-
Net decrease	<u>(634,642)</u>	<u>(301,784)</u>
Actuarial present value of accumulated plan benefits, end of year	<u>\$ 9,195,083</u>	<u>\$ 9,829,725</u>

**Board of Pensions and Benefits USA of the General Board of the
Church of the Nazarene World Mission Pension Plans**

NOTES TO FINANCIAL STATEMENTS

September 30, 2011 and 2010

NOTE A - DESCRIPTION OF THE PLANS

The following brief description of the Board of Pensions and Benefits USA of the General Board of the Church of the Nazarene World Mission Pension Plans, consisting of the World Mission Non-Qualified Pension Plan and the World Mission Pension Plan (collectively, the Plans), is provided for general information purposes only. Participants should refer to the Plan documents for more complete information.

New participation was frozen such that there were no new entrants effective January 1, 1998. For new missionaries under contract as of January 1, 1998, retirement benefits are provided by the Nazarene 403(b) Retirement Savings Plan.

1. *General*

The Plans are noncontributory defined benefit pension plans administered by the Board of Pensions and Benefits USA (the Administrator) on behalf of the General Board of the Church of the Nazarene (the General Board). The Plans provide retirement benefits at age 65 to missionaries under contract with the General Board. The Plans are church plans that have not elected to be governed by the provisions of the Employee Retirement Income Security Act of 1974 and are not subject to Pension Benefit Guaranty Corporation insurance coverage.

The World Mission Pension Plan (the qualified plan) integrates its benefit formula with that of the total pension benefit provided by the World Mission Non-Qualified Pension Plan. All benefits payable under the World Mission Non-Qualified Pension Plan are offset by any benefits paid under the World Mission Pension Plan (the qualified plan).

2. *Pension Benefits - World Mission Qualified Pension Plan*

Missionaries with 10 or more years of service are entitled to pension benefits beginning at the normal retirement age of 65. The pension benefits are calculated at an amount equal to the greater of (a) and (b) minus (c), where (a) is the sum of (1) \$2.50 per month for each year of service (to a maximum of 50 years) plus (2) \$100 per month for participants with 25 or more years of service, or \$75 per month for participants with 20, but less than 25, years of service; (b) is \$5.00 per month for each year of service with a bonus of .5% for each year of service in excess of 10; and (c) is the pension provided by the amount in the participant's 403(b) plan derived from deposits equal to an amount determined each Plan year by the Plan's Trustee.

For purposes of determining the bonus amount, and only for such purposes, years of service credited under the Single Defined Benefit Pension Plan's grandfathered Basic Pension Plan provisions shall be included in the calculation of years of service under this plan.

3. *Pension Benefits - World Mission Non-Qualified Pension Plan*

Missionaries with 10 or more years of service are entitled to pension benefits beginning at the normal retirement age of 65. The pension benefits are calculated at an amount equal to the greater of (a) and (b) minus (c), where (a) is the sum of (1) \$5 per month for each year of service (to a maximum of 50 years) for married or unmarried (single) participants plus (2) \$200 per month for married participants and \$140 per month for single participants, widows, or widowers with 25 or more years of missionary service, or \$150 or \$100 per month, respectively, with at least 20, but less than 25, years of missionary service or \$0 with less than 20 years of missionary service; (b) is \$10.00 per month for each year of service with a bonus of .5% for each year of service in excess of 10; and (c) is the pension provided by the amount in the participant's 403(b) plan derived from deposits equal to an amount determined each Plan year by the Plan's Trustee. For purposes of determining the bonus amount, and only for such purposes, all years of service credited under this plan and under the Single Defined Benefit Pension Plan's grandfathered Basic Pension Plan provisions shall be included. Amounts payable under this pension plan are also reduced by the extent of any payments made under the World Mission Pension Plan.

4. *Disability Benefits*

Active missionaries with five or more years of service who become totally disabled receive annual disability benefits based on years of service to the date of disability, plus an additional year of service credit for each two years between the date of disability and the normal retirement date.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. *Basis of Accounting*

The accompanying financial statements were prepared on the accrual basis of accounting.

2. *Investment Valuation and Income Recognition*

Investments are stated at fair value based on quoted market prices of the underlying assets.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

3. *Payment of Benefits*

Benefits are recorded when paid.

4. *Actuarial Present Value of Accumulated Plan Benefits*

Accumulated plan benefits are those future periodic payments that are attributable under the Plans' provisions to the service employees have rendered. Accumulated plan benefits include benefits expected to be paid to the following: (a) retired or terminated employees or their beneficiaries; (b) beneficiaries of employees who have died; and (c) current employees or their beneficiaries. Benefits payable under all circumstances (retirement, death, disability, or termination of employment) are included to the extent they are deemed attributable to employee service rendered to the valuation date.

The actuarial present value of accumulated plan benefits is determined by actuaries from Towers Watson and is that amount which results from applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as death, disability, withdrawal, or retirement) between the valuation date and the expected date of payment. The significant actuarial assumptions used in the valuations as of January 1, 2011 and 2010 were as follows: (a) life expectancy of participants (based on the RP-2000 Combined Mortality Table in 2011 and based on the 1994 Group Annuity Mortality Table in 2010); (b) retirement age assumptions (the assumed retirement age ranges from 65 to 70); and (c) investment return. The valuations from the actuary assumed an average rate of return of 7% for both 2011 and 2010, compounded annually, and discount rates of 7% for both 2011 and 2010. During the year ended September 30, 2011, certain actuarial assumptions were changed that resulted in a decrease in the actuarial present value of accumulated plan benefits of \$443,546. Those changes include: the assumed mortality rates for all members (to the RP-2000 Combined Mortality Table, male and female, projected with Scale A in 2011 from the 1994 Group Mortality Table in 2010); the assumed proportion married (to 65% for both male and female participants in 2011 from a table based on gender and ages in 2010); and the incidence of disability (to the male 1987 Commissioner's Group Disability Table from the 1971 Individual Annuity Mortality Tables for males and females set back one year). The foregoing actuarial assumptions are based on the presumption that the Plans will continue. Were the Plans to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated plan benefits.

5. *Administrative Expenses*

Certain directly related administrative, accounting, legal, and actuarial expenses are allocated to the Plans by the Administrator. All other expenses are borne by the Pensions and Benefits Fund.

6. *Use of Estimates*

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

7. *Subsequent Events*

The Plans have evaluated subsequent events through February 22, 2012, which is the date these financial statements were available to be issued. The Plans are not aware of any subsequent events which would require recognition or disclosure in the financial statements.

NOTE C - FUNDING POLICY

The General Board's funding policy is to make annual contributions to the Plans in amounts such that all participants' benefits will be fully provided for by the time they retire. For the Plans' calendar years beginning January 1, 2011 and 2010, the net annual contributions required from the General Board to support the present benefit levels under the Plans' actuarial cost method were \$547,074 and \$649,772 in 2011 and 2010, respectively.

The following table shows the Plans' unfunded liability as of September 30,

	<u>2011</u>	<u>2010</u>
Net assets available for Plan benefits	<u>\$ 6,396,916</u>	\$ 4,997,824
Actuarial present value of accumulated plan benefits	<u>(9,195,083)</u>	(9,829,725)
Funded status	<u>\$ (2,798,167)</u>	<u>\$ (4,831,901)</u>

NOTE D - DESCRIPTION OF PENSION INVESTMENT TRUST

1. *Description of Pension Investment Trust*

The entirety of the Plan's investments is in the Pension Investment Trust, which was established for the investment of assets of the Plan and the Single Defined Benefit Pension Plan. Each participating retirement plan has an undivided interest in the Pension Investment Trust. The assets of the Pension Investment Trust are held by Northern Trust Company (the Custodian).

The value of the Plan's interest in the Pension Investment Trust is based on the beginning-of-year value of the Plan's interest in the trust plus actual contributions and allocated investment income less actual distributions and allocated administrative expenses. At September 30, 2011 and 2010, the Plan's interest in the net assets of the Pension Investment Trust was approximately 7% and 5%, respectively. There are no restrictions on the redemption of the Plan's interest in the net assets of the Pension Investment Trust as of September 30, 2011 and 2010, respectively. Investment income and administrative expenses relating to the Pension Investment Trust are allocated to the individual plans based upon average monthly balances invested by each plan.

The following table presents the assets, including investments, of the Pension Investment Trust as of September 30,

	<u>2011</u>	<u>2010</u>
Money market funds	\$ 2,965,462	\$ 3,670,471
Common and preferred stocks	45,975,283	53,269,274
U.S. government and agency securities	4,155	5,577
Mutual funds	48,495,332	51,935,211
	<u>\$ 97,440,232</u>	<u>\$ 108,880,533</u>
 Plan interest in Pension Investment Trust	 \$ 6,369,420	 \$ 4,971,373

Investment income for the Pension Investment Trust is comprised of the following as of September 30,

	<u>2011</u>	<u>2010</u>
Investment income		
Net appreciation (depreciation) in fair value of investments		
Money market funds	\$ 388	\$ -
Common and preferred stocks	(217,459)	4,881,999
U.S. government and agency securities	(33)	49
Mutual funds	(2,911,200)	3,705,405
	<u>(3,128,304)</u>	<u>8,587,453</u>
Interest	1,308,440	1,296,207
Dividends	1,234,295	1,081,082
Expenses	(489,434)	(450,745)
	<u>\$ (1,075,003)</u>	<u>\$ 10,513,997</u>

2. Fair Value Measurements of Pension Investment Trust

ASC Topic 820, *Fair Value Measurements and Disclosures* (ASC 820) establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under ASC 820 are described below.

Level 1 - Quoted market prices in active markets for identical assets or liabilities.

Level 2 - Inputs other than Level 1 inputs which are either directly or indirectly observable.

Level 3 - Unobservable inputs developed using management's estimates and assumptions, which reflect those which market participants would use.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date.

The closing prices reported in the active markets in which the securities are traded are used to value the investments in the Pension Investment Trust. The following table sets forth by level, within the fair value hierarchy, the Pension Investment Trust's assets at fair value as of September 30, 2011:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money market funds	\$ 2,965,462	\$ -	\$ -	\$ 2,965,462
Common and preferred stocks	45,975,283	-	-	45,975,283
U.S. Government obligations and agency securities	4,155	-	-	4,155
Mutual funds				
Intermediate - term bond	36,896,703	-	-	36,896,703
International funds	11,598,629	-	-	11,598,629
Total assets at fair value	<u>\$ 97,440,232</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 97,440,232</u>

The following table sets forth by level, within the fair value hierarchy, the Pension Investment Trust's assets at fair value as of September 30, 2010:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money market funds	\$ 3,670,471	\$ -	\$ -	\$ 3,670,471
Common and preferred stocks	53,269,274	-	-	53,269,274
U.S. Government obligations and agency securities	5,577	-	-	5,577
Mutual funds				
Intermediate - term bond	41,368,553	-	-	41,368,553
International funds	10,566,658	-	-	10,566,658
Total assets at fair value	<u>\$ 108,880,533</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 108,880,533</u>

The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one

fair value level to another. In such instances, the transfer is reported at the beginning of the reporting period.

We evaluated the significance of transfers between levels based upon the nature of the financial instrument and size of the transfer relative to total net assets available for benefits. For the year ended September 30, 2011, there were no significant transfers in or out of levels 1, 2 or 3.

NOTE E - RISKS AND UNCERTAINTIES

The Plan invests in various securities. Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statement of net assets available for benefits.

Deposits in excess of federally insured limits are maintained in financial institutions. Bank rating services are regularly monitored for the ongoing safety ratings of financial institutions in which deposits are maintained.

Plan contributions are made and the actuarial present value of accumulated Plan benefits are reported based on certain assumptions pertaining to interest rates, inflation rates, and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimations and assumptions process, it is at least reasonably possible that changes in these estimates and assumptions in the near term would be material to the financial statements.

NOTE F - PLAN TERMINATION

Although it has not expressed any intent to do so, the Administrator has the right to discontinue its contributions at any time and to terminate the Plans subject to the provisions of the Plan documents. Should the Plans terminate at some future time, a particular participant's accumulated plan benefits will be dependent on the priority of those benefits at that time, as set forth in the Plans' documents.

NOTE G - TAX STATUS

The Internal Revenue Service has determined and informed the Administrator by a letter that the World Mission Pension Plan (the qualified plan) and the related trust were designed in accordance with applicable sections of the Internal Revenue Code (the IRC). There have been amendments since the Administrator received the determination letter; however, the Administrator believes that the Plans are designed and are currently being operated in compliance with the applicable requirements of the IRC.

Financial Statements and Report of Independent Certified Public Accountants

**Board of Pensions and Benefits USA of the General Board of the Church of the Nazarene
Health and Hospitalization Program**

September 30, 2011 and 2010



Grant Thornton LLP
1201 Walnut Street, Suite 1000
Kansas City, MO 64106-2176
T 816.412.2400
F 816.412.2404
GrantThornton.com
Linkd.in/GrantThorntonUS
Twitter.com/GrantThorntonUS

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Trustees

Board of Pensions and Benefits USA of the General Board of the
Church of the Nazarene Health and Hospitalization Program

We have audited the accompanying statements of financial position of the Board of Pensions and Benefits USA of the General Board of the Church of the Nazarene Health and Hospitalization Program as of September 30, 2011 and 2010, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Program's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Program's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Board of Pensions and Benefits USA of the General Board of the Church of the Nazarene Health and Hospitalization Program as of September 30, 2011 and 2010, 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.

Grant Thornton LLP

Kansas City, Missouri
February 22, 2012

**Board of Pensions and Benefits USA of the General Board of the
Church of the Nazarene Health and Hospitalization Program**

STATEMENTS OF FINANCIAL POSITION

September 30,

	General Church Medical Plan	Missionary Medical Plan	Total	
			<u>2011</u>	2010
ASSETS				
Cash	\$ 2,297,939	\$ 479,582	\$ 2,777,521	\$ 3,178,063
Investments, at fair value	1,147,167	852,438	1,999,605	1,159,836
Investments - other	152,833	79,356	232,189	1,077,778
Accounts receivable	30,214	-	30,214	3,680
Prepaid expenses	2,106	1,401	3,507	265
Accrued interest receivable	-	151	151	78
Total assets	<u>\$ 3,630,259</u>	<u>\$ 1,412,928</u>	<u>\$ 5,043,187</u>	<u>\$ 5,419,700</u>
LIABILITIES AND NET ASSETS				
Accounts payable	\$ 7,470	\$ 5,219	\$ 12,689	\$ 13,905
Claims incurred but not reported	500,916	143,251	644,167	519,660
Total liabilities	<u>508,386</u>	<u>148,470</u>	<u>656,856</u>	<u>533,565</u>
Net assets, unrestricted	<u>3,121,873</u>	<u>1,264,458</u>	<u>4,386,331</u>	<u>4,886,135</u>
	<u>\$ 3,630,259</u>	<u>\$ 1,412,928</u>	<u>\$ 5,043,187</u>	<u>\$ 5,419,700</u>

**Board of Pensions and Benefits USA of the General Board of the
Church of the Nazarene Health and Hospitalization Program**

STATEMENTS OF ACTIVITIES

Year ended September 30,

	General Church Medical Plan	Missionary Medical Plan	Total	
			2011	2010
Income				
Premium payments received	\$ 4,175,755	\$ 1,658,589	\$ 5,834,344	\$ 6,294,506
Investment income, net	24,209	14,576	38,785	41,218
Dividend income	-	2,966	2,966	2,349
Realized/unrealized gain/(loss)	-	(10,691)	(10,691)	19,380
Total income	<u>4,199,964</u>	<u>1,665,440</u>	<u>5,865,404</u>	<u>6,357,453</u>
Expenses				
Program expenses				
Medical and dental claims	3,973,108	1,382,411	5,355,519	4,579,710
HSA/FSA funding	-	-	-	292,000
Reinsurance premiums paid	176,125	116,727	292,852	409,016
Total program expenses	<u>4,149,233</u>	<u>1,499,138</u>	<u>5,648,371</u>	<u>5,280,726</u>
Administrative expenses				
Administrative service fees	335,916	145,855	481,771	457,460
Salaries and benefits	84,264	34,590	118,854	119,183
Rent	2,135	915	3,050	3,051
Professional services	45,392	40,745	86,137	97,649
Miscellaneous	26,028	997	27,025	17,898
Total administrative expenses	<u>493,735</u>	<u>223,102</u>	<u>716,837</u>	<u>695,241</u>
Total expenses	<u>4,642,968</u>	<u>1,722,240</u>	<u>6,365,208</u>	<u>5,975,967</u>
Change in unrestricted net assets	(443,004)	(56,800)	(499,804)	381,486
Unrestricted net assets, beginning of year	3,564,877	1,321,258	4,886,135	4,504,649
Unrestricted net assets, end of year	<u>\$ 3,121,873</u>	<u>\$ 1,264,458</u>	<u>\$ 4,386,331</u>	<u>\$ 4,886,135</u>

**Board of Pensions and Benefits USA of the General Board of the
Church of the Nazarene Health and Hospitalization Program**

STATEMENTS OF CASH FLOWS

Year ended September 30,

	2011	2010
Cash flows from operating activities		
Change in unrestricted net assets	\$ (499,804)	\$ 381,486
Adjustments to reconcile change in unrestricted net assets to net cash provided by (used in) operating activities		
Net realized and unrealized (gain) loss on investments	10,691	(19,380)
Changes in assets and liabilities		
Accounts receivable	(26,534)	63
Prepaid expenses	(3,242)	(265)
Accrued interest receivable	(73)	184
Accounts payable	(1,216)	2,626
Claims incurred but not reported	124,507	(157,020)
Net cash provided by (used in) operating activities	(395,671)	207,694
Cash flows from investing activities		
Net purchases of investments and investments-other	(845,589)	(652,901)
Net proceeds from sales and maturities of investments	840,718	648,524
Net cash used in investing activities	(4,871)	(4,377)
Change in cash	(400,542)	203,317
Cash, beginning of year	3,178,063	2,974,746
Cash, end of year	\$ 2,777,521	\$ 3,178,063

**Board of Pensions and Benefits USA of the General Board of the
Church of the Nazarene Health and Hospitalization Program**

NOTES TO FINANCIAL STATEMENTS

September 30, 2011 and 2010

NOTE A - DESCRIPTION OF THE PROGRAM

The Board of Pensions and Benefits USA (the Administrator) of the General Board of the Church of the Nazarene Health and Hospitalization Program (the Program) administers, on behalf of the General Board of the Church of the Nazarene (the General Board), medical, dental, and vision benefits under two separate plans: the General Church Medical Plan and the Missionary Medical Plan (collectively, the Plans). These financial statements present the fiduciary activities of the Program's Administrator and do not purport to present the financial status of the Plans. These statements do not contain certain information regarding benefit obligations and other disclosures necessary for a fair presentation of the financial status of the Plans in conformity with accounting principles generally accepted in the United States of America.

1. *Benefits*

The Program administers the provision of medical, dental, and vision benefits to full-time employees (defined as those working at least 30 hours per week) of the General Board and related employers and their beneficiaries and covered dependents (the General Church Medical Plan) and to missionaries under contract with the General Board and their beneficiaries and covered dependents (the Missionary Medical Plan). Medical and dental benefits in excess of Medicare coverage may also be extended to retired participants and their beneficiaries and covered dependents pursuant to the provisions of each Plan's document and/or the policies of the participating employers.

The medical, dental, and vision benefits are similar under both Plans, which pay a major portion of medical, dental, and vision expense after the satisfaction of a calendar-year deductible.

Medical and vision claims of active and retired participants, dependents, and beneficiaries are processed by Principal Life Insurance Company. Dental claims of active and retired participants, dependents, and beneficiaries are processed by Delta Dental Company. The responsibility for administration of payments to participants and providers is retained by the Administrator.

Participants should refer to the Plan documents for a complete description of the Plans' provisions.

2. *Contributions*

Not less than one-half of the contributions for participant coverage are paid by General Board-related employers. The Program is self-funded with specific and aggregate reinsurance limits.

3. *Plan Termination*

Although it has not expressed any intent to do so, the Administrator has the right under the Plans to modify the benefits provided to active participants, to discontinue contributions at any time, and to terminate the Plans subject to the Plans' provisions.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. *Basis of Accounting*

The financial statements are prepared on the accrual basis of accounting.

2. *Investments*

Marketable securities are carried at fair value based on quoted market prices for those or similar securities, with realized and unrealized gains and losses reflected in the statements of activities.

3. *Investments - Other*

Investments - other consist of certificates of deposit with original maturities greater than three months and are carried at amortized cost.

4. *Claims Incurred but Not Reported*

Other obligations for current benefit coverage at September 30, 2011 and 2010 include IBNR amounts, which represent estimated medical and dental costs for services performed in the Plan year that have not yet been submitted for payment by Plan participants. The IBNR amounts are estimated based on historical lag factors between the date of service and the date of payment.

5. *Investment and Dividend Income*

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation (depreciation) includes the Program's gains and losses on investments bought and sold as well as held during the year.

6. *Administrative Expenses*

Directly related administrative and other expenses of the Administrator are allocated to the Program.

7. *Investment Risks*

The Program invests in funds that hold various securities which may include U.S. government securities, corporate debt instruments, and corporate stocks. Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the financial statements.

8. *Use of Estimates*

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

9. *Reclassifications*

Certain immaterial items in the 2010 financial statements have been reclassified to conform to the 2011 presentation.

10. *Subsequent Events*

The Program has evaluated subsequent events through February 22, 2012, which is the date these financial statements were available to be issued.

Effective December 31, 2011, the Program's previous third party administrator for medical claims processing exited the health insurance business. Effective January 1, 2012, the Program has appointed a new third party administrator, UMR, to process and administer medical claims covered by the program.

NOTE C - CONCENTRATION OF RISK

At certain times, the Program maintains cash balances in excess of the Federal Deposit Insurance Company (the FDIC) insurance limits. Management evaluates the financial stability of these financial institutions and considers the risk to be minimal.

NOTE D - INVESTMENTS

The Program's investments, at fair value, consist of equity securities and other investments maintained in pooled investment funds (the PIF) administered by the General Board. At September 30, 2011 and 2010, the Program's investment in the PIF was reported at a fair value of \$1,999,605 and \$1,159,836, respectively. The Program's investment in the PIF had a cost basis of \$2,014,129 and \$1,143,721 at September 30, 2011 and 2010, respectively. Other investments were reported at amortized cost approximating fair value and had a cost basis of \$232,189 and \$1,077,778 at September 30, 2011 and 2010, respectively.

Investment income consisted of \$62,528 and \$51,413 of allocated income from the PIF and \$31,468 of unrealized loss and \$11,534 of unrealized gain for the years ended September 30, 2011 and 2010, respectively.

NOTE E - FAIR VALUE MEASUREMENTS

The Program applies the provisions of Accounting Standards Codification (ASC) Topic 820, *Fair Value Measurements and Disclosures* (ASC 820). ASC 820 establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under ASC 820 are described below.

Level 1 - Quoted market prices in active markets for identical assets or liabilities.

Level 2 - Inputs other than Level 1 inputs which are either directly or indirectly observable.

Level 3 - Unobservable inputs developed using management's estimates and assumptions, which reflect those which market participants would use.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value:

Investment in pooled investment funds - Valued based on an allocation of quoted market prices for the underlying investments. The fair values of individual holdings in the pool are determined via various inputs ranging from level 1 to level 2 securities.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Program believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date.

The following table sets forth, by level within the fair value hierarchy, the Program's assets at fair value as of September 30, 2011:

	Fair value measurements at September 30, 2011			
	Level 1	Level 2	Level 3	Total
Investment in pooled investment funds				
Bonds	\$ -	\$ -	\$ 1,742,811	\$ 1,742,811
Common stock	-	-	114,482	114,482
Fixed income				
Corporate bonds	-	-	140,202	140,202
Other	-	-	2,110	2,110
Total assets at fair value	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,999,605</u>	<u>\$ 1,999,605</u>

The following is a reconciliation of the beginning and ending balances of financial assets measured on a recurring basis using significant unobservable inputs (Level 3) during the year ended September 30, 2011:

	Pooled investment funds
Fair value, September 30, 2010	<u>\$ 1,159,836</u>
Purchases, issuances, settlements	845,589
Interest and dividends	6,397
Unrealized gains (losses)	(31,467)
Realized gains	20,776
Fees and expenses	(1,526)
Fair value, September 30, 2011	<u>\$ 1,999,605</u>

The following table sets forth, by level within the fair value hierarchy, the Program's assets at fair value as of September 30, 2010:

	Fair value measurements at September 30, 2010			
	Level 1	Level 2	Level 3	Total
Investment in pooled investment funds				
Bonds	\$ -	\$ -	\$ 897,222	\$ 897,222
Common stock	-	-	121,073	121,073
Fixed income				
Corporate bonds	-	-	132,142	132,142
Other	-	-	9,399	9,399
Total assets at fair value	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,159,836</u>	<u>\$ 1,159,836</u>

The following is a reconciliation of the beginning and ending balances of financial assets measured on a recurring basis using significant unobservable inputs (Level 3) during the year ended September 30, 2010:

	Pooled investment funds
Fair value, September 30, 2009	\$ 1,788,980
Purchases, issuances, settlements	(652,901)
Interest and dividends	5,752
Unrealized gains (losses)	11,391
Realized gains	7,989
Fees and expenses	(1,375)
Fair value, September 30, 2010	<u>\$ 1,159,836</u>

NOTE F - MEDICARE PRESCRIPTION DRUG, IMPROVEMENT, AND MODERNIZATION ACT OF 2003

The Program applies the provisions of ASC Topic 715, *Medicare Prescription Drug, Improvement, and Modernization* (ASC 715). ASC 715 provides guidance on accounting for the effects of a subsidy available, under the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (the Act) to companies that sponsor retiree medical programs with drug benefits which are at least actuarially equivalent to those available under Medicare. In addition to the direct benefit to a company from qualifying for and receiving the subsidy, the effects would include expected changes in retiree participation rates and changes in estimated health care costs that result from the Act.

The Administrator believes that its postretirement benefit plans currently provide prescription drug coverage which is at least actuarially equivalent to the new benefit available under Medicare and it will therefore qualify for the subsidy for an initial period of time after the Act is implemented until actuarial equivalency changes as a result of existing limits on the Plans' cost of providing the benefit. During the years ended September 30, 2011 and 2010, the Program's sponsor received a subsidy of approximately \$43,000 and \$26,000, respectively, under the Act.

NOTE G - INCOME TAX STATUS

The Program is exempt from federal and state income taxes because it is an entity organized under the General Board, which holds a group exemption. The Administrator has not obtained a determination letter from the Internal Revenue Service for the Plans. However,

the Administrator believes the Plans are designed and are currently being operated in compliance with the applicable requirements of the Internal Revenue Code.

Consolidated Financial Statements and Report of Independent Certified Public Accountants
The Global Ministry Center of the General Board of the Church of the Nazarene
September 30, 2012 and 2011



Grant Thornton LLP
1201 Walnut Street, Suite 1000
Kansas City, MO 64106-2176
T 816.412.2400
F 816.412.2404
GrantThornton.com
Linkd.in/GrantThorntonUS
Twitter.com/GrantThorntonUS

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

General Board of the Church of the Nazarene

We have audited the accompanying consolidated statements of financial position of The Global Ministry Center of the General Board of the Church of the Nazarene as of September 30, 2012 and 2011, and the related consolidated statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the General Board's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the General Board's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements and assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, based on our audits, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of The Global Ministry Center of the General Board of the Church of the Nazarene as of September 30, 2012 and 2011, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating information on page 44 - 46 is presented for purposes of additional analysis, rather than to present the financial position, results of operations, and cash flows of the individual organizations, and is not a required part of the consolidated financial statements. Such supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures. These additional procedures included comparing and reconciling the information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America established by the American Institute of Certified Public Accountants. In our opinion, the consolidating information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Grant Thornton LLP

Kansas City, Missouri
February 23, 2013

The Global Ministry Center of the General Board of the Church of the Nazarene

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

September 30,

	<u>2012</u>	<u>2011</u>
ASSETS		
Cash and cash equivalents	\$ 7,051,492	\$ 7,762,492
Investments, at fair value	136,714,234	116,047,383
Investments - other	7,821,943	12,278,211
Receivables - other	1,907,860	1,698,652
Property and equipment, net	31,807,167	33,062,886
Beneficial interest in charitable trusts, net	1,998,091	2,079,005
Notes receivable	657,271	807,959
Other assets	450,755	467,662
	<u>\$ 188,408,813</u>	<u>\$ 174,204,250</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable and accrued expenses	\$ 4,183,289	\$ 3,870,738
Deferred gift agreements	16,038,747	15,800,967
Funds held in trust	46,381,968	41,752,470
Pension obligation	2,601,408	4,389,629
Postretirement benefit obligation	26,002,639	26,670,039
	<u>95,208,051</u>	<u>92,483,843</u>
COMMITMENTS AND CONTINGENCIES		
NET ASSETS		
Unrestricted	80,884,548	70,904,308
Temporarily restricted	10,414,200	9,376,999
Permanently restricted	5,189,776	4,729,885
Unamortized pension liability	(3,287,762)	(3,290,785)
	<u>93,200,762</u>	<u>81,720,407</u>
	<u>\$ 188,408,813</u>	<u>\$ 174,204,250</u>

The Global Ministry Center of the General Board of the Church of the Nazarene				
CONSOLIDATED STATEMENT OF ACTIVITIES				
Year ended September 30, 2012				
	Unrestricted	Temporarily restricted	Permanently restricted	Total
Revenues and gains				
World Evangelism Fund	\$ 38,211,339	\$ -	\$ -	\$ 38,211,339
Mission specials	23,769,906	153,658	-	23,923,564
Interest on church mortgages and loans	-	-	-	-
Legacy, gifts, and charitable remainders, net	1,777,508	402,358	408,675	2,588,541
Other	2,161,286	-	-	2,161,286
Total revenues and gains	65,920,039	556,016	408,675	66,884,730
Net assets released from restrictions	1,004,219	(1,004,219)	-	-
Net assets reclassified	-	(59,809)	50,744	(9,065)
Total revenues and gains	66,924,258	(508,012)	459,419	66,875,665
Expenses				
Program services				
Global Mission	45,974,663	-	-	45,974,663
International Board of Education	2,914,565	-	-	2,914,565
Sunday School and Discipleship Ministries	1,192,991	-	-	1,192,991
Nazarene Youth International	779,413	-	-	779,413
Board of General Superintendents	2,239,317	-	-	2,239,317
USA Church Loan Fund	-	-	-	-
Nazarene communication services	939,728	-	-	939,728
Church of the Nazarene Foundation	567,435	-	-	567,435
Other program services, net	572,981	-	-	572,981
Total program services	55,181,093	-	-	55,181,093
Support services				
Global Ministry Center Financial Office	2,564,963	-	-	2,564,963
Global Ministry Center Operations Office	3,814,970	-	-	3,814,970
Church of the Nazarene Foundation	1,100,871	-	-	1,100,871
Other support services	676,401	-	-	676,401
Total support services	8,157,205	-	-	8,157,205
Fundraising				
Total expenses	64,910,905	-	-	64,910,905
Change in net assets from operations	2,013,353	(508,012)	459,419	1,964,760
Changes in non-operating income (expense)				
Net investment income	7,959,785	1,823,982	487	9,784,254
Gain on disposal of assets	7,102	-	-	7,102
Actuarial adjustment of deferred gift agreements	-	(198,493)	-	(198,493)
Expenses and administrative fees	-	(80,276)	(15)	(80,291)
Total	7,966,887	1,545,213	472	9,512,572
Change in net assets before pension liability adjustment	9,980,240	1,037,201	459,891	11,477,332
Changes in pension liability not included in pension expense				
Increase in net assets	3,023	-	-	3,023
Total	9,983,263	1,037,201	459,891	11,480,355
Net assets, beginning of year	67,613,523	9,376,999	4,729,885	81,720,407
Net assets, end of year	\$ 77,596,786	\$ 10,414,200	\$ 5,189,776	\$ 93,200,762

The Global Ministry Center of the General Board of the Church of the Nazarene				
CONSOLIDATED STATEMENT OF ACTIVITIES				
Year ended September 30, 2011				
	Unrestricted	Temporarily restricted	Permanently restricted	Total
Revenues and gains				
World Evangelism Fund	\$ 38,464,179	\$ -	\$ -	\$ 38,464,179
Mission specials	23,810,602	718,140	-	24,528,742
Interest on church mortgages and loans	992,685	-	-	992,685
Legacy, gifts, and charitable remainders, net	1,303,217	685,561	381,407	2,370,185
Other	5,156,482	-	-	5,156,482
Total revenues and gains	69,727,165	1,403,701	381,407	71,512,273
Net assets released from restrictions	2,334,226	(2,334,226)	-	-
Net assets reclassified	-	(158,179)	131,421	(26,758)
Total revenues and gains	72,061,391	(1,088,704)	512,828	71,485,515
Expenses				
Program services				
Global Mission	48,174,432	-	-	48,174,432
International Board of Education	2,850,609	-	-	2,850,609
Sunday School and Discipleship Ministries	1,602,429	-	-	1,602,429
Nazarene Youth International	2,608,460	-	-	2,608,460
Board of General Superintendents	2,333,510	-	-	2,333,510
USA Church Loan Fund	3,139,734	-	-	3,139,734
Nazarene communication services	1,379,473	-	-	1,379,473
Church of the Nazarene Foundation	750,928	-	-	750,928
Other program services, net	16,643	-	-	16,643
Total program services	62,856,218	-	-	62,856,218
Support services				
Global Ministry Center Financial Office	2,792,102	-	-	2,792,102
Global Ministry Center Operations Office	4,170,694	-	-	4,170,694
Church of the Nazarene Foundation	1,249,729	-	-	1,249,729
Other support services	459,016	-	-	459,016
Total support services	8,671,541	-	-	8,671,541
Fundraising				
Total expenses	73,278,720	-	-	73,278,720
Change in net assets from operations	(1,217,329)	(1,088,704)	512,828	(1,793,205)
Changes in non operating income (expense)				
Net investment income (loss)	(1,365,973)	(595,773)	257	(1,961,489)
Gain on disposal of assets	1,729,051	-	-	1,729,051
Actuarial adjustment of deferred gift agreements	-	14,180	-	14,180
Expenses and administrative fees	-	(45,631)	(15)	(45,646)
	363,078	(627,224)	242	(263,904)
Change in net assets before pension liability adjustment	(854,251)	(1,715,928)	513,070	(2,057,109)
Changes in pension liability not included in pension expense				
(Decrease) Increase in net assets	111,368	-	-	111,368
	(742,883)	(1,715,928)	513,070	(1,945,741)
Net assets, beginning of year	68,356,406	11,092,927	4,216,815	83,666,148
Net assets, end of year	\$ 67,613,523	\$ 9,376,999	\$ 4,729,885	\$ 81,720,407

The Global Ministry Center of the General Board of the Church of the Nazarene

CONSOLIDATED STATEMENTS OF CASH FLOWS

Year ended September 30,

	2012	2011
Cash flows from operating activities		
Increase (decrease) in net assets	\$ 11,480,355	\$ (1,945,741)
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities		
Depreciation	1,426,096	1,588,607
Net realized and unrealized (gains) losses on investments	(8,131,816)	3,408,144
Contributions restricted for long-term investment	(33,988)	(29,354)
Beneficial interest in charitable trusts	80,915	13,860
Gain on disposal of property and equipment	(7,102)	(1,729,052)
Loss on sale of USA Church Loan Fund	-	2,947,875
Assets donated	-	(294,816)
Impairment of Investment in LLC	-	468,211
Other assets	16,907	463,948
Non-cash assets held for future distribution	-	38,000
Gain on swap liability	-	(637,886)
Pension obligation	(1,788,221)	(1,908,763)
Postretirement benefit obligation	(667,400)	(535,119)
Changes in		
Other receivables	(209,208)	2,962,819
Notes receivable	150,688	(733,144)
Accounts payable and accrued expenses	312,550	(1,114,633)
Net cash provided by operating activities	2,629,776	2,962,956
Cash flows from investing activities		
Acquisition of property and equipment	(201,786)	(188,310)
Proceeds from disposal of property and equipment	38,511	2,504,659
Funding of church mortgages and loans - USA Church Loan Fund	-	(1,011,782)
Proceeds from church mortgages and loans - USA Church Loan Fund	-	1,055,838
Proceeds from sales of USA Church Loan Fund	-	26,706,034
Proceeds from sales and maturities of investments	95,700,801	64,900,016
Purchases of investments	(95,538,470)	(64,553,775)
Net cash (used in) provided by investing activities	(944)	29,412,680
Cash flows from financing activities		
Payments on bonds payable	-	(24,090,000)
Payment on swap liability	-	(1,965,245)
Change in deferred gift agreements and funds held in trust	(3,373,820)	(5,108,797)
Proceeds on contributions restricted for investment in endowments	33,988	29,354
Net cash used in financing activities	(3,339,832)	(31,134,688)
Net (decrease) increase in cash and cash equivalents	(711,000)	1,240,948
Cash and cash equivalents, beginning of year	7,762,492	6,521,544
Cash and cash equivalents, end of year	\$ 7,051,492	\$ 7,762,492
Supplemental schedule of cash flow information		
Cash paid during the year for interest	\$ -	\$ 445,029
Noncash investment activities that increased liabilities for deferred gift agreements and funds held in trust		
Investments received	\$ 52,987	\$ 27,598
Net realized and unrealized gains (losses) on investments	7,764,563	(1,239,073)

The Global Ministry Center of the General Board of the Church of the Nazarene

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2012 and 2011

NOTE A - NATURE OF ORGANIZATION

The Church of the Nazarene exists to serve as an instrument for advancing the kingdom of God through the preaching and teaching of the Gospel throughout the world. The Global Ministry Center of the General Board of the Church of the Nazarene (the General Board) shall encourage and expect all national, regional, district, and local boards to fulfill the mission of the Church of the Nazarene (the Church). The General Board shall promote the financial and material affairs of all the departments of the Church, subject to such instructions as may be given by the General Assembly. It shall coordinate, correlate, and unify the plans and activities of the several constituent departments so that a unified policy may be established by and in all the activities of the Church.

The objectives of the General Board are to advance the cause of Christian holiness:

- by fostering growth in the Church
- by the production and distribution of print and nonprint media for the various services; to awaken and strengthen interest throughout the Church in the value and proper use of contemporary media resources
- by articulating the philosophy of Christian education, enhancing the role of Sunday School, strengthening other training in the Church, and emphasizing the importance of ministry to home and family as a task of the Church throughout the world in accordance with the Great Commission
- by strengthening the bonds between the educational institutions and the Church at large (and to provide information and services as appropriate); to serve Nazarene educational institutions worldwide; and to encourage them to be all they can be in quality, achievement, and service to Christ

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies consistently applied in the preparation of the accompanying consolidated financial statements follows.

1. *Basis of Presentation*

The accompanying consolidated financial statements present the activities and operations of the General Board, including amounts transferred to the Global Mission regions. Also included in the consolidated financial statements are transactions for Church of the Nazarene Foundation and Harvest Partners, Inc. Each of these entities is a 501(c)(3) corporation organized as a 509(a) supporting organization. Individual congregations and related service corporations are not

included herein, nor are the activities and operations of the individual Global Mission regions included, with the exception of the USA/Canada regional office. These financial statements have been prepared on the accrual basis of accounting. All significant inter-entity balances and transactions have been eliminated.

2. *Cash and Cash Equivalents*

Cash and cash equivalents include only funds and overnight investments held in banks for operating purposes. Bank rating services are regularly monitored for the ongoing safety ratings of the financial institutions in which deposits are maintained. As of September 30, 2012 and 2011, there were no cash in banks in excess of federally insured limits. Beginning December 31, 2010 and through December 31, 2012, section 343 of the Dodd-Frank Wall Street Reform and Consumer Protection Act provides for unlimited insurance coverage of noninterest-bearing transaction accounts. Money market accounts, which are classified as investments-other in the statements of financial position, are not FDIC insured. Foreign bank balances amounted to \$1,651,645 and \$1,214,502 as of September 30, 2012 and 2011, respectively.

3. *Contributions*

Contributions received, including unconditional promises to give, are recognized as revenues when the donor's commitment is received. All contributions are considered to be available for unrestricted use unless restricted by the donor for specific purposes outside the general nature of the organization. Amounts received that are designated for future periods or restricted by the donor for specific purposes outside the general nature of the organization are reported as temporarily restricted or permanently restricted support which increases those net asset classes. However, if a restriction is generally fulfilled in the same time period in which the contribution is received, the General Board reports the support as unrestricted.

The General Board reports gifts of land, buildings, and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets are to be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the General Board reports expirations of donor restrictions when the donated or acquired long-lived assets are placed into service.

4. *Investments*

Investments consist primarily of marketable debt, equity securities and alternative investments that are carried at fair value with realized and unrealized gains and losses included in the consolidated statement of activities and changes in net assets. Fair values are based on quoted market prices or dealer quotes, if available. If a quoted market price is not available, fair value is estimated using quoted market prices for similar securities.

Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it

is reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the consolidated financial statements.

5. *Investments - Other*

The General Board's investments in certificates of deposit and money market accounts are classified as investments - other in the consolidated statement of financial position and are carried at amortized cost.

6. *Property and Equipment*

Property and equipment are stated at cost, net of accumulated depreciation. Depreciation is calculated using the straight-line method over the estimated useful lives of the depreciable assets. Estimated useful lives of property and equipment are as follows:

Buildings	10-50 years
Equipment	4-8 years

The General Board periodically reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Assets to be disposed of are reported at the lower of carrying amount or fair value, less costs to sell. Expenditures for repairs and maintenance, which do not improve or extend the expected useful lives of the assets, are expensed as incurred while major replacements and improvements are capitalized.

7. *Deferred Gift/Planned Giving Agreements*

The General Board is a party to various deferred gift and planned giving agreements, including gift annuities, unitrusts, and revocable and irrevocable trusts, whereby the General Board receives funds or assets for which it has fiduciary responsibility for the safekeeping, investment management, and distribution of funds to donor-designated beneficiaries.

The General Board recognizes an asset and a liability for funds or assets received pursuant to revocable and irrevocable deferred gift agreements for which the General Board is not the donor-designated beneficiary. In certain cases, the General Board is the donor-designated beneficiary and recognizes the receipt of funds or assets as temporarily restricted revenues.

Certain of the agreements contain an annuity feature, whereby the General Board will pay a fixed annuity to the donor or donor's beneficiary over specified periods of time. At the inception of the agreement, the General Board recognizes a liability equal to the present value of the expected annuity obligation, at the current discount rate of 5%, over the remaining expected life of the annuitant based on established mortality tables. The excess of the value of the funds or assets received over the present value of the annuity obligation is recognized as temporarily restricted net assets of the General Board if the General Board is the designated recipient of the corpus

remaining upon the death of the annuitant. The annuity obligation is recalculated on an annual basis to take into consideration changes in the discount period (due to the passage of time) and mortality rates.

8. *Income Taxes*

The General Board is exempt from federal and state income taxes on its principal operations, although the General Board would be subject to federal income taxes on the net income from certain operations if such operations generated unrelated business income. No such unrelated business income was earned during 2012 or 2011.

The General Board applies the provision of Accounting Standards Codification Topic 740, *Income Taxes*, (ASC 740) with respect to uncertain tax positions. ASC 740 requires that all tax positions be evaluated using a recognition threshold and measurement of a tax position taken or expected to be taken in a tax return. Differences between positions taken in a tax return and amounts recognized in the financial statements are recorded as adjustments to income taxes payable or receivable, or adjustments to deferred income taxes, or both. ASC 740 also requires expanded disclosures at the end of each annual reporting period. No amounts have been recorded at September 30, 2012 or 2011 with respect to uncertain tax positions.

The General Board is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The General Board believes it is no longer subject to income tax examinations for years prior to 2009.

9. *Fair Value Measurements*

The General Board applies the provisions of ASC Topic 820, *Fair Value Measurements and Disclosures* (ASC 820) with respect to financial and non-financial assets and liabilities. This standard defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. The provisions of ASC 820 apply to all financial instruments that are being measured and reported on a fair-value basis and items disclosed at fair value in the notes to the financial statements.

ASC 820, defines fair value as the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price). The exit price is based on the amount that the holder of the asset or liability would receive or pay in an actual transaction (or in a hypothetical transaction if an actual transaction does not exist) at the measurement date.

Fair value is generally determined based on quoted market prices in active markets for identical assets or liabilities. If quoted market prices are not available, the General Board uses valuation techniques that place greater reliance on observable inputs and less reliance on unobservable inputs (see Note D). In measuring fair value, the General Board may make adjustments for risks and uncertainties if a market participant would include such an adjustment in its pricing.

10. *Interest Rate Swap Liability*

The General Board's use of interest rate swaps is limited to instruments intended to manage interest rate risk associated with the General Board's long-term debt obligations. The General Board does not enter into interest rate swaps for trading purposes. The General Board has not formally designated any interest rate swaps as hedges and accordingly the General Board has recorded the change in fair value of those instruments as interest expense in the consolidated statements of activities. See Note G for further detail regarding the General Board's interest rate swap activity.

11. *Use of Estimates*

In preparing financial statements in conformity with accounting principles generally accepted in the United States of America, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the 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. Significant estimates included in the consolidated financial statements are the valuations of pension and postretirement benefit obligations, deferred gift agreements, fair value of investments and useful lives of property plant and equipment. Actual results could differ from those estimates.

12. *Long-Lived Assets*

Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset with estimated future net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. For purposes of determining impairment, the General Board groups assets by category. Assets to be disposed of are reported at the lower of the carrying amount or fair value, less costs to sell. During the years ended September 30, 2012 and 2011, the General Board recognized no such impairment expense.

13. *Reclassifications*

Certain immaterial items in the 2011 financial statements have been reclassified to conform to the 2012 presentation. The reclassifications were primarily to conform to changes in the 2011 Church of the Nazarene Foundation presentation.

14. *Subsequent Events*

The General Board has evaluated subsequent events through February 23, 2013, which is the date these financial statements were available to be issued. The General Board is not aware of any subsequent events which would require recognition in the financial statements. Subsequent to period end, the General Board announced plans to transfer communications and information technology operations, and the related assets and personnel, to the Nazarene Publishing House

(NPH). The General Board intends to enter into a service agreement with Nazarene Publishing House for communication and information technology services.

NOTE C - INVESTMENTS, AT FAIR VALUE

Investments consisted of the following at September 30,

	2012		2011	
	Cost	Fair value	Cost	Fair value
Money market funds	\$ 736,603	\$ 736,603	\$ 8,785,633	\$ 8,785,633
Mutual funds				
Large blend	11,765,235	14,896,680	15,657,129	16,524,581
Medium blend	964,852	1,101,992	-	-
Foreign large blend	13,536,876	12,699,232	9,298,347	7,034,305
Foreign large value	423,487	442,108	-	-
Foreign mid/small value	655,262	635,184	-	-
Emerging markets	1,060,827	1,109,873	-	-
Domestic REITs	2,519,019	2,947,391	-	-
International REITs	1,620,073	1,900,870	-	-
Large cap growth	-	-	5,132,697	4,046,284
Intermediate-term bond	32,174,331	34,303,902	39,486,030	40,400,856
Foreign bond	5,575,202	5,943,803	-	-
High quality bond	5,380,671	5,423,525	-	-
Investment grade bond	8,981,914	9,563,976	-	-
High yield bond	3,044,002	3,162,025	6,026,520	5,855,238
Common stocks				
Large cap core	15,177,613	17,224,186	12,493,431	12,268,184
Large cap growth	7,612,114	8,413,921	6,412,099	5,861,470
Small cap growth	3,069,021	3,338,176	2,374,323	2,172,770
Small cap value	2,925,701	3,212,143	2,270,857	2,119,156
U.S. government obligations	367,988	470,145	366,416	462,043
Corporate bonds	6,473,199	6,580,165	7,848,834	7,914,934
Alternative investments				
Real assets	1,006,056	1,318,967	1,006,007	1,319,442
Mineral rights	487,465	450,271	487,779	494,746
Notes receivable	338,422	338,422	322,306	322,306
Insurance contracts	500,988	500,674	465,435	465,435
	<u>\$ 126,396,921</u>	<u>\$ 136,714,234</u>	<u>\$ 118,433,843</u>	<u>\$ 116,047,383</u>

Included in the investment totals above are investments held in trust for affiliated organizations and investments held pursuant to deferred gift and planned giving agreements. The fair value of those investments amounted to \$62,420,715 and \$57,553,437 as of September 30, 2012 and 2011, respectively.

Net investment income (loss) consisted of the following for the year ended September 30,

	<u>2012</u>	<u>2011</u>
Realized gain on sale of investments	\$ 1,632,946	\$ 1,293,746
Unrealized gain (loss) on investments	6,498,870	(4,487,596)
Interest, dividends, and other income	1,592,101	1,232,421
Foreign currency gain (loss)	60,337	(60)
	<u><u>\$ 9,784,254</u></u>	<u><u>\$ (1,961,489)</u></u>

NOTE D - FAIR VALUE MEASUREMENTS

ASC 820 establishes a fair value hierarchy that distinguishes between assumptions based on market data (observable inputs) and management's assumptions (unobservable inputs). Where an asset or a liability falls within that hierarchy depends on the lowest-level input which is significant to the fair value measurements as a whole. An adjustment to the pricing method used within either Level 1 or Level 2 inputs could generate a fair value measurement that effectively falls in a lower level in the hierarchy. The hierarchy consists of three broad levels as follows:

- Level 1 - Quoted market prices in active markets for identical assets or liabilities.
- Level 2 - Inputs other than Level 1 inputs which are either directly or indirectly observable.
- Level 3 - Unobservable inputs developed using management's estimates and assumptions, which reflect those which market participants would use.

The determination of where an asset or a liability falls in the hierarchy requires significant judgment. The General Board evaluates its hierarchy disclosures for each reporting period based on various factors. It is possible that an asset or a liability may be classified differently from one reporting period to another. However, the General Board expects that changes in classifications between different levels will be rare.

Following is a description of the valuation methodologies used for assets and liabilities measured at fair value:

Money market funds - Valued based on quoted market prices.

Mutual funds - Valued based on quoted market prices which represent the net asset value of the shares held by the General Board at year-end.

Common stocks - Valued based on quoted market prices.

U.S. government obligations - Valued based on quoted market prices.

Corporate bonds - Determined through evaluated bid prices based on recent trading activity and other relevant information, including market interest rate curves and referenced credit spreads, and estimated prepayment rates, where applicable, are used for valuation purposes provided by third-party pricing services where quoted market values are not available.

Alternative investments - Consists of investments aggregated into real assets, mineral rights, and insurance contracts based upon their underlying investments. The fair values of real assets are based on realtor estimates, comparable sales data, and tax assessments. The fair values of mineral rights are based upon the expected future cash flows of the mineral assets. The fair values of life insurance policies are determined from the cash surrender value quotes obtained from life insurance agents. These investments are classified within Level 3 of the fair value hierarchy.

Beneficial interest in charitable trusts, net - Valued based on the fair value of the underlying trust assets less a payment liability. The payment liability is determined by calculating the present value of the expected future distributions, using published life expectancy tables and a 5% rate of return.

Funds held in trust - Valued based upon an allocation of quoted market prices for the underlying investments. The fair values of individual holdings in the pool are determined via various level one inputs.

The General Board's financial assets and liabilities measured at fair value on a recurring basis were as follows at September 30, 2012:

Fair value measurements at reporting date using

	Level 1	Level 2	Level 3	Total
Money market funds	\$ 736,603	\$ -	\$ -	\$ 736,603
Mutual funds				
Large blend	14,896,680	-	-	14,896,680
Medium blend	1,101,992	-	-	1,101,992
Foreign large blend	12,699,232	-	-	12,699,232
Foreign large value	442,108	-	-	442,108
Foreign mid/small value	635,184	-	-	635,184
Emerging markets	1,109,873	-	-	1,109,873
Domestic REITs	2,947,391	-	-	2,947,391
International REITs	1,900,870	-	-	1,900,870
Large cap growth	-	-	-	-
Intermediate-term bond	34,303,902	-	-	34,303,902
Foreign bond	5,943,803	-	-	5,943,803
High quality bond	5,423,525	-	-	5,423,525
Investment grade bond	9,563,976	-	-	9,563,976
High yield bond	3,162,025	-	-	3,162,025
Common stocks				
Large cap core	17,224,186	-	-	17,224,186
Large cap growth	8,413,921	-	-	8,413,921
Small cap growth	3,338,176	-	-	3,338,176
Small cap value	3,212,143	-	-	3,212,143
U.S. government obligations	470,145	-	-	470,145
Corporate bonds	-	6,580,165	-	6,580,165
Alternative investments				
Real assets	-	-	1,318,967	1,318,967
Mineral rights	-	-	450,271	450,271
Notes receivable	-	-	338,422	338,422
Insurance contracts	-	-	500,674	500,674
Total investments	<u>127,525,735</u>	<u>6,580,165</u>	<u>2,608,334</u>	<u>136,714,234</u>
Beneficial interest in charitable trusts, net	-	-	1,998,091	1,998,091
Funds held in trust	-	-	(46,381,968)	(46,381,968)
	<u>\$ 127,525,735</u>	<u>\$ 6,580,165</u>	<u>\$ (41,775,543)</u>	<u>\$ 92,330,357</u>

The General Board's financial assets and liabilities measured at fair value on a recurring basis were as follows at September 30, 2011:

	Fair value measurements at reporting date using			
	Level 1	Level 2	Level 3	Total
Money market funds	\$ 8,785,633	\$ -	\$ -	\$ 8,785,633
Mutual funds				
Large blend	16,524,581	-	-	16,524,581
Foreign large blend	7,034,305	-	-	7,034,305
Large cap growth	4,046,284	-	-	4,046,284
Intermediate-term bond	40,400,856	-	-	40,400,856
High yield bond	5,855,238	-	-	5,855,238
Common stocks				
Large cap core	12,268,184	-	-	12,268,184
Large cap growth	5,861,470	-	-	5,861,470
Small cap growth	2,172,770	-	-	2,172,770
Small cap value	2,119,156	-	-	2,119,156
U.S. government obligations	462,043	-	-	462,043
Corporate bonds	-	7,914,934	-	7,914,934
Alternative investments				
Real assets	-	-	1,319,442	1,319,442
Mineral rights	-	-	494,746	494,746
Notes receivable	-	-	322,306	322,306
Insurance contracts	-	-	465,435	465,435
Total investments	105,530,520	7,914,934	2,601,929	116,047,383
Beneficial interest in charitable trusts, net	-	-	2,079,005	2,079,005
Funds held in trust	-	-	(41,752,470)	(41,752,470)
	<u>\$ 105,530,520</u>	<u>\$ 7,914,934</u>	<u>\$ (37,071,536)</u>	<u>\$ 76,373,918</u>

The following is a reconciliation of the beginning and ending balances of financial assets and liabilities measured at fair value on a recurring basis using significant unobservable inputs (Level 3) during the years ended September 30, 2012 and 2011.

	Real assets	Mineral rights	Notes receivable	Insurance contracts	Closely held stock	Beneficial interests	Funds held in trust	Swap liability	Total
Fair value, October 1, 2010	\$ 2,082,092	\$ 674,475	\$ 306,958	\$ 480,562	\$ 11,000	\$ 2,092,865	\$ (45,430,462)	\$ (2,603,131)	\$ (42,385,641)
Gains (losses)									
Realized	(1,917,294)	-	-	-	-	-	(2,580,412)	-	(4,497,706)
Unrealized	1,306,350	(179,840)	-	21,428	-	(142,458)	3,191,362	637,886	4,834,728
Income	-	-	-	-	-	-	(744,262)	-	(744,262)
Contributions	220,000	111	-	6,550	-	288,974	(5,341,356)	-	(4,825,721)
Sales/transfers/payments	(371,706)	-	-	(43,105)	(11,000)	(37,147)	9,157,869	1,965,245	10,660,156
Accruals	-	-	15,348	-	-	(123,229)	(5,209)	-	(113,090)
Fair value, September 30, 2011	<u>1,319,442</u>	<u>494,746</u>	<u>322,306</u>	<u>465,435</u>	<u>-</u>	<u>2,079,005</u>	<u>(41,752,470)</u>	<u>-</u>	<u>(37,071,536)</u>
Gains (losses)									
Realized	-	-	-	-	-	-	(1,388,907)	-	(1,388,907)
Unrealized	(475)	(44,475)	-	42,103	-	56,321	(5,768,996)	-	(5,715,522)
Income	-	-	-	-	-	-	(1,010,880)	-	(1,010,880)
Contributions	-	-	-	-	-	-	(3,359,081)	-	(3,359,081)
Sales/transfers/payments	-	-	-	(6,864)	-	(178,435)	6,898,366	-	6,713,067
Accruals	-	-	16,116	-	-	41,200	-	-	57,316
Fair value, September 30, 2012	<u>\$ 1,318,967</u>	<u>\$ 450,271</u>	<u>\$ 338,422</u>	<u>\$ 500,674</u>	<u>\$ -</u>	<u>\$ 1,998,091</u>	<u>\$ (46,381,968)</u>	<u>\$ -</u>	<u>\$ (41,775,543)</u>

NOTE E - PROPERTY AND EQUIPMENT

Major classifications of property and equipment consisted of the following at September 30,

	2012	2011
Buildings	<u>\$ 29,469,568</u>	\$ 29,469,568
Equipment	<u>8,230,110</u>	8,601,556
	<u>37,699,678</u>	38,071,124
Accumulated depreciation	<u>(9,340,219)</u>	(8,455,946)
	<u>28,359,459</u>	29,615,178
Land	<u>3,447,708</u>	3,447,708
	<u>\$ 31,807,167</u>	\$ 33,062,886

On June 7, 2011, the General Board executed the sale of buildings and land held for sale for \$2,502,324 which resulted in a gain on the sale of \$1,735,986 which is included in the other support services line item of the consolidated statement of activities.

Depreciation expense amounted to \$1,426,096 and \$1,588,607 for the years ended September 30, 2012 and 2011, respectively.

NOTE F - BONDS PAYABLE

Effective January 1, 2007, the General Board entered into a loan agreement for \$25,000,000 of tax-exempt bonds for the construction of a new global ministry center. The bonds payable required monthly interest payments for the first two years, with interest payable at an adjusting rate that is calculated at the Bond Market Association Index plus .75%. Thereafter, annual principal and monthly interest would be due on the bonds based upon a 20-year mortgage-style amortization. The bonds had a 20-year final maturity, with the bondholder retaining the option to accelerate the bonds maturity five years from the effective date of the loan agreement and annually thereafter. The bonds were collateralized by a mortgage and a negative pledge on the

property and improvements of the new global ministry facility. On June 2, 2011, the General Board repaid the full principal balance remaining on the bonds in the amount of \$23,135,000.

For the years ended September 30, 2012 and 2011, interest on the bonds payable totaled \$0 and \$159,139, respectively.

NOTE G - INTEREST RATE SWAP LIABILITY

The General Board entered into an interest rate-swap agreement to convert an initial aggregate notional amount of \$20,000,000 of the floating-rate debt to fixed-rate debt. The nominal amount of the swap decreases throughout the term of the agreement, which ends January 1, 2027. Under the agreement, the General Board received a payment based on a variable interest rate tied to one month Municipal Swap Index. The General Board paid a fixed amount based on an interest rate of 3.93%. Interest expense of \$0 and \$445,029 was recognized during the years ended September 30, 2012 and 2011, respectively, as a result of this swap. Management estimated the market value of the swap using valuation models based on the present value of future cash flows resulting in the General Board recognizing a gain of \$637,886 in 2011, which was classified as interest expense in the consolidated statements of activities. During the year ended September 30, 2011 the agreement was terminated at the General Board's request resulting in the payment of \$1,965,245, which represented the balance of the swap liability at the termination date.

NOTE H - LINE OF CREDIT

In September 2006, the General Board entered into an agreement for a line of credit with available borrowings of \$5,000,000 with interest payable monthly at LIBOR which was due March 31, 2009. The line was amended on March 31, 2009 to \$3,000,000, with a maturity date of March 31, 2012 and was collateralized by church mortgages and loans - USA Church Loan Fund receivables. The line of credit was canceled on March 28, 2011 at the request of the General Board.

NOTE I - DEFERRED GIFT AGREEMENTS OUTSTANDING

Deferred gift agreements outstanding represent the liability for various planned giving and revocable and irrevocable trust instruments for which the General Board has fiduciary responsibility for the safekeeping, investment management, and distribution of such funds to donor-designated Church ministries at the termination of such instruments.

NOTE J - FUNDS HELD IN TRUST

Funds held in trust consist of deposits made with the General Board by affiliated organizations for investment purposes and other miscellaneous deposits. Income earned from the investment of these deposits serves to increase the funds held in trust.

NOTE K - NET ASSETS

Temporarily restricted net assets were available for the following purposes or periods as of September 30,

	<u>2012</u>	<u>2011</u>
Scholarships	\$ 465,214	\$ 256,774
Deferred gift/planned giving agreements	4,363,102	3,838,481
Haiti disaster relief	1,563,436	1,624,964
Japan disaster relief	49,234	378,130
Other	3,973,214	3,278,650
	<u>\$ 10,414,200</u>	<u>\$ 9,376,999</u>

Net assets amounting to \$1,004,219 and \$2,334,226 for the years ended September 30, 2012 and 2011, respectively, were released from temporary restrictions due primarily to the termination of the related planned giving agreements.

Permanently restricted net assets consisted of the following as of September 30,

	<u>2012</u>	<u>2011</u>
Investment in perpetuity, the income from which is expendable to support		
Global Mission	\$ 2,774,053	\$ 2,344,942
International Board of Education	1,052,389	1,027,105
Church growth	438,478	438,178
Undesignated	16,797	16,767
Certain local Nazarene churches	428,077	424,207
Church of the Nazarene Foundation	10,912	10,912
Nazarene Youth International	12,852	11,729
Other Nazarene ministries	121,073	120,870
Endowments requiring a portion of the income to be added to the principal, with the remaining income distributed to Global Mission		
	335,145	335,175
	<u>\$ 5,189,776</u>	<u>\$ 4,729,885</u>

NOTE L - PENSIONS AND BENEFITS FUND

The Pensions and Benefits Fund (the Fund) provides various retirement, insurance, and benevolence programs to ministers and their spouses or surviving family members. The Fund is funded by local churches participating in the programs. The Fund is administered by the Board of Pensions and Benefits USA (the Board of Pensions) on behalf of the General Board. The assets of the Fund are included in separate financial statements.

NOTE M - NAZARENE HEALTH AND HOSPITALIZATION PROGRAM

The Nazarene Health and Hospitalization Program (the NHHP) was established to provide health care benefits. The NHHP includes coverage under two separate plan documents identified as the Missionary Medical Plan (the Missionary Plan) and the General Church Medical Plan (the General Church Plan). The plans are administered by the Board of Pensions on behalf of the General Board.

Not less than one-half of the contributions for participant coverage are paid by the respective employers. All medical and dental benefits of the two plans are self-funded through specific and aggregate reinsurance policies.

The General Board contributed \$1,558,999 and \$1,658,589 to the Missionary Plan and \$1,842,986 and \$1,991,578 to the General Church Plan for the years ended September 30, 2012 and 2011, respectively.

The assets of the NHHP are included in separate financial statements.

NOTE N - PENSION AND POSTRETIREMENT BENEFITS

1. World Mission Pension Plans

The General Board maintains a noncontributory defined benefit pension plan covering missionaries under contract with the General Board prior to December 31, 1997. New participation was frozen such that there were no new entrants after December 31, 1997. The benefits are based on years of service. The General Board's funding policy is to contribute annually the amount needed to provide not only for benefits for service to date, but also for those benefits expected to be earned in the future. For new missionaries under contract after December 31, 1997, retirement benefits are provided by the Nazarene 403(b) Retirement Savings Plan.

The General Board's projected benefit obligation under the Plans exceeded the fair value of Plan assets by \$2,601,408 and \$4,389,629 at September 30, 2012 and 2011, respectively; therefore, the Plans are underfunded.

The amounts recognized for the Plans in the General Board's unamortized pension liability at September 30, 2012 consisted of the following:

Prior service cost	\$ 122,434
Net actuarial loss	<u>3,165,328</u>
	<u>\$ 3,287,762</u>

The amounts for the Plans included in the General Board's unamortized pension liability at September 30, 2012 and expected to be amortized in net periodic pension cost for fiscal 2013 were as follows:

Prior service cost	\$ 45,657
Net actuarial loss	<u>253,286</u>
	<u>\$ 298,943</u>

The following table presents the benefit obligation, the fair value of Plan assets, the funded status of the Plans, and the principal weighted-average assumptions used as of September 30,

	<u>2012</u>	<u>2011</u>
Change in benefit obligation		
Benefit obligation, beginning of year	\$ 11,192,050	\$ 11,300,605
Service cost	30,369	42,880
Interest cost	477,196	569,133
Benefits paid	(898,758)	(884,384)
Actuarial (gain) loss	642,097	163,816
Benefit obligation, end of year	11,442,954	11,192,050
Change in Plan assets		
Fair value of Plan assets, beginning of year	6,802,421	5,002,213
Actual return (loss) on Plan assets	772,935	236,092
Employer contributions	2,164,948	2,448,500
Benefits paid	(898,758)	(884,384)
Expenses paid	-	-
Fair value of Plan assets, end of year	8,841,546	6,802,421
Funded status, end of year	\$ (2,601,408)	\$ (4,389,629)

Measurement date and weighted-average assumptions

Used to determine benefit obligation		
Measurement date	9/30/12	9/30/11
Discount rate	3.85%	4.45%
Used to determine net periodic benefit cost		
Measurement date	10/1/11	10/1/10
Discount rate	4.45%	5.25%
Expected return on Plan assets	7.00%	7.00%

Net periodic pension cost included the following components as of September 30,

	<u>2012</u>	<u>2011</u>
Service cost	\$ 30,369	\$ 42,880
Interest cost	477,196	569,133
Expected return on Plan assets	(449,084)	(317,956)
Amortization of		
Prior service cost	81,670	137,750
Net actuarial loss	239,599	219,298
	\$ 379,750	\$ 651,105

The General Board's investment policy for the World Mission Pension Plans is to maintain a target allocation of 62% of Plan assets in equity securities and 38% of Plan assets in bond or other fixed-

income securities. Contributions and benefit payments are used to maintain the actual asset allocation as close as is practicable to the target allocation. Plan assets are broadly diversified to limit the impact of losses in individual investments on the total portfolio.

Actual allocation of Plan assets by percentage was as follows at September 30,

	<u>2012</u>	<u>2011</u>
Equity securities	62%	62%
Debt securities	38%	38%
Real estate	0%	0%
Other	0%	0%
	<u>100%</u>	<u>100%</u>

The fair value hierarchy for classifying fair value measurements of assets and liabilities, as set forth in ASC 820, is as follows:

- Level 1 - Quoted market prices in active markets for identical assets or liabilities.
- Level 2 - Inputs other than Level 1 inputs which are either directly or indirectly observable.
- Level 3 - Unobservable inputs developed using the General Board's estimates and assumptions, which reflect those which market participants would use.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

A description of the valuation methodologies used for assets measured at fair value is disclosed in Note D.

The entirety of the Plan's investments is in the Pension Investment Trust, which was established for the investment of assets of the Plan and the Single Defined Benefit Pension Plan. Each participating retirement plan has an undivided interest in the Pension Investment Trust. The assets of the Pension Investment Trust are held by Northern Trust Company (the Custodian).

The value of the Plan's interest in the Pension Investment Trust is based on the beginning-of-year value of the Plan's interest in the trust plus actual contributions and allocated investment income less actual distributions and allocated administrative expenses. At September 30, 2012 and 2011, the Plan's interest in the net assets of the Pension Investment Trust was approximately 8% and 7% respectively. There are no restrictions on the redemption of the Plan's interest in the net assets of the Pension Investment Trust as of September 30, 2012 and 2011, respectively. Investment income and administrative expenses relating to the Pension Investment Trust are allocated to the individual plans based upon average monthly balances invested by each plan.

The Pension Investment Trust's assets measured at fair value on a recurring basis, subject to the disclosure requirements of ASC 715, *Compensation Retirement Benefits*, were as follows at September 30, 2012:

	Fair value measurements at reporting date			
	Level 1	Level 2	Level 3	Total
Money market funds	\$ 1,464,474	\$ -	\$ -	\$ 1,464,474
U.S. Common stocks	53,249,680	-	-	53,249,680
U.S. Government obligations and agency securities	2,999	-	-	2,999
Mutual funds				
Intermediate - term bond	41,760,360	-	-	41,760,360
International funds	12,797,453	-	-	12,797,453
Total assets at fair value	\$ 109,274,966	\$ -	\$ -	\$ 109,274,966

The Pension Investment Trust's assets measured at fair value on a recurring basis, subject to the disclosure requirements of ASC 715, *Compensation Retirement Benefits*, were as follows at September 30, 2011:

	Fair value measurements at reporting date			
	Level 1	Level 2	Level 3	Total
Money market funds	\$ 2,965,462	\$ -	\$ -	\$ 2,965,462
U.S. Common stocks	45,975,283	-	-	45,975,283
U.S. Government obligations and agency securities	4,155	-	-	4,155
Mutual funds				
Intermediate - term bond	36,896,703	-	-	36,896,703
International funds	11,598,629	-	-	11,598,629
Total assets at fair value	\$97,440,232	\$ -	\$ -	\$ 97,440,232

During the year ending September 30, 2013, employer contributions to the World Mission Pension Plans are expected to be approximately \$175,000.

Benefits reflecting future service are expected to be paid as follows for the year ending September 30,

Year ending September 30,	Amount
2013	\$ 929,074
2014	916,287
2015	905,113
2016	882,823
2017	871,379
2018-2022	3,992,432

2. *Postretirement Benefits*

In conjunction with the NHHP, the General Board has plans that provide postretirement health care benefits for certain groups of retired employees. The General Board's postretirement benefit health care plans are not currently funded.

The following table sets forth the other postretirement benefit plans' status as of September 30,

	<u>2012</u>	<u>2011</u>
Benefit obligation as of September 30,	<u>\$ (19,733,532)</u>	\$ (20,906,135)
Fair value of Plan assets as of September 30,	<u>-</u>	-
Unfunded status	<u>(19,733,532)</u>	(20,906,135)
Unrecognized net actuarial gain (loss)	<u>(2,699,464)</u>	(1,514,877)
Unrecognized prior service cost	<u>(3,569,643)</u>	(4,249,027)
Benefit liability recognized in the statements of financial position	<u><u>\$ (26,002,639)</u></u>	<u>\$ (26,670,039)</u>
Benefit cost recognized in the statements of activities	<u><u>\$ 398,083</u></u>	<u>\$ 670,770</u>
	<u>2012</u>	<u>2011</u>
Weighted-average assumptions used to determine benefit obligation discount rate	<u>3.35%</u>	<u>4.45%</u>

During the year ending September 30, 2013, employer contributions to other postretirement benefit plans are expected to be approximately \$1,514,118.

Benefits, net of Medicare Part D subsidy, reflecting future service are expected to be paid as follows for the year ending September 30,

Year ending	Amount
2013	\$ 1,514,118
2014	1,513,685
2015	1,499,102
2016	1,508,829
2017	1,506,277
2018-2022	6,826,641

For measurement purposes, an annual rate of increase of 7.5% and 8% in the per capita cost of covered health care benefits was assumed for 2012 and 2011, respectively. The rate was assumed to decrease by 0.5% per year thereafter, to become 5% in 2017.

Selected components of net periodic benefit cost were as follows at September 30,

	<u>2012</u>	<u>2011</u>
Current service cost	\$ 412,029	\$ 415,618
Employer contributions	1,065,483	1,205,889
Benefits paid	(1,065,483)	(1,205,889)

3. *Single Defined Benefit Pension Plan*

The Basic Pension Plan and the General Church Pension Plan have been merged to form the Single Defined Benefit Pension Plan (the Single Benefit Plan), and no new entrants were admitted into the Single Benefit Plan after December 31, 1995. Participants in the Single Benefit Plan have been grandfathered in so that no one having years of service under the predecessor plans will receive less under the Single Benefit Plan than what would have been paid under the predecessor plans had they continued unchanged. The Single Benefit Plan is a multiemployer plan that provides retirement benefits at age 65 to qualified full-time employees, pastors, evangelists, and district-licensed laypersons serving organized churches. The Single Benefit Plan is a defined benefit plan and is administered by the Board of Pensions on behalf of the General Board. The assets are held in trust by the Board of Pensions, and separate financial statements are prepared for the Single Benefit Plan. Contributions of \$7,500,000 and \$5,000,000 were made by the employers to the Single Benefit Plan for the years ended September 30, 2012 and 2011, respectively.

4. *Nazarene 403(b) Retirement Savings Plan*

The Nazarene 403(b) Retirement Savings Plan [the 403(b) Plan] was established for all U.S. ministers and laypersons serving local congregations and districts, as well as for general church employees. The annual pension supplement amount contributed from the Fund receipts or agency funds is determined annually by the Board of Pensions. Ministerial employees may receive a bonus if their local church or district pays 100% of their allocated Fund amounts. The bonus amount is determined annually by the Board of Pensions.

For each of the years ended September 30, 2012 and 2011, the annual pension supplement amount was \$500 per participant and the bonus amount was \$500. Employees may elect to participate in the 403(b) Plan through salary-reduction contributions. Employers make matching contributions to their respective participating employees' accounts. Local church and agency employers are encouraged to establish policies to match amounts of voluntary salary-reduction contributions up to at least 3% of salary. Contributions are made directly to Fidelity Investments. The cash value of all participant accounts that were not included in the Fund was \$326,626,609 and \$318,631,852 as of September 30, 2012 and 2011, respectively.

The total cost of contributions made to the 403(b) Plan through the Fund was \$2,764,083 and \$4,309,524 for the years ended September 30, 2012 and 2011, respectively. The cash value of all participant accounts was \$326,626,609 and \$318,631,852 as of September 30, 2012 and 2011, respectively.

NOTE O - OTHER REVENUE

Other revenue consisted of the following during the year ended September 30,

	<u>2012</u>	<u>2011</u>
Nazarene Youth Conference	\$ 8,480	\$ 151,686
Event registrations	471,330	3,001,123
Subscriptions and literature sales	366,570	482,565
W&W participant insurance funds	149,793	309,326
Casa Robles	178,290	170,491
Nazarene Publishing House funds	18,000	125,000
American Bible Society	50	100
Trustee fees	523,926	378,108
Miscellaneous	444,847	538,083
	<u>\$ 2,161,286</u>	<u>\$ 5,156,482</u>

Event registration income is composed of the registration fee charged by the General Board for the various events and conferences hosted throughout the year. During the year ended September 30, 2011 the General Board hosted the Nazarene Youth Conference which resulted in approximately \$2.8 million in registration fees.

NOTE P - ENDOWMENT FUNDS

4. *Endowment Composition*

The General Board applies the provisions of ASC Topic 958, *Not-for-Profit Entities* (ASC 958). A key component of ASC 958 is a requirement to classify the portion of a donor-restricted endowment fund that is not classified as permanently restricted net assets as temporarily restricted net assets until appropriated for expenditure.

	Unrestricted	Temporarily restricted	Permanently restricted	Total
Endowment composition by net asset category				
Donor restricted endowment funds	\$ 2,104,088	\$ 1,833,788	\$ 5,189,776	\$ 9,127,652
Change in endowment net assets				
Endowment net assets, October 1, 2011	\$ 1,880,800	\$ 1,180,025	\$ 4,729,886	\$ 7,790,711
Investment return				
Investment income	81,033	244,361	203	325,597
Depreciation, net (realized and unrealized)	144,626	689,687	285	834,598
Total investment return	225,659	934,048	488	1,160,195
Contributions	-	9,082	408,673	417,755
Transfers from donor advised funds	-	-	50,744	50,744
Administrative fees	(6,896)	(24,288)	(15)	(31,199)
Appropriation of endowment net assets for expenditure	(45,046)	(215,508)	-	(260,554)
Transfers of net endowment losses	49,571	(49,571)	-	-
Net assets released from restriction	-	-	-	-
Endowment net assets, September 30, 2012	\$ 2,104,088	\$ 1,833,788	\$ 5,189,776	\$ 9,127,652

2. *Interpretation of Relevant Law*

The State of Kansas applies the provisions of the Uniform Prudent Management of Institutional Funds Act (UPMIFA). Based on its interpretation of the provisions of UPMIFA, the General Board is required to act prudently when making decisions to spend or accumulate donor-restricted endowment assets and in doing so to consider a number of factors including the duration and preservation of its donor-restricted endowment funds. As a result of this interpretation, the General Board classified as permanently restricted net assets the original value of the gifts donated to the permanent endowment. The remaining portion of the endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets, unless otherwise directed by the applicable donor, until those amounts are appropriated for expenditure by the General Board in a manner consistent with the standard prudence prescribed by UPMIFA. The General Board's endowments are invested in institutional funds that incurred an average gain (loss) of 12% and (4%) for the years ended September 30, 2012 and 2011, respectively.

3. *Funds with Deficiencies*

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor requires the General Board to retain as a fund of perpetual duration. In accordance with generally accepted accounting principles accepted in the United States of America, deficiencies of this nature are reported in unrestricted net assets and were \$56,071 and \$105,080 as of September 30, 2012 and 2011, respectively. These deficiencies resulted from unfavorable market fluctuations.

Return Objectives and Risk Parameters

The General Board has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the organization must hold in perpetuity or for a donor-specified period(s). Under this policy, as approved by the Board of Directors, the endowment assets are invested with the following objectives in priority order: (1) longer-term capital appreciation; and (2) prudent investment risk.

Strategies Employed for Achieving Objectives

The General Board's goal for the investment of non-pension assets is to provide the highest level of appreciation in market value consistent with a prudent level of risk, and taking into consideration the planned duration of the investment. The Investment Committee of the General Board develops and maintains asset mix guidelines for each of the categories of assets taking into consideration the planned duration of the investments. The asset mix guidelines are reviewed by the Investment Committee at least once a year with a formal review every three years. The Investment Committee may change the asset mix at any time.

Spending Policy and How the Investment Objectives Relate to Spending Policy

The General Board has a policy which permits annual spending of an approved percentage of 5%, multiplied by the fiscal year end fair market value of endowment, with a six month proration for contributions received during the year. Endowment contributions must be received by March 31 of a given year in order to be included in that year's distribution calculation. In the event that the rate of return does not meet expected benchmarks in any given year, endowments which must maintain a minimum historic dollar value will not distribute the full amount if that distribution would cause the endowment's value to drop below its minimum required level. This is consistent with the General Board's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

NOTE Q - RELATED PARTY TRANSACTIONS

Included in revenues are amounts totaling \$18,000 and \$125,000 for the years ended September 30, 2012 and 2011, respectively, received from NPH, an affiliated organization, for certain editorial services provided by the General Board.

Certain affiliated organizations deposit excess funds with the General Board for investment purposes. As of September 30, 2012 and 2011, total funds held in trust totaled \$46,381,968 and \$41,752,470, respectively. See Note J.

The General Board guarantees debt on real property related to the worldwide missionary and church growth programs. See Note R.

As of September 30, 2012 and 2011, the Board of Pensions and Benefits USA of the General Board of the Church of the Nazarene World Mission Pension Plans owed \$12,441 and \$7,820,

respectively, to the General Board. As of September 30, 2012 and 2011, the Board of Pensions and Benefits USA of the General Board of the Church of the Nazarene Single Defined Benefit Pension Plan owed \$46,824 and \$57,830, respectively, to the General Board.

The General Board provides interest-free direct-financing leases to certain employees. The amounts outstanding on these leases are included in receivables - other on the consolidated statements of financial position and amounted to \$13,132 and \$30,792 as of September 30, 2012 and 2011, respectively.

Payables to various Global Mission regional offices of the Church of the Nazarene are included in accounts payable and accrued expenses on the statements of financial position and amounted to \$904,582 and \$378,388 as of September 30, 2012 and 2011, respectively.

Included in expenses are amounts totaling \$110,562 and \$0 for the years ended September 30, 2012 and 2011, respectively, paid to NCM, Inc., an affiliated organization, for support and expenses incurred by NCM, Inc. on the behalf of the General Board. Receivables from NCM, Inc. are included in receivables - other on the statements of financial position and amounted to \$101,521 and \$141 as of September 30, 2012 and 2011, respectively.

NOTE R - COMMITMENTS AND CONTINGENCIES

The General Board is a party to various legal actions arising in the ordinary course of its operations. In management's opinion, the General Board has adequate legal defenses and/or insurance coverage respecting each of these actions and does not believe that they will materially affect the General Board's financial position, changes in net assets, or cash flows.

Debt in the amount of \$856,198 and \$948,084 was outstanding on real property related to the worldwide missionary and Church growth programs as of September 30, 2012 and 2011, respectively. The General Board was the guarantor on \$856,198 and \$948,084 of this debt. The General Board believes it has a moral obligation to repay this contingent liability in the event of default to support the two programs, although it is not legally obligated to do so. All of the debt is collateralized by real property, for which management estimates the fair value to approximate \$12,592,572 as of September 30, 2012. The debt and related property are excluded from the General Board's financial statements.

NOTE S - USA Church Loan Fund

Church Mortgages and Loans - USA Church Loan Fund

Prior to June 1, 2011, the General Board extended credit for real estate mortgage loans to individual churches. The General Board evaluated creditworthiness on a loan-by-loan basis and generally required collateral in the form of mortgages on the related property and guarantees by the applicable District Advisory Board. The loans are expected to be repaid from operations and/or contributions to borrowers.

On June 1, 2011, the General Board sold its portfolio of church mortgages to an outside party at an agreed upon discount of 10% realizing \$26,706,034 in proceeds, which resulted in a loss of \$2,947,875 being recognized in the USA Church Loan Fund line item on the consolidated statement of activities. In conjunction with the sale of the USA Church Loan Fund the General Board entered into a non-compete agreement which prevents the General Board from extending credit for real estate mortgage loans to individual churches for a period of ten years.

NOTE T - FAIR VALUE OF FINANCIAL INSTRUMENTS

In accordance with ASC Topic 825, *Financial Instruments*, the fair value of each class of financial instruments is being disclosed. Fair value is the estimated amount at which financial assets or liabilities can be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. Because no market exists for certain of these financial instruments, the fair values of these instruments have been calculated by discounting expected cash flows, which involves the significant exercise of judgment by management.

Funds Held in Trust

The carrying amount of funds held in trust approximates fair value because investment income (both realized and unrealized) is recognized when earned and because such funds can be withdrawn on demand.

NOTE U - FUNCTIONAL EXPENSES

The costs of providing various programs and other activities have been summarized on a functional basis in the consolidated statements of activities. Accordingly, certain costs have been allocated among the corresponding program and support services. Fundraising costs were \$1,572,607 and \$1,750,961 for the years ended September 30, 2012 and 2011, respectively.

NOTE V - OPERATING LEASES

The General Board leases office space under a noncancelable operating lease expiring in January 2015. The General Board also leases office equipment under noncancelable operating leases with maturity dates ranging from September 2013 to October 2017. Effective February 1, 2012, Church of the Nazarene Foundation entered into a sublease agreement for its former corporate office, which expires in 2015.

Minimum lease commitments are as follows:

Year ending September 30,	Minimum lease commitment	Sublease income	Net lease commitment
2013	\$ 80,075	\$ 34,063	\$ 46,012
2014	59,541	34,506	25,035
2015	19,164	11,502	7,662
2016	3,180	-	3,180
2017	795	-	795
	<u>\$ 162,755</u>	<u>\$ 80,071</u>	<u>\$ 82,684</u>

Total lease expense was \$79,075 for 2012 and \$89,946 for 2011.

NOTE W - TEMPORARILY RESTRICTED NET ASSETS HELD BY THIRD-PARTY TRUSTEES

The General Board was informed that certain assets in amounts totaling \$1,036,101 and \$1,037,679 were being held on its behalf by third-party trustees at September 30, 2012 and 2011, respectively. The donors of these assets have designated the General Board as the principal beneficiary of the charitable remainder. These assets are included in temporarily restricted net assets and are invested primarily in fixed money market accounts and land. Because the General Board does not know when conditions will be met for the collection of the charitable remainder, there were no plans as of September 30, 2012 for use of the assets.

SUPPLEMENTAL INFORMATION

The Global Ministry Center of the General Board of the Church of the Nazarene				
CONSOLIDATING STATEMENT OF FINANCIAL POSITION				
September 30, 2012				
	The Global Ministry Center of the General Board of the Church of the Nazarene	Church of the Nazarene Foundation	Eliminations	Total
ASSETS				
Cash and cash equivalents	\$ 6,333,912	\$ 717,580	\$ -	\$ 7,051,492
Investments, at fair value	96,101,794	41,607,238	(994,798)	136,714,234
Investments - other	6,386,217	1,435,726	-	7,821,943
Receivables				
Other	1,766,305	1,171,414	(1,029,859)	1,907,860
Property and equipment, net	31,805,253	1,914	-	31,807,167
Beneficial interest in charitable trusts, net	2,071,782	961,989	(1,035,680)	1,998,091
Notes receivable	-	657,271	-	657,271
Other assets	176,618	274,137	-	450,755
	\$ 144,641,881	\$ 46,827,269	\$ (3,060,337)	\$ 188,408,813
LIABILITIES AND NET ASSETS				
LIABILITIES				
Accounts payable and accrued expenses	\$ 4,001,996	\$ 181,293	\$ -	\$ 4,183,289
Due to General Board	-	1,029,859	(1,029,859)	-
Deferred gift agreements	10,875,750	5,162,997	-	16,038,747
Funds held in trust	19,522,404	28,890,042	(2,030,478)	46,381,968
Pension obligation	2,601,408	-	-	2,601,408
Postretirement benefit obligation	26,002,639	-	-	26,002,639
	63,004,197	35,264,191	(3,060,337)	95,208,051
COMMITMENTS AND CONTINGENCIES				
NET ASSETS				
Unrestricted	74,675,244	6,209,304	-	80,884,548
Temporarily restricted	7,228,723	3,185,477	-	10,414,200
Permanently restricted	3,021,479	2,168,297	-	5,189,776
Unamortized pension liability	(3,287,762)	-	-	(3,287,762)
	81,637,684	11,563,078	-	93,200,762
	\$ 144,641,881	\$ 46,827,269	\$ (3,060,337)	\$ 188,408,813

The Global Ministry Center of the General Board of the Church of the Nazarene

CONSOLIDATING STATEMENT OF ACTIVITIES

Year ended September 30, 2012

	The Global Ministry Center of the General Board of the Church of the Nazarene				Church of the Nazarene Foundation				Eliminations	Total
	Unrestricted	Temporarily restricted	Permanently restricted	Total	Unrestricted	Temporarily restricted	Permanently restricted	Total		
Changes in unrestricted net assets										
Revenues and gains										
World Evangelism Fund	\$ 38,211,339	\$ -	\$ -	\$ 38,211,339	-	\$ -	\$ -	\$ -	\$ -	\$ 38,211,339
Mission specials	24,169,151	153,658	-	24,322,809	-	-	-	-	(399,245)	23,923,564
Legacy, gifts, and charitable remainders, net	1,114,997	402,358	33,989	1,551,344	662,511	-	374,686	1,037,197	-	2,588,541
Subsidy from General Board	-	-	-	-	493,565	-	-	493,565	(493,565)	-
Other	1,637,360	-	-	1,637,360	563,926	-	-	563,926	(40,000)	2,161,286
Total revenues and gains	65,132,847	556,016	33,989	65,722,852	1,720,002	-	374,686	2,094,688	(932,810)	66,884,730
Net assets released from restrictions	955,237	(955,237)	-	-	48,982	(48,982)	-	-	-	-
Net assets reclassified	-	(9,065)	-	(9,065)	-	(50,744)	50,744	-	-	(9,065)
Total revenues and gains	66,088,084	(408,286)	33,989	65,713,787	1,768,984	(99,726)	425,430	2,094,688	(932,810)	66,875,665
Expenses										
Program services										
Global Mission	45,974,663	-	-	45,974,663	-	-	-	-	-	45,974,663
International Board of Education	2,914,565	-	-	2,914,565	-	-	-	-	-	2,914,565
Sunday School and Discipleship Ministries	1,192,991	-	-	1,192,991	-	-	-	-	-	1,192,991
Nazarene Youth International	779,413	-	-	779,413	-	-	-	-	-	779,413
Board of General Superintendents	2,239,317	-	-	2,239,317	-	-	-	-	-	2,239,317
Nazarene communication services	939,728	-	-	939,728	-	-	-	-	-	939,728
Church of the Nazarene Foundation	-	-	-	-	966,680	-	-	966,680	(399,245)	567,435
Other program services, net	572,981	-	-	572,981	-	-	-	-	-	572,981
Total program services	54,613,658	-	-	54,613,658	966,680	-	-	966,680	(399,245)	55,181,093
Support services										
Global Ministry Center Financial Office	3,098,528	-	-	3,098,528	-	-	-	-	(533,565)	2,564,963
Global Ministry Center Operations Office	3,814,970	-	-	3,814,970	-	-	-	-	-	3,814,970
Church of the Nazarene Foundation	-	-	-	-	1,100,871	-	-	1,100,871	-	1,100,871
Other support services	676,401	-	-	676,401	-	-	-	-	-	676,401
Total support services	7,589,899	-	-	7,589,899	1,100,871	-	-	1,100,871	(533,565)	8,157,205
Fundraising	1,572,607	-	-	1,572,607	-	-	-	-	-	1,572,607
Total expenses	63,776,164	-	-	63,776,164	2,067,551	-	-	2,067,551	(932,810)	64,910,905
Change in net assets from operations	2,311,920	(408,286)	33,989	1,937,623	(298,567)	(99,726)	425,430	27,137	-	1,964,760
Changes in non operating income (expense)										
Net investment income	7,349,102	1,212,020	487	8,561,609	610,683	611,962	-	1,222,645	-	9,784,254
Gain (loss) on disposal of assets	7,343	-	-	7,343	(241)	-	-	(241)	-	7,102
Actuarial adjustment of deferred gift agreements	-	(122,861)	-	(122,861)	-	(75,632)	-	(75,632)	-	(198,493)

Expenses and administrative fees	-	(76,556)	(15)	(76,571)	-	(3,720)	-	(3,720)	-	(80,291)
	7,356,445	1,012,603	472	8,369,520	610,442	532,610	-	1,143,052	-	9,512,572
Change in net assets before pension liability adjustment	9,668,365	604,317	34,461	10,307,143	311,875	432,884	425,430	1,170,189	-	11,477,332
Changes in pension liability not included in pension expense	3,023	-	-	3,023	-	-	-	-	-	3,023
Increase in net assets	9,671,388	604,317	34,461	10,310,166	311,875	432,884	425,430	1,170,189	-	11,480,355
Net assets, beginning of year	61,716,094	6,624,406	2,987,018	71,327,518	5,897,429	2,752,593	1,742,867	10,392,889	-	81,720,407
Net assets, end of year	71,387,482	7,228,723	3,021,479	81,637,684	6,209,304	3,185,477	2,168,297	11,563,078	-	93,200,762

The Global Ministry Center of the General Board of the Church of the Nazarene

CONSOLIDATING STATEMENT OF CASH FLOWS

Year ended September 30, 2012

	The Global Ministry Center of the General Board of the Church of the Nazarene	Church of the Nazarene Foundation	Eliminations	Total
Cash flows from operating activities				
Change in net assets	\$ 10,310,166	\$ 1,170,189	\$ -	\$ 11,480,355
Adjustments to reconcile decrease in net assets to net cash provided by operating activities				
Depreciation	1,421,217	4,879	-	1,426,096
Net realized and unrealized gains on investments	(7,111,387)	1,020,429	-	(6,090,958)
Contributions restricted for long-term investment	(33,988)	-	-	(33,988)
Beneficial interest in charitable trusts	(380,818)	79,337	382,396	80,915
(Gain)/Loss on disposal of property and equipment	(7,343)	241	-	(7,102)
Other assets	57,077	(40,170)	-	16,907
Pension obligation	(1,788,221)	-	-	(1,788,221)
Postretirement benefit obligation	(667,400)	-	-	(667,400)
Changes in				
Other receivables	(669,156)	(541,773)	1,001,721	(209,208)
Notes receivable	-	150,688	-	150,688
Accounts payable and accrued expenses	255,707	1,045,737	(988,894)	312,550
Net cash provided by operating activities	1,385,854	2,889,557	395,223	4,670,634
Cash flows from investing activities				
Acquisition of property and equipment	(199,586)	(2,200)	-	(201,786)
Proceeds from disposal of property and equipment	38,511	-	-	38,511
Proceeds from sales and maturities of investments	72,385,367	23,315,434	-	95,700,801
Purchases of investments	(70,317,554)	(25,220,916)	-	(95,538,470)
Net cash provided by (used in) investing activities	1,906,738	(1,907,682)	-	(944)
Cash flows from financing activities				
Change in deferred gift agreements and funds held in trust	(4,354,484)	(664,971)	(395,223)	(5,414,678)
Proceeds on contributions restricted for investment in endowments	33,988	-	-	33,988
Net cash used in financing activities	(4,320,496)	(664,971)	(395,223)	(5,380,690)
Net (decrease) increase in cash and cash equivalents	(1,027,904)	316,904	-	(711,000)
Cash and cash equivalents, beginning of year	7,361,816	400,676	-	7,762,492
Cash and cash equivalents, end of year	\$ 6,333,912	\$ 717,580	\$ -	\$ 7,051,492
Supplemental schedule of cash flow information				
Noncash investment activities that increased liabilities for deferred gift agreements and funds held in trust				
Investments received	\$ 52,987	\$ -	\$ -	\$ 52,987
Net realized and unrealized losses on investments	4,191,730	3,572,833	-	7,764,563

Financial Statements and Report of Independent Certified Public Accountants

**Board of Pensions and Benefits USA of the General Board of the Church of the Nazarene
403(b) Retirement Savings Plan**

September 30, 2012 and 2011



Grant Thornton LLP
1201 Walnut Street, Suite 1000
Kansas City, MO 64106-2176
T 816.412.2400
F 816.412.2404
Grant.Thornton.com
Linkd.in/GrantThorntonUS
Twitter.com/GrantThorntonUS

**REPORT OF INDEPENDENT
CERTIFIED PUBLIC ACCOUNTANTS**

Trustees

Board of Pensions and Benefits USA of the General Board of the
Church of the Nazarene 403(b) Retirement Savings Plan

We have audited the accompanying statements of net assets available for benefits (modified cash basis) of the Board of Pensions and Benefits USA of the General Board of the Church of the Nazarene 403(b) Retirement Savings Plan as of September 30, 2012 and 2011, and the related statements of changes in net assets available for benefits (modified cash basis) for the years then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As described in Note B, these financial statements were prepared on a modified cash basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Board of Pensions and Benefits USA of the General Board of the Church of the Nazarene 403(b) Retirement Savings Plan as of September 30, 2012 and 2011, and the changes in its net assets available for benefits for the years then ended, on the basis of accounting described in Note B.

Grant Thornton LLP

Kansas City, Missouri
February 23, 2013

**Board of Pensions and Benefits USA of the General Board of the
Church of the Nazarene 403(b) Retirement Savings Plan**

**STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
(MODIFIED CASH BASIS)**

September 30,

	2012	2011
Investments, at fair value		
Mutual funds		
Fidelity Growth Company Fund	\$ 30,581,051	\$ 23,000,922
Fidelity Balanced Fund	19,640,359	16,008,297
Fidelity Contrafund	20,970,343	16,488,349
Fidelity Diversified International Fund	8,000,175	7,063,970
Fidelity Equity Income Fund	3,586,580	2,893,257
Fidelity Freedom Index Income	2,464,151	2,130,602
Fidelity Freedom Index 2000	1,685,315	1,759,045
Fidelity Freedom Index 2005	2,914,909	2,582,079
Fidelity Freedom Index 2010	12,701,998	12,857,976
Fidelity Freedom Index 2015	17,232,205	14,744,447
Fidelity Freedom Index 2020	32,723,010	27,609,572
Fidelity Freedom Index 2025	17,645,152	13,896,009
Fidelity Freedom Index 2030	14,951,873	12,336,330
Fidelity Freedom Index 2035	7,819,169	6,324,409
Fidelity Freedom Index 2040	10,312,906	8,053,865
Fidelity Freedom Index 2045	3,973,293	2,862,999
Fidelity Freedom Index 2050	2,003,971	1,737,987
Fidelity Freedom Index 2055	25,837	-
Spartan U.S. Equity Index	8,717,438	6,668,255
PIMCO Total Return	18,796,761	15,103,976
MSIF Small Company Growth Institutional Class B	2,884,053	2,380,076
DFA U.S. Small Cap Value	4,160,746	3,630,125
CRM Mid Cap Value Instl	2,920,627	2,487,058
Guidestone Equity Index	476,036	204,407
Guaranteed Investment Contract		
Fidelity Fixed Fund	110,521,394	112,402,959
Net assets, at fair value	357,709,352	315,226,971
Receivables		
Notes receivable from participants	2,687,259	2,565,796
Adjustments from fair value to contract value for fully benefit-responsive investment contract	(4,463,640)	(3,992,949)
Net assets available for benefits	\$ 355,932,971	\$ 313,799,818

**Board of Pensions and Benefits USA of the General Board of the
Church of the Nazarene 403(b) Retirement Savings Plan**

**STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
(MODIFIED CASH BASIS)**

Year ended September 30,

	2012	2011
ADDITIONS		
Investment income (loss)		
Net realized and unrealized gain (loss) on net appreciation (depreciation) in fair value of investments	\$ 34,964,517	\$ (2,626,626)
Interest and dividends	7,554,640	6,346,198
	42,519,157	3,719,572
 Interest income on notes receivable from participants	 165,580	 107,894
 Contributions		
Employer contributions	6,734,225	8,868,009
Participant contributions	7,116,180	7,416,621
Rollover contributions	1,917,633	1,048,346
	15,768,038	17,332,976
Total additions	58,452,775	21,160,442
 DEDUCTIONS		
Benefits paid to participants	15,790,580	15,966,976
Administrative expenses	529,042	149,753
Total deductions	16,319,622	16,116,729
 NET INCREASE	 42,133,153	 5,043,713
 Net assets available for benefits, beginning of year	 313,799,818	 308,756,105
Net assets available for benefits, end of year	\$ 355,932,971	\$ 313,799,818

**Board of Pensions and Benefits USA of the General Board of the
Church of the Nazarene 403(b) Retirement Savings Plan**

NOTES TO FINANCIAL STATEMENTS

September 30, 2012 and 2011

NOTE A - DESCRIPTION OF PLAN

The following description of the Board of Pensions and Benefits USA of the General Board of the Church of the Nazarene 403(b) Retirement Savings Plan (the Plan) provides only general information. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

1. *General*

The Plan is for the benefit of all U.S. ministers and laypersons serving local congregations and districts, as well as general church employees. The Plan is a defined contribution plan established under Section 403(b) of the Internal Revenue Code (the IRC). Lay or ministerial employees of Nazarene churches or church-controlled agencies and registered Nazarene chaplains may participate in the Plan. Nazarene churches or church-controlled agencies include the Global Ministry Center of the General Board of the Church of the Nazarene (the General Board), the Nazarene Publishing House, Church of the Nazarene Foundation, Nazarene Theological Seminary, Nazarene Bible College, Nazarene Compassionate Ministries, Inc., or the subsidiaries of these entities, including Nazarene-affiliated colleges or universities. The Board of Pensions and Benefits USA serves as the administrator and trustee (the Administrator and/or the Trustee) on behalf of the General Board. Fidelity Management Trust Company (Fidelity) serves as the custodian of the Plan.

The Pensions and Benefits Fund (the Fund) provides administrative services and certain specific funding amounts as determined by the Board of Pensions and Benefits USA to the Plan.

2. *Plan Administration*

The plan administrator is responsible for the day-to-day administration of the Plan. The plan administrator is also responsible for maintaining accurate and detailed records and accounts of employees and of their rights under the Plan and all investments, receipts, disbursements, and other transactions. The plan administrator is not responsible to determine that contributions made to the plan trust by an employer comply with the provisions of the Plan, nor does it have responsibility to collect or monitor the making or the accuracy of any contributions payable or made by an employer to the plan trust.

The plan administrator has the exclusive power and authority to control and manage the operation and administration of the Plan, including determining eligibility and participation in the Plan and overseeing claims procedures.

3. *Contributions*

Contributions are made through either an employer-funded arrangement or a voluntary salary-reduction agreement with each participant's employer. Voluntary salary-reduction contributions are not permitted to exceed IRC limitations on an annual basis. Employers participating in the Plan are encouraged to match amounts totaling at least up to, but not limited to, 3% of the employee's voluntary salary-reduction contribution amounts.

4. *Contributions for Ministerial Employees*

Annual contributions for ministerial employees are determined by the Administrator. The annual pension supplement (APS) contribution is deposited into individual accounts for each eligible U.S. clergy member and layperson from Fund receipts or agency funds, depending upon the participant's employer. The 2012 and 2011 APS contribution for eligible district superintendents, district assigned, and evangelists will be \$1,000. Total APS contributions amounted to \$2,874,695, consisting of \$2,764,083 from the Fund and \$110,612 from Global Mission, for the year ended September 30, 2012. Total APS contributions amounted to \$4,434,950, consisting of \$4,318,450 from the Fund and \$116,500 from Global Mission, for the year ended September 30, 2011.

5. *Participant Accounts*

Each participant's account is credited with the participant's and participating employer's contributions, as applicable, and allocations of (a) the Fund or agency fund contributions and (b) Plan earnings. Allocations are based on participant earnings or account balances. The benefit to which a participant is entitled is the benefit that can be provided from the participant's account.

6. *Vesting and Forfeitures*

Participants are immediately vested in all contributions plus actual earnings thereon.

7. *Investment Options*

Upon enrollment in the Plan, a participant may direct contributions to any of several investment options.

The funds offered by Fidelity as of September 30, 2012 were as follows:

- Fidelity Growth Company Fund
- Fidelity Balanced Fund
- Fidelity Contrafund
- Fidelity Diversified International Fund
- Fidelity Equity Income Fund
- Fidelity Freedom Index Income
- Fidelity Freedom Index 2000
- Fidelity Freedom Index 2005

- Fidelity Freedom Index 2010
- Fidelity Freedom Index 2015
- Fidelity Freedom Index 2020
- Fidelity Freedom Index 2025
- Fidelity Freedom Index 2030
- Fidelity Freedom Index 2035
- Fidelity Freedom Index 2040
- Fidelity Freedom Index 2045
- Fidelity Freedom Index 2050
- Fidelity Freedom Index 2055
- Spartan U.S. Equity Index
- PIMCO Total Return
- MSIF Small Company Growth Institutional Class B
- DFA U.S. Small Cap Value
- CRM Mid Cap Value Instl
- GuideStone Equity Index Fund

For additional information regarding the Plan's investment alternatives and fund performance, participants should refer to the Plan document and published information provided by such funds.

Participants may change or transfer their investment options on an as-needed basis.

Net appreciation (depreciation) in fair value of investments consisted of the following for the year ended September 30,

	<u>2012</u>	<u>2011</u>
Realized gain on sale of investments	\$ 2,237,627	\$ 11,627,970
Unrealized gain (loss) on investments	32,726,890	(14,254,596)
	<u>\$ 34,964,517</u>	<u>\$ (2,626,626)</u>

8. *Notes Receivable from Participants*

Participants may borrow from their fund accounts a minimum of \$1,000, up to the lesser of \$50,000 or 50% of their account balance. Loan terms range from 1 to 5 years. The loans are secured by the balance in the participant's account and bear interest at prime plus 1%. Interest rates for participant loans ranged from 4.25% to 9.25%. Principal and interest are paid ratably through monthly or quarterly installments.

9. *Administrative Expenses*

The Fund, a related party, pays Plan-level administrative expenses, which amounted to \$0 and \$139,958 for the years ended September 30, 2012 and 2011, respectively. Beginning April 1, 2011, each participant account became responsible for these expenses.

Administrative expenses paid by participant accounts totaled \$529,042 and \$149,753 for the years ended September 30, 2012 and 2011, respectively.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Accounting

The accompanying financial statements have been prepared on a modified cash basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Under this basis, interest, dividends, and contributions are recognized when collected rather than when earned, and expenses are recognized when paid rather than when incurred. Investments are reported at fair value. Consequently, contributions receivable and accrued interest and dividend receivables are not included in the financial statements.

2. Valuation of Investments

The Plan's investments are stated at fair value, except for its investment contract with Fidelity. The investment contract is stated at contract value (Note C) based on quoted market prices, with gains and losses included in the statements of changes in net assets available for benefits. Separate account investments are valued based on the net asset value of the underlying shares of the mutual funds held in the accounts.

3. Investment Risks

The Plan invests in mutual funds and a stable value investment contract, both of which hold various securities that may include U.S. Government securities, corporate debt instruments, and corporate stocks. Investment securities, in general, are exposed to various risks such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the financial statements.

4. Notes Receivable from Participants

Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Delinquent loans are reclassified as distributions based upon the terms of the Plan document.

5. Payment of Benefits

Benefits are recorded when paid.

6. Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

7. *Adoption of New Accounting Standard*

In September 2010, FASB issued an amendment, Plan Accounting - Defined Contribution Pension Plans (Topic 952): *Reporting Loans to Participants by Defined Contribution Pension Plans*, which provides guidance on how loans to participants should be classified and measured by defined contribution plans. That guidance requires participant loans to be classified as notes receivable from participants, which are segregated from plan investments and measured at their unpaid principal balance plus any accrued but unpaid interest. The Plan adopted this new guidance in its September 30, 2011 financial statements. Net assets of the Plan were not affected by the adoption of the new guidance.

8. *Subsequent Events*

The Plan has evaluated subsequent events through February 23, 2013, which is the date these financial statements were available to be issued.

Subsequent to year-end, it was announced by the Senior Leadership Team, on behalf of the Board of General Superintendents, that certain hardware and software previously purchased, developed, and licensed by the Pensions and Benefits Fund for the benefit of the Plan could be transferred to Nazarene Publishing House (NPH), a related party. Such transfer would be the result of a decision to integrate Information Technology at the Global Ministry Center (GMC) with Information Technology at NPH, with all IT under NPH supervision. The cost basis of these exclusive Pensions and Benefits Fund assets exceeds \$1 million. The plan administrator has yet to determine the market value of these assets as of the report date. Furthermore, the Plan expects to pay future expenses related to services to be provided related to use of these assets, along with additional services to be provided by this GMC and NPH IT integration. The effect on the financial statements has not yet been determined.

NOTE C - STABLE VALUE FUND INVESTMENT CONTRACT WITH FIDELITY

The Plan follows the provisions of Financial Accounting Standards Board Codification 965, *Reporting of Fully Benefit-Responsive Investment Contracts Held by Certain Investment Companies Subject to the AICPA Investment Company Guide and Defined-Contribution Health and Welfare and Pension Plans* (ASC 965), wherein investment contracts held by a defined contribution plan are required to be reported at fair value. However, contract value is the relevant measurement attribute for that portion of the net assets available for benefits of a defined contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the plan. The Plan invests in investment contracts through Fidelity Fixed Fund. As is required by ASC 965, the statements of net assets

available for benefits present the fair value of the investment, as well as the adjustment of the investment in the investment contracts from fair value to contract value. The statement of changes in net assets available for benefits is prepared on a contract-value basis. Contract value represents contributions made under the contract, plus earnings, less participant withdrawals and administrative expenses. Participants may ordinarily direct the withdrawal of all or a portion of their investment at contract value

Investments in the Fidelity Fixed Fund consist principally of guaranteed interest contracts, which are included at fair value as determined by Fidelity Management Trust Company, based on discounted cash flows using current market interest rates with a maximum estimated fair value compounded at a rate of 1.61% at September 30, 2012 and 1.86% at September 30, 2011. The average yield earned by the trust with an adjustment to reflect the actual interest rate credited to participants in the fully benefit-responsive investment contract was 1.74% at September 30, 2012 and 1.81% at September 30, 2011.

The fund could be limited in its ability to transact at contract value if the fund raises its risk profile or is subjected to a period of significant cash outflow. The fund maintains strong risk parameters, internal cash flow, and a maturity ladder of investments to offset cash withdrawals. Further, the fund manager may limit withdrawals in order to maintain sufficient liquidity. The plan administrator does not believe that any events which would limit the Plan's ability to transact at contract value are probable of occurring.

NOTE D - FAIR VALUE MEASUREMENTS

Effective October 1, 2008, the Plan adopted the provisions of ASC Topic 820, *Fair Value Measurements and Disclosures* (ASC 820). ASC 820 establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under ASC 820 are described below.

Level 1 - Quoted market prices in active markets for identical assets or liabilities.

Level 2 - Inputs other than Level 1 inputs which are either directly or indirectly observable.

Level 3 - Unobservable inputs developed using management's estimates and assumptions, which reflect those which market participants would use.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value:

Mutual funds - Valued based on quoted market prices of the underlying assets.

Guaranteed investment contract - Valued based on the fair value of the account, which is the amount plan participants or plan sponsors would receive currently if they were to withdraw or transfer funds within the Plan prior to their maturity.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date.

The following table sets forth, by level within the fair value hierarchy, the Plan's assets at fair value as of September 30, 2012:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual funds				
Intermediate - term bond	\$ 18,796,761	\$ -	\$ -	\$ 18,796,761
Growth funds	54,435,447	-	-	54,435,447
Value funds	4,160,746	-	-	4,160,746
Blend funds	161,794,829	-	-	161,794,829
International funds	8,000,175	-	-	8,000,175
Guaranteed investment contract	-	-	110,521,394	110,521,394
Total assets at fair value	\$ 247,187,958	\$ -	\$ 110,521,394	\$ 357,709,352

The following table sets forth, by level within the fair value hierarchy, the Plan's assets at fair value as of September 30, 2011:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual funds				
Intermediate - term bond	\$ 15,103,976	\$ -	\$ -	\$ 15,103,976
Growth funds	41,869,347	-	-	41,869,347
Value funds	3,630,125	-	-	3,630,125
Blend funds	135,156,594	-	-	135,156,594
International funds	7,063,970	-	-	7,063,970
Guaranteed investment contract	-	-	112,402,959	112,402,959
Total assets at fair value	\$ 202,824,012	\$ -	\$ 112,402,959	\$ 315,226,971

The table below sets forth a summary of changes in the fair value of the Plan's Level 3 assets for the year ended September 30, 2012:

	Guaranteed investment contract
Balance, September 30, 2011	\$ 112,402,959
Purchases	10,423,080
Issuances, settlements	(14,627,197)
Interest	1,851,861
Unrealized gain	470,691
Balance, September 30, 2012	\$ 110,521,394

The table below sets forth a summary of changes in the fair value of the Plan's Level 3 assets for the year ended September 30, 2011:

	Guaranteed investment contract
Balance, September 30, 2010	\$ 114,079,347
Purchases	13,305,110
Issuances, settlements	(16,505,085)
Interest	1,935,527
Unrealized loss	(411,940)
Balance, September 30, 2011	\$ 112,402,959

NOTE E - TAX STATUS

The Plan is not subject to federal or state income taxes, since the Administrator and legal counsel believe that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC under Section 403(b). The Plan Administrator, with the direction of legal counsel, implemented additional compliance procedures for participating employers and individual participants as required by the revised IRS 403(b) Regulations.

NOTE F - PLAN DOCUMENT RESTATEMENT

The Plan document was restated as required by IRC Section 403(b) as of January 1, 2009.

NOTE G - PLAN TERMINATION

Although it has not expressed any intent to do so, the Administrator has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the terms of the Plan agreement. In the event of termination of the Plan, the Trustee shall pay and discharge all

expenses and, unless the Administrator elects to continue the trust, all benefits will be payable as soon as is administratively feasible under the terms of the Plan. The Trustee may either distribute the remaining assets of the Plan trust in kind or liquidate them and distribute the net proceeds to the participants in accordance with their respective account balances.

Financial Statements and Report of Independent Certified Public Accountants

**Board of Pensions and Benefits USA of the General Board of the Church of the Nazarene
Single Defined Benefit Pension Plan**

September 30, 2012 and 2011



Grant Thornton LLP
1201 Walnut Street, Suite 1000
Kansas City, MO 64106-2176
T 816.412.2400
F 816.412.2404
Grant.Thornton.com
Linkd.in/GrantThorntonUS
Twitter.com/GrantThorntonUS

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Trustees

Board of Pensions and Benefits USA of the General Board of the
Church of the Nazarene Single Defined Benefit Pension Plan

We have audited the accompanying statements of net assets available for plan benefits and accumulated plan benefits of the Board of Pensions and Benefits USA of the General Board of the Church of the Nazarene Single Defined Benefit Pension Plan as of September 30, 2012 and 2011, and the related statements of changes in net assets available for plan benefits and changes in accumulated plan benefits for the years then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial status of the Board of Pensions and Benefits USA of the General Board of the Church of the Nazarene Single Defined Benefit Pension Plan as of September 30, 2012 and 2011, and the changes in its financial status for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Grant Thornton LLP

Kansas City, Missouri
February 23, 2013

**Board of Pensions and Benefits USA of the General Board of the
Church of the Nazarene Single Defined Benefit Pension Plan**

STATEMENTS OF NET ASSETS AVAILABLE FOR PLAN BENEFITS

September 30,

	2012	2011
ASSETS		
Cash	\$ 430,852	\$ 480,307
Investments, at fair value (<i>note D</i>)		
Plan interest in Pension Investment Trust	98,327,309	91,070,813
Receivables		
Accrued interest receivable	94,568	145,212
Contributions receivable	3,911	19,098
	98,479	164,310
Other assets	4,639	6,987
	98,861,279	91,722,417
LIABILITIES		
Accounts payable	103,202	125,944
Due to Global Ministry Center	46,824	57,830
	150,026	183,774
Net assets available for plan benefits	\$ 98,711,253	\$ 91,538,643

**Board of Pensions and Benefits USA of the General Board of the
Church of the Nazarene Single Defined Benefit Pension Plan**

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR PLAN BENEFITS

Year ended September 30,

	2012	2011
Additions		
Investment income (loss)		
Plan interest in Pension Investment Trust income (loss)	\$ 16,700,610	\$ (964,572)
Contributions		
Employer contributions - Pensions and Benefits Fund <i>(note C)</i>	7,500,000	5,000,000
Employee contributions	49,998	69,093
Other	16,165	91,946
	7,566,163	5,161,039
Total additions	24,266,773	4,196,467
Deductions		
Benefits paid to participants	16,784,358	16,673,689
Administrative, accounting, legal, and actuarial expenses	309,805	382,027
Total deductions	17,094,163	17,055,716
Net increase (decrease) in net assets available for plan benefits	7,172,610	(12,859,249)
Net assets available for plan benefits, beginning of year	91,538,643	104,397,892
Net assets available for plan benefits, end of year	\$ 98,711,253	\$ 91,538,643

**Board of Pensions and Benefits USA of the General Board of the
Church of the Nazarene Single Defined Benefit Pension Plan**

STATEMENTS OF ACCUMULATED PLAN BENEFITS

September 30,

	<u>2012</u>	<u>2011</u>
Actuarial present value of accumulated plan benefits		
Vested benefits		
Participants currently receiving payments	\$ 122,740,698	\$ 120,771,003
Other participants	55,902,687	63,887,581
	<u>178,643,385</u>	<u>184,658,584</u>
Nonvested benefits	1,433,300	1,147,978
	<u>1,433,300</u>	<u>1,147,978</u>
Total actuarial present value of accumulated plan benefits	<u>\$ 180,076,685</u>	<u>\$ 185,806,562</u>

**Board of Pensions and Benefits USA of the General Board of the
Church of the Nazarene Single Defined Benefit Pension Plan**

STATEMENTS OF CHANGES IN ACCUMULATED PLAN BENEFITS

Year ended September 30,

	<u>2012</u>	<u>2011</u>
Actuarial present value of accumulated plan benefits, beginning of year	\$ 185,806,562	\$ 189,225,553
Increase (decrease) during the year attributable to		
Benefits accumulated and actuarial net gain	3,001,249	1,905,271
Increase for interest due to decrease in discount period	12,419,007	12,662,211
Benefits paid to participants	(16,784,358)	(16,673,689)
Change in actuarial assumptions	(4,365,775)	(1,312,784)
Net change	<u>(5,729,877)</u>	<u>(3,418,991)</u>
Actuarial present value of accumulated plan benefits, end of year	<u>\$ 180,076,685</u>	<u>\$ 185,806,562</u>

**Board of Pensions and Benefits USA of the General Board of the
Church of the Nazarene Single Defined Benefit Pension Plan**

NOTES TO FINANCIAL STATEMENTS

September 30, 2012 and 2011

NOTE A - DESCRIPTION OF THE PLAN

1. *General*

The Board of Pensions and Benefits USA of the General Board of the Church of the Nazarene Single Defined Benefit Pension Plan (the Plan), established in 1996, combined the assets while retaining the benefit formulas of the Basic Pension Plan and the General Church Pension Plan (collectively, the Predecessor Plans), which were both multiemployer plans. The Plan is also considered to be a multiemployer plan. The Plan is administered by the Board of Pensions and Benefits USA (the Administrator) on behalf of the General Board of the Church of the Nazarene (the General Board). The Plan is a qualified church plan which has not elected to be governed by the provisions of the Employee Retirement Income Security Act of 1974 and is not subject to Pension Benefit Guaranty Corporation insurance coverage.

New participation was frozen effective January 1, 1996 and there were no new entrants into either of the Predecessor Plans. Participants in those plans have been grandfathered in so that no one having years of service under those plans will receive less under the Plan than what would have been paid under the Predecessor Plans had they continued unchanged.

Also, effective January 1, 1996, the 403(b) Retirement Savings Plan [the 403(b) Plan, previously known as the Single Defined Contribution or TSA Plan] was established for all U.S. ministers and laypersons serving local congregations and districts, as well as general church employees.

During 2012 the USA National Board increased the allocation percentage for those participating local churches to improve Plan funding from 2.0% to 2.25%.

The following brief description of the Plan is provided for general information purposes only. Participants should refer to their respective Plan documents for more complete information.

Prior Basic Pension Plan Participants

The Basic Pension Plan (the Basic Plan) was a noncontributory defined benefit pension plan. The Basic Plan provided retirement benefits at age 65 to full-time pastors, evangelists, and district-credentialed laypersons serving organized churches in the U.S. and Canadian districts participating in the Pensions and Benefits Fund. The Basic Plan was funded by contributions from participating local churches with no employee contributions.

Basic Plan participants are entitled to receive pension benefits beginning at normal retirement age (65) or later after 10 or more years of vesting service in a monthly amount equal to a pension for each year of pension service (to a maximum of 50), including continued accrual of service credits after December 31, 1995 of \$11.00 increased by .5% for each year of service in excess of 10 (up to 40 excess years).

The Basic Plan permits early retirement at ages 62 through 64. If employees terminate before rendering 10 years of service, they forfeit the right to receive the value of their accumulated plan benefits. Upon retirement, participants may elect to receive the value of their accumulated plan benefits as a life annuity with a 60% survivor benefit, or a reduced life annuity with a 100% survivor benefit.

If an active employee dies after rendering 10 or more years of service, a death benefit equal to 60% of the value of the employee's accumulated plan benefits is paid to the employee's beneficiary. Active employees who become totally disabled after rendering five or more years of service receive annual disability benefits based on years of service to the date of disability, plus a half-year of service credit for each year from the disability date to the retirement date.

Prior General Church Pension Plan Participants

The General Church Pension Plan (the General Church Plan) was a contributory defined benefit pension plan that provided retirement benefits to participating full-time employees of the General Board (excluding missionaries), Nazarene Theological Seminary, and Nazarene Compassionate Ministries, Inc.

General Church Plan participants are entitled to receive pension benefits beginning at normal retirement age (65) equal to (a) minus (b), where (a) is the higher of (1) the monthly pension provided by the amount in the participant's account under the 403(b) Plan derived from contributions from the Pensions and Benefits Fund on or after January 1, 1996, plus earnings thereon accruing on or after January 1, 1996, or (2) a monthly pension equal to 2% of average monthly pay multiplied by years of credited service under the Plan; and (b) is the monthly pension provided in (1) above [the 403(b) offset].

The General Church Plan permits early retirement at ages 60 through 64. Employees may elect to receive their pension benefits in the form of a life and survivor annuity. If employees terminate before rendering seven years of service, they forfeit the right to receive a portion of their accumulated plan benefits attributable to the participating employer's contributions, which are 20% vested after three years of service and increase in 20% increments for each year thereafter, for a total of 100%. If an active employee dies prior to his or her retirement date, a death benefit equal to the value of the employee's accumulated plan benefits is paid to the employee's beneficiary.

During the year ended September 30, 2011, a Voluntary Retirement Option (the "Option") was offered to active participants in the employ of the General Board of the Church of the Nazarene at the Global Ministry Center and who had attained at least age 60 as of April 1,

2011. The Option applied in the event that such an active participant retires on or before June 30, 2011, and, in the period between April 1, 2011 and June 1, 2011 had given irrevocable written notice of election and acceptance of the Option. For participants electing the Option who have not yet reached normal retirement age, the participant was granted a year of credited service for the entirety of 2011, plus one additional whole year. For participants electing the Option, who had reached the normal retirement age, the participant was granted a year of credited service for the entirety of 2011, plus two additional whole years. For participants electing the Option as of their early retirement date, the participant's pension benefit is computed as though the participant retired on their normal retirement date.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Accounting

The accompanying financial statements were prepared on the accrual basis of accounting.

2. Investment Valuation and Income Recognition

Investments are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation (depreciation) includes the Plan's gains and losses on investments bought and sold as well as held during the year.

3. Payment of Benefits

Benefits are recorded when paid.

4. Actuarial Present Value of Accumulated Plan Benefits

Accumulated plan benefits are those future periodic payments, including lump-sum distributions, that are attributable under each Predecessor Plan's provisions for the service employees have rendered. Accumulated plan benefits include benefits expected to be paid to the following: (a) retired or terminated employees or their beneficiaries, (b) beneficiaries of employees who have died, and (c) present employees or their beneficiaries. Benefits payable under all circumstances such as retirement, death, and termination of employment are included, to the extent they are deemed attributable to employee service rendered to the valuation date. Benefits to be provided via annuity contracts excluded from Plan assets are excluded from accumulated plan benefits.

The actuarial present value of accumulated plan benefits for the Plan is determined by actuaries from Towers Watson and is that amount which results from applying actuarial

assumptions to adjust the accumulated plan benefits to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as death, disability, withdrawal, or retirement) between the valuation date and the expected date of payment. The significant actuarial assumptions used in the valuations as of January 1, 2012 and 2011 were as follows: (a) life expectancy of participants (based on the RP-2000 Combined Mortality Table, male and female projected to 2012 with Scale AA for 2012 and the RP-2000 Combined Mortality Table, male and female projected to 2011 with Scale AA for 2011), (b) retirement age assumptions (the assumed retirement age was 65 for the General Church Plan and based on a table of age group ranges with an associated percentage retiring during the year with 100% retired by age 70), and (c) investment return.

The valuations from the actuary assumed a long-term discount rate of 7.0% for 2012 and 2011. In the current year, certain actuarial assumptions were changed that resulted in a decrease in the actuarial present value of accumulated plan benefits of \$5,729,877. Those changes include: the assumed mortality rates for all members (to the RP-2000 Combined Mortality Table, male and female projected to 2012 with Scale AA for 2012 from the RP-2000 Combined Mortality Table, male and female projected to 2011 with Scale AA for 2011); the long-term projected salary increase rate (to 2.5% in 2012 from 3% in 2011); future contributions to the Annual Pension Supplement account (\$0 for 2012 and all future years for the General Church Plan and estimated per an actuarial schedule from \$0 to \$400 for 2012 for the Basic Pension Plan); and the basis for actuarial equivalence for conversion between APS balances and annuities (6.5% in 2012 from 5% in 2011).

The foregoing actuarial assumptions are based on the presumption that the Plan will continue. Were the Plan to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated plan benefits.

5. *Administrative Expenses*

Certain directly related administrative, accounting, legal, and actuarial expenses are allocated to the Plan by the Administrator. All other expenses are borne by the Pensions and Benefits Fund.

6. *Use of Estimates*

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

7. *Subsequent Events*

The Plan has evaluated subsequent events through February 23, 2013, which is the date these financial statements were available to be issued.

Subsequent to year-end, it was announced by the Senior Leadership Team, on behalf of the Board of General Superintendents that certain hardware and software previously purchased, developed and licensed by the Pensions and Benefits Fund for the benefit of the Plan could be transferred to Nazarene Publishing House (NPH), a related party. Such transfer would be the result of a decision to integrate Information Technology at the Global Ministry Center (GMC) with Information Technology at NPH, with all IT under NPH supervision. The cost basis of these exclusive Pensions and Benefits Fund assets exceeds \$1 million. The plan administrator has yet to determine the market value of these assets as of the report date. Furthermore, the Plan expects to pay future expenses related to services to be provided related to use of these assets, along with additional services to be provided by this GMC and NPH IT integration. The effect on the financial statements has not yet been determined.

In November 2012, the General Board transferred \$1,163,135 to the Plan related to two investment earnings actions.

NOTE C - FUNDING POLICY

1. *Basic Pension Plan*

The allocation of the total Pensions and Benefits Fund contributions received from local churches in 2012 and 2011, including amounts contributed to the Pensions and Benefits Fund and the 403(b) Plan, was as follows. Fund reserves from prior year contributions were contributed to the Plan during the year ended September 30, 2012. Separate financial statements are provided for the Pensions and Benefits Fund and the 403(b) Plan.

	<u>2012</u>	<u>2011</u>
Income		
Total Pensions and Benefits Fund contributions received		
from local churches	\$ 12,724,364	\$ 12,043,708
Other insurance premiums collected	674,953	673,736
Other income	8,180	3,655
Total income	<u>13,407,497</u>	<u>12,721,099</u>
Expenses		
403(b) Plan contributions	2,764,083	4,309,524
Single Defined Benefit Pension Plan contributions	7,500,000	5,000,000
Insurance and benevolence program expenses of the Pensions and Benefits Fund	1,624,943	1,780,460
Administrative expenses of the Pensions and Benefits Fund	1,205,520	1,580,379
Total expenses	<u>13,094,546</u>	<u>12,670,363</u>
Increase in net assets of the Pensions and Benefits Fund	<u>\$ 312,951</u>	<u>\$ 50,736</u>

2. *General Church Pension Plan*

As a condition of participation, employees are required to contribute 3% of their salary to the General Church Plan. Employees are immediately 100% vested in their contributions, plus interest credited thereon. For the Plan calendar year beginning January 1, 1997, no annual contributions were required from the participating employers to support the present benefit levels under the General Church Plan's actuarial cost method. In 2008, the Plan purchased individual annuity contracts, which distributes benefit payments, in an amount sufficient to maintain the asset level above the benefit floor rider minimum. There were no purchases of individual annuity contracts during the years ended September 30, 2012 and 2011, respectively.

3. *Combined Plan*

The participating employers' funding policy is to make annual contributions to the Plan in amounts such that all participants' benefits will be fully provided for by the time they retire. For the Plan calendar years beginning January 1, 2012 and 2011, the net annual contributions required from the participating employers to support the present benefit levels under the Plan's actuarial cost method totaled \$19,296,948 in 2012 and \$17,405,540 in 2011 based on the fair market value of the Plan's net assets. Based on current funding and actuarial projected benefit payments, the Plan's net assets are projected to be depleted by 2023 unless additional funding is secured in future years. Management is currently considering viable options to address the funding concerns, including alternatives to reduce the "pay as you go" scenario to fundable levels upon depletion of the net assets in the future.

The following table presents the Plan's unfunded liability as of September 30,

	<u>2012</u>	<u>2011</u>
Net assets available for plan benefits	\$ 98,711,253	\$ 91,538,643
Actuarial present value of accumulated plan benefits	<u>(180,076,685)</u>	<u>(185,806,562)</u>
	<u>\$ (81,365,432)</u>	<u>\$ (94,267,919)</u>

NOTE D - INTEREST IN PENSION INVESTMENT TRUST

1. *Description of Pension Investment Trust*

The entirety of the Plan's investments is in the Pension Investment Trust which was established for the investment of assets of the Plan and the World Mission Pension Plans. Each participating retirement plan has an undivided interest in the Pension Investment Trust. The assets of the Pension Investment Trust are held by The Northern Trust Company (the Custodian).

The value of the Plan's interest in the Pension Investment Trust is based on the beginning of year value of the Plan's interest in the trust plus actual contributions and allocated investment income less actual distributions and allocated administrative expenses. At September 30, 2012

and 2011, the Plan's interest in the net assets of the Pension Investment Trust was approximately 90% and 93%, respectively. There are no restrictions on the redemption of the Plan's interest in the net assets of the Pension Investment Trust as of September 30, 2012 and 2011, respectively. Investment income and administrative expenses relating to the Pension Investment Trust are allocated to the individual plans based upon average monthly balances invested by each plan.

The following table presents the assets, including investments, of the Pension Investment Trust as of September 30,

	<u>2012</u>	<u>2011</u>
Money market funds	\$ 1,464,474	\$ 2,965,462
U.S. Common stocks	53,249,680	45,975,283
U.S. government and agency securities	2,999	4,155
Mutual funds	54,557,813	48,495,332
	<u>\$ 109,274,966</u>	<u>\$ 97,440,232</u>
Plan interest in Pension Investment Trust	\$ 98,327,309	\$ 91,070,813

Investment income for the Pension Investment Trust is comprised of the following as of September 30,

	<u>2012</u>	<u>2011</u>
Investment income:		
Net appreciation (depreciation) in fair value of investments:		
Money market funds	\$ (388)	\$ 388
U.S. Common stocks	11,874,692	(217,459)
U.S. government and agency securities	(43)	(33)
Mutual funds	4,128,057	(2,911,200)
	<u>\$ 16,002,318</u>	<u>\$ (3,128,304)</u>
Interest	1,215,315	1,308,440
Dividends	1,234,988	1,234,295
Investment expenses	(465,979)	(489,434)
	<u>\$ 17,986,642</u>	<u>\$ (1,075,003)</u>
Plan interest in Pension Investment Trust income (loss)	\$ 16,700,610	\$ (964,572)

2. *Fair Value Measurements of Pension Investment Trust*

ASC Topic 820, *Fair Value Measurements and Disclosures* (ASC 820) establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under ASC 820 are described below.

Level 1 - Quoted market prices in active markets for identical assets or liabilities.

Level 2 - Inputs other than Level 1 inputs which are either directly or indirectly observable.

Level 3 - Unobservable inputs developed using management's estimates and assumptions, which reflect those which market participants would use.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date.

The closing prices reported in the active markets in which the securities are traded are used to value the investments in the Pension Investment Trust. The following table sets forth by level, within the fair value hierarchy, the Pension Investment Trust's assets at fair value as of September 30, 2012:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money market funds	\$ 1,464,474	\$ -	\$ -	\$ 1,464,474
U.S. Common stocks	53,249,680	-	-	53,249,680
U.S. Government obligations and agency securities	2,999	-	-	2,999
Mutual funds				
Intermediate - term bond	41,760,360	-	-	41,760,360
International funds	12,797,452	-	-	12,797,452
Total assets at fair value	<u>\$ 109,274,966</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 109,274,966</u>

The following table sets forth by level, within the fair value hierarchy, the Pension Investment Trust's assets at fair value as of September 30, 2011:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money market funds	\$ 2,965,462	\$ -	\$ -	\$ 2,965,462
U.S. Common stocks	45,975,283	-	-	45,975,283
U.S. Government obligations and agency securities	4,155	-	-	4,155
Mutual funds				
Intermediate - term bond	36,896,703	-	-	36,896,703
International funds	11,598,629	-	-	11,598,629
Total assets at fair value	<u>\$ 97,440,232</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 97,440,232</u>

The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported at the beginning of the reporting period.

We evaluated the significance of transfers between levels based upon the nature of the financial instrument and size of the transfer relative to total net assets available for benefits. For the year ended September 30, 2012, there were no significant transfers in or out of levels 1, 2 or 3.

NOTE E - RISKS AND UNCERTAINTIES

The Plan invests various securities. Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statement of net assets available for benefits.

Deposits in excess of federally insured limits are maintained in financial institutions. Bank rating services are regularly monitored for the ongoing safety ratings of financial institutions in which deposits are maintained.

Plan contributions are made and the actuarial present value of accumulated Plan benefits are reported based on certain assumptions pertaining to interest rates, inflation rates, and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimations and assumptions process, it is at least reasonably possible that changes in these estimates and assumptions in the near term would be material to the financial statements.

NOTE F - PLAN TERMINATION

Although it has not expressed any intent to do so, the Administrator has the right to terminate the Plan subject to the provisions of the Plan document and the Merger Agreement. Should the Plan terminate at some future time, a particular participant's accumulated plan benefits will be dependent on the priority of those benefits at that time as set forth in the Plan document and the Merger Agreement, at which time a separate extensive actuarial analysis would be required to determine liabilities on a plan termination basis.

NOTE G - INCOME TAX STATUS

The Internal Revenue Service has determined and informed the Administrator by letter that the Basic Pension Plan, the General Church Pension Plan, and the related trusts were designed in accordance with applicable sections of the Internal Revenue Code (the IRC). There have been amendments since the Administrator received those determination letters; however, the Administrator believes that the Plan, which encompasses both the Basic Pension Plan and the General Church Pension Plan, is designed and is currently being operated in compliance with the applicable requirements of the IRC.

Financial Statements and Report of Independent Certified Public Accountants

**Board of Pensions and Benefits USA of the General Board of the Church of the Nazarene
Pensions and Benefits Fund**

September 30, 2012 and 2011



Grant Thornton LLP
1201 Walnut Street, Suite 1000
Kansas City, MO 64106-2176
T 816.412.2400
F 816.412.2404
GrantThornton.com
Linkd.in/GrantThorntonUS
Twitter.com/GrantThorntonUS

**REPORT OF INDEPENDENT
CERTIFIED PUBLIC ACCOUNTANTS**

Board of Directors
Board of Pensions and Benefits USA of the General Board of the
Church of the Nazarene Pensions and Benefits Fund

We have audited the accompanying statements of financial position of the Board of Pensions and Benefits USA of the General Board of the Church of the Nazarene Pensions and Benefits Fund as of September 30, 2012 and 2011, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Board of Pensions and Benefits USA of the General Board of the Church of the Nazarene Pensions and Benefits Fund as of September 30, 2012 and 2011 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.

Grant Thornton LLP

Kansas City, Missouri
February 23, 2013

**Board of Pensions and Benefits USA of the General Board of the
Church of the Nazarene Pensions and Benefits Fund**

STATEMENTS OF FINANCIAL POSITION

September 30,

	2012	2011
ASSETS		
CURRENT ASSETS		
Cash	\$ 2,436,229	\$ 2,153,083
Accounts receivable	6,750	959
	2,442,979	2,154,042
Equipment	522,127	509,946
Less accumulated depreciation	(494,063)	(478,815)
	28,064	31,131
	\$ 2,471,043	\$ 2,185,173
 LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 191,619	\$ 185,484
Deferred revenue	66,490	63,312
	258,109	248,796
DEATH BENEFIT BENEVOLENCE PLAN	363,400	399,794
NET ASSETS, unrestricted	1,849,534	1,536,583
	\$ 2,471,043	\$ 2,185,173

**Board of Pensions and Benefits USA of the General Board of the
Church of the Nazarene Pensions and Benefits Fund**

STATEMENTS OF ACTIVITIES

Year ended September 30,

	2012	2011
Income		
Insurance and benevolence program contributions		
from local churches	\$ 12,724,364	\$ 12,043,708
Other insurance premiums collected	674,953	673,736
Trust administration fees	2,822	3,355
Other income	5,358	300
Total income	13,407,497	12,721,099
Expenses		
Program expenses		
Single Defined Benefit Pension Plan contributions	7,500,000	5,000,000
403(b) Plan contributions	2,764,083	4,309,524
Minister group life insurance premiums paid	794,479	992,118
Other insurance premiums paid	666,683	643,645
Benevolence payments	163,781	144,697
Total program expenses	11,889,026	11,089,984
Administrative expenses		
Salaries and benefits	739,225	819,527
Office operations	69,598	145,530
Professional services	131,342	299,398
Conferences/committees	100,642	98,262
Rent	45,540	46,374
Travel and entertainment	19,682	18,690
Depreciation	15,248	55,427
Miscellaneous	31,048	28,861
Contracted services	53,195	68,310
Total administrative expenses	1,205,520	1,580,379
Total expenses	13,094,546	12,670,363
Change in unrestricted net assets	312,951	50,736
Unrestricted net assets, beginning of year	1,536,583	1,485,847
Unrestricted net assets, end of year	\$ 1,849,534	\$ 1,536,583

**Board of Pensions and Benefits USA of the General Board of the
Church of the Nazarene Pensions and Benefits Fund**

STATEMENTS OF CASH FLOWS

Year ended September 30,

	2012	2011
Cash flows from operating activities		
Change in unrestricted net assets	\$ 312,951	\$ 50,736
Adjustments to reconcile change in unrestricted net assets to net cash provided by operating activities		
Depreciation	15,248	55,427
Loss on sale of equipment	-	118
Changes in assets and liabilities		
Accounts receivable	(5,791)	1,635
Accounts payable	6,135	(36,003)
Deferred revenue	3,178	(5,665)
Death benefit benevolence plan liability	(36,394)	(96,295)
Net cash used in (provided by) operating activities	295,327	(30,047)
Cash flows from investing activities		
Purchases of equipment	(12,181)	(8,787)
Proceeds from sale of equipment	-	250
Net cash used in investing activities	(12,181)	(8,537)
Net change in cash	283,146	(38,584)
Cash, beginning of year	2,153,083	2,191,667
Cash, end of year	\$ 2,436,229	\$ 2,153,083

**Board of Pensions and Benefits USA of the General Board of the
Church of the Nazarene Pensions and Benefits Fund**

NOTES TO FINANCIAL STATEMENTS

September 30, 2012 and 2011

NOTE A - DESCRIPTION OF THE PENSIONS AND BENEFITS FUND

The Board of Pensions and Benefits USA of the General Board of the Church of the Nazarene Pensions and Benefits Fund (the Fund) provides various benevolence, retirement, and insurance programs to Nazarene ministers, their spouses, and their surviving family members. All of the programs are self-funded through contributions made by the local churches. The Fund is administered by the Board of Pensions and Benefits USA (the Administrator) on behalf of the General Board of the Church of the Nazarene (the General Board). The Fund provides administrative services and certain specific funding amounts as determined by the Board of Pensions and Benefits USA to the Single Defined Benefit Pension Plan and the 403(b) Retirement Savings Plan.

Benevolence programs - The Fund provides benevolence programs, including death benefit benevolence, emergency medical assistance, temporary monthly disability assistance, administrative benefit adjustment, and funeral assistance. These programs provide various kinds of benevolence assistance payments to ministers, their spouses, and their surviving family members upon the recommendation of their district advisory boards. A more comprehensive description of the Fund's benevolence programs is contained in the Benefits Summary Brochure.

Pastors Life Insurance Plan - The Pastors Life Insurance Plan is a group term life insurance plan for district-licensed and ordained clergy or district-credentialed laypersons who are currently serving in U.S. districts in qualified assignments and who have not begun receiving retirement benefits.

Pensioners Death Benefit Plan - The Pensioners Death Benefit Plan provides death benefits to district-licensed and ordained ministers who are currently receiving a monthly benefit from the Basic Pension Plan portion of the Single Defined Benefit Pension Plan based on years of service or, alternatively, who are vested Plan participants aged 70 1/2 or older and who have not chosen to begin receiving a monthly retirement benefit.

Single Defined Benefit Pension Plan - Effective January 1, 1996, the Basic Pension Plan and the General Church Pension Plan were merged to form the Single Defined Benefit Pension Plan. After January 1, 1996, there were no new entrants in the Basic Pension Plan or the General Church Pension Plan. Participants in both plans were grandfathered in so that no one who had been credited with years of service under the predecessor plans would receive less under the Single Defined Benefit Pension Plan than what would have been paid under the former defined benefit plans had membership in those plans continued unchanged.

403(b) Retirement Savings Plan - Effective January 1, 1996, the 403(b) Retirement Savings Plan [the 403(b) Plan] was established for all U.S. ministers and laypersons serving local congregations and districts, as well as for general church employees. The annual pension supplement (APS) contribution is deposited into individual accounts for each eligible U.S. clergy member and layperson from Fund receipts or agency funds, depending upon the participant's employer. Some years, an additional bonus amount is deposited for eligible participants whose local congregation pays 100% of their Fund amount or whose district pays 100% of their Fund amount. The 2011 APS contribution for eligible senior pastors and associates was established using an agreed-upon schedule to be based on the amounts paid to the Fund by eligible participants' local congregations during the 2010-2011 assembly year. The 2012 APS contribution for eligible senior pastors and associates was established using an agreed-upon schedule to be based on the amounts paid to the Fund by eligible participants' local congregations during the 2011-2012 assembly year. The 2011 and 2012 APS contribution for eligible district superintendents, district-assigned, and evangelists will be \$1,000.

Employees may elect to participate in the 403(b) Plan through salary-reduction contributions. Employers make matching contributions to their respective participating employees' accounts. Local church and agency employers are encouraged to establish policies to match amounts of voluntary salary-reduction contributions up to at least 3% of salary. Contributions are made directly to Fidelity Investments. The cash value of all participant accounts that were not included in the Fund was \$326,626,609 and \$318,631,852 as of September 30, 2012 and 2011, respectively.

During 2012 the USA National Board increased the allocation percentage for those participating local churches to improve Plan funding from 2.0% to 2.25%.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Accounting

The accompanying financial statements were prepared on the accrual basis of accounting.

2. Revenue Recognition

Insurance premiums received are deferred and recognized as revenue ratably over the term of the insurance policy.

3. Equipment

Equipment is carried at cost. Depreciation is computed using the straight-line method and is provided in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives, which range from four to eight years.

4. Impairment of Long-Lived Assets

The Fund periodically reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Assets to be disposed of are reported at the lower of carrying amount or fair value, less costs to sell.

5. *Payment of Benefits*

Benefits are recorded when paid, except for the death benefit benevolence plan payments, for which the liability is reduced when paid.

6. *Use of Estimates*

In preparing financial statements in conformity with accounting principles generally accepted in the United States of America, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the 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.

7. *Subsequent Events*

The Fund has evaluated subsequent events through February 23, 2013, which is the date these financial statements were available to be issued.

Subsequent to year-end, it was announced by the Senior Leadership Team, on behalf of the Board of General Superintendents, that certain hardware and software previously purchased, developed, and licensed by the Pensions and Benefits Fund for the benefit of the Plan could be transferred to Nazarene Publishing House (NPH), a related party. Such transfer would be the result of a decision to integrate Information Technology at the Global Ministry Center (GMC) with Information Technology at NPH, with all IT under NPH supervision. The cost basis of these exclusive Pensions and Benefits Fund assets exceeds \$1 million. The plan administrator has yet to determine the market value of these assets as of the report date. Furthermore, the Plan expects to pay future expenses related to services to be provided related to use of these assets, along with additional services to be provided by this GMC and NPH IT integration. The effect on the financial statements has not yet been determined.

8. *Income Taxes*

The Fund is exempt from federal and state income taxes since it is an entity organized under the General Board, which holds a group exemption.

The Fund applies the provisions of ASC Topic 740, Income Taxes, (ASC 740) with respect to uncertain tax positions. ASC 740 requires that all tax positions be evaluated using a recognition threshold and measurement of a tax position taken or expected to be taken in a tax return. Differences between positions taken in a tax return and amounts recognized in the financial statements are recorded as adjustments to income taxes payable or receivable, or adjustments to deferred income taxes, or both. ASC 740 also requires expanded disclosures

at the end of each annual reporting period. No amounts have been recorded at September 30, 2012 and 2011 with respect to uncertain tax positions.

NOTE C - CONCENTRATIONS OF CREDIT RISK

At certain times, the Fund maintains cash balances in excess of the Federal Deposit Insurance Company (the FDIC) insurance limits. Management evaluates the financial stability of these financial institutions and considers the risk to be minimal. Beginning December 31, 2010 and through December 31, 2012, section 343 of the Dodd-Frank Wall Street Reform and Consumer Protection Act provides for unlimited insurance coverage of noninterest-bearing transaction accounts, and as such, there were no uninsured balances as of the years ended September 30, 2012 and 2011.

NOTE D - FUNDING POLICY

The allocation of total Fund contributions received from local churches in 2012 and 2011, including amounts contributed to the Single Defined Benefit Pension Plan and the 403(b) Plan, is as follows. Fund reserves from prior year contributions were contributed to the Single Defined Benefit Plan during the year ended September 30, 2012. Separate financial statements are provided for the Single Defined Benefit Pension Plan and the 403(b) Plan.

	<u>2012</u>	<u>2011</u>
Income		
Total Pensions and Benefits Fund contributions received from local churches	\$ 12,724,364	\$ 12,043,708
Other insurance premiums collected	674,953	673,736
Other income	8,180	3,655
Total income	<u>13,407,497</u>	<u>12,721,099</u>
Expenses		
403(b) Plan contributions	2,764,083	4,309,524
Single Defined Benefit Pension Plan contributions	7,500,000	5,000,000
Insurance and benevolence program expenses of the Pensions and Benefits Fund	1,624,943	1,780,460
Administrative expenses of the Pensions and Benefits Fund	1,205,520	1,580,379
Total expenses	<u>13,094,546</u>	<u>12,670,363</u>
Increase in net assets of the Pensions and Benefits Fund	<u><u>\$ 312,951</u></u>	<u><u>\$ 50,736</u></u>

Financial Statements and Report of Independent Certified Public Accountants

**Board of Pensions and Benefits USA of the General Board of the Church of the Nazarene
World Mission Pension Plans**

September 30, 2012 and 2011



Grant Thornton LLP
1201 Walnut Street, Suite 1000
Kansas City, MO 64106-2176
T 816.412.2400
F 816.412.2404
GrantThornton.com
Linkd.in/GrantThorntonUS
Twitter.com/GrantThorntonUS

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Trustees

Board of Pensions and Benefits USA of the General Board of the
Church of the Nazarene World Mission Pension Plans

We have audited the accompanying statements of net assets available for plan benefits and accumulated plan benefits of the Board of Pensions and Benefits USA of the General Board of the Church of the Nazarene World Mission Pension Plans as of September 30, 2012 and 2011, and the related statements of changes in net assets available for plan benefits and changes in accumulated plan benefits for the years then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial status of the Board of Pensions and Benefits USA of the General Board of the Church of the Nazarene World Mission Pension Plans as of September 30, 2012 and 2011, and the changes in its financial status for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Grant Thornton LLP

Kansas City, Missouri
February 23, 2013

**Board of Pensions and Benefits USA of the General Board of the
Church of the Nazarene World Mission Pension Plans**

STATEMENTS OF NET ASSETS AVAILABLE FOR PLAN BENEFITS

September 30,

	2012	2011
ASSETS		
Cash	\$ 18,915	\$ 33,773
Investments, at fair value (<i>note D</i>)		
Plan interest in Pension Investment Trust	8,828,981	6,369,420
Accrued interest receivable	2,571	6,949
Total assets	8,850,467	6,410,142
LIABILITIES		
Accounts payable	9,124	5,406
Due to Global Ministry Center	12,441	7,820
	21,565	13,226
Net assets available for Plan benefits	\$ 8,828,902	\$ 6,396,916

**Board of Pensions and Benefits USA of the General Board of the
Church of the Nazarene World Mission Pension Plans**

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR PLAN BENEFITS

Year ended September 30,

	<u>2012</u>	<u>2011</u>
Additions		
Investment income (loss)		
Plan interest in Pension Investment Trust		
income (loss)	\$ 1,223,925	\$ (110,335)
Contributions	<u>2,164,948</u>	<u>2,448,500</u>
	3,388,873	2,338,165
Deductions		
Benefits paid to participants	898,758	884,385
Administrative, legal, and actuarial expenses	<u>58,129</u>	<u>54,688</u>
	<u>956,887</u>	<u>939,073</u>
Change in net assets available for benefits	2,431,986	1,399,092
Net assets available for Plan benefits, beginning of year	<u>6,396,916</u>	<u>4,997,824</u>
Net assets available for Plan benefits, end of year	<u><u>\$ 8,828,902</u></u>	<u><u>\$ 6,396,916</u></u>

**Board of Pensions and Benefits USA of the General Board of the
Church of the Nazarene World Mission Pension Plans**

STATEMENTS OF ACCUMULATED PLAN BENEFITS

September 30,

	<u>2012</u>	<u>2011</u>
Actuarial present value of accumulated plan benefits		
Vested benefits		
Participants currently receiving payments	\$ 6,365,446	\$ 6,445,513
Other participants	2,538,383	2,738,285
	<u>8,903,829</u>	<u>9,183,798</u>
Nonvested benefits	7,338	11,285
Total actuarial present value of accumulated plan benefits	<u>\$ 8,911,167</u>	<u>\$ 9,195,083</u>

**Board of Pensions and Benefits USA of the General Board of the
Church of the Nazarene World Mission Pension Plans**

STATEMENTS OF CHANGES IN ACCUMULATED PLAN BENEFITS

Year ended September 30,

	<u>2012</u>	<u>2011</u>
Actuarial present value of accumulated plan benefits, beginning of year	\$ 9,195,083	\$ 9,829,725
Increase (decrease) during the year attributable to		
Benefits accumulated and actuarial net gain	113,557	36,162
Increase for interest due to decrease in discount period	612,199	657,127
Benefits paid to participants	(898,758)	(884,385)
Change in actuarial assumptions	(110,914)	(443,546)
Net decrease	<u>(283,916)</u>	<u>(634,642)</u>
Actuarial present value of accumulated plan benefits, end of year	<u>\$ 8,911,167</u>	<u>\$ 9,195,083</u>

**Board of Pensions and Benefits USA of the General Board of the
Church of the Nazarene World Mission Pension Plans**

NOTES TO FINANCIAL STATEMENTS

September 30, 2012 and 2011

NOTE A - DESCRIPTION OF THE PLANS

The following brief description of the Board of Pensions and Benefits USA of the General Board of the Church of the Nazarene World Mission Pension Plans, consisting of the World Mission Non-Qualified Pension Plan and the World Mission Pension Plan (collectively, the Plans), is provided for general information purposes only. Participants should refer to the Plan documents for more complete information.

New participation was frozen such that there were no new entrants effective January 1, 1998. For new missionaries under contract as of January 1, 1998, retirement benefits are provided by the Nazarene 403(b) Retirement Savings Plan.

1. *General*

The Plans are noncontributory defined benefit pension plans administered by the Board of Pensions and Benefits USA (the Administrator) on behalf of the General Board of the Church of the Nazarene (the General Board). The Plans provide retirement benefits at age 65 to missionaries under contract with the General Board. The Plans are church plans that have not elected to be governed by the provisions of the Employee Retirement Income Security Act of 1974 and are not subject to Pension Benefit Guaranty Corporation insurance coverage.

The World Mission Pension Plan (the qualified plan) integrates its benefit formula with that of the total pension benefit provided by the World Mission Non-Qualified Pension Plan. All benefits payable under the World Mission Non-Qualified Pension Plan are offset by any benefits paid under the World Mission Pension Plan (the qualified plan).

2. *Pension Benefits - World Mission Qualified Pension Plan*

Missionaries with 10 or more years of service are entitled to pension benefits beginning at the normal retirement age of 65. The pension benefits are calculated at an amount equal to the greater of (a) and (b) minus (c), where (a) is the sum of (1) \$2.50 per month for each year of service (to a maximum of 50 years) plus (2) \$100 per month for participants with 25 or more years of service, or \$75 per month for participants with 20, but less than 25, years of service; (b) is \$5.00 per month for each year of service with a bonus of .5% for each year of service in excess of 10; and (c) is the pension provided by the amount in the participant's 403(b) plan derived from deposits equal to an amount determined each Plan year by the Plan's Trustee.

For purposes of determining the bonus amount, and only for such purposes, years of service credited under the Single Defined Benefit Pension Plan's grandfathered Basic Pension Plan provisions shall be included in the calculation of years of service under this plan.

3. *Pension Benefits - World Mission Non-Qualified Pension Plan*

Missionaries with 10 or more years of service are entitled to pension benefits beginning at the normal retirement age of 65. The pension benefits are calculated at an amount equal to the greater of (a) and (b) minus (c), where (a) is the sum of (1) \$5 per month for each year of service (to a maximum of 50 years) for married or unmarried (single) participants plus (2) \$200 per month for married participants and \$140 per month for single participants, widows, or widowers with 25 or more years of missionary service, or \$150 or \$100 per month, respectively, with at least 20, but less than 25, years of missionary service or \$0 with less than 20 years of missionary service; (b) is \$10.00 per month for each year of service with a bonus of .5% for each year of service in excess of 10; and (c) is the pension provided by the amount in the participant's 403(b) plan derived from deposits equal to an amount determined each Plan year by the Plan's Trustee. For purposes of determining the bonus amount, and only for such purposes, all years of service credited under this plan and under the Single Defined Benefit Pension Plan's grandfathered Basic Pension Plan provisions shall be included. Amounts payable under this pension plan are also reduced by the extent of any payments made under the World Mission Pension Plan.

4. *Disability Benefits*

Active missionaries with five or more years of service who become totally disabled receive annual disability benefits based on years of service to the date of disability, plus an additional year of service credit for each two years between the date of disability and the normal retirement date.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. *Basis of Accounting*

The accompanying financial statements were prepared on the accrual basis of accounting.

2. *Investment Valuation and Income Recognition*

Investments are stated at fair value based on quoted market prices of the underlying assets.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

3. *Payment of Benefits*

Benefits are recorded when paid.

4. *Actuarial Present Value of Accumulated Plan Benefits*

Accumulated plan benefits are those future periodic payments that are attributable under the Plans' provisions to the service employees have rendered. Accumulated plan benefits include benefits expected to be paid to the following: (a) retired or terminated employees or their beneficiaries; (b) beneficiaries of employees who have died; and (c) current employees or their beneficiaries. Benefits payable under all circumstances (retirement, death, disability, or termination of employment) are included to the extent they are deemed attributable to employee service rendered to the valuation date.

The actuarial present value of accumulated plan benefits is determined by actuaries from Towers Watson and is that amount which results from applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as death, disability, withdrawal, or retirement) between the valuation date and the expected date of payment. The significant actuarial assumptions used in the valuations as of January 1, 2012 and 2011 were as follows: (a) life expectancy of participants (based on the RP-2000 Combined Mortality Table in 2012 and based on the 1994 Group Annuity Mortality Table in 2011); (b) retirement age assumptions (the assumed retirement age ranges from 65 to 70); and (c) investment return. The valuations from the actuary assumed an average rate of return of 6.75% and 7.00% for 2012 and 2011, compounded annually, respectively, and discount rates of 7.00% for both 2012 and 2011. During the year ended September 30, 2012, certain actuarial assumptions were changed that resulted in a decrease in the actuarial present value of accumulated plan benefits of \$110,914. Those changes include: the assumed mortality rates for all members (to the RP-2000 Combined Mortality Table, male and female, projected to 2012 using Scale AA in 2012 from the RP-2000 Combined Mortality Table, male and female projected to 2011 using Scale AA in 2011) and the basis for actuarial equivalence (to an interest rate of 6.50% in 2012 from an interest rate of 5.00% in 2011). The foregoing actuarial assumptions are based on the presumption that the Plans will continue. Were the Plans to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated plan benefits.

5. *Administrative Expenses*

Certain directly related administrative, accounting, legal, and actuarial expenses are allocated to the Plans by the Administrator. All other expenses are borne by the Pensions and Benefits Fund.

6. *Use of Estimates*

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

7. *Subsequent Events*

The Plans have evaluated subsequent events through February 23, 2013, which is the date these financial statements were available to be issued.

Subsequent to year-end, it was announced by the Senior Leadership Team, on behalf of the Board of General Superintendents that certain hardware and software previously purchased, developed and licensed by the Pensions and Benefits Fund for the benefit of the Plan could be transferred to Nazarene Publishing House (NPH), a related party. Such transfer would be the result of a decision to integrate Information Technology at the Global Ministry Center (GMC) with Information Technology at NPH, with all IT under NPH supervision. The cost basis of these exclusive Pensions and Benefits Fund assets exceeds \$1 million. The plan administrator has yet to determine the market value of these assets as of the report date. Furthermore, the Plan expects to pay future expenses related to services to be provided related to use of these assets, along with additional services to be provided by this GMC and NPH IT integration. The effect on the financial statements has not yet been determined.

NOTE C - FUNDING POLICY

The General Board's funding policy is to make annual contributions to the Plans in amounts such that all participants' benefits will be fully provided for by the time they retire. For the Plans' calendar years beginning January 1, 2012 and 2011, the net annual contributions required from the General Board to support the present benefit levels under the Plans' actuarial cost method were \$426,937 and \$547,074 in 2012 and 2011, respectively.

The following table shows the Plans' unfunded liability as of September 30,

	<u>2012</u>	<u>2011</u>
Net assets available for Plan benefits	\$ 8,828,902	\$ 6,396,916
Actuarial present value of accumulated plan benefits	<u>(8,911,167)</u>	<u>(9,195,083)</u>
Funded status	<u>\$ (82,265)</u>	<u>\$ (2,798,167)</u>

NOTE D - DESCRIPTION OF PENSION INVESTMENT TRUST

1. *Description of Pension Investment Trust*

The entirety of the Plan's investments is in the Pension Investment Trust, which was established for the investment of assets of the Plan and the Single Defined Benefit Pension Plan. Each participating retirement plan has an undivided interest in the Pension Investment Trust. The assets of the Pension Investment Trust are held by Northern Trust Company (the Custodian).

The value of the Plan's interest in the Pension Investment Trust is based on the beginning-of-year value of the Plan's interest in the trust plus actual contributions and allocated investment income less actual distributions and allocated administrative expenses. At September 30, 2012 and 2011, the Plan's interest in the net assets of the Pension Investment Trust was approximately 8% and 7% respectively. There are no restrictions on the redemption of the Plan's interest in the net assets of the Pension Investment Trust as of September 30, 2012 and 2011, respectively. Investment income and administrative expenses relating to the Pension Investment Trust are allocated to the individual plans based upon average monthly balances invested by each plan.

The following table presents the assets, including investments, of the Pension Investment Trust as of September 30,

	<u>2012</u>	<u>2011</u>
Money market funds	\$ 1,464,474	\$ 2,965,462
U.S. Common stocks	53,249,680	45,975,283
U.S. government and agency securities	2,999	4,155
Mutual funds	54,557,813	48,495,332
	<u>\$ 109,274,966</u>	<u>\$ 97,440,232</u>
 Plan interest in Pension Investment Trust	 \$ 8,828,981	 \$ 6,369,420

Investment income for the Pension Investment Trust is comprised of the following as of September 30,

	<u>2012</u>	<u>2011</u>
Investment income		
Net appreciation (depreciation) in fair value of investments		
Money market funds	\$ (388)	\$ 388
Common stocks	11,874,692	(217,459)
U.S. government and agency securities	(43)	(33)
Mutual funds	4,128,057	(2,911,200)
	<u>16,002,318</u>	<u>(3,128,304)</u>
Interest	1,204,795	1,308,440
Dividends	1,224,790	1,234,295
Expenses	(460,589)	(489,434)
	<u>\$ 17,971,314</u>	<u>\$ (1,075,003)</u>
 Plan interest in in Pension Investment Trust income (loss)	 \$ 1,223,925	 \$ (110,335)

2. Fair Value Measurements of Pension Investment Trust

ASC Topic 820, *Fair Value Measurements and Disclosures* (ASC 820) establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under ASC 820 are described below.

Level 1 - Quoted market prices in active markets for identical assets or liabilities.

Level 2 - Inputs other than Level 1 inputs which are either directly or indirectly observable.

Level 3 - Unobservable inputs developed using management's estimates and assumptions, which reflect those which market participants would use.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date.

The closing prices reported in the active markets in which the securities are traded are used to value the investments in the Pension Investment Trust. The following table sets forth by level, within the fair value hierarchy, the Pension Investment Trust's assets at fair value as of September 30, 2012:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money market funds	\$ 1,464,474	\$ -	\$ -	\$ 1,464,474
U.S. Common stocks	53,249,680	-	-	53,249,680
U.S. Government obligations and agency securities	2,999	-	-	2,999
Mutual funds				
Intermediate - term bond	41,760,360	-	-	41,760,360
International funds	12,797,453	-	-	12,797,453
Total assets at fair value	<u>\$ 109,274,966</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 109,274,966</u>

The closing prices reported in the active markets in which the securities are traded are used to value the investments in the Pension Investment Trust. The following table sets forth by level,

within the fair value hierarchy, the Pension Investment Trust's assets at fair value as of September 30, 2011:

	Level 1	Level 2	Level 3	Total
Money market funds	\$ 2,965,462	\$ -	\$ -	\$ 2,965,462
U.S. Common stocks	45,975,283	-	-	45,975,283
U.S. Government obligations and agency securities	4,155	-	-	4,155
Mutual funds				
Intermediate - term bond	36,896,703	-	-	36,896,703
International funds	11,598,629	-	-	11,598,629
Total assets at fair value	<u>\$ 97,440,232</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 97,440,232</u>

The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported at the beginning of the reporting period.

The Plan evaluated the significance of transfers between levels based upon the nature of the financial instrument and size of the transfer relative to total net assets available for benefits. For the year ended September 30, 2012, there were no significant transfers in or out of levels 1, 2 or 3.

NOTE E - RISKS AND UNCERTAINTIES

The Plan invests in various securities. Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statement of net assets available for benefits.

Deposits in excess of federally insured limits are maintained in financial institutions. Bank rating services are regularly monitored for the ongoing safety ratings of financial institutions in which deposits are maintained.

Plan contributions are made and the actuarial present value of accumulated Plan benefits are reported based on certain assumptions pertaining to interest rates, inflation rates, and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimations and assumptions process, it is at least reasonably possible that changes in these estimates and assumptions in the near term would be material to the financial statements.

NOTE F - PLAN TERMINATION

Although it has not expressed any intent to do so, the Administrator has the right to discontinue its contributions at any time and to terminate the Plans subject to the provisions of the Plan documents. Should the Plans terminate at some future time, a particular participant's accumulated plan benefits will be dependent on the priority of those benefits at that time, as set forth in the Plans' documents, at which time a separate extensive actuarial analysis would be required to determine liabilities on a plan termination basis.

NOTE G - TAX STATUS

The Internal Revenue Service has determined and informed the Administrator by a letter that the World Mission Pension Plan (the qualified plan) and the related trust were designed in accordance with applicable sections of the Internal Revenue Code (the IRC). There have been amendments since the Administrator received the determination letter; however, the Administrator believes that the Plans are designed and are currently being operated in compliance with the applicable requirements of the IRC.

Financial Statements and Report of Independent Certified Public Accountants

**Board of Pensions and Benefits USA of the General Board of the Church of the Nazarene
Health and Hospitalization Program**

September 30, 2012 and 2011



Grant Thornton LLP
1201 Walnut Street, Suite 1000
Kansas City, MO 64106-2176
T 816.412.2400
F 816.412.2404
GrantThornton.com
Linkd.in/GrantThorntonUS
Twitter.com/GrantThorntonUS

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Trustees
Board of Pensions and Benefits USA of the General Board of the
Church of the Nazarene Health and Hospitalization Program

We have audited the accompanying statements of financial position of the Board of Pensions and Benefits USA of the General Board of the Church of the Nazarene Health and Hospitalization Program as of September 30, 2012 and 2011, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Program's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Program's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Board of Pensions and Benefits USA of the General Board of the Church of the Nazarene Health and Hospitalization Program as of September 30, 2012 and 2011, 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.

Grant Thornton LLP

Kansas City, Missouri
February 23, 2013

**Board of Pensions and Benefits USA of the General Board of the
Church of the Nazarene Health and Hospitalization Program**

STATEMENTS OF FINANCIAL POSITION

September 30,

	General Church Medical Plan	Missionary Medical Plan	Total	
			<u>2012</u>	2011
ASSETS				
Cash	\$ 2,436,901	\$ 394,533	\$ 2,831,434	\$ 2,777,521
Investments, at fair value	1,175,619	610,418	1,786,037	1,999,605
Investments - other	124,381	370,086	494,467	232,189
Accounts receivable	-	-	-	30,214
Prepaid expenses	175,485	1,316	176,801	3,507
Accrued interest receivable	-	48	48	151
Total assets	<u>\$ 3,912,386</u>	<u>\$ 1,376,401</u>	<u>\$ 5,288,787</u>	<u>\$ 5,043,187</u>
LIABILITIES AND NET ASSETS				
Accounts payable	\$ 10,131	\$ 6,410	\$ 16,541	\$ 12,689
Claims incurred but not reported	402,072	34,319	436,391	644,167
Total liabilities	412,203	40,729	452,932	656,856
Net assets, unrestricted	<u>3,500,183</u>	<u>1,335,672</u>	<u>4,835,855</u>	<u>4,386,331</u>
	<u>\$ 3,912,386</u>	<u>\$ 1,376,401</u>	<u>\$ 5,288,787</u>	<u>\$ 5,043,187</u>

**Board of Pensions and Benefits USA of the General Board of the
Church of the Nazarene Health and Hospitalization Program**

STATEMENTS OF ACTIVITIES

Year ended September 30,

	General Church Medical Plan	Missionary Medical Plan	Total	
			<u>2012</u>	<u>2011</u>
Income				
Premium payments received	\$ 3,994,927	\$ 1,558,999	\$ 5,553,926	\$ 5,834,344
Investment income, net	36,546	21,251	57,797	38,785
Dividend income	-	3,208	3,208	2,966
Realized/unrealized gain/(loss)	-	43,123	43,123	(10,691)
Total income	<u>4,031,473</u>	<u>1,626,581</u>	<u>5,658,054</u>	<u>5,865,404</u>
Expenses				
Program expenses				
Medical and dental claims	3,067,149	1,214,133	4,281,282	5,355,519
Reinsurance premiums paid	<u>157,582</u>	<u>150,843</u>	<u>308,425</u>	<u>292,852</u>
Total program expenses	3,224,731	1,364,976	4,589,707	5,648,371
Administrative expenses				
Administrative service fees	215,639	114,292	329,931	481,771
Salaries and benefits	81,579	33,738	115,317	118,854
Rent	2,125	925	3,050	3,050
Professional services	85,708	40,252	125,960	86,137
Miscellaneous	<u>43,381</u>	<u>1,184</u>	<u>44,565</u>	<u>27,025</u>
Total administrative expenses	<u>428,432</u>	<u>190,391</u>	<u>618,823</u>	<u>716,837</u>
Total expenses	<u>3,653,163</u>	<u>1,555,367</u>	<u>5,208,530</u>	<u>6,365,208</u>
Change in unrestricted net assets	378,310	71,214	449,524	(499,804)
Unrestricted net assets, beginning of year	<u>3,121,873</u>	<u>1,264,458</u>	<u>4,386,331</u>	<u>4,886,135</u>
Unrestricted net assets, end of year	<u>\$ 3,500,183</u>	<u>\$ 1,335,672</u>	<u>\$ 4,835,855</u>	<u>\$ 4,386,331</u>

**Board of Pensions and Benefits USA of the General Board of the
Church of the Nazarene Health and Hospitalization Program**

STATEMENTS OF CASH FLOWS

Year ended September 30,

	<u>2012</u>	<u>2011</u>
Cash flows from operating activities		
Change in unrestricted net assets	\$ 449,524	\$ (499,804)
Adjustments to reconcile change in unrestricted net assets to net cash provided by (used in) operating activities		
Net realized and unrealized (gain) loss on investments	(43,123)	10,691
Changes in assets and liabilities		
Accounts receivable	-	(26,534)
Prepaid expenses	(143,081)	(3,242)
Accrued interest receivable	104	(73)
Accounts payable	3,853	(1,216)
Claims incurred but not reported	(207,777)	124,507
Net cash provided by (used in) operating activities	<u>59,500</u>	<u>(395,671)</u>
Cash flows from investing activities		
Net purchases of investments and investments-other	(262,278)	(845,589)
Net proceeds from sales and maturities of investments	<u>256,691</u>	<u>840,718</u>
Net cash used in investing activities	<u>(5,587)</u>	<u>(4,871)</u>
Change in cash	53,913	(400,542)
Cash, beginning of year	<u>2,777,521</u>	<u>3,178,063</u>
Cash, end of year	<u><u>\$ 2,831,434</u></u>	<u><u>\$ 2,777,521</u></u>

**Board of Pensions and Benefits USA of the General Board of the
Church of the Nazarene Health and Hospitalization Program**

NOTES TO FINANCIAL STATEMENTS

September 30, 2012 and 2011

NOTE A - DESCRIPTION OF THE PROGRAM

The Board of Pensions and Benefits USA (the Administrator) of the General Board of the Church of the Nazarene Health and Hospitalization Program (the Program) administers, on behalf of the General Board of the Church of the Nazarene (the General Board), medical, dental, and vision benefits under two separate plans: the General Church Medical Plan and the Missionary Medical Plan (collectively, the Plans). These financial statements present the fiduciary activities of the Program's Administrator and do not purport to present the financial status of the Plans. These statements do not contain certain information regarding benefit obligations and other disclosures necessary for a fair presentation of the financial status of the Plans in conformity with accounting principles generally accepted in the United States of America.

1. *Benefits*

The Program administers the provision of medical, dental, and vision benefits to full-time employees (defined as those working at least 30 hours per week) of the General Board and related employers and their beneficiaries and covered dependents (the General Church Medical Plan) and to missionaries under contract with the General Board and their beneficiaries and covered dependents (the Missionary Medical Plan). Medical and dental benefits in excess of Medicare coverage may also be extended to retired participants and their beneficiaries and covered dependents pursuant to the provisions of each Plan's document and/or the policies of the participating employers.

The medical, dental, and vision benefits are similar under both Plans, which pay a major portion of medical, dental, and vision expense after the satisfaction of a calendar-year deductible.

Effective December 31, 2011, the Program's previous third party administrator, for medical claims processing, Principal Life Insurance Company, exited the health insurance business. Effective January 1, 2012, the Program appointed a new third party administrator, UMR, to process and administer medical and vision claims of active and retired participants, dependents and beneficiaries covered by the program.

Dental claims of active and retired participants, dependents, and beneficiaries are processed by Delta Dental Company. The responsibility for administration of payments to participants and providers is retained by the Administrator.

Participants should refer to the Plan documents for a complete description of the Plans' provisions.

2. *Contributions*

Not less than one-half of the contributions for participant coverage are paid by General Board-related employers. The Program is self-funded with specific and aggregate reinsurance limits.

3. *Plan Termination*

Although it has not expressed any intent to do so, the Administrator has the right under the Plans to modify the benefits provided to active participants, to discontinue contributions at any time, and to terminate the Plans subject to the Plans' provisions.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. *Basis of Accounting*

The financial statements are prepared on the accrual basis of accounting.

2. *Investments*

Marketable securities are carried at fair value based on quoted market prices for those or similar securities, with realized and unrealized gains and losses reflected in the statements of activities.

3. *Investments - Other*

Investments - Other consists of certificates of deposit with original maturities greater than three months and is carried at amortized cost.

4. *Claims Incurred but Not Reported*

Other obligations for current benefit coverage at September 30, 2012 and 2011 include IBNR amounts, which represent estimated medical and dental costs for services performed in the Plan year that have not yet been submitted for payment by Plan participants. The IBNR amounts are estimated based on historical lag factors between the date of service and the date of payment.

5. *Investment and Dividend Income*

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net

appreciation (depreciation) includes the Program's gains and losses on investments bought and sold as well as held during the year.

6. *Administrative Expenses*

Directly related administrative and other expenses of the Administrator are allocated to the Program.

7. *Investment Risks*

The Program invests in funds that hold various securities which may include U.S. government securities, corporate debt instruments, and corporate stocks. Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the financial statements.

8. *Use of Estimates*

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

9. *Subsequent Events*

The Program has evaluated subsequent events through February 23, 2013, which is the date these financial statements were available to be issued.

Subsequent to year-end, it was announced by the Senior Leadership Team, on behalf of the Board of General Superintendents, that certain hardware and software previously purchased, developed, and licensed by the Pensions and Benefits Fund for the benefit of the Plan could be transferred to Nazarene Publishing House (NPH), a related party. Such transfer would be the result of a decision to integrate Information Technology at the Global Ministry Center (GMC) with Information Technology at NPH, with all IT under NPH supervision. The cost basis of these exclusive Pensions and Benefits Fund assets exceeds \$1 million. The Plan Administrator has yet to determine the market value of these assets as of the report date. Furthermore, the Plan expects to pay future expenses related to services to be provided related to use of these assets, along with additional services to be provided by this GMC and NPH IT integration. The effect on the financial statements has not yet been determined.

NOTE C - CONCENTRATION OF RISK

At certain times, the Program maintains cash balances in excess of the Federal Deposit Insurance Company (the FDIC) insurance limits. Management evaluates the financial stability of these financial institutions and considers the risk to be minimal. Beginning December 31, 2010 and through December 31, 2012, section 343 of the Dodd-Frank Wall Street Reform and Consumer Protection Act provides for unlimited insurance coverage of noninterest-bearing transaction accounts, and as such, there were no uninsured balances as of the years ended September 30, 2012 and 2011.

NOTE D - INVESTMENTS

The Program's investments, at fair value, consist of equity securities and other investments maintained in pooled investment funds (the PIF) administered by the General Board. At September 30, 2012 and 2011, the Program's investment in the PIF was reported at a fair value of \$1,786,037 and \$1,999,605, respectively. The Program's investment in the PIF had a cost basis of \$1,763,502 and \$2,014,129 at September 30, 2012 and 2011, respectively. Other investments were reported at amortized cost approximating fair value and had a cost basis of \$494,467 and \$232,189 at September 30, 2012 and 2011, respectively.

Investment income consisted of \$59,248 and \$40,283 of allocated income from the PIF and \$1,451 and \$1,498 of allocated investment management fees for the years ended September 30, 2012 and 2011, respectively.

NOTE E - FAIR VALUE MEASUREMENTS

The Program applies the provisions of Accounting Standards Codification (ASC) Topic 820, *Fair Value Measurements and Disclosures* (ASC 820). ASC 820 establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under ASC 820 are described below.

Level 1 - Quoted market prices in active markets for identical assets or liabilities.

Level 2 - Inputs other than Level 1 inputs which are either directly or indirectly observable.

Level 3 - Unobservable inputs developed using management's estimates and assumptions, which reflect those which market participants would use.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value:

Investment in pooled investment funds - Valued based on an allocation of quoted market prices for the underlying investments. The fair values of individual holdings in the pool are determined via various inputs ranging from level 1 to level 2 securities.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Program believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date.

The following table sets forth, by level within the fair value hierarchy, the Program's assets at fair value as of September 30, 2012:

	Fair value measurements at September 30, 2012			
	Level 1	Level 2	Level 3	Total
Investment in pooled investment funds				
Bonds				
Tax exempt bonds	\$ -	\$ -	\$ 32,969	\$ 32,969
Taxable bonds			891,881	891,881
Taxable bond funds			223,957	223,957
Common stock				
U.S. common stock	-	-	142,137	142,137
International common stock	-	-	1,736	1,736
Fixed income				
Corporate bonds	-	-	158,190	158,190
Other	-	-	335,167	335,167
Total assets at fair value	\$ -	\$ -	\$ 1,786,037	\$ 1,786,037

The following is a reconciliation of the beginning and ending balances of financial assets measured on a recurring basis using significant unobservable inputs (Level 3) during the year ended September 30, 2012:

	Pooled investment funds
Fair value, September 30, 2011	\$ 1,999,605
Purchases, issuances, settlements	(262,278)
Interest and dividends	7,037
Unrealized gains (losses)	34,797
Realized gains	8,326
Fees and expenses	(1,450)
Fair value, September 30, 2012	<u>\$ 1,786,037</u>

The following table sets forth, by level within the fair value hierarchy, the Program's assets at fair value as of September 30, 2011:

	Fair value measurements at September 30, 2011			
	Level 1	Level 2	Level 3	Total
Investment in pooled investment funds				
Bonds				
Tax exempt bonds	\$ -	\$ -	\$ 135,047	\$ 135,047
Taxable bonds	-	-	1,026,523	1,026,523
Taxable bond funds	-	-	581,241	581,241
Common stock				
U.S. common stock	-	-	84,538	84,538
International common stock	-	-	29,944	29,944
Fixed income				
Corporate bonds	-	-	140,202	140,202
Other	-	-	2,110	2,110
Total assets at fair value	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,999,605</u>	<u>\$ 1,999,605</u>

The following is a reconciliation of the beginning and ending balances of financial assets measured on a recurring basis using significant unobservable inputs (Level 3) during the year ended September 30, 2011:

	Pooled investment funds
Fair value, September 30, 2010	\$ 1,159,836
Purchases, issuances, settlements	845,589
Interest and dividends	6,397
Unrealized gains (losses)	(31,467)
Realized gains	20,776
Fees and expenses	(1,526)
Fair value, September 30, 2011	<u>\$ 1,999,605</u>

NOTE F - MEDICARE PRESCRIPTION DRUG, IMPROVEMENT, AND MODERNIZATION ACT OF 2003

The Program applies the provisions of ASC Topic 715, *Medicare Prescription Drug, Improvement, and Modernization* (ASC 715). ASC 715 provides guidance on accounting for the effects of a subsidy available, under the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (the Act) to companies that sponsor retiree medical programs with drug benefits which are at least actuarially equivalent to those available under Medicare. In addition to the direct benefit to a company from qualifying for and receiving the subsidy, the effects would include expected changes in retiree participation rates and changes in estimated health care costs that result from the Act.

The Administrator believes that its postretirement benefit plans currently provide prescription drug coverage which is at least actuarially equivalent to the new benefit available under Medicare and it will therefore qualify for the subsidy for an initial period of time after the Act is implemented until actuarial equivalency changes as a result of existing limits on the Plans' cost of providing the benefit. During the years ended September 30, 2012 and 2011, the Program's sponsor received a subsidy of approximately \$20,000 and \$43,000, respectively, under the Act.

NOTE G - INCOME TAX STATUS

The Program is exempt from federal and state income taxes because it is an entity organized under the General Board, which holds a group exemption. The Administrator has not obtained a determination letter from the Internal Revenue Service for the Plans. However, the Administrator believes the Plans are designed and are currently being operated in compliance with the applicable requirements of the Internal Revenue Code.

SUNDAY SCHOOL AND DISCIPLESHIP MINISTRIES INTERNATIONAL

To the Board of General Superintendents and Delegates of the 28th General Assembly:

For the Church of the Nazarene, Sunday School and Discipleship Ministries International (SDMI) means a people of prayer, engaged in the Word, making Christlike disciples. In the local church, Christian education is like a garden producing a wonderful harvest of hardy, homegrown produce. What tastes better than a freshly harvested piece of fruit right off the vine? A healthy garden of Christian education requires the soil to be diligently prepared, the seed generously sown, fertilized, and liberally watered in faith. Soon the miracles of new life spring up from the seed. We anticipate a magnificent harvest multiplying far beyond the seed that is sown. These new plants grow quickly and thrive in a fresh and well-tended garden.

We desire a strong and healthy garden of Christlike disciples who know Jesus and His Word, the Bible. We see healthy local churches filled with disciples who know what they believe and why. They are inspired, motivated, and equipped to water the garden of Christian education in the local church. They are encouraged to water the garden of lives with prayer, fertilize with study, and do the hard work of carefully cultivating new disciples. Can you see each leader around the world intentionally tending the garden with compassionate outreach, evangelism, and discipleship? Can you see Nazarene pastors, teachers, and leaders relying upon the anointing of the Holy Spirit to produce a crop multiplying 30, 60, or even 100 times what is sown? God is building his church through the invested lives of those who are bearing fruit to the glory of God.

Sunday School and Discipleship Ministries International is a vast global field of disciples cultivating the garden of children, youth, and adults pursuing making Christlike disciples. It is teaching, training, equipping, and resourcing Nazarenes for a lifetime of Christian holiness.

This report celebrates the tangible achievements of SDMI through a wide range of ministry efforts that model and motivate discipleship. SDMI is growing all over the world and flows through Adult Ministries and Children's Ministries. Regional SDMI coordinators Daphne Mathebula of Africa, Melvin Rigsby of Asia-Pacific, Barry Burnell of Eurasia, Monte Cyr and Ramon Sierra of Mesoamerica, and Robin Radi and Patricia Picavea of South America have led our regional efforts in caring for the garden of SDMI on their regions. They are an essential part to the development of vibrant healthy churches around our world. As a global council we met at the General Convention in June 2009, followed by video conferences throughout the quadrennium. With the assistance of these leaders, departmental goals and objectives for the quadrennium were established.

In the year 2010, the General Secretary's office developed a new Annual Pastors' Report form that simplified the global reporting process. As a result of the new 2010 APR, some of the statistics reported in previous years were refined; some defined; and some deleted. The new global report form unifies the statistics and enables more efficient discipleship reporting around the world. You will note in the numbers below the shift in reporting regions' categories that had not been available prior to 2010.

Through the efforts of those who serve the cause of Sunday School and Discipleship Ministries, I am pleased to report the following global statistics for the last four years.

On the regions the gardens of discipleship ministries looked like this for 2009:

<u>2009</u>	Global Responsibility List	Global Attendance Average
Africa	253,443	156,024
Asia Pacific	61,959	42,030
Canada	14,795	6,117
Caribbean	105,294	72,941
Eurasia	42,350	33,004
Mexico and Central America	135,972	95,322
South America	133,449	102,014
United States	763,958	335,672

A weekly average of over 840,000 people attended a Church of the Nazarene Sunday School or small group somewhere in the world. This weekly average attendance grew by 30,452 in 2009 to a total average of 843,124; an increase of 3.75%.

The following statistical year reported for 2010 resulted in additional growth:

<u>2010</u>	Discipleship Responsibility	Discipleship Attendance	Sunday School Attendance	Discipleship Group Attendance
Africa	240,580	152,660	131,756	2,000
Asia-Pacific	62,446	39,365	31,456	2,076
Caribbean	106,101	76,517	74,068	3,995
Eurasia	40,319	46,199	32,937	6,948
MAC	114,589	107,203	59,009	20,511
South America	135,207	118,087	86,532	24,491
USA/Canada	788,085	394,834	287,586	131,891
GLOBAL	1,487,327	934,865	703,344	191,912

By 2011 the statistical garden reflected this growth:

<u>2011</u>	Discipleship Responsibility	Sunday School Attendance	Discipleship Group Attendance
Africa	244,971	162,913	31,954
Asia-Pacific	60,312	37,610	20,615
Eurasia	87,990	42,082	21,739
Mesoamerica	236,175	134,595	23,907
South America	153,497	90,749	36,187
USA/Canada	795,670	272,287	144,710

2012

Africa	254,820	132,777	53,295
Asia-Pacific	67,803	38,883	30,978
Eurasia	100,112	46,387	26,542
Mesoamerica	258,016	166,825	62,139
South America	163,927	102,134	42,994
USA/Canada	794,194	270,739	146,153
Totals	1,638,872	757,745	362,101

I was pleased to report a weekly average of 1,088,227 people attended a Church of the Nazarene Sunday School or small group somewhere in the world in 2011. That was an attendance increase of 16.4% over the previous year. The Sunday School and Discipleship Ministries responsibility list reflects a gain of 60,249 to a total increase of 1,638, 872, a 3.82 % increase.

In the final statistical year for the 2009-2013 quadrennium, the regions reported our local church Christian education efforts totaled:

Discipleship in the Global Church of the Nazarene

Annually, Nazarenes report discipleship statistics from each local church. The following chart based on newly released 2012 data shows some of the ways discipleship is the same and how it differs across the Church of the Nazarene globally. The Annual Pastor's Report, completed by each pastor, is providing more insight into the role of our ministries.

Region	% Members on Discipleship	% Members Involved in Weekly Discipleship	% of Weekly Attendees in Sunday	% of Weekly Attendees in Small Groups	Minimum % Discipled Other Ways
Africa	45%	44%	68%	13%	19%
Asia-Pacific	55%	53%	64%	35%	0%
Eurasia	40%	40%	47%	24%	28%
Mesoamerica	69%	52%	75%	13%	11%
South America	62%	51%	72%	29%	0%
USA/Canada	120%	60%	69%	37%	0%
GLOBAL	74%	51%	68%	26%	6%

- Some significant findings include the fact that USA/Canada uses discipleship as a means of outreach, with significantly more people on the discipleship lists than members.
- About half of Nazarenes participate in weekly discipleship activities. Regionally, the percentage varies from 40% in Eurasia to 60% in USA/Canada.
- In all regions, the most common form of regular discipleship is the Sunday School.
- Small group involvement in three regions, Asia-Pacific, Eurasia and USA/Canada, has reached nearly half of their Sunday School attendance.
- Three regions have significant numbers of weekly disciples who are not part of either Sunday School or small groups.
- One particular highlight that needs to be celebrated is a summary of the discipleship efforts within the church for the last decade. Over the last ten years, since 2002, the discipleship responsibility list has grown by 16.67%! That is an increase of 234,117 people to a total of 1,638,872. The decadal growth rate for discipleship attendance since 2002 has been 44.64%! That is a significant increase of 337,943 attenders to a total of 1,094,975.

Around the world SDMI has been driven by a fourfold purpose.

1. To develop relationships with unreached people until they are Christlike disciples, members of the church, and making Christlike disciples;
2. To teach the Word of God until children, youth, and adults are saved, sanctified wholly,

- and maturing in Christian experience;
3. To help Christians grow spiritually, involving them in evangelism, Christian education, and disciple making;
 4. To encourage children, youth, and adults to discover the daily joy of entering into the presence of Jesus and uncover the discipling power of His Word. Then faithfully and intentionally share His Word in close personal relationships and in Sunday School and small groups.

Our Sunday Schools and small groups serve as global avenues for developing Christlike disciples. Increasingly the global director's role is to facilitate the connections of the regions, field strategy coordinators, and districts to be champions of prayer, the Bible, and discipleship ministries. The SDMI has been through a time of major change and restructure at the Global Ministry Center through these recent years. The mission of SDMI remains strong. We seek to carry out the Great Commission to children, youth, and adults in preparation for a lifetime of making Christlike disciples in the nations. Around the world SDMI leaders serve the compelling mission with a sense of vision and passion for leading boys and girls, youth, and adults to be productive disciple of Jesus. In turn, as disciples of Jesus they are helping others be faithful, fruitful disciples of Jesus, the Christ.

Regional SDMI Ministries

Africa Region

SDMI initiatives and events directed by Daphne Mathebula focused on the following objectives:

- To develop a train-the-trainers program
- To improve the collaboration between all the ministries
- To promote the development of resources to train new children's ministries teams throughout the Africa Region
- To put children on the agendas of all leaders, including field strategy coordinators, district superintendents, pastors, and church members
- To break the "culture" of neglect that millions of children suffer in Africa
- To holistically invest in children through outreach, discipleship, and mentorship

Since 2004 Daphne has led Children's Ministries initiatives on the Africa region including in this quadrennium:

- 55 Kidz Discipleship Kits distributed to Central Field; 24 children participated in World Quiz from their fields in East and West Africa and the regional response to African Children.
- The 13th Annual Kinderfees (children's festival) was held in Rustenburg, South Africa, where 804 children and 148 volunteer workers participated throughout the week. More than 200 children received Christ as their personal savior.
- The French translation of Youth Ministry Academy, a Continuing Lay Training (CLT) course funded by the CLT office, has been completed. Annual Sunday School lesson books (Bible studies) – 2013 books for children, youth, and adults were completed and the 2014 edition is in development.

The SDMI Summit held in 2012 was the most significant event and opportunity for leadership development. The Summit provided interaction and equipping for five newly-appointed field SDMI coordinators. The second part of the Summit involved workshops and resourcing the district SDMI chairs and leaders from five zones on the Kenya Lake Victoria district. This was an opportunity for the coordinators to observe and learn from each other as

each took turns facilitating the workshops. One of the highlights of this summit was the testimony by Julius Omondi on the Lake Victoria district. He reported his experience on the Kenya Western district:

“I am overwhelmed with the achievement of the four days that we had with Elizabeth Musimbi on SDMI in our district. We had 18 churches participating in the seminars that were done in four different zones. The comments from our people indicated that they realized that if they can use the SDMI department in the local church wisely, then they will be able to achieve not only one of the components of the district vision, but all of it.”

Another significant Africa regional event was the Nazarene Women’s Extravaganza, an annual gathering celebrating women’s ministries. Nazarene members from 18 districts on the Africa South Field attended and included men and youth. Inspired by this event, the men in South Africa will be having their first-ever Nazarene men’s conference next year.

Asia-Pacific Region

SDMI has been led by Melvin Rigsby. He has worn multiple hats and carried considerable responsibilities on the region for making Christlike disciples. In an area characterized by hard to reach and marginalized people groups, SDMI has provided Kids Reaching Kids funding for five fields. The region has benefitted from the additional literature resources for children in these areas.

A highlight of the quadrennium was the regional conference with Children’s Ministries director Leslie Hart presenting the Nazarene Safe resources available for the region. A free preschool in the Philippines’ Central Visayas District received a “Connecting a New Generation” grant. There are now 50 children and 3 teachers in the preschool. They are adding a new weekend tutorial school supported by the local church. At the Asia-Pacific Nazarene Theological Seminary (APNTS) in greater Manila, children were at the forefront of strategy meetings.

Leaders considered how the church can keep children a vital part of mission efforts and the importance of empowering field and local leadership to set direction and goals that truly impact children, families, and communities. In the Philippines, 800 children attended rallies during a creative, hands-on children’s ministry workshop. Sixty-seven children’s workers were trained and given opportunity to practice new skills in a children’s rally attended by 250 at Taytay First Church of the Nazarene. Recognizing the need to train leaders to reach children effectively, APNTS emphasizes holistic child development (identified as “the child in the midst”) throughout their doctoral and master’s course offerings. The region is filled with enormous potential for kingdom growth and development through their discipleship ministries.

Eurasia Region

Discipleship ministries were coordinated with Barry Burnell, SDMI coordinator from Schaffhausen, Switzerland. Barry worked to serve the educational arm of the local church throughout Europe and southwestern Asia. He has most recently taken a leave of absence from his responsibilities. A new SDMI coordinator is anticipated at the time of this report.

Discipleship ministries in Eurasia assist Christ’s followers in making disciples through training, Sunday School curriculum, Bible studies, and encouragement of prayer. Some of the highlights include the children’s curriculum in Russian, developed for two age groups. VBS materials have been produced and released on the region. The Bangladesh district Children’s Summit was conducted with 400 children attending. Teachers in Bangladesh now have access to

a children's Sunday School curriculum written by Asians for Asians. Training in Dhaka reached 20 pastors and teachers from 10 local Nazarene churches who received basic training and 6 months' worth of visual aids. Additionally, 40 children's workers from 11 churches attended the Dutch District Children's Ministries Training Day and Ukraine had a record turnout of over 220 at children's camps emphasizing connection with God.

Mesoamerica Region

In this quadrennium, Mesoamerica formed by uniting the Mexico and Central America Region with the Caribbean Region, with SDMI coordinators Ramon Sierra and Monte Cyr. Twenty children from the Leeward Virgin Islands participated in the 2009 NazKidz World Quiz.

The region has provided multiple training opportunities for ministry and leadership in various countries. One ministry training focused on those who have mental, physical, and emotional disabilities. An intensive workshop for teachers was held in Mexico. In April of 2012, the Central America four fields and the Central district office in Nicaragua conducted leadership training for the SDMI leaders of the country of Nicaragua. The Bahamas district's "Engage The Word" emphasis was easy to use and effective as a training tool and well received.

SDMI leaders can train their leaders about the ministries, programs, and emphases, but if they don't know how to effectively lead, they won't be able to be effective in their local churches. Responding to this need, Monte Cyr has conducted leadership training all across the Mesoamerica region for local and district church ministry leaders. The Haiti Leadership Training, the Leadership Congress for the South Mexico Field in Veracruz at the Divine Redeemer Nazarene Church, and other training events inspired people with fresh leadership skills and motivation to lead in each local church.

Another area of focus was on discipleship ministries resources, striving to provide these in English, Spanish, and French/Haitian Creole. It is a continual challenge to translate, contextualize, print, and distribute new resources across their region each year, but they are accomplishing this tremendous feat slowly, but surely. The Pentecost Sunday World Literature Offering from the Sunday Schools provided funding for the production of a new curriculum in Créole. Around 2,000 children are provided tutoring and socialization in 15 child development projects in the Dominican Republic. The goal is a national campaign to win 10,000 children to God in five years.

South America Region

Two SDMI coordinators in this quadrennium, Robin Radi and Patricia Picavea, served the region seeking to promote the ministries of Sunday School and Discipleship. A pilot episode was filmed for Industria X, a preteen TV series focusing on God's redeeming work through His Church. It was offered throughout South America and incorporated into Spanish discipleship material for preteens. It has been well received. After-school lessons for the community provide skill development for older children, spiritual formation, and parenting classes. Discipleship materials on the South America web site are an enormous blessing and resource to the church.

Multiple activities and ministries have been used to serve and resource the local churches including soccer, music lessons, drama, choreography, Caravan, VBS, camps, and special skills classes for children with disabilities.

The 6th Congress of MEDDI, "Learning of Holiness and Power," was held in Rio de Janeiro with Admandu Taxila as host pastor. Delegates from all over Brazil enjoyed the well-attended event.

USA/Canada Region

Woodie Stevens has served as the USA/Canada regional coordinator. SDMI responded to general, district, and local church requests:

- Provided workshops at the M11 Conference in Louisville, Kentucky
- Promoted TEACH 2012 Conferences
- Published a quarterly newsletter, *SDMI Connections*, included with the Word Action quarterly mailing to every church in the USA and Canada; the newsletter is posted on the SDMI web site
- Affirms these partnerships:
 - Nazarene Camping Association (NCA)
 - Nazarene Children's Leadership Network (NCLN)
 - Nazarene Educators Worldwide (NEW)
 - Nazarene Fellowship of Single Adults (NFSA)
 - Nazarene Motorcycle Fellowship (NMF)

SDMI continues to focus on our children. During the 2009 SDMI General Convention in Orlando, Florida, several opportunities were provided for children:

- 2009 NazKidz General Convention featured the Kidz Blitz. Over 500 kids and volunteers attended with many accepting Jesus Christ as savior. Discipleship-in-Action gave approximately 400 children the opportunity to learn discipleship principles through speed cup stacking skills. The Parade of the Nations invited over 400 children to experience the seven world regions, focusing on the church's role in each region.
- The department offered the Compassion Connection, providing the opportunity for 83 preteens to do service projects at two churches and 200-plus younger kids to make blankets, clean shoes, and bag rice while attending the convention.
- The World Quiz gathered over 8,000 spectators and 2,032 children in recall of their study of the book of Exodus.
- The "Legacy of Love," sung by 450 children, made everyone realize the General Assembly business is really a prelude to the main focus—making Christlike disciples in the nations. One example of a multitude of local church involvements is the story of the Grace Community Christian School second graders in Tempe, Arizona, raising money to send soccer balls to the mission field through GOL 2010. Another is the children at Gallatin First Church in Tennessee, who raised over \$3,000. Oakes, North Dakota Church featured the GOL 2010 evangelism soccer balls as their Vacation Bible School offering project, resulting in \$500 raised and 23 children becoming new believers in Christ! Also the children of Auburn, Indiana, gave their VBS offering toward the purchase of an ARK, a versatile portable structure used for everything from child development centers to training and education centers, medical clinics, and JESUS Film showings for global use and impact.

Additional Responsibilities within the USA and Canada:

- Conducted the SDMI district leaders' conferences and the new SDMI district chair orientations.
- Spoke at multiple churches, district SDMI conventions and assemblies, men's retreats, revivals, district tours, and zone rallies
- Represented the denomination at the Nazarene Children's Leadership Network Ignite Summits, the Nazarene Prayer Conference, the American Bible Society Global council

meetings, the Lionshare Discipleship Network, Nazarene Bible and Theology conference, and the Nazarene Prayer conference.

- Taught Sunday School several times as a substitute
- Preached monthly at a local nursing home facility

Facilitating Global Ministries

Continuing Lay Training (CLT)

The Discipleship Place (www.DiscipleshipPlace.org) believes that lay education and ministry training is an essential part of the Christian Church and a vital part of the Church of the Nazarene. Through intentional training and mobilization of laity, the growth of God's kingdom is advanced. Throughout its long history of equipping services to the church, CLT continues to expand as a global delivery system providing needed resources to everyone accessing the worldwide web. Practical tips and help in a wide range of topics and in specific ministry areas are available. Through CLT, members of the Church of the Nazarene, as well as members of other denominations, are being influenced by holiness teaching and the call to Christlike discipleship. Zandile Mavuso of Swaziland wrote, *"I am currently utilizing the CLT material on the web. I have been elected Sunday School Superintendent for the Central District in Swaziland. I am using the same material to train workers at the district and local level. I have also enrolled other church members online."*

CLT has experienced outstanding growth in every area of ministry development including the crucial assignment of delivering more resources to the Church of the Nazarene globally.

Significant expansions, improvements, and successes throughout the quadrennium include:

- 212.82% increase in unique visitors to the site
- More than 17,155 Lay Ministry Studies completed
- Over 100% growth in Prisoner Bible Studies program
- Participation by all of the six world regions
- More than 90 countries/territories accessing CLT yearly

Nineteen self-directed, book-driven studies provide leadership training for laity in specific ministry areas. Each year, the CLT staff reviews and updates these areas with new book recommendations, exams, and study guides. The long-term goal is to provide more online resources so money, distance, or language is not a barrier to use.

In cooperation with Nazarene Publishing House (NPH) and other Global Ministry Center (GMC) ministry entities, CLT offers a denomination-wide study designed for a small group setting. Studies are enhanced by free leader's guides, handouts, and PowerPoint presentations available on the CLT web site.

The Certificate of Lay Ministry program is designed for those who have been approved by the local pastor and church board. The candidate is accountable to the local church. A requirement for receiving a Certificate of Lay Ministry is a pastor-assigned mentor for each student. CLT reinforces learning modules with mentors who guide growing Christians as they learn. In partnership with Clergy Development, six modules have been adapted and are currently available as free downloads. In just four years, over 17,000 Lay Ministry Certificate courses have been completed. These have been translated into Spanish. These courses are a key to the growth of the church as laity discover the beliefs, mission, and structure of the church.

CLT continues to host conference calls and webinar trainings with ministry experts.

These are recorded and available online. There have been more than 2300 global participants.

A new believer devotional series, “31,” covers basic Christian beliefs as well as membership in the Church of the Nazarene. This email devotional series is widely accepted and frequently used.

CLT is currently working to provide online ESL Bible studies for each book of the Bible. These studies are available as free downloads. The Gospel of John, the Gospel of Luke, Acts, Romans, 1 Corinthians, and 2 Corinthians are online.

CLT is committed to providing global resources. The following are now available:

- Centennial Lessons (Spanish, French, Portuguese, Korean: 3 children, 3 youth, 3 adult)
- *Making a Marriage* (Spanish, available as a downloadable file)
- Lay Ministry Studies (Spanish)
- Bible Studies (Spanish)
- Youth Ministry Academy (Spanish & French)
- Audio Bible in over 400 languages

Through our partnership with Nazarene Youth International, CLT is hosting the Youth Ministry Academy. These online courses provide excellent resources for lay ministers and others who care about ministering to youth. Upon request we worked with our Africa region to translate the modules into French.

We are also developing a children’s ministries leadership module in partnership with Nazarene Theological Seminary for this growing need in the church.

As of 2011, a CLT web-based community has been created to network Nazarenes from around the world. This relational connection is bringing greater accountability and support to the denominationally approved content.

Due to the reduction in force, CLT had to discontinue its highly significant and successful prisoner Bible study. One ex-prisoner who had found Christ while incarcerated after his release made a special trip to visit the GMC simply to say “Thank you” for the Bible studies that had been sent to him during his sentence. We have now intentionally partnered with a recommended ministry to continue supporting prisoners.

Continuing Lay Training materials address the needs of the newest Christian as well as the seasoned servant. Currently CLT is being redesigned so that an online visitor can take a simple survey which will recommend appropriate resources. This simple addition will encourage growth in discipleship in the areas of knowledge, relationship, and service.

Strategically, DiscipleshipPlace.org has been used around the world to teach the doctrine, mission, and vision of the Church of the Nazarene. The need for more CLT awareness and translation of materials is systematically being met as time and resources allow.

DiscipleshipPlace.org will increasingly become the delivery system of choice for lay education and online discipleship training and resources around the world.

Global Children’s Quizzing

The highlight of the quadrennium has been the translation of our global English Children’s Quizzing curriculum into *Bible Studies for Children* in French, Korean, Portuguese, and Spanish. The global quizzing translation project, provided by the Kids Reaching Kids Mission offering (D-Code Challenge), has made a significant contribution to local churches engaging our children in a study of God’s Word. The books of 1 and 2 Samuel, Matthew, Acts, and Genesis are now available for global use in these major languages. The materials are on every regional file transfer protocol (FTP) site for download. Allison Southerland has overseen

this extensive project.

Global children's quizzing is now possible because of this project. Jenni Monteblando communicates with local, district, and regional quiz directors and develops questions and attends/officiates quizzes, upon request. She is preparing arrangements for the children's World Quiz during General Assembly and Conventions with 2,500 participants expected. Additional quizzes in global regions will also take place during that week. The majority of quiz teams are from the USA and Canada. However there are also teams from Barbados, Brazil, the British Isles, Jamaica, the Philippines, the Virgin Islands, and West Africa.

This note was recently received, *"Greetings from Ghana. I am very excited that quizzing has taken root on the Africa West Field. I am promoting quizzing and more districts have decided to order the material. I will be soon disbursing 1 and 2 Samuel in both English and French. Thank you for creating such an excellent children's discipleship tool every Sunday."*

Kids Reaching Kids Mission Offering Project

The annual Kids Reaching Kids (KRR) mission offering funds varied needs for children's ministry projects on the regions. We are pursuing a holistic approach impacting lives mentally, physically, spiritually, and socially. This holistic approach is biblical and modeled in the life of Jesus.

Our most recent mission offering, "His Hands: Jesus, Miracles, Medicine, and Me" focused on the theme in Matthew 14:14b, "He had compassion on them and healed their sick." It is estimated that each year nine million children under the age of five die from preventable diseases worldwide. We invited our children to be an extension of Jesus' hands and help provide much needed medicine, medical supplies, and medical care for children all over the world through this project.

Since 1987, Nazarene children have given \$4,738,315 for children's ministry causes around the world. The offering has sought to meet the holistic needs of children around the world through these projects in the past few years:

- Spiritual (Evangelism) 2006-2007 The Tumble-READ Project provided evangelistic Christian literature for hard-to-reach areas of the Asia-Pacific region.
- Social (Discipleship) 2007-2008 Operation Proclamation – Every Heart Hearing Every Word, provided audio-Bibles in a number of languages of the world.
- Mental (Educational) 2008-2009 The D-Code Challenge – Unlocked, Unlimited, and Understood, provided funds to translate children's Bible quizzing into the major languages of the world.
- Physical (Compassionate) 2009-2010 The Hope Project – Showing the Depths of Jesus' Love to Street Kids, provided funds to help meet many of the basic needs of children on the streets.
- 2010-2011 Mission STAR Quest – Supplying Totally Awesome Resources to Christian Schools and Child Developmental Centers, supplied money for physical structures, school supplies, and educational and discipleship curriculum to Nazarene Christian Schools and Child Development Centers (CDCs).

Our church can anticipate the 2013 Kids Reaching Kids Mission Offering Project called, "The Ultimate Adventure" featuring Captain KRR (Kirk) and his team as they adventure around the world in Prayer, The Word, and Discipleship. Hebrews 10:24 is the scripture theme, "Let us help one another to do good works." The offering goal is \$260,000.00 bringing the total KRR's offerings since 1987 to five million dollars.

Additional SDMI Ministries

Young Adult Ministries

Reaching and discipling young adults continues to be a significant issue in the Church of the Nazarene. We believe that intergenerational ministry efforts in the local church will help bridge ministry gaps with our young adults and release untapped potentials within the Body of Christ.

Single Adult Ministries

This ministry continues to undergo transformation. Nazarene Fellowship of Single Adults (NFSA) has served to create and develop ministries to address the unique needs of single adults at the local, district, and regional levels. This ministry will be reevaluated upon the retirement of Linda Hardin this year.

Women's Ministries

Twelve hundred women from around the world attended the most recent "Come to the Fire," a conference promoted by Women's Ministries. A new web resource for ministry to pastors' wives: PWR (Pastors' Wives Resources) has been created. The web site's content is driven by motivated pastors' wives and provides vital connection with others who need support and resources for this unique journey. The "Mor2Lif" small group video series for women have been well received and are available online at Mor2Lif.org.

Men's Ministries

A few highlights in Men's Ministries include working on initiatives with the National Coalition for the Protection of Children and Families to help educate and safeguard men and families from pornography. As members of the National Coalition of Men's Ministries and the Denominational Men's Ministry Network of North America, Men's Ministries stays current regarding ministry developments, strategies, and resources. Men's Ministries also maintains connections with Pure Hope, an inter-denominational organization advocating children and women's issues.

Nazarene Motorcycle Fellowship (NMF)

Hundreds of Nazarene bikers are involved in this special fellowship. They have combined their efforts through the Rusty Bellomy Fund to underwrite the purchasing of motorcycles for use by pastors around the world. Over \$30,000 has been raised and motorcycles are being dispersed to Nazarene pastors around the world.

Prime Time Ministries

This has focused on the fastest growing segment of the USA/Canada population. We are seeking ways to affirm, motivate, and release their ministry potential within the church. The USA Prime Time retreat will see the launching of fresh efforts to connect the generations with intentional discipleship efforts. They have been resourced through Wm. Marshall Duke, who serves as the USA/Canada voice for the church in facilitating senior adult connections.

The Prime Time Connection newsletter has been driven with help from JESUS Film Harvest Partners and the Nazarene Foundation. The newsletter keeps senior adults aware of issues that affect them through articles, advertisement of events, and available resources. Prime

Time retreats were held in 2009, 2010, and 2011. The next one is scheduled for October of 2013 in partnership with JESUS Film Harvest Partners and the Nazarene Foundation.

Marriage and Family

At the direction of the Board of General Superintendents, SDMI continues to facilitate the Strategic Marriage Initiative (SMI). Three significant resources are available to local churches as they seek to support the health and growth of families and marriages.

- First, surveys of lay and clergy couples were performed by Family Life Ministries to assess the health of marriages in the Church of the Nazarene in the USA and Canada. Surveys in 2005, 2009, and 2012 are helping us understand the dynamics of Nazarene homes and marriages.
- Second, SMI training and resources are being provided for marriage education and support. Through partnership with Prepare/Enrich, the Church of the Nazarene has access to some of the best premarital training and certification worldwide. *Making a Marriage*, a marriage primer written by Nazarenes for Nazarenes, is globally available in English, Russian, and Spanish with a free downloadable leader's guide.
- Third, through Nazarene Marriage Enrichment, a small group encounter event, couples are shown how to bring their marriages into harmony with a Spirit-filled heart. This ministry had been de-emphasized in the midst of our reductions in force and resources.

Family Ministries

Healthy churches have a wide range of ministry to the multiple aspects of family life, including premarital preparation, marriage, parenting, discipleship, and intergenerational support. SDMI is introducing a new website, faithfulhomes.org. [Faithfulhomes.org](http://faithfulhomes.org) is a joint project of SDMI and Nazarene Theological Seminary with direction given by Dean Blevins. This site actively encourages family health through assessment, resourcing, and networking with others on the journey.

Family and Intergenerational Ministries

Local churches are asking increasingly more questions of SDMI as they seek to discover the best way to strengthen Christian families and promote intergenerational ministries. We have intentionally included family pieces in the Engage the Word projects. We anticipate more development and interest in intergenerational ministries throughout the church.

Online Disciple Makers

Through our partnership with Global Media Outreach, we have a group of 120 Nazarenes divided into four electronic communities that sent out 2,821 messages around the world in November 2012. Last year we reported 83 online disciple makers. Our totals since October of 2010 is now at 63,110 emails sent out with a total of 42,982 new contacts made. J.D. Sailors, Nazarene pastor in Louisiana, USA, provides connection and assistance as this powerful online ministry continues to grow and develop. A new believer in Pakistan sent this note: *"Thank you for your prayers. I want to share something with you, my wife is Muslim by birth but now she converted, her father converted 50 years ago, and her mother is still Christian. That's why all their children accepted their mother's religion. But they never announced openly because of country law. That is the reason we are scared, and we request you again and again for prayer.*

Please don't mind, keep remembering us in your prayers, before this we never share this matter with anyone. I have trust in you, GOD bless you. Blessings.” NK (Pakistan)

Nazarene online disciple-makers are making a difference in the world.

SDMI Facebook Page

The new interactive page provides a connecting point for the office as we are able to provide instant updates on news and issues that impact SDMI leaders around the world. They are also able to ask questions and provide feedback connecting with the SDMI office. A special access page is available for district SDMI chairs and regional coordinators.

Engage the Word

In partnership with the United Bible Societies through the American Bible Society and Nazarene Publishing House, SDMI launched a three-year global emphasis, “Engage the Word.” Beginning each September through 2013, a 40-day Scriptural engagement emphasis is available to equip and challenge every individual, home, and local church to enter daily into the presence of God through prayer and Bible reading. Meaningful encounters with God’s Word on a daily basis profoundly shape the world view and behavioral choices of people. Our goal is to inspire Nazarenes to take the Bible off the shelf and immerse their hearts and minds in God’s life-changing Word. The 40 passages of Scripture trace the red thread of redemption from Genesis to Revelation. The scriptures can be used in every language for which Bible translations are available. It is estimated that nearly 100,000 Nazarenes were involved in Engage the Word 2012. The anticipated 2013 readings will be from the book of Nehemiah, with an emphasis on helping us reach our cities for Christ and His church.

The Master’s Plan Discipleship Summits

SDMI partnered with Cali, Colombia House of Prayer; Miami, Florida Betania Church; Bloomington, Illinois First Church; Anaheim, California First Church; and the Missouri District in promoting five Discipleship Summits based on The Master’s Plan. Craig Rench wrote *The MASTER’S Plan, A Strategy for Making Disciples*. Currently it is being translated into Korean and Spanish. A web site and materials are being developed for the benefit of those interested in implementing an effective discipleship strategy. It will be a prominent feature at the General Convention with highly successful global leaders making the presentation.

- The Second Mile Award has been revised and is being increasingly used to acknowledge exemplary leadership and service in the cause of Sunday School and other discipleship ministries.

Global SDMI Director

As the Global SDMI director, I have represented SDMI by speaking in local churches and districts around the world, visiting five regions.

Networking through the Global Ministry Center, I served on the Global Mission Team, the Global Focus Team, and the USA/Canada Office Team. I met quarterly with the Connecting a New Generation task force and with the WordAction Leadership Team. I contributed to the development of the new global annual pastors’ report form. I also served on the NPH Board of Directors.

At the direction of the Board of General Superintendents, I also represented the denomination with these affiliations: American Bible Society (ABS) and Religious Association

Against Pornography (RAAP).

I have co-authored the devotional book for Sunday School teachers, *Every Paul Needs a Timothy*, and contributed to the men's devotional book, *On The Road*. NPH re-published my book, *How to Fill the Emptiness*. The Betania, Florida Church of the Nazarene published in Spanish and English my paper, "Wesleyan Foundations of the Master's Plan." I had the privilege of presenting this paper to the delegation from Korea, who has a deep interest in the strategy.

It was my privilege to serve with wonderfully gifted servants of the Lord in the SDMI office who gave an extra mile of effort through significant times of change and transition. I would like to recognize the SDMI office personnel who served selflessly through the years of this quadrennium. They included:

- Lynda Boardman – Children's Ministries International (CMI) director
- Leslie Hart – Children's Ministries International director
- Judy Comstock – Nazarene Safe, Children's Leadership Network
- Gwen Cullins – CMI administrative assistant
- Dan Harris – VBS, Caravan, Camping, Kids Reaching Kids
- Jenni Montebianco – Global Children's Quizzing coordinator
- Nate Owens – Children's Ministries Communications
- Beula Postlewait – Nazarene Education office
- Mallory Sauer – Children's Ministries intern
- Allison Southerland – D-Code Challenge Translation Project coordinator
- Larry Morris – Adult Ministries International (AMI) director
- *Marshall Duke – Men's Ministries, Prime Time Ministries
- *David and Lisa Frisbee – Family Life Ministries
- Linda Hardin – Women's Ministries, Single Adults
- Derl Keefer – Senior Adult Ministries
- *Jim Pettitt – Marriage and Family Life
- *Darrel Rotz – Senior Adult Ministries
- Shirley Smith – AMI administrative assistance
- John Comstock – CLT coordinator
- Ted Hall – CLT intern
- *J. D. Sailors – Online Discipleship coordinator
- Kathy Lewis – Connections coordinator
- Jonathan Phillips – Communications coordinator assistant
- Jeanne Hubbs – Department office manager
- Sarah Bechtold – Accounting assistant
- Barbara J. Hughey – Accounting assistant

(*Denotes those serving as consultants and independent contractors to SDMI)

We have bid a sad farewell to 20 of these valued mission partners. Some retired, some voluntarily resigned, some positions were vacated, and some were laid off. These were good friends and competent colleagues who loved their jobs and were good at it. Now we are adapting to a new reality for SDMI and the GMC.

As of April 1, 2012 the SDMI office at the Global Ministry Center officially became a part of the Global Mission Team led by Verne Ward III. He is leading us in a compelling vision for discipleship around the world, on the six regions, each field, and every district.

I want to express appreciation to Nazarene Publishing House, WordAction Publishing,

and Beacon Hill Press led by Hardy Weathers, Mark Brown, Eric Bryant, Merritt Nielson, and Bonnie Perry. Their partnership with SDMI is vital to the wide range of our responsibilities.

Their commitment to provide holiness resource materials for all ages is pervasive and consistent. It is my privilege to work with them. I want to offer a special note of appreciation to Hardy Weathers. Thank you, Hardy, for your leadership, friendship, and service upon the occasion of your retirement from Nazarene Publishing House.

The SDMI team at the Global Ministry Center is composed of mission strategist, Larry Morris; John Comstock, serving Continuing Lay Training/The Discipleship Place; and Children's Ministries International issues have been addressed by Dan Harris. Serving the department as the Connections coordinator is Kathy Lewis and Jeanne Hubbs has distinguished herself as a diligent administrative assistant and office manager.

Respectfully submitted,

Woodie J. Stevens

Global Director, Sunday School and Discipleship Ministries International

GLOBAL MISSION

To the Board of General Superintendents and delegates of the 28th General Assembly:

“When they saw Him, they worshiped Him; but some were doubtful. And Jesus came up and spoke to them, saying, ‘All authority has been given to Me in heaven and on earth. Go therefore and make disciples of all the nations, baptizing them in the name of the Father and the Son and the Holy Spirit, teaching them to observe all that I commanded you; and lo, I am with you always, even to the end of the age.’” (Matthew 28:17-20, New American Standard Bible).

It is a distinct privilege and honor to share with you my first report as Global Mission director. This report attempts to summarize ways God has been working in the lives of His people around the world. This is YOUR report as you have actively prayed, sacrificially given, served others as unto the Lord, obeyed the leadership of the Holy Spirit, and shared boldly your faith in Jesus. You have participated in the work of the kingdom in an incredible way during this quadrennium. This report reflects in part the impact of your investment around the world. Thank you for your support and faithfulness!

The Church of the Nazarene is eternally grateful to Louie Bustle who served with excellence and passion for eighteen years as Global Mission director. Louie Bustle retired from active service as Global Mission director in 2012. During his tenure as Global Mission director, the number of churches grew from 12,064 to 27,524, global membership increased from 1.1 million members to 2.1 million members, and the number of world areas increased from 105 world areas to 159 world areas!

I am also grateful to serve with a gifted leadership team in Global Mission. I am thankful for the dedicated and committed service of the regional directors:

Africa Regional Director – Filimao Chambo

Eugenio Duarte was elected General Superintendent at the 27th General Assembly. Filimao Chambo was nominated and approved by the Board of General Superintendents to start work on August 25, 2009.

Asia Pacific Regional Director – Mark Louw

Verne Ward III was elected Global Mission director at the 2012 General Board. Mark

Louw was nominated and approved by the Board of General Superintendents to begin work as regional director on September 1, 2012.

- Eurasia Regional Director** – Gustavo Crocker
- Mesoamerica Regional Director** – Luis Carlos Saenz
- South America Regional Director** – Christian Sarmiento
- USA/ Canada Regional Director** – Bob Broadbooks

- These regional directors and the ministries in the regions are supported by a great team:
- General Director of Nazarene Missions International** – Daniel Ketchum
 - General Director of Nazarene Youth International** – Gary Hartke
 - General Director of Sunday School & Discipleship Ministries International** – Woodie Stevens
 - Administrative Director of Mission Finance** – Dan Schafer
 - Administrative Director of Nazarene Compassionate Ministries** – Larry Bollinger
 - Administrative Director of Global Mission** – Raymond Moore
 - JESUS Film Director** – Brian Helstrom
 - Mission Personnel and Partnership Director** – Marty Hoskins
 - Global Mission Office Manager** – Jennifer Moore
 - Executive Assistant** – Karla Edwards

We measure the work of the Lord in transformed lives, changed hearts, perfection of love, and in Christlikeness. This is the work of the Spirit of God opened up for us by Jesus. We must know people to see this change in them and us. But we seek to measure in some way to share the result of prayer, sacrifice and God’s action through His church.

World Mission Statistics

The **Africa** region had a net gain of 157,675 members in this quadrennium. The region’s total membership now stands at 568,491, a net gain of 38.4 percent. There was a net gain of 1,479 organized churches in these four years, bringing the total of organized churches to 4,372. The Africa region currently has 4,040 churches that are not yet organized.

Africa Region

Year	Membership			Churches		Ministers		
	Full	Associate	Total	Organized	Other	Elders/Deacons	Licensed Ministers	Total
2005	263,957	37,795	301,752	2,198	2,206	726	1,074	1,800
2006	278,566	40,776	319,342	2,266	2,332	741	1,070	1,811
2007	321,506	43,192	364,698	2,630	2,999	726	1,070	1,796
2008	364,847	45,969	410,816	2,893	3,463	720	1,389	2,109
2009	412,352	45,030	457,382	3,430	3,725	728	1,418	2,146
2010	465,222	46,151	511,373	4,100	3,905	728	1,418	2,146
2011	495,052	54,411	549,463	4,237	4,195	1,196	1,741	2,937
2012	515,931	52,560	568,491	4,372	4,040	1,446	1,192	2,638

The **Asia-Pacific** region had a net gain of 10,324 members in this quadrennium. The region’s total membership now stands at 113,777, a net gain of 10.0 percent. There was a net gain of 90 organized churches in these four years, bringing the total of organized churches to

1,353. The Asia-Pacific region currently has 505 churches that are not yet organized.

Asia-Pacific Region

Year	Membership			Churches		Ministers		
	Full	Associate	Total	Organized	Other	Elders/ Deacons	Licensed Ministers	Total
2005	83,053	14,054	97,107	1,209	331	932	593	1,525
2006	84,543	14,678	99,221	1,207	365	951	589	1,540
2007	86,552	14,413	100,965	1,252	333	987	590	1,577
2008	90,883	12,570	103,453	1,263	387	1,026	626	1,652
2009	93,743	13,149	106,892	1,278	416	1,040	654	1,694
2010	97,592	12,348	109,940	1,290	447	1,097	606	1,703
2011	99,549	10,886	110,435	1,322	470	1,066	703	1,769
2012	103,424	10,353	113,777	1,353	505	1,313	685	1,998

The **Eurasia** region had a net gain of 61,946 members in this quadrennium. The region's total membership now stands at 215,333, a net gain of 40.4 percent. There was a net gain of 2,081 organized churches in these four years, bringing the total of organized churches to 4,577. The Eurasia region currently has 2,509 churches that are not yet organized.

Eurasia Region

Year	Membership			Churches		Ministers		
	Full	Associate	Total	Organized	Other	Elders/ Deacons	Licensed Ministers	Total
2005	72,018	9,264	81,282	1,302	418	367	372	739
2006	83,347	9,432	92,779	1,642	506	382	257	639
2007	111,620	18,176	129,796	1,975	1,388	403	503	906
2008	126,586	26,801	153,387	2,496	1,800	466	697	1,163
2009	146,573	28,321	174,894	2,896	2,110	505	776	1,281
2010	167,053	36,820	203,873	3,385	2,503	516	1,168	1,684
2011	187,449	34,426	221,875	3,941	2,631	716	1,097	1,813
2012	195,392	19,941	215,333	4,577	2,509	754	1,199	1,953

The **Mesoamerica** region had a net gain of 38,426 members in this quadrennium. The region's total membership now stands at 348,025, a net gain of 12.4 percent. There was a net gain of 132 organized churches in these four years, bringing the total of organized churches to 2,792. The Mesoamerica region currently has 238 churches that are not yet organized.

Mesoamerica Region

Year	Membership			Churches		Ministers		
	Full	Associate	Total	Organized	Other	Elders/ Deacons	Licensed Ministers	Total
2005	227,245	51,329	278,574	2,437	203	1,176	944	2,120
2006	232,752	52,503	285,255	2,504	217	1,209	1,003	2,212
2007	242,167	53,276	295,443	2,592	184	1,282	1,052	2,334

2008	250,600	58,999	309,599	2,660	186	1,356	1,213	2,569
2009	257,640	68,999	326,639	2,720	213	1,337	1,245	2,582
2010	265,665	72,391	338,056	2,751	229	1,336	1,249	2,585
2011	272,911	71,346	344,257	2,766	221	1,421	1,234	2,655
2012	278,399	69,626	348,025	2,792	238	1,458	1,226	2,684

The **South America** region had a net gain of 50,660 members in this quadrennium. The region's total membership now stands at 252,396, a net gain of 25.1 percent. There was a net gain of 146 organized churches in these four years, bringing the total of organized churches to 2,197. The South America region currently has 323 churches that are not yet organized.

South America Region

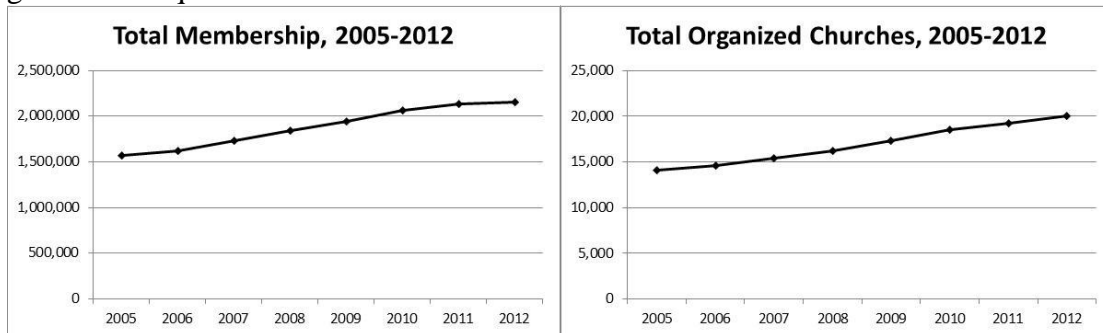
Year	Membership			Churches		Ministers		
	Full	Associate	Total	Organized	Other	Elders/ Deacons	Licensed Ministers	Total
2005	135,974	22,446	158,420	1,898	385	826	1,245	2,071
2006	148,161	24,511	172,672	1,973	276	886	1,310	2,196
2007	161,309	25,611	186,920	2,035	292	922	1,316	2,238
2008	172,553	29,183	201,736	2,051	341	1,088	1,384	2,472
2009	186,224	33,998	220,222	2,126	330	958	1,275	2,233
2010	199,886	32,758	232,644	2,190	320	1,010	1,323	2,333
2011	210,092	36,099	246,191	2,178	322	1,014	1,327	2,341
2012	218,455	33,941	252,396	2,197	323	1,187	1,485	2,672

The **USA/Canada** region had a net loss of 5,541 members in this quadrennium. The region's total membership now stands at 652,861, a net loss of 0.8 percent. There was a net loss of 96 organized churches in these four years, bringing the total of organized churches to 4,750. The USA/Canada region currently has 474 churches that are not yet organized.

USA/Canada Region

Year	Membership			Churches		Ministers		
	Full	Associate	Total	Organized	Other	Elders/ Deacons	Licensed Ministers	Total
2005	643,032	6,138	649,170	4,999	412	10,960	2,940	13,900
2006	646,474	6,926	653,400	4,975	427	10,799	2,904	13,703
2007	648,876	7,074	655,950	4,875	403	11,233	2,904	14,137
2008	650,216	8,186	658,402	4,846	421	11,169	2,931	14,100
2009	652,691	6,822	659,513	4,830	413	11,209	2,973	14,182
2010	654,541	8,834	663,375	4,811	422	11,185	2,868	14,053
2011	655,286	8,615	663,901	4,810	431	11,291	2,823	14,114
2012	650,656	2,205	652,861	4,750	474	11,172	2,799	13,971

In the last four years, the global Church of the Nazarene received 640,010 new Nazarenes, which gives a total of 2,150,883 members and a net growth of 17.1 percent. The regions also reported 4,378 newly organized churches totaling 20,041 churches, a 23.6 percent gain for this quadrennium.



New World Areas

This quadrennium the Church of the Nazarene entered four new world areas: Mali, Turks & Caicos, South Sudan and a creative access area.

Unreached People groups

During this quadrennium we have seen increased resources used to reach the unreached people groups of our world. These are people without a church at all in some cases, or without a Christian witness that can reach the whole population. These people are difficult to reach for many reasons and God is allowing us to reach them and make disciples and plant churches.

Theological Education

Since our beginning, the Church of the Nazarene has included education as a central strategy in advancing mission in every world area. Nazarene higher education continues to serve a central role in theological education and equipping leaders for the increasing number of local churches and expanded mission into places where the church is not yet.

Thirty-six Bible colleges and seminaries, fourteen liberal arts colleges and universities, and three specialized training colleges operate on the six regions. Currently, these institutions train 52,439 students.

Country of Origin

During this past quadrennium the focus continued on the entire world as the sending church. As we become a more global church, we recognize that God calls missionaries from every area of the world. Currently the Church of the Nazarene has missionaries originating from 33 different countries:

- | | | |
|-------------|-------------|-----------------|
| Argentina | Kenya | Senegal |
| Brazil | Mexico | South Africa |
| Canada | Mozambique | South Korea |
| Colombia | Netherlands | Swaziland |
| Costa Rica | Nicaragua | Switzerland |
| El Salvador | Panama | Trinidad/Tobago |
| Ethiopia | Paraguay | United Kingdom |
| France | Peru | United States |

Germany
Guatemala
Japan

Philippines
Portugal
Russia

Venezuela
Zambia
Zimbabwe

Ministry Areas

JESUS Film Harvest Partners

This quadrennium, the JESUS Film Harvest Partners (JFHP) ministry reached a milestone of 11 million decisions for Christ! We celebrate each one of these divine encounters! JESUS Film teams continue to multiply. God has blessed the field with 449 teams. Since the beginning of the JESUS Film ministry in 1998, JESUS Film teams have used the film in 290 language translations and have worked in 123 countries. The teams have reported a *cumulative* total of 63,016,568 evangelistic contacts. Of these contacts, 11,608,954 indicated decisions for Christ (18.4% of contacts), and 4,563,619 participated in initial discipleship follow-up (39% of decisions). There have been 34,869 preaching points started.

Also in this quadrennium, a new type of ministry trip was launched called a Bike and a Backpack (BaaB). On these trips, Harvest Partners deliver a new set of backpack equipment and a motorbike. This under-50-pound backpack fits easily on the back of a rider, rests nicely on the seat of the bike, and allows ministry teams to extend both their reach and their effectiveness in sharing the gospel. During the trip partners travel on motorbikes alongside the team, showing the JESUS Film and sharing the gospel. Where it used to take several hours or even days to reach a remote village, motorbikes make it easier to access these villages in less time!

We continue to see new countries embrace the gospel. When the Mexico and Central America and Caribbean Regions merged to form the Mesoamerica Region, doors were opened to JFHP. In Haiti, work by JESUS Film ministry teams that had ceased for over six years before the merger began anew! In addition, JFHP had not been able to enter Turks & Caicos in this region, but because of the merger this island is open to the JESUS Film. The gospel is rapidly spreading thus demonstrating that JFHP is going where it has not been yet to reach others for Christ!

JFHP is so thankful that local churches want to be involved! The local church is instrumental in helping meet the needs of the field.

“A big thank you goes out to individuals and churches that have taken equipment into Sri Lanka! When challenged in April to help Sri Lanka establish 12 new teams, partners rallied to provide funding and time to deliver equipment to the field. Groups and individuals from across North America played a crucial role in fulfilling this need by delivering 15 backpack sets of equipment!”

Just this year, a total of 127 sets of equipment were delivered to the field through groups and individuals. Of this equipment, 121 were solar-powered backpacks, six were large equipment sets, and four were additional pieces of equipment vital to keeping teams going.

JESUS Film Harvest Partners works with approximately 3,800 donors. These individuals, families, churches, organizations, and groups have been faithful to pray and give beyond all expectations. Many of these partners are not a part of the Church of the Nazarene, and we celebrate the diversity of people who support this ministry!

Global Mission Personnel

Global Mission Personnel (GMP) works closely with all aspects of the missionary process.

The function of GMP is best described as “anything related to the global movement of

people in Nazarene mission.” Internally, GMP refers to this as providing support for missionaries, volunteers, youth missions, mission candidate opportunities, and global mission development.

Through this approach, GMP cultivates the potential for each country within the denomination to become a missionary sending nation and empowers personnel from anywhere to serve everywhere.

Youth in Mission

Youth in Mission is an opportunity for college students and young adults to be involved in an extreme mission encounter through a short-term mission experience. 388 students from our six regions have been sent out, representing the Church of the Nazarene these four years. Youth in Mission has been a very successful program. Because of the success, colleges and universities have taken the concept of Youth in Mission and have integrated it into their own program. We are working with the colleges and universities to further the growth and understanding of serving.

Mission Corps

Mission Corps is a volunteer ministry that provides opportunities for individuals, couples, and families to serve globally.

In these four years, we have had 2,208 volunteers, ages 21-years-old to 77-years-old, sent from every region to serve in 50 countries.

Extreme Nazarene Mission is another aspect of Nazarene volunteer missions that has grown out of local churches with the desire to engage, equip and send people into mission. The development of this new expression of mission sending is bearing much fruit on the field and in the lives of the participants. All of the participants work through Global Mission Personnel as Nazarene volunteers.

Work and Witness

Work and Witness continues to be a vital ministry within Global Mission as it provides ministry opportunities for local churches and colleges to serve.

There have been a total of 2,592 teams and 38,441 participants in the Work and Witness ministry in these four years.

Mission Services

Mission Services builds relationships with missionaries on global, intern and specialized assignment contracts, starting with their initial approval, through retirement and home-going.

Mission Services also assists with a variety of services and needs for those while serving on the field and during home assignment. Some, but not all, of the services provided are:

Pre-field Training

Deputation Finance and Scheduling

Policy Development

MemberCare

Pastoral Care

Missionary Retirement

I am thankful for a church that has a vision for involving Nazarenes at all levels. Local churches are an important component of developing, sending and receiving missionaries. This may come through full-time service or volunteer ministries. Together we are making a difference in the kingdom of God.

Nazarene Missions International

Nazarene Missions International (NMI) is the church relations heart of Global Mission within each local church globally. The purpose of NMI is to mobilize churches in mission through praying, discipling, giving, and educating.

Daniel Ketchum completes eight years as director of NMI. He leads a passionate team of elected representatives to the Global NMI Council and a resourceful office team at the Global Ministry Center. Jennifer Brown served as the first global NMI president elected from outside the United States. The Executive Committee met annually and the 16-member council plus regional NMI coordinators met biennially. Each of these colleagues is visionary and exemplary in fulfilling the purpose and four objectives of NMI.

As a result of their fruitful efforts, NMI added 46,454 members globally (+5 percent) and added NMI in 1,805 local churches (+13 percent).

Global Church Region	2009 Members	2013 Members	Percentage + or -	2009 Local NMIs	2013 Local NMIs	Percentage + or -
Africa	163,730	197,478	+21%	3,107	3,642	+17%
Asia-Pacific	36,499	35,872	-2%	862	816	-5%
Eurasia	34,567	46,903	+36%	1,951	3,109	+59%
Mesoamerica	122,196	129,397	+6%	2,235	2,294	+3%
South America	96,379	110,834	+15%	1,496	1,574	+5%
USA/Canada	515,174	494,515	-4%	4,270	4,291	+.5%
Total	968,545	1,014,999	+5%	13,921	15,726	+13%

Praying

NMI was born in prayer. Praying ignites mission movements. The Holy Spirit is anointing praying leaders around the world. Some lead corporate prayer among small groups in humble homes. Others lead intercessory strategies in large churches. We envision every local church engaged in prayer for God's global mission through initiatives in each community. Jesus said, "My house will be called a house of prayer for all nations." (Mark 11:17, NIV).

Discipling

NMI leaders are discipling next generations to be sent from the nations to the nations. NMI equipped mission call coordinators during numerous Work & Witness conferences and cross-cultural orientations. NMI envisions young generations of mission-passionate leaders around the world who become involved to lead the mission of God. NMI engages and mobilizes these young leaders as participants in global mission.

Giving

NMI mobilizes resources for God's global mission through the World Evangelism Fund (WEF) and Approved Mission Specials. The World Evangelism Fund is the financial lifeline that mobilizes the Church and our entire mission effort, including development of leaders, churches, districts, fields, and regions globally. Giving for the WEF demonstrates that all of us globally can do more together than any church or district can do alone. The Nazarene mission structure is

built on WEF investment, the foundation for all mission ministries and the first priority for mission giving.

NMI advocated to help churches give \$166.7 million for the World Evangelism Fund. Beyond the WEF, churches gave \$96.3 million for Approved Mission Specials. The amount of WEF giving beyond local church goals (former “overpayment”) was \$5.1 million.

Based on 18,620 Nazarene churches globally reporting financial data most recently, nearly 28 percent of these churches gave at least 5.5 percent of current income to the WEF. It is typical for 92 of 455 districts (20 percent) globally to give at least 5.5 percent for the WEF.

While we saw an overall decrease of WEF by 26% or 10 million dollars annually, Christ’s love compels us. While we face challenges, unpredictable and hazardous, and while global economic crises require simplicity, courage, and sacrifice, we do not lose heart or abandon hope. Now is not the time to retrench; now is the time to renew confidence in Christ’s love and the Spirit’s mission.

Educating

NMI tells the stories of God’s mission to each generation through dynamic resources in multiple languages. These include: *Living Mission*, *International Mission Education Journal*, NMI mission books, *Mission Connection*, *HeartLine*, NMI website, Books for Pastors, webcasting, and video-conferencing.

NMI Vision

“It has always been my ambition to preach the gospel where Christ was not known, so that I would not be building on someone else’s foundation” (Paul in Romans 15:20, NIV).

In collaboration with Global Mission and each region, NMI advocates in each local church for people groups and areas we have not yet reached with the love of Christ. We concentrate continually outward, beyond us, beyond where we are now. We focus on the frontier or where we have not established missions or churches. While NMI continues to celebrate, advocate and educate where we are, the Church of the Nazarene is compelled by God to move consistently beyond where we are, to people we have not yet reached.

Nazarene Youth International

The Nazarene Youth International (NYI) ministry continues to organize worldwide based on the three core strategies of evangelism, discipleship, and leadership development.

Our first core strategy is evangelism. Studies continue to show that most people make a decision to accept Jesus Christ as their personal Savior when they are young. In fact, studies have revealed that 85% of people make this decision by the age of 18. We are seeing that age of decision being reduced to as low as 12. So, it is imperative that the Church of the Nazarene implement evangelism strategies to share the good news of Jesus Christ with youth.

Our second core strategy is discipleship. NYI ministries globally should have a focus on equipping young people to follow Jesus Christ. Our theme over these past four years has been “making Christlike disciples in the nations.” Our desire is that young people are in strategic mentoring relationships with more mature believers for the purpose of growing spiritually. In this process they take on responsibility for their faith and are encouraged to become one who also disciples others.

Our third core strategy is leadership development. The church is better when young people are empowered for leadership. Empowering youth for leadership roles is critical to their

development as a Christian and to their connection to the church. A young person who participates throughout the NYI ministry without a leadership responsibility is far less likely to remain in the church as an adult. So we must find ways to lead ministry with and through our young people, not to and for. NYI ministry explores opportunities to empower young people for leadership and then helps them serve well.

The inclusion of these three core strategies in every local Church of the Nazarene is vital. Therefore, we remain eager to reach youth for Christ, equip youth to be Christlike disciples, and mobilize youth to live a life of service through the church.

NYI Values

The NYI Ministry is shaped by the following 10 values:

1. We value young people, significant in the kingdom of God.
2. We value the Bible, God's unchanging truth for our lives.
3. We value prayer, vital interactive communication with our heavenly father.
4. We value the Church, a global holiness community of faith, diverse in culture but one in Christ.
5. We value worship, life-changing encounters with an intimate God.
6. We value discipleship, a lifestyle of becoming like Christ.
7. We value community, building relationships that help bind us together and to God.
8. We value ministry, extending God's grace to our world.
9. We value witness, sharing God's love in word and deed.
10. We value holiness, a work of grace whereby, God, through the working of His Holy Spirit, enables us to live a life representing Christ in who we are and in everything we do.

NYI Membership

The NYI membership reached 423,924 in 2012. Previously the NYI membership grew an average of 100,000 every 26.6 years. NYI Membership has experienced growth of over 100,000 in these last 10 years.

Sunday School & Discipleship Ministries International

Sunday School and Discipleship Ministries International (SDMI) from 2009 to 2013 pursued the mission of making Christlike disciples in the nations by preparing children, youth, and adults for a lifetime of Christian holiness through Sunday Schools, small groups, and a wide range of discipleship ministries.

A global SDMI council has been developed over the quadrennium with each region being represented by an SDMI regional coordinator. The Sunday School enrollment/responsibility list grew from 1,511,220 in 2009 to 1,638,872 in 2012. The average Sunday School attendance in 2009 was 507,452 and grew to 757,745 in 2012. With the revision of the Annual Pastor's Report, the combined total average for Sunday School and Discipleship attendance in 2012 was 1,119,846.

Sunday School/Small Groups and Discipleship Ministries is the glue that holds the local church together. District, regional and global efforts have been reorganized to empower the local church to maximize discipleship impact. Today, there are many doors through which people enter our worldwide fellowship. Sunday School has expanded way beyond the USA and 9:45 on Sunday Morning. Discipleship ministries today literally stretch all around the world and are 24-7. Sunday School and Discipleship Ministries is the umbrella under which Bible fellowships,

men's groups, women's groups, young adult groups, 12-step programs, Caravan, Vacation Bible School (VBS), Bible quizzing, scouting, youth, single adults, senior adults, day cares, and preschools all flourish. We have church league sporting teams, motorcycle clubs, thrift stores, homeless shelters, and a host of other niche interests groups that connect people to each other and to the Lord. We have educational mission trips and service projects in and for people across the street, in the next town, and across the borders of our world. The varieties of ministries flowing through our churches are as diverse as the world in which we serve. The global SDMI office serves as a connecting point uniting the far flung ministries in the common mission of making Christlike disciples.

SDMI serves as the reaching, teaching, winning, and connecting arms of the church. Our department has sought to fulfill these purposes through local church Christian education. To that extent the church has grown, influenced the community, and is reaching our world. SDMI has helped us retain our new converts and mobilize members for God's mission.

Nazarene Compassionate Ministries (NCM)

Compassionate work of the church is as simple as Matthew 25:36, which instructs us to give food to the hungry, give water to the thirsty, give clothing to the naked, welcome the stranger, and visit those who are sick or in prison. Often the work of compassion takes on new forms to address systemic issues of poverty and hunger in communities, to provide education for children, and to set up long-term rebuilding efforts. This past quadrennium, NCM has done just that. Over the past four years, human suffering has come in the forms of natural disasters such as earthquakes in Haiti and Japan, famine in the Horn of Africa, Kenya, and Sahel, super storms such as Super Storm Sandy, and tornados such as in Joplin, Missouri. Working alongside thousands of pastors, laity, and missionaries, the local church has responded through NCM to these natural disasters.

Relief has been given to the countless numbers who have been left feeling hopeless. Crisis care kits, clean water, medical supplies, food relief distribution, household goods, shelter, training, seeds for gardens to replenish, and donations for all of these items have been given freely by the body of Christ to those in their desperate hour of need.

War and violence has torn into people's lives and displaced many. Aid has been given to refugees in Sri Lanka and Syria. Counseling was provided to allow for healing to come to the discouraged victims. Donation funded projects have arisen out of the carnage of these disasters and warfare. A total of 362 funded projects have been developed over the past four years, some of which covered the needs for these disasters, along with general needs for people and community development around the world. What stands out is witnessing over and over how Nazarene individuals and congregations around the globe are living out compassion and influencing their own communities for the better and for the kingdom.

Behind the scenes of all the relief efforts are NCM's systems and processes, which have been improved with advances in our communication with the use of the global project software, Project (Serve). The continued development of our Child Sponsorship management system, Sprout has allowed increased management of our Child Sponsorship program.

Children and their wellbeing are a constant passion for the Church of the Nazarene. By the end of 2012, we had 160 Child Development Centers worldwide caring for the needs of children. 10,992 children are receiving one-on-one sponsorship, which brings a greater chance to succeed in their communities. Further, 1,082 unsponsored children are also being given assistance through Child Development Centers. Out of the 362 total funded projects, 70-plus

projects have been exclusively childcare driven.

The highest priority of NCM is to mobilize the local church for holistic mission. We believe this is our most crucial defining line for success or failure. It is our hope and prayer that NCM is continually woven into the fabric of the church and partnering toward advancing the church's mission in the world. As we gather together resources for the church's work around the world we must work at building systems that are flexible, field driven and creative at the grassroots, yet still accountable for income streams that come from multiple sources. All of our churches must take ownership in engaging human suffering in their communities.

Driven by both a young and energetic section of the Church of the Nazarene that is ready to engage the world in practical ways and by very generous mature faithful members, our denomination is finding new life and passion for the holistic mission that is characteristic of our Wesleyan heritage.

Global Mission Finance

The size and scope of the Lord's Great Commission mandate is much too large and far too complex for any one person or local church to accomplish alone. However, TOGETHER, we are impacting our world. The World Evangelism Fund links the Nazarene family worldwide and makes it possible for each local church and each individual Nazarene to experience significant and meaningful involvement in our shared mission to "make Christlike disciples in the nations."

Accountability for the resources that the church gives for mission is done by many people.

We have a great team from General Treasurer Marilyn McCool and her finance staff to Dan Schafer and his staff to the regional finance coordinator and staff, field finance staff, mission accountants and bookkeepers. These people provide diligent accounting of all Global Mission resources. We can be thankful for the excellent work done to provide information and compliance for management decisions and audit processes and reports.

God is honoring our combined generosity and careful stewardship in reaching the lost. Together, we are changing lives and communities through Christ by our faithful stewardship.

Global Nazarene Publications

We are grateful to God for the literature ministry of the Church of the Nazarene. All six regions have been active in developing and producing new material to meet the goals of making Christlike disciples in the nations. Over 350 new projects were completed in the last four years, in addition to hundreds of curriculum and Sunday School pieces. We have publications in 89 languages of the world, from A to Z (Afrikaans to Zulu).

We are also taking advantage of new and emerging technologies to move the ministry of literature forward. Global Nazarene Publications works with partners in the publishing industry to produce our books on demand. This allows us to meet critical needs without the large investment of a traditional printing contract for a thousand or more copies. This allows us, for instance, to make *In the Name of Jesus* available in Romanian and Russian to believers around the world.

We also are taking part in the e-book revolution, working as aggressively to put as many titles as possible into a digital format that can be accessed on e-readers, computers, and laptops, but also tablets and even phones. It is a brave new world in terms of publications, and Nazarenes are innovative and leading the way.

World Mission Broadcast (WMB)

“A Witness Staked Out in Every Country”

A Hindu radio program in Northern California is the catalyst for a **new church plant**.

The second highest number of users of *Reflecting God*, World Mission Broadcast’s online devotional series, are from China – an unexpected audience of listeners who use the audio and written word *Reflecting God* provides online to help with their study of English.

In Russia, broadcasters are developing **web-based programs** because the government is not renewing airtime licenses for Christian stations. WMB’s Russian program will be produced from Ukraine in the Russian language.

January 2013 saw a **Nazarene program on Senegal’s airwaves for the very first time**. Pastor Daniel Gomis was invited by a major radio station to provide programming for two hours each Sunday morning. The Nazarene program is one of the few Christian programs being broadcast in Dakar. Field leaders are excited to see what God will do through the new program and to hear about lives changed for Christ.

Text messaging is the primary means by which the radio team in Papua New Guinea (PNG) responds to listeners. Sarah from the East Sepik Province of PNG writes, “Please, pastor, can you assist me with prayers and guide me to where I should worship God? I am so confused: I was born Roman Catholic, but I think I should change denominations...Thanks.” Pastor Daniel Eka, WMB’s director of radio ministry in PNG, reports that they worked around the clock through text messages to help Sarah find Christ. The area where she lives is only accessible by plane or boat so the technology of text messaging provides a way to stay in touch, day or night, with this woman seeker.

In Matthew 24:13-14 (The Message), Jesus says, “Staying with it—that’s what God requires. Stay with it to the end. You won’t be sorry, and you’ll be saved. All during this time, the good news—the Message of the kingdom—will be preached all over the world, a witness staked out in every country. And then the end will come.”

Stories of the ways God continues to use World Mission Broadcast could go on and on.

Airing programs since 1944, WMB remains a key ministry of the Church of the Nazarene because it is poised perfectly to go anywhere and at any time—**to stake out witnesses in every country until the whole world has heard the Good News and Christ returns**.

WMB’s work is possible because of the Church of the Nazarene’s mission infrastructure. **Praise be to God for the denomination’s long-time support of WMB!** You truly are staking out witnesses for Christ around the world. Listeners like Sarah from the East Sepik Province of Papua New Guinea and people in Senegal hear and believe because of God’s grace and because He uses WMB programs in mighty ways.

Global Mission Committee

I want to express my thanks once more to the Global Mission committee who served the general church from June 2009 through General Board 2013. Larry Dennis was an excellent chairman of our committee. John Calhoun served faithfully as vice chairman. David Downs’s attentive service as recording secretary was a great blessing to our work. Each committee member was thanked appropriately at our GM Committee meetings at General Board 2013 with the gift of a hand hammered bread plate, each with a different language of the prayer, “Give us this day our daily bread.” Below is a complete list of Global Mission committee members for the 2009 to 2013 quadrennium.

Larry D. Dennis, *Chair*
Jesus Bernat
John Calhoun
David Downs
D. Ian Fitzpatrick
Yong-Hwa Im
Ronald Khumalo

James Kraemer
Rose Hlalisile Mahlalela
Felipe Luis Morales
Arlindó Diamante Mondlane
Keith Pardue
Olga Yolanda Robles

In Conclusion

Because it is Jesus that will be with us (Matthew 28:20), we can move ahead with confidence to make Christlike disciples in the nations. As we are reminded in 1 Corinthians 3:7-8, it is the power of God that works to accomplish this. However, each of us must work sacrificially, faithfully, in the Spirit, to see God's mission fulfilled. God is a missionary God, going out and seeking the lost. In the last quadrennium, the Church of the Nazarene has been fulfilling Christ's mandate, by His power, through prayer, sacrifice, and love.

*Respectfully submitted,
Verne S. Ward III
Global Mission Director*

NAZARENE MISSIONS INTERNATIONAL

To the Board of General Superintendents and delegates of the 28th General Assembly:

Colleagues

This quadrennial report is to the praise of God's glory and in gratitude to Nazarene Missions International (NMI) colleagues around the world. I have been grateful to serve Jesus Christ during the 2009-2013 quadrennium with the Global Mission Team, Global Mission Director Verne Ward, former and now retired Global Mission Director Louie Bustle, Global Mission (GM) Focus Team, GM regional directors, global NMI president and Global Council members, regional NMI coordinators, district and local mission leaders across six regions, and global NMI office team.

Global NMI Council Members

Global President: Jennifer Brown
Africa: Ezekiel Mnisi
Asia-Pacific: Ran Kim
Eurasia: Rob Kegel
Mesoamerica: Cesar Alonzo
Mesoamerica: Donnamie Ali
South America: Haroldo Neves
Canada: Richard Bahan (Tonya Kucey)
Central USA: Martha Bean
East Central USA: Lola Brickey
Eastern USA: Sandra Sisler
North Central USA: Eunice Brubaker
Northwest USA: Carolita Fraley
South Central USA: Cheryl Adams
Southeast USA: Peggy Hatter (Tawanda Mills)

Regional NMI Coordinators

Africa: Samantha Chambo
Asia-Pacific: Pauline Sheppard
Eurasia: Heidi Bowes
Mesoamerica: Ana Maria Crocker de Diaz
Mesoamerica: Margaret Eversley
South America: Liliana Almeida

Global NMI Office Team Members

Senior Administrator/GenNEXT: Rob North
Executive Assistant/LINKS: Liz Hollenberg
Editor: Gail Sawrie
Web Development: Darryl Bennett
Prayer Mobilization Line/*HeartLine*/World
Mission Broadcast: Ann Baldwin
Communication: Shawna Songer Gaines

I include in *Appendix A* summary reports for two additional ministry teams that I serve and lead with gratitude: *EngageMagazine.com* and Global Prayer Initiatives.

NMI Purpose

NMI is the church relations heart of Global Mission within each local church globally.

The purpose of NMI is to mobilize churches in mission through praying, discipling, giving, and educating.

- Praying: interceding for leaders and churches and for the Holy Spirit to draw all people to Christ.
- Discipling: mentoring and involving future mission leaders, especially youth and children, to make Christlike disciples in the nations.
- Giving: devoting ourselves and our resources, including World Evangelism Fund, to extend Christ’s kingdom.
- Educating: informing people of the world’s needs and enabling our church to meet those needs in Christ.

Fulfilling this purpose, NMI added 46,454 members globally (+5 percent) and added NMI in 1,805 local churches (+13 percent).

Global Church Region	2009 Members	2013 Members	Percentage + or -	2009 Local NMIs	2013 Local NMIs	Percentage + or -
Africa	163,730	197,478	+21%	3,107	3,642	+17%
Asia-Pacific	36,499	35,872	-2%	862	816	-5%
Eurasia	34,567	46,903	+36%	1,951	3,109	+59%
Mesoamerica	122,196	129,397	+6%	2,235	2,294	+3%
South America	96,379	110,834	+15%	1,496	1,574	+5%
USA/Canada	515,174	494,515	-4%	4,270	4,291	+.5%
Total	968,545	1,014,999	+5%	13,921	15,726	+13%

Praying

“If my people, who are called by my name, will humble themselves and pray and seek my face and turn from their wicked ways, then will I hear from heaven and will forgive their sin and will heal their land” (2 Chronicles 7:14, NIV).

Missionaries Peter and Jenny Isaac began to pray for the wife of a village chief in Vanuatu. The village chief’s wife had suffered for 15 years, visiting countless witch doctors and trying traditional medicine. After her miraculous healing through the power of praying, the village chief officially welcomed the Church of the Nazarene to their village and gave them land to construct a house of worship. More than 70 people now worship in that village church each week. Prayer ignites mission movements.

This is not an isolated development; God is spreading prayer-passion widely. The Holy Spirit is anointing praying leaders around the world. Some lead corporate prayer among small groups in humble homes. Others lead intercessory strategies in mega-churches. Some practice prayer walking around cities, neighborhoods, or business centers. Others gather citywide church movements across denominations in quarterly concerts of prayer. A growing number facilitate prayer summits or retreats. Others create and sustain prayer rooms in their churches, often with 24-7 intensity (24 hours per day, 7 days per week).

Praying is the furnace of Spirit-born passion and the foundation for book of Acts movements that the Holy Spirit continues to pour out on fields around the world. We envision every local church engaged in prayer for God’s global mission through initiatives in each community. Jesus said, “My house will be called a house of prayer for all nations” (Mark 11:17, NIV). NMI was born in prayer; mission future prioritizes praying.

Praying: Regional Highlights

- Africa: Yosef met Jesus after the Church of the Nazarene entered his home country of

Mali when he opened his door to African missionaries. Shortly after accepting Christ, he began leading family members and neighbors to the Lord. Yosef is now a leader in the church, coordinating church planting and leadership development in Mali.

- Mesoamerica: NMI calls each church on the region to prayer for 40 days leading up to Pentecost. Regional NMI coordinators send frequent prayer resources to 500 leaders across the region, modeling how to engage NMI colleagues on their districts to pray. Many requests from the region's newsletters are included on Prayer Mobilization Line.

Praying: Global Highlights

- NMI launched a Spanish version of Prayer Mobilization Line (PML). PML sends global mission prayer points to hundreds of Spanish subscribers and thousands of English subscribers and is on Facebook.
- NMI and the Board of General Superintendents invited all NMI presidents, pastors, field, and regional leaders to restore the biblical practice of prayer with fasting during at least one meal each week with resources in "Hunger and Thirst."
- NMI resourced Praying through the 10/40 Window, International Day of Prayer for the Persecuted Church, Nazarene World Week of Prayer, World Day of Prayer, national days of prayer around the world, the Global Day of Prayer, 30 Days of Prayer for the Muslim World, and Prayer for the Peace of Jerusalem.
- NMI distributed a global plan to call 2 million Nazarenes into as many as 50 million hours of prayer for Holy Spirit anointing across the denomination during the first six months of 2013, preparing for General Assembly and Conventions in June 2013.

Discipling Future Mission Leaders

Jesus taught us to "go and make disciples of all nations" (Matthew 28:19, NIV). NMI leaders are discipling next generations to be sent from the nations to the nations. NMI mission call coordinators disciple next generations of all ages with mission passion and Christlike vision. NMI partners with NYI and SDMI to expand ministries with GenNEXT visionaries. NMI equipped mission call coordinators during numerous Work & Witness conferences and cross cultural orientations. Thanks be to God for mission call coordinators on each district.

Susy Guadamud, of Quito, Ecuador, gave her life to Christ a few years ago. Desperate and walking in darkness, her family was waiting to learn the prison sentence of Susy's brother when they found their way to church and to Christ. After much prayer, Susy's brother was released miraculously, avoiding 24 years in prison. That is when Susy knew God had set her free also and was calling her to be a missionary. Brand new in Christian faith, Susy needed to be disciplined in missions to fulfill her God-given calling. This quadrennium, Susy graduated from the Nazarene Theological Seminary of South America to serve in the kingdom of God.

NMI envisions young generations of mission-passionate leaders around the world who are no longer satisfied to listen and look. They become involved to influence the next wave in *missio dei*, the mission of God. NMI engages and mobilizes these young leaders as participants in global mission. Who is discipling you in missions? Who are you discipling in missions?

NMI implemented quadrennial sub-themes for 2009-2013, combining challenges from Matthew 28:19-20 and Acts 1:8.

- **Year 1:** To Make Christlike Disciples in Our Jerusalem (family and local church)
- **Year 2:** To Make Christlike Disciples in Our Judea (city and province)
- **Year 3:** To Make Christlike Disciples in Our Samaria (state and nation)

- **Year 4:** To Make Christlike Disciples in the Nations (globally)
Responding to desire in local churches to engage next generations, NMI simplified:
- Adult mission education's *Living Mission*, which we premiered in March 2010.
- NMI *Handbook*; focuses NMI as purpose-driven, rather than program-driven.
- NMI's key objectives (praying, discipling, giving, and educating), report forms, and composition of local and district councils.
- Missionary Care cluster: Missionary Health Care, LINKS, Missionary Christmas Fund, Distinguished Service Award, Memorial Roll, and Gifts from the Heart.
- LINKS policy and procedures: (1) churches send money rather than spend money on postage due to rising cost and customs; (2) funds sent to the GMC for Mission Corps volunteers are placed in their ministry accounts; (3) districts are now responsible to contact missionaries for information, prepare information for district conventions, and send the districts' assignment details to the NMI office team.
- The number of offerings, prioritizing World Evangelism Fund, Alabaster, Missionary Care, and World Mission Broadcast.

Discipling: Regional Highlights

- South America: regional leaders developed contextualized discipleship resources to equip mission-minded lay leaders.
- Eurasia: leaders across the region participated in the NMI track at the regional conference, embracing NMI goals. New NMI leaders emerged from new areas.
- Southwest USA: a young leader disciplined in regional NMI moved into Ukraine and Denmark to evangelize with volunteer teams we send.

Discipling: Global Highlights

- Team NMI and the Global Mission Mobilization team partnered in Mission Immersion journeys to immerse high school students whom God calls to missions into another nation. These events provided hands-on ministry experiences in cultures unfamiliar to the students, matching them with students their age and with similar callings in cultures where the projects were completed, and equipping them toward a career in global mission. During 2010 and 2012, NMI immersed high school juniors and seniors from several nations in mission with young leaders in Guatemala and in Kenya.

Giving

“Since you excel in everything—in faith, in speech, in knowledge, in complete earnestness and in the love we have kindled in you—see that you also excel in this grace of giving” (2 Corinthians 8:7, TNIV).

Because you give, the lives and ministries of Daniel and Margarita Pesado and family are examples of the Spirit's gifts in Christ's church. In 1914, Nazarenes gave sacrificially to pursue God's mission in Argentina. As a result, Daniel's parents were born again and called to be missionaries. In 1970, Daniel and Margarita said, “Yes” to God's call to become missionaries. They continue to serve on the frontlines. Today, the Pesados' son, Ignacio, and his wife, Litzy, perpetuate mission legacy in Spain. In November 2012, Ignacio was installed as the new district superintendent for Spain, one of the youngest persons to fill the role in the denomination and the first non-missionary to lead this ministry in Spain. That nation celebrated 30 years of Nazarene ministry last year. Additionally, Ignacio and Litzy will continue to pastor the Barcelona Church

of the Nazarene. This is one of hundreds of amazing recent stories made possible through the World Evangelism Fund. Thank you for giving!

NMI mobilizes resources for God's global mission through the World Evangelism Fund (WEF) and Approved Mission Specials. Giving for the WEF demonstrates that all of us globally can do more together than any church or district can do alone. The entire Nazarene mission structure is built on WEF investment, the foundation for all mission ministries and the first priority for mission giving.

The church invests the WEF to fulfill the mission of the Church of the Nazarene to make Christlike disciples in the nations. The WEF is the lifeline that mobilizes the Church and our entire mission effort, including development of leaders, churches, districts, fields, regions, and administrative centers globally.

Near the beginning of the quadrennium, an economic downturn swept the world. The General Board approved the Board of General Superintendents' proposal to adapt the WEF to changing needs. Beginning with district assemblies in 2010, the Board of General Superintendents and the General Board asked local churches to give at least 5.5 percent of current income to the World Evangelism Fund.

To adapt to our changing economic climate and develop flexibility necessary to lead missions, NMI at the Global Ministry Center (GMC) will continue to streamline finances and implement creative fiscal solutions while sustaining quality resources. NMI at the GMC reduced team size and budget by 50 percent during the past four years.

NMI cost reductions included moving major resources from print to digital: *HeartLine*, *Mission Connection*, mailings to district presidents, and district convention packets. Moving to digital resources reduced the NMI budget by more than \$100,000 each year.

Christ's love compels us. While we face challenges, unpredictable and hazardous, and while global economic crises require simplicity, courage, and sacrifice, we do not lose heart or abandon hope. Now is not the time to retrench global mission. Now is the time to renew confidence in God's mission and in Christ's love. Everyone everywhere should call on the name of the Lord, repent, trust in Jesus, receive forgiveness and eternal life, embrace heart cleansing and fullness in the Spirit, and make Christlike disciples in the nations.

- The WEF, an essential foundation and heartbeat of all global Nazarene mission effort, is producing abundant fruit.
- Needy people, open doors, and vast opportunities far surpass the WEF resources Nazarenes are giving presently.
- God is still calling our people to missions, and they are responding readily. When we decline to send them due to lack of funding, they go anyway with another agency. Then, they return to Nazarene family, friends, and churches to raise support.
- Many Nazarene churches are supporting non-Nazarene mission efforts simply because they do not know that there is more they can do within our own movement. We must engage them.
- Local churches are using Approved Mission Special giving to send people who could not otherwise go through Global Mission networks. We are preparing for many more creative partnerships.
- We are committed to mobilize Nazarene churches to give beyond 5.5 percent for WEF and to become involved more personally and extensively in God's global mission.

While pastors and NMI presidents do not seek the praise of people, they do value wholesome recognition and a genuine "thank you." Churches that give generously for the WEF

are recognized as follows:

World Evangelism Church: every church that gives at least 5.5 percent of their current income to the WEF. These churches achieve at least the basic goal for worldwide giving and are the lifeblood of our global mission.

World Evangelism Church of Excellence: every church that gives at least 5.7 percent (or \$1,500, whichever is less) to the WEF invests in new world areas and new works in the USA and Canada. This “giving beyond goals” replaces former “WEF overpayment.”

The WEF soars when we tell the stories behind it. NMI leaders love to tell these stories, to thank our churches for taking an active role in these stories, and to encourage them to participate in the new stories God is writing each day in many places around the world.

Giving: Regional Highlights

- Eurasia: the British Isles North District raised £32,000 to assist churches devastated by disasters in Haiti and Pakistan.
- Mesoamerica: the Mexico Sierra District raised funds to build a church in Honduras and sent 35 on a Work & Witness trip.
- South America: developed a plan to promote a “Missionary Dollar” campaign for WEF across all districts on the region.
- USA/Canada: Alaska has met or exceeded their WEF goal for 62 years. Another district welcomed Burmese Chin refugees; three years later, 84 Chin people were received into church membership. After years of financial struggle, a church gave beyond WEF goals, met all financial obligations, and voted to raise the pastor’s salary to full-time. A local NMI president felt burdened for Rwanda; the pastor and church leaders went to Rwanda and saw an increase in both global and local giving. In preparation for their wedding, one couple asked wedding guests to give to the WEF instead of buying gifts and invested more than \$700 for missions globally.

Giving: Global Highlights

- NMI partnered to help churches raise the World Evangelism Fund: \$166.7 million.
- Beyond the WEF, churches gave \$96.3 million for Approved Mission Specials.
- The amount of WEF giving beyond goals (former “overpayment”) was \$5.1 million. During the 19 years of this NMI emphasis to give beyond goals, Nazarenes have entered 60 world areas. NMI collaborated with the Board of General Superintendents and Global Mission to send to six regions WEF giving beyond goals to open new work, to sustain mission works opened recently, to keep missionaries on fields, and to send new missionaries whom God is calling.
- Based on 18,620 Nazarene churches globally reporting financial data most recently, nearly 28 percent of these churches gave at least 5.5 percent to the WEF.
- Recent trends indicate that 3,058 of 4,854 churches (63 percent) across the USA/Canada Region give the WEF at 5.5 percent or more.
- It is typical for 92 of 455 districts (20 percent) globally to give at least 5.5 percent for the WEF.
- During the 2012 fiscal year, 49 of 80 districts (61 percent) across the USA/Canada Region gave the WEF at 5.5 percent or more. This compares to 56 districts in 2011, 13 districts in 2010, and 12 districts in 2009.

Because you give, Nazarenes around the world love Jesus, live holy lives, evangelize the

lost, disciple converts, equip leaders, develop churches, and expand global mission. We are deeply grateful for faithful and sacrificial givers! Let's review with thanksgiving some of the impact of WEF giving around the world:

- Nazarenes are evangelizing and discipling in more than 159 world areas. During this quadrennium, we opened mission ministries in the Republic of Mali, the Republic of South Sudan, Turks and Caicos Islands, and a Creative Access Area.
- Global missionaries are deployed currently from 27 world areas.
- Presently, 712 missionaries and 167 missionary kids serve globally, including 337 Mission Corps volunteers. In addition, 225 individual volunteers, 8,660 Work & Witness team members, 85 Youth in Mission and university-age participants, serve for a total of 9,307 volunteer participants.
- 368 retired missionaries presently receive pension income.
- More than 2.1 million Nazarene members worship in more than 28,130 churches.
- 25,916 clergy serve in 455 districts around the world.
- Nazarenes educate students at 14 liberal arts institutions, 5 graduate seminaries, 31 undergraduate Bible/theological colleges, 1 teacher training college, and 2 nurses training colleges.
- Nazarenes offer health services in more than 60 medical clinics and hospitals and meet needs of millions through thousands of compassionate ministry centers globally.
- Missionary Health Care provided \$1.9 million in medical assistance for Nazarene missionaries.
- For LINKS, NMI generated \$982,000, connecting churches and missionaries around the world.
- Since the inception of Alabaster in 1949, NMI members globally have given \$100 million for Alabaster. During these 63 years, Alabaster offerings have completed a total of 8,823 projects. These include churches and chapels, Bible schools and other school buildings, mission and district centers, hospitals and clinics, missionaries' and national workers' homes, land, and other projects. During this quadrennium, Nazarenes gave \$11 million to fund construction projects on mission fields. We give 80 percent of the Alabaster Offering to Africa, Asia-Pacific, Eurasia, Mesoamerica, and South America. We give 20 percent to the USA/Canada Region for multicultural congregations. No Alabaster funds are used for administrative costs.
- The NMI International Student Scholarship Fund provided 380 scholarships for students to attend Nazarene theological institutions globally.
- NMI partnered with World Mission Broadcast (WMB), giving \$1.7 million to reach the unreached in 72 countries, 34 languages, and 140 programs. Regularly, we receive stories of lives changed for Christ from WMB's global broadcast teams.
- NMI partnered with JESUS Film Harvest Partners through the WEF, which helps provide global infrastructure for 450 Nazarene JESUS Film teams to share God's love with the lost. These JESUS Film teams reported 12,729,064 evangelistic contacts (JESUS Film and other tools) from October 2008 through September 2012. Of these contacts, 2,698,128 (21% of contacts) indicated decisions for Christ with 1,647,501 (61% of decisions) initial discipleship follow-ups and 17,465 preaching points started.
- NMI partnered with NCM to give more than \$16.3 million for disaster response, to send 200,000 Crisis Care Kits, 60,000 School Pal-Paks, and to support 43,000 children through Child Development.

- NMI assisted Work & Witness to raise \$6.7 million to deploy 2,600 teams. An average of 12 teams per week and a total of 39,000 participants donated more than 1,150 years of labor during the quadrennium.
- Total WEF and Approved Mission Special giving across 20 years

1993-1996 Quadrennium	\$197,609,562
1997-2000 Quadrennium	\$224,135,102
2001-2004 Quadrennium	\$270,348,830
2005-2008 Quadrennium	\$309,064,438
2009-2012 Quadrennium	\$262,964,624

In **Appendix B**, we have included a list of districts globally giving 100 percent or more of World Evangelism Fund goals during all four years of the 2009-2013 quadrennium.

Educating

Global educating mobilizes leaders and churches beyond static information toward interactive communication. NMI explores frontiers in new communication strategies. NMI will continue to tell the story of God’s mission to each generation through global education.

Milly Ibanda, a religion student at Africa Nazarene University, tells a story of witnessing a once-belligerent drunk walking repentantly into the baptismal waters after giving his life to Christ at a JESUS Film showing. Milly was able to write his story in Kenya, upload pictures, and post them directly to *EngageMagazine.com*. From this global mission portal, readers around the world encountered Milly’s story. Read more in *Appendix A* about *Engage*.

Educating: Regional Highlights

- Africa: Churches experienced greater participation in deputation. Regional missionaries started focusing deputation on the region with very positive response.
- Asia-Pacific: Korean churches collaborated with NMI and NCM in a project for the Philippines. Koreans continue to pray for and experience more involvement in mission.
- Eurasia: NMI in Hungary is spreading mission stories by translating, dubbing, and subtitling videos and global products for their churches into Hungarian.
- South America: districts and national NMI teams have developed mission blogs and a web portal, increasing communication and resources for local churches.
- South Central U.S.A.: a local NMI president began a rotating mission Sunday School class every week. All groups rotate through the mission class providing an opportunity for everyone in the church to learn about global mission.

Educating: Global Highlights

NMI helps to tell the stories of God’s mission through the following resources for the local church around the world:

Living Mission: For many years, NMI provided adult mission education in an annual packet of 10-12 lessons. Now *Living Mission*—NMI’s new adult mission education annual resource released first in March 2010—provides for local churches media-rich mission lessons, videos, and audio casts to stimulate local and global involvement in major mission issues. In each annual edition of *Living Mission*, NMI delivers engaging mission features through print, video, digital, and social media. *Engage*—the new online magazine described below—often supplements and complements content in the new *Living Mission*.

The first four themes for *Living Mission* were Forgotten People, Act Justly, Love Mercy, and Walk Humbly. Each year, new CAUSES provide tangible ways for local churches to become

involved in ministry related to *Living Mission* themes. The Unstoppable Church theme for 2014-15 has been aligned with themes for NMI mission books. This alignment of themes is a new development to enhance local church missions.

In 2012, NMI gathered at the Global Ministry Center a 10-member grassroots Task Force to recommend improvements for *Living Mission*. NMI developed a plan to provide 10-12 lessons each year in *Living Mission* with simplified formats in global English and other languages, and expanded the *Living Mission* Facebook group.

NMI partners with NYI and Barefoot Ministries to provide mission books and curriculum for youth mission education. NMI collaborates with Nazarene Publishing House (NPH) children's editors to provide children's mission books and curriculum for children's mission education.

International Mission Education Journal (IMEJ): NMI adapts adult and children's mission education curricula in at least global English, French, Portuguese, and Spanish.

NMI Mission Books: Mission education resources and books remain vital to global awareness. Each year, NMI partners with NPH to publish six adult mission books, three of which are for youth, and six children's mission books. These book sets represent the number one best-selling series published by NPH. Several NMI mission books are now available in Spanish and may be purchased online at www.cnpeditorial.com/misiones.htm. These books are available in e-book format at Amazon.com, Ebookstore.sony.com, and Barnesandnoble.com.

Mission Connection: A free, online resource exchange for NMI leaders is distributed to nearly 4,000 subscribers each month. Readers access ideas for local mission events, youth and children's activities, and articles from global NMI leaders.

HeartLine: The NMI director communicates with nearly 400 district NMI leaders around the world monthly through *HeartLine* and completes conference calls with many of these at least twice annually.

NMI website: The website receives more than 12,000 visits each month (400 times each day). The NMI website is constantly updated and is being redesigned as a vital tool to resource local churches and districts globally.

Web casting, video-conferencing, and tele-conferencing: In partnership with NPH communication partners, NMI continues to pursue excellence in communication through new technologies to equip and communicate with district and local leaders.

Prayer Vision Journey: In 2012, NMI hosted 35 mission leaders from several nations for a 10-day Prayer Vision Journey to Sri Lanka and India. Participants and their district colleagues gave more than \$30,000 for pastoral education, church development, compassion centers, and motorcycles for pastors.

Books for Pastors—Tools for Ministry: The original goal of this project was to provide library resources to 7,000 pastors who were then in the ordination track for ministry. Due to rapid expansion of the international church, the number of pastors benefiting doubled during project funding. Clergy numbers continue to grow rapidly in relation to the overall outreach and development of the Church of the Nazarene. Phase II of this project features a Wesleyan-Holiness Digital Library in partnership with every Nazarene ministry globally. Nazarenes and other Wesleyans are able to access far more resources in far more languages in far less time with far less cost than ever before. Thanks to NMI donors globally for the impact of "Books for Pastors," which has expanded exponentially beyond original goals.

Global Council and Convention: twice each quadrennium, NMI hosts the Global NMI Council meeting at the Global Ministry Center (GMC). During alternate years, the NMI

Executive Committee meets. NMI guided Global NMI Convention 2013 delegate elections, Buddy Plan offerings, and prepared to gather globally in 11 regional sites:

- Africa Region: Nairobi, Kenya; Johannesburg, South Africa
- Asia-Pacific Region: Metro Manila, Philippines
- Eurasia Region: Hyderabad, India; Razgrad, Bulgaria
- Mesoamerica Region: Guatemala City, Guatemala; Port-au-Prince, Haiti; Port of Spain, Trinidad
- South America Region: Pilar, Argentina; Quito, Ecuador
- United States/Canada Region: Indianapolis, Indiana, USA

NMI Vision

Together by God's grace, we advance into a new dawn on mission frontiers of every tribe, tongue, and nation. We labor in love until that glorious day when every knee shall bow and every tongue confess that Jesus Christ is Lord to the glory of God the Father.

- Africa: regional leaders invite NMI to develop and influence strategy to make Christlike disciples across the nations of the entire continent. NMI leaders contextualize and translate NMI resources and help to launch holiness campaigns.
- Eurasia: regional NMI leaders pursue regional strategy and offer training in most districts in India, Sri Lanka, Bangladesh, and Lebanon. NMI appointed field coordinators for India to engage, equip, and encourage participation in every district.
- Mesoamerica: NMI regional leaders establish vision and strategy and host dozens of training gatherings for new NMI leaders.
- South America: expand use of the Web (www.misionesqtransforman.com) and social networks to promote mission awareness and involvement.

NMI will continue to respond to needs of local, district, and regional leaders globally:

- More Kingdom passion and prayer; less program pressure
- Concentration on core objectives; less complex operations
- More integrated relationships and partnerships; less isolation
- More strategic giving; fewer special offerings
- More online communication; less print and postage
- More relational evangelism; less statistical strain
- More intentional discipling; less inattentive instruction
- More compassion for deep needs; less surface structure
- More collaboration and local leader development; less central management

Where the Church Is Not Yet

"It has always been my ambition to preach the gospel where Christ was not known, so that I would not be building on someone else's foundation" (Paul in Romans 15:20).

In collaboration with Global Mission and each region, NMI intercedes and advocates for people groups and areas we have not yet reached with the love of Christ. This requires continual concentration outward, beyond us, beyond where we are now. Global Mission and NMI focus on the frontier or where we have not established mission or missional churches.

While NMI continues to celebrate and educate where we are, NMI is compelled by God to move consistently beyond where we are to people we have not yet reached.

- Let's follow the Holy Spirit where the Church is not yet or is nonexistent. Let's focus on

people groups who do not yet know Jesus or the Gospel. Let's prioritize and prefer any place where no or very few people are part of a Christ-centered faith community.

- Let's go to difficult places where we do not yet see vibrant fellowships of Jesus-worshippers. Let's listen, learn, love, laugh and cry together, deepen relationships, and pray that God will open hearts. Let's intercede and believe for many to seek Jesus, to become like Jesus, and to create fellowships, communities of faith, and churches.
- Let's pioneer teams, who by the very nature of God's mission in Christ, seek persons living in spiritual darkness and carry the light of Jesus, exploring where the church is not yet. Let's team pioneers who prefer to enter challenging cultures. Let's entrust to leaders they disciple the people groups that are more accessible and less stressful.
- From the beginning of each new work, let's plan to disciple, equip, and hand off field ministries into the hearts and hands of leaders as soon as they are mature enough to sustain and develop the work.
- Let's seek to multiply disciples who are Spirit-filled and prayer-passionate for daily, diligent Kingdom life and who are persuaded that power to multiply is intrinsic in Jesus Christ alone.
- Let's catalyze movements in the Holy Spirit through discipling leaders and developing missional churches that are Christ-focused, Spirit-anointed, and prayer-powered.

The mission of God and the four global NMI objectives—praying, discipling, educating, and giving—endure the test of time. We commend pastors and NMI leaders globally and wholeheartedly for fulfilling God's mission, for reproducing mission vision, and for implementing NMI objectives in dynamic ways. Thanks be to God! And thank you for the privilege of serving Jesus Christ in the Church of the Nazarene and through Nazarene Missions International as we make Christlike disciples in the nations.

Respectfully submitted,
DANIEL D. KETCHUM
Director, Nazarene Missions International

Appendix A

Additional Ministries Beyond NMI

Ministries beyond NMI that we lead: *EngageMagazine.com* and Global Prayer Initiatives.

EngageMagazine.com

NMI and Global Mission collaborated to develop *EngageMagazine.com*, a new online magazine without subscription cost. Available free on the Internet, we launched the global mission magazine during General Assembly in 2009.

EngageMagazine.com is a grassroots gathering place where Nazarenes globally meet to share stories and photos of mission experiences and to encourage commitment to God's mission. *Engage* features strategic mission articles, podcasts, videos, and stories by Nazarene lay leaders, pastors, young people, and mission front-liners. Every week, we post three to five new mission stories from around the world.

Gina Pottenger, managing editor of *Engage*, serves excellently from the Eurasia Region Communication Center in Busingen, Germany, where she shares her time with Eurasia Region publications. The NMI office sends an *Engage* update alert newsletter twice monthly.

The *Engage* subscriber base continues to grow with individuals from 155 countries visiting *Engage* at the rate of 4,300 visits per month. *Engage* facilitates dynamic pages on Facebook and Twitter. Each year, we send several mission stories directly to pastors globally with exclusive rights to share these with their congregations during the 30 days before *Engage* publishes them globally. Many stories link directly to WEF giving.

We incorporated two freelance Spanish translators to publish one *Engage* story each week in Spanish. We recruited a PowerPoint specialist who also serves as an NMI president to create regular *Engage* “Mission Moment” presentations. Gina Pottenger writes accompanying speaking scripts. These popular storytelling tools for the local church are available to NMI presidents through the NMI website. NPH published and distributed an NMI mission book by Gina called *Best of Engage Magazine*, with stories from writers who contributed to *Engage* during the previous two years.

Global Prayer Initiatives

We collaborate with the Board of General Superintendents and partner with key Nazarene regional leaders to develop strategic prayer opportunities and resources:

- At each regional PALCON, we offered a concert of prayer, inviting leaders to seek God’s manifest presence and power.
- We offered interactive prayer experiences during M11 and Nazarene Youth Conference (NYC) conferences in Louisville, Kentucky.
- We hosted prayer preparation and prayer rooms during General Board meetings and General Assembly in which Nazarene leaders pursued the heart of God in Jesus Christ.
- The Board of General Superintendents and NMI collaborated to invite all pastors, NMI presidents, field, and regional leaders to restore the biblical practice of prayer with fasting during at least one meal each week with resources in “Hunger and Thirst.”
- We help to initiate and sustain a “house of prayer for all nations” in every church globally, in every district, regional, and global gathering, and in every GMC department. A “house of prayer for all nations” may include people gathering for prayer in any place, time, number, and means of communication. Many prayer emphases can become 24-7 prayer gatherings periodically. We emphasize fasting with prayer frequently.
- We host prayer summits on regions, fields, and districts globally.
- We collaborate and network proactively with existing prayer movements and resources in the greater Body of Christ: Global Day of Prayer, International Day of Prayer for the Persecuted Church, national days of prayer, Praying through the 10/40 Window, Nazarene World Week of Prayer, 30 Days of Prayer for the Muslim World, Prayer for the Peace of Jerusalem, as well as other viable prayer strategies.
- We equip churches globally to participate collaboratively with citywide prayer movements. We encourage churches to host citywide concerts of prayer and citywide prayer walks within the greater Body of Christ. We challenge churches globally to sponsor their pastor to participate in an annual pastors’ prayer summit with other leaders in the greater Body of Christ at a major city nearby.
- We offer websites focused on prayer requests and answers, including age-appropriate interactive features and forums for children, youth, and adults.

Appendix B
**Districts Giving 100 Percent or More of World Evangelism Fund Goals During All Four
Years of the
2009-2013 Quadrennium**

AFRICA (2 Districts)
Mozambique Ile
Sierra Leone
ASIA-PACIFIC (2 Districts)
Papua New Guinea Bromley Memorial
Papua New Guinea North Coast
EURASIA
MESOAMERICA
SOUTH AMERICA
USA/CANADA (7 Districts)
Alaska
Indianapolis
Louisiana
New Mexico
Northwestern Illinois
Northwestern Ohio

GENERAL EDITOR

To the members of the 28th General Assembly of the Church of the Nazarene, meeting in Indianapolis, Indiana, USA, June 23-28, 2013, greetings:

It is an honor to present this, my final quadrennial report as general editor to this distinguished body. It is also with gratitude that I acknowledge the wonderful collegiality in which my assignment has interfaced with so many wonderful individuals.

In this report, you will find a brief summation of the services and ministries extant within the office of general editor over the past four years.

Assigned Responsibilities

The general editor has served as editor in chief of our denominational periodical, *Holiness Today*. During this quadrennium, subscriptions have decreased significantly. While these past four years have witnessed a persistent shift of reader preferences, print periodicals in general have suffered losses in circulation as well as readership.

Acknowledging the inexorable march from print preferences to digital preferences, we have initialized research into efficient processes for digitizing our denominational communications efforts. Simply put, *Holiness Today* will be available in digital format, with the

goal of being distributed electronically to all members. We are presently working with Nazarene Publishing House to facilitate this transition.

Holiness Today continues to serve Nazarene readers of the English language. In the future, we hope to be able to offer other versions of *Holiness Today* in other languages. This initial step of moving to a digital format presents us with the opportunity to investigate this possibility.

Additionally, the general editor provides leadership to those initiatives focused on ensuring theological and doctrinal congruence with regard to Nazarene publications and communications. During this quadrennium, we have initialized the following:

- A review of Nazarene publications emanating from the Global Ministry Center.
- A needs assessment of constituent-identified concerns and interests.
- A thorough review of manuscript proposals submitted to the Beacon Hill Press Committee for the purpose of ensuring theological and doctrinal integrity vis-à-vis our Articles of Faith.

This process has included all missions education content as well.

To assist with this assignment, the general editor has enjoyed the able assistance of the Editorial Policy Board, the Beacon Hill Press Committee, and the Missions Education Committee. The Editorial Policy Board is chaired by the general editor.

Concerns Addressed

Throughout this quadrennium, the over-arching concern of global representation has been present in every meeting and endeavor. The recognition of God's mighty work among us in expanding the global reach of our denomination has inspired us to explore new configurations and procedures to ensure that our global voice is heard. To this end, in concert with the general editor, the Editorial Policy Board committed to a course of responsive action:

- To intentionally expand the range of authorial and editorial inputs from the regions of the world.
- To work in tandem with Global Mission structures in place that foster connections between resource development and delivery systems.
- To ensure theological congruence with our Articles of Faith in all forms of content creation and delivery.

As the Church of the Nazarene continues to grow reaching new people groups in every part of the world, communicating our story is an essential element of our effort to create the bonds of missional inclusivity. The general editor oversees the *Nazarene Communications Network* that provides reliable, accurate, and trustworthy news and information to our global constituency through *NCN News*. Through our connections and collaboration with our regional communications centers, *NCN News* readers are assured of up-to-the-minute news and information from the furthest reaches of this church.

NCN News, a global, Internet-based, subscription news service is provided at no cost to our constituents. Along with *Holiness Today*, we tell the story of God's grace and intervention in the lives of people everywhere. This service is hosted by Nazarene Publishing House and is edited in the Global Ministry Center, Lenexa, Kansas, USA.

Portfolio Responsibilities

Over the course of the past four years, the general editor has been privileged to serve the Board of General Superintendents in a variety of ways. Providing editorial and journalistic

services to the Board of General Superintendents offers them resources essential to timely response as well as critical evaluation of issues and the construction of appropriate response.

Working with the offices of Global Clergy Development and the International Board of Education, the general editor has provided collaboration and resources for the establishment of new initiatives for ministers in training. This project, the Wesleyan-Holiness Digital Library, offers the following services:

- A website, globally accessible, that serves as a repository of Wesleyan-holiness content in digital format.
- It will serve as a library where content can be studied online, where resources can either be checked “out” for a time period, or links will take users to a purchase site where content is available for sale or download.
- It will function as a repository where digitized content from colleges, universities, seminaries, Nazarene Publishing House, and Global Nazarene Publications will reside for access by scholars, clergy, students, and researchers. In addition, archived materials, as they become available, will also be housed in this digital repository.
- It is a collaborative effort between numerous entities each focused on facilitating access to content from any Internet connection.

To conclude, please receive my gratitude for the privilege and opportunity to serve the members of the Church of the Nazarene as general editor. This report concludes my ministry as my retirement will be effective July 31, 2013.

Respectfully submitted,
DAVID J. FELTER
General Editor

INTERNATIONAL BOARD OF EDUCATION/ GLOBAL CLERGY DEVELOPMENT

To the Board of General Superintendents and Delegates to the 28th General Assembly:

This 2009-2013 quadrennial report reflects a time of transition as we implemented the new General Board structure that included a new Global Education and Clergy Development Committee of the General Board. The education commissioner for the International Board of Education (IBOE), E. LeBron Fairbanks, and I worked closely together with this new General Board committee. We also worked with the Board of General Superintendents and the General Board envisioning the possibility of a single leader serving as IBOE education commissioner and Global Clergy Development (GCD) director. In the process, E. LeBron Fairbanks offered to retire early from his assignment as education commissioner in support of implementing this single-leader structure as part of the proposed changes at the Global Ministry Center. The single-leader structure was endorsed during the 2011 meeting of the General Board. E. LeBron Fairbanks served the Church of the Nazarene from 2008-2011 as education commissioner. He officially retired as the third education commissioner in the denomination on September 30, 2011. Thank you, E. LeBron Fairbanks, for your outstanding service as education commissioner, for your support in this time of transition, and for your continued partnership in this important work.

I was elected by the General Board to follow E. LeBron Fairbanks, serving in a dual role as education commissioner for the International Board of Education and director for Global Clergy Development. I present this report having completed nearly 18 months in this dual role. I am pleased to report, with the help of E. LeBron Fairbanks, our office staffs, and others that this transition has been a smooth one. We are working closely with many global partners in an exciting synergy towards advancing Nazarene higher education and clergy development: the Global Education and Clergy Development Committee (GECD) of the General Board; the International Board of Education (IBOE) and Regional Education Councils; the International Course of Study Advisory Committee (ICOSAC) and Regional Course of Study Advisory Committees (RCOSAC); and our Global Ministry Center and regional office colleagues. I deeply appreciate these global partners and the many expressions of encouragement and support during this important time of transition.

God has given the Church of the Nazarene a wonderful treasure in our global system of Nazarene schools. From our very beginning, Nazarene higher education has been a key component in our church’s discipleship strategy. One of the most important discipleship decisions a person can make in their own spiritual development and kingdom engagement is where they choose to enroll in higher education. P.F. Bresee affirmed the importance of our schools in this discipleship strategy, “The Word of God is taught through this institution... We believe in all branches of knowledge. God helping us, we propose to teach men and women that they may be at their best advantage for God.” John A. Knight often stated, “Holiness, missions, and education are the hallmarks of who we are... education and evangelism walk hand in hand. Without evangelism, education can become rationalistic and sterile. Put them together, and they are a powerful force for changing people and society.”

Of course, included in the foundational commitment to education is a commitment to the development of our clergy. In 1944 J.B. Chapman reminds us of this commitment as he calls for “more and better preachers,” offering a critique of the local Nazarene churches of his day he concludes, “In ninety-nine cases out of a hundred the churches are what they are because the ministers are too small calibrated... there is a demand for quantity... but with the quantity there must be a stepping up of the quality or we shall yet become a cult, rather than a rounded brand of the Church Universal.”

As education commissioner and Global Clergy Development director, I am privileged to serve the global church in advancing these foundational commitments to Nazarene higher education and the equipping of our clergy.

On behalf of the International Board of Education, I am pleased to report that we are working with 53 undergraduate and graduate level Nazarene institutions with an educational presence through campuses and learning centers in 117 countries on 6 continents. We report a net decrease of one school since 2009, but this reflects an exciting development as three of our schools in Swaziland combined to become our newest university, Southern Africa Nazarene University. We celebrate an increase over the last four years in students and assets, and keep before us an awareness of the decrease in church financial support:

	<u>2009</u>	<u>2012</u>
Schools	54	53
Students	46,054	52,439
Assets	\$986,455,803	\$1,163,135,053
Church Support	\$25,769,984	\$19,418,693

On behalf of Global Clergy Development, I am pleased to report that we have over 24,000 individuals presently in the ministerial preparation process in the Church of the Nazarene. With nearly 16,000 already ordained, our Global Clergy Development leaders are presently working with over 40,000 ministers. We celebrate an increase in the official record for the number of credentialed clergy over the last 4 years:

	<u>2009</u>	<u>2012</u>
Ordained Elders	15,084	16,560
Ordained Deacons	693	770
District Licensed Ministers	<u>8,341</u>	<u>8,586</u>
Total Credentialed Clergy	24,118	25,916

This Global Education and Clergy Development report represents the work of each Global Mission region, and is a summary of reports provided by each regional education coordinator. These are wonderfully gifted leaders and valuable partners in the work of Global Education and Clergy Development.

Africa Region, Greg Crofford, Regional Education Coordinator

In 2009 after the election of Filimao Chambo to serve as the Africa regional director, Mark Louw was elected to follow Filimao Chambo as the regional education coordinator. With the election of Verne Ward III as the Global Mission director for the church, Mark Louw was elected to follow Ward as the regional director of the Asia-Pacific Region. In 2012 Greg Crofford became the regional education coordinator.

The **International Course of Study Advisory Committee (ICOSAC)** met at the Good News Convention Centre in Johannesburg, South Africa for the first time in October 2009.

An **African Theological Think Tank** was formed as a strategic step to help our African theologians in the articulation of doctrine, theology, and polity as understood and deemed appropriate in the African context. The Think Tank will meet annually for a week long time of prayer, reflection, and discourse on matters relevant to the Church of the Nazarene in Africa and beyond.

PALCON (Pastors and Leaders Conference) Leadership Conferences have been held in many fields during the year as the regional director has championed this important aspect of church development.

Africa Nazarene University (ANU): The School of Open and Distance Learning is expanding, broadening ANU's impact across East Africa. Five satellite campuses have also raised the school's visibility in Kenya, drawing more students. Besides two master's programs (Master of Religion and Master of Education), ANU offers bachelor's degrees in 12 areas. In 2011 the Nairobi campus was relocated to a more central location.

Creative Leadership Institute (CLI): In 2010, CLI decentralized into three extension hubs. Each nation in the Horn of Africa now has its own teaching center. David Johnson was appointed as director in 2012. The constitution for this ministerial training system for the Horn of Africa, built upon a teach-reteach model, was approved by the General Board and IBOE in February 2012. CLI looks forward to having this institution recognized as an IBOE school.

Nazarene Bible College, East Africa (NBCEA): Catherine Mukoko serves the college well as director/registrar. Funds from Books for Pastors allowed the addition of nearly 200 books to its main library. Plans are underway to convert its antiquated grade-tracking system to the Tibi online database.

Nazarene Theological College, South Africa (NTCSA): In 2010 the school started online delivery of its Bachelor of Theology (BTh) program. The first student to complete the course of study for the Bachelor of Theology through online learning received their degree in 2011. An additional center for distance learning was also opened that year. Good progress was made with the online BTh program, which now enrolls 79 students. Nazarene Bible College and Northwest Nazarene University continue as strategic partners, providing database access for research.

Nazarene Theological College of Central Africa (NTCCA): In 2010 David Mosher was elected as the new principal. He has brought increased stability to NTCCA, including updates on building and grounds and accounting systems. That same year ANU approved NTCCA to serve as an extension campus, which means that any of ANU's courses can be offered at NTCCA on behalf of ANU. The first ten courses of the ANU Bachelor of Arts in Christian Ministries (education track) were offered over two semesters.

Nazarene Theological Institute – ITN/NTI: The ITN/NTI is the only bilingual school in the denomination. An articulation agreement with ANU was finalized in 2011, and a memorandum of understanding was signed with South Africa Theological Seminary in 2012 that will provide for cohorts of Nazarene French-speaking learners to pursue the Bachelor of Theology degree online.

Seminário Nazareno em Cabo Verde (SNCV): In 2010 Gastão Correia was elected as their new principal. The school is moving towards more of a decentralized system with the goal of a learning center on each island. A constitution was adopted in 2012 as a first step in implementing multiple recommendations from the 2010 visit of the Missional Review Team.

Seminário Nazareno em Moçambique (SNM): Nearly 30 pastors from northern Moçambique completed their course of study and were ordained in 2011. The goal is to reach the entire country through the extension system. Multiple extension centers have been opened throughout the nation.

Southern Africa Nazarene University (SANU): October 22, 2010, marked the official launch of SANU, which is comprised of the Nazarene College of Theology, Nazarene College of Nursing, and Nazarene College of Education, all located in Swaziland. Winnie Nhlengethwa was elected the vice chancellor of the university. Temporary accreditation through the University of Swaziland continues, while recognition of SANU as a private university is pending the approval of the Higher Education Bill by Parliament.

Asia-Pacific Region, Melvin Rigsby, Regional Education Coordinator

Several existing programs continue to be the focus of the region, including the further development of Asia Serve and the expansion of the ministerial Course of Study program this year. The region continues to have two priorities for education providers. The first is to build an education matrix that will identify strategic regional opportunities and allow the integrated flow of resources, ideas, and personnel between institutions. The second will focus on the advancement of a comprehensive educational training method and discipleship development on our region. The creation of a unified integrated regional education strategy will greatly expand our opportunities to enable, enhance, and equip Christ's servants to make disciples on the Asia-Pacific Region.

Asia-Pacific Nazarene Theological Seminary (APNTS): Strong enrollment growth, government recognition of the Holistic Child Development degree, and professors teaching in Southeast Asia are just some of the highlights from the seminary as they continue to expand their impact in the Philippines and throughout the region. APNTS' invitation to develop a program for

Bangladesh strengthens its purpose to develop as the hub for graduate theological education for the region.

Indonesia Nazarene Theological College (INTC): In 2009 the Indonesia Department of Religion conducted their accreditation visit to the campus and gave the college a positive review. After their visit INTC was accredited at the college level for the first time. The school was allowed to give a degree recognized by the government so that graduates can now apply for civil servant jobs. In 2009 at a national meeting, INTC was honored as the best school in Indonesia.

Japan Nazarene Theological College (JNTC): Makoto Sakamoto was elected the new president of the college in 2010. The campus was damaged by the earthquake and has moved to a new facility. They are anticipating a 40% enrollment increase in 2013 and the development of an e-learning system that will allow them to meet the growing need for pastors on the Japan District.

Korea Nazarene University (KNU): Shin, Min-Gyoo was elected as president of the university. New doctoral programs have been added and the Owens International College continues to expand its training of international leaders. Partnership with Cheonan City continues with the Cheonan City Foreign Language Center and the construction of the new Sangyong Korea Nazarene University (train) station. KNU won several national awards for excellence while expanding ministries and outreach that extend far beyond South Korea's borders. These awards include winning three gold medals at this year's Para-Olympic Games in London, a \$2,000,000 grant from the Department of Education, and being named Korea's best university supporting disabled students.

Melanesia Nazarene Bible College (MNBC): In 2009 the school offered its first computer technology classes geared to helping faculty to upgrade teaching skills and communication. Great steps have been taken in reducing the college debt and maintaining a budget. The internship program at MNBC has enabled the Church of the Nazarene to reach two provinces in Papua New Guinea for the first time.

Nazarene College of Nursing (NCON) continues to impact the Highlands with its excellent program and has begun to integrate courses from the Bible College to prepare their nurses to establish discipleship groups and churches in the communities they serve. Seeing themselves as missionaries first, some have chosen the most remote areas of the nation to serve as nurses.

Nazarene Theological College – Brisbane (NTC-B): In 2010 the college opened the Nazarene School of English to provide courses that equip students to teach English, providing platforms for ministry. The primary goal of this program is to go where the church cannot go by providing a place for students from creative access countries to learn English, encounter Christ, and equip them to make disciples when they return home. The use of video conference teaching continues to be developed. This technology is being expanded to resource ministry to the indigenous people of Australia in remote areas.

Philippine Nazarene College (PNC): By approval from the IBOE and General Board, the name of Luzon Nazarene Bible College was changed to Philippine Nazarene College in 2011. The name change will reflect the growth of the college and its increased capacity to equip God's servants to impact the world through a number of new initiatives. The college is currently going through a leadership change.

South Pacific Nazarene Theological College (SPNTC): David Kerr was elected as chancellor of the college. SPNTC is reviewing their institutional structure and delivery system. They have a new counseling program at the Samoa campus and new teaching centers in the

Solomon Islands.

Southeast Asia Nazarene Bible College (SEANBC): Extension classes in Cambodia were resumed in 2011 with an enrollment of over 40 students. Following the IBOE Missional Review, the Board of Trustees is looking to develop a more effective institutional structure and delivery system this year.

Visayan Nazarene Bible College (VNBC): The home-going of President Julie Detalo presented the school with a period of reflection and examination as they looked to enhance their mission to bring men and women to Christ in Cebu. Inocencio “Jun” Cabantug was elected as president. Enrollment increased by 30% and has exceeded its residential capacity. VNBC is developing an aggressive extension program to reach throughout the southern Philippines and to the Filipino Diaspora.

Eurasia Region, John Haines, Regional Education Coordinator

The regional schools continue to seek strong relationships with the districts they serve, and they continue to aggressively pursue improved delivery systems and outcomes within the region’s educational enterprise, in keeping with the Regional Education Strategy.

The Eurasia Regional Council and Regional Course of Study Advisory Committee (RCOSAC) met and conducted their work in a highly professional manner. Growing collaboration between the schools of the region promises a strong future in creative approaches to education. All members are committed to the pursuit of excellence in education on the region, and improved delivery systems that faithfully meet the needs of constituencies.

Eastern Mediterranean Nazarene Bible College (EMNBC): Haidar Hallasa was elected as principal of EMNBC. This means that all officers of the college are Arabic-speaking, national leaders from within the Eastern Mediterranean Field. EMNBC met again in Karak, Jordan for its summer intensive courses with students from across the Middle East (the Holy Land, Jordan, Lebanon, Syria, Egypt, and Iraq). The regional education coordinator continues to work with EMNBC in institutional, faculty, and curriculum development.

European Nazarene College (EuNC): As of the graduation in 2011 the college discontinued residential courses on the campus in Büsingen. However, the college continues to grow in its educational enterprise as “One School in Many Locations” as it develops a decentralized program with courses now being offered in 17 learning centers across Europe. The college is now accredited by the European Evangelical Accrediting Association. EuNC continues to work with the Eurasia Regional Office to identify appropriate uses for the Büsingen campus that will benefit the church at large.

Nazarene Nurses Training College (NNTC) celebrated the 75th anniversary of Reynolds Memorial Hospital (RMH) in Washim, India—a significant milestone in the life story of the Church of the Nazarene on the sub-continent. The college, linked with RMH, continues to recover from several difficult transitional years. Nazarene Compassionate Ministries continues to help the hospital, and IBOE continues to work with the college in order to develop a significant ministry of compassion and care in a needy area of India. NNTC has developed a Basic Bachelor of Science in Nursing program to complement its other certification programs. Atul Meshramkar, executive secretary of RMH, is working closely with the Board chairman, field strategy coordinator, and regional education coordinator to grow these institutions for a strong future.

Nazarene Theological College-Manchester (NTC-M) elected Deirdre Brower Latz as its new principal following the retirement of David McCulloch from that post in 2012. In 2011 NTC came through its five-year assessment by the University of Manchester and received many

commendations, its affiliation with the university remaining strong. Herbert McGonigle was named the second recipient of the Eurasia Lifetime to Higher Education Award having served NTC for 35 years, 16 of those years as principal. The Wesley Center continues to develop as a significant resource for research and archives.

South Asia Nazarene Bible College (SANBC) has moved to accredited status with the Asia Theological Association and is taking the necessary steps to move towards further developing its academic programs to include a fourth year Bachelor of Theology degree. In 2010 Simon Jothi was elected as principal and academic dean. All courses with the SANBC Course of Study are being revised with a strong focus on intended educational outcomes and practicum components in an effort to strengthen SANBC students for ministry. SANBC identifies the need for a property to house its central management and library, along with teaching space, as a priority in the ongoing institutional development of the college.

Mesoamerica Region, Rubén Fernández, Regional Education Coordinator

Virtual Nazarene Seminary: This strategic alliance continues growing. It began in February 2009 with an agreement between Seminario Teológico Nazareno del Cono Sur (STNCS) in Argentina and Seminario Nazareno de las Américas (SENDAS) in Costa Rica as a cooperation project in the development of online theological education with excellence. SENDAS and STNCS are the two main hubs that have a network of affiliated institutions in Latin America. In 2010 Seminário Teológico Nazareno do Brasil (STNB) joined the alliance as the Portuguese-speaking hub. To date 16 ministerial teachers have participated and 5 administrators supported the platform (Angel Learning Systems, in agreement with Northwest Nazarene University). In our few years of history, 716 students have participated in at least one course in Spanish, representing 18 countries.

Publications: The regional education coordinator's office was asked to serve in publications, working side by side with Regional Literature Ministries. The publication of books for the School of Leadership program began in 2010 with the publication of 4 "common track" books. Between January 2011 and September 2012, 10 more books were completed. We also assumed the task of editing and designing the last 10 module courses for ordination (student's textbook and professor's guide), in order to complete the project initiated by the South America Region. As of September 2012, 6 books have been printed.

Asociación Instituto Bíblico Nazareno (AIBN) in Cobán, Guatemala, serving mostly the Mayan descendant people in Northern Guatemala, under the guidance of David Ac, has experienced unprecedented growth during the past years. They are leading the way in seeing theological education as an instrument of church development.

Asociación Seminario Teológico Nazareno (ASTN) in Guatemala, under the leadership of Edgar Menendez, continues providing quality theological education for the new CA-4 field. In 2012 they began reporting all the Nicaraguan students (until last year served by the seminary in Costa Rica).

Caribbean Nazarene College (CNC) is led by Scoffield Eversley and serves the English-speaking field and most of the French Antilles. In 2012 they began connecting all Decentralized Continuing Studies Programs (DCSP) through videoconferencing. By May 2013 they will have 20 educational centers (ordination track) connected and running. They received training from personnel of the Seminario Nazareno de las Américas (SENDAS) of Costa Rica.

The **Séminaire Théologique Nazaréen d'Haiti (STNH)**, under the leadership of Jean Baptiste Lucien, continues providing training for ministers in Haiti with more than 100,000

Nazarenes. STNH completed its Quality and Missional Review, and they are in their follow-up process in order to fulfill the action items stated in the exit interview.

Seminario Nazareno de las Américas (SENDAS) in Costa Rica serves the new Central Field and continues growing as a multiregional institution, serving 20 countries at the Master's level. In 2012 SENDAS gave up the Nicaraguan students to STN due to the realignment of the fields. SENDAS signed a key articulation agreement with the Pastoral Institute of the Evangelical Alliance in Costa Rica (Bachelor of Arts in Pastoral Theology). The seminary extended its video conference delivery system for all program levels. The largest graduation in the last five years was held.

Seminario Nazareno Dominicano (SND) in the Dominican Republic led by René Acosta made improvements in the library's collection and in their physical facilities. They also hired a new full-time faculty member and had advances in the implementation of the Supervised Ministerial Practices.

Seminario Nazareno Mexicano, A.C. (SENAMEX) serving the two North fields in Mexico led by Obdulia Martínez made good progress in the number of students enrolled. They are also partnering with Overseas Council in administration and faculty development.

Seminario Teológico Nazareno Cubano (SETENAC) has a new president, Frank Adonis Gómez. He is leading an excellent ministry focused on improving the decentralized ordination's track location across the island. In 2011 the institute held an historical graduation of 100 students in 5 different sites across the island. The seminary continues working side by side with the Canadian Church of the Nazarene in renovating campus facilities.

South America Region, Jorge Julca, Regional Education Coordinator

In February 2012, a meeting of the SAM Regional Rectors Council was held, including all the leaders of the regional educational institutions and our regional director. There were days of inspiration, cooperation, planning, fellowship, and prayer with each other.

The region reported 4,123 students spread over 8 educational institutions. Classes are offered in different modes through 234 decentralized theological education centers (ETED) with 195 graduates. On the regional level inter-institutional partnerships have been established to offer new programs according to the needs and challenges of the church in the coming years.

Faculdade Nazarena do Brasil (FNB): Ramón Da Costa was elected as the new president of the college. FNB offers programs in four areas of study: theology, music, administration, and education. Since its foundation, FNB is completing its first cycle in the formation of the first generation of graduates. Currently they are working hard with projects of self-management in order to continue with their academic programs.

Instituto Bíblico Nazareno (IBN): For the first time in the jungles of Peru, the institute named a director originating from the Awajun tribe. This has been an historic step in the life of this institution and the Church of the Nazarene in Peru. Oscar Esamat was elected for this responsibility and under his leadership the institution has continued its service to the districts in the jungle of the country. He has worked with the residential and decentralized modes. IBN has received the collaboration of Seminario Teológico Nazareno Sudamericano (STNS) as students with missionary calls have done their internships at this institution.

Seminario Bíblico Nazareno (SBN): The Board of Directors named Oscar Varas as the first Chilean rector in the history of the institution. The seminary has continued with the Bachillerato and Licenciatura in Theology programs. An important Theological Reflection Workshop was held at the national level on the theme of Nazarene identity with participation of

the four districts of its jurisdiction. Conversations continue with governmental authorities about the possibility of receiving an official acknowledgement of its academic programs.

Seminario Nazareno del Área Central (SENAC) in Bolivia has implemented its new program of diploma in compassion in partnership with Compassion International. The students continue to be involved in ministerial service in diverse local churches. The decentralized program continues developing on a national level through 14 centers located in the districts where they offer classes for ministers.

Seminário Teológico Nazareno do Brasil (STNB) elected Ramón Da Costa as the new rector. The vision and commitment of this institution is to attend to those called to ministry in the vast Brazilian territory. They are developing an online program in Portuguese that utilizes the advantages of a virtual platform and live video conference. It has become the Portuguese classroom of the Seminario Nazareno Virtual (SNV).

The **Seminario Teológico Nazareno (STNP)** has faithfully continued 90 years of service to the Church in Peru and is the oldest institution on the region. Evelio Vásquez is in his second year as rector of this institution. The seminary continues construction of the multipurpose room, the development of the Master of Science program in Religion in partnership with SENDAS-Costa Rica, ministerial refresher courses, and the development of pastoral refresher workshops with renowned speakers.

Seminario Teológico Nazareno del Cono Sur (STNCS) in Argentina intensified its educational offering in its jurisdiction, attending to different sectors of students and ministers. The program of Licenciatura in Theology has been extended to the countries of Uruguay, Chile, and Bolivia. They celebrated the first graduation of professor-pastors who completed the theological teaching program at decentralized theological education centers. The partnership with the Seminario Nazareno Virtual that serves many Spanish-speaking countries has become strong, growing in number of students and offering the ministerial program for ordination to the ministry.

Seminario Teológico Nazareno Sudamericano (STNS) in Ecuador signed an agreement with the Universidad Autónoma de Quito which permits them to regulate its academic programs to meet the demands of the Ecuadorian government. The seminary's virtual program has students attending from Venezuela, Columbia, and Ecuador. STNS has progressed in the strengthening of its program in formation of a practical-missionary-in-residence program and has sent its graduates to develop short-term missionary services in diverse countries across the region.

United States/Canada Region

Canada, Terry Fach, Regional Education Coordinator

The educational ministries in the Canadian educational region consists of one post-secondary institution, PALCON, a variety of district lay and clergy training programs that utilize the Church of the Nazarene's Modular Course of Study, and a region-wide clergy continuing education and professional development program.

Ambrose University College: Gordon T. Smith was installed as president of Ambrose University College on November 1, 2012. Smith was granted the academic title Professor of Systematic and Spiritual Theology by the Ambrose Board of Governors. A Quality and Missional Review was conducted in 2010. This was a historic review because Ambrose University College is the amalgamation of the Canadian Nazarene College, Canadian Bible College, and Canadian Theological Seminary. Three new programs were approved: Bachelor of

Education; Bachelor of Music; and Bachelor of Business Administration. Four programs were validated for the Nazarene Ministerial Course of Study. New campus buildings, totaling \$38 million, were dedicated in 2010.

United States, Dean Blevins, Regional Education Coordinator

The USA Course of Study maintains approximately 6,500 students based on the number of ministers with district or local licenses. In partnership with USA/Canada Regional Office and the Global Clergy Development Office, regional educators and ministers began a series of consultations on clergy development meeting at Estes Park, Colorado, USA. In 2010 PALCONs were held on each of the eight college/university campuses, and three PALCONs are being planned for each summer 2014-2016. The regional schools report strong enrollment, with several schools reporting record enrollment. Overall, the total number of students enrolled in USA Nazarene institutions reflects an increase over the last four years. Overall, several of the schools were ranked by the *US News and World Report* as the 2013 best universities and colleges in the USA.

The USA Regional Course of Study Advisory Committee met annually. Primary tasks included: reviewing Course of Study applications for initial validation and revalidation; reviewing ability statements and validation process; reviewing the Modular Course of Study; reviewing the clergy continuing education process; and reviewing resources for education providers and district boards.

Eastern Nazarene College (ENC) launched the Center for Responsibility. The goal of the center is to move in three strategic directions related to education, community partnerships and advocacy, and campus life. The school continues in several partnerships including the Quincy Young Men's Christian Association (YMCA), hosting 350 children on their campus in Y camps this past summer, and beginning Nazarene Theological Seminary's Master of Divinity degree at ENC in January 2013. ENC's new early childhood degree program, developed in 2011 in response to Massachusetts state legislation governing daycares, has grown to 580 students. Three programs were validated for the Nazarene Ministerial Course of Study.

MidAmerica Nazarene University (MNU): David Spittal was elected to serve as the fifth president of MNU in January 2012. The Board of the Commission on Collegiate Nursing Education (CCNE) accredited MNU's nursing programs through 2022, and the Master of Counseling program was awarded regional accreditation. MNU Board of Trustees approved major revisions in its governance structure, expanding board development and participation. MNU revised its academic scholarship program offering early notification of scholarship awards to students and parents.

Mount Vernon Nazarene University (MVNU): Henry W. Spaulding II was elected as MVNU's seventh president in November 2012. The university celebrated beginning construction on Ariel Arena, a 68,000-square-foot, state-of-the-art athletic arena scheduled to open in the fall of 2013, made possible by a \$10 million gift commitment. Academically, MVNU achieved a Level II designation from the Higher Learning Commission for enhanced online programs, and 100% of graduating nursing students passed National Council Licensure Examination (NCLEX) exams. Hunter Hall, a new nursing and health sciences facility, was unveiled in downtown Mount Vernon.

Nazarene Bible College (NBC) was approved for continued accreditation with the North Central Association of Colleges and Schools. The college served over 1,100 students from 46 states and 68 districts in the USA. NBC launched the Hispanic Pastoral Ministries major online,

and collaborated with Northwest Nazarene University to begin hosting Spanish language ordination module courses online. NBC and the Seminario Nazareno de las Américas (SENDAS) entered into an agreement of validation, in which NBC accepts credits of the Bachelor of Arts in Pastoral Theology from SENDAS as credits in NBC's Bachelor of Arts in Ministry.

Nazarene Theological Seminary (NTS): David Busic was elected as the ninth president of NTS in September 2011. Key initiatives continue to be enhanced including a refocused development plan with Strategic Applications International; the reengagement of NTS alumni and the launch of an annual fund called Club 300; and the approval of a fourth Multi-Campus Seminary (MCS) site at ENC (MCS sites currently include MVNU, Southern Nazarene University and Trevecca Nazarene University). NTS implemented a new Doctor of Ministry (DMin) program in partnership with the Africa Region alongside a continued Latin America DMin partnership with SENDAS. NTS also plans to launch a new Pastoral Leadership Center in 2014.

Northwest Nazarene University (NNU) launched its year-long Centennial Celebration in the fall of 2012 centered on the theme, "A More Excellent Way." The words declare that for 100 years the people of NNU have sought to be the people of God. The new Doctor of Education program was initiated. *U.S. News and World Report* recognized NNU as one of the best values. The university saw continued growth in its graduate, adult, and professional programs this fall and opened two new satellite campuses in Idaho (Twin Falls and Idaho Falls).

Olivet Nazarene University (ONU) marked the beginning of the 2012-13 academic year with its highest undergraduate enrollment in history. In December 2012 the university opened a newly constructed 168,000 square foot Student Life and Recreation Center that houses a full athletic arena with indoor track facilities, a natatorium with two swimming pools, three story atrium with climbing wall, recreation area, offices and classrooms, and third floor training and weight area. The 3,200 seat Hawkins Centennial Chapel was dedicated at Homecoming 2010. The university's radio network expanded to include five stations in Illinois and Indiana.

Point Loma Nazarene University (PLNU) acquired use of the Liberty Station Conference Center, located at the former Naval Training Center in Point Loma. The 35,000 square foot facility allows PLNU to expand undergraduate enrollment by an additional 230 students, primarily in business and nursing. PLNU's Chief Economist, Lynn Reaser, was named the most accurate economist by the National Association of Business Economics and PLNU's Fermanian Business and Economic Institute (FBEI), which opened in 2010, received a yearlong contract with the state of California. PLNU students raised \$15,330 to support building a school in Katwatwa, Democratic Republic of the Congo (DRC).

Southern Nazarene University (SNU) recorded its 23rd consecutive year of balanced operational budgets, receiving strong financial support during challenging economic times. Graduates continue to be accepted into graduate and professional schools at rates above any other in-state competitors. A new facility for the Tulsa Center and the A. M. Hills Residential Complex were opened for occupancy in 2011. Student education included ministry experiences in Haiti, Swaziland, Mexico, and major American inner cities. Approval for new programs, including entirely online delivery, was given by the North Central Association's Higher Education Commission.

Trevecca Nazarene University (TNU): The new National Praise and Worship Institute at Trevecca, combined with Lillenas' publishing movement to Nashville, offers opportunity to influence a generation of Wesleyan worship leaders and develop a significant voice in Christian music. Other strong growth programs include a Doctor of Philosophy (PhD) in Counseling, the J.

V. Morsch Center for Social Justice, and an exceptional missions major under the leadership of Kathy Mowry. Over \$6 million in campus improvements were done in 2010. Several new online academic programs and the newly funded Master of Education in Visual Impairment Special Education were launched.

STATISTICAL SUMMARIES

Enrollment for 53 Institutions

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Total	45,967	49,548	49,547	52,439

Assets, Liabilities, and Net Worth for IBOE Institutions

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Assets	\$986,455,803	\$1,041,436,984	\$1,106,661,715	\$1,163,135,053
Liabilities	\$322,436,421	\$341,009,574	\$385,930,145	\$402,601,493
Net Worth	\$664,019,382	\$700,427,410	\$720,731,570	\$760,533,560

Church Support (local, district and general church)

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Total Support	\$25,769,984	\$23,904,271	\$20,441,454	\$19,418,693

2012 Fall Enrollment Report

	Total Headcount*	Degrees Granted	Total Assets (U.S. \$)	Total Liabilities	Total Net Worth
AFRICA REGION					
Africa Nazarene University (Kenya), Leah Marangu, Vice Chancellor	3500	666	\$10,939,255	\$4,819,890	\$6,119,365
Nazarene Bible College of East Africa (Kenya), Catherine Mukoko, Director**	1500	20	\$495,996	\$10,679	\$485,317
Nazarene Theological College (South Africa), Mashangu H. Maluleka, Principal	189	31	\$1,795,248	\$170,008	\$1,625,240
Nazarene Theological College of Central Africa (Malawi), David Mosher, Principal***	636	29	\$226,801	\$3,718	\$223,083
Nazarene Theological Institute, ITN/NTI (Kenya), Greg Crofford, Director****	1010	47	\$23,436	\$0	\$23,436
Seminario Nazareno de Cabo Verde, Gastão Correia, Principal †	40	0	\$308,005	\$0	\$308,005
Seminario Nazareno de Moçambique, Margarida Langa, Director	1784	33	\$592,247	\$13,768	\$578,479
Southern Africa Nazarene University (Swaziland), Winnie Nhlengethwa, Director	917	250	\$2,747,749	\$180,916	\$2,566,833
Creative Leadership Institute - Horn of Africa, David Johnson, Director Δ	1511	21	\$69,874	\$0	\$69,874

*Number of students enrolled and taking classes on the day of reporting.

**NBCEA - AEF (Articulation Agreement with ANI)

***NTCCA - ACF (Articulation Agreement with ANU)

****ITN/NTI - AMF & AWF (Articulation Agreement with ANU)

† SNCV – Bachelor's degree through the Nazarene University in Brazil

Δ CLI – HOA (Articulation Agreement with ANU)

ASIA-PACIFIC REGION

Asia-Pacific Nazarene Theological Seminary (Philippines), Floyd T. Cunningham, President	111	24	\$4,445,328	\$213,255	\$4,232,073
Indonesia Nazarene Theological College, Johannis Siahaya, President	252	36	\$1,330,377	\$3,326	\$1,327,051
Japan Nazarene Theological Seminary, Makoto Sakamoto, President	9	2	\$600,000	\$0	\$600,000
Korea Nazarene University, Shin, Min-Gyoo, President	6339	2700	\$139,010,430	\$28,558,390	\$110,452,040
Melanesia Nazarene Bible College (Papua New Guinea), Peter Kui, Officer In Charge	300	39	\$2,365,881	\$13,924	\$2,351,957
Melanesia Nazarene Teachers College (Papua New Guinea)**	190	53	\$47,351	\$0	\$47,351
Nazarene College of Nursing (Papua New Guinea), Wallace W. Kintak, Director	70	19	\$820,000	\$0	\$820,000
Nazarene Theological College (Australia), Bruce Allder, Principal	37	9	\$9,141,903	\$560,980	\$8,580,923
Philippine Nazarene College, Shionel Blas Azura Gesite, Officer In Charge (formerly Luzon Nazarene Bible College)	121	37	\$296,656	\$7,113	\$289,543
South Pacific Nazarene Theological College (Fiji), David Kerr, Chancellor	218	6	\$1,898,684	\$25,947	\$1,872,737
Southeast Asia Nazarene Bible College (Thailand), Kent Pelton, Officer In Charge	118	7	\$0	\$0	\$0
Visayan Nazarene Bible College (Philippines), Jun Cabantug, President	97	10	\$5,901,210	\$12,539	\$5,888,671

*Number of students enrolled and taking classes on the day of reporting.

** MNTC headcount based on verbal report from Regional Education Coordinator

EURASIA REGION

Eastern Mediterranean Nazarene Bible College (Lebanon), Haidar Hallasa, President	105	0	\$5,000	\$0	\$5,000
European Nazarene College (Switzerland), Klaus Arnold, Rector	217	16	\$9,956,000	\$660,240	\$9,295,760
Nazarene Nurses Training College (India), Atul Meshramkar, Transitional Acting Principal**	51		\$88,775	\$0	\$88,775
Nazarene Theological College - Manchester (England), Deirdre Brower-Latz, Principal	230	46	\$7,400,910	\$464,753	\$6,936,157
South Asia Nazarene Bible College (India), Simon Jothi, Principal	1,622	132	\$20,819	\$0	\$20,819

*Number of students enrolled and taking classes on the day of reporting.

**NNTC-India: In 2010 the total number of students was 82. The school reported only new intake here. Also, the financial stats are an anomaly in that they reflect an internal separation of NNTC from RMH, but it may not be an accurate portrayal of real assets, etc. It appears that in 2011, the financial stats are realigned as before with RMH and NNTC sharing assets, etc.

MESOAMERICA REGION

Asociación Instituto Bíblico Nazareno (Guatemala), David Ac, Director	564	40	\$127,641	\$12,764	\$114,877
Asociación Seminario Teológico Nazareno (Guatemala), Edgar Menendez, Rector**	1207	124	\$214,111	\$20,661	\$193,450

Caribbean Nazarene College (Trinidad), Scoffield Eversley, President	664	59	\$9,354,553	\$1,836,619	\$7,517,934
Seminaire Theologique Nazareen D'Haiti, Lucien Jean Baptiste, Director	184	49	\$2,150,000	\$33,476	\$2,116,524
Seminario Nazareno de las Americas (Costa Rica), Rubén Fernandez, Rector**	696	48	\$2,941,820	\$111,400	\$2,830,420
Seminario Nazareno Dominicano (Dominican Republic), René Acosta, Director	231	23	\$1,192,378	\$ 0	\$1,192,378
Seminario Nazareno Mexicano, A.C. (Mexico), Obdulia Martínez Villanueva, Rector	1006	48	\$3,057,729	\$94,361	\$2,963,368
Seminario Teologico Nazareno Cubano (Cuba), Frank Adonis Gómez, Rector	362	34	\$4,000	\$0	\$4,000

*Number of students enrolled and taking classes on the day of reporting.

** Because of the Field realignments, SENDAS gave up all Nicaraguan students to ASTN

SOUTH AMERICA REGION

Faculdade Nazarena do Brasil, Ramón Da Costa, President	75	0	\$0	\$0	\$0
Instituto Biblico Nazareno (Peru), Oscar Esamat, Director	106	4	\$150,000	\$0	\$150,000
Seminario Biblico Nazareno (Chile), Jorge Julca, Rector	94	1	\$250,000	\$0	\$250,000
Seminario Nazareno del Area Central (Bolivia), Macedonio Daza, Director	310	0	\$2,030,000	\$10,000	\$2,020,000
Seminario Teologico Nazareno do Brasil, Ramón Da Costa, President	1020	50	\$1,500,000	\$0	\$1,500,000
Seminario Teologico Nazareno (Peru), Evelio Vásquez Malca, Director	320	52	\$1,689,113	\$0	\$1,689,113
Seminario Teologico Nazareno Del Cono Sur (Argentina), Jorge Julca, Rector	722	39	\$8,000,000	\$0	\$8,000,000
Seminario Teologico Nazareno Sudamericano (Ecuador), Freddy Guerrero Farino, Rector	1469	47	\$4,530,793	\$306	\$4,530,487

*Number of students enrolled and taking classes on the day of reporting.

USA/CANADA REGION

Ambrose University College, Gordon T. Smith, President	688	129	\$52,487,000	\$43,190,000	\$9,297,000
Eastern Nazarene College (Massachusetts, USA), Corlis McGee, President	1449	300	\$49,065,274	\$20,441,944	\$28,623,330
MidAmerica Nazarene University (Kansas, USA), David J. Spittal, President	1994	615	\$51,993,240	\$23,019,425	\$28,973,815
Mount Vernon Nazarene University (Ohio, USA), Henry W. Spaulding II, President	2200	766	\$74,119,752	\$14,794,691	\$59,325,061
Nazarene Bible College (Colorado, USA), Harold B. Graves, Jr., President	1218	112	\$8,118,369	\$3,680,058	\$4,438,311
Nazarene Theological Seminary (Missouri, USA), David Busic, President	259	47	\$14,065,476	\$619,240	\$13,446,236
Northwest Nazarene University (Idaho, USA), David Alexander, President	2052	519	\$90,495,723	\$25,185,168	\$65,310,555
Olivet Nazarene University (Illinois, USA), John Bowling, President					

	4394	1453	\$240,627,480	\$111,006,679	\$129,620,801
Point Loma Nazarene University (California, USA), Bob Brower, President**					
	3355	825	\$153,715,667	\$56,310,855	\$97,404,812
Southern Nazarene University (Oklahoma, USA), Loren Gresham, President					
	2240	753	\$97,710,477	\$33,440,566	\$64,269,911
Trevecca Nazarene University (Tennessee, USA), Dan Boone, President					
	2386	792	\$93,016,522	\$33,073,834	\$59,942,688
*Number of degree-seeking students enrolled in the fall 2012 semester					
** Note: PLNU figures for 2012 are preliminary for graduate students.					
TOTALS	52,439	11,162	\$1,163,135,053	\$402,601,493	\$760,533,560

Conclusion

One of the treasures God provides the Church of the Nazarene is a closely connected global network of schools and clergy development resources that offers a synergistic potential in support of our mission “To make Christlike Disciples in the Nations.” Part of the role of Global Education and Clergy Development is to help steward this treasure by nurturing this global connectedness and synergistic potential. Here are some of the present Global Education and Clergy Development initiatives intended for this purpose:

- Global Wesleyan-Holiness Digital Library.
- Global education systems support (i.e. student data, financial management, etc.).
- Nurturing a variety of global education and clergy development consortia.
- Updating the IBOE Handbook.
- Coordinating the 2014 Global Theology Conference at Africa Nazarene University.
- Planning and implementing Phase II of the IBOE Quality and Missional Reviews.
- Development of GNEC – Global Nazarene Education Consortium.
- Development of GERC – Global Education Resource Center.
- Reviewing RCOSAC/ICOSAC curriculum review process.
- Assuring global access to Validated Course of Study.
- Resource work of district boards and education providers in credentialing process.
- Facilitate continuing education, ministerial proficiency, leadership development, theological coherence, PALCONS, conferencing, etc.
- Sharing of “Best Practices” from various regions.

As I conclude, I want to express my appreciation to Kent Brower who serves as chair for the International Board of Education and to Randy Craker who serves as chair for the Global Education and Clergy Development Committee of the General Board. Both of these friends are valuable colleagues and partners in this important work. Finally, I want to express my appreciation to our staff for their spirit and service in this transition: Barb Najarian, Tammy Condon, Dana Porter, Carol Rittenhouse, Mike Stipp, and Darlene Friend. Together, we are privileged to serve Christ and His church in the advancement of Global Education and Clergy Development.

Respectfully submitted,

DANIEL COPP

*International Board of Education, Education Commissioner
Global Clergy Development, Director*

NAZARENE YOUTH INTERNATIONAL

To the Board of General Superintendents and Delegates of the 28th General Assembly:

Nazarene Youth International continues to be inspired by the words of the Apostle Paul to the younger Timothy as recorded in 1 Timothy 4:12:

“Don’t let anyone look down on you because you are young, but set an example for the believers in speech, in life, in love, in faith, and in purity.” (New International Version)

This Scripture serves as the theme verse for Nazarene Youth International (NYI) globally. 1 Timothy 4:12 is a reminder of the important role young people have in the church as leaders today as well as our leaders for tomorrow. Paul’s recognition of the potential in Timothy resulted in words of challenge and inspiration. No doubt these words helped Timothy focus more diligently on allowing God to work through his life, and as a result, God used Timothy in powerful ways.

We still believe that God is using young people in significant roles in the church today. Compelled by that belief, the NYI ministry exists to lead young people into a lifelong relationship with Jesus Christ and to facilitate their growth as disciples for Christian service.

The year 2012 completed 90 years of formalized ministry for Nazarene Youth International. But really the story of youth ministry in the Church of the Nazarene goes back to our earliest days as a denomination. In October of 1908 when the Church of the Nazarene was formally organized, youth ministry was already in place at First Church of the Nazarene located in Los Angeles, California, USA.

The young women of the church were organized into what was called “Company E.” We believe the “E” stood for evangelism. The young men of the church were organized into what was called, “The Brotherhood of Saint Stephen.” As a way of identifying with the group each youth wore a silver Maltese cross badge with a verse of Scripture engraved with these words:

1 Timothy 4:12: “Let no man despise thy youth; but be thou an example of the believers, in word, in conversation, in charity, in spirit, in faith, and in purity.” (King James Version)

Those that wore the cross badge had committed to seek the “higher Christian life.” With the young women of “Company E,” the young men of “The Brotherhood of Saint Stephen,” and a silver Maltese cross badge engraved with what would become our official theme verse, the story of youth ministry in the Church of the Nazarene began.

Over the next several years our youth ministry, given the name “Nazarene Young Peoples Society” (NYPS), began to get broad recognition. D. Shelby Corlett wrote in the March 1917 “Herald of Holiness”: *“Pastor, if you do not have a young peoples society, start one at once, put your young folks to work and it will be surprising the way the Lord will use them.”* We were gaining momentum.

Then in 1923, the Nazarene Young Peoples Society was granted permission to host the first General NYPS Convention. The date chosen was 18 September 1923. The place chosen was Kansas City, Missouri, USA. The qualifications to serve as a delegate were simple, you needed to show up. There were no elections; all who would come were considered delegates. There was no age limit. All 12,768 members were invited - 72 attended. This group of delegates organized NYPS and established a transformational ministry for the Church of the Nazarene that has flourished through the decades. There is much to celebrate from these 90+ years of youth ministry.

In 2012, 423,924 NYI members were reported. This is 411,156 more than when we were formally organized 90 years ago. These NYI members represent 16,156 local NYI ministries. We

celebrate this wonderful growth; however, understand that we must continue seeking ways to best serve the Church of the Nazarene worldwide to reach more young people for Jesus Christ.

The 23rd gathering of NYI delegates at the June 2013 Global NYI Convention will recognize our wonderful 90-year journey and celebrate what God has done through young people. We will also consider recommendations from the Global NYI Council on how to organize for this next season of ministry. As a result we believe that God has much more for the young people of the Church of the Nazarene. To reach more youth, better equip youth as Christlike disciples, and discover effective ways to mobilize youth into ministry.

One recommended change is a restructuring of the Global NYI Council. The Global NYI Council is currently composed of 19 members including the Global NYI President, Global NYI Vice President, Global NYI Director, Africa Region NYI President and Regional Youth Coordinator, Asia-Pacific Region NYI President and Regional Youth Coordinator, Eurasia Region NYI President and Regional Youth Coordinator, Mesoamerica Region NYI President and Regional Youth Coordinator, South America Region NYI President and Regional Youth Coordinator, 2 USA/Canada Region NYI Presidents and Regional Youth Coordinator, Early Youth member-at-large, Senior Youth member-at-large, and Young Adult member-at-large.

A large Global NYI Council ensured excellent representation from regions to speak into the development of global NYI strategies and programs. However, with the development and maturation of the church has come a change in need and purpose for the Global NYI Council. The Global NYI Council which once needed to create and implement global church strategies has now become a place to convene regional leaders who come with regional strategies already in place. We have transitioned from a council with members “representing” a region in the development of global ministries to a council with members who are “leading” regional ministry. The purpose then has become to convene these strategic regional leaders for sharing, sharpening, connecting, resourcing, and encouragement. This shift from a group “representing a world area” to a group “facilitating mission” is a strategic development for us denominationally.

The Global NYI Council of the future would convene regional NYI leaders who come with strategy and resources already in place that can be shared with others. The Global NYI Council would consist of the following 7 members: Global NYI Director, Africa NYI Leader, Asia-Pacific NYI Leader, Eurasia NYI Leader, Mesoamerica NYI Leader, South America NYI Leader, and USA/Canada NYI Leader.

Each region would determine the person to serve as the member of the Global NYI Council. The recommended profile of a person serving on the Global NYI Council would be someone who:

1. Is committed to the NYI Charter and is eager to integrate it throughout the region
2. Has authority to implement youth ministry strategy within the region he/she serves
3. Represents the region and regional director
4. Is involved in local, district, and/or field NYI ministry
5. Serves on the regional NYI council

Included in this strategy is the Global NYI Council recommendation to discontinue the positions of the Global NYI President, Vice President, Early Youth member-at-large, Senior Youth member-at-large, and the Young Adult member-at-large.

Adopting this strategy creates a new opportunity for the Global NYI Convention. The current focus on electing the five positions (Global NYI President, Vice President, and 3 members-at-large) would transition to focusing on our message and mission represented by the three core strategies of evangelism, discipleship, and leadership development. The current

election focus requires 25 to 30 total ballots and approximately four hours total time needed to accomplish that task. The recommended change in focus would repurpose those four hours to consider collectively how we can be more effective in the areas of evangelism, discipleship, and leadership development. The hope is that all delegates would leave the convention engaged in our message and mission ready to serve individually, yet together with the body worldwide.

NYI Strategy

The NYI ministry continues to organize worldwide based on the three core strategies of evangelism, discipleship, and leadership development.

Our first core strategy is evangelism. Studies continue to show that most people make a decision to accept Jesus Christ as their personal Savior when they are young. In fact, studies have revealed that 85% of people make this decision by the age of 18, and we are seeing that age of decision being reduced to as low as 12. So, it is imperative that the Church of the Nazarene implement evangelism strategies to share the good news of Jesus Christ with youth.

Our second core strategy is discipleship. NYI ministries globally should have a focus on equipping young people to follow Jesus Christ. Our theme over these past four years has been “making Christlike disciples in the nations.” Our desire is that young people are in strategic mentoring relationships with more mature believers for the purpose of growing spiritually. In this process they take on responsibility for their faith and are encouraged to become one who also disciples others.

Our third core strategy is leadership development. The church is better when young people are empowered for leadership. Empowering youth for leadership roles is critical to their development as a Christian and to their connection to the church. A young person who participates throughout the NYI ministry without a leadership responsibility is far less likely to remain in the church as an adult. So we must find ways to lead ministry with and through our young people, not to and for. NYI ministry explores opportunities to empower young people for leadership and then helps them serve well.

The inclusion of these three core strategies in every local Church of the Nazarene is vital. Therefore, we remain eager to reach youth for Christ, equip youth to be Christlike disciples, and mobilize youth to live a life of service through the church.

NYI Values

The NYI Ministry is shaped by the following 10 values:

1. We value young people, significant in the kingdom of God.
2. We value the Bible, God’s unchanging truth for our lives.
3. We value prayer, vital interactive communication with our heavenly father.
4. We value the Church, a global holiness community of faith, diverse in culture but one in Christ.
5. We value worship, life-changing encounters with an intimate God.
6. We value discipleship, a lifestyle of becoming like Christ.
7. We value community, building relationships that help bind us together and to God.
8. We value ministry, extending God’s grace to our world.
9. We value witness, sharing God’s love in word and deed.
10. We value holiness, a work of grace whereby, God, through the working of His Holy Spirit, enables us to live a life representing Christ in who we are and in everything we do.

NYI Membership

The NYI membership reached 423,924 in 2012. Previously the NYI membership grew an average of 100,000 every 26.6 years. NYI Membership has experienced growth of over 100,000 in these last 10 years. The table below shows 2009-2013 NYI membership by region:

Region	2012 Membership	2011 Membership	2010 Membership	2009 Membership
Africa	99,471	98,506	87,441	87,676
Asia-Pacific	16,896	18,244	16,930	17,315
Eurasia	35,452	35,553	24,272	24,025
Mesoamerica	83,831	80,104	79,432	76,071
South America	61,662	60,795	55,583	54,737
USA/Canada	126,612	156,469	130,942	165,693
Total Membership	423,924	449,671	394,600	425,571

2009-2013 Quadrennial Theme

“Making Christlike Disciples in the Nations” was the quadrennial theme for NYI with four subthemes: Called, To Be Like Christ, Loving Others, In Our World. This theme has highlighted our second core strategy of discipleship. Through this theme we have sent the message that all believers are called to be like Jesus Christ, sharing His love everywhere we go. Young people have responded well to this message and have been faithful to embody this quadrennial theme.

2009 Global NYI Convention

Recognizing the limitation for many delegates to attend the Global NYI Convention in the USA due to visa denials and cost, an expansion strategy approved by the 2009 Global NYI Convention was implemented extending the voting bar to 8 regional sites throughout the world. NYI delegates participated fully in each of these regional sites through video conferencing to conduct the business of the convention. As a result, more delegates were able to participate in the convention. The delegate participation by location is listed in the table below.

2009 Delegate Participation by Location

#	Region	Location	Total Delegates
1	Africa	Johannesburg, South Africa	19
2	Asia-Pacific	Metro Manila, Philippines	29
3	Eurasia	Busingen, Germany	24
4	Eurasia	Mumbai, India	50
5	Mesoamerica	Santo Domingo, Dominican Republic	32
6	Mesoamerica	Santa Cruz, Trinidad	6
7	South America	Quito, Ecuador	15
8	USA/Canada	Orlando, Florida USA	548
		Grand Total	723

Responding to the encouragement from the Global NYI Council, 4 delegates from the Northern California USA district participated at the Mumbai, India site. 10 delegates from the

Virginia USA district participated at the Santo Domingo, Dominican Republic site.

The 2013 Global NYI Convention has been planned to support 10 regional sites in addition to Indianapolis with full video conferencing. The list of regional sites are:

#	Region	Location	Total Delegates
1	Africa	Johannesburg, South Africa	25
2	Africa	Nairobi, Kenya	19
3	Asia-Pacific	Manila, Philippines	35
4	Eurasia	Razgrad, Bulgaria	21
5	Eurasia	Hyderabad, India	42
6	Mesoamerica	Guatemala City, Guatemala	23
7	Mesoamerica	Port au Prince, Haiti	27
8	Mesoamerica	Santa Cruz, Trinidad	6
9	South America	Pilar, Argentina	20
10	South America	Quito, Ecuador	7
11	USA/Canada	Indianapolis, Indiana	626

Nazarene Youth Conferences

Nazarene Youth Conferences (NYC) continue to be life-changing events in the lives of youth and youth workers. Participants have come to know Christ as their personal Savior, make decisions of total commitment, seek healing, and testify to God’s calling in their lives.

Encountering the Holy Spirit amidst a crowd of peers creates a lifetime memory for participants. Many testify to an unforgettable and transformational moment with God at an NYC. Four regional NYC’s were held this past quadrennium.

Region	Date	Theme	Total Participants
Eurasia	August 2012	Called to be like Christ, loving others, in our world	220+
Mesoamerica	July 2012	FOCUS – unity, holiness, harvest, and call	600+
South America	July 2012	ENCENDIDOS – ON FIRE	1500+
USA/Canada	July 2011	A World Unbroken	6537

Third Wave—Youth Leadership Conference

The Third Wave Leadership Conference brings intentionality to our third core strategy of leadership development. NYI hosted a Third Wave leadership conference 3-8 January 2012 in Bangkok, Thailand. In attendance were 194 participants representing 44 countries. Nine of these participants were from creative access countries. The breakdown of participants by region is as follows:

- Africa: 5
- Asia-Pacific: 90
- Eurasia: 24
- Mesoamerica: 10
- South America: 8
- United States & Canada: 57

The theme of the conference was the NYI quadrennial theme of “making Christlike disciples in the nations” with the NYI subthemes of “called,” “to be like Christ,” “loving others,”

“in our world.” Each of these subthemes served as a focus for the plenary sessions and workshops.

Third Wave included seven plenary sessions, workshops, Ministry With Others projects, cultural immersion, regional breakouts, and fellowship.

The Third Wave leadership conference strategy provides a unique opportunity to gather leaders from every field in the world. This event is considered the beginning of connections and collaborations that shapes leaders throughout life. Young leaders are passionate about living as global Christians. Third Wave provides the forum to fulfill that desire.

Field Youth Coordinator Conference 2012

NYI hosted the second conference for the field/national youth coordinators on 9 & 10 January 2012 in Bangkok, Thailand. This was immediately following the Third Wave Conference. Thirty-five leaders from 20 countries attended this time of equipping, connecting, and resourcing. The main focus of the conference was on discussion regarding the future of NYI and discussion on primary areas of strategy on fields/nations.

The development of the field/national youth leader is helping bridge the gap between regions and districts. Many fields/nations are developing events such as Nazarene Youth Conferences as ways of developing the NYI ministry.

Global NYI Council

The Global NYI Council has met four times during this quadrennium. The desire for global youth ministry continues to provide challenge and inspiration for this group which represents 11 nations of the world. The members of the Global NYI Council during the 2009-2013 quadrennium have been:

1. Armstrong, Scott – Mesoamerica Region Youth Coordinator
2. Brodhead, Charles - USA/Canada Region President (Southwest USA)
3. Diones, Erika – Early Youth Member-at-Large (Asia-Pacific)
4. Dyer, Danny* – USA/Canada Region President (South Central USA)
5. Gonzalez, David* – Global NYI Vice-President
6. Gouveia, Jimmy de – South America Region Youth Coordinator
7. Hartke, Gary* – Global NYI Director
8. Holcomb, Mark* – Global NYI President
9. Larochelle, Jean David – South America Region NYI President
10. Lodja, Acy – Asia-Pacific Region NYI President
11. Madhu, Milton – Eurasia Region NYI President
12. Martinez, Ana Celia – Mesoamerica Region NYI President
13. Park, Young-Min – Young Adult Member-at-Large (USA)
14. Phiri, Kenneth* – Africa Region NYI President
15. Prescod, Rudy – Mesoamerica Region NYI President
16. Rae, Jennifer – Senior Youth Member-at-Large (Eurasia)
17. Wielk, Sabine* – Eurasia Region Youth Coordinator
18. Woolery, Brian – Asia-Pacific Region Youth Coordinator

*Denotes Global NYI Council executive committee member.

Unfilled positions: Africa Region Youth Coordinator, USA/Canada Region Youth Coordinator. Also serving on the Global NYI Council for a portion of the quadrennium

were Monte Cyr (Caribbean Region Youth Coordinator) and Benjamin Soria (Mexico & Central America Region Youth Coordinator).

Mission Offering Project—Jesus for a New Generation

The NYI Mission Offering Project continued to provide direct-giving opportunities to youth ministry needs through the Jesus for a New Generation strategy. The Jesus for a New Generation mission offering project was made available through the NYI website and averaged 65 projects at any given time and over 20 projects sponsored on an annual basis. Jesus for a New Generation generated a total of \$104,439.79 USD for youth ministry needs in this quadrennium.

12:7 Serve “Called to Serve in the Nations” was launched as the 2012 Global Focus Project designed to bring local churches, districts, fields and regions together for a unified purpose. Romans 12:7 provided scriptural support: *“if your gift is serving others, serve them well.”* (New Living Translation)

12:7 Serve was a six-month cross-cultural experience with 12 young adults representing a range of cultures and backgrounds developing themselves in missions and ministry by serving on 7 ministry sites throughout the Mesoamerica Region. The 7 sites were the Dominican Republic, El Salvador, Guatemala, Haiti, Mexico, Panama, and St. Kitts and Nevis.

The following were selected as members of the 12:7 Serve mission team representing 10 different countries: Kesner Absolu (Haiti), Danielle Castlehow (Australia), Erica Chávez (Costa Rica), Anson “AJ” Fry (USA), Alan Hernández (Mexico), Hellen Herrera (Costa Rica), Juan Carlos Jiménez (Mexico), Chennice McLean (Scotland), Maura Narvaez (Nicaragua), Estela Reza (USA), Janary Suyat (Philippines), and Lynda Woolford (Guyana).

The offering goal of \$40,500.00 USD for this project was reached with a total of \$40,501.82 USD received. The overall amount raised to support this project was \$60,023.27 USD, which includes the funds received through the Global NYI Office, funds raised by the participants, ministries on the Mesoamerica region, and outside donations.

GOL 2010 Soccer Evangelism Strategy

The soccer evangelism strategy known as GOL 2010 was launched at the 2009 Global NYI Convention as a collaborative Global Ministry Center initiative. GOL 2010 resourced soccer ministries throughout the Church of the Nazarene in May and June 2010 during the FIFA World Cup soccer tournament hosted in South Africa.

Every region participated in the implementation of the GOL 2010 soccer evangelism strategy. A total of \$57,526.08 USD was raised resulting in the distribution of 300 GOL kits (4 size 5 soccer balls, 1 mini soccer ball, 70 hacky sacks, and JESUS Film DVD). Another 493 soccer balls were distributed to support soccer evangelism strategies. This proved to be an effective all-church strategy as the good news was presented through sports ministry during the most widely watched sporting event in the world. Many encouraging reports were submitted with stories of spiritual transformation in the lives of people.

Bible Quizzing

Bible Quizzing continues to be a thriving ministry and is expanding to new world areas every year. Bible Quizzing as a discipleship strategy is getting more young people into Scripture. It also serves as an opportunity to gather youth throughout a district, field, and region in various quizzes. The largest Nazarene youth Bible Quiz tournament in history was held in the USA July 2012 with 151 teams representing 674 quizzers.

The eight-year youth quizzing material continues to be translated for worldwide implementation. The quizzing cycle is as follows:

- 2012-13 Matthew
- 2013-14 Romans / James
- 2014-15 Acts
- 2015-16 Galatians, Ephesians, Philippians, Colossians, Philemon
- 2016-17 Luke
- 2017-2018 1 & 2 Corinthians
- 2018-2019 John
- 2019-2020 Hebrews, 1 & 2 Peter

NYI Charter and Ministry Plans

The NYI Charter and Ministry Plans that were adopted in 2001 continue to provide the basic organizational models for NYI globally. The Local, District, and Regional Ministry Plans were created to be modified so that NYI ministry would be most effective in each context. Now over a decade later, many local churches, districts, and regions have modified these plans and are experiencing more effective youth ministry.

Communications

The www.nyitoday.org website has been the primary communication strategy to help resource, network, and facilitate youth ministries world-wide. This website now contains a translation feature to enable more young people and youth leaders to access information.

Partner Regions

The partner region strategy continued during the 2009-2013 quadrennium as a means of support and encouragement among youth leaders. The partner regions for the 2009-2013 quadrennium were:

Africa – Eastern USA – East Central USA
Asia Pacific – North Central USA – Northwest USA
Eurasia – Southwest USA
Mesoamerica – Canada – South Central USA
South America – Central USA – Southeast USA

The Global NYI Council voted to discontinue the following partner region pairings effective 1 July 2013:

Asia Pacific – Eurasia
Africa – South America – Mesoamerica

Paul Skiles Endowment for Youth Ministry

In honor of the ministry of Paul Skiles as the NYPS General Secretary (now known as the Global NYI Director) an offering was received during the 2009 Global NYI Convention to establish the “Paul Skiles Endowment for Youth Ministry.” This endowment was officially established 13 July 2009 through the Church of the Nazarene Foundation and continues to grow with contributions. Contributions to the Paul Skiles Endowment for Youth Ministry help further ministry globally.

Timothy Award

The Timothy Award was established by the General NYI Council in 1995 to recognize outstanding leadership and service to youth leaders at the local, district, field, regional, and general level. The Timothy Award embodies the words of the Apostle Paul, who in Philippians 2:20 recognizes Timothy's commitment to the needs of others: "I have no one else like him, who takes a genuine interest in your welfare" (NIV). It was Timothy who had been encouraged to "not let anyone look down upon you because you are young, but set an example for the believers in speech, in life, in love, in faith and in purity" (1 Timothy 4:12, the theme verse of NYI). He then proved himself as a trusted leader devoted to serving the body of Christ. His legacy was his genuine interest in the welfare of others, a description given by the one who knew him best.

Eighty-one Timothy Awards were presented throughout the quadrennium to outstanding youth leaders who are investing their lives into our young people.

Youth Ministry Academy

A 20 lesson youth ministry curriculum has been developed to train youth leaders globally. These courses are designed to give foundational elements to youth ministry as well as to develop strategy. These 20 lessons include:

1. Introducing Youth Ministry
2. Cultural and Social Contexts for Youth Ministry
3. Psychological and Developmental Influences in Youth Ministry
4. Biblical and Theological Foundations of Youth Ministry
5. History of Youth Ministry
6. Philosophical Foundations of Youth Ministry
7. Relationship With God
8. Relationship With Others
9. Relationship Within the Body of Christ
10. Worship
11. Witness and Evangelism
12. Nurturing and Teaching
13. Compassion and Service
14. Community and Belonging
15. Simplicity and Retreat
16. Offering Direction
17. Providing Care
18. Equipping Leaders
19. Empowering Youth
20. Legacy of Long-Term Ministry

The Youth Ministry Academy lessons are available worldwide in multiple languages and at no cost. We know that better equipped youth leaders are more effective in their ministry and also serve longer. This training material can be studied individually or used in group setting.

Personal Reflections

These have been an incredible four years. NYI continues to be a growing ministry seeking to be transformational in all we do to call this generation to a dynamic life in Christ. I thank God for His faithfulness through His young people called Nazarenes. This report reflects NYI's commitment to raise a powerful generation of young people for God's glory.

Respectfully submitted,
GARY W. HARTKE
Director, Nazarene Youth International

NAZARENE PUBLISHING HOUSE

To the Board of General Superintendents and Delegates of the 28th General Assembly:

This past year Nazarene Publishing House (NPH) celebrated a remarkable 100 years of service. The year included celebrations, special product offerings and volunteerism through community service. This milestone also marked a turning point as a time to imagine the next 100 years.

Introduction

The publishing industry remains in a period of flux. As an organization, we regard this state of change as divine opportunity to lead and influence the quickly moving landscape and expand the reach of our mission: By providing innovative biblical solutions, we seek to serve the Church and advance the Kingdom of God.

Today's automated flow of information and increasingly global and agile marketplace will allow us to engage more audiences in different ways than ever before. Our work is relevant and we produce content that speaks to today's Church. Never before have we had access to as many tools and the technology to reach so many people across the globe.

As publishing continues to change and evolve, NPH strives to adjust to new market realities. No company within the publishing industry is exempt from these challenges, and we are certainly not alone in our efforts.

I commend my predecessor, Hardy Weathers, and his leadership team for navigating what could be considered the most challenging decade in the history for the publishing industry — and potentially the most challenging period of our lifetime. The difficulties remain very real and we must identify new sustainable methods for re-engaging our audiences while expanding into a broader marketplace.

Product Lines

NPH currently produces materials and resources across five product lines:

- Beacon Hill Press (Books)
- Lillenas Publishing (Music)
- WordAction (Curriculum)
- Barefoot (Youth Resources)
- The House Studio (Missional Resources)

Senior Leadership Team

The Leadership Team at NPH consists of Christ-committed individuals who provide leadership and expertise in each respective area:

- Mark Cork, Vice President, Global Brand Strategy
- Mark Brown, Vice President, Finance & Operations
- Matthew Johnson, Executive Director, Creative Services
- Michael Cork, Executive Director, Lillenas Music

- Heather Knight, Executive Director, Brand Development
- Eric Bryant, Director, Sales & Community Relations
- Mark Parker, Director, Human Resources
- Bonnie Perry, Director, Beacon Hill Press
- Chris Folmsbee, Director, Barefoot & The House Studios
- Kevin Brown, Director, Resourcing

Board of Directors

The NPH Board of Directors provides leadership, counsel, and guidance to NPH. Our annual board meeting occurs each April. Board members are the following:

- John Bowling, President, Olivet Nazarene University
- Bob Broadbooks, Regional Director, USA/CANADA
- Kendall Franklin, Pastor, College Church of the Nazarene (Bourbonnais, IL)
- Corlis McGee, President, Eastern Nazarene College
- David McKellips, District Superintendent, Northeast Oklahoma District
- Brad Moore, President, Hallmark Hall of Fame Productions
- Lowell Short, CPA
- Woodie Stevens, Director, SDMI
- David Wilson, General Secretary, GMC
- Eugénio Duarte, Chair, Board of General Superintendents
- Gerald Smith, President, Nazarene Publishing House

Assessment

NPH was dramatically impacted by the digital wave of the last decade. During the period between 1998 and 2012, NPH experienced a steady decline in sales representing an almost 50% decrease in revenue. During this period personnel were reduced, decreasing from almost 400 employees in 1998 to 160 by the end of 2012. These reductions were an effort to manage declining revenue and marketplace changes.

While the latter portion of the period experienced exponential challenges due to the economic downturn, customer engagement remained fairly steady.

The most significant changes were the result of a reshaping marketplace, which marked the beginning-of-the-end for the local bookstore, along with changing methods for distribution of music, books and video.

Mobile engagement skyrocketed, becoming a global phenomenon that expanded our reach while redefining the required tools necessary for effective marketing & communications. Brands must motivate people to act by designing campaigns as dynamic and flexible as the mobile market, which now includes search, social, video, music, gaming, payments, retail transactions, location-based services, and augmented reality.

While opportunities for expanding our reach have strengthened, customer engagement has weakened. In many ways NPH, as it stands currently, is too far behind the market to catch up.

A new model will require reinvention, and that process has begun.

Beacon Hill Press

Beacon Hill Press (BHP) continues to lead the NPH mission of engaging the Church for

the mission of God. The BHP publishing strategy centers on areas of need critical to our core constituency: ministry resources, spiritual formation, textbooks, and Christian care. BHP works in close partnership with the Global Ministries Center. As mandated in the General Board Bylaws, the Beacon Hill Press committee approves every book published by Beacon Hill Press. We are grateful to committee chair Frank Moore for his leadership. 2009-2012 BHP highlights include the following:

- In 2010 BHP and WordAction Curriculum combined under the leadership of Bonnie Perry, Director of Editorial.
- *New Beacon Bible Commentary* neared the halfway point to completion in 2012, and continues to be a significant resource for today's pastors and future generations.
- *Our Watchword and Song*, the official centennial history of the Church of the Nazarene.
- *Ashes to Fire*, Years A and B (a church-wide study from Ash Wednesday through Pentecost).
- *Illuminate* and *Anticipate*, the first two parts of a three-year Advent experience for church communities. *Celebrate*, year three of the Advent experience is underway.
- BHP is partnering in the Wesleyan Digital Library project, an initiative that will become the largest digital archive of Wesleyan academic and pastoral resources in the world.

WordAction Publishing

WordAction Publishing creates Bible-based Wesleyan-Holiness curriculum for persons of all ages. Under the leadership of Merritt Nielson, Curriculum Director; Melissa Hammer, Children's Senior Editor; and Mike Wonch, Adult Senior Editor, the editorial team is committed to excellence in every aspect of product development.

2009-2012 WordAction highlights include:

- Digital releases such as: *EPIC: God's Story through the Ages*, new VBS packages, and MissioLife 1 and 2, digital curriculum for adults, youth and children.
- *Wired: My Self, My Relationships, My World*, designed to help sixth graders successfully transition into their teen years, including participation in youth group.
- *Holiness Made Clear*, the fourth and final installment in the Christian Belief Series of discipleship resources.
- *Ashes to Fire for Kids*, a 14-week journey from Ash Wednesday to Pentecost
- VBS redesign, *Mission to MARS*.

Lillenas Publishing

Lillenas continues to provide powerful, effective music and worship tools for the Church of the Nazarene as well as churches all over the world.

2009 - 2013 Lillenas highlights include:

- In 2009 received second Dove Award for Best Youth/Children's Musical of the Year for an Island Christmas.
- Signed David T. and Celeste Clydesdale under the Clydesdale Music Group. David's work, *We Hold These Truths*, was featured at the 2010 Pentagon prayer breakfast.
- Continued growth in digital product offerings, including downloadable charts, trax, keyboard arrangements, and more than 1,650 drama scripts.
- Development of new works in the Excel Series to target and serve smaller churches.
- Improved operating efficiencies by moving warehouse and order fulfillment operations to

LifeWay Distribution in Nashville, TN.

Barefoot & The House Studio

Barefoot provides resources for youth workers so they can guide students in their spiritual formation. The House Studio was launched in 2009 as a new resource targeted toward the young adult church market. The staffs of Barefoot and the House Studio merged under the leadership of Chris Folmsbee in 2011.

2009 - 2013 Barefoot highlights include:

- Creation of *A World Unbroken* for the 2011 Nazarene Youth Conference.
- Regional training events for youth workers all over North America.
- Launch of *Immerse*, a journal for youth workers.
- Total refresh of Barefoot online, including new curriculum and access to more than 1,500 other resources.

2009 - 2013 House Studio highlights include:

- Assisted in hosting the Sentralized Conference, a pastor and church leader gathering, in 2011 and 2012.
- Content creation for the *Living Mission* curriculum, educational materials for Nazarene Missions International.
- Development of the Street Team, volunteers who review and promote new products on behalf of the brand.
- Creation of materials for Nazarene Compassionate Ministries and JESUS Film/Harvest Partners.

Conclusion

Change can be challenging and even difficult at times, but our past and present is testimony to God's faithfulness. We are poised to reach new audiences with a wide variety of products and services that reflect the Wesleyan-holiness tradition of NPH and establish us as a leader in the publishing industry.

Our mission is to serve the Church, and we are eagerly taking on the challenge of determining how to best accomplish that within the changing marketplace. We are proud of our heritage, energized by the possibilities of the future, and committed to pursuing another 100 years of service.

Respectfully submitted,
GERALD W. SMITH, SR.
President & CEO