

HIGHER EDUCATION AND LEADERSHIP MINISTRIES  
Dennis Landon, President

**HELM'S MISSION AND PURPOSE**

*With the whole church, Higher Education and Leadership Ministries works to help proclaim and embody the reign of God and to be part of the human transformation that is the mission of both the Church of Jesus Christ by developing and nurturing leaders who will renew and transform the church in the coming generations.*

**HELM AND THE PRIORITIES OF THE CHRISTIAN CHURCH (DISCIPLES OF CHRIST)**

*HELM responds to the mission priorities of the Christian Church (Disciples of Christ—new congregation establishment, congregational transformation, becoming a reconciling and anti-racist church, and leader development—by making those priorities inform all our activities.*

*Thus:*

- *We work to add value for church leadership to both the undergraduate and ministerial educational experiences.*
- *We support ministries with students as they provide a locale for exploring and refining vocation.*
- *We seek in our entire ministry to nurture and embody the values, knowledge, and practice that will nurture leaders who will help congregations—and the ministries that support congregations—to be creative, faithful, and mission-driven.*

**RESOURCES FUNDING HELM'S MINISTRIES**

HELM funds its ministries through a variety of sources (2009 Figures):

From Designated and Non-Designated Investments	61%
From Disciples Mission Fund and related sources	23%
From Individual Gifts (Annual Fund)	11%
From Fees and Program Income	5%

**DIRECT LEADER DEVELOPMENT PROGRAMMING**

**UNDERGRADUATE EDUCATION**

**GOAL:** *HELM will create programs to identify, support and nurture undergraduate students with strong potential for church leadership—both lay and ordained—in partnership with congregations and other Disciples and ecumenical agencies.*

## **HELM Leadership Fellows**

We received six new fellows into the Leadership Fellows program: Christina Cheon, Irvine, CA, Chapman University; Luke Ehrhardt, West Des Moines, IA, Iowa State University; Christina Hunt, Bartlett, TN, University of Tennessee; Seth Rash, Macon, MO, Texas Christian University; David Stonebraker, Girard, OH, Hiram College; Paige Westerhausen, Girard, IL, Culver-Stockton College. The new Fellows join 19 returning Fellows. More than 25% of the fellows are people of color.

The Tenth HELM Leadership Fellows Conference was held November 5-7 at La Foret Conference Center in Colorado Springs, CO. The conference focused on how to talk about one's personal faith. Former Leadership Fellow Joe Blosser, Visiting Professor of Religion and Ethics at De Paul University; Sara Steenhouse, a new church planter from Lafayette, CA; and Chesla Nicholson, an M.Div. student at Christian Theological Seminary, were the resource leaders. All three were Disciples Leadership Institute leaders.

We continue to follow the progress of the HELM fellows into church leadership. Of the 2010 graduates, two of them are studying at DDH-Vanderbilt, is in Madagascar with the Peace Corps, another participates in Teach for America, and another is a music teacher in Boston.

In the past ten years more than 70 students have graduated or are currently participating in the program. Thirteen graduates serve as ministers in congregations or are currently preparing for ministry. Two of last year's graduates began M.Div. studies this past fall. A dozen other graduates are serving in fields like social work, social justice, teaching, and environmental action. HELM Leadership Fellows have served as denominational volunteers with the Disciples Leadership Institute, Share 2010 Planning Team, North American Asian and Pacific Disciples, the Student Ecumenical Partnership, the Young Adult Commission, Global Ministries, Disciples Men, the 2020 Vision Team, the Task Force on Undergraduate Education, and more. A listing of all the graduates is at [www.helmdisciples.org/lfalumni.htm](http://www.helmdisciples.org/lfalumni.htm).

Funding:        Scholarships funded from 9 designated funds  
                  Annual Conference from designated funds that allow non-scholarship  
                  use and from Ethnic Minority Ministry Fund  
                  Staff Support from Operating Fund

## **THEOLOGICAL EDUCATION**

**GOAL:** *HELM will pursue long-term projects to identify, nurture and support potential leaders of Disciples congregations and institutions.*

## **The Bethany Fellowships**

The Bethany Fellowships, funded under the Lilly Endowment's Transition to Ministry project, provides peer support and training in spiritual disciplines to pastors in their first few years in congregational leadership. HELM is the titular grantee for the program, which will begin its third five-year grant period in 2011, but a separate staff and a Bethany Fellowships board of directors supervises the program. As grantee, HELM staff supervise the program's finances and reporting to Lilly. Last year we requested an increase in the fee we receive for these services to \$8,000. We recently renegotiated again, taking into account our overhead expenses as well as staff time, and the fee will be \$10,000 in 2011. We believe Bethany Fellowships is an exemplary program, and very consistent with HELM's mission and ministry.

Funding: From Lilly Endowment; no funding from HELM

### **HELM Ministerial Student Grants**

We are soliciting proposals for the third year of the HELM Ministerial Students Grant program. This program provides small grants for M.Div. students to pursue interests and opportunities outside the curriculum that will strengthen their capacity for congregational leadership. The deadline for 2011 proposals is January 15, 2011.

We awarded three Ministerial Student Grants in 2010 for projects including (1) intensive Spanish study in order to lead a weekly Spanish worship service, (2) travel to China as part of Global Ministries' People-to-People program, and (3) development of a program to educate youth and young adults in personal finance, stewardship, and fiscal responsibility in a Christian context.

Ministerial Student Grants are awarded in partnership with the Pension Fund of the Christian Church, which since 1998 has shared a portion of an endowment they hold (the Hughey-Peery Endowment) that the donor wished to be used to benefit ministerial students.

Funding: Hughey-Peery Endowment held by Pension Fund  
Staff Support from HELM Operating Fund

*Goal: HELM will work with emerging leaders to help us become a pro-reconciling and inclusive church.*

### **Disciples Leadership Institute**

DLI is designed to bridge cultural and racial barriers and to bring together younger leaders from new congregations and established congregations for in-depth and intentional conversation around the most basic elements of Christian faith and experience. A number of DLI participants have already moved into significant leadership positions within the church.

I am thrilled to report that HELM has received a grant from Reconciliation Ministries to plan in 2011 for restarting the Disciples Leadership Institute in 2012. The grant will enable us to assemble a planning team not only to prepare for a national conference in 2012, but to use that conference to train leaders to replicate the DLI experience in regional settings. We are also in conversation with Reconciliation Ministries around an ongoing partnership and possible future grants.

Funding: In 2011, \$3,000 grant from Reconciliation Ministries; \$3,754 from Ethnic Minority Ministries Fund  
Staff Support from HELM Operating Fund

## **COOPERATIVE LEADER DEVELOPMENT PROGRAMMING**

### **UNDERGRADUATE EDUCATION**

**GOAL:** *HELM will create recruitment initiatives, coordinated with the undergraduate institutions, to increase the proportion of Disciples students within the student bodies of Disciples-related colleges and universities.*

The executive committee of the Council of Colleges and Universities is working with marketing and branding consultants to develop a marketing plan for Disciples-related colleges and universities. HELM is not involved in this effort.

**GOAL:** *HELM will assist partners throughout the church in efforts to develop and nurture leadership.*

### **Young Adult Commission**

HELM has been a partner with Disciples Home Missions in the work of the Young Adult Commission, but we have reduced our already limited participation in response to our budget issues. In addition, Disciples Home Mission, with its own budget issues, has ended the staff position that included work with the YAC. We are not sure what the future holds. The Young Adult Commission organized an event held in Las Vegas, NV, in October that drew approximately 40 participants. HELM Director Jose Morales, Jr., was a keynote speaker at the event.

Funding: No funding or staff support from HELM in 2011

### **First Christian Church, Winterset, Iowa**

Linda Plengemeier, Harry Ratliff (HELM investment advisor) and I made our annual visit to the congregation on May 13-14, 2101. We continue to enjoy a healthy and productive partnership with the Winterset congregation. We both manage the endowment and administer the Taylor Scholarship program, and have helped the congregation award more than \$1 million in scholarships during the past 15 years.

We are presently working on a major revision of the Taylor Scholarships application process and materials, in consultation with the congregation's scholarship committee. We believe the changes will make the process easier for the applicants, the congregation, and HELM in 2010-2011. The congregation awards \$50,000-\$60,000 in scholarships each year to undergraduate, graduate students, and trade school students.

Funding: No direct funding from HELM

### **Hyde Park Christian Church, Austin, Texas**

The Hyde Park Christian Church of Austin, Texas, in cooperation with HELM, also participates in the distribution of around \$50,000 in scholarships annually to Disciples students in Austin through the Alvin and Elsie East Scholarship program. We are the holders of this endowment. We receive and processed applications and forward the files to the Hyde Park congregation, which interviews applicants and makes scholarship recommendations.

Funding: No direct funding from HELM  
Staff Support from HELM Operating Fund

### **Exploration of a Project to Nurture Fully Bi-lingual Church Leaders**

We continue to explore an initiative to nurture fully bilingual church leaders, possibly in cooperation among HELM, La Iglesia Cristiana (Discipulos de Cristo) in Puerto Rico, and Disciples-related colleges and universities. The project might involve exchange of students between the mainland and Puerto Rico for language study, and supplementary programs through the churches.

Funding: No proposed funding in 2011

### **T. A. Abbott Award**

I presented the 2010 T.A. Abbott Award for Faculty Excellence to Dr. Linda Davis, professor of management technology at William Woods University, on October 7.

Funding: \$1000 award from T.A. Abbott Fund  
Staff support from T.A. Abbott Fund

### **Council of Colleges and Universities**

The situation regarding the Council of Colleges and Universities has not changed fundamentally from what we have reported previously. The council has not met in 2010, but its *ad hoc* executive committee has gathered several times and their minutes have been shared with the HELM board. The executive committee has engaged marketing and

branding consultants to a create recruitment “tool kit” for use of the schools in marketing to Disciples prospective students.

Following the General Board meeting last April, we transferred the remainder of the College/University Grant Fund and the Undergraduate Interpretation Fund (approximately \$91,000) to Lynchburg College for the use of the Council of Colleges and Universities. Lynchburg also receives the periodic disbursements from the Disciples Mission Fund that previously flowed into those funds. Dr. Charles Warren, former president of Lynchburg College, was engaged as Director of the council, but resigned shortly after his appointment and was replaced on an interim basis by Guy Waldrop, former Kentucky regional minister.

The council is scheduled to meet while the presidents are attending the annual gathering of the Council of Independent Colleges in Palm Springs, CA, on January 4. Todd Adams, Associate General Minister and President, will represent Sharon Watkins and the church at this meeting.

The HELM board of directors has approved the revised covenant between the individual colleges and universities and the church, following clarification by the Office of General Minister and President regarding how the process will proceed.

At this point, HELM is fulfilling roles in regard to the relationship between the undergraduate institutions and the church that are clearly ours: We are gathering the required enrollment and other data that propel the higher education segment of the Disciples Mission Fund allocations; we are organizing the higher education part of the exhibit hall at the 2011 General Assembly; we are assisting chaplains and church relations directors as needs arise; and we have helped coordinate the promotion of the 2010 Thanksgiving Special Offering. The only remaining function, which we have handled in the past, is promotion, marketing and student recruitment, and that is now in the hands of the council. I don't know whether this division of labor is for the short or the long term.

Funding: No proposed funding for the council in 2011

## **THEOLOGICAL EDUCATION**

**GOAL:** *HELM will facilitate cooperation between the church and its institutions of theological education in their joint responsibility for the recruitment, education and nurture of the church's leaders.*

### **Disciples Seminarians Conference**

The planning group for the 2011 Disciples Seminarians Conference (March 31-April 3, at the Scarritt-Bennett Center in Nashville) met in Indianapolis on November 19, 2010. HELM coordinates the planning and management of the conference on behalf of all the General Ministries. This will be a major project for HELM during the first quarter of 2011.

Funding: Estimate \$16,000 from General Ministries

Estimate \$8,000 from registration fees  
Estimate \$12,000 from Polity Fund

### **Theological Institution Admissions Officers**

The theological institution admissions officers did not meet in 2010. It is clear that HELM will need to be more proactive in arranging for this gathering—assuming the admissions officers still see it as useful—now that the *de facto* dean of the admissions officers has retired.

Funding: Staff support from HELM Operating Fund

### **Disciples Scholars Breakfast at AAR and/or SBL**

Chalice Press has decided not to sponsor Disciples scholars breakfast meetings at the 2010 AAR and SBL meetings, due to the relatively low participation at the breakfasts in 2009 and financial limitations. Chalice has been the financial sponsor of these events, with HELM doing the promotion and organization. Chalice anticipates resuming the breakfasts when the AAR and SBL begin to meet together again in 2011.

Funding: Breakfast subsidy from Chalice/CBP  
Staff support from HELM Operating Fund

### **Association of Disciples for Theological Discussion**

ADTD met October 8-10, 2010, at Christian Theological Seminary in Indianapolis. The Association is now in its sixth year as a self-sustaining organization, with HELM providing administrative and financial services.

Funding: Annual Meetings self-funded  
Staff support from HELM Operating Fund

### **Council on Theological Education**

The council will meet March 16-18 in St. Louis.

Funding: Meeting support from HELM Operating Fund

### **The Hope Partnership for Missional Transformation**

I continue to be excited about the developing partnership among HELM, Church Extension, and Disciples Home Missions around the critical need for the training and support of pastoral leaders who will work directly on the possibility of new life for some of the 80% of Disciples congregations that are in both numerical and missional decline.

A number of elements of this project are falling into place, many of them arising out of the experience of Church Extension and its staff, who work with both new congregations and

congregations at the end of their ministries. The elements of this project, which now has the official name above, include:

- Tools to assess the readiness and ability of a congregation to re-center its life on mission outward, rather than internal maintenance, and the ability of pastoral candidates to provide the leadership such an effort requires.
- A training process—using learnings from, but not identical too—the current church planter training.
- A coaching structure that will provide direct assistance to the “turnaround” leaders through a complex and stressful process.
- Peer groups to support leaders in their spiritual, personal, and professional health.

We are working with regional structures and all available partners to ensure a comprehensive approach where we can. Leaders from CE and DHE have already held one regional meeting with congregations, pastoral leaders, regional ministers, and others on the West Coast.

Obviously, the three partners bring different gifts to the partnership, and HELM is not in a position, or likely to be in a position, to bring significant financial resources. For the immediate future, we have committed \$10,000 in 2011 from unrestricted fund income to employ staff on a one-year contract to help get the partnership’s work fully underway. The other partners have committed similar sums for this purpose, and we have a grant from the Oreon E. Scott Foundation to complete the employment costs. For the longer term, work is already under-way—under the leadership of retired CE president Jim Powell—to raise the funds needed to propel this effort, and response so far is encouraging.

There are many questions, and we are proceeding cautiously, but we are proceeding with responsible speed. It would be hard to overstate the urgency of the situation.

Funding: HELM - \$10,000 from Pruett Fund for Ministerial Education

***GOAL:** HELM will help lead efforts to respond to the needs of non-ordained pastoral leaders, and to the church’s need for them.*

## **STUDENT MINISTRIES**

***GOAL:** We will develop national linkages among students and student groups with the aim of nurturing students for church leadership.*

### **Council on Ministries in Higher Education**

The council will meet February 11-13, 2011, in St. Louis.

Funding: Meeting support from HELM Operating Fund

### **Student Ecumenical Partnership Team (STEP)**

The Student Ecumenical Partnership includes Disciples and UCC undergraduate students and continues to work to develop a national network of students and those committed to ministry with students in order to provide support for student ministries.

Funding: Spainhower Campus Ministry Fund  
McAllister Campus Ministry Fund  
Post-Color-Iden Campus Ministry Fund

### **Share 2010**

Share 2010 took place June 29-July 2 at Texas Christian University. Planned by the STEP Team and Disciples and UCC staff, the week-long gathering of 40 Disciples and UCC undergraduate students and 20 campus ministers and resource people explored new resources for student ministries, provided new settings and elements for worship, engaged in service projects in the Dallas-Fort Worth area, and welcomed denominational leaders, including Geoffrey Black, the General Minister and President of the UCC.

To finance the conference HELM received a grant from the Oreon E. Scott Foundation; TCU received a grant from the now-defunct College/University Grant Fund; and The United Church of Christ provided significant support as well.

Feedback and evaluations of the conference were excellent and enthusiastic, and we look toward planning for Share 2012 in 18 months.

Funding: Spainhower Campus Ministry Fund  
McAllister Campus Ministry Fund  
Post-Color-Iden Campus Ministry Fund  
External grants

### **Ecumenical Campus Ministry Team (ECMT)**

ECMT, the organization of staff professionals in student ministries representing several Protestant denominations, met October 20-21 in New York.

ECMT has begun a program of consultation and training for ecumenical campus ministries focusing on capacity building, fund-raising and board development. Dr. Galen Hora, former ECLA staff, and a fund-raising professional, has been engaged to provide consultation and workshops. The response to the offer of his services has been nearly overwhelming, and he is currently planning a series of regional events, beginning in early 2011, that will bring the opportunity within a short drive any interested ministry.

This project is funded using accumulated funds and will require no additional contributions from the participating denominations (Presbyterian Church, USA; Christian Church (Disciples of Christ); United Methodist Church; Evangelical Lutheran Church in America;

Episcopal Church; United Church of Christ). The response is beyond our expectations, and we are very pleased we can provide this service at a time when campus ministries need help to become self-sustaining.

Funding: No HELM funding at this time

## **DIVERSITY AND PARTNERSHIP**

I am excited about the work of the board's Committee on Diversity and Partnership and the help they expect to give us in making the modeling and promotion of full diversity an integral part of our mission to nurture transforming leaders. The committee will bring an oral progress report to this meeting, and will have a full formal report to the board in May 2011.

## **COMMUNICATIONS**

### **The Intersection**

HELM's communication efforts added a significant asset in August with the acquisition of The Intersection, a year-old web site and social network created for members of the Christian Church (Disciples of Christ) and a larger ecumenical community. The Intersection was created by *DisciplesWorld* magazine, then managed by former staffer Rebecca Bowman Woods following the magazine's closure. We acquired the site at no cost, and keeping the site online costs approximately \$50/month. We immediately updated the look, changed the site's URL to [disciplesintersection.org](http://disciplesintersection.org), and sold enough advertising during the first month to sustain operations for a year.

Our vision for The Intersection includes using the site as an online platform for congregational revitalization programs and providing an outlet for a Disciples' brand of "citizen journalism." Providing content for the site remains a challenge, but our plan is that work of the Hope Partnership will generate stories for posting on the site as well as interaction with participants.

As of December 21, the Intersection has 920 members, having added 56 members since our acquisition. The site counts on volunteers for content and moderation; several of those volunteers, both lay and clergy, have been extremely helpful in the transition.

Funding: Costs of maintaining site covered through August 2011 by advertising revenue

### **Digital newsletter**

The eighth digital version of "Tomorrow's Leaders Today," HELM newsletter, was sent in early October. The listserv currently includes approximately 1,550 subscribers.

Funding: Staff support from HELM Operating Fund

## **Social media**

HELM has a Facebook group with approximately 225 friends or followers, and our Twitter feed has 117 followers. We continue to promote social media as another way to follow our ministry.

## **RESOURCE DEVELOPMENT AND FINANCE**

It appears that 2011 will be the year when the accelerating decline in denominational support catches up with us. We project a larger-than-budgeted deficit at the end of 2010 (\$42,731, or about 10% of our operating expenses) and we are presenting a budget with a deficit equal to 5.5% of expenditures, or \$22,361, and that is in spite of reducing expenditures overall by 3.5%.

But we don't know whether even a big proportional increase in our fund-raising will respond to the problem we face. This is why in 2011 we will begin a strategic planning process that will look at everything about this ministry—our mission itself, the denominational context and the accelerating decline of denominational resources and energy, all revenue sources, fundraising options, staffing options and coming staff transitions, facilities, everything—not in order to secure HELM's survival, but to discover what a faithful ministry of leader development will mean in a set of rapidly changing contexts.

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The General Board has reviewed Report No. 1111 from Higher Education and Leadership Ministries. The report is submitted to the General Assembly for consideration and discussion. No action is required. (Discussion time 12 minutes)

**HIGHER EDUCATION AND LEADERSHIP MINISTRIES  
OF THE CHRISTIAN CHURCH (DISCIPLES OF CHRIST)  
DECEMBER 31, 2009**

# MARE AND COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

330 North Fourth Street, Suite 304  
St. Louis, Missouri 63102-2008

April 29, 2010

## INDEPENDENT AUDITOR'S REPORT

The Board of Directors  
Higher Education and Leadership Ministries  
of the Christian Church (Disciples of Christ)  
St. Louis, Missouri

We have audited the accompanying statement of financial position of Higher Education and Leadership Ministries of the Christian Church (Disciples of Christ), (HELM), (a nonprofit organization), as of December 31, 2009, and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of HELM's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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

*Mare and Company*

**HIGHER EDUCATION AND LEADERSHIP MINISTRIES  
OF THE CHRISTIAN CHURCH (DISCIPLES OF CHRIST)  
STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2009  
EXHIBIT A**

	December 31, 2009	<i>Comparative Totals For 2008</i>
<u>Assets</u>		
<u>Current Assets</u>		
Cash	\$ 942,021	\$ 56,549
Contributions receivable - Disciples Mission Fund	26,221	38,291
Other contributions receivable	10,103	10,541
Interest receivable	4,930	7,943
Prepaid expenses	10,182	35,695
<u>Total Current Assets</u>	<u>\$ 993,457</u>	<u>\$ 149,019</u>
<u>Fixed Assets</u>		
Furnishings and equipment	\$ 48,101	\$ 48,101
Accumulated depreciation	(40,899)	(37,537)
<u>Total Fixed Assets</u>	<u>\$ 7,202</u>	<u>\$ 10,564</u>
<u>Investments</u>		
Certificates of deposit and Church Extension notes	\$ 225,000	\$ 434,000
Money funds held by broker	194,020	296,983
Government and corporate bonds	706,692	577,131
Mutual funds and alternative investments	691,049	370,679
Common stocks	1,932,723	1,859,611
<u>Total Investments</u>	<u>\$ 3,749,484</u>	<u>\$ 3,538,404</u>
<u>Total Assets</u>	<u>\$ 4,750,143</u>	<u>\$ 3,697,987</u>
<u>Liabilities And Net Assets</u>		
<u>Liabilities</u>		
Accounts payable	\$ 4,704	\$ 1,658
Loan payable - Lindell Bank	300,000	450,000
Funds held for Bethany Fellowships	1,248,431	504,339
<u>Total Liabilities</u>	<u>\$ 1,553,135</u>	<u>\$ 955,997</u>
<u>Net Assets</u>		
Unrestricted	\$ 1,413,998	\$ 615,724
Temporarily restricted	647,252	765,228
Permanently restricted	1,135,758	1,361,038
<u>Total Net Assets</u>	<u>\$ 3,197,008</u>	<u>\$ 2,741,990</u>
<u>Total Liabilities And Net Assets</u>	<u>\$ 4,750,143</u>	<u>\$ 3,697,987</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

**HIGHER EDUCATION AND LEADERSHIP MINISTRIES  
OF THE CHRISTIAN CHURCH (DISCIPLES OF CHRIST)  
STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2009  
EXHIBIT B**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Year Ended December 31, 2009</u>	<u>Comparative Totals For 2008</u>
<b><u>Revenues, Gains And Other Support</u></b>					
<b>Revenue and Other Support</b>					
<b>Disciples Mission Fund Contributions</b>					
General allocation	\$ 166,678	\$	\$	\$ 166,678	\$ 181,575
Other allocations	60,209			60,209	56,383
Designated allocations	22,954			22,954	25,177
Annual Fund and other contributions	179,348	6,619	120,718	306,685	141,487
Other income	19,095			19,095	11,917
Interest and dividends – net of fees	29,628			29,628	52,236
Investment allocations	410,944	(64,946)	(345,998)		
Net assets released from restrictions	59,649	(59,649)			
<b>Total Revenues and Other Support</b>	<b>\$ 948,505</b>	<b>\$ (117,976)</b>	<b>\$ (225,280)</b>	<b>\$ 605,249</b>	<b>\$ 468,775</b>
<b>Realized and Unrealized Gains</b>					
from Investments - Net	522,852			522,852	
<b>Total Revenues, Gains And Other Support</b>	<b>\$ 1,471,357</b>	<b>\$ (117,976)</b>	<b>\$ (225,280)</b>	<b>\$ 1,128,101</b>	<b>\$ 468,775</b>
<b><u>Expenses And Losses</u></b>					
<b>Expenses</b>					
Program services	\$ 505,715	\$	\$	\$ 505,715	\$ 483,517
Management and general	146,270			146,270	151,884
Fundraising	21,098			21,098	24,207
<b>Total Expenses</b>	<b>\$ 673,083</b>	<b>\$</b>	<b>\$</b>	<b>\$ 673,083</b>	<b>\$ 659,608</b>
<b>Realized and Unrealized Losses</b>					
from Investments					1,689,674
<b>Total Expenses And Losses</b>	<b>\$ 673,083</b>	<b>\$</b>	<b>\$</b>	<b>\$ 673,083</b>	<b>\$ 2,349,282</b>
<b>Change In Net Assets</b>	<b>\$ 798,274</b>	<b>\$ (117,976)</b>	<b>\$ (225,280)</b>	<b>\$ 455,018</b>	<b>\$ (1,880,507)</b>
<b>Net Assets - Beginning Of Year</b>	<b>615,724</b>	<b>765,228</b>	<b>1,361,038</b>	<b>2,741,990</b>	<b>4,622,497</b>
<b>Net Assets - End Of Year</b>	<b>\$ 1,413,998</b>	<b>\$ 647,252</b>	<b>\$ 1,135,758</b>	<b>\$ 3,197,008</b>	<b>\$ 2,741,990</b>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

**HIGHER EDUCATION AND LEADERSHIP MINISTRIES  
OF THE CHRISTIAN CHURCH (DISCIPLES OF CHRIST)  
STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED DECEMBER 31, 2009  
EXHIBIT C**

	Program Services	Management And General	Fundraising	Year Ended December 31, 2009	Comparative Totals For 2008
Salaries	\$ 141,931	\$ 73,591	\$ 10,622	\$ 226,144	\$ 220,303
Employee benefits	42,227	26,315	3,527	72,069	63,718
Payroll taxes	7,103	3,435	499	11,037	10,592
Dues and subscriptions	104	66	9	179	542
Communications	5,516	3,100	1,666	10,282	13,080
Maintenance and supplies	7,752	4,393	774	12,919	12,866
Professional fees	2,226	9,061	223	11,510	13,433
Office rental expense	32,869	18,626	3,287	54,782	58,557
Depreciation	2,017	1,143	202	3,362	4,116
Travel and meetings	8,511	6,053	289	14,853	27,285
Other expenses		51		51	979
Council expenses	2,103			2,103	2,019
NCC education and leadership ministries	500			500	2,625
Campus ministry					
Colleges and universities					
Theological education	7,582			7,582	1,147
General Assembly	3,199			3,199	
General services	435	436		871	922
Designated scholarship grants	63,676			63,676	72,449
College and university grants	17,325			17,325	33,793
Higher education interpretation grants	42,164			42,164	21,914
Postgraduate support	3,694			3,694	5,538
Seminarian grants	9,961			9,961	2,000
Programmatic endowment awards	37,064			37,064	22,010
Institutional endowment awards	8,666			8,666	19,920
Scholarship endowment awards	59,090			59,090	49,800
<b>Total Expenses</b>	<b>\$ 505,715</b>	<b>\$ 146,270</b>	<b>\$ 21,098</b>	<b>\$ 673,083</b>	<b>\$ 659,608</b>

*THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS*

**HIGHER EDUCATION AND LEADERSHIP MINISTRIES  
OF THE CHRISTIAN CHURCH (DISCIPLES OF CHRIST)  
STATEMENT OF CASH FLOWS  
YEAR ENDED DECEMBER 31, 2009  
EXHIBIT D**

	Year Ended December 31, 2009	<i>Comparative Totals For 2008</i>
<u>Cash Flows From Operating Activities</u>		
Change in net assets	\$ 455,018	\$ (1,880,507)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Contributions of marketable securities	(54,862)	
Realized and unrealized losses (gains) on investments	(522,852)	1,689,674
Depreciation	3,362	4,116
Decrease (increase) in operating assets:		
Contributions receivable - Disciples Mission Fund	12,070	(1,376)
Other contributions receivable	438	4,794
Interest receivable	3,013	10,312
Prepaid expenses	25,513	(26,928)
Increase (decrease) in operating liabilities:		
Accounts payable	3,046	(2,022)
Funds held for Bethany Fellowships	744,092	(133,515)
<u>Net Cash Flows From Operating Activities</u>	\$ 668,838	\$ (335,452)
<u>Cash Flows From Investing Activities</u>		
Purchases of fixed assets	\$	\$ (1,210)
Proceeds from sales of marketable securities	1,174,234	2,319,494
Purchases of marketable securities	(1,119,563)	(2,273,690)
Net redemptions of certificates of deposit and Church Extension notes	209,000	100,000
<u>Net Cash Flows From Investing Activities</u>	\$ 263,671	\$ 144,594
<u>Cash Flows From Financing Activities</u>		
Net draws (payments) on loan payable - Lindell Bank	\$ (150,000)	\$ 300,000
<u>Net Cash Flows From Financing Activities</u>	\$ (150,000)	\$ 300,000
<u>Increase (Decrease) In Cash And Cash Equivalents</u>	\$ 782,509	\$ 109,142
<u>Cash And Cash Equivalents - Beginning Of Year</u>	353,532	244,390
<u>Cash And Cash Equivalents - End Of Year</u>	\$ 1,136,041	\$ 353,532

*THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS*

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 1 - ORGANIZATIONAL DATA

The Higher Education and Leadership Ministries of the Christian Church (Disciples of Christ), (HELM), is a unit of the Christian Church (Disciples of Christ). HELM's mission is to nurture men and women, both lay and clergy, for transformational leadership in the Church and the wider human community in partnership with the Church's institutions of higher education and with its congregations, regions and general ministries. HELM accomplishes this mission by funding scholarships, providing grants to certain institutions, and offering programs and activities related to its mission. In 1977, a special unit of the Christian Church (Disciples of Christ) was created, The Division of Higher Education (Disciples of Christ), dedicated to the nurturing of higher education institutions. In 2004, the organization's name was changed to Higher Education and Leadership Ministries to reflect the organization's expanded ministry. Currently, HELM is affiliated with 17 universities and colleges and 10 theological institutions.

HELM is located in St. Louis, Missouri, and is exempt from Federal income tax under the provisions of Section 501(c)(3) of the Internal Revenue Code, pursuant to a group exemption letter issued in 1959 to the General Assembly of the Christian Church (Disciples of Christ).

### NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

#### A) Basis of Accounting

These financial statements have been prepared utilizing the accrual basis of accounting. These financial statements use the accounting presentation set forth in Statement of Financial Accounting Standards (SFAS) No. 117 *Financial Statements of Not-for-Profit Organizations* as supplemented by the AICPA Audit and Accounting Guide *Not-for-Profit Organizations* (June 1, 1996), prepared by the American Institute of Certified Public Accountants' Not-for-Profit Organizations Committee.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A) Basis of Accounting (Continued)

HELM also follows the guidance set forth in SFAS No. 116, *Accounting for Contributions Received and Contributions Made*, which requires unconditional promises to give beyond one year to be recorded at discounted present values, and all contributions to be recorded as income in the year they are made and classified according to the specified intentions of the donors. HELM has established a policy to record support that is restricted by the donor but whose restriction expires in the same reporting period as unrestricted contributions.

In accordance with SFAS No. 124 *Accounting for Certain Investments Held by Not-for-Profit Organizations*, those investments in securities with readily available market values are valued at market. Investments received by gift are recorded at their respective market values.

HELM classifies its net assets under three categories in accordance with SFAS No. 117. These classifications and the associated funds are as follows:

Unrestricted Net Assets are those resources that are used in the daily operations of HELM or at the discretion of management and the Board of Directors.

Temporarily Restricted Net Assets are those resources that are restricted to particular purposes by outside parties. The use of these funds is limited to those purposes approved by the donors of these net assets. Net assets released from restrictions are amounts transferred for scholarships or operations in accordance with the donors' wishes. The following is a schedule of those funds which comprise the Temporarily Restricted Net Assets of HELM:

<u>Restricted Scholarship Funds</u>	
Fisher-Downing Scholarship Fund	\$ 6,619
Alvin and Elsie East College Scholarship Fund	560,461
Tougaloo Institutional Earnings	11,047
Burnet Christian Church Scholarship Trust Earnings	4,415
Tougaloo Scholarship Earnings	<u>64,710</u>
<u>Total Temporarily Restricted Net Assets</u>	<u>\$ 647,252</u>

Permanently Restricted Net Assets are endowments. An endowment, consisting of the original donation and any additions thereto (the principal), must be maintained in perpetuity. HELM has historically accepted an endowment with the understanding that all additional gifts and a fixed percentage of investment income or losses (calculated using a three-year moving

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)A) Basis of Accounting (Continued)

average) are to be allocated to principal. A percentage of investment income is also transferred to HELM's Operating Fund to partially offset administrative costs. The following is a schedule of those endowment funds which comprise the Permanently Restricted Net Assets of HELM:

<u>General Endowment</u>	<u>\$ 27,392</u>
<u>Programmatic Endowments</u>	
Ethnic Minority Ministries	\$ 63,788
James I. Spainhower Campus Ministry	11,697
Raymond McCallister Campus Ministries	38,072
Polity Orientation	38,359
T. A. Abbott Award	11,912
	<u>\$ 163,828</u>
<u>Institutional Endowments</u>	
Letterman Trust	\$ 7,041
Post-Coler-Iden Memorial	52,774
Tougaloo Trust	165,707
	<u>\$ 225,522</u>
<u>Scholarship Endowments</u>	
Aline and Arnold Abrams Scholarship	\$ 22,796
Beasley Scholarship	85,351
Burnet Christian Church Scholarship Trust	21,711
HELM Capital Composite	130,179
Church of Christ Uniting Scholarship	15,256
Ann E. Dickerson	49,463
William Gilbert and Anna Florence Leonard Jones	24,991
Palm Lake Christian Church	67,776
Sherman and Lora Hanson Scholarship	21,431
Oklahoma Capital	21,661
Rollen and Lecta Robinson	80,703
HELM Seminarian Scholarship	19,917
Magdalena Stukey	16,380
Tougaloo Scholarship	22,474
Clyde M. West Scholarship	18,927
Olhauser Scholarship	50,000
Kenwood Christian Church Scholarship	50,000
	<u>\$ 719,016</u>
<u>Total Permanently Restricted Net Assets</u>	<u>\$ 1,135,758</u>

Investment allocations from endowments that designate income for operating purposes are recorded directly in the Unrestricted Operating Fund. Investment allocations from endowments that designate income for purposes other than operations are recorded in the related Endowment Earnings Funds until expended for the designated purposes.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B) Cash and Cash Equivalents

For the purpose of the Statement of Cash Flows, cash and cash equivalents include cash and money funds on deposit with brokers. Investment with an initial maturity of three months or less are also considered to be cash equivalents.

At December 31, 2009, HELM had, as part of its money market funds held at Lindell Bank and Trust, substantially all of the \$905,500 proceeds of the second Bethany Fellowship described in Note 5. In 2010, these cash equivalents were invested in long-term certificates of deposit scheduled to mature during the term of the new agreement.

C) Contributions Receivable

HELM expects to collect in full all amounts recorded as contributions receivable at December 31, 2009. Accordingly, no allowance for uncollectible accounts receivable has been recorded in these financial statements. Since all contributions receivable are expected to be collected within one year, no discounts have been recorded.

D) Fixed Assets

Major acquisitions of furniture and equipment are valued at cost when purchased or at fair value if donated. Fixed assets are depreciated on a straight-line basis over the assets' estimated useful lives. Depreciation for 2009 was \$3,362.

E) Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make certain estimates and assumptions that affect the reported assets, liabilities, and activities as of and for the year ended December 31, 2009. Accordingly, actual results could differ from those estimates.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**F) Interest and Income Taxes**

For purposes of the Statement of Cash Flows, HELM paid a total of \$17,570 for interest during the year ended December 31, 2009. No amounts were paid for income taxes.

**NOTE 3 – INVESTMENTS**

Investments as of December 31, 2009, consisted of the following:

	<u>Market</u>	<u>Cost</u>
Certificates of deposit and Church Extension notes	\$ 225,000	\$ 225,000
Money funds held by broker	194,020	194,020
Government and corporate bonds	706,692	693,976
Mutual funds and alternative investments	691,049	736,135
Common stocks	1,932,723	1,788,265
	<u>\$ 3,749,484</u>	<u>\$ 3,637,396</u>

Income from investments totaled \$78,725 for the year ended December 31, 2009. HELM has borrowed funds from Lindell Bank and Trust to maintain the composition of its portfolio of long-term securities. Investment income is shown net of the appropriate amount of interest paid on the loan, which totaled \$18,834. Investment income is also shown net of money manager and brokerage fees, which totaled \$31,035. HELM recognized net realized and unrealized gains of \$522,852 on its investments during the year ended December 31, 2009.

Investments in certificates of deposits, Church Extension notes, and money funds held by brokers are recorded at cost values. Government and corporate bonds, mutual funds and alternative investments, and common stocks are reported at market values in accordance with SFAS No. 124. At December 31, 2009, HELM held a 3.25% note issued on August 18, 2008 by the Church Extension. The note had a face amount of \$125,000 and a maturity date of February 18, 2010. In February 2010, this note was replaced by \$125,000 of notes with tiered maturities extending through February 18, 2015. Such notes are not publicly traded, but are expected to be collected in full for the stated amounts. Accordingly, these notes are reported at cost value in accordance with SFAS No. 124.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE 4 - LOAN PAYABLE - LINDELL BANK

On June 20, 2001, HELM entered into a credit agreement with Lindell Bank and Trust whereby HELM has been provided a line of credit of up to \$500,000. On November 25, 2009, this agreement was extended through the maturity date. Interest, charged at a variable rate, is to be paid monthly and the principal balance is due on November 25, 2010, if no prior demands are made by the lender. The loan is secured by securities held by HELM at Merrill Lynch. During the year ended December 31, 2009, interest on the line of credit totaling \$18,834 was allocated entirely against its investment income. At December 31, 2009, the applicable interest rate for the line of credit was 5.25% and the outstanding balance was \$300,000.

NOTE 5 - FUNDS HELD FOR BETHANY FELLOWSHIPS

In 2005, HELM received \$909,500 from Lilly Endowment, Inc. to fund a program beginning on March 1, 2005. Under terms of the grant agreement, this program was originally projected to end as of March 31, 2010, but has been modified to extend through December 31, 2010. At December 31, 2009, \$342,931 of funds remained under this grant. In December 2009, \$905,500 of funds from a second grant from the Lilly Foundation was disbursed to HELM. These funds are intended to extend the Bethany Fellowships program through December 31, 2015.

The Bethany Fellowships program provides support for ministers in their first five years of congregational leadership. Disbursements for the program are made in accordance with a grant agreement between HELM and Lilly Endowment, Inc. HELM manages the finances and oversees the financial and program reporting and collects a nominal annual fee for its administration of the program. At December 31, 2009, HELM held funds totaling \$1,248,431 for Bethany Fellowships.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE 6 - NET ASSETS RELEASED FROM RESTRICTIONS

In 2009, Temporarily Restricted Net Assets were released for the following purposes:

Restricted scholarship grants	\$ 52,981
Institutional endowments	3,168
Scholarship endowments	<u>3,500</u>
	<u>\$ 59,649</u>

NOTE 7 - PENSION PLAN

Employees of HELM participate in a contributory, defined benefit pension plan administered by the Pension Plan of The Christian Church (Disciples of Christ). Pension expense was \$31,296 for the year ended December 31, 2009. As of December 31, 2009, the date of the latest actuarial valuation of the Plan, the market value of Plan assets exceeded the actuarial value of vested benefits. All prior service costs have been funded.

NOTE 8 - TAYLOR SCHOLARSHIP FUND

In 1992, HELM and the First Christian Church of Winterset, Iowa, reached an agreement whereby HELM is to manage the assets of the Church's Charles W. and Lois H. Taylor Scholarship Fund. However, control of the Fund's net assets and activities is retained by the Church. Consequently, the assets, liabilities, and activities of the Fund are not recorded in these financial statements. According to the agreement, HELM invests the assets of the Fund within the guidelines set forth by the Church. Those guidelines state that a percentage of a moving average of the investment portfolio's value be distributed each year. HELM makes disbursements for scholarships to those students designated by the Church. Fixed percentages of the annual distribution are made available for scholarships and a fixed percentage is paid to the Church's Building Fund. A fixed percentage of the annual distribution is also paid to HELM for its management of these funds. In 2009, HELM charged the Fund \$6,640 for its service.

NOTE 9 - LEASES

In April 2003, HELM entered in a lease with Golfview Members, L.L.C. for office space. The term of the initial lease was from May 15, 2003 through October 14, 2008. On November 8, 2007, the lease was amended to extend the term through October 31, 2013 with ratable rent increases during the extended time period.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE 9 - LEASES (CONTINUED)

HELM also has operating leases on a copier within monthly payments through November 2010 and a postal mailing system with quarterly payments through December 2011.

Lease payments charged to expense totaled \$62,825 in 2009. A schedule of HELM's future minimum annual lease payments under its leases is as follows:

<u>Year Ended</u> <u>December 31,</u>	
2010	\$ 59,098
2011	\$ 57,423
2012	\$ 55,575
2013	\$ 47,250

NOTE 10 - CONCENTRATIONS

HELM receives a significant portion of its public support from Disciples Mission Fund allocations through the Christian Church (Disciples of Christ). During the year ended December 31, 2009, HELM received a total of \$249,841 of Disciples Mission Fund allocations for its operations and for funding the College/University grant program.

In the course of its ministry and its administration of the Bethany Fellowships described in Note 4, HELM has operating funds and investments in certificates of deposit at Lindell Bank and Trust in excess of insured limits. At December 31, 2009, HELM had \$1,078,112 on deposit with Lindell Bank and Trust, of which \$250,000 was insured by the F.D.I.C.

NOTE 11 – RELATED PARTY TRANSACTIONS

The Church Extension is a separate branch of the General Assembly of the Christian Church which offers mission-driven capital planning and funding services to Disciples of Christ congregations. Church Extension's primary investment obligations are in the form of term and demand notes issued to members and units of the Christian Church (Disciples of Christ). At December 31, 2009, HELM held a note receivable in the face amount of \$125,000 from the Church Extension.