



The Evangelical Covenant Church

JUNE 27-30

Marriott at the Renaissance Center
Detroit, Michigan

DELEGATE
NOTEBOOK

ANNUAL
MEETING
2013

found faithful: loving mercy & doing justice.

Agenda
ONE HUNDRED TWENTY EIGHTH COVENANT ANNUAL MEETING
June 28-29, 2013

Times Certain

Friday, June 28

8:30 – 12:00 p.m.	Morning Business Session with Worship
1:30 p.m.	Irving Lambert Outstanding Urban Ministries Award
1:30 – 3:00 p.m.	Afternoon Business Session
3:30 – 4:45 p.m.	Roundtable Discussions – Mission Priorities+

Saturday, June 29

8:30 – 12:00 p.m.	Morning Business Session with Worship
9:15 a.m.	T. W. Anderson Outstanding Layperson Award
9:30 a.m.	Clergy Lifetime Service Recognition
9:45 a.m.	Ministerial Credentials
10:30 a.m.	2014 Mission and Ministry Budget
1:30 – 3:00 p.m.	Afternoon Business Session

*Reports exceeding the ten (10) minute time limit per Standing Rule 3.a are marked: e.g. (30 minute report)

PREPARING OUR HEARTS

1. Morning Worship

ORGANIZATION OF THE MEETING

2. Opening Statement by the Moderator
3. Greeting from Great Lakes Conference, Superintendent Garth McGrath
4. Report on Credentials and Motion
 - a. Credentialing Report #1
 - b. Credentialing Report #2
 - c. Credentialing Report #3
5. Action on the Standing Rules
6. Action on the Proposed Agenda *(Este material también se encuentra en Español)*
7. Approval of Honorary Delegates and Resource Persons
 - a. Honorary Delegates and International Guest
 - b. Resource Persons

MEMBERSHIP IN THE MISSION

8. Churches Removed from the Roster
 - a. Recognition and Prayer
9. Churches Applying for Membership in the Evangelical Covenant Church
 - a. Recognition and Prayer *(30 minute report)*

STATE OF THE MISSION

10. Report of the President *(Este material también se encuentra en Español)*

ORGANIZING FOR MISSION

11. Introduction to Mission Priority Alignment
12. 2014 Constitution Amendment
13. 2013 Bylaw Amendments
 - a. Article X, Section 10.3.b.i – Ordered Ministry
 - b. Article VII, Section 7.10, Article XII, Section 12.2 – Benevolence

SERVANT LEADERSHIP FOR THE MISSION

14. Call of Executive Minister of Communication
 - a. Report of the Nominating Committee
 - b. Vote
15. Report of the Board of Nominations and Vote
16. Actions to be Taken from the Ordered Ministry *(Time Certain – Saturday 9:45 a.m.)*
 - a. Presentation of Candidates for Transfer of Ordination
 - b. Presentation of Candidates for Consecration as Missionaries
 - c. Presentation of Candidates for Ordination to Word and Service
 - d. Presentation of Candidates for Ordination to Word and Sacrament
 - e. Approval of Licenses
 - f. Change in Standing

HONORING FAITHFUL SERVICE IN THE MISSION

17. Irving Lambert Outstanding Urban Ministries Award *(Time Certain – Friday 1:30 p.m.)*
18. T.W. Anderson Outstanding Layperson Award *(Time Certain – Saturday 9:15 a.m.)*

19. Clergy Lifetime Service Recognition (*Time Certain – Saturday 9:30 a.m.*)
20. Recognition of David and Judy Dolan, retiring Missionaries
21. Recognition of David and Wendy Mark, retiring Missionaries
22. Recognition of Donn Engebretson, service as Executive Vice President
23. Recognition of David Olson, outgoing Executive Minister of Church Growth and Evangelism
24. Recognition of Executive Board Members Concluding Term of Service

FUNDING THE MISSION

25. Fiscal Year 2012 Financial Report
26. Presentation and Adoption of the 2014 Mission and Ministry Budget (*Time Certain – Saturday 10:30 a.m.*)

DIMENSIONS OF THE MISSION

27. Written Reports by Mission and Ministry Leadership
Executive Vice President; Vice President for Finance; Christian Formation; Communication; Compassion, Mercy, and Justice; Ordered Ministry; Women Ministries; World Mission; Covenant Ministries of Benevolence; North Park University; North Park Theological Seminary; National Covenant Properties; Covenant Estate Planning Services/Covenant Trust Company
28. Report from Covenant Ministries of Benevolence
 - a. Emanuel Medical Center - Turlock
29. Report from North Park University
30. Report from Women Ministries
31. Report from Covenant Trust Company
32. Mission and Ministry Leadership Response to Delegate Questions

LIVING FAITHFULLY IN THE MISSION

33. Commission on Christian Action
 - a. Recommendation on Resolution on Stewardship and Generosity (*30 minute report*)
(Este material también se encuentra en Español)
 - b. Report on Draft Resolution on Immigration (*40 minute report*)
(Este material también se encuentra en Español)

PREPARING TO GO FORTH IN MISSION

34. Prayer for the Mission and Ministry of the ECC

35. Close of the Meeting
 - a. Approval of Minutes of 128th Covenant Annual Meeting
 - b. Delegate Evaluation
 - c. Report to Congregations
 - d. Arrangements for 2014 Annual Meeting
 - e. Closing Statement
 - (1) Resolution of Sympathy
 - (2) Resolution of Gratitude

36. Adjournment

37. Benediction

Annual Meeting Officers
Moderator: Stanley B. Long
Vice Moderator: Amanda L. Olson
Secretary: Sandra E. Norris
Parliamentarian Eric D. Filkin



The Evangelical Covenant Church
DELEGATE ORIENTATION
2013 Covenant Annual Meeting Business Session

Found Faithful
Love Mercy – Do Justice

Welcome to the Covenant Annual Meeting! New delegate orientation sessions are provided prior to the Annual Meeting to acquaint delegates with the procedures and information for this assembly. This document* will be of great help.

Article VII Annual Meeting

- Section 7.1.** A convention of delegates, known as the Annual Meeting, shall be the highest constituted authority in the ECC.
- Section 7.2.** There shall be one regular session of the Annual Meeting each year. At least thirty days before the date of each Annual Meeting, the corporate secretary of the ECC shall send a notice to each member congregation, stating the time, place, and purpose of the meeting.
- Section 7.3.** As the highest deliberative and decision-making body of the ECC, the Annual Meeting shall approve the admission and dismissal of congregations, elect or call persons to leadership positions as provided in the Bylaws, approve the budget of the ECC, receive and approve reports, credential recommended persons for the ministry of the ECC, approve amendments to this Constitution and Bylaws, approve amendments to the Articles of Incorporation of the ECC, and make other decisions necessary to the mutual work of the ECC, the regional conferences, and affiliated institutions, as provided in the Bylaws.
- Section 7.4.** Each ECC congregation, each regional conference, and each ECC world mission region is entitled to send one or more delegates to the Annual Meeting, as provided in the Bylaws. The Bylaws may provide for additional delegates and advisors. Each delegate shall serve for a term that expires at the convening of the next Annual Meeting as provided in the Bylaws. Each delegate shall be a corporate member of the ECC for the duration of that delegate's term.
- Section 7.5.** Special sessions of the Annual Meeting may be called by the Executive Board, by the president of the ECC with the concurrence of the Executive Board, or by a majority of the current delegates. At least thirty days before the date of each special meeting, the corporate secretary of the ECC shall send a notice to each current delegate, stating the time, place, and purpose of the meeting.
- Section 7.6.** A majority of delegates registered and certified in accordance with the Bylaws shall constitute a quorum for any regular or special session of an Annual Meeting.

The purpose of the Covenant Annual Meeting is the same as the purpose of the Church of Jesus Christ—at all times and in all situations—to discern and to do the will of God. Depending on the circumstances, there are several ways this may be done; the circumstances of the Annual Meeting—the size of the delegation, the complexity of the issues that will come before us—require that we proceed more formally than is usually necessary in smaller Christian gatherings. We proceed according to the Covenant Bylaws and *Robert's Rules of Order, Newly Revised*. At first some of the language used on the floor of the Meeting may seem strange to you, but you will soon understand it as a kind of oral "shorthand" that keeps the business moving along. A brief glossary of some common parliamentary terms is at the end of this paper. The reason for a rather strict adherence to these rules may be stated as follows:

- It protects the right of the majority to decide
- It protects the right of the minority to be heard
- It protects the rights of the individual members, both those present and those absent
- It prevents a "railroad" of the Meeting by manipulation
- It prevents an emotional "stampede" of the Meeting

Though other elements are factors, three elements basically determine the direction of each Annual Meeting: the delegates; the Boards and Commission of the Covenant, particularly the Executive Board; and the Moderator.

I. THE DELEGATES

The individual delegate is the principle "building block" of the meeting. This person must act to receive the reports, to approve recommendations, and to question and debate the issues, to vote on motions.

As a delegate you need to do the following:

1. **Keep alert.** A meeting can seem to be fruitless and even boring to a member who doesn't pay attention and participate.
2. **Listen carefully and think about the motion before the group.** If possible, read up on the motion and resolutions prior to the start of the meeting.
3. **Study the most important parliamentary motions** and their order of precedence so you will know what to do and when to do it.
4. **Remember that silence may be interpreted as consent.** You have an obligation to participate and an obligation to object if you think something is not proper or wise.

Discussion, debate, the exchange of ideas and information are at the heart of the process, so these are encouraged. Every delegate has the right to speak in the meeting. Here are some guidelines if you wish to speak on the floor of the meeting.

1. Approach a microphone and wait for the Moderator to call on you.
2. Seek the floor only when the subject you want to talk about is under discussion.
3. When you have been recognized, speak to the Moderator and state your name. Say what is on your mind. You do not have to make a speech to the Assembly; you are speaking to just one person, the Moderator, and the others are listening in.
4. If you have a question about procedure, ask the Moderator; if you have a question about the subject under discussion, the Moderator will call on the person who is most likely to have the answer.
5. You may speak once to an issue, and not again on the same issue as long as someone else, who has not yet had a turn, is seeking the floor.
6. Once you have spoken a second time you have used up your rights of debate on that issue.

If you have an item that does not relate to the proposed Agenda and you wish to present it to the Meeting, you must write a description of your presentation and give it to the Moderator. If the Moderator agrees that it is in order, a majority vote of those present and voting will then add it to the Agenda, and you may make your presentation when called up to do so.

II. BOARDS AND COMMISSIONS

1. The Executive Board is the Board through which the recommendations of the Administrative Boards (with the exception of the Board of the Ordered Ministry) and the Commissions must pass in order to reach the floor of the Meeting. The Executive Board is the mover of almost all the recommendations that arise from the Agenda, which it also prepares. This process, established by the Covenant Bylaws, insures a coordinated mission and avoids possible contradictory recommendations from various official sources. All recommendations are subject to the amendment, referral, or rejection of the Meeting. As the mover of most of the recommendations on the Agenda, a spokesperson for the Board is usually granted what the Rules call "preference in recognition." This is the privilege of a mover to speak first to

a motion. (Please note that motions arising from a Board, Commission, or Committee do not require a second; they already have more than one supporter.)

2. The Board of the Ordered Ministry reports directly to the Annual Meeting after obtaining the consent of the Covenant Ministerium to its recommendations.
3. Commissions and Committees are basically study groups who formulate statements which may become the official pronouncements of the Annual Meeting. All of these are reported through the Executive Board, though the Board may allow statements to reach the floor without agreeing to them, submitting them directly to the judgment of the Meeting.

III. THE MODERATOR

The Moderator of the Annual Meeting is the presiding officer of the Meeting. This important role as Moderator is this person's only function. (This differs from the practice of regional conferences in which the Chair of the Conference Executive Board serves also as Chair of the Conference Annual Meeting.) The Moderator's responsibilities are:

- to interpret and apply the rules of the Meeting
- to expedite the business of the Meeting
- to see that all persons involved in the Meeting are treated fairly
- to clarify what is happening
- to advise delegates in the procedures of the Meeting
- to maintain the discipline and joy of Christian fellowship

A final word about "decorum" in the Meeting. There are times when spontaneous applause expresses affirmation and unanimity in the Meeting, but applause during a debate, when there is an obvious difference of opinion, is not fair to the opposing side.

Motives of other persons may never be impugned during a debate. The merits of the motion, and not the motives of the mover, are the issue under debate. When the Meeting is in session, move to and from your seat quickly and quietly.

A BRIEF GLOSSARY OF COMMON PARLIAMENTARY TERMS

AMEND, MOVE TO. Most motions may be amended on the floor of the Meeting, particularly when they deal with the business rather than the procedures of the Meeting. All amendments must be germane to the original motion. Amendments can be made in three (3) ways: addition, deletion, or substitution. When an amendment has been seconded, it must be debated and decided, or otherwise dealt with, before the motion it seeks to amend may be further considered.

APPEAL FROM THE RULING OF THE MODERATOR. A delegate is testing the Moderator's ruling against the opinion of the Meeting. The motion to appeal requires a second. An affirmative vote by the Meeting sustains the Moderator's ruling.

BALLOT, TO ORDER THE VOTE ON A PENDING QUESTION TO BE TAKEN BY. The Bylaws and Rules specify that certain questions be decided by ballot. Questions other than these may also be decided by ballot if a majority of the Meeting concurs with a request from a delegate for it.

DIVISION OF THE ASSEMBLY. This is a vote by rising. It may be demanded by any delegate to verify a vote taken by voice or by a show of hands, or may be ordered by the Moderator when a vote by show of hands or by voice has been "too close to call." If it is still not possible to discern the outcome visually, the Moderator may order a count by the Sergeants-at-Arms. A majority of the Meeting may also order a count.

INFORMATION, POINT OF. Asking a question about the business at hand.

MR. or MADAME MODERATOR. The traditional form for addressing the Moderator from the floor of the Meeting.

ORDER, POINT OF. A delegate calls the Moderator's attention to a possible breach of the Rules. If the delegate is not satisfied with the Moderator's subsequent explanation, he or she may appeal if the point has been raised concerning an actual ruling of the Moderator.

PARLIAMENTARIAN. An advisor to the Moderator on Parliamentary Law.

PARLIAMENTARY INQUIRY, POINT OF. Asking a question about the application of the Rules in the business at hand.

PERSONAL PRIVILEGE, POINT OF. A delegate believes that his or her rights or the rights of another are being infringed upon.

POSTPONE TO A CERTAIN TIME. A delegate may move to postpone the item under discussion until a later point in the Meeting. The motion requires a second and is debatable.

PREVIOUS QUESTION, MOVE THE. A motion to cut off debate on an issue which requires a second, and a two-thirds majority. An affirmative vote merely cuts off debate and is not a vote on the motion under debate.

PUTTING THE QUESTION. Taking a vote.

RECONSIDER, MOVE TO. A motion to reconsider an item previously voted upon may be made at any time, though it may have to wait until other business has been dealt with before it can be taken up. If a majority decides that the item previously voted upon will be reconsidered, debate on it re-opens, and another vote is taken (or it is otherwise disposed of, by referral etc.) The motion to reconsider has unique characteristics: It may be made only by a delegate who originally voted with the prevailing side on the item; it may be made no later than the day following the original vote; it cannot apply to an item when provisions of it have already begun to be carried out (such as the signing of a contract); and it cannot be itself reconsidered.

REFER, MOVE TO. (Not to be confused with a motion to table.) A referred motion goes to a Board or Committee as designated by the Motion to Refer. It requires a second and is debatable.

SECOND. A seconder need not agree with the motion or vote for it. The seconder need only agree that the motion deserves the attention of the Meeting.

SUSPEND THE RULES. It is possible to suspend a rule that is standing in the way of accomplishing what the Meeting clearly wants to do either by motion or by unanimous consent. Bylaws may not be suspended unless they are in the nature of "rules of order." This is a complex issue, with each instance subject to the interpretation and ruling of the Moderator.

TABLE, MOVE TO. (Or "LAY ON THE TABLE"). Unlike a referred motion, a tabled motion goes nowhere. No one considers it, or studies it, or does anything with it until a motion passes to "take it from the table." If this does not happen at this Annual Meeting, the motion is dead; i.e., we could not move to "take something from the table" that was put on the table at a previous Annual Meeting.

*Prepared by Everett L. Wilson (Moderator-1985) in consultation with Robert H. Peterson, Moderator-1983. Revision by Evelyn M. R. Johnson (Moderator-1986) and Duane Aschenbrenner (Parliamentarian-1986). Further revision by Duane Aschenbrenner (Parliamentarian-2000, 2001 and Vice Moderator-1991, 1992).



**Credential Committee Reports to the 128th Annual Meeting
of the Evangelical Covenant Church ****

**Unaudited statistics are provided at this time. A final audited report will be printed in the minutes.

First Credentialing Report

Total credentialed voting delegates

Total additional registrants in non-voting categories

TOTAL REGISTERED CONFERENCE ATTENDANCE

Second Credentialing Report

Total credentialed voting delegates

Total additional registrants in non-voting categories

TOTAL REGISTERED CONFERENCE ATTENDANCE

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Final Credentialing Report

<u>Representing</u>	<u>Delegates</u>	<u>Churches</u>
Conferences/Regions:		
Canada		
Central		
East Coast		
Great Lakes		
Midsouth		
Midwest		
North Pacific		
Northwest		
Pacific Southwest		
Southeast		
Alaska		
Total of Conference/Region Delegates		

Churches in addition to those represented in Conferences/Regions

General		
Officers of the Covenant		
Executive Board		
Council of Administrators		
Annual Meeting Officers		
Board of Nominations		
Covenant Ministerium		
Assoc. of Cov. Camps and Conf. Centers		
Commission Delegates		
World Mission Fields		
Regional Conference Offices		
Regional Mission Org (ECCAK)		
Total of General Delegates		

*Total Credentialed Delegates (sum of Credentialed & General Delegates)		
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Churches in addition to those represented in Conferences/Regions

Honorary Delegates		
Advisors from Covenant Institutions		
Advisors from Nonmember Churches		
Resource People		
Registered General Conferees		
Exhibitors		
Support Staff		
*Total Additional Attendees		

Total Registered Conference Attendance (sum of * totals)		
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The Agenda Committee recommends to the 128th Covenant Annual Meeting adoption of the Standing Rules of Order.

Introduction

The written documents that govern the Annual Meeting of the Evangelical Covenant Church are the Illinois Not For Profit Act, the Articles of Incorporation of the Evangelical Covenant Church, the Evangelical Covenant Church Constitution and Bylaws, the Rules for the Ordered Ministry of the Evangelical Covenant Church, the Covenant Pension Plan, and the most recent edition of *Robert's Rules of Order*. *Robert's* provides that a convention or assembly of delegates such as the Covenant Annual Meeting may adopt its own standing rules to supplement the provisions of *Robert's* and of its own documents.

The Standing Rules require a two-thirds majority for adoption or suspension.

STANDING RULES OF ORDER 2013 COVENANT ANNUAL MEETING

1) Obtaining the Floor

Only persons wearing appropriate credentials as delegates, advisors, or resource persons may be present on the floor of the Annual Meeting or request speaking privileges. With the exception of points of order, points of personal privilege, or other items that require urgent attention, only those persons who approach a microphone shall be recognized by the moderator.

2) Voting

Voting on motions will typically be by voice vote. Any delegate may request voting by ballot on any particular question. This request, when supported by ten percent of the delegates present and voting, will be implemented. The moderator may direct that voting be by ballot on any question.

3) Time Limits

a) Reports that contain no proposal for action by the meeting shall be limited to ten (10) minutes, including the question period, with the exception of the president's report, the treasurer's report, and items specified in the agenda as longer reports.

b) Debate on any main motion, including its subsidiary motions, shall be limited to thirty (30) minutes, except as otherwise specified in the agenda. No amendment or other subsidiary motion to a main motion shall be allowed until debate on the main motion has ceased or ten (10) minutes have passed.

c) No speech in debate may exceed three (3) minutes unless this period is extended by a majority vote at the request of the speaker.

d) Time limits may be extended for a specific period by a two-thirds vote.

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4) Submission of Motions in Writing

All main motions and complex subsidiary motions shall be submitted in writing to the secretary.

5) Items of Business not on the Agenda

The Bylaws provide in Section 7.8.a.ii that “Items of business that are not on the agenda may be submitted in writing by a delegate to the moderator. If the item submitted is in order, a majority vote of the delegates present and voting shall be required to place that item on the agenda.” It is further strongly requested that such items be submitted to the moderator as early as possible in the course of the meeting.

6) Consent Agenda

Items on the Consent Agenda may be removed from the Consent Agenda at the request of any two delegates. Items removed from the Consent Agenda shall be acted upon by the assembly at a place in the agenda determined by the moderator. If the Consent Agenda is not adopted by the unanimous consent of the meeting then each of the items on the Consent Agenda shall be acted upon by the assembly as a separate motion at a place in the agenda determined by the moderator.

7) Nominations from the Floor

A nomination from the floor shall be accepted only if the person nominated has agreed to have his or her name placed in nomination. (Note that the Bylaws provide in Section 7.9.c.v.2 and 7.10.j.ii that a delegate making a nomination may provide descriptive information similar in scope and content to that provided to the Annual Meeting by a nominating board or committee.)

8) Modification of Agenda Order

The moderator shall have the discretion to revise the order of agenda items to accommodate scheduling needs.

Agenda Committee Members

Stanley B. Long, *moderator*

Gary B. Walter, *president of the Covenant*

Amanda L. Olson, *vice-moderator*

Evelyn M.R. Johnson, *secretary of the Covenant*

Eric D. Filkin, *parliamentarian*

**REPORT ON CHURCHES TO BE REMOVED FROM THE ROSTER OF
THE EVANGELICAL COVENANT CHURCH**

Central Conference

Closed: The Storehouse Covenant Church, Chicago, Illinois

East Coast Conference

Closed: QueensWest Covenant Church, Long Island City, New York

Closed: United Covenant Church, Wilton, Connecticut

Great Lakes Conference

Closed: Evangelical Covenant Church, Buffalo, New York

Southeast Conference

Closed: Covenant Community Church, Deland, Florida

Central Conference – Jerome O. Nelson, Superintendent

Name of the Church: The Storehouse Covenant Church

Location (City, State): Chicago, Illinois

Reason for deletion from roster: Closed

Number of members: 4

Year joined the Covenant: 2006

Peak membership (approximately): 40

East Coast Conference – Howard Burgoyne, Superintendent

Name of the Church: QueensWest Covenant Church

Location (City, State): Long Island City, New York

Reason for deletion from roster: Closed

Number of members: 33

Year joined the Covenant: 2003

Peak membership (approximately): 75

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Name of the Church: United Covenant Church

Location (City, State): Wilton, Connecticut

Reason for deletion from roster: Closed

Number of members: 12

Year joined the Covenant: 1975

Peak membership (approximately): 50

Great Lakes Conference – Garth McGrath, Superintendent

Name of the Church: Evangelical Covenant Church

Location (City, State): Buffalo, New York

Reason for deletion from roster: Closed

Number of members: 76

Year joined the Covenant: 1890

Peak membership (approximately): unknown

Southeast Conference – Robert Owens, Superintendent

Name of the Church: Covenant Community Church

Location (City, State): Deland, Florida

Reason for deletion from roster: Closed

Number of members: 24

Year joined the Covenant: 2003

Peak membership (approximately): 67

Churches Applying for Membership

Based upon the recommendation of the respective Conferences and Regions, the Executive Board recommends to the 128th Annual Meeting of the Evangelical Covenant Church that the following churches be accepted into membership in the Evangelical Covenant Church.

Church	Approximate Membership	Approximate Attendance
<u>CENTRAL CONFERENCE</u>		
Cross Fellowship, Inc an Evangelical Covenant Church Chicago, IL	10	20
New Community Covenant Church (Bronzeville) Chicago, IL	40	70
St. Luke’s Christian Community Church an Evangelical Covenant Church Morton Grove, IL	55	45
<u>EAST COAST CONFERENCE</u>		
Evergreen Covenant Church Sanford, ME	33	54
<u>GREAT LAKES CONFERENCE</u>		
City Covenant Church Detroit, MI	12	170
CityView Covenant Church Pittsburgh, PA	16	50
Detroit Bible Tabernacle an Evangelical Covenant Church Detroit, MI	100	60
Miracle of Faith Ministries an Evangelical Covenant Church Detroit, MI	100	200
The Bridge Covenant Church Detroit, MI	20	30
<u>MIDSOUTH CONFERENCE</u>		
Harvest Community Church an Evangelical Covenant Church Houston, TX	50	100

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Lifepath Church an Evangelical Covenant Church Houston, TX	200	275
<u>NORTH PACIFIC CONFERENCE</u> Cannon Beach Community Church an Evangelical Covenant Church Cannon Beach, OR	135	200
<u>NORTHWEST CONFERENCE</u> Awaken Covenant Community Lilydale, MN	75	150
Blue Oaks Covenant Church Brooklyn Park, MN	30	150
La Bendicion Evangelical Covenant Church Brooklyn Park, MN	20	70
Real Life Covenant Church Waseca, MN	8	120
Restoration Covenant Church Apple Valley, MN	28	150
<u>PACIFIC SOUTHWEST CONFERENCE</u> Church Without Walls an Evangelical Covenant Church Berkeley, CA	69	120
Covenant Grove Church Modesto, CA	50	150
Restoration Covenant Church Redlands, CA	57	125

Summary:

Number of new churches	20
Cumulative approximate membership	1108
Cumulative approximate attendance	2309

Note: Churches with the phrase "an Evangelical Covenant Church" are generally adoptions, existing congregations joining the Covenant denominational family.

Report on Churches Joining the Covenant

The mission of the Covenant is stronger, richer and more diverse because of the 20 churches joining this year. Each of these churches bring with them a ministry that will enrich the kingdom contribution of the whole Covenant denomination, and will itself be enriched by its connection with the Covenant.

Below is a synopsis of each congregation. Each story testifies to both the handiwork of God in raising up a ministry, and to the faithfulness of committed people in carrying out that ministry. What is less visible is the role that every Covenanter has had in these stories. Through making possible the elements of a pastoral assessment process, financial support, training, and strategic services, every Covenanter has a place in these stories.

Central Conference

Cross Fellowship, Inc

approximate attendance: 20

an Evangelical Covenant Church

Chicago, IL

Pastor: Jorge L Escarpita

Cross Fellowship is a church plant in the urban center of Chicago, IL. Its membership and attendees reflect mosaic in ethnicity, socio-economics, and gender. Cross Fellowship was founded in July 2010. They originally met in public library rooms, school conference rooms, park districts and homes. Approximately one year after beginning, they leased their first permanent space, with areas for children's ministry, Sunday worship, and extra space for communal living. The primary reason for desiring membership in the Covenant is that the ECC better reflects their understanding of Christian identity and mission than their previous denominational affiliation. They strongly believe that we can better live out the gospel in the Covenant Church.

New Community Covenant Church

approximate attendance: 70

Chicago, IL

Pastor: David W Swanson

New Community Covenant Church (Bronzeville) was a church plant sent by New Community Covenant Church in Chicago's Logan Square neighborhood, with the partnership of the Covenant and the Central Conference. We were sent to begin weekly services on the city's south side in April 2010. We first met in an elementary school auditorium; since September of 2012 we have met in a park district field house. In addition to the financial appropriations, our church has benefited from the Covenant and Conference through training, coaching, a church retreat at Covenant Harbor, and the Invitation to Racial Righteousness. New Community is an intentionally multi-ethnic church for the sake of the Gospel. We seek to express Christ's reconciliation through our community in all we do including our public worship, engagement with youth, and partnership with other churches to address needs in our neighborhood.

St. Luke's Christian Community Church

approximate attendance: 45

an Evangelical Covenant Church

Morton Grove, IL

Pastor: Isabel (Bunny) Hughes

Situated in a northwest suburb of Chicago, St. Luke's is multi-ethnic and culturally diverse, with Caucasian, Filipino, Korean and African American members. St. Luke's is a church that is highly missional, offering space in their facility for a pre-school, head start, and a Korean-speaking congregation. We are

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committed to missionary support, donations to Maine Township food pantry, and a variety of Christian outreach programs. The history of St. Luke's reveals that while it has been affiliated with the Congregational Church, it has, with one exception, been served by a pastor who holds licensure with the Evangelical Covenant Church. St. Luke's desires membership in the Covenant in that its theological beliefs are in line with the ECC denominational constitution, and the membership has a strong desire to be connected with a church body whose affirmations clearly articulate their sense of call, and to find a denominational connection that will strengthen their sense of identity as a church of Jesus Christ.

East Coast Conference

Evergreen Covenant Church

approximate attendance: 54

Sanford, ME

Pastor: Frank J Catalano

Evergreen Covenant Church started in 2008 with a mission to gather as God's people, grow in the faith, and give to the world. Evergreen has evolved into a regional church with a local mission. 'Evergreeners' come from all over southern Maine and even New Hampshire with a common focus to serve the community in Sanford, Maine. We enjoy a style of worship that we call 'blended', and people from a wide range of traditions have found a home at Evergreen Covenant Church. Our outreach efforts include the founding of an award-winning after-school program, participation in the summer free lunch program, and international partnerships with the Covenant Church of Ecuador. The church was planted in partnership with Covenant and East Coast Conference.

Great Lakes Conference

City Covenant Church

approximate attendance: 170

Detroit, MI

Pastor: Semmeal Thomas

City Covenant Church was planted in September of 2009 via an organization called City Mission in the Brightmoor community of Detroit. For the first year we gathered on Saturday evening at 6:30 p.m. for a devotional and Bible study. Starting with about twelve people we quickly grew to a group of forty. Through the guidance of the Holy Spirit and the foundation of God's word we came to realize that we would be a Christ centered/mission driven community church. We have enjoyed a fruitful partnership with Crossroads Church in South Lyon and Cheboygan Covenant Church. City Covenant is blessed to worship in a 220 person sanctuary free and clear, with no mortgage. We are open seven days a week for ministries including hot evening meals, food baskets, family nights, and a community breakfast on Sunday mornings before worship. Because of the outstanding discipleship and support that we have received from the Covenant and particularly the Great Lakes Conference, our church is a young vibrant resource in our community.

CityView Covenant Church

approximate attendance: 50

Pittsburg, PA

Pastor: Leeann & Wayne Younger

On April 1, 2010 Cityview Covenant Church became a recognized legal entity underwritten by the support of the Evangelical Covenant Church. Wayne and Leeann Younger were hired as the planters. The Youngers felt called by God to establish a 'family' church for those who had not yet understood that the family of God was a family for them. With John 1:14 as a seed verse, the plant sought to be the Word

made flesh through neighborhood parties and celebrations, meeting and connecting with those who would become the new church family. Weekly worship services were established in an unused church building, and ministries of discipleship, mentoring, bible study, and service have developed to undergird the continued outreach ministry to the neighborhood.

Detroit Bible Tabernacle
an Evangelical Covenant Church
Detroit, MI
Pastor: Kenneth E Harris

approximate attendance: 60

Detroit Bible Tabernacle is a congregation that began as a home Bible fellowship in 1980 with ties to the National Baptist and Southern Baptist Conventions. We are located on the west side of Detroit in an economically challenged community. We are a mission-minded church with a passion for the salvation of lost souls through the sharing of the Gospel of Jesus Christ. As fellowship that nurtures believer's faith and spiritual growth, through teaching ministries and the DBT Christian Academy, we are committed to the training and discipleship of believers to the glory of God. Through prayer and seeking guidance in the Word of God, we are eager to join with the Evangelical Covenant Church as we follow the Lord's leading and as we seek His purpose for our lives.

Miracle of Faith Ministries
an Evangelical Covenant Church
Detroit, MI
Pastor: Theodore Peck Jr.

approximate attendance: 200

On Sunday mornings approximately 200 people attend our services. The large majority of these are African American and mostly under fifty years of age. These are a number of young families with children of all ages. Miracle of Faith draws from a community of mainly lower class backgrounds with some educators, professionals, laborers, students, and homemakers. Planted in 2005 in the basement of Pastor Peck's home, 24 charter members began impacting the community through many outreach programs and community-empowering projects. Since these beginnings, Miracle of Faith has grown into a congregation with a full array of ministries, empowering believers and developing leaders in the church. We acknowledge the necessity of the Holy Spirit to effect change and growth in the lives of believers and we believe that the Covenant can help provide a basis for that. We believe that the Evangelical Covenant Church can provide a fruitful partnership through teaching, coaching, mentoring, and fellowshiping with our brothers and sisters in Christ; encouraging each other toward mutual Christian growth.

The Bridge Covenant Church
Detroit, MI
Pastor: Janine N Davis

approximate attendance: 30

The Bridge Covenant Church was called to the Warrendale community of Detroit. Our parent church, Citadel of Faith Covenant Church, released people and funds to help get us started. The Great Lakes Conference and the ECC also partnered with us in this journey. Through a Kingdom Builders grant from the ECC, a door was opened for us to minister in the Warrendale area, through a food pantry, clothing pantry, community development, and a job readiness ministry. Our ministry impacts lives because it teaches how to be disciples. We love people into a fully devoted relationship with Jesus no matter where they start. We've see people on drugs delivered, depression removed, families restored, relationships with Jesus started, strengthen and renewed. We are really excited to be in the place of call

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and look forward to God doing great things in and through us as we pursue Him. We are also really excited to become a member church of the ECC. The ECC is our home, and it is exciting to have our relationship formalized.

Midsouth Conference

**Harvest Community Church
an Evangelical Covenant Church
Houston, TX
Pastor: Wayne Park**

approximate attendance: 100

Harvest Community Church is a predominantly Asian-American church that meets on Houston's 'energy corridor', a growing demographic center of the fast changing city of Houston. Thus we draw from this urban professional population, who are seeking to discover Christ in their lives, vocations, and families, through the ministries of discipleship, care, spiritual direction, and formation. Planted about 7 years ago, the congregation is now about 75 to 100 people, with a renewed vigor since the recent hiring of Pastor Wayne Park, who has laid a solid groundwork of structure, care, culture, philosophy of ministry, and vision. Believing the ECC to be the best 'wineskins' for the new wine of American-born Asians in North America today, Pastor Wayne has guided this church towards our adoption into the Evangelical Covenant Church.

**Lifepath Church
an Evangelical Covenant Church
Houston, TX
Pastor: Elliot Scott**

approximate attendance: 275

At Lifepath, we believe church should be done inside-out. We are changed on the inside by God and then become part of God's change out in the community. At Lifepath, there are many things that we highly value, but our top priorities are: growing together through prayer, Bible study, small groups and teaching; collaborating with other churches on community outreach programs; serving the needs of children and families, in partnership with Cy-Fair schools; ministering to members of our congregation and the community in which we live. We are excited to join with the Evangelical Covenant Church in our ongoing ministry in Houston, TX.

North Pacific Conference

**Cannon Beach Community Church
an Evangelical Covenant Church
Cannon Beach, OR
Pastor: David Robinson**

approximate attendance: 200

Cannon Beach Community Church was founded as the first church in Cannon Beach, with 17 charter members on November 2, 1930. The City of Cannon Beach, Oregon, with a year round residential population of 1800, nestles between the Pacific Ocean and the coastal mountains on the north Oregon coast. A resort and vacation town that is widely recognized as a home for dozens of art galleries and residential artists. The church serves the community through a large assortment of discipleship and outreach ministries and opens up our facility to community groups in the city of Cannon Beach. We are a Christ-centered, Bible-based, prayerful, mission-minded, loving body of believers in Jesus Christ. The six

Covenant affirmations beautifully describe who we are as a congregation, and for us, coming into the Evangelical Covenant Church has felt like we've come home.

Northwest Conference

Awaken Covenant Community

approximate attendance: 150

Lillydale, MN

Pastor: Micah Witham

Awaken began in July 2010 as a partnership between Berean Church and the ECC. Berean agreed to be our sending church as we planted with the Covenant. We meet in the Joke Joint Comedy Club, which provides a very strategic location for the kind of ministry we are doing, targeting post-evangelicals, post-moderns, and generally people who are critical of church. Awaken has started the Lillydale Food Patch which grew and donated over 1200 lbs of food last summer to the local food shelves. We have a partnership with Garlough Elementary school providing reading buddies, pen pals, and volunteers for events. We have over 80 people in Life Groups with 12 leaders, and are looking to expand this fall with missional activity and service being the focus of our Life Groups. The Northwest Conference and the ECC have been full partners with Awaken from the beginning and have provided financial resources as well as training, coaching, and networking opportunities for our pastor.

Blue Oaks Covenant Church

approximate attendance: 150

Brooklyn Park, MN

Pastor: Nicole Bullock

Blue Oaks Covenant Church began meeting in the Spring of 2010. Our parenting church is Sanctuary Covenant Church. We currently meet on Sunday mornings in a Seventh Day Adventist church. We are in a busy, residential area located off of a major highway. The ECC and Northwest Conference helped get this church started by providing financial support along with critical church plant training and coaching. Our most effective ministries are our children's ministry and our small group ministry. People are connecting to others in our church community while growing in their relationship with Christ.

La Bendicion Evangelical Covenant Church

approximate attendance: 70

Brooklyn Park, MN

Pastor: Juan Humberto Lopez Perez

We started to gather as a fellowship in different homes. In October 2008 we were invited to explore the Covenant church planting in Denver, CO. In November 2008, Pastor John Folly made a meeting so he could introduce us to the pastor at Redeemer ECC, Pastor Steven Larson. We were excited to see that disposition and the passion of sharing the Good News with all cultures all races. On January 8 and 9 the Northwest Conference provided a Spanish assessment and we were accepted as a church plant with the Evangelical Covenant Church. We were praying for God's guidance as to where we should plant the church and as an answer to our prayers, Pastor Steven Larson offered us the use of their building. We were truly welcomed by all. On March 8, 2009 we had our first service in what is known the "Memorial Room" of the church; when we started to grow our fellowship group we had to transfer to the sanctuary. June 6, 2009 was our inauguration as a new church plant with the assistance of the superintendent of the Northwest Conference. During our four years that God has given us at the shared location, the two churches have been able to work together, sharing different events like special Sundays where we join services and praise God together, VBS, summer soccer, the ELL program, AWANA, and the Hispanic heritage festival. The building is like a taste of heaven where people of all

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cultures and backgrounds can be seen together in community worshiping God. While working with Redeemer we have touched several lives that are now a part of our church.

Real Life Covenant Church
Waseca, MN
Pastor: Michael Behm

approximate attendance: 120

Real Life Covenant started out with a desire to reach the de-churched people of Waseca, MN by being real people striving to be like Jesus in real life. To fulfill this mission, Vista Evangelical Covenant Church in New Richland, MN voted to parent us in July 2009. We officially began on October 1, 2009 to connect Jesus to real lives. We first met in homes of our core group and then moved to a coffee shop when we out grew the homes. We held our first preview service January 31, 2010. We moved into a new space in January of 2011 as we out grew the previous space. We are currently meeting in a renovated warehouse that seats about 150, but we have out grown that now and are currently looking for a larger space. Our success comes from Jesus working in and through the lives of His people from the Covenant, Conference, District, our Parent Church, and those in Waseca. Our group was inspired by the book by Dave Olson called "American Church in Crisis" and it was absolutely essential for our group to attend the training provided by the Covenant and Northwest Conference. The churches in our district were more than cheerleaders as they prayed for and financially contributed to our mission. Vista was a parent in every sense of the word. They provided people, material resources, financial and prayer support. We have gathered people right from Waseca that have been waiting for a church that connected Jesus to their lives.

Restoration Covenant Church
Apple Valley, MN
Pastor: Rob Jacobson

approximate attendance: 150

Restoration was birthed out of Faith Covenant Church in Burnsville, MN. They have provided financial support, meeting space, and several volunteers. The Covenant and Northwest Conference have supported Restoration through finances, prayer, and coaching for the pastor, launch team, and leadership as well as structured support such as bookkeeping. Restoration has many vibrant ministries. Sunday morning ministries (hospitality and connections, worship, set up/tear down) provide a welcoming, aesthetic, and connective experience for new and regular attenders. We also reach out into the community through a mobile pantry, monthly food donations to a neighboring elementary school, and a weekly caregiver and child movement through music gathering. Restoration began weekly services December 2010 and meet in the Apple Valley Community Senior Center. We have been blessed to be located in such a central part of the city of Apple Valley, Minnesota. The authentic vibe of Restoration is seen in its worship gatherings, smaller groups and their generosity with the people of the surrounding cities. We are a community of people being restored by Jesus to restore what's broken in the world.

Pacific Southwest Conference
Church Without Walls
an Evangelical Covenant Church
Berkeley, CA
Pastor: Dana Cunliffe

approximate attendance: 120

Church Without Walls is a church whose purpose is to see diverse, unchurched people become a community that follows Jesus. We celebrate the Risen Lord in Berkeley, CA. Most of us live in Berkeley

and have rooted ourselves in our city. We are mostly in our 30s and 40s, with many children and multi-ethnic (mostly white and Asian). We always have several folks hanging around who are not yet followers of Jesus. We began as fourteen people who prayed together about starting a church for those who would not feel comfortable in "regular" church. We offer weekly Discover Groups which provide community and learning in smaller groups as well as on ramps for the 25 percent of folks who are not part of our larger church community. We have a weekly Spanish-speaking ministry, and weekly Middle and High school groups composed of "church" youth and "neighborhood" youth. Neighborhood community events include Summer Outdoor Movie Nights and a well-loved Harvest Fest. We also value prayer. We have various weekly prayer meetings, prayer ministry in which physical and emotional healing regularly occurs, plus prayer retreats and vigils. People are coming in faith for the first time or back after a long absence. It's exciting to see God at work.

Covenant Grove Church
Modesto, CA
Pastor: Scott Nelson

approximate attendance: 150

Covenant Grove Church was started in 2009 by Modesto Covenant Church, with a heart to reach unchurched people in east Modesto. We were launched with prayer, support, and 45 people devoted to Christ and committed to becoming God's church. We meet at a local high school, and grew from 45 to 120 in our first year. The Covenant and Conference were huge in providing support, training, templates, ideas, and coaching along the way. We never felt alone! We now have 150 people meeting regularly, as well as strong college, youth, kids, and adult ministries. We also have sent two teams to Spain, served in Modesto, San Francisco, Las Vegas, and southern California, and have an incredible Bible day camp each summer for kids with special needs. More than anything, we are committed to following Jesus with authentic devotion, and growing lives in His love!

Restoration Covenant Church
Redlands, CA
Pastor: Jon MacDonald

approximate attendance: 125

Restoration began in January 2007. The core group met in Jon & Lindsey's home before holding weekly public worship meetings in the evenings at a local church. Restoration Covenant Church has strived to be a missional church. From the beginning, we have been involved with the local food closet, starting a new ministry of delivering food to local HIV+ families. While there is great diversity within our community, we are united by our commitment to the full Gospel. We meet on campus at the University of Redlands. We have a large lecture hall that seats around 150 people (if we really pack in). Our kids are in classrooms upstairs. Meeting on campus has allowed for us to enjoy twenty or so students each Sunday as well as support the local InterVarsity chapter. Life Covenant Church in Torrance, CA is a partner church, along with Rolling Hills Covenant Church. We owe an unpayable debt of gratitude to both congregations, as well as to the ECC and the Pacific Southwest Conference.



**Report to the 128th Covenant Annual Meeting
By the President
Gary B. Walter**

“The Mission of God is too big for anyone to accomplish alone, and too important not to try to do together.” Missio Nexus

That quote captures the spirit of the founding of this movement in 1885. This family of churches was born out of the conviction that living in meaningful partnership is the compelling way forward in mission.

Among Covenant leaders we describe our core assignment in this era as this: *to advance the mission while bridging to the future*. In other words, this is fundamentally a season to be found faithful to God’s work in the world, while at the same time positioning ourselves for a faithful and fruitful future.

Advancing the Mission

We are grateful for substantive evidence of God working in and through the ECC. In order to be faithful to the full dimensionality of God’s work in the world, we articulate our mission this way: We join God in God’s mission to see more disciples, among more populations, in a more caring and just world.

To carry out that mission, we have identified five priorities that frame our strategy. Clear markers of impact through these five continue. As you read materials from other administrators you will gain a composite sense of all that is transpiring. Let me highlight a few key metrics in each.

Make and Deepen Disciples

The ECC grew for the 21th consecutive year, more than doubling in size during that timeframe. On any given Sunday, over 190,000 people worship in our churches in the United States and Canada. The number of those who regularly attend a Covenant church now conservatively exceeds 300,000. Over 12,000 first-time commitments to being a follower of Christ were reported by our congregations. New evangelism materials for local churches were unveiled. CHIC, our national youth gathering, saw more than 5,000 attend last summer. Nearly half of our churches benefitted from seminars and events to deepen spiritual life. 22,000 children and youth attended our 21 camps and conference centers, making deeply meaningful decisions about following Christ. Young adult discipleship experiences ranging from three months to one year are being created. Prayer resources have been enhanced and expanded.

Start and Strengthen Churches

We are a movement of congregations, now with 850 churches. In partnership with the 11 regions of the ECC, we start one new congregation every two to three weeks. Over 50 new churches are in various stages of development within their first three years. Half are among populations of color or intentionally multi-ethnic. Twenty-eight percent of all of our congregations are now among populations of color or intentionally multi-ethnic. Resources and coaching for congregational vitality for churches of all ages is being expanded and remains a central priority.

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Develop Leaders

The number of active clergy serving through the ECC now numbers more than 1,800. These women and men serve as lead pastors; staff pastors; missionaries; chaplains in the military, hospitals, retirement communities, universities and prisons; camp staff; faculty at many leading academic institutions including North Park; and various organizational and parachurch settings. More than 1,000 of our clergy each year participate in our denominational conference called Midwinter, and more than 1,000 have benefitted from Sustaining Pastoral Excellence, an initiative which invests in the professional and personal development of our gifted and godly clergy. Lay leaders are served through a variety of training experiences and resources provided by regional conferences and every department of the ECC. North Park University is regularly recognized for the quality of its undergraduate program in “preparing students for lives of significance and service.” The seminary continues to be a vital source for both initial and on-going pastoral training, and will be expanding its online and distance-learning opportunities to be even more accessible to clergy and lay alike. CHET, our Spanish-language training institute, has a burgeoning enrollment of more than 400 in multiple sites around the country, and is thriving in its first permanent facility in Compton, California. Alaska Christian College, which serves a Native Alaskan student population, has received full accreditation.

Love Mercy – Do Justice

Through our network of two hospitals, fourteen retirement communities, and eight enabling residences for adults with disabilities, more than \$43 million dollars of free care was provided to those in need last year. Cross-cultural seminars and experiences such as *Sankofa* and *Invitation to Racial Righteousness* help congregations take tangible steps in becoming more reflective of the Kingdom of God. AVA (Advocates for Victims of Abuse) provides tangible ways for congregations to care for victims of domestic abuse. Break the Chains addresses human trafficking. You will be introduced at this meeting to a new director called to give leadership to the Matthew – Micah Initiative, which will use the causes named by Jesus in Matthew 25 (‘I was hungry and you fed me,’ and so on) as a biblical consensus agenda, combining with the call in Micah 6:8 to love mercy and do justly while walking humbly with our God.

Serve Globally

This means that we take those already named priorities and undertake them in an international context. Our missionary team is growing, with more than 120 people serving in various capacities. Indeed, at this annual meeting we will be consecrating the most long term missionaries in the past 20 years. More than \$1 million dollars of disaster relief and development grants were made through Covenant World Relief. Paul Carlson Partners works uniquely in Congo to enhance medical services and micro-enterprise opportunities. Altogether, between our world mission partnerships, Covenant World Relief projects, and Paul Carlson Partners, we are involved in more than 50 countries on five continents. Of special note, we are undertaking a bold new initiative in Congo, where we have served for 76 years. As a result of decimating civil strife for the past decade, Congo is rated last on the United Nations Human Development Index. With that strife subsiding, now is the time to push forward. We have embarked on an unprecedented partnership with World Vision, along with the Covenant Church in Congo (CEUM), to turn around the most overlooked province in the neediest country of the world. It is called Covenant Kids Congo, powered by World Vision. It is the largest ever partnership between World Vision and a single denomination. We are more than halfway to our goal of 10,000 child sponsorships by the end of 2013. These sponsorships generate pooled funds for community identified initiatives in clean water, nutrition, health care, micro-enterprise, and education. Please schedule a Hope Sunday at your church if you have not already done so. This stands alongside the continuing efforts of Paul Carlson Partners, which honored the service of retiring Executive Director Byron Miller and welcomed Meritt Lohr Sawyer to that same role.

Key Functions

There are several areas that support all of these efforts around our five mission priorities. Through the Finance Office, we have budgeting and management processes to practice responsible stewardship with the resources entrusted to us. Through Information Technology, we have greatly increased our ability to capitalize on technology solutions, and to make services available to both regional offices and local churches. Through our Advancement Office, we have seen the vital role individuals make in partnering for the work of the Kingdom. Through Communications, we have an array of resources for connecting more effectively with our churches and members via the website and other means, including the award winning Covenant Companion. Through Pension and Benefits, we have both an insurance and pension plan on strong footing. Through the Events Office, we are able to serve denominational gatherings like the Annual Meeting, Midwinter, CHIC, Triennial, and more. Through Human Resources we develop a capable and dedicated team.

Bridging to the Future

There are three items of note for this report.

First, we have spent much effort at organizational alignment to the five priorities. Elsewhere in your Annual Meeting materials you will find a summary of the proposed changes. It will further be reviewed through an agenda item. It basically takes the five priorities as our organizing principle rather than our existing departmental structure. We believe the proposed changes result in an effective mission and ministry structure that is:

- more aligned, using the five priorities as the core organizing rationale
- more collaborative, with fewer compartmentalized areas
- more efficient, through cross-utilization of staffing and resources
- leaner, with a reduced number of total positions throughout the organization
- flatter, with broader participation in decision-making
- more inclusive, with expanded leadership development pathways for women and men of all backgrounds
- financially sound, with savings allowing for the building of reserves and the initiation of new opportunities

Second, we are in a prime season of leadership transition. We have been blessed by a cohort of long serving senior leaders (superintendents and administrators) whose contribution has been incalculable to deepening our identity and expanding our mission. However, this cohort has been moving towards retirement. In the past five years there have been 13 transitions, most as people have stepped into a different life stage.

One foundational development as various search committees have filled these positions is that the senior leadership of the Covenant is becoming more reflective of the Kingdom mosaic those same previous leaders were so instrumental in championing.

When we talk about the Kingdom mosaic we look to both gender and ethnic composition. Since white males have played such a prominent role in senior leadership positions through most of our history, that can be a snapshot reference point for measuring change. 15 years ago, 21 of 24 senior positions (87%) were held by white males. Just five years ago, it was 20 of 24 (83%). As of this Annual Meeting, it is 12 of 25 (48%). In other words, the senior leadership of the ECC is now a “mosaic majority.” I am confident we are the first Euro-immigrant group to cross that threshold. My experience

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is that having diverse perspective and voices helps us as a whole to see things more clearly. As we move into a missional context that is increasingly complex and resistant, such capable perspective is a necessity. I am of the conviction that this team is an unmerited gift from God to build on the legacy of those who have served this Church so capably in the past.

Third, where can we do better? In addition to executing well what we have already committed to doing within the five priorities, I would highlight these areas from a more extensive list:

- My biggest personal disappointment after one term is the halting advance we have made in Hispanic ministry. Yes, we have advanced, and God has raised up capable leadership. But I know God has more for us.
- Strengthening the bonds of identity and cohesion. 60 percent of people attending a Covenant congregation were not there a decade ago. For a denomination valuing community this is a very real challenge to address.
- Financial partnership in mission. We have weathered the financial headwinds of the past few years better than most, but even so, this past year resulted in a notable deficit. Our regional conferences are likewise feeling financial constraints. There are many compelling God-birthed opportunities where the enhanced financial partnership of both congregations and individuals would result in greater impact in serving our churches and uniting our churches in service together.
- Leader development. We have hopes to establish a Center for Leader Development, which would significantly enhance our ability to invest in the development of both clergy and lay people, with an emphasis on younger leaders.
- The promise of a kingdom mosaic. Living authentically into the vision and promise of a mosaic future requires ever-renewing intentionality.

Thanks

I am honored to serve alongside people who care deeply about the mission of God and who give themselves unreservedly to it. Your Covenant Offices team is comprised of dedicated individuals who, without exception, want to do their best for the mission and for this Church. They deserve a special note of appreciation and recognition this year in particular for serving with distinction despite the stresses and ambiguities of reorganization.

The work of the Council of Administrators and Council of Superintendents is especially noteworthy as they set in motion so much of what we do collectively across the denomination and regionally within conferences.

The Council of Administrators, who head up various ministry dimensions, this year has included: Donn Engebretson, executive vice-president (now serving in a new position in advancement); Evelyn Johnson, interim executive vice-president; Dean Lundgren, vice-president for finance, Doreen Olson, Christian formation; Dave Olson, church growth and evangelism; Don Meyer, communication; Debbie Blue, compassion, mercy, and justice; Mark Novak, ordered ministry; Meagan Gillan, women ministries; Curt Peterson, world mission; David Dwight, Covenant Ministries of Benevolence; Ann Wiesbrock, Covenant Trust Company; Steve Dawson, National Covenant Properties; David Parkyn, North Park University; and David Kersten, North Park Theological Seminary. Cynthia Halverson, advancement; Richard Lucco, ministry development; Joe Geary, information technology; Harold Spooner, Covenant Initiatives for Care, and Karl Klockars, general counsel, have served as capable advisers. At this annual meeting Don Meyer and Dave Olson conclude their service with thanks. Ed Gilbreath is nominated for call.

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This past year our superintendents, who head up our 11 regions, have been: Curtis Ivanoff, Alaska; Jeff Anderson, Canada; Jerome Nelson, Central; Howard Burgoyne, East Coast; Garth McGrath, Great Lakes; Garth Bolinder, Midsouth; Tammy Swanson-Draheim, Midwest; Don Robinson (interim), North Pacific; Mark Stromberg, Northwest; Efrem Smith, Pacific Southwest; and Robert Owens, Southeast. Don Robinson is concluding his interim service; Greg Yee will be installed as the permanent superintendent.

A special thanks to Chris Hagberg, who ever so capably partners with me administratively. My wife Nancy and our children Amy (Chase), Alissa (Nod), and Lauren are a constant source of encouragement. Our three granddaughters (all age three and younger) are a joy.

Finally, on behalf of the entire ECC, I thank you and your congregation. We use the word Covenant in our name to denote our partnership to both live with God and for God. It is because of your faithfulness in this partnership that we have seen God at work. It will be because of your faithfulness that we have the resolve to move forward.

Yes, indeed, the mission of God is too big for anyone to accomplish alone, and too important not to try to do together. I thank God for the opportunity to serve a movement that lives that out.

Introduction to Mission Priority Alignment

Background

Among Covenant leadership, we have said our core assignment is this: to advance the mission while bridging to the future. In other words, our aim is to continue to pursue fruitfulness now while positioning the Covenant for fruitfulness to come.

A signature part of living out that assignment has been Organizing for Mission (OFM), a comprehensive review of our mission and priorities, which resulted in 27 recommendations adopted by the Executive Board.

OFM posed a series of questions. The first was the purpose question: What are we trying to accomplish in the lives of real people in real places? The resulting framing language is: We join God in God's mission to see more disciples, among more populations, in a more caring and just world.

The second was the strategy question: What are the core ministries that will accomplish that mission? We identified five mission priorities: start and strengthen churches; make and deepen disciples; develop leaders; love mercy – do justice; and serve globally (pursuing those same priorities internationally).

The third was the mobilizing question: What is the best alignment of personnel, structures, and resources to accomplish that mission? Many of the 27 recommendations speak to this. Even so, an approach was taken to first live into the five mission priorities collaboratively across the existing departmental structure to allow additional organizational implications to surface.

Additionally, persistent financial constraints pointed to the need to find cost savings and greater efficiencies around those priorities to solidify a financially sustainable approach moving forward.

These two themes – structures that reinforce our mission priorities combined with a sustainable financial model aligned to those priorities – serve as the rationale for reorganization.

In October 2012, the Covenant Offices Leadership Team (COLT) presented an alignment concept consistent with the five mission priorities to the Executive Board. The Executive Board affirmed the concept and authorized the president to convene a representative team to refine the concept and to report back to the March 2013 Executive Board meeting.

Team members include Sam Chang and Carolyn Poterek of the Executive Board, Dick Lucco and Cindy Halverson of COLT, Central Conference Superintendent Jerome Nelson and Pablo Anabalón as at-large members, President Gary Walter, and interim Executive Vice President Evelyn Johnson as committee support and advisor on Constitution and By-laws matters.

The committee, known as the Ministry Priority Alignment Team (MPAT) met six times through February, including conference calls and a focused two-day planning retreat. The committee engaged in several feedback loops. Regular progress reports were given to the entire Covenant Offices staff. Updates were provided as a regular agenda item at monthly COLT meetings. It was the central subject for a joint planning day between COLT and the Council of Superintendents. Feedback gained in all of those settings has informed the work of the team.

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Outcomes

The proposed changes result in an effective mission and ministry structure that is:

- more aligned, using the five priorities as the core organizing rationale
- more collaborative, with fewer compartmentalized areas
- more efficient, through cross-utilization of staffing and resources
- leaner, with a reduced number of total positions throughout the organization
- flatter, with broader participation in decision-making
- more inclusive, with expanded leadership development pathways for women and men of all backgrounds
- financially sound, with savings allowing for the building of reserves and the initiation of new opportunities

Features

The proposal 1) redesigns the composition of the Covenant Offices Leadership Team, and 2) transitions departments and offices instead into groupings serving the mission priorities.

Composition of the Covenant Offices Leadership Team

COLT would have from 11 – 13 members led by the president with the following characteristics:

- Minimum representation would be three female, three male, and three persons of color, with none overlapping in identification
- One member would be the president, who would lead the group as the chief executive officer of the ECC
- One member would be the executive director for Ministry Development.
- Seven members would be each of the leaders of the seven ministry groupings (noted below)
- Two to four additional members would be appointed by the president for renewable one-year assignments – these would be leaders of ministry areas (currently: team leaders, project managers, associate directors, directors)
- Additional advisors may be appointed by the president

Ministry Groupings

Seven groupings would cluster, coordinate, and advance the current equivalent of 17 departments, offices, and organizations. These seven are:

- Congregational and Conference Mission
- Leader Development
- Global Mission
- Finance
- Communications
- Advancement
- Operations

The Congregational and Conference Mission group would serve the priorities of start and strengthen churches, make and deepen disciples, and love mercy –do justice. Its focus is to bring resources to

congregations and conferences to advance the mission of God in their communities and regions. It would encompass functions currently carried out through the departments of Church Growth and Evangelism; Christian Formation; Compassion, Mercy, and Justice, and Women Ministries.

The Leader Development group would serve the priority of develop leaders. It would undertake functions of the Department of Ordered Ministry, as well as work toward the establishment of a Center for Leadership for both clergy and lay development.

The Global Mission group would address the priority of serve globally, incorporating functions of the Department of World Mission as well as Covenant World Relief and Paul Carlson Partners.

Four additional groupings would support implementation of mission and ministry:

- The Finance group would serve the functions of the business office, pension, and Bethany Benefits
- The Communications group would engage around the functions of the Department of Communication
- The Advancement group would develop a comprehensive approach to deepening and resourcing the financial partnership of congregations and individuals with the mission of the ECC and regional conferences
- The Operations group would cluster Information Technology, human resources, building services, and the events office

Implementation

Implementation would have two phases.

Phase One, from the time of the March 2013 Executive Board meeting through the 2014 Annual Meeting, would live into the spirit of the proposal while awaiting final Annual Meeting action. Even though departments would technically exist during this phase, functions would be clustered as outlined. References to departmental structures would be minimized, living into mission priority language, operation, and collaboration. Transitional group leaders would be appointed by the Executive Board. Current executive ministers would continue to serve on COLT during this phase while still in-term. Additional at-large members would be appointed to COLT by the president to achieve representational thresholds identified in the proposal. Briefings will be made to various entities where action is called for by the Constitution and Bylaws. Progress reports by MPAT will be made to Executive Board meetings. Comprehensive Constitution and Bylaw amendment language will be prepared and presented for final action at the 2014 Annual Meeting.

Phase Two, pending 2014 Annual Meeting approval through the 2015 Annual Meeting, would move towards full implementation, including the initiation of the nomination process for elected positions.

Transitional Leadership Appointments

The following individuals are recommended to be appointed by the Executive Board to serve as transitional group leaders beginning July 1, 2013:

- Congregational and Conference Mission: Debbie Blue
- Leader Development: Mark Novak

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- Global Mission: Curt Peterson
- Finance: Dean Lundgren
- Advancement: Cindy Halverson
- Communications: Ed Gilbreath, pending Annual Meeting call
- Operations: To be determined – no search yet in process

Future Elected and Appointed Positions

The Covenant currently has a blend of elected and appointed positions in senior leadership roles. Elected positions tend to be related to mission and ministry; appointed positions tend to be related to mission and ministry support. That demarcation would continue.

Proposed elected Covenant Offices positions for four year terms:

- President
- Executive Minister for Congregational and Conference Mission group
- Executive Minister for Leader Development group
- Executive Minister for Global Mission group

Group leader positions for the areas that support mission priorities (finance, operations, advancement), would be nominated by the president to the Executive Board for appointment, which is the current practice for equivalent positions. These positions would be titled executive director. Communications would be added to this process, a position that is currently called by the Annual Meeting, but which does not have a term.

Additionally, the following positions in ECC-affiliated organizations would continue to be called by the Annual Meeting: president of North Park University, dean of North Park Theological Seminary, and president of Covenant Ministries of Benevolence.

The executive vice-president role currently is not envisioned to continue beyond June 2014. Several key functions have been distributed elsewhere through this proposal. The remaining functions would be covered within a narrower role in the president's office.

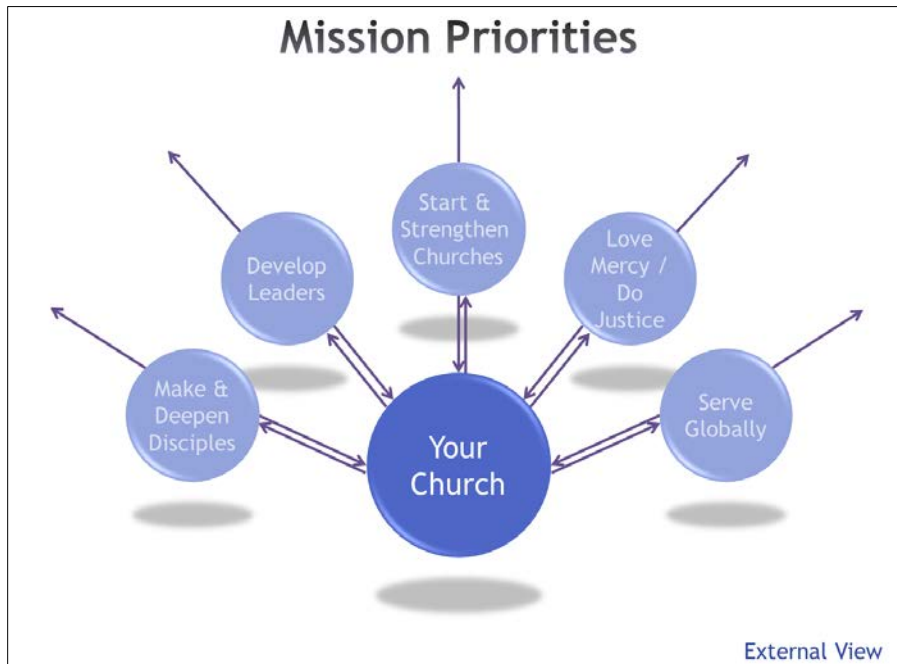
Financial Sustainability

The proposal yields approximately \$500,000 in savings, which creates the measured ability to build reserves and enter new opportunities.

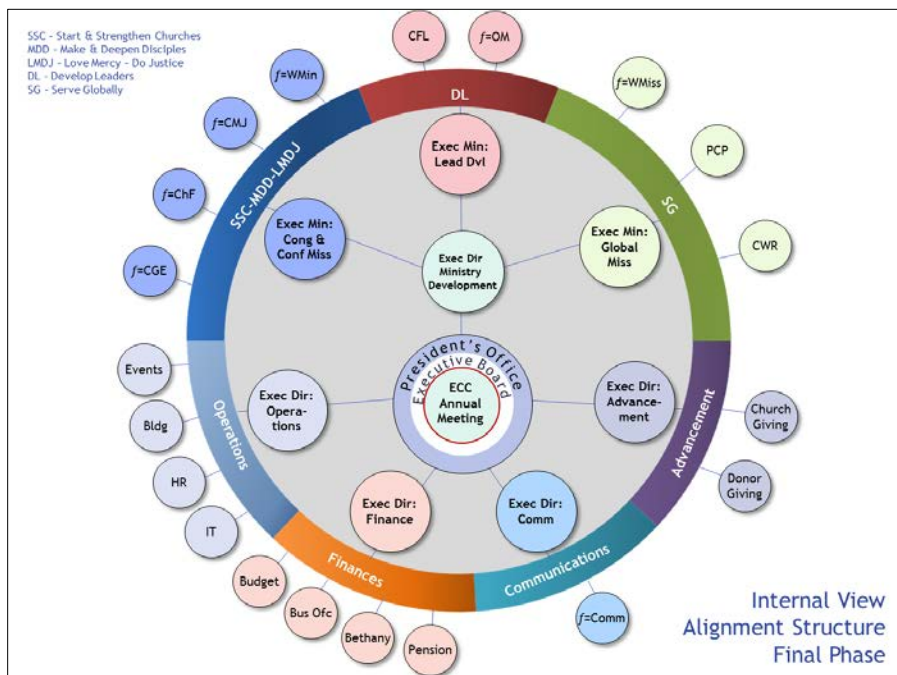
Prepared by: Mission Priority Alignment Team (members: Sam Chang, Carolyn Poterek, Dick Lucco, Cynthia Halverson, Jerome Nelson, Pablo Anabalón, Gary Walter, Evelyn Johnson). March, 2013.

Approved: Covenant Executive Board, March 2013.

External View

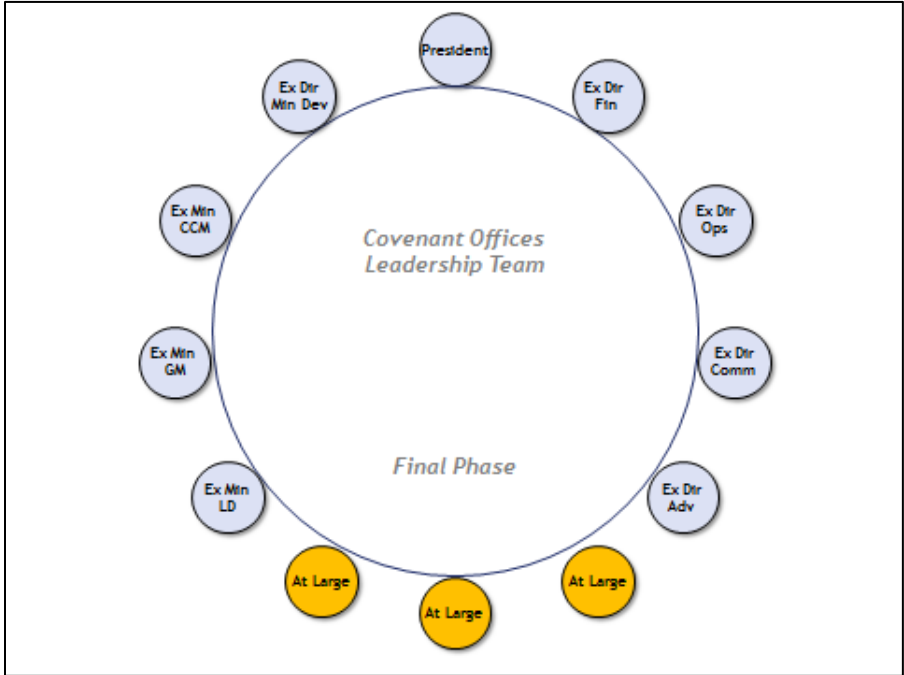


Internal View



Agenda Item 11

Final Phase



**2013 Annual Meeting
Proposed Bylaw Amendments**

Board of the Ordered Ministry

Amendment

Bylaws Article X, Section 10.3.b.i

Current wording: "The Board of the Ordered Ministry shall have fourteen elected members and the ex-officio members identified in these Bylaws. Twelve elected members of the board shall be ordained or commissioned ECC ministers and two elected members of the board shall be laypersons. A majority of the elected clergy members of the board shall be ordained to word and sacrament. At least two elected clergy members of the board shall be either ordained to specialized ministry or commissioned. At least one elected member of the board shall be a consecrated missionary."

Proposed wording: "The Board of the Ordered Ministry shall have fourteen elected members and the ex-officio members identified in these Bylaws. Twelve elected members of the board shall be ordained or commissioned ECC ministers and two elected members of the board shall be laypersons. A majority of the elected clergy members of the board shall be ordained to word and sacrament. At least two elected clergy members of the board shall be ~~either ordained to specialized ministry or commissioned~~ **staff persons**. At least one elected member of the board shall be a consecrated missionary."

2013 Annual Meeting
Proposed Bylaw Amendments

Benevolence

Amendment

Bylaws Article VII, Section 7.10.g.iii

Current wording: "three or four members of the Board of Directors of Covenant Ministries of Benevolence shall be elected each year for a term of six years; and"

Proposed wording: "~~three or four members~~ **two or three** of the Board of Directors of Covenant Ministries of Benevolence shall be elected each year for a term of six years; and"

Amendment

Bylaws Article XII, Section 12.2.b

Current wording: "The Board of Directors of Covenant Ministries of Benevolence, also known as the Board of Benevolence, shall consist of twenty-one to twenty-six members, including the elected members and the ex-officio members identified in these Bylaws. Each member of the Board of Benevolence shall be a member of an ECC congregation. Each member of the Board of Benevolence serves all ECC congregations."

Proposed wording: The Board of Directors of Covenant Ministries of Benevolence, also known as the Board of Benevolence, shall consist of ~~twenty-one to twenty-six~~ **sixteen to nineteen** members, including the elected members and the ex-officio members identified in these Bylaws. Each member of the Board of Benevolence shall be a member of an ECC congregation. Each member of the Board of Benevolence serves all ECC congregations.

Amendment

Bylaws Article XII, Section 12.2.b.i(2)

Current wording: "Except in the case of a vacancy, three or four members of the Board of Benevolence shall be elected each year for a term of six years."

Proposed wording: Except in the case of a vacancy, ~~three or four~~ **two or three** members of the Board of Benevolence shall be elected each year for a term of six years.

Deletion

Bylaws Article XII, Section 12.2.b.i(5)

Current wording: "At least one elected member of the Board of Benevolence shall be an elected member of the board of directors of Covenant Retirement Communities. At least one elected member of the Board of Benevolence shall be an elected member of the board of directors of Emanuel Medical Center. At least one elected member of the Board of Benevolence shall be an elected member of the board of directors of Swedish Covenant Hospital."

Proposed wording: Delete in entirety and re-number subsequent sections

Amendment

Bylaws Article XII, Section 12.2.b.i(6)

Current wording: "At least eight of the elected members of the Board of Benevolence shall be female. At least eight of the elected members of the Board of Benevolence shall be male."

Proposed wording: "At least ~~eight~~ **five** of the elected members of the Board of Benevolence shall be female. At least ~~eight~~ **five** of the elected members of the Board of Benevolence shall be male."



Nominee for Executive Minister of Communication

Edward Gilbreath is an award-winning editor, journalist, and speaker with a national voice on issues related to faith, diversity, and racial reconciliation. Throughout his 20 years of experience in print, digital, and video communications, he has proven to be a dynamic teacher, leader, and manager with an adaptive approach to changing technologies and market trends.

A member of the Evangelical Press Association and the National Association of Black Journalists, Gilbreath most recently was senior director of digital and consumer media at Urban Ministries Inc. (UMI) in Calumet City, Illinois. There he was the founding editor of urbanfaith.com, an online magazine of faith and culture, overseeing development of a wide range of video and online products and services. He coordinated a number of consumer book projects and helped to chart the organization's digital strategies. Earlier, he had served as UMI's director of editorial.

Gilbreath began his career at Christianity Today International and most recently has been an editor-at-large for its flagship magazine. He was involved in *Christianity Today's* launch on America Online in the early 1990's; later, he edited *The Christian Reader*, *Christian Parenting Today*, and *Leadership* and directed the print and online publication of *Today's Christian* magazine.

His book *Reconciliation Blues: A Black Evangelical's Inside View of White Christianity*, published in 2006, received a Merit Award from *Christianity Today* in 2007 in the category of "Christianity and Culture." Publishers Weekly said the book "offers a poignant and often humorous look at the state of racial reconciliation within evangelical Christianity," and the book has since been reissued in paperback. Later in 2013 his new book, *Birmingham Revolution*, will be published by InterVarsity Press; an e-book entitled *Remembering Birmingham* is already available. Both these new works are timed to the 50th anniversary of Rev. Dr. Martin Luther King Jr.'s "Letter from Birmingham Jail."

Gilbreath holds a degree in communication arts from Judson College and a master's degree in the philosophy of history from Olivet Nazarene University. He resides with his family in Bolingbrook, Illinois.



*Found Faithful
Love Mercy-Do Justice*

128th Annual Meeting

OF THE EVANGELICAL COVENANT CHURCH

JUNE 27-30, 2013 Detroit, Michigan

CANDIDATES' BIOGRAPHICAL INFORMATION

This folder contains biographical information and a personal statement for each candidate on the 2013 ballot.

Agenda Item 15

CANDIDATE BIOGRAPHICAL INFORMATION

Evangelical Covenant Church Annual Meeting 2013

General Information Regarding Biographies:

- An asterisk (*) before a name indicates incumbent.
- All information was provided by the candidate.
 - Candidates are listed in alphabetical order.
- “Experience” indicates past and present activities.
- Guide to abbreviations: CBC = Covenant Bible College
CHET = Centro Hispano de Estudios Teologicos
CHIC = Covenant High in Christ
CMB = Covenant Ministries of Benevolence
MHIFE = Ministerios Hispanos de la Iglesia del Pacto Evangelico
NPU = North Park University
NPTS = North Park Theological Seminary

Board of Nominations Process for Recommendation of Candidates for Denominational Boards:

- Candidates are recommended and gathered from: Conference Annual Meetings, Conference Boards, Superintendents, local churches (pastors and laypersons), ECC Ethnic Organizations, Council of Administrators
- Candidate recommendations are reviewed and discussed by Board of Nominations during September board meeting
- Candidates recommendations are reviewed and approved by President of the ECC and Executive Minister of the Ordered Ministry
- Local church pastors are contacted for reference checks for layperson candidate recommendations
- Superintendents are contacted for reference checks for credentialed candidate recommendations
- Candidates are contacted after all approvals and reference checks are completed to request consideration for denominational board ballot

EXECUTIVE BOARD

- One candidate needed for each position. –

(6-year term; elect 1)

Roy E. Applequist, member of First Covenant Church, Salina, KS. Founder and CEO, Great Plains Manufacturing. Experience: Covenant Executive Board member; Board of Trustees of North Park University member; Conference Christian Education Board member; local Wesleyan University Board of Directors member and chair; local Chamber of Commerce board member; local Health Center Hospital board member; search committee member, Bible study leader, men’s group leader, council chair/vice-chair, and Sunday school teacher at local church.

Personal Statement: “I have general administrative skills and a long history of involvement in our local Covenant church and denomination. I am deeply committed to the ministry of our denomination.”

(6-year term; elect 1)

Jeffrey A. Houston, member of Countryside Covenant Church, McPherson, KS. Attorney, Wise & Reber, LLC. Experience: Conference Pastoral Health Task Force member; local Association of Hospital Attorneys president; local United Way director; local Bar Association Government and Legal Affairs Committee member; senior pastor search committee member, women in ministry task force member, sabbatical task force member, polity changes task force member, debt reduction task force member, council chair/vice-chair, and Sunday school teacher at local church.

Personal Statement: “My spiritual gifts are leadership, administration and teaching. I have had the privilege of serving in most of the lay leadership positions within my local church. Through my law practice, I also represent various churches, ministries, non-profits and traditional corporate and governmental entities. My passions center around finding creative solutions to problems and working cooperatively to bring about needed change.”

(6-year term; elect 1)

Alice S. Lee, member of Mosaic Community Covenant Church, Carrollton, TX. PPCG Technical Communications Manager, Schlumberger. Experience: local American Heart Association Walk team captain; local Women’s Energy Network co-mentor; local Girl Scouts of America troop leader; mission trip leader, VBS teacher, AWANA Sparks director/teacher, Christian education board leader/member, small group leader, children’s choir director, council member, and Sunday school teacher at local church.

Personal Statement: “Being in the Mosaic and ECC faith-family, I’m learning to see God’s heart and purpose for oneness – that we’d reflect and declare who he IS – the ONE true God (Jn 17:3, 20-23) – to all people. What a privilege to serve and continue with the tremendous steps the ECC has taken to embrace the diverse Body and actualize a glimpse of heaven on earth!”

(6-year term; elect 1)

Jonathan Ro, member of Vernon Hills Lakeview Covenant Church, Northbrook, IL. Missionary Missions Teacher, Lakeview Covenant Church. Experience: Covenant Missions Innovation Group participant; executive pastor, missions pastor, adult ministry director, international daughter church planter, council member, and Sunday school teacher at local church.

Personal Statement: “My gifting and passion is to teach missiology in China and to strategically mobilize resources for missions and church planting there. I enjoy helping churches and mission organizations to be God-centered and Holy Spirit empowered for a global and local missions movement.”

(6-year term; elect 1)

Michael L. Wilson, member of South Bay Community Church, Fremont, CA. Semi-retired, New World Environmental Inc. Experience: local Youth Sports Program founder; local Business Professionals Program founder; John Maxwell leadership development program participant, sponsorship program developer, deacon, music and drama ministry leader, business cooperative ministry member, evangelical and missions ministry member, and council member at local church.

Personal Statement: "My spiritual gifts specifically related to making a contribution to the Executive Board include working to enhance individuals spiritual walk with God by expressing how God's enduring love will be everlasting. He wants those here on earth who believe and model after him to be ambassadors of Christ, and bring those in the kingdom of darkness on earth to Christ."

BOARD OF NOMINATIONS

-Conference Executive Boards recommend these candidates.-

(5-year term; elect 1)

Mario Diaz-Ceballos, member of Vision Covenant Church, Azusa, CA. Pastor/Church Planter, Vision Covenant Church. Experience: Covenant Church Planter Assessment Center assessor; Conference Executive Board member/secretary; Conference Hispanic Ministries Leadership Task Force member; and MHIPE treasurer/member.

Personal Statement: "It is my desire to glorify God by serving the Covenant and I hope that my journey of faith and ministerial experience as well as my ethnicity will contribute to the growth and advance of the ministry the Lord has set for our denomination".

(5-year term; elect 1)

Daniel Lillestrand, member of Bloomington Covenant Church, Minneapolis, MN. President Business Financing, PennLease, Inc. Experience: Covenant Organizing for Mission Committee member; Covenant Presidential Nominating Committee member; Conference Bible Camp Executive Board chair; Conference Executive Board chair; Friends of Covenant Pines capital campaign leader; strategic ministry planning leader, church board chair, funding development group chair, vitality committee member, council chair/vice-chair/member, and Sunday school teacher at local church.

Personal Statement: "It would be a privilege to help nominate future Covenant leaders. God has gifted me to serve with many Godly leaders in the Covenant. Additional management and leadership experience with Cargill, Farm Credit Bank, and owning a business for 26 years has also been very beneficial."

(5-year term; elect 1)

Wayne Park, member of Harvest Community Church, Houston, TX. Senior Pastor, Harvest Community Church. Experience: Covenant Asian Pastor's Association vice-president; local Cross-Cultural Studies NW-Perspectives Course board member; local Anti-Human Trafficking Organization board member; local YWAM-AIIM board member; council member and Sunday school teacher at local church.

Personal Statement: "As a result of extended time on all three coasts, I have developed extensive ministry network in the Covenant, particularly in the Asian-American community which would serve this board well in candidating people from diverse backgrounds. It also gives me an opportunity to responsibly do what I already love: connect with and serve people in the collegial spirit of the denomination."

(5-year term; elect 1)

Ronald Persson, member of Redeemer Evangelical Covenant Church, Carrollton, TX. Electrical Engineer, Mustang Technology Group. Experience: Covenant Annual Meeting delegate; council chair/member, and Sunday school teacher at local church.

Personal Statement: "I have been a member of the Covenant Church for over 40 years; always serving locally in my church. I love the Covenant and am interested in seeing that qualified and diversified people from my conference care serving on Covenant boards."

BOARD OF THE ORDERED MINISTRY

- One candidate needed for each position. -

(5-year term; elect 1)

Gregory S. Mesimore, member of Edgebrook Evangelical Covenant Church, Chicago, IL. Pastor, Edgebrook Evangelical Covenant Church. Experience: Conference Board of Church Planting member; Local Youth Collision Steering Committee member; local Covenant Home Management Advisory Committee member; North Park Theological Seminary spiritual formation class small group leader; and local Ministerium chair.

Personal Statement: "I have a particular and profound interest to serve on this board for two reasons: as a recipient of the board's care and discipline when I went through my divorce in 1987. I found that process both healing and redemptive. Having mentored fifteen North Park Theological Seminary students in pastoral ministry, I highly value the wisdom and care and discernment this board provides."

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(5-year term; elect 1)

Scott M. Peterson, member of Redwood Community Covenant Church, Santa Rosa, CA. Pastor to Children and Families, Redwood Community Covenant Church. Experience: Covenant Executive Board member; Covenant CHIC council member; CHIC I-Team member; Covenant Ministerium member; Conference children's ministry coach; and Sunday school teacher at local church.

Personal Statement: "I have been getting paid to do professional Covenant ministry since 1979. In that time I've gained a lot of experience, good and bad. I'd like to be an encouragement to my fellow ministers, be a listening ear, and help others to give God their best."

(5-year term; elect 1)

Stephen N. Wong, member of Grace Community Covenant Church, Los Altos, CA. Lead Pastor, Grace Community Covenant Church. Experience: Conference Executive Board member; Conference Multi-Ethnic Ministries Commission chair; Conference Mosaic Center Board secretary; local Pastors' Prayer Group member; local Asian American Fellowship leader; council member, and Sunday school teacher at local church.

Personal Statement: "I have been a pastor for 28 years, the past 15 within the Covenant, beginning with the planting of Grace Community Covenant Church. It would be a privilege to assist others who are exploring or confirming their call to the ordered ministry, especially as church planters or pastors who serve Asian Americans."

BOARD OF PENSIONS AND BENEFITS

- One candidate needed for each position. -

(5-year term; elect 1)

R. Hugh Magill, member of Winnetka Evangelical Covenant Church, Wilmette, IL. Executive Vice President and Chief Fiduciary Officer; Northern Trust Corporation. Experience: Conference Camp real estate and tax issue consultant; local Sunday Evening Club trustee; local Ministry Mentors Board member; local law school Capital Campaign Committee member; local Boy Scouts of American scoutmaster; director of music, arts center board chair, council member, and Sunday school teacher at local church.

Personal Statement: "My wife and I and our family have been immeasurably blessed by many pastors. We have a long-standing passion for issues related to pastoral compensation, housing, and retirement benefits. It would be a privilege to support the ministry of this board as a steward of the experience I have gained in law practice and fiduciary management."

(5-year term; elect 1)

Thomas W. Nelson, member of Cape Cod Covenant Church, Brewster, MA. Pastor, Cape Cod Covenant Church. Experience: Covenant Executive Board member; Covenant Executive Board Finance Committee, Personnel Committee, and Communica-

tions Committee member; Conference Board member; New England Seafarers Board member; Pilgrim Pines Conference Board member; Conference Board of Ministry treasurer; Conference New Church Development Commission member; Conference Camp Committee member; Conference Christian Education Commission member; local Council of Churches Board president; local Homelessness Advisory Committee member; council member, and Sunday school teacher at local church.

Personal Statement: "Alongside of serving the Lord as a pastor in a local congregation, I have always enjoyed the particular role that financial tools play in the church, denomination, and the non-profit world. It was a privilege to serve recently on the Covenant Executive Board's finance committee and to be connected to the important functions that make up this part of our mission and ministry. I am excited to be considered for this board and to bring my experience gathered from working with a variety of non-profit foundations and their finance and investment committees. It will be a privilege to be elected to this board."

BOARD OF WOMEN MINISTRIES

- One candidate needed for each position. -

(5-year term; elect 1)

Marissa L. Nulton, member of Cedarcreek Covenant Church, Maple Valley, WA. Nanny, Stay at Home Mom. Experience: Conference Global Ministries Women Ministries chair; The Navigators on CoMission participant; InverVarsity college fellowship leadership team member; local Mom's in Prayer group member; women's event committee member, leadership team outreach chair, college group leader, missions chair, youth leader, council member, and Sunday school teacher at local church.

Personal Statement: "I value interaction with all women in learning how to serve our God in the context of our lives, how to use our gifts to draw others to Christ and how to do it authentically. Also, I have a heart for missions; I love to hear their stories and find ways to be a part of the work they are doing."

(5-year term; elect 1)

Sheryl Sands, member of Kingdom Builders Covenant Church, Decatur, GA. Connection Ministry Director, Kingdom Builders Covenant Church. Experience: Conference CHIC liaison; Campus Crusade for Christ member; council secretary/treasurer and Sunday school teacher at local church.

Personal Statement: "I love the Lord and value opportunities to serve wherever He blesses me with the chance to. I am in agreement with Women Ministries' values and mission. For that reason, I'm delighted to have an opportunity to serve on the board. I am computer savvy, possess good communication and administrative skills, and I value excellence in ministry."

**BOARD OF TRUSTEES OF
NORTH PARK UNIVERSITY**

- One candidate needed for each position. -

(5-year term; elect 1)

***D. Darrell Griffin**, member of Oakdale Covenant Church, Chicago, IL. Senior Pastor, Oakdale Covenant Church. Experience: Covenant Executive Board member; Covenant Board of Trustees of North Park University member; Covenant Commission on Ethnic Ministries member; Covenant Midwinter Task Force member; and The Feast planning team member.

Personal Statement: "I would be honored to served on the Board of Trustees of NPU. Being a graduate of NPTS and a Covenant pastor, I have a great interest in both theological education and the training of future leaders for our denomination and the church at large"

(5-year term; elect 1)

Mark H. Lindberg, member of Highland Covenant Church, Bellevue, WA. President, Young Corporation. Experience: Covenant Board of Trustees of North Park University member; Conference Camping Commission chair; Conference Constitution Revision Task Force member; local Young Life camp staff; youth group leader, pastoral leadership development committee member, council vice-chair/secretary, and Sunday school teacher at local church.

Personal Statement: "I am honored and grateful to be considered, and I am particularly challenged to utilize my faith, love for the Covenant, and life experience to contribute in any way I am able. I desire to support and encourage North Park's committed staff as we seek to fulfill God's call in a dynamic time in the life of the University."

(5-year term; elect 1)

LoAnn Peterson, member of Winnetka Evangelical Covenant Church, Wilmette, IL. Professor of Pathology, Director of Hematopathology, Northwestern Memorial Hospital. Experience: Covenant Board of Trustees of North Park University member; American Society for Clinical Pathology president; Society for Hematopathology president; board of trustees, Koinonia group leader, and Sunday school teacher at local church.

Personal Statement: "I am a huge fan of NPU because I believe it effectively carries out its goal of being distinctly Christian, intentionally urban, and purposefully multicultural while preparing its students for lives of significance and service. I have served on the board before and feel that my past experience and my knowledge of NPU will help be an effective contributor to the Board again."

(5-year term; elect 1)

Kristine E. Strand, member of Cape Cod Covenant Church, Brewster, MA. Associate Professor, Boston University. Experience: Covenant Board of Trustees of North Park University member; Covenant Annual Meeting moderator; Conference Long Range Vision Task Force member; New England Seafarers' Mission member; and council member at local church.

Personal Statement: "I have been on the faculty of the Department of Speech, Language, and Hearing Sciences at Boston University for approximately 20 years. During that time I have been involved with teaching undergraduate and graduate students, conducting research, and serving on department, college, and university committees and task forces. In addition, I served a three-year term as chair of my department."

(5-year term; elect 1)

William N. Werner, member of North Park Covenant Church, Chicago, IL. Physician, Advocate Health Care. Experience: local and state Medical Society president; National Kidney Foundation board member; executive council member, deacon, health care topic leader, health care newsletter column writer, council vice-chair; and Sunday school teacher at local church.

Personal Statement: "I have been involved with medical education entire professional career as a physician and educator involving medical students, residents and practicing physicians. I believe that my experience in adult education would complement the mission of North Park University to prepare students for lives of significance and service. I also have experience from serving on the boards of several non-profit organizations."

ANNUAL MEETING OFFICERS for 2014 & 2015

- One candidate needed for each position. -

Secretary

(2-year term; elect 1)

Deani C. Blue Jordan, member of Community Covenant Church, Calumet Park, IL. Special Education Teacher and Case Manager, Chicago Public School. Experience: Covenant Commission on Stewardship coordinator; Invitation to Racial Righteousness participant; Conference Camp board member; AVA promotional video participant; Home Altar contributor; trustee board member, personnel committee chair, youth choir director, youth ministry co-facilitator, camp ministry co-facilitator, Vacation Bible School teacher, youth counselor, and council member at local church.

Personal Statement: "I believe that God has gifted me with Administrative gifts. I have served in this particular capacity in both my professional work and volunteer opportunities. I have a working knowledge of the Covenant Church from previous experience as an employee and a member of a local Covenant Church."

**PRESENTATION OF CANDIDATES FOR TRANSFER OF ORDINATION
128th COVENANT ANNUAL MEETING
DETROIT, MI
JUNE 27-29, 2013**

F. REMY DIEDERICH

Degrees: Bethel Theological Seminary, M.A.T.S.
Covenant Orientation, certificate
Serving: Cedarbrook Church, Menomonie, WI
Ordaining Body: Christian and Missionary Alliance
Conference: Northwest

THOMAS P. LACH

Degrees: Trinity International University, B.A.
North Park Theological Seminary, studies
Covenant Orientation, certificate
Serving: Community Covenant Church, Menominee, MI
Ordaining Body: LaSalle Street Church, Chicago, IL
Conference: Central

JEFFREY T. SHUPE

Degrees: Gordon-Conwell Theological Seminary, M.Div.
Covenant Orientation, certificate
Serving: Bethany Covenant Church, Bedford, NH
Ordaining Body: Grace Chapel, Lexington, MA
Conference: East Coast

JOHAN J. TREDOUX

Degrees: Nazarene Theological Seminary, M.Div.
Covenant Orientation, certificate
Serving: Community Evangelical Covenant Church, Lenexa, KS
Ordaining Body: Church of the Nazarene
Conference: Midwest

**PRESENTATION OF CANDIDATES FOR CONSECRATION TO MISSIONARY SERVICE
128th COVENANT ANNUAL MEETING
DETROIT, MI
JUNE 27-29, 2013**

HANNAH M. BAKER

Education: Fuller Theological Seminary, studies
North Park University, B.A.
Covenant Orientation, certificate
Serving: Belgium
Department: World Mission

KIMBERLY DELP

Education: Rush University, M.A.
Covenant Orientation, certificate
Serving: Ecuador
Department: World Mission

CHRISTY L. TAYLOR

Education: Angelo State University, B.A.
Covenant Orientation, certificate
Serving: East Asia
Department: World Mission

CHRISTOPHER E. WIEBE

Education: Kansas State University, B.A.
Covenant Orientation, certificate
Serving: East Asia
Department: World Mission

DIANE R. WIEBE

Education: Kansas State University, B.A.
Covenant Orientation, certificate
Serving: East Asia
Department: World Mission

**PRESENTATION OF CANDIDATES FOR ORDINATION TO WORD AND SERVICE
128TH COVENANT ANNUAL MEETING
DETROIT, MI
JUNE 27-29, 2013**

THERESA D. MARKS

Degrees: University of Saint Joseph, M.A.
North Park Theological Seminary, spiritual direction certificate
Covenant Orientation, certificate
Serving: Ordered Ministry, Chicago, IL
Specialization: Pastoral Care
Conference: Central

DALE W. SOLBERG

Degrees: Greenville College, M.A.
North Park Theological Seminary, studies
Covenant Orientation, certificate
Serving: Alaska Christian College, Soldotna, AK
Specialization: Leadership
Conference: Alaska

**PRESENTATION OF CANDIDATES FOR ORDINATION TO WORD AND SACRAMENT
128TH COVENANT ANNUAL MEETING
DETROIT, MI
JUNE 27-29, 2013**

RICHARD C. ARNOLD

Degrees: Multnomah Biblical Seminary, M.Div.
Covenant Orientation, certificate
Serving: Graham Evangelical Covenant Church, Graham WA
Conference: North Pacific

JASON L. ASHLEY

Degrees: Regent College, M.Div.
Covenant Orientation, certificate
Serving: Evangelical Covenant Church, Nelson, BC
Conference: Canada

SCOTT J. AUSTIN

Degrees: Northeastern Seminary, M.Div.
Covenant Orientation, certificate
Serving: Artisan Church: An Evangelical Covenant Church, Rochester, NY
Conference: Great Lakes

MATTHEW D. BACH

Degree: North Park Theological Seminary, M.Div.
Serving: Grace Hills Bible Church, Angels Camp, CA
Conference: Pacific Southwest

DARREN C. BAUGHMAN

Degrees: Fuller Theological Seminary, M.Div.
Covenant Orientation, certificate
Serving: Pathways Hospice, Fort Collins, CO
Conference: Midwest

MICHAEL A. BEHM

Degrees: Bethel Theological Seminary, M.Div.
Covenant Orientation, certificate
Serving: Real Life Covenant Church, Waseca, MN
Conference: Northwest

DEREK C. BOGGS

Degrees: Gordon-Conwell Theological Seminary, M.Div.
Covenant Orientation, certificate
Serving: Evangelical Covenant Church, Princeton, IL
Conference: Central

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JEREMY R. BOWER

Degree: North Park Theological Seminary, M.Div.
Serving: Salem Road Covenant Church, Rochester, MN
Conference: Northwest

JASON B. BRADLEY

Degree: North Park Theological Seminary, M.Div.
Serving: Good Shepherd Evangelical Covenant Church, Joliet, IL
Conference: Central

GRANT R. BUCHHOLTZ

Degrees: Gordon-Conwell Theological Seminary, M.Div.
Covenant Orientation, certificate
Serving: Japan
Conference: Covenant World Mission

MIHO O. BUCHHOLTZ

Degrees: Gordon-Conwell Theological Seminary, M.Div.
Covenant Orientation, certificate
Serving: Japan
Conference: Covenant World Mission

JARON M. BURDICK

Degree: North Park Theological Seminary, M.Div.
Serving: St. Paul's United Church of Christ, Franklin Park, IL
Conference: Central

DANIEL W. COLLISON

Degrees: Fuller Theological Seminary, D.Min.
Bethel Theological Seminary, M.Div.
Covenant Orientation, certificate
Serving: First Covenant Church, Minneapolis, MN
Conference: Northwest

JOEL B. DELP

Degree: North Park Theological Seminary, M.Div.
Serving: Ecuador
Conference: Covenant World Mission

BARBARA A. ETTINGER

Degrees: Bethel Seminary of the East, M.A.
Covenant Orientation, certificate
Serving: InterVarsity Christian Fellowship
Conference: East Coast

JONNA J. FANTZ

Degrees: Bethel Theological Seminary, M.Div.
Covenant Orientation, certificate
Serving: Crossroads Church, Woodbury, MN
Conference: Northwest

ILEANA GARCIA-SOTO

Degree: North Park Theological Seminary, M.Div.
Serving: Green Timbers Covenant Church, Surrey, BC
Conference: Canada

STEVEN V. HODEN

Degree: North Park Theological Seminary, M.Div.
Serving: Palmyra Mission Covenant Church, Hector, MN
Conference: Northwest

TRACY L. HUFSCHMID

Degrees: George Fox Evangelical Seminary, M.Div.
Covenant Orientation, certificate
Serving: Providence St. Vincent's Medical Center, Portland, OR
Conference: North Pacific

ISABEL C. HUGHES

Degree: North Park Theological Seminary, M.Div.
Serving: St. Luke's Christian Community Church, Morton Grove, IL
Conference: Central

JOON SHIK HWANG

Degrees: Trinity Evangelical Divinity School, M.Div.
North Park Theological Seminary, M.A.C.F.
Serving: New Life Covenant Church, Palatine, IL
Conference: Central

DEVYN CHAMBERS JOHNSON

Degree: North Park Theological Seminary, M.Div.
Serving: Community Covenant Church, Springfield, VA
Conference: East Coast

KELLY GILLAN JOHNSTON

Degree: North Park Theological Seminary, M.Div.
Serving: Evangelical Covenant Church, Wakefield, NE
Conference: Midwest

R. LEE JOST II

Degrees: Central Baptist Theological Seminary, M.Div.
Covenant Orientation, certificate
Serving: Christ The Servant Evangelical Covenant Church, Olathe, KS
Conference: Midwest

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NANCY K. LEWIS

Degrees: North Park Theological Seminary, spiritual direction certificate
National Louis University, M.Ed.
Serving: First Covenant Church, Oakland, CA
Conference: Pacific Southwest

MACHAEL L. LOTZER

Degrees: Fuller Theological Seminary, M.Div.
Covenant Orientation, certificate
Serving: Faith Covenant Church, Burnsville, MN
Conference: Northwest

ZACHARY W. LOVIG

Degree: North Park Theological Seminary, M.Div.
Serving: Trinity Evangelical Covenant Church, Oak Lawn, IL
Conference: Central

JASON A. MACH

Degree: North Park Theological Seminary, M.Div.
Serving: North Park Evangelical Covenant Church, Machesney Park, IL
Conference: Central

JOHN T. MADISON

Degree: North Park Theological Seminary, M.Div.
Serving: Evangelical Covenant Church, Port Allegany, PA
Conference: Great Lakes

MARK H. MATHIS

Degrees: Gordon-Conwell Theological Seminary, M.Div.
Covenant Orientation, certificate
Serving: Milwaukie Covenant Church, Milwaukie, OR
Conference: North Pacific

JEFFREY J. McCLAIN

Degree: North Park Theological Seminary, M.Div.
Serving: Blackburn's Chapel United Methodist Church, Todd, NC
Conference: Southeast

ELIZABETH D. McCOLL

Degree: North Park Theological Seminary, M.Div.
Serving: Northwest Covenant Church, Mount Prospect, IL
Conference: Central

SETH A. MICHAEL

Degrees: Sioux Falls Seminary, M.Div.
Covenant Orientation, certificate
Serving: Gateway Covenant Church, Prince Albert, SK
Conference: Canada

STACIA P. MICHAEL

Degrees: Sioux Falls Seminary, M.Div.
Covenant Orientation, certificate
Serving: Gateway Covenant Church, Prince Albert, SK
Conference: Canada

GREGORY S. OPPENHUIZEN

Degrees: Fuller Theological Seminary, M.Div.
Covenant Orientation, certificate
Serving: Cornerstone Covenant Church, Turlock, CA
Conference: Pacific Southwest

DAVID M. OSTERCAMP

Degree: North Park Theological Seminary, M.Div.
Serving: Linwood Covenant Church, Wyoming, MN
Conference: Northwest

PAMELA E. PANGBORN

Degrees: Ashland Theological Seminary, M.Div
Covenant Orientation, certificate
Serving: Ashland Theological Seminary, Southfield, MI
Conference: Great Lakes

WAYNE W. PARK

Degrees: Regent College, M.Div.
Covenant Orientation, certificate
Serving: Harvest Community Church, Houston, TX
Conference: Midsouth

GLENN S. PETERSON

Degrees: Regent College, M.C.S.
Covenant Orientation, certificate
Serving: Lighthouse Covenant Church, Sarnia, ON
Conference: Canada

MARY E. PETERSON

Degrees: Fuller Theological Seminary, M.Div.
Covenant Orientation, certificate
Serving: Highland Covenant Church, Bellevue, WA
Conference: North Pacific

REBECCA L. POOR

Degree: North Park Theological Seminary, M.Div.
Serving: Saranac Community Church, Saranac, MI
Conference: Great Lakes

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MICHAEL S. PRZYBYLSKI

Degrees: Ashland Theological Seminary, M.A.
Covenant Orientation, certificate
Serving: New Harvest Christian Church, Oregon, OH
Conference: Great Lakes

SARAH R. ROBINSON

Degree: North Park Theological Seminary, M.Div.
Serving: Community Covenant Church, Clear Lake, WA
Conference: North Pacific

BETHANN S. ROHLFING

Degrees: Covenant Theological Seminary, M.Div.
Covenant Orientation, certificate
Serving: St. Louis University Hospital, St. Louis, MO
Conference: Central

KELSEY C.H. ROREM

Degree: North Park Theological Seminary, M.Div.
Serving: Seattle Pacific University, Seattle, WA
Conference: North Pacific

PERRY K. SAKAI

Degrees: Fuller Theological Seminary, M.Div.
Covenant Orientation, certificate
Serving: New Hope Covenant Church, Oakland, CA
Conference: Pacific Southwest

PETER D. SJOBLOM

Degree: North Park Theological Seminary, studies
Serving: Central Conference, Chicago, IL
Conference: Central

JESSE M. SLIMAK

Degree: North Park Theological Seminary, M.Div.
Serving: Odyssey Hospice, Southfield, MI
Conference: Great Lakes

P. GLEN SMITH

Degrees: Nazarene Theological Seminary, M.Div.
Covenant Orientation, certificate
Serving: Journey Covenant Church, Liberty, MO
Conference: Midwest

MIN W. SONG

Degree: North Park Theological Seminary, M.Div.
Serving: New Life Covenant Church, Palatine, IL
Conference: Central

JOSHUA B. SWENSON

Degree: North Park Theological Seminary, M.Div.
Serving: Ecuador
Conference: Covenant World Mission

MARGARET E. SWENSON

Degrees: Denver Seminary, studies
Iliff School of Theology, studies
Biola College, B.A.
North Park Theological Seminary, orientation studies
Serving: World Mission, Chicago, IL
Conference: Central

OLAF C. van de KLASHORST

Degree: North Park Theological Seminary, M.Div.
Serving: Moses Cone Health System, Greensboro, NC
Conference: Southeast

ANDREW D. VANOVER

Degrees: North Park Theological Seminary, M.Div./M.B.A.
Serving: Thornapple Evangelical Covenant Church, Grand Rapids, MI
Conference: Great Lakes

KYLIAH A. VILLA

Degrees: Fuller Theological Seminary, M.Div.
Covenant Orientation, certificate
Serving: Re-Entering Call Process
Conference: Northwest

**2013 Covenant Annual Meeting
Clergy Lifetime Service Recognition**

Because the denomination calls, credentials and sends individuals into ministry, we feel that it is most appropriate that very community of pastors and congregations join together at each Covenant Annual Meeting to honor a group of those clergy who have offered lifetimes of faithful service and godly obedience. Therefore, on behalf of the Evangelical Covenant Church and the Department of the Ordered Ministry, the 128th Annual Meeting would like to honor the following individuals:

John Jyung-Nam Ahn, Los Angeles, California
Timothy K. Anderson, Red Wing, Minnesota
Bruce M. Baehr, Liverpool, New York
Martha F. Berg, Tokyo, Japan
Javier M. Cardenas, Chicago, Illinois
Yacid C. Cardenas, Chicago, Illinois
Terry G. Cathcart, Ishpeming, Michigan
Dennis A. Choate, Ubon Ratchathani, Thailand
Duane R. Cross, Chandler, Arizona
Ronald C. Gelaude, Dexter, Michigan
Thomas C. Glossi, Fort Collins, Colorado
William A. Goodwin, Sumner, Washington
Ellen L. Haworth, Kuki-Shi, Japan
Lyle A. Heinitz, Whitewater, Wisconsin
Tristan E. J. Hohler, Vero Beach, Florida
Nancy Jo Hoover, McMinnville, Oregon
Rudy E. King, New Richmond, Wisconsin
Anne M. Krekelberg, Bartlett, Tennessee
Mark E. Larson, McMinnville, Oregon
Carol J. Lawson, Chicago, Illinois
J. Shan Martin, Richland Michigan
Dwight A. Nelson, Libertyville, Illinois
Eric N. Newberg, Tulsa, Oklahoma
Monty R. Newton, Arvada, Colorado
John M. Norland, Granite Falls, Minnesota
Ida-Regina L. Oliver, Chicago, Illinois
Mark S. Olson, Chicago, Illinois
Anna Marie Peterson, Coppell, Texas
Judy B. Peterson, Excelsior, Minnesota
Philip M. Rohler, Shaker Heights, Ohio
John H. Satterberg, Minneapolis, Minnesota
Bennie Simmons Jr., Gary, Indiana
Douglas T. Stevens, Pleasant Hill, California
Kenneth R. Wilson, Santa Ana, California

The Evangelical Covenant Church
Annual Meeting
Agenda Item # 25
Exhibits supporting Treasurer's Report

Covenant Pension Plan Draft of Audited Financial Statements
as of and for the Years Ended December 31, 2012 and 2011

The Evangelical Covenant Church Audited Financial Statements
as of and for the Years Ended January 31, 2013 and 2012

DRAFT

For review and discussion only.

Subject to change.

No opinion expressed or implied.

CAPIN CROUSE LLP

Covenant Pension Plan

Financial Statements as of and for the Years
Ended December 31, 2012 and 2011,
and Independent Auditors' Report

DRAFT
For review and discussion only.
Subject to change.
No opinion expressed or implied.
CAPIN CROUSE LLP

INDEPENDENT AUDITORS' REPORT

Board of Directors
Covenant Pension Plan
Chicago, Illinois

We have audited the accompanying financial statements of Evangelical Covenant Church Pension Plan (the Plan), which comprise the statements of net assets available for benefits as of December 31, 2012 and 2011, and the related statements of changes in net assets available for benefits for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

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

Wheaton, Illinois
DATE

COVENANT PENSION PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS AS OF DECEMBER 31, 2012 AND 2011

	2012	2011
ASSETS:		
Cash and investments (Note 2):		
At fair value as determined by quoted market prices	\$ 158,815,294	\$ 133,297,724
At estimated fair value	<u>26,527,696</u>	<u>30,697,878</u>
Total cash and investments	185,342,990	163,995,602
Accrued income	21,105	37,768
Contributions receivable	877,099	1,115,069
Other assets	<u>48,448</u>	<u>10,772</u>
Total assets	186,289,642	165,159,211
LIABILITIES — Accounts payable and accrued expenses	<u>105,979</u>	<u>76,972</u>
NET ASSETS AVAILABLE FOR BENEFITS	<u>\$ 186,183,663</u>	<u>\$ 165,082,239</u>

See notes to financial statements.

COVENANT PENSION PLAN

**STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

	2012	2011
ADDITIONS:		
Investment return (loss):		
Dividend and interest income	\$ 4,989,110	\$ 4,317,175
Net appreciation (depreciation) in value of investments (Note 2)	17,718,018	(7,706,329)
Investment manager and custodial fees (Note 1)	<u>(803,192)</u>	<u>(904,966)</u>
Total investment return (loss)	<u>21,903,936</u>	<u>(4,294,120)</u>
Contributions	<u>7,527,715</u>	<u>7,598,711</u>
Charitable contributions and other income	<u>20,598</u>	<u>14,958</u>
Total additions	<u>29,452,249</u>	<u>3,319,549</u>
DEDUCTIONS:		
Pension benefits	7,331,021	7,145,369
Supplemental benefit fund payments	106,500	114,032
Administrative expenses	<u>913,304</u>	<u>876,322</u>
Total deductions	<u>8,350,825</u>	<u>8,135,723</u>
Net increase (decrease)	21,101,424	(4,816,174)
NET ASSETS AVAILABLE FOR BENEFITS — Beginning of year	<u>165,082,239</u>	<u>169,898,413</u>
NET ASSETS AVAILABLE FOR BENEFITS — End of year	<u>\$186,183,663</u>	<u>\$165,082,239</u>

See notes to financial statements.

COVENANT PENSION PLAN

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

1. THE PLAN AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a brief description of the Covenant Pension Plan (the “Plan”). Participants should refer to the Plan agreement for more complete information.

General — The Plan is a noncontributory, defined benefit pension plan, which is administered by the Board of Pensions and Benefits (the “Board”) of The Evangelical Covenant Church (the “Covenant”). All full-time Covenant ministers employed by Covenant churches or institutions and all full-time Covenant missionaries are participants in the Plan. The Plan is available on a voluntary basis to Covenant ministers employed full time by an approved employer other than the Covenant.

Supplemental Benefit Fund — The Board has established, from gifts and bequests to the Plan, a separate fund for supplemental benefits (the “Supplemental Benefit Fund”), which shall be available on a basis of need to those eligible persons according to rules established by the Board and applied on a uniform and consistent basis. The Supplemental Benefit Fund is managed by Covenant Trust Company, a related entity. Investment fees paid to Covenant Trust Company in 2012 and 2011 were \$581 and \$976, respectively.

Basis of Accounting — The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America.

Use of Estimates — The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, disclosure of contingent assets and liabilities, and the actuarial present value of accumulated plan benefits and changes therein at the date of the financial statements. Actual results could differ from those estimates.

Risks and Uncertainties — The Plan utilizes various investment instruments, including U.S. government securities, corporate debt instruments, corporate stocks, pooled instruments, and private equity. 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 a change could materially affect, positively or negatively, the future value of net assets available for plan benefits.

Investment Valuation and Income Recognition — Investments are stated at fair value. Fair value of a financial instrument is 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. When available, quoted market prices are used to determine the fair value of investments. Investments in private equity are reported at estimated fair value as determined by the general partner/fund manager based on audited financial statements on a fair value basis. Certain pooled bond funds and pooled equity funds are private funds, which hold marketable securities and are recorded at estimated fair value using the quoted prices of the individual securities held. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis.

1. THE PLAN AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Benefits — Benefits currently vest for Plan participants with five years of service. Retirement benefits are paid monthly and are based on length of service and compensation levels. The monthly benefit at normal retirement date is equal to the sum of \$4 for each year of service prior to January 1, 1972, \$8 for each year of service from January 1, 1972 to December 31, 1973, and 1/12 of 1.5% of total accumulated considered compensation after December 31, 1973. Considered compensation includes annual base salary and other income from the employer, including housing and utility allowances, if any, or an adjustment to base salary where a parsonage is provided. Effective June 23, 1992, accumulated considered compensation of participants not currently receiving benefits was subject to a one-time increase by an amount not to exceed \$136,000. The amount of the increase was computed as a percentage (the lesser of 25% or years of service minus 10 years, expressed as a percentage) of considered compensation to date, plus \$3,200 for each year of service in excess of 20 years. Considered compensation so determined is subject to a minimum of \$9,000 a year. Additional benefits are provided for disability and surviving spouses.

Effective June 23, 1992, benefits for retired participants increased by an amount not to exceed \$170 a month. The monthly benefit increase was computed based on a percentage (the lesser of 25% or years of service minus 10 years, expressed as a percentage) of the beneficiary's current monthly benefit, plus \$4 for each year of service in excess of 20 years.

Effective April 1, 2007, and again effective January 1, 2008, there was a 6% increase in the minimum monthly pension benefits for retirees and surviving spouses and a 6% across the board increase for all participants.

The minimum monthly pension benefits (which are prorated for beneficiaries with less than 25 years of service and reduced for early retirement) for 2012 and 2011 were as follows:

	2012	2011
Retirees	\$989	\$989
Surviving spouse	\$742	\$742

Investment Manager and Custodial Fees — The members of the Board serve as trustees of the Plan. The Board engages an investment advisor, investment managers, and a custodian for the invested funds. Custodial and management fees were \$803,192 and \$904,966 in 2012 and 2011, respectively.

Administrative Expenses — The Plan reimbursed the Covenant \$757,150 and \$727,850 in 2012 and 2011, respectively, for administrative expenses and services.

Plan Contributions — Contributions to the Plan are made by employers quarterly based on an annual amount equal to 12.5% of the considered compensation for each participant. A participant does not receive credit for service for any period for which the required payments are not made. All contributions are deposited in and invested by the Covenant Pension Trust (the "Trust Fund"). The Plan records as contributions receivable amounts expected to be received related to past periods.

The adequacy of contributions to meet defined benefit obligations is determined by the Board in consultation with enrolled actuaries.

1. THE PLAN AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Actuarial Valuation — Accumulated plan benefits are those future periodic payments that are attributable under the Plan’s provisions to service rendered by employees as of the valuation date. Accumulated plan benefits include benefits expected to be paid to (1) retired or terminated employees or their beneficiaries, (2) beneficiaries of employees who have died, and (3) present employees or their beneficiaries. The actuarial present value of accumulated plan benefits is determined by an independent actuary and is that amount that 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 for death, disability, withdrawal, or retirement) between the valuation date and the expected date of payment. The unit credit actuarial cost method was used to calculate the actuarial present value of accumulated plan benefits. The significant actuarial assumptions used in the valuations as of December 31, 2012 and 2011, were as follows:

Life expectancy	1983 table with ages set back two years
Retirement age	Age 65, or present age if greater
Investment return	6% per annum

The actuarial present value of accumulated plan benefits as of December 31, 2012 and 2011, as determined by the Plan’s actuary, is as follows:

	2012	2011
Vested benefits — participants and beneficiaries currently receiving payments	\$ 186,989,318	\$ 179,312,183
Nonvested benefits	<u>3,221,421</u>	<u>2,324,452</u>
Total	<u>\$ 190,210,739</u>	<u>\$ 181,636,635</u>

The actuarial present value of accumulated plan benefits increased \$8,574,104 between December 31, 2011 and December 31, 2012, as follows:

Actuarial present value of accumulated plan benefits as of December 31, 2011 and 2010, respectively	<u>\$ 181,636,635</u>	<u>\$ 173,438,725</u>
Change during period due to:		
Additional benefits accumulating and experience gains and losses during the year	5,245,185	5,169,180
Passage of time	10,659,940	10,174,099
Benefits paid	<u>(7,331,021)</u>	<u>(7,145,369)</u>
Net increase in actuarial present value	<u>8,574,104</u>	<u>8,197,910</u>
Actuarial present value of accumulated plan benefits as of December 31, 2012 and 2011, respectively	<u>\$ 190,210,739</u>	<u>\$ 181,636,635</u>

1. THE PLAN AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Priorities Upon Termination — The Covenant may terminate the Plan at any annual meeting of the Covenant and may direct and require the Board to liquidate the Trust Fund. In order to terminate the Plan, a vote of two-thirds of all delegates present and voting at such annual meeting is required. In the event the Covenant shall, for any reason, cease to exist, the Plan shall terminate and the Trust Fund shall be liquidated unless continued by a successor.

Upon termination of the Plan or a complete discontinuance of contributions, the assets of the Trust Fund shall be liquidated, after provision is made for the expenses of liquidation, by the payment (or provision for the payment) of benefits, in the following order of preference:

- To each retired participant and surviving spouse who is receiving a pension on the date of termination
- To each active participant who attained age 65 and completed 10 or more years of service prior to the date of termination
- To participants who attained age 55 and completed 10 or more years of service prior to date of termination
- To all other participants according to the respective actuarial values of their accrued benefits as of the date of termination

If the assets of the Trust Fund applicable to any of the above groups are insufficient to provide full benefits for all persons in such group, the benefits otherwise payable to such persons shall be reduced proportionately and no benefits shall be paid to any person in a succeeding group.

Income Tax Status — The Plan is a church plan qualified under Section 401(a) of the Internal Revenue Code (the “Code”), and as such is exempt from taxation under Code Section 501(a). Therefore, no provision for income taxes has been made in the financial statements.

Uncertain Tax Positions — The financial statement effects of a tax position taken or expected to be taken are recognized in the financial statements when it is more likely than not, based on the technical merits, that the position will be sustained upon examination. Interest and penalties, if any, are included in expenses in the statement of changes in net assets available for benefits. As of December 31, 2012 and 2011, the Plan had no uncertain tax positions that qualify for recognition or disclosure in the financial statements.

2. CASH AND INVESTMENTS

The fair values of the Plan's cash and investments for the years ended December 31, 2012 and 2011, are as follows:

	2012	2011
Pension trust fund:		
Investments — at fair value as determined by quoted market price:		
Common stocks	\$ 25,212,650	\$ 29,900,471
Pooled equity funds	90,975,232	58,989,106
Pooled bond funds	29,156,730	34,120,725
Pooled real estate funds	10,713,982	6,839,829
Money market funds and cash	<u>2,645,740</u>	<u>3,338,382</u>
	<u>158,704,334</u>	<u>133,188,513</u>
Investments — at estimated fair value:		
Pooled equity funds	10,317,818	16,468,874
Private equity/timber	<u>16,166,758</u>	<u>14,186,717</u>
	<u>26,484,576</u>	<u>30,655,591</u>
Total pension trust fund	<u>185,188,910</u>	<u>163,844,104</u>
Supplemental benefit fund:		
Investments — at fair value as determined by quoted market price:		
Pooled equity funds	108,201	107,780
Money market funds	<u>2,759</u>	<u>1,431</u>
	110,960	109,211
Investments — at estimated fair value — pooled bond funds	<u>43,120</u>	<u>42,287</u>
Total supplemental benefit fund	<u>154,080</u>	<u>151,498</u>
Total cash and investments	<u>\$ 185,342,990</u>	<u>\$ 163,995,602</u>

The Plan's investments (including investments bought, sold, and held during the year) appreciated (depreciated) for the years ended December 31, 2012 and 2011, as follows:

	2012	2011
Common stocks	\$ 4,114,244	\$ 417,758
Pooled bond funds	1,730,559	(886,380)
Pooled equity funds	10,671,547	(7,696,611)
Pooled real estate funds	668,663	(455,517)
Private equity/timber	<u>533,095</u>	<u>914,421</u>
Total	<u>\$ 17,718,108</u>	<u>\$ (7,706,329)</u>

2. CASH AND INVESTMENTS, continued

Fair Value Measurements and Fair Value of Financial Instruments — The *Fair Value Measurements and Disclosures* Topic of the Financial Accounting Standards Board Standards Codification (ASC) establishes a hierarchical disclosure framework, which prioritizes and ranks the level of market price observability used in measuring the investments at fair value. Market price observability is impacted by a number of factors, including the type of investment and the characteristics specific to the investment. Investments with readily available active quoted prices or for which fair value can be measured from actively quoted prices, generally will have a higher degree of market price observability and a lesser degree of judgment used in measuring fair value.

Investments measured and reported at fair value are classified and disclosed in one of the following categories:

Level I — Quoted prices are available in active markets for identical assets or liabilities as of the reporting date.

Level II — Pricing inputs are other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies.

Level III — Pricing inputs are unobservable and include situations where there is little, if any, market activity for the investment. Fair value for these investments is determined using valuation methodologies that consider a range of factors, including but not limited to the price at which the investment was acquired, the nature of the investment, local market conditions, trading values on public exchanges for comparable securities, current and projected operating performance, and financing transactions subsequent to the acquisition of the investment. The inputs into the determination of fair value require significant management judgment. Due to the inherent uncertainty of these estimates, these values may differ from the values that would have been used had a ready market for these investments existed.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an asset or liability's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. Management's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the investment.

2. CASH AND INVESTMENTS, continued

The valuation of the Plan's financial assets and liabilities by the above ASC fair value hierarchy levels as of December 31, 2012, is summarized as follows:

	Total	Level I	Level II	Level III
Cash and investments				
Pension trust fund:				
Investments — at fair value as determined by quoted market price:				
Common stocks:				
Financial	\$ 2,978,704	\$ 2,978,704	\$ -	\$ -
Consumer	3,514,738	3,514,738		
Health care	2,418,071	2,418,071		
Energy	2,379,108	2,379,108		
Information technology	5,149,093	5,149,093		
Industrials	3,223,556	3,223,556		
Materials	872,885	872,885		
Transportation	572,357	572,357		
Services	3,318,587	3,318,587		
REITS	642,487	642,487		
Utilities	143,064	143,064		
Pooled equity funds	90,975,232	90,975,232		
Pooled bond funds	29,156,730	29,156,730		
Pooled real estate funds	10,713,982	10,713,982		
Money market funds and cash	<u>2,645,740</u>	<u>2,645,740</u>		
	<u>158,704,334</u>	<u>158,704,334</u>	<u>-</u>	<u>-</u>
Investments — at estimated fair value:				
Pooled equity funds	10,317,818		10,317,818	
Private debt/equity/timber	<u>16,166,758</u>			<u>16,166,758</u>
	<u>26,484,576</u>	<u>-</u>	<u>10,317,818</u>	<u>16,166,758</u>
Total pension trust fund	<u>185,188,910</u>	<u>158,704,334</u>	<u>10,317,818</u>	<u>16,166,758</u>
Supplemental benefit fund:				
Investments — at fair value as determined by quoted market price:				
Pooled equity funds	108,201	108,201		
Money market funds	<u>2,759</u>	<u>2,759</u>		
	110,960	110,960		
Investments — at estimated fair value:				
Pooled bond funds	<u>43,120</u>		<u>43,120</u>	
Total supplemental benefit fund	<u>154,080</u>	<u>110,960</u>	<u>43,120</u>	
Total cash and investments	<u>\$ 185,342,990</u>	<u>\$ 158,815,294</u>	<u>\$ 10,360,938</u>	<u>\$ 16,166,758</u>

2. CASH AND INVESTMENTS, continued

The valuation of the Plan's financial assets and liabilities by the above ACS fair value hierarchy levels as of December 31, 2011, is summarized as follows:

	Total	Level I	Level II	Level III
Cash and investments				
Pension trust fund:				
Investments — at fair value as determined by quoted market price:				
Common stocks:				
Financial	\$ 3,180,793	\$ 3,180,793	\$ -	\$ -
Consumer	3,913,235	3,913,235		
Health care	3,028,665	3,028,665		
Energy	2,588,179	2,588,179		
Information technology	6,596,251	6,596,251		
Industrials	3,326,784	3,326,784		
Materials	793,671	793,671		
Transportation	644,407	644,407		
Services	5,024,134	5,024,134		
Communications	76,363	76,363		
REITS	464,127	464,127		
Utilities	263,862	263,862		
Pooled equity funds	58,989,106	58,989,106		
Pooled bond funds	34,120,725	34,120,725		
Pooled real estate funds	6,839,829	6,839,829		
Money market funds and cash	<u>3,338,382</u>	<u>3,338,382</u>		
	<u>133,188,513</u>	<u>133,188,513</u>	<u>-</u>	<u>-</u>
Investments — at estimated fair value:				
Pooled equity funds	16,468,874		16,468,874	
Private debt/equity/timber	<u>14,186,717</u>			<u>14,186,717</u>
	<u>30,655,591</u>	<u>-</u>	<u>16,468,874</u>	<u>14,186,717</u>
Total pension trust fund	<u>163,844,104</u>	<u>133,188,513</u>	<u>16,468,874</u>	<u>14,186,717</u>
Supplemental benefit fund:				
Investments — at fair value as determined by quoted market price:				
Pooled equity funds	107,780	107,780		
Money market funds	<u>1,431</u>	<u>1,431</u>		
	109,211	109,211		
Investments — at estimated fair value:				
Pooled bond funds	<u>42,287</u>		<u>42,287</u>	
Total supplemental benefit fund	<u>151,498</u>	<u>109,211</u>	<u>42,287</u>	
Total cash and investments	<u>\$ 163,995,602</u>	<u>\$ 133,297,724</u>	<u>\$ 16,511,161</u>	<u>\$ 14,186,717</u>

2. CASH AND INVESTMENTS, continued

The Plan's investments that are measured at fair value on a recurring basis using significant unobservable inputs (Level III) are summarized as follows:

Private equity/timber:		
	2012	2011
Balance — January 1	\$ 14,186,717	\$ 9,802,625
Purchases	3,609,956	4,659,039
Distribution of income	(2,031,221)	(919,802)
Realized and unrealized gains — net	533,095	914,421
Other	<u>(131,789)</u>	<u>(269,566)</u>
Balance — December 31	<u>\$ 16,166,758</u>	<u>\$ 14,186,717</u>
Total appreciation in value of investments included in changes of net assets available for benefits attributable to the change in unrealized gains or losses relating to assets still held at December 31, 2012 and 2011	<u>\$ 2,488,714</u>	<u>\$ 2,635,903</u>

The following disclosure of estimated fair value of financial instruments is made in accordance with the *Financial Instruments* Topic of the ASC. The estimated fair value of financial instruments, based on available market information and appropriate valuation methodologies, as of December 31, 2012 and 2011, are presented below.

	2012		2011	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Cash and investments	\$ 185,342,990	\$ 185,342,990	\$ 163,995,602	\$ 163,995,602
Accrued income	21,105	21,105	37,768	37,768
Contributions receivable	877,099	877,099	1,115,069	1,115,069
Other assets	48,448	48,448	10,772	10,772
Accounts payable and accrued expenses	105,979	105,979	76,972	76,972

2. CASH AND INVESTMENTS, continued:

The Plan uses the Net Asset Value (NAV) to determine the fair value for all hedge funds which (a) do not have a readily determinable fair value and (b) prepare their financial statements consistent with the measurement principles of an investment company or have attributes of an investment company. The following table lists investments in other investment companies (in partnership format) by major category in accordance with the *Fair Value Measurements and Disclosure* topic of the ASC as of December 31, 2012:

Investment Category	Strategy	\$ NAV in Funds (per GL)*	# of Funds	Remaining Life*	\$ Amount of Unfunded Commitments	Timing to Draw Down Commitments
Private Equity	Diversified Private Equity	\$3,664,837	41	4 to 8 years	\$750,000	Upon not less than seven (7) business days prior written notice
Private Debt	Mezzanine	\$1,143,116	6	8 years	\$2,879,017	Upon not fewer than ten (10) business days written notice given by the General Partner to each Partner
Private Equity	Diversified Private Equity	\$3,596,809	21	9-11 years	\$14,247,000	Upon not less than seven (7) business days prior to the date of drawdown
Private Natural Resources	Energy	\$6,109,856	1	Not applicable	\$0	Not applicable
Private Equity	Equity	\$4,207,962	1	Not applicable	\$0	Not applicable
Private Natural Resources	Energy	\$1,794,125	11	4 to 9 years	\$699,806	Upon at least seven (7) days (but which the General Partner shall use reasonable efforts to deliver at all times upon at least ten (10) days) prior written notice
Private Equity	Buyout	\$644,321	37	2 to 8 years	\$50,000	Upon not less than ten (10) business days prior notice
Private Equity	Venture Capital	\$586,778	28	0 to 8 years	\$99,400	Upon not less than ten (10) business days prior notice
Private Equity	Diversified Private Equity	\$2,413,501	53	0 to 12 years	\$670,000	Upon not less than ten (10) business days prior notice
Private Natural Resources	Timber	\$2,323,271	1	3 to 7 years	\$0	Upon not less than fifteen (15) days prior notice
		\$26,484,576				

* Reflects a range of various terms from multiple underlying investments, including potential extensions. The funds listed in the above table may not be redeemed during the life of the fund.

2. CASH AND INVESTMENTS, continued:

The Plan uses the Net Asset Value (NAV) to determine the fair value for all hedge funds which (a) do not have a readily determinable fair value and (b) prepare their financial statements consistent with the measurement principles of an investment company or have attributes of an investment company. The following table lists investments in other investment companies (in partnership format) by major category in accordance with the *Fair Value Measurements and Disclosure* topic of the ASC as of December 31, 2011:

Investment Category	Strategy	\$ NAV in Funds (per GL)*	# of Funds	Remaining Life*	\$ Amount of Unfunded Commitments	Timing to Draw Down Commitments
Private Equity	Diversified Private Equity	\$3,507,761	41	5 to 9 years	\$1,300,000	Upon not less than seven (7) business days prior written notice
Private Debt	Mezzanine	\$272,598	6	9 years	\$3,714,621	Upon not fewer than ten (10) business days written notice given by the General Partner to each Partner
Private Equity	Diversified Private Equity	\$2,328,217	21	10-12 years	\$15,507,000	Upon not less than seven (7) business days prior to the date of drawdown
Private Natural Resources	Energy	\$3,237,537	1	Not applicable	\$0	Not applicable
Growth Fund	Equity	\$13,231,337	1	Not applicable	\$0	Upon at least seven (7) days (but which the General Partner shall use reasonable efforts to deliver at all times upon at least ten (10) days) prior written notice
Private Natural Resources	Energy	\$2,143,938	11	5 to 10 years	\$1,112,306	Upon at least seven (7) days (but which the General Partner shall use reasonable efforts to deliver at all times upon at least ten (10) days) prior written notice
Private Equity	Buyout	\$741,231	37	3 to 9 years	\$70,000	Upon not less than ten (10) business days prior notice
Private Equity	Venture Capital	\$588,681	28	0 to 9 years	\$170,400	Upon not less than ten (10) business days prior notice
Private Equity	Diversified Private Equity	\$2,243,718	53	1 to 13 years	\$980,000	Upon not less than ten (10) business days prior notice
Private Natural	Timber	<u>\$2,360,573</u>	1	4 to 8 years	\$0	Upon not less than fifteen (15)
		<u><u>\$30,655,591</u></u>				

* Reflects a range of various terms from multiple underlying investments, including potential extensions. The funds listed in the above table may not be redeemed during the life of the fund.

2. CASH AND INVESTMENTS, continued

Cash and investments — The basis for cash and investments is summarized above in Note 2.

Accrued income — The carrying amount of accrued income is the same as cash and investments which is summarized in Note 2.

Contributions receivable and other assets — Carrying amounts approximate fair value due to the short-term nature of the assets.

Accounts payable and accrued expenses — Carrying amounts approximate fair value due to the short-term nature of the liability.

3. INVESTMENTS REPRESENTING 5% OR MORE OF NET ASSETS

The Plan's investments representing 5% or more of net assets available for benefits as of December 31, 2012 and 2011, are as follows:

	2012	2011
DFA Emerging Markets (pooled equities)	\$ 13,405,983	\$ 6,701,842
DFA International Small Cap Value (pooled equities)	13,579,120	6,511,849
DFA Large Cap Value (pooled equities)	9,927,821	10,558,301
Dodge & Cox Income Fund (pooled bonds)	9,850,348	11,507,068
Europacific Growth Fund (pooled equities)	20,745,906	15,306,360
Marsico Focused Growth (pooled equities)	-	13,231,337
PIMCO Fundamental IndexPlus TR (pooled equities)	11,081,158	2,891,941
PIMCO Total Return III (pooled bonds)	9,915,563	14,258,347

Each of the investments above represents the Plan's investment in a diversified pool of securities managed by an investment manager in accordance with specified objectives.

4. COMMITMENTS

At December 31, 2012 and 2011, the Plan had \$19,395,223 and \$22,854,327, respectively, in outstanding commitments to purchase private equity/timber investments. Outstanding commitments will be funded from cash flow and portfolio rebalancing.

5. SUBSEQUENT EVENTS

Subsequent events have been evaluated through the report date, which represents the date the financial statements were available to be issued. Subsequent events after that date have not been evaluated.

* * * * *

THE EVANGELICAL
COVENANT CHURCH

Financial Statements as of and for the Years Ended
January 31, 2013 and 2012,
and Independent Auditors' Report

THE EVANGELICAL COVENANT CHURCH

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INDEPENDENT AUDITORS' REPORT

To the Executive Board of
The Evangelical Covenant Church
Chicago, Illinois

We have audited the accompanying financial statements of The Evangelical Covenant Church, which comprise the statements of financial position as of January 31, 2013 and 2012, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Evangelical Covenant Church as of January 31, 2013 and 2012, and the changes in its net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.



Wheaton, Illinois
May 20, 2013

THE EVANGELICAL COVENANT CHURCH

STATEMENTS OF FINANCIAL POSITION AS OF JANUARY 31, 2013 AND 2012

	2013	2012		2013	2012
ASSETS			LIABILITIES AND NET ASSETS		
CASH AND CASH EQUIVALENTS	\$ 650,519	\$ 1,988,759	ACCOUNTS PAYABLE AND ACCRUED EXPENSES	\$ 1,514,642	\$ 1,844,875
CONTRIBUTIONS AND BEQUESTS RECEIVABLE	461,079	311,467	INSURANCE PAYABLE	24,011,416	22,056,110
NOTES AND ACCOUNTS RECEIVABLE:			NOTES PAYABLE (Note 5)	6,353,041	7,213,094
Churches and other affiliates — net of allowance of \$135,000 in 2013 and \$135,000 in 2012	2,172,431	2,453,458	SUPPLEMENTAL RETIREMENT BENEFITS PAYABLE (Note 11)	407,940	416,101
Other Covenant entities	1,725,754	1,870,182			
Other	555,949	550,302	ANNUITIES (Note 12):		
Total notes and accounts receivable	4,454,134	4,873,942	Annuitiies payable	1,809,486	1,887,001
INVESTMENTS (Note 2)	36,753,292	35,093,897	Due to others and other Covenant entities	10,791,785	11,651,368
PREPAID EXPENSES AND OTHER ASSETS	376,953	434,257	DEFERRED INCOME	246,987	254,323
INVESTMENTS WHOSE USE IS LIMITED (Note 2):			Total liabilities	45,135,297	45,322,872
Annuities	13,352,291	14,330,858			
Investments pledged	1,614,428	1,722,950	NET ASSETS:		
Total investments whose use is limited	14,966,719	16,053,808	Unrestricted	11,440,554	11,644,665
OTHER ASSETS:			Temporarily restricted (Note 10)	13,021,240	14,038,669
Real estate (Note 13)	1,322,240	1,322,240	Permanently restricted (Note 10)	2,686,356	2,555,026
INTEREST IN IRREVOCABLE TRUSTS (Note 7)	2,058,421	2,127,977	Total net assets	27,148,150	28,238,360
PROPERTY AND EQUIPMENT (Note 4)	11,240,090	11,354,885			
TOTAL	\$ 72,283,447	\$ 73,561,232	TOTAL	\$ 72,283,447	\$ 73,561,232

See notes to financial statements.

**STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JANUARY 31, 2013 AND 2012**

	2013			2012		
	Unrestricted	Temporarily Restricted	Permanently Restricted	Unrestricted	Temporarily Restricted	Permanently Restricted
INCOME:						
Church giving	\$ 5,512,939	\$ 3,460,484	\$	\$ 5,448,423	\$ 3,773,477	\$
Fees (Note 8)	3,000,539			3,020,246		
Contributions	968,207	6,357,319		779,535	5,689,079	
Meetings and events	2,001,639			426,035		
Communication sales	470,077			507,611		
Bequests	633,767			1,279,968		
Other	728,053			682,774		
Investment income net of fees (Note 2)	655,179	109,767	131,330	413,542	(39,436)	(2,287)
Change in value of annuities and interest in irrevocable trusts	(3,149)	(144,605)		(135,379)	(302,564)	
Gain (loss) on sale of property				(198,318)		
Total income	13,967,251	9,782,965	131,330	12,422,755	9,215,988	(2,287)
NET ASSETS RELEASED FROM RESTRICTIONS	10,800,394	(10,800,394)		9,717,095	(9,717,095)	
	24,767,645	(1,017,429)	131,330	22,139,850	(501,107)	(2,287)
EXPENSES:						
Meetings and events	1,764,357			858,351		
World Missions	9,235,237			8,681,665		
Church Growth and Evangelism	4,104,631			4,101,417		
Christian Formation	965,086			1,053,954		
General Administration (Note 8)	2,863,267			2,694,830		
Christian Higher Education	1,000,000			950,000		
Ordered Ministry	1,251,959			1,635,662		
Compassion, Mercy & Justice	233,087			236,864		
Communication	1,411,775			1,348,465		
Covenant World Relief	1,575,045			1,875,449		
Interest	328,081			278,579		
Depreciation	239,231			241,201		
Total expenses	24,971,756			23,956,437		
CHANGE IN NET ASSETS	(204,111)	(1,017,429)	131,330	(1,816,587)	(501,107)	(2,287)
NET ASSETS — Beginning of year	11,644,665	14,038,669	2,555,026	13,461,252	14,539,776	2,557,313
NET ASSETS — End of year	\$ 11,440,554	\$ 13,021,240	\$ 2,686,356	\$ 11,644,665	\$ 14,038,669	\$ 2,555,026

See notes to financial statements.

THE EVANGELICAL COVENANT CHURCH

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED JANUARY 31, 2013 AND 2012

	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$(1,090,210)	\$(2,319,981)
Adjustments to reconcile change in net assets to net cash flows provided by (used in) operating activities:		
Depreciation	239,231	241,201
Unrealized (appreciation) depreciation on investments	(145,430)	108,240
Unrealized depreciation on annuity investments	28,882	37,209
(Gain) loss on sale of investments	(321,199)	2,338
Gain on sale of annuity investments	(100,120)	(206,441)
Loss on sale of property		198,318
Annuity payments	334,076	915,682
Actuarial change in annuities	(75,926)	(106,958)
Annuity liability of matured agreements	(32,866)	(314,172)
Changes in assets and liabilities:		
Contributions and bequests receivable	(149,612)	90,827
Accounts receivable	24,601	(582,771)
Prepaid expenses and other assets	57,304	(124,594)
Accounts payable and accrued expenses	(330,233)	388,485
Insurance payable	1,955,306	392,951
Supplemental retirement benefits payable	(8,161)	(29,876)
Deferred income	(7,336)	150,463
Net cash flows provided by (used in) operating activities	<u>378,307</u>	<u>(1,159,079)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital expenditures	(35,436)	(358,629)
Purchases of investments	(17,214,813)	(13,570,382)
Proceeds from sale and maturity of investments	16,130,569	11,781,091
Purchase of investments restricted for annuities	(614,649)	(448,098)
Proceeds from sale and maturity of investments restricted for annuities	804,871	1,203,482
Proceeds from sale of property held for sale		1,551,682
Disbursements under notes receivable	(295,834)	(613,055)
Collections on notes receivable	691,041	361,226
Net cash flows used in investing activities	<u>(534,251)</u>	<u>(92,683)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Borrowings under line of credit	3,111,000	1,300,000
Repayment of line of credit borrowings	(4,000,000)	(500,000)
Repayment of note payable	(60,053)	(81,767)
Change in interest in irrevocable trusts	69,556	29,954
Annuity payments	(334,076)	(915,682)
New annuity agreements	68,006	242,967
Gift portion of new annuity agreements	(36,729)	(164,775)
Net cash flows used in financing activities	<u>(1,182,296)</u>	<u>(89,303)</u>
NET DECREASE IN CASH	(1,338,240)	(1,341,065)
CASH AND CASH EQUIVALENTS — Beginning of year	1,988,759	3,329,824
CASH AND CASH EQUIVALENTS — End of year	<u>\$ 650,519</u>	<u>\$ 1,988,759</u>
SUPPLEMENTAL CASH FLOW INFORMATION — Cash paid for interest	<u>\$ 342,567</u>	<u>\$ 252,531</u>
SUPPLEMENTAL DISCLOSURES OF NON-CASH ACTIVITIES:		
Borrowing on line of credit to purchase new building or land parcel	<u>\$ 89,000</u>	<u>\$ 338,354</u>

See notes to financial statements.

THE EVANGELICAL COVENANT CHURCH

NOTES TO FINANCIAL STATEMENTS

AS OF AND FOR THE YEARS ENDED JANUARY 31, 2013 AND 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Financial Statements — The Evangelical Covenant Church (the “Church”) and other Covenant institutions are accountable to the Executive Board of the Covenant and the Covenant Annual Meeting. Only those funds under the Executive Board’s control that are associated with the Church activities are included in these financial statements. The financial statements exclude the accounts of member churches and regional conferences. They also exclude other Covenant institutions administered by separate Boards. These Covenant institutions are related parties of the Church as the Executive Board is a member of their institutional boards.

Use of Estimates — The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of income and expenses during the reporting period. Actual results could differ from those estimates.

Cash and cash equivalents — Cash and cash equivalents include checking, savings, and money market accounts. From time to time, these balances may exceed federal deposit insurance limits; however, the Church has not experienced any losses on these accounts and does not believe it is exposed to any significant risk.

Investments — Investments, including investments whose use is limited, with readily determinable fair values are reported at fair value based on quoted market prices. Investments, including investments whose use is limited, in National Covenant Property (NCP) Certificates are reported at cost plus accrued interest. Investment in Covenant Trust Company is reported under the equity method. Investment income and realized and unrealized appreciation and depreciation are included in investment income in the statements of activities. Assets funding permanently restricted net assets are included in investments on the statements of financial position.

Contributions and Bequests — Contributions and bequests are recorded at the time of notification of an unconditional promise from the donor and are classified as unrestricted, temporarily restricted (see Note 10), or permanently restricted (see Note 10) based upon the donor’s intent. Unrestricted net assets are primarily derived from member churches, individual donors, and fees (see Note 8). Temporarily restricted contributions are received from member churches and individual donors in support of various ministries of the Church. Funds are raised by member churches, direct mailings to individuals, and promotion of ministry opportunities through the Church’s Web site. Contributions receivable represent amounts expected to be collected within less than one year.

Notes and Accounts Receivable — Notes and accounts receivable are primarily related to discretionary loans made to Covenant entities for building projects and the related accrued interest. The remaining balance is comprised of various receivables from other Covenant entities. All notes and accounts receivable are due on demand. The allowance for notes and accounts receivable is maintained at a level that, in management’s judgment, is adequate to absorb probable losses.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Depreciation — Property and equipment in excess of \$2,500 are recorded at cost and depreciated on the straight-line method over the estimated useful lives of the assets as follows:

	Years
Buildings	25–50
Building improvements	15
Furniture and equipment	5–10

Other Assets (Real Estate) — Real estate held for sale is initially reported at cost, if purchased, or fair value on the date of receipt as determined by appraisals and thereafter adjusted to estimated net realizable value. All real estate held for sale is actively marketed and is expected to be sold within one year. Subsequent gains from disposition of property held for sale are recorded as gain on sale of property in the period realized. Subsequent losses are recorded in the period when it is probable and able to be estimated.

Insurance Payable — Bethany Benefit Service (BBS), an activity of the Church, administers the health (including medical, dental, prescription drug and vision), life, and long-term disability insurance for its ministers, missionaries, and staff. BBS collects and remits the benefit premiums on behalf of the participants. Amounts payable represent benefit premiums collected from participants not yet remitted to the insurance carrier at year-end.

Due to Affiliates — Due to affiliates includes amounts that the Church is holding on behalf of certain affiliates and contributions the Church has received on behalf of, but has not remitted to, affiliates as of fiscal year-end. Included in accounts payable and accrued expense are \$99,855 and \$117,958 as of January 31, 2013 and 2012, respectively, due to Covenant institutions.

Annuity Agreements — The Church has an obligation to make payments under charitable gift annuity agreements. In accordance with various state regulations, the Church maintains separate trust funds as a reserve fund to meet the future payments under these agreements (see Note 12). Annuities payable are determined based upon the annuitants' ages and life expectancies using rates which comply with various state requirements. A discount rate of 7% and the Annuity 2000 Mortality Table were used in the valuation of the annuity agreements. Payouts are made for the life of the annuitants at rates ranging from 4.2% to 21.6% based on existing annuity agreements. The excess of amounts available to fund the annuities over the calculated amount of annuities payable is recorded as unrestricted or temporarily restricted net assets if the residual is available to the Church or as a liability if the residual is payable to others or other Covenant entities.

Deferred Income — Deferred income includes monies received in advance for meetings and events, and payments received for subscriptions not yet mailed.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Classes of Net Assets — The financial statements report amounts separately by classes of net assets as follows:

Unrestricted net assets are those currently available at the discretion of the Board of Directors for use in the church's operations, those designated by the Board for specific purposes, and those resources invested in property and equipment.

Temporarily restricted net assets are those contributed with donors' restrictions for specific operating purposes or programs, or those with timing restrictions. They are not currently available for use in the Church's ministries until commitments regarding their use have been fulfilled. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions.

Permanently restricted net assets are those restricted by donors in perpetuity. These assets are included with investments.

Expenses — Expenses are recorded as incurred in accordance with the accrual basis of accounting. The costs of providing the various program services and supporting activities have been summarized on a functional basis in Note 14. Accordingly certain costs have been allocated among the program services and supporting activities benefited. Advertising costs, if any, are expensed as incurred.

Meetings and Events — Meetings and events income and expenses include the activities of the Church's annual meeting and an annual conference held for Church pastors. Additionally, a youth conference is held every three years.

Income Tax Status — The Church is exempt from taxation pursuant to Section 501(a) as an organization described in Section 501(c)(3) of the Internal Revenue Code. In addition, the Church has been classified as an organization that is not a private foundation under IRC Section 509(a)(1). Accordingly, no provision for federal or state income taxes is required.

Uncertain Tax Positions — The financial statement effects of a tax position taken or expected to be taken are recognized in the financial statements when it is more likely than not, based on the technical merits, that the position will be sustained upon examination. Interest and penalties, if any, are included in expenses in the statements of activities. As of January 31, 2013, the Church had no uncertain tax positions that qualify for recognition or disclosure in the financial statements.

Recently Adopted Accounting Pronouncement — The FASB recently issued an accounting standards update to the *Retirement Benefits* topic of the ASC. The new standard increases the quantitative and qualitative disclosures an employer is required to provide about its participation in significant multiemployer plans that offer pension or other postretirement benefits. The standard's objective is to enhance the transparency of disclosures about (1) the significant multiemployer plans in which an employer participates, (2) the level of the employer's participation in those plans, (3) the financial health of the plans, and (4) the nature of the employer's commitments to the plans. The additional disclosures required by this ASU are effective for the year ended January 31, 2013. The only impact was the inclusion of the additional disclosures in Note 9.

2. INVESTMENTS AND INVESTMENTS WHOSE USE IS LIMITED

Investments as of January 31, 2013 and 2012, consist of the following:

	2013		2012	
	Cost	Market	Cost	Market
Money market funds	<u>\$ 6,213,221</u>	<u>\$ 6,213,221</u>	<u>\$ 4,165,016</u>	<u>\$ 4,165,016</u>
Equity:				
Mutual Funds:				
Asset Allocation	1,203,697	1,243,210	9,638	9,208
Commodities	1,041,799	1,005,048	200,000	205,999
International Developed Markets	1,744,025	2,153,346	2,499,051	2,786,343
International Emerging Markets	1,438,113	1,769,326	726,387	974,425
International Real Estate	458,511	462,975	100,000	106,606
Large Cap Blend	2,098,142	3,156,663	5,730,903	6,872,263
Large Cap Value	785,027	803,968	160,000	158,323
Mid Cap Blend	1,114,207	2,060,129	1,547,611	2,470,406
Small Cap Growth	592,348	722,541	473,760	562,090
Small Cap Value	787,567	999,917	906,775	1,008,385
US REITs	<u>470,690</u>	<u>504,508</u>	<u>100,000</u>	<u>106,809</u>
Total Equity	<u>11,734,126</u>	<u>14,881,631</u>	<u>12,454,125</u>	<u>15,260,857</u>
Fixed Income:				
Mutual Funds:				
Intermediate term	3,446,363	3,369,416	1,462,107	1,482,902
Short term	2,732,105	2,734,597	3,261,713	3,296,398
Short-intermediate term	2,888,955	2,951,723	3,244,382	3,346,674
National Covenant Properties	<u>5,652,704</u>	<u>5,652,704</u>	<u>6,625,383</u>	<u>6,625,383</u>
Total Fixed Income	<u>14,720,127</u>	<u>14,708,440</u>	<u>14,593,585</u>	<u>14,751,357</u>
Investment in CTC	<u>950,000</u>	<u>950,000</u>	<u>916,667</u>	<u>916,667</u>
Total investments	<u>\$ 33,617,474</u>	<u>\$ 36,753,292</u>	<u>\$ 32,129,393</u>	<u>\$ 35,093,897</u>

2. INVESTMENTS AND INVESTMENTS WHOSE USE IS LIMITED, CONTINUED

Investments, whose use is limited as of January 31, 2013 and 2012, consist of the following:

	2013		2012	
	Cost	Market	Cost	Market
Annuities (at fair value):				
Money market funds	\$ 34,818	\$ 34,818	\$ 292,461	\$ 292,461
Equity:				
Mutual Funds:				
International Developed Markets	947,113	1,065,117	947,113	964,554
Large Cap Blend	1,545,162	2,555,635	1,742,303	2,877,968
Mid Cap Blend	655,435	1,259,486	688,493	1,220,608
Small Cap Growth	105,750	165,819	121,416	172,299
Small Cap Value	<u>236,682</u>	<u>322,937</u>	<u>280,628</u>	<u>330,726</u>
Total Equity	<u>3,490,142</u>	<u>5,368,994</u>	<u>3,779,953</u>	<u>5,566,155</u>
Fixed Income:				
Bonds - US Government				
Total Fixed	<u>7,573,330</u>	<u>7,948,479</u>	<u>7,828,563</u>	<u>8,472,242</u>
Total Annuity Investments	11,098,290	13,352,291	11,900,977	14,330,858
Investments pledged - National Covenant Properties Certificates (at cost) (see Note 6)	<u>1,614,428</u>	<u>1,614,428</u>	<u>1,722,950</u>	<u>1,722,950</u>
Total	<u>\$ 12,712,718</u>	<u>\$ 14,966,719</u>	<u>\$ 13,623,927</u>	<u>\$ 16,053,808</u>

Investments in National Covenant Properties Certificates bear interest at rates ranging from 1.50% to 4.75% and mature through 2014.

Investment in the Covenant Trust Company represents the Church's ownership interest in the Covenant Trust Company, which is equally owned with related parties North Park University and Covenant Ministries of Benevolence. The cost of the Covenant Trust Company investment is the Church's accumulated cash investment as there is not an active market for the Covenant Trust Company stock.

2. INVESTMENTS AND INVESTMENTS WHOSE USE IS LIMITED, CONTINUED

Investment return for the years ended January 31, 2013 and 2012, consists of the following:

	2013	2012
Unrestricted:		
Dividends and interest — net of investment fees	\$ 429,647	\$ 482,397
Gain (loss) on sale of investments	321,199	(2,338)
Unrealized depreciation on investments	<u>(95,667)</u>	<u>(66,517)</u>
Total unrestricted	<u>655,179</u>	<u>413,542</u>
Temporarily restricted (net of amounts attributable to other Covenant entities):		
Unrealized appreciation (depreciation) on investments	<u>109,767</u>	<u>(39,436)</u>
Permanently restricted:		
Unrealized appreciation (depreciation) on investments	<u>131,330</u>	<u>(2,287)</u>
Total	<u>\$ 896,276</u>	<u>\$ 371,819</u>

Fees paid for investments held and managed by the Covenant Trust Company were \$42,431 and \$44,323 for the years ended January 31, 2013 and 2012, respectively. Included in investment income is \$161,606 and \$162,587 of interest income earned from sources held at other than fair value as of January 31, 2013 and 2012, respectively.

3. DISCLOSURE ABOUT FAIR VALUE OF FINANCIAL INSTRUMENTS

The Church uses appropriate valuation techniques to determine fair value based on inputs available using the hierarchical disclosure framework which prioritizes and ranks the level of market price observability used in measuring the investments at fair value. Market price observability is impacted by a number of factors, including the type of investment and the characteristics specific to the investment. Investments with readily available active quoted prices or for which fair value can be measured from actively quoted prices generally will have a higher degree of market price observability and a lesser degree of judgment used in measuring fair value.

Investments measured and reported at fair value are classified and disclosed in one of the following categories:

Level I — Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. The type of investments included in Level I are publicly traded securities.

Level II — Pricing Inputs are other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies.

3. DISCLOSURE ABOUT FAIR VALUE OF FINANCIAL INSTRUMENTS, CONTINUED

Level III — Pricing Inputs are unobservable and include situations where there is little, if any, market activity for the investment. The inputs into the determination of fair value require significant management judgment. Due to the inherent uncertainty of these estimates, these values may differ materially from the values that would have been used had a ready market for these investments existed.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an asset or liability's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. Management's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment, and considers factors specific to the investment.

The following table summarizes the valuation of the Church's financial assets by the above fair value hierarchy levels as of January 31, 2013:

	Total	Level I	Level II	Level III
Investments at fair value:				
Equity:				
Mutual Funds:				
Asset Allocation	\$ 1,243,210	\$ 1,243,210		
Commodities	1,005,048	1,005,048		
International Developed Markets	2,153,346	2,153,346		
International Emerging Markets	1,769,326	1,769,326		
International Real Estate	462,975	462,975		
Large Cap Blend	3,156,663	3,156,663		
Large Cap Value	803,968	803,968		
Mid Cap Blend	2,060,129	2,060,129		
Small Cap Growth	722,541	722,541		
Small Cap Value	999,917	999,917		
US REITs	504,508	504,508		
Fixed Income:				
Mutual Funds:				
Intermediate term	3,369,416		\$3,369,416	
Short term	2,734,597		2,734,597	
Short-intermediate term	<u>2,951,723</u>		<u>2,951,723</u>	
Total investments at fair value	<u>\$23,937,367</u>	<u>\$14,881,631</u>	<u>\$9,055,736</u>	<u>\$</u>
Investments whose use is limited at fair value:				
Equity:				
Mutual Funds:				
International Developed Markets	\$ 1,065,117	\$ 1,065,117		
Large Cap Blend	2,555,635	2,555,635		
Mid Cap Blend	1,259,486	1,259,486		
Small Cap Growth	165,819	165,819		
Small Cap Value	322,937	322,937		
Fixed Income:				
Bonds - US Government	<u>7,948,479</u>	<u>7,948,479</u>		
Total investments whose use is limited at fair value	<u>\$13,317,473</u>	<u>\$13,317,473</u>	<u>\$</u>	<u>\$</u>
Interest in irrevocable trusts	<u>\$ 2,058,421</u>	<u>\$</u>	<u>\$2,058,421</u>	<u>\$</u>

3. DISCLOSURE ABOUT FAIR VALUE OF FINANCIAL INSTRUMENTS, CONTINUED

The following table summarizes the valuation of the Church's financial assets by the above fair value hierarchy levels as of January 31, 2012:

Investments at fair value:

Equity:

Mutual Funds:

Asset Allocation	\$ 9,208	\$ 9,208		
Commodities	205,999	205,999		
International Developed Markets	2,786,343	2,786,343		
International Emerging Markets	974,425	974,425		
International Real Estate	106,606	106,606		
Large Cap Blend	6,872,263	6,872,263		
Large Cap Value	158,323	158,323		
Mid Cap Blend	2,470,406	2,470,406		
Small Cap Growth	562,090	562,090		
Small Cap Value	1,008,385	1,008,385		
US REITs	106,809	106,809		

Fixed Income:

Mutual Funds:

Intermediate term	1,482,902		\$1,482,902	
Short term	3,296,398		3,296,398	
Short-intermediate term	<u>3,346,674</u>		<u>3,346,674</u>	

Total investments at fair value	<u>\$23,386,831</u>	<u>\$15,260,857</u>	<u>\$8,125,974</u>	<u>\$</u>
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Investments whose use is limited at fair value:

Equity:

Mutual Funds:

International Developed Markets	\$ 964,554	\$ 964,554		
Large Cap Blend	2,877,968	2,877,968		
Mid Cap Blend	1,220,608	1,220,608		
Small Cap Growth	172,299	172,299		
Small Cap Value	330,726	330,726		

Fixed Income:

Bonds - US Government	<u>8,472,242</u>	<u>8,472,242</u>		
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Total investments whose use is limited at fair value	<u>\$14,038,397</u>	<u>\$14,038,397</u>	<u>\$</u>	<u>\$</u>
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Interest in irrevocable trusts	<u>\$ 2,127,977</u>	<u>\$</u>	<u>\$2,127,977</u>	<u>\$</u>
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Investments in National Covenant Properties Certificates and the Investment in the Covenant Trust Company have not been included in the above disclosure as they are carried at cost, which approximates fair value.

The fair value of the pooled bond funds (the Fund) is based on net asset values (NAV) of the shares held by the Church at year-end. The NAV is calculated by dividing the total value of the Fund's investments and other assets (including accrued income), less any liabilities (including estimated accrued expenses), by the number of shares outstanding, rounded to the nearest cent. The NAV per share is determined on each day that the exchange is open for business and there exists shareholder orders for the Fund and on any other day on which there is sufficient trading in the Fund's securities to materially affect the NAV. The daily NAV per share is readily available to shareholders on the Fund's website.

The fair value for the interest in irrevocable trusts is determined by calculating the present value of the future distributions expected to be received.

4. PROPERTY AND EQUIPMENT

Property and equipment at January 31, 2013 and 2012, consist of the following, at cost:

	2013	2012
Administrative office:		
Land	\$ 3,098,414	\$ 3,004,500
Building and improvements	8,013,581	7,988,511
Furniture, fixtures, and vehicles	753,114	747,661
Mission stations and other	<u>5</u>	<u>5</u>
	11,865,114	11,740,677
Less accumulated depreciation	<u>(625,024)</u>	<u>(385,792)</u>
Total	<u>\$ 11,240,090</u>	<u>\$ 11,354,885</u>

5. LINE OF CREDIT AND NOTES PAYABLE

The Church has a line of credit with NCP. As of January 31, 2013 and 2012, the available line of credit was \$3,500,000. At January 31, 2013 and 2012, \$2,000,000 and \$3,000,000, respectively, was outstanding. The interest rate is prime, but in no event less than 4% per annum. At January 31, 2013 and 2012, the interest rate was 4.00%. This line of credit is payable on demand with sixty days written notice.

During the year ended January 31, 2013, the Church obtained a second line of credit with NCP. As of January 31, 2013, the available line of credit was \$1,500,000. At January 31, 2013, there was no balance due on this loan. The interest rate is prime, but in no event less than 4% per annum. At January 31, 2013, the interest rate was 4.00%. This line of credit is payable on demand with sixty days written notice.

The Church also has a mortgage payable on the building it now owns and occupies. The maximum outstanding principal on the note shall not exceed \$3,000,000. As of January 31, 2013 and 2012, the outstanding balance on the mortgage note payable was \$2,943,580 and \$3,000,000, respectively. The initial interest rate was 5.75%. The interest rate was adjusted on May 1, 2012, and will be adjusted every thirty-six months thereafter. At January 31, 2013 and 2012, the interest rate was 5.00% and 5.75%, respectively. Monthly payments of interest only were required through August 31, 2012. Commencing September 1, 2012, principal and interest are due on the first day of each month thereafter until paid in full. Principal and interest shall be paid monthly in arrears in installments of \$20,623. All unpaid principal and interest are due and payable on March 31, 2031. The note is secured with real estate costing \$11,111,995.

During the year ended January 31, 2013, the Church also obtained a second mortgage payable on the building it owns and occupies. The maximum outstanding principal on the note shall not exceed \$200,000. As of January 31, 2013, the outstanding balance on the mortgage note payable was \$196,367. The initial interest rate was 5.50%. The interest rate was adjusted on May 1, 2012, and will be adjusted every thirty-six months thereafter. At January 31, 2013, the interest rate was 5.00%. Monthly payments of interest only were required through August 31, 2012. Commencing September 1, 2012, principal and interest are due on the first day of each month thereafter until paid in full. Principal and interest shall be paid monthly in arrears in installments of \$1,375. All unpaid principal and interest are due and payable on March 31, 2031. This note is also secured with real estate costing \$11,111,995.

5. LINE OF CREDIT AND NOTES PAYABLE, CONTINUED

During the year ended January 31, 2008, the Church acquired real estate located in Westminster, Colorado by assuming the related mortgage note payable and outstanding interest payable with NCP of \$2,026,953. As of January 31, 2013 and 2012, the outstanding balance on the mortgage note payable was \$1,213,094 and \$1,213,094, respectively. The mortgage note payable is due on demand and bears interest at prime. Monthly payments of interest only are required. The interest rate at January 31, 2013 and 2012 was 3.25%.

6. COMMITMENTS AND CONTINGENCIES

Guarantor of Debt — The Church is liable as joint guarantor, with the regional conferences, of various mortgage loans of Covenant churches. As of January 31, 2013, the outstanding principal balances on these loans totaled \$88,152,990. These loans are secured by the related properties. The Church has pledged investments totaling \$1,614,428 as security for these loans. The mortgage loans have maturity dates ranging from on demand through the year 2029.

Covenant Agreements — The Church participates in sponsoring various “Covenant Agreements” with regional church conferences. These intentions to give are not recorded in the financial statements because they only constitute expressions of intent to give where all discretion to transfer the resources rests with the Church. The Covenant Agreements provide support for pastor salaries and benefits at various member churches. There are no commitments beyond 2018. The Church’s planned expenditures under existing Covenant Agreements are as follows:

Years Ending January 31	Amount
2014	\$ 1,180,604
2015	630,936
2016	291,196
2017	160,147
2018	120,340
2019	<u>116,988</u>
Total	<u>\$ 2,500,211</u>

7. BENEFICIAL INTEREST OF GIFT INSTRUMENTS

A source of funds to the Church is in the form of bequests from deceased church members and other parties. The Covenant Estate Planning Services, an affiliate of the Church, maintains information as to the estimated values of the Church’s share of trusts and other estate planning mechanisms used by donors. Estimates of value as to the underlying assets of the trusts or other arrangements rely on quoted market prices in the case of stocks and other equity and traded debt securities, appraisal value (where available) for real property, and other reasonable estimates made by the trustees for specific assets.

Amounts related to irrevocable trusts for which the Church is named as beneficiary are reflected in the statements of financial position as Interest in Irrevocable Trusts. Trusts which name the Church as beneficiary, but which allow the beneficiary to be changed to a different Church-related entity at the discretion of the grantor, are not considered irrevocable for accounting purposes and, accordingly, have not been recorded in the financial statements. The Interest in Irrevocable Trusts becomes available to the Church upon death of the grantor.

During the years ended January 31, 2013 and 2012, the Church was not the beneficiary of any new irrevocable trusts.

8. FEES AND EXPENSE REIMBURSEMENTS

The Church charges fees for administrative and management services provided to other Covenant institutions and funds of the Church. Fees charged to related Covenant institutions and funds were \$3,000,539 and \$3,020,246 for the years ended January 31, 2013 and 2012, respectively. In addition, the Church recorded \$1,491,892 and \$1,436,822 for the years ended January 31, 2013 and 2012, respectively, as reimbursement of expenses incurred by the Church, which are reflected as a reduction of general administration expenditures in the statements of activities.

9. PENSION TRUST FUND

The Church participates in two multiemployer plans. The risks of participating in this multiemployer plan differ from single-employer plans in the following aspects:

- a) Assets contributed to the multiemployer plan by one employer may be used to provide benefits to employees of other participating employers.
- b) If a participating employer stops contributing to the plan, the unfunded obligations of the plan may be borne by the remaining participating employer.
- c) If the organization chooses to stop participating in the multiemployer plan, it may be required to pay to the plan an amount based on the underfunded status of the plan, referred to as a withdrawal liability.

All full-time ministers participate in the Covenant Pension Plan. This multiemployer plan, administered by the Board of Pensions and Benefits of the Evangelical Covenant Church, is noncontributory and provides defined benefits based on years of service and remuneration. Covenant ordained or licensed ministers serving full time in the denomination, in one of its conferences or in Covenant churches are required to participate in the Covenant Pension Plan. Full-time missionaries of the Covenant are also required to participate. A minister is eligible to participate upon completing 1,000 hours of service. The contribution rate is 12.5% of the annual compensation, including housing allowances, of participating personnel. Participants with five years of service are entitled to pension benefits upon retirement. Pension benefits are paid monthly and are based on length of service and compensation. Pension expense, representing the Church's required contribution to the Covenant Pension Plan, was \$628,453 and \$573,427 for the years ended January 31, 2013 and 2012, respectively. The contributions made by the Church represented approximately 8% of the total contributions made to the Covenant Pension Plan in 2012 and 2011. To the extent the Covenant Pension Plan is underfunded, future contributions to the Plan may increase.

The Covenant Pension Plan is not an ERISA Plan and is not required to file Form 5500. The Covenant Pension Plan's fiscal year is January 1 to December 31.

Total contributions from all employers to the Plan for the years ended December 31, 2012 and 2011, are as follows:

Pension Fund	FEIN	2012	2011
Covenant Pension Plan	36-3065447	\$ 7,527,715	\$ 7,598,711

As of December 31, 2011, the Covenant Pension Plan's total net assets available for benefits were \$165,082,239 and the actuarial present value of accumulated plan benefits was \$181,636,635. As of December 31, 2012, the Covenant Pension Plan's total net assets available for benefits were \$186,183,663 and the actuarial present value of accumulated plan benefits was \$190,210,739. As of December 31, 2012, the Plan was greater than 80% funded.

9. PENSION TRUST FUND, CONTINUED

Lay employees of the Church participate in The Evangelical Covenant Church Retirement Plan (the "Plan"). This multiemployer plan, administered by the Board of Benevolence of the Evangelical Covenant Church, is noncontributory and provides defined benefits based on years of service and remuneration near retirement.

Eligible employees become active participants upon attaining age 25 and completing 800 hours of service in the Plan year. Eligible employees are all lay employees of the Evangelical Covenant Church and its related entities. Participants with five years of service are entitled to pension benefits upon retirement. Retirement benefits are paid to pensioners or beneficiaries in various forms of joint and survivor annuities, including a lump-sum payment option if the earned benefit is less than \$10,000. Pension expense, representing the Church's required contribution to the Plan, was \$96,477 and \$70,380 for the years ended January 31, 2013 and 2012, respectively. The contributions made by the Church represented approximately 2% and less than 1%, respectively, of the total contributions made to the Plan in 2012 and 2011. To the extent the Plan is underfunded, future contributions to the Plan may increase.

The Evangelical Covenant Church Retirement Plan is not an ERISA Plan and is not required to file Form 5500. The Plan's fiscal year is from January 1 to December 31.

Total contributions from all employers to the Plan for the years ended December 31, 2012 and 2011, are as follows:

<u>Pension Fund</u>	<u>FEIN</u>	<u>2012</u>	<u>2011</u>
Evangelical Covenant Church Retirement Plan	36-2167730	\$ 4,884,454	\$ 10,318,638

As of December 31, 2012, the Plan's estimated total net assets available for benefits were \$271,098,000, and the estimated present value of accumulated plan benefits was \$305,000,000. Final net assets available for benefits and the actuarial present value of accumulated benefit information for the year ended December 31, 2012 is not yet available. As of December 31, 2011, the Plan's total net assets available for benefits were \$246,641,061 and the actuarial present value of accumulated plan benefits was \$293,505,255. As of December 31, 2012, the Plan was greater than 80% funded.

10. TEMPORARILY AND PERMANENTLY RESTRICTED NET ASSETS, CONTINUED

Temporarily Restricted Net Assets:

Temporarily restricted net assets are those assets whose use has been limited by donors to a specific time period or purpose. When a donor restriction expires, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the statements of activities as net assets released from restrictions. Temporarily restricted net assets at January 31, 2013 and 2012, are as follows:

	2013	2012
Kingdom Builders Frontier Friends	\$ 157,769	\$ 153,375
Friends of World Mission	265,879	370,560
Covenant Kids	742,306	35,401
World Mission	1,625,675	1,772,320
Church Growth and Evangelism	5,245,679	5,849,986
Short-term Missionaries	1,569,107	1,845,584
Interest in annuity agreements	520,789	559,109
Interest in irrevocable trusts	2,058,421	2,127,977
Sustaining Pastoral Excellence	719,090	897,396
Other	<u>116,525</u>	<u>426,961</u>
Total	<u>\$ 13,021,240</u>	<u>\$ 14,038,669</u>

Permanently Restricted Net Assets:

Permanently restricted net assets of the Church consist of separate investment accounts established for a variety of purposes. As required by U.S. GAAP, net assets associated with permanently restricted funds, including funds designated by the Executive Board to function as permanently restricted funds, are classified and reported based on the existence or absence of donor-imposed restrictions. Most of the Church's permanently restricted funds are in the Covenant Endowment Trust (CET). CET is managed by the Covenant Trust Company as Trustee. It was created as a supporting organization to provide for the orderly investment and management of permanently restricted gifts consistent with the donor's charitable purposes and objectives for the benefit of the Church, all its churches and all organizations affiliated with it. While it contains gifts for the Church, the majority of the fund is for the benefit of other Covenant entities.

The Church has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift, as of the gift date of the donor permanently restricted funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Church classifies as permanently restricted assets (a) the original value of gifts, (b) the original value of subsequent gifts, and (c) accumulations made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Church in a manner consistent with the standard of prudence prescribed by UPMIFA.

10. TEMPORARILY AND PERMANENTLY RESTRICTED NET ASSETS, CONTINUED

In accordance with UPMIFA, the organization considers the following factors in making a determination to appropriate or accumulate donor-restricted funds:

1. The duration and preservation of the fund
2. The purposes of the organization and the donor-restricted fund
3. General economic conditions
4. The possible effect of inflation and deflation
5. The expected total return from income and appreciation of investments
6. Other resources of the organization
7. The investment policies of the organization

Permanently restricted net assets by type of fund as of January 31, 2013:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor-restricted funds	\$	\$ 211,160	\$ 2,686,356	\$ 2,897,516
Total funds	\$ -	\$ 211,160	\$ 2,686,356	\$ 2,897,516

Changes in permanently restricted net assets for the year ended January 31, 2013:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Permanently restricted net assets - beginning of year	\$	\$ 184,676	\$ 2,555,026	\$ 2,739,702
Investment return:				
Dividend and interest income, net		83,614		83,614
Realized and unrealized gains		21,568	131,330	152,898
Total investment return		105,182	131,330	236,512
Contributions				
Distributions for fund purpose		(78,698)		(78,698)
Permanently restricted net assets - end of year	\$	\$ 211,160	\$ 2,686,356	\$ 2,897,516

10. TEMPORARILY AND PERMANENTLY RESTRICTED NET ASSETS, CONTINUED

Permanently restricted net assets by type of fund as of January 31, 2012:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor-restricted funds	\$ _____	\$ 184,676	\$ 2,555,026	\$ 2,739,702
Total funds	<u>\$ -</u>	<u>\$ 184,676</u>	<u>\$ 2,555,026</u>	<u>\$ 2,739,702</u>

Changes in permanently restricted net assets for the year ended January 31, 2012:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Permanently restricted net assets - beginning of year	\$ _____	\$ 183,241	\$ 2,557,313	\$ 2,740,554
Investment return:				
Dividend and interest income, net		104,504		104,504
Realized and unrealized losses		(5,340)	(2,287)	(7,627)
Total investment return		99,164	(2,287)	96,877
Contributions				
Distributions for fund purpose		(97,729)		(97,729)
Permanently restricted net assets - end of year	<u>\$ _____</u>	<u>\$ 184,676</u>	<u>\$ 2,555,026</u>	<u>\$ 2,739,702</u>

Description of amounts classified as permanently restricted and temporarily restricted net assets:

	2013	2012
Permanently restricted net assets: The portion of perpetual permanently restricted funds that is required to be retained permanently either by explicit donor stipulations or by UPMIFA.	<u>\$ 2,686,356</u>	<u>\$ 2,555,026</u>
Temporarily restricted net assets:	<u>\$ 211,160</u>	<u>\$ 184,676</u>

10. TEMPORARILY AND PERMANENTLY RESTRICTED NET ASSETS, CONTINUED

Funds with Deficiencies: From time to time, the fair value of assets associated with individual donor permanently restricted funds may fall below the level that the donor or UPMIFA requires the Church to retain as a fund of perpetual duration. In accordance with U.S. GAAP, there were no deficiencies of this as of January 31, 2013 and 2012.

Return Objectives and Risk Parameters: The Church has adopted investment and spending policies for permanently restricted net assets that attempt to provide a predictable stream of funding to programs while seeking to maintain the purchasing power of the assets. Permanently restricted net assets include those assets of donor-restricted funds that the Church must hold in perpetuity or for donor-specified periods.

Strategies Employed for Achieving Objectives: To satisfy its long-term rate-of-return objectives, the Church relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends).

Spending Policy and How the Investment Objectives Related to Spending Policy: Distributions are made from CET at the rate of 5% annually with payments being made quarterly. The distribution is made first from income and to the extent that income is insufficient, from principal.

11. SUPPLEMENTAL RETIREMENT BENEFITS

Based on resolutions adopted by the Executive Board of the Church, the Church provides supplemental retirement benefit payments to several former employees. The Church has accrued a liability of \$407,940 and \$416,101 at January 31, 2013 and 2012, respectively, to fund these payments. The liability is estimated based on life expectancy of former employees and a discount rate of 7% at January 31, 2013 and 2012. During the years ended January 31, 2013 and 2012, the supplemental retirement benefit payments were \$54,427 and \$55,027, respectively.

12. ANNUITY AGREEMENTS

The Church has an obligation to make payments under charitable gift annuity agreements. In accordance with various state regulations, the Church maintains separate trust funds as a reserve fund to meet the future payments under these agreements.

Annuity agreement information is as follows:

	2013	2012
Assets — investments designated for annuity agreements	<u>\$ 13,352,291</u>	<u>\$ 14,330,858</u>
Liabilities and net assets:		
Liabilities:		
Annuities payable	\$ 1,809,486	\$ 1,887,001
Due to others	6,863,428	7,617,950
Due to other Covenant entities	<u>3,928,357</u>	<u>4,033,418</u>
	<u>12,601,271</u>	<u>13,538,369</u>
Net assets:		
Unrestricted	230,231	233,380
Temporarily restricted for annuity agreements	<u>520,789</u>	<u>559,109</u>
	<u>751,020</u>	<u>792,489</u>
Total liabilities and net assets:	<u>\$ 13,352,291</u>	<u>\$ 14,330,858</u>

13. REAL ESTATE

Real estate at January 31, 2013 and 2012, consists of property located in Colorado Ridge, Colorado. The property's cost is \$1,322,240.

Pursuant to an agreement with NCP and Colorado Ridge Covenant Church, the Church acquired title to real property in Westminster, CO and assumed the underlying loan with NCP. A portion of the property was sold on October 26, 2010. The remainder of the property is under an option agreement to the same buyer.

In 2008, the Church and the Pacific Southwest Conference took title to the real property of Crown Valley Covenant Church which was disbanding. The property is in Laguna Niguel, CA. The property was sold during the fiscal year ended January 31, 2012.

14. FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing the various program services and supporting activities have been summarized below on a functional basis. Accordingly, certain costs have been allocated among the program’s services and supporting activities benefited as follows:

	2013	2012
Program services	\$ 23,009,640	\$ 22,153,276
Supporting activities:		
General and administrative	1,572,615	1,465,296
Fundraising	<u>389,501</u>	<u>337,865</u>
	<u>\$ 24,971,756</u>	<u>\$ 23,956,437</u>

15. SUBSEQUENT EVENTS

Subsequent events have been evaluated through the report date, which represents the date the financial statements were available to be issued. Subsequent events after that date have not been evaluated.

* * * * *

Federal Tax Credit Available to Local Churches

One result of the March 2010 passage of the Health Reform Legislation (*Patient Protection and Affordable Health Care Act*) is the ability for small employers to receive tax credit for 2010 through 2013, if they meet certain eligibility requirements described below.

We encourage Covenant Annual Meeting attendees to call this issue to the attention of their local church financial officers. Evangelical Covenant Church congregations and institutions received more than \$500,000 in 2011, 2012 & 2013 by taking advantage of the new tax credit.

If you have questions, please see Elliott Johnson who is in the front row at our meeting or at the Bethany Benefit Service booth.

General Rules for Health Care Tax Credit

This is a refundable tax credit that applies to churches that furnish health insurance to employees. This credit applies to years 2010-2013. The forms for 2013 must be filed by May 15, 2014. You will need to obtain forms 8941 and 990t which may be downloaded from the IRS website.

The tax credit is available to a church if they have Federal income taxes withheld on employees and also double the amount of Medicare taxes on the W-3. If you do not have any taxes on these lines, no credit is available. You can adjust your withholding for pastors and others for 2013 to help qualify for 2013.

You need to **include the pastors** in the count of employees even though they are considered self employed.

The total wages that you use comes off the W-3 and this is the line 3 Social Security Wages. Please note that this **excludes** all of the pastors' compensations.

It is possible for a church with only pastors receiving compensation to have an average wage of \$0.00.

On form 990t write "For Health Care Tax Credit Only." Fill in lines A to J, put a \$0.00 on line 13, and then skip to 44f to fill in the amount of credit from form 8941.



**Report to the 128th Covenant Annual Meeting
By the Executive Vice President
Donn N. Engebretson and Evelyn M.R. Johnson, Interim**

“But who am I, and who are my people, that we should be able to give as generously as this? Everything comes from you, and we have given you only what comes from your hand.” 1 Chronicles 29:14

At this our 128th Annual Meeting we explore the theme, Found Faithful: Loving Mercy and Doing Justice. At their core the ministries of compassion and justice are about generosity. It is our generous attention to the plight of others and a demonstrated willingness to step out of our comfort for the care of another that characterizes the ministries in which we express compassion and seek justice for others. King David expresses a profound joyful humility that he and his people have the privilege of joining in God’s generous provision for a world in need. We are called to that same joyful humility in being given the amazing gift of joining Jesus in the work that Jesus is now doing throughout the entire world.

Transition

In November 2012 Donn began a transition from serving the last 11 years as executive vice president (hereafter referred to as EVP) to a new role as director of global advancement. At the same time Evelyn assumed a part-time interim EVP role related to administration and leadership of Annual Meeting and administration of the Covenant Executive Board, Personnel Committee, Council of Administrators, Covenant Offices Leadership Team, general 8303 office, and corporate secretary. She joined Doreen Olson in overseeing the Covenant Events Office and became the ECC’s representative to the Board of the ECC’s Hispanic Center for Theological Studies (hereafter referred to as CHET). From November through mid-February, Donn continued as leader of Midwinter and advisor to the Board of Nominations in preparing the 2013 ballot. Following Midwinter, these responsibilities transitioned to Evelyn. Donn assisted the Commission on Christian Action in preparing resolutions for this Annual Meeting. This role is now shared by Evelyn with Debbie Blue. Other responsibilities of the EVP’s Office including church relations, church giving, and the Commission on Stewardship were retained by Donn and incorporated in the new role. Thus, the following reports are from both of us in relation to fulfilling these responsibilities

From Donn Engebretson...

Covenant Leadership

My work in giving administrative leadership to the Annual Meeting and various Covenant leadership teams, Boards, Commissions, and Committees (noted above in roles transitioned to Evelyn) has been deeply satisfying. It was a special joy to initiate preparations for Annual Meeting 2013 and meet with the Great Lakes Conference staff and Detroit area pastors to envision Covenant Mission Detroit. It has also been a joy to serve on the Board of CHET and celebrate their expanding ministry.

Covenant Midwinter Conference

Giving leadership to the Covenant Midwinter Conference has been a labor of love. This year’s Midwinter served over 1200 Covenant pastors and staff ministers in San Diego, February 4-8, 2013. A special gift this past year was to attend the National Pastor’s Conference of the Covenant Church of Sweden. I had served as a consultant to help them establish this conference and it was a real joy to speak and teach at what is now a thriving conference much in the model of our own Midwinter.

Church Relations

In my new role I will continue much of my former work to make connections and interpret our common mission to pastors, church leaders and conference personnel. It is my joy to encourage churches and individuals to generously support the mission and ministry of the ECC. With the excellent help of our Communications Department for the tenth year we sent to all churches in the fall a Covenant Mission and Ministry Partnership Brochure and video featuring President Gary Walter entitled, "Found Faithful," to help communicate our shared mission in Christ's name here at home and around the world.

Covenant Representative

I was blessed to preach in a number of Covenant Churches and special events this past year. Serving as President of IFPEC, the International Federation of Free Evangelical Churches, is a privilege and a joy. This last fall we gathered for an outstanding IFPEC Theology Conference in Athens, Greece. In 2014 I will lead the IFPEC General Assembly in Oaxtepec, Mexico.

Stewardship

I have a passion for everything that helps individuals and congregations grow in what the Apostle Paul called, "this grace of giving." It is a joy to serve the Covenant as director of stewardship. We publish a Stewardship Starter Kit, and maintain an excellent web page with recommended resources for stewardship in the local church.

From Evelyn Johnson...

Alfred Whitehead, a British philosopher, stated "we think in generalities, but we live in detail." That statement summarizes my experience working part-time in this interim EVP role. And, it is "living in detail" which is so ably managed by Tricia Cisneros, administrative assistant in the EVP Office, and others I serve more directly with now including Marisol Medina, Human Resources; Sarah Gonzalez, 8303 receptionist/general assistant; Luke Palmerlee, events manager; Jordan Meyers, Hilary Honnette, and Jill Ulven, Events Office; and Doreen Olson, in sharing oversight of the Events Office. I offer thanksgiving to God for his gift of these persons and their service in the Evangelical Covenant Church.

Midwinter 2014 is scheduled for January 27-31, 2014, at the Hyatt Regency O'Hare. It will be the 75th anniversary of this annual event for Covenant pastors. A Youth Pastors' Connection will precede the Midwinter at the same site. The 2014 design team including Mark Novak, Marti Burger, and Reesheda Washington, have worked with me to shape some new dimensions, while at the same time seeking to maintain the core strengths and excellence of prior years.

Since mid-January 2013, I have supported the Information Technology team in the absence of a director. Samuel Chang, an IT specialist and chair of our Covenant Executive Board, has been available to consult with the team as needed. I commend Brandon Cabrera, Troy Caldwell, Ron Cravens, and Jon McFadyen for their consistent, focused work as a team in this transition time.

We are blessed with gifted, dedicated denominational staff, both in leadership and administrative support roles at 8303, and Executive Board, Commission, and Task Group members who give generously of their discretionary time to guide denominational ministry. Individually, and in community, all seek to be found faithful in advancing God's kingdom building movement through the mission and ministry of the Evangelical Covenant Church.



**Report to the 128th Covenant Annual Meeting
By the Vice President for Finance
Dean A. Lundgren**

The report below describes the principal functions performed by the Business and Financial Office. Elsewhere in your delegate notebook, you will find specific reports related to 2012 audits and 2014 budget.

This business and financial office is responsible for several major functions:

Management of the day-to-day financial operations of:

- Covenant Mission and Ministry Budget
- Covenant Pension Plan
- Bethany Benefit Service
- Risk management and property/liability insurance programs
- Investment programs
- Financial management of various other projects and activities for the denomination, including Covenant Midwinter Conference, Annual Meeting, CHIC, Covenant World Relief, Paul Carlson Partnership, Sustaining Pastoral Excellence, special projects, and others, as appropriate.

Financial and infrastructure support to the Covenant – including:

- Covenant Annual Meeting
- Covenant Executive Board
- Council of Administrators
- Covenant Board of Pensions and Benefits
- other boards and commissions, as appropriate

The office staff is responsible for the financial infrastructure for Covenant Offices. In that capacity, we:

- receive and receipt individual and church contributions to the Covenant
- develop and manage the Covenant Mission and Ministry Budget in consultation with the Covenant Offices Leadership Team (COLT)
- perform payroll functions for missionaries and Covenant Office employees
- handle accounts payable
- provide regular financial reports and audits
- responsible for risk management
- provide building support services

In terms of receipting, the office not only records contributions from churches and individuals to the Covenant Mission and Ministry Budget, but also provides receipting services for many other important programs of the Covenant, such as Covenant World Relief, Frontier Friends/Kingdom Builders, Friends of World Mission, Women Ministries, CHIC, and Paul Carlson Partnership. Each summer we prepare and distribute to all pastors and churches an annual Pastoral Compensation Report, providing suggestions and guidance to the local church regarding pastoral compensation. We conduct a workshop entitled “Street Smart Finances for Covenant Pastors” for the Covenant Orientation Program and the Covenant Midwinter Conference.

Benefits Programs Financial Management

Bethany Benefit Service

We are responsible for the financial management of Bethany Benefit Service (covering over 3,400 employees and their dependents), which provides the following coverage for our pastors, missionaries, retirees and church workers:

- Medical coverage (Highmark Blue Cross/Blue Shield)
- Dental coverage including orthodontia (Delta Dental)
- Prescription drug program (Express Scripts)
- Long Term Disability Insurance (UNUM)
- Life insurance (UNUM)
- Vision (TruAssure)

Covenant Pension Plan

For the Covenant Pension Plan, which covers 2,192 pastors, missionaries and their surviving spouses, we:

- bill and collect premiums
- pay benefits to retirees and their surviving spouses
- select, evaluate and manage 28 different investment managers who invest plan assets
- annually use an outside actuary to prepare an actuarial valuation report (liabilities) to assure the long term financial solidity of the pension plan
- employ outside auditors to audit annually the financial results
- based on an annual Asset Allocation Study, set and manage to long-term Asset Allocation targets, in order to insure that the plan remains in a sound financial position for both the short and long term.



**Report to the 128th Covenant Annual Meeting
By the Department of Christian Formation
Doreen L. Olson, Executive Minister**

I thank my God every time I remember you. In all my prayers for all of you, I always pray with joy because of your partnership in the gospel from the first day until now, being confident of this, that he who began a good work in you will carry it on to completion until the day of Christ Jesus. Philippians 1:3-6 NIV

Since the inception of this movement we call the Covenant, God has been doing a good work – in us and through us – and that good work has significant kingdom implications. We've seen the evidence all around us as the hope of the gospel is realized, as new communities of faith are formed and as lives are transformed from the inside out.

Our Covenant Affirmation on The Necessity of New Birth puts it so well: "It's through transformed people that God transforms the world."

Foundational to our identity as Covenant people is a consistently held priority on making and deepening disciples – people of all ages who live in relationship with and obedience to Jesus. Such discipleship permeates all of life and is deepened by practices in four distinct areas. We call this our GROW framework. It's not a program. Nor is it a slogan. These are elements through which the Holy Spirit can be at work – doing a transforming work in us.

- | | |
|-------------------|-----------------------------|
| God's word... | We are a BIBLICAL people. |
| Relationships... | We are a RELATIONAL people. |
| Outward action... | We are a MISSIONAL people. |
| Worship... | We are a DEVOTIONAL people. |

Throughout this past year, our staff in the department of Christian formation (named below) has enthusiastically assisted churches in the making and deepening of disciples through a **variety of new resources and services**. All of these new initiatives are developed **in partnership** with others: World Mission; Covenant World Relief; Merge Ministries; Compassion, Mercy, and Justice; Communications; Women Ministries; Church Growth and Evangelism; regional Conferences; Covenant Camps; the Center for Youth Ministry Studies at North Park University; North Park Theological Seminary; our sister church in Sweden – and YOU who are on the frontlines of discipleship ministry. More information on each resource and service can be found at CovChurch.org/discipleship.

Making & Deepening Disciples among CHILDREN (Steve Burger, Tanya Constanza)

- + *El Pacto con Dios* – a free downloadable Spanish curriculum for ages 3 – 11 that spans nine years
- + *Adventures with God* – English version of above, now forming children all around the world
- + *Hello Friends* – another free resource created and offered by Redwood Covenant, Santa Rosa CA
- + *Kids Helping Kids* – beginning in 2003, children have given more than \$213,000 to annual projects
- + *Children & Family Ministry Coaches* – offering customized consultation for all our churches

Making & Deepening Disciples & Developing Leaders among YOUTH (Marti Burger)

- + *Emerge* – a high school leadership retreat experience facilitated by our speaker team
- + *Adventures in Leadership* – a camp for high school students to develop and strengthen leadership skills
- + *Global Student Leadership* – developing leadership skills in an international cross-cultural setting
- + *Christian Formation Cohort at NPTS* – a learning community gathered to focus on practical application
- + *Youth Ministry Network* – helping Covenant youth workers to be known, connected, and resourced

Making & Deepening Disciples among EARLY ADULTS (Aune Carlson)

- + *Early Adult Facebook Group* – peer-resourcing for leaders of this critical-to-our-future demographic
- + *Covenant Schools of Discipleship* – newly emerging area of development with a variety of expressions
- + *Acts 29 Ecuador* – 3-month discipleship experience for young adults from U.S., Ecuador, Sweden
- + *Retreats & Events* – East Coast Retreat, Hope for the Holy Land Vision Trip (Canada w/ World Vision)
- + *CHIC 2015* – intentional recruitment for volunteer staff, discipleship opportunities pre-/post-event

Making & Deepening Disciples among ADULTS (Steve Burger, Millie Lungren, Bruce Lawson)

- + *Journeying Together* – prayer retreat focused on learning to listen to God and to one another
- + *Breathe* – a free downloadable audio guided-prayer experience over four weeks for youth & adults
- + *ID: Intentional Discipleship* – a planning tool for those engaged in adult discipleship ministries
- + *LMDJ: Responding Faithfully to God's Call* – a four-session video-based curriculum
- + *Christ Revealed: praying through life as a sacrament* – guide for a 2013 week of prayer
- + *Networks of Spiritual Directors* – an ever-growing number of trained listeners

Making & Deepening Disciples within HISPANIC ministry contexts (Wilson Herrera)

- + *Inner Healing retreats* – approaching the Great Physician with our woundedness
- + *CRECER* – a Bible study focused on growing as disciples of Jesus
- + *Nueva Vida* – a mentoring tool to discover the new life available through Christ

Making & Deepening Disciples through WORSHIP (Geoff Twigg & Commission on Worship)

- + *Louder Than Words* – a free downloadable compilation of original songs created by Covenant artists
- + *E-Book of Worship* – digital worship tool for pastors
- + *Worship Connection* – a learning track within the Midwinter Conference
- + *Better Together* – a place of connecting online for Covenant worship artists

Making & Deepening Disciples through our Covenant CAMPS (Bruce Lawson)

- + *Congo Water Project* - opportunity to provide clean water and access to better sanitation and hygiene
- + *Covenant Camp stats (2011; collected bi-annually)* – 1 camper in 8.53 trusted Christ for first time; 1 camper in 2.58 rededicated life to Christ; 1 camper in 1.93 identified him or herself as Christian when arriving at camp

These are your “member benefits” as a Covenant church. And this is just a small sampling. Get what you’ve already paid for. Be sure to access these make-and-deepen-disciples resources and services. And stay in touch so we know what you need.

In addition, during this past year, we have once again experienced God’s transforming work through the triennial experience for high school students called CHIC. Want to hear some amazing stories of God’s movement in our midst? Just ask any one of us. Because yes, we’ve got stories to tell. Begin to plan now for your church’s participation during the summer of 2015.

So THANK YOU for your partnership in the gospel. God has been and God will continue to do a good work in you – and through you – to transform the world.

...being confident of this, that he who began a good work in you will carry it on to completion until the day of Christ Jesus. Philippians 1:3-6 NIV



**Report to the 128th Covenant Annual Meeting
By the Department of Communication
Donald L. Meyer, Executive Minister**

Transition is one way to describe the atmosphere of Covenant Communications this past year, as well as that of Covenant Offices and regional conferences as together we pursue mission and ministry structured around the Covenant's five mission priorities.

A year-long search for a successor to retiring Executive Minister Don Meyer ended with the nomination of Edward Gilbreath, who comes before delegates during this year's Annual Meeting. Don will retire the end of June. Changes in leadership can be challenging, but conversations are already under way to ensure a smooth transition.

Another major shift came with the merger of Covenant Bookstore and the production office to create a new Fulfillment Center. While the resulting downsizing was painful, it made possible a more cost-effective and streamlined delivery of support services to Covenant ministries.

In a related move, a more streamlined project management system was developed during the year, designed to ensure timely completion of the hundreds of projects handled each year by the department, reflecting top quality and completed within budget.

Communications released the long-awaited e-publication format for the Covenant Book of Worship, responding to a continuing cultural shift favoring digital formats for information and resources. The department also released a handful of books and other resources in digital format during the year. The range of books available for online ordering at major Covenant events also continues to expand, with all major events now including a CovBooks.com presence and online ordering capability.

Interactive Services, which manages the Covenant website, Covenant social media and Covenant mobile apps, created five new websites for 2013. Covenant social media is a continued growth area, with more than 5,200 Facebook fans and 1,600 Twitter followers currently. Multiple Facebook pages have been added for a variety of Covenant ministries, with support added for Instagram. A new CovEvents mobile app also was created.

Partnerships with affiliated Covenant institutions have expanded, notably with North Park University and Covenant Initiatives for Care. The giving area of the Covenant website also has been expanded.

The work of the Covenant Media Center has expanded tremendously over the past year as the use of video increases. A major accomplishment this year was updating and upgrading video equipment, especially the cameras that are used not only in the studio, but also to live broadcast major Covenant events such as this year's Annual Meeting. Funds from generous donors helped make this possible, along with income derived from contracting the Media Center's services to other Covenant institutions, including webcasts of lectures at North Park Theological Seminary.

The CHIC 2012 event in Tennessee was the first to include live broadcasts provided by Media Center staff – it is hoped that broader exposure can encourage younger students to aspire to participate in a CHIC event when they enter high school. The 2012 broadcasts attracted more than 46,000 unique viewers over the course of the five days.

Since last year's Annual Meeting, Covenant-produced videos have been viewed 61,079 times.

Although digital might appear to be all the rage these days, The Covenant Companion proves that print remains a powerful medium for informing, connecting and inspiring Covenanters with its award-winning content.

The Companion was honored with nine top awards from the Associated Church Press (ACP) during its annual competition for the best in Christian press. ACP is the oldest religious press association in North America representing a broad spectrum of Christian print and online publications.

Awards included a first-place honor along with five second-place and three third-place awards.

While recognition by editorial peers is affirming, of greater importance are the readers who each month welcome the Companion into their homes and congregations. That vote of confidence and appreciation for the rich content is what really matters.



**Report to the 128th Covenant Annual Meeting
By the Department of Compassion, Mercy, and Justice
Deborah C. Blue, Executive Minister**

Speak up for the people who have no voice, for the rights of all the down-and-outers. Speak out for justice! Stand up for the poor and destitute!(Proverbs 31:8-9, The Message)

Love Mercy-Do Justice (LMDJ) – the call is clear and the Evangelical Covenant Church is found faithful as ministries of compassion, mercy, and justice stretch far and wide throughout the Covenant, domestically and globally. From “partners in transformation” through Covenant World Relief to backpacks filled with food for local school children, Covenanters are helping the hurting and participating in stopping what causes that hurt. The department of compassion, mercy and justice exists to serve the local church in addressing this mission priority of Love Mercy-Do Justice. In collaboration with Covenant departments and affiliates, regional conferences and partner organizations, the department seeks to create awareness, promote advocacy, develop resources, and establish initiatives as together we “*join God in making things right in our broken world.*” May the following provide you with a glimpse of ways that the church is addressing the LMDJ mission priority for the ECC.

Covenant World Relief (CWR) lives out its tagline, “partners in transformation” through disaster relief and community development projects worldwide. From droughts in India and Sudan, floods in Kenya and Bangladesh, and hurricanes in the U.S. (Sandy and Isaac), CWR’s rapid response brought emergency relief and humanitarian aid to those impacted by disaster. CWR is more than relief as evidenced through holistic community development projects. Colombia, Ecuador, Haiti, Cameroon, South Sudan, Burma, and Thailand are just a small sampling of places that CWR is working through partners in the areas of women’s empowerment, education, peacemaking, advocacy, clean water, agriculture, community health, and more. The work done through CWR, on the church’s behalf, is only made possible through the generosity and faithfulness of committed donors, resulting in **\$1,070,752** given to projects in 2012.

The first CWR Associate regional gathering was held in Latin America. Partners came together to share resources, best practices in transformational community development, and to build relationships. A new design for the CWR soup can bank is being launched this fall along with fresh, new resources that will be provided to every Covenant church. For more information on the ministry of CWR or to request additional resources, visit the website at CovChurch.org/cwr.

CWR made an important transition this past year from a standing commission to an advisory team, recognizing and celebrating a rich history of 60+ years as a commission. The advisory team continues the faithful work of the commission by offering insight, wisdom, and perspective while also providing increased flexibility and quicker response to grant requests.

Paul Carlson Partnership (PCP), an affiliate of the ECC, serves God through fighting poverty and disease in the Democratic Republic of Congo--the poorest country on earth. PCP supports 5 hospitals and 94 village clinics run by the CEUM (Covenant Church of Congo). With the retirement of **Byron Miller** as Executive Director at the end of the year, **Meritt Lohr Sawyer** stepped into the leadership role as the new executive director, bringing more than 20 years of experience in guiding international development for nonprofit organizations. With deep gratitude to Byron for his faithful and dedicated years of service to PCP, we also are excited for how Meritt will build on the successes of her predecessors. Another

important transition for PCP is with the recent retirement of **Sally Johnson** on June 7, 2013. Sally has served the ECC for the last twenty years in faithful service, the last nine with Paul Carlson Partnership. Please join us in praying for these transitions. To learn more about the work of the PCP and how you can participate, visit paulcarlson.org.

Racial Righteousness: Actively advancing the mosaic, CMJ coordinated a racial righteousness breakfast at Midwinter; facilitated the **Invitation to Racial Righteousness (I2RR)** for home assignment missionaries and those preparing to go into the field; and sponsored two 4-day **Sankofa Journeys**. Through these experiences, participants authentically model the actions of Christ as they “break down the wall of hostility that separated us” (Eph. 2:14), bridging the racial divide and deepening cross-racial relationships. Sankofa participants came from the Midwest Conference executive board and its staff, Covenant Offices staff and individuals from local Covenant churches across the country. Collectively, our travelers brought international, domestic and intergenerational diversity which made for rich and authentic dialog and interaction. We invite you to check out the new promotional Sankofa video created by the Media Center. The I2RR is available for your church, and we have a seat for you on the next Sankofa journey. Join us on the bus, **August 1-4, 2013**. Be a part of a living representation of Revelation 7:9, “on earth as it is in heaven.” (CovChurch.org/justice/racial-righteousness/).

Criminal Justice Initiative: An increasing number of Covenanters are joining the efforts of “making things right” as awareness of the brokenness within the criminal justice system in the U.S. grows. Midwinter hosted a workshop, an affinity group gathering, and the screening of “The House I Live In” (highlighting the “War on Drugs”), all contributing to raising our consciousness and education on this issue. Covenant churches are participating in ministries of **prevention** (mentoring, tutoring, backpack ministries), **presence** (ministries within the prison walls), and **participation** in advocacy (reentry, restorative justice, advocacy at the legislative level). Michelle Alexander, author of *The New Jim Crow*, provides an excellent interview on CovChurch.tv at CovChurch.tv/michelle-alexander/.

Love mercy, do justice collaborative initiatives help to integrate compassion, mercy, and justice throughout the whole church. As part of the Commission on Christian Action, we are excited that the church will enter into biblical dialogue on the difficult issue of **immigration** with the draft resolution presented at the Annual Meeting. In addition, every Covenant church will be invited to participate in the 40-day “I Was a Stranger” Challenge of reading scripture and praying together. As we seek to change the conversation from political to biblical, this challenge will help us better understand how God “welcomes the stranger.”

For making and deepening disciples, a collaborative endeavor with Christian formation, North Park University, Covenant Initiatives for Care, and Communications, produced a video-based curriculum for the **Covenant Resource Paper**. This curriculum is designed for small groups, ministry teams and individuals, previewed through a roundtable event at the Annual Meeting.

Finally, please join me in welcoming the new **director of CMJ Ministry Initiatives, Cecilia Williams**. After a year-long process of discernment and prayer, we are excited for the gifts, expertise and passion she brings to the work of CMJ. Her primary role is to assist the local church in mobilizing for ministries of compassion, mercy, and justice. She would love to hear what your church is doing as you faithfully respond to God’s call to love mercy, do justice.

On behalf of the CMJ/Love Mercy, Do Justice team, David Husby, Chrissy Palmerlee and Cecilia Williams, we extend deep gratitude and appreciation for your partnership in “joining God in making things right.”



**Report to the 128th Covenant Annual Meeting
By the Department of the Ordered Ministry
Mark A. Novak, Executive Minister**

A year into my new call I can honestly say that to serve in the department of the ordered ministry is a rare gift that I do not take lightly. From our seasoned senior pastors, military and institutional chaplains and staff pastors to the young seminary graduate we must realize how blessed we are to have such gifted folks serving us. The Evangelical Covenant Church (ECC), your church, is in good hands!

We often talk in our office about the continuum of care that we offer our pastoral community. We desire to prepare them well, care for them well and encourage them toward health, wholeness and life-long learning. Serving the ECC in this way we strive to live out our supervisory role of Covenant Ministers; including ordination, commissioning, consecration of missionaries, licensure, transfers, care and discipline and the maintenance of high ministerial standards as provided under the Covenant Constitution.

Preparing Them Well

Once again at this Annual Meeting you will have a chance to participate in The Service of Ordination, Commissioning and Consecration, the final step in the long process of preparation for those dedicated to serving the Church in vocational ministry. This year 66 people will be prayed for and yoked to the vocational ministry of the ECC through the vesting of the stoles. Of those taking their vows at this meeting, 55 are being Ordained to Word and Sacrament, 2 Ordained to Word and Service, 4 finalizing their Transfer of Ordination and 5 being consecrated as Covenant Missionaries. In addition to those taking their vows, another 120 received a first time ministerial license as they begin their journey toward receiving a permanent credential.

An increasing number of our folks find ministry settings outside the ECC for a variety of reasons. Those serving as military or institutional chaplains are another active and growing segment of the ministerium. There are approximately 160 folks serving in these capacities inside and outside Covenant settings extending God's grace and mercy to those in need.

Covenant Orientation plays a huge role in the preparation of our folks for ministry in the ECC. Completion of the four courses offered through Covenant Orientation – Covenant History, Covenant Theology, Ministry and Mission of the ECC and Vocational Excellence – are required of all ministers who wish to become credentialed in the ECC and who have not trained at North Park Theological Seminary. This program is vitally important in that it communicates the culture, ethos and community of the ECC to those who are often new to us. Currently 476 people are enrolled in Covenant Orientation and care is given to enable these classes to be taught regionally whenever possible, thus making it possible for folks to take the classes while remaining in their current ministry setting.

Caring for Them Well

A significant portion of our work is dedicated to the care of our ministerial community. This involves prevention, intervention, and therapeutic resources necessary for renewed health and ministry passion. This may involve a quick referral regarding a needed resource or a more intensive care plan outlined for the restoration of a pastor in crisis.

We continue to work closely with the Midwest Ministry Development Network to provide the needed assessments necessary for different stages in pastoral development. It could be for times of

crisis, vocational decisions, seminary students, career missionaries and a variety of other pastoral discernments. We are grateful for our partnership with the regional conferences, the Board of Pensions and Benefits, Covenant World Mission, and Church Growth and Evangelism for helping to make this available to our ministerium. As I interact with folks from other faith bodies I am increasingly thankful for our Board of Pensions and Benefits and the continuum of care we offer our ministerium into their retirement years.

We look forward to our continued partnership with the local church to provide environments of trust and grace where all can thrive in their vocational and faith development. We know that when pastors feel unappreciated, struggle financially, live with continual fatigue and isolate themselves from colleagues a perfect storm for personal crisis is created. So if you can work with your church to create a Pastoral Relations or Mutual Ministry Care Team for your pastoral staff please do so ASAP. Your pastoral staff and your church will thank you.

Encouraging Health, Wholeness and Life-Long Learning

Sustaining Pastoral Excellence continues to play a key role in the health and wholeness of our ministerial community. This last year 129 grants were awarded to individuals or groups to study and be refreshed for ministry. A variety of opportunities are available;

- a self-directed retreat or learning experience
- a group study retreat
- participation in a Cohort
- participation in a Sabbath Retreat
- participation in Venid a Mi (*retiro para pastores*)
- participation in a Revisioning Retreat; Deeper in Christ

This fall we will be piloting two new learning opportunities. With a select group of folks a new retreat called *Living Forward, the Adventure of the Call 50+* will be launched. This is designed for those who find themselves moving toward the final chapters of their vocational ministry. And our first Sabbath Retreat in Spanish will be launched this year also.

It will be important as the next years unfold to find significant funding to maintain Sustaining Pastoral Excellence accessibility to our community. We firmly believe that Sustaining Pastoral Excellence has improved the vitality and health of our ministerium making it essential that it remains a viable option.

With Deep Gratitude

As look at my first year it is with gratitude that I thank my staff for their grace and patience with me. For Carol Lawson, director of ministry services, for her wisdom and experience in working with a variety of challenging circumstances; for Theresa Marks, manager of pastoral care, for her deep passion regarding the emotional health of our clergy and families; for Danielle Ng, manager of credentialing, for her gift for detail and creativity helping folks navigate the credentialing process; for Christine Olfelt, manager of covenant orientation, for her love of history and passion for education; and for Tyler Uhl, administrative assistant, for being willing to do anything and everything we ask of him.

Unfortunately we said goodbye to Dan Pietrzyk who has continued to shepherd Sustaining Pastoral Excellence part-time throughout this year. The whole pastoral community owes Dan a huge thank you for helping shape a healthier vocational community. Also, Marisol Cisneros, administrative assistant, moved to Alaska with her husband Matt and while she will continue to do contract work for us in relation to Hispanic/Latino ministry, her time will be very limited. In fact, she has been invaluable as we prepare to launch our first Venid a Mi, (*retiro para pastores*) a Sabbath Retreat for our Spanish speaking brothers and sisters.

I want to thank the Board of the Ordered Ministry for their time and great work. It is privilege to work with the Board and see firsthand their care and compassion for the community of pastors. And to the churches who let their pastor take the time to serve in this capacity, a huge thank you! And I would be remiss if I did not thank the regional conferences staff for their cooperation and help. From each superintendent to each administrator the task of the Ordered Ministry would be impossible without their help.

Looking to the Future

Looking to the future we continue to work closely with the Covenant Ministerium to re-envision a more meaningful collegiality; one that finds a renewed joy and significance in vocational ministry. Please keep our pastoral community in your prayers as they continue to face the new complexities of ministry in the 21st Century. While these are challenging times our deep commitment to be authentic people of faith that have Good News to share will keep us properly focused.

With the help of a couple certified trainers we are hoping to launch a fitness blog this year for our pastoral community. It will provide helpful tips for health and fitness geared toward the non-fitness addict, those who simply need to get moving and eat better!

From I Peter we read these words; “Most importantly, love each other deeply, because your love will cause many sins to be forgiven.” Our desire as the Ordered Ministry staff is to love deeply those called to vocational ministry. From credentialing to pastoral care the goal is to demonstrate a deep love that seeks the best for the individual, local church and the pastoral community. We pray that the continuum of care through our office makes available resources needed for life-long significant ministry. It is our joy to serve you!

I found this prayer that I trust will be a reality for all:

Help us delight in Your voice

and trust that Your calling is always Good News!



Report to the 128th Covenant Annual Meeting
By the Department of Women Ministries
Meagan Gillan, Executive Minister

Let your roots go down into him, and let your lives be built on him. Then your faith will grow strong in the truth you were taught, and you will overflow with thankfulness. Colossians 2:6-7

In a few short weeks, we'll be gathering for Triennial XIV in San Diego. *Rooted* is our theme, springing from Paul's message to the Colossians above. We're calling women of the Covenant to go deeper in their relationship with Jesus Christ and with one another, and Triennial is a wonderful place to pursue that depth. How thankful we are to God for assembling such an extraordinary complement of keynote speakers in Kanyere Eaton, Judy Howard Peterson, Renee Stearns, and Bianca Juarez! They will call us to go deeper, and the excellent workshops will take us there as well. But there are intangibles at Triennial that are important to note, for it is these times when we gather that enable us to celebrate our Covenant identity, our unique fellowship and love, and our joint mission. So much to celebrate and enjoy! If you (or a special woman in your life) have not yet registered for Triennial XIV I encourage you to do it now!

At Triennial XIV we are doing some new things—exciting things that we want you to know about. First, in collaboration with North Park Seminary, we are offering “Exploring the Call,” a mini-retreat for women to discern if and how God may be calling them to ministry. This will be a pilot experience that we hope to refine and make available for implementation throughout the Covenant. Also available are AVA (Advocacy for Victims of Abuse) and Mending the Soul (MTS) training in both English and Spanish. Additionally, through the excellent efforts of Christi Pease, we are refreshing our effort to develop leaders through ministry coaching, and will roll out the new training at Triennial XIV. All these are available in the days prior to Triennial XIV, and they will help advance our effort to fulfill the aim of the Women Ministries mission to *connect women in transformational relationships and unite them in Christ to impact our world.*

AVA continues to flourish with over 1,500 persons having received the basic AVA training in the past year! Thirty-four dedicated Regional Coordinators continue to equip and educate Covenanters in the basics of domestic violence and childhood sexual abuse. AVA Director Yvonne DeVaughn continues to lead tirelessly, having recently returned from her second trip to Colombia where she completed a second round of AVA/Mending the Soul training to 56 Colombian pastors and leaders.

Mending the Soul, the healing arm of AVA, is gaining ground in local churches. More than 100 persons have taken the introductory MTS training and 18 are following through with the intense 36-week supervised training needed to become facilitators. We are grateful that the Covenant Ministerium has invited the founders of Mending the Soul to their 2013 annual meeting. We continue to believe that MTS is among the most important initiatives we can engage with because of its ability to heal the wounds that prevent so many from living the full and abundant life Jesus calls us to in John 10:10.

On the global level, we are refreshing what we do in Congo, asking important questions about how best to empower ministry and assistance there. Recently, we partnered with Rolling Hills Covenant Church, Zambikes, and Fred Jordan Mission to send 125 bicycle ambulances to Congo where individuals from both clinics and churches were trained to use and maintain them. These “zambulances” traveled with many hundreds of rolled bandages and hundreds of handmade baby goods and midwife kits. Recent teams to Congo have hand carried baby goods, midwife kits, and surgical scrubs, all lovingly

handmade by dedicated Covenanters. Plans are moving forward for four future travel opportunities as well. Working with World Mission, we are considering two trips per year through 2015, seeking God's guidance for the locales in which women of the Covenant can catch the vision of what God is doing in the world and offer prayer, encouragement, and support for those who serve God's mission globally.

Women Ministries is grateful to have been a part of the recent reorganization and restructuring of the ECC. We are grateful to have "landed" in the mission priority of "Make and Deepen Disciples," for all that we do springs from a life of discipleship—calling women to go deeper in every part of their walk with Jesus Christ. We look forward to collaboration, connection and meaningful ministry opportunities with our fellow team members as together we learn how to live in to this new plan. We are also grateful to continue ministry in the other mission priorities where we have historically served: strengthening the church, developing leaders, loving mercy and doing justice, and serving globally. We know we have much to learn from our colleagues, and anticipate a fruitful season of ministry together.

The reorganization also brings a historic change for the future of Women Ministries of the ECC. After 97 years as an independent auxiliary that stood alongside but separate from the Covenant, we will now be incorporated into the ECC, and will come in to the budget. In order to do this, we will need to align our practice and polity with other ministries of the ECC. Besides joining the coordinated budget and becoming a part of the Make and Deepen Disciples ministry priority, we will follow the practice implemented during a previous ECC reorganization by bringing to an end the Board of Women Ministries and constitution. This means we will end our existence as a separate effort and will continue fruitful ministry as a fully integrated part of the denomination. This action will be voted on at the Women Ministries celebration and business meeting at Triennial XIV on August 17, 2013. Although this is a significant change, it is a life-giving one that the current Board of Women Ministries and Leadership Team has fully affirmed.

So there is much to be encouraged about and so many opportunities to expand God's kingdom and serve his purposes through the amazing women of the Covenant. On a personal note, I am so grateful to be serving the good people of the Covenant, and I am thankful for Heidi Morrow, our incredibly capable and energized administrative assistant. She is a vital part of the ministry and a gracious and creative servant of the church. I am grateful for my husband who faithfully supports me in spite of his significant responsibilities as lead pastor of Naperville Covenant Church. I have visited and spoken at more than 20 churches, retreats or gatherings since last Annual Meeting. Though challenging, the travel schedule is energizing for the connections and opportunities to see how God is at work among us. I love to see God at work in our midst!



**Report to the 128th Covenant Annual Meeting
By the Department of World Mission
Curtis D. Peterson, Executive Minister**

Our desire as a Covenant is *to join God in God's mission to see more disciples among more populations in a more caring and just world.* A central mission priority for our fellowship of churches is to Serve God's Mission Globally. As we live that out together – we are like a mission society with churches as its members Serving Globally to start and strengthen churches, make and deepen disciples, develop leaders, and love mercy and do justice.

We SERVE GLOBALLY together through Covenant World Mission seeking to be ...

*disciples living true to God's mission of grace and love,
participants in God's sending to all nations,
companions with God's people serving God's Kingdom, and
partners in God's work of transformation and reconciliation.*

"Found Faithful: Serving Globally" was the Covenant ministry theme for this past year. The witness of Colossians 1:6 is true also today, "The Gospel is bearing fruit and growing throughout the whole world."

Missionaries:

- In partnership with God's people in churches and faith communities in 21 countries, the Covenant supports 73 long-term missionaries, 13 project missionaries and 43 short-term missionaries serving God's Kingdom work.
- Seven new short-term missionaries, and nine new long-term missionary will be commissioned at this 128th Annual Meeting. (included in the numbers above)
- These 129 missionaries are serving alongside national churches in evangelism, church planting, pastoral and leadership training, spiritual formation and discipleship, and transformational development, living out the whole gospel to the whole person in local communities.
- The Covenant is also actively working alongside national partners in 14 additional countries.

National Church Partners:

- In August 2012 the Covenant Church of Congo – the CEUM – celebrated its 75th Anniversary in Karawa, DRC with over 9,000 attending the week of services. Worship celebrations lasted 6-8 hours with recognitions of former missionaries, pastors and leaders. The church has grown to 1674 churches with 247, 507 members.
- In October 2012 the Taiwan Covenant Church – "Doers of the Word" – celebrated its 60th Anniversary in Taipei, Taiwan with over 4,000 attending the three day celebration. The Taiwan Covenant Church is the fastest growing protestant church in Taiwan and has planted churches in South Africa, New Zealand, South Korea, and China. They have seen lives transformed through their prison ministry, their job training program for ex-offenders, their prayer and healing ministry, and their extensive youth outreach. In 2013 the Taiwan Covenant Church, the Congo Covenant Church and the ECC will join hands in planting Chinese churches in Kinshasa, Congo!
- In April 2013 the first Africa National Leader Consultation was held in Mombasa, Kenya with 25 attending from eight denominations connected as the "Covenant" in Africa from Kenya, South Sudan, DRC Congo, Republic of Congo (Brazzaville), Central Africa Republic, and South Africa.

Leadership in Mission:

- This year we honor Dave and Judy Dolan, Regional Coordinators for Chinese Ministries, and Dave and Wendy Mark, Regional Coordinators for Latin America and the Caribbean. Both the Dolans and the Marks are entering retirement after fourteen years of service as Regional Coordinators and many years of missionary service in Taiwan and Mexico respectively. Their faithful and innovative leadership has led us into a new era of mission in the Covenant. We will honor them at this Annual Meeting with grateful thanks to God and warm appreciation to each of them for these significant years of service.
- Pia and Eugenio Restrepo have accepted the call to serve as Regional Coordinators for Latin America and the Caribbean. They have been serving as missionaries in Malaga, Spain for the past seventeen years. The Restrepos will transition into this position this Fall and assume responsibilities full time in January 2014.
- Nancy Jo Hoover concluded her mission in East Asia and will now serve as interim Regional Coordinator for Asia. Peter and Ruthie Dutton decided to return to missionary service in SE Asia in Business as Mission. We are grateful for their care and support of missionaries during the past four years.
- John and Letha Kerl are now serving as Regional Coordinators for both Europe and Africa.
- With deep appreciation for seventeen years of service we said farewell to Patty Shepherd in May when she resigned to spend more time with her family. Patty served as Associate Director of Advancement and Communication and provided gracious, creative and resourceful assistance to missionaries and churches. We will miss her very much.

Covenant Kids Congo powered by World Vision

Hope Sundays began in Covenant churches in October for the major initiative *Covenant Kids Congo powered by World Vision*. This unprecedented partnership between the ECC, the CEUM and World Vision International is a collaboration with a major capacity partner (WV) in addressing enormous needs of vulnerable children and families in the DRC. This Covenant-wide initiative will address the needs of clean water, food security and nutrition, health, education and economic development in the spiritually powered community of the CEUM. As of May 20 over 335 churches have signed up for Hope Sundays and 5,723 children have been sponsored. Our goal by December 31 is 10,000 children sponsored.

Thank you

On behalf of Covenant missionaries and the World Mission staff I want to express our deep appreciation and thanks for your faithful commitment to the mission of God among all nations. We are honored to serve together with you as churches and in support of the vision for mission that emerges in your local church. Thank you for your generous contributions to support missionaries, and for your faithful prayers. Please order a Covenant Missionary Prayer Calendar for 2013/14 which was produced once again by the gracious and careful hand and editing eyes of Eileen Thorpe. Also, add the Electronic Mission Prayer Calendar to your daily email posts to help you remember to pray for missionaries when you are on the go.



**Report to the 128th Covenant Annual Meeting
By Covenant Ministries of Benevolence
David A. Dwight, President**

The mission of Covenant Ministries of Benevolence (CMB), which is governed by the Board of Benevolence, has taken many forms over the years but at its core, our affiliates serve on behalf of the Evangelical Covenant Church. Together we minister in hospitals, retirement communities, children and family ministries, homes for adults with developmental disabilities, services to victims of domestic violence, and other health and human services.

As we look to the future, changes in health care as to how it is provided, how it is paid for, and how it is managed will have a significant impact on CMB and our affiliated health care operations. The Board of Benevolence and the executive leadership team have spent the last two years educating ourselves and assessing the implications of continuing to sponsor a small to medium health care system in a business environment that is rapidly moving toward consolidation and cost efficiencies. It has become clear that in many communities the future viability of stand alone independent hospitals is being challenged. A resulting outcome of this reality is the decision to sell Emanuel Medical Center (EMC) located in Turlock, CA. A year-long review and assessment of strategic options was completed last October with both the EMC Board of Directors, CMB's Board of Benevolence and the ECC Finance Committee, on behalf of the ECC Executive Board, voting to enter into a transaction agreement leading to the sale of EMC to Tenet Healthcare Corporation, a for profit hospital system headquartered in Dallas, Texas. Tenet owns and operates a number of hospitals in the California market, the closest being in Modesto, approximately 15 miles from EMC. Considerable work has gone into this transaction with the primary goal being the continuation of hospital and healthcare services for the Turlock community. More details will be provided in my Annual Meeting report. Even as we celebrated 97 years of faithful ministry at EMC, we look forward to a new, yet changing future for CMB.

In the midst of these challenging and often turbulent times I am deeply grateful for the Boards of CMB, and our affiliates, the executive team, our employees (over 7000), physicians, and the many volunteers who give so generously of their labor and love in service to our patients, residents and clients.

Here is a brief summary of affiliate activities over the past year:

Covenant Retirement Communities (CRC)

Serving over 5000 residents on fourteen campuses in eight states, CRC continues to develop and expand its service base. Covenant Retirement Services (CRS) is the governing structure for Covenant Care at Home which provides home and community based services, Covenant Solutions, the construction and development arm of CRC, and Ontrac, a consulting and management services company. CRS is an area of growth for CRC as it is anticipated by the year 2020, CRS's revenue will be 40% of CRC's total net revenue. It is exciting to report that Covenant Place of Lenexa (Lenexa, KS) will be open by June. Covenant Place represents CRC's entry into a smaller rental model campus with 43 residential apartments, 34 assisted living units and 34 skilled nursing beds. Benevolence and caring for those in financial need remains a core CRC value. Last year \$6.1 million in direct benevolent care was provided.

Swedish Covenant Hospital (SCH)

SCH is an independent community based hospital on the north side of Chicago. In an increasingly complex and competitive environment, Swedish Covenant continues to be a critical provider of healthcare services with approximately 30,000 hospital admissions and 60,000 emergency room visits annually. This past year SCH entered into an affiliation with Rush University Medical Center for cancer care. This affiliation allows the hospital to work with cancer specialists across the city of Chicago and provide access to the best treatment and resources for our patients. Once again, SCH continues to be recognized for excellence in safety as it received a #1 ranking in safety ratings for nonprofit hospitals in the State of Illinois by Consumer Reports. Last year SCH provided \$6.1 million in charity care and an additional \$43.6 million in direct community benefit.

Covenant Initiatives for Care (CIC)

CIC oversees our work directed toward adults with developmental disabilities, at risk children and families, victims of domestic violence and health care initiatives such as free or affordable health care clinics and services. Hope House, a Covenant Enabling Residence of Michigan for 6 women, is scheduled to open in June. Located on the Covenant Village of the Great Lakes in Grand Rapids, this is now the second group home on the CRC campus. This past year was another exciting and growing year for Adelbrook (formerly the Children's Home of Cromwell) as it moves into treatment and services for young adults with special needs. Adelbrook has become recognized as an effective provider in the residential treatment and education of individuals with autism. Covenant Children's Ministries (formerly Covenant Children's Home, Princeton, IL) continues to provide grants for ministries focusing on at risk children. Over \$100,000 in grants and scholarships was awarded in 2012-2013.

Emanuel Medical Center

As already noted, we are in the midst of a significant transition at Emanuel Medical Center. It is anticipated that the transaction with Tenet Healthcare will close by the end of the summer but until then, the hospital will continue to operate under the governing responsibility and oversight of CMB. It is a tribute to the employees, physicians and many volunteers that healthcare continues to be provided in the same compassionate, caring model as it has for the 97 years. This past year over 38,000 patient days of care and 60,600 emergency rooms visits provided. Charity care and community benefit exceeded \$41 million.



**Report to the 128th Covenant Annual Meeting
By North Park University
David L. Parkyn, President**

Graduates—Where Will We See Them Next?

On two occasions in history a graduate from North Park has been featured on the cover of *Time*, the weekly news magazine.

On December 4, 1964 the *Time* cover story was titled: “The Congo Massacre.” The cover featured a portrait of Dr. Paul Carlson who received his associate’s degree from North Park in 1949, and later completed his undergraduate studies at Stanford University and a medical degree from the George Washington University School of Medicine.

On April 15 of this year the *Time* cover story was titled: “The Latino Reformation.” The cover featured the praying hands of Wilfredo (Choco) de Jesus who received a master’s degree in Christian ministry from North Park in 2006.

Paul’s parents had immigrated to American from Sweden. Choco’s parents also had immigrated to the American mainland. Paul’s parents spoke Swedish at home; Choco’s parents spoke Spanish at home; when forming their own families both Paul and Choco spoke English with their children. Paul traveled to Africa after completing his education, establishing a network of hospitals and clinics in Congo. Choco stayed in Chicago after completing his education, establishing a multi-campus church within and beyond the city limits—at 17,000 members the largest congregation in America with the Assemblies of God denomination.

Paul lived a life of significance and service, reflecting the mission of North Park. Choco lives a life of significance and service, also reflecting the mission of North Park.

In 1949 and again in 2006 the faculty and staff of North Park congratulated Paul and Choco on completing their studies. We have done this at North Park for 120 consecutive graduation years, and this year we awarded degrees to 657 students—undergraduates, graduate students, and seminarians.

We can’t imagine where these graduates will lead and serve in the coming years, any more than we could imagine the future for Paul or Choco on their day of graduation. Nonetheless, through the coming years we’ll discover more of significance and more of service in the life of each graduate.

Milestone

From time-to-time I describe today’s momentum at North Park by using the image of a flywheel—as an institution we are turning, moving forward with increasing speed and effectiveness with each turn of the wheel.

We measure this in many ways. Sometimes we point to our graduates, as I did in the paragraphs immediately above. Sometimes we identify the particular accomplishments of our faculty, both in teaching expertise demonstrated in the classroom and in scholarship demonstrated through books published each year.

There are two other markers that are helpful this year in describing momentum at North Park. And these aren't just any markers—these are really important markers.

- Four years ago we launched a major fundraising effort we called Campaign North Park. Now nearing completion of this effort we can point to the success of the campaign. **Total gift commitments for all components of Campaign North Park, during the past four years, have exceeded \$60 million.** Through the deep generosity of God's people we have witnessed God's faithfulness at North Park.
- A large portion of the funding raising through Campaign North Park is dedicated to supporting construction of The Johnson Center for Science and Community Life. Due to the success of the Campaign we were able to break ground for this project in October 2012, and **construction of The Johnson Center is now underway.** Erection of the building's steel frame will continue through mid-summer, the exterior will be entirely enclosed by early winter, and the building will be completed in June 2014. This 101,000 square foot building, located adjacent to the central campus green, will provide state-of-the-art facilities for two important purposes: (a) advancing education in science and health, and (b) supporting effective co-curricular programs through the Center for Student Engagement.

Additional Projects

An effort to improve the campus "front yard" along Foster Avenue is well underway. Through the winter our property on the corner of Kedzie Avenue was home to a large, heated "tent" which covered the construction site of a new campus sign, allowing for masonry work to proceed through the winter. When the tent came down and the new sign was revealed we gained a renewed sense of pride in our school and of the prominent place of North Park in our neighborhood. As this project is completed through the summer, extending from the east entrance to the gymnasium on Kedzie Avenue, then west along Foster Avenue to Anderson Chapel, the front of the campus will be presented to the public in a renewed and refreshed manner. This will be complemented by a streetscape project directed by the city to provide new curbs, sidewalks, planters, trees, and light poles on both sides of Foster Avenue.

Additionally, this summer the University's main dining room in Magnuson will be renovated. New windows have been installed, furniture will be replaced, new surfaces will be installed through the dining room and the server, and the long narrow space of the main dining area will be sectioned for more defined dining venues. All of this will create a much more attractive and comfortable dining experience for our students.

Finally, we have partnered with Chicago on two important city-based projects. The first involves improvements to River Park which serves as a practice location for our soccer teams and as the home field for our track and field competitions—all while the park continues as a public, neighborhood facility. The second project is a new venture—a partnership with the city to build a new boathouse on the North Branch of the Chicago River not far from the campus. This will be a public facility but will also provide a home for the Viking rowing team.

Students Are Always Central

Students are first and last in the mission of North Park. Our deep desire is to enroll undergraduates, graduates, and seminarians from ECC congregations across the country. Your word of encouragement to young adults in your congregation is our best tool for identifying prospective students. Thank you for joining our recruiting team!



**Report to the 128th Covenant Annual Meeting
By North Park Theological Seminary
David W. Kersten, Dean**

North Park Theological Seminary is the theological school of the ECC. It is part of North Park University and is entrusted with the task of preparing women and men for pastoral ministry, chaplaincy, world missions, and leadership in a variety of Christian settings and institutions. The faculty provides Christian scholarship through teaching, research, and writing. In addition it supports the wider mission of the church through significant teaching in the Covenant Orientation program and in preaching and teaching in local covenant churches and institutions both locally and globally.

I've completed my 1st academic year as Dean. Because of the significant work of the transitional leadership team I experienced an institution that was deeply engaged in the formation of students, and focused on discerning a vital and sustainable future in Theological Higher Education. This academic year we graduated 54 students, 22 women and 32 men, 38 received Masters of Divinity degrees, 16 in our various Masters of Arts programs and 5 students completed dual degrees in partnership with the School of Business and Non-profit Management. The overall enrollment of the seminary this year is 280 students, 157 degree seekers, creating a full-time equivalency of 112 students. This year we enrolled 92 new students. The seminary currently has nineteen students in the call process with the ECC, twelve of them have received calls to local covenant churches and affiliated institutions, seven are still seeking calls.

We continue to have significant transition within the teaching faculty, last year brought the retirement of four faculty members and this year brings us the retirement of Dr. Philip Anderson, professor of church history. Phil completes 34 years of teaching at North Park. He has helped hundreds of students learn the church's grand story and he has helped the ECC know its own story and to claim it as a fruitful resource for the future. Phil has taught the course on Covenant church history 67 times. We thank him for his distinguished service.

Task Force on Strategic Planning

December 2012 a strategic planning task force was formed. It has been tasked with creating a sustainable economic model for the seminary. To date we have established measurable metrics for overall institutional effectiveness. Metrics focus on four areas – fiscal accountability, increased enrollment, a sustainable discount rate, stabilize and increase development and fundraising efforts. In addition the task force has named three program development areas for strategic focus. 1) Overall curricular evaluation and revision with a focus on the Masters of divinity program. 2) A focus on lifelong learning for pastors and key lay leaders. 3) Expansion of all distance and distributed learning programs.

Task Force on Faculty Profile

In the fall semester a task force was formed to look at the current and long-term needs for teaching faculty. Stephen Chester, acting Academic Dean is chairing this task force. The current work of the task force is focused on the following. 1) Calling a teaching fellow in church history for a two-year appointment beginning January 2014. We are pleased to announce that Hauna Ondrey, a recent North Park Seminary and University graduate, who is completing her doctoral studies at St. Andrews University, Scotland, has accepted this appointment. 2) Appointing a part-time director for the Lilly Endowment grant. This position has been placed within the portfolio of the Seminary Dean. 3) Appoint a short-term interim Academic Dean from June 2013 through January 2014. Timothy Johnson, the director of Field Education has graciously accepted this assignment. 4) The appointment of Stephen Chester for a

three-year term as Academic Dean, beginning January 2014 concluding January 2017. This appointment is still in process. 5) Develop a plan to balance the teaching disciplines within the faculty. 6) Develop a more comprehensive strategy regarding the use of adjunct and affiliated faculty.

Other Highlights

- Won a Lilly Endowment Grant, focused on the economic health of our future ministers. This was a \$250,000 grant over the next 3 years. This program was created by several corporate and institutional partners within the denomination.
- Received approval for the Dr. of Ministry degree in Urban Ministry Leadership from the higher learning commission. This will be offered in partnership with Fuller Theological Seminary; it will be launched in the summer of 2014.
- The academic Dean's office is leading several significant projects: curricular revision of all major degree programs, new learning outcomes, new strategies for data capture and assessment reporting to the Higher Learning Commission and The Association of Theological Schools.
- Recent seminary graduate Rev. Wilfredo De Jesus who pastors the largest Assemblies of God congregation in the United States was featured on the cover of Time magazine and subsequently named to Times top 100 most influential people in the world.
- Three of our recent graduates were approved to become church planters in the ECC.

Within all the above stated efforts and activities a new yet timeless vision for North Park Theological Seminary is emerging, simply stated we provide theological education and formation for the whole church, pastors and key lay leaders. We are a Seminary, a Center for Life Long Learning, a Study House, residential, virtual, and global. It is a privilege to serve and to pursue this vision with such a gifted faculty and staff and with a vibrant community of students and lifelong learners.



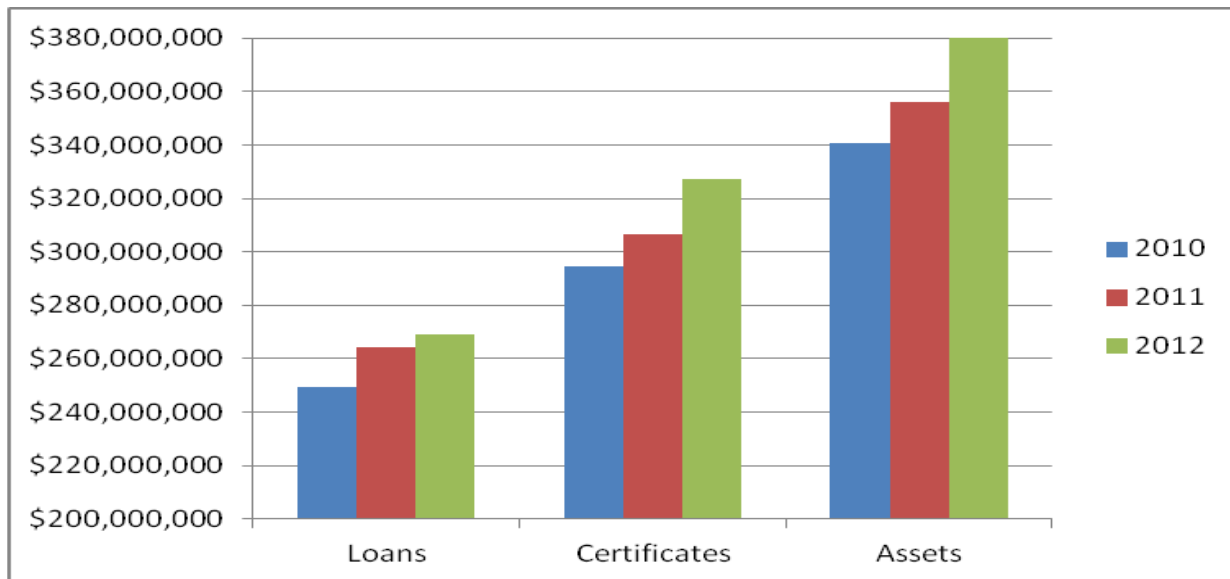
**Report to the 128th Covenant Annual Meeting
By National Covenant Properties
Stephen R. Dawson, President**

The mission of National Covenant Properties is to serve local Covenant churches and institutions by making adequate capital available at reasonable costs in the form of long-term and short-term financing. The fulfillment of this mission is made possible by the commitment of Covenant people to invest their resources with us on both a long-term and short-term basis. The last year has been another strong year for NCP:

- Total Assets grew 6.9% to \$380,787,415 (up from \$356,205,949)
- Total Loans grew 1.7% to \$268,877,198 (up from \$264,456,272)
- Net Assets grew 7.9% to \$53,601,041 (up from \$49,687,637)
- Delinquent loans at 12/31/12 represented less than one percent of total loans (0.99%)

National Covenant Properties started issuing Demand Investment Accounts in May of 2009. Since that time, over 260 churches have invested \$40,000,000 with NCP in these accounts. They pay the same rate of interest as our Variable Rate Certificates (currently 1.50%), interest is paid monthly, but are a statement account which is emailed monthly (unlike our other certificate accounts where there is a physical certificate). This makes these Demand Investment Accounts a very convenient option.

Started in 1970, National Covenant Properties has grown to the point that Covenant churches have been able to build without worry about where their loan funds might come from. Because of consistent investment by people within the Covenant, National Covenant Properties was able to extend almost \$40 million to 48 churches during 2012. The expectation is that 2013 will a year with improving loan demand in line with the ongoing strengthening in the economy. We continue to be very pleased with the results made possible by Covenant investors as shown below.



Projects receiving funds in 2012 are shown on the reverse side.

CHURCHES/INSTITUTIONS RECEIVING LOAN FUNDS DURING 2012

Genesis Covenant Church, Phoenix, AZ
Berkeley Covenant Church, Berkeley, CA
Bayside Covenant Church of Citrus Heights, Citrus Heights, CA
Korean Covenant Church Los Angeles, Los Angeles, CA
River47, Orange, CA
Redeemer Covenant Church, Orangevale, CA
Hope Center Covenant Church, Pleasant Hill, CA
Community Covenant Church, Rocklin, CA
Bayside Covenant Church, Roseville, CA
Valley Hi Covenant Church Inc, Sacramento, CA
Castle Oaks Evangelical Covenant Church, Castle Rock, CO
Applewood Community Church, Golden, CO
Pilgrim Covenant Church, Granby, CT
Faith Christian Center, Miami, FL
Kingdom Covenant Ministries, Miami, FL
Kingdom Builders Covenant Church, Decatur, GA
Evangelical Covenant Church, Chicago, IL
Jesus People USA Covenant Church, Chicago, IL
Oakdale Covenant Church, Chicago, IL
Ravenswood Evangelical Covenant Church, Chicago, IL
River City Community Church, Chicago, IL
Glenview Korean Covenant Church, Glenview, IL
Broadway Covenant Church, Rockford, IL
Winnetka Covenant Church, Wilmette, IL
Hope Covenant Church, El Dorado, KS
Community Covenant Church, Lenexa, KS
Evangelical Covenant Church, Lindsborg, KS
Life Covenant Church, Canton, MI
Citadel of Faith Covenant Church, Detroit, MI
Faith Covenant Church, Manistee, MI
Evangelical Covenant Church of Buffalo, Buffalo, MN
First Covenant Church of Minneapolis, Minneapolis, MN
Riverwood Covenant Church, Rockford, MN
Monadnock Covenant Church, Keene, NH
Parkside Covenant Church, Clifton Park, NY
Artisan Church, Rochester, NY
First Covenant Church, Ashtabula, OH
Faith Covenant Church, Westerville, OH
First Covenant Church, Willoughby Hills, OH
Journey Covenant Church, Norman, OK
Korean Central Covenant Church, Eugene, OR
Cedarcreek Covenant Church, Maple Valley, WA
Bethany Covenant Church, Mount Vernon, WA
Desert Springs Covenant Church, Pasco, WA
First Covenant Church Seattle, Seattle, WA
First Covenant Church of Spokane, Spokane, WA
Bay Evangelical Covenant Church, Green Bay, WI
Fountain of Life Ministries, Madison, WI



**Report to the 128th Covenant Annual Meeting
By Covenant Estate Planning Services and
Covenant Trust Company
Ann P. Wiesbrock, President**

Hello to you, delegates and friends at the ECC Annual Meeting. Covenant Trust Company (CTC) is the Covenant-owned trust company providing asset management, trustee and estate planning services to the members, friends and institutions of the ECC. Our mission is to faithfully empower generosity through excellent money management. If you knew your money was being managed prudently, with discipline, integrity and focus on your long-term goals, what would that allow you to do? If you knew your money manager operated under your value system and had proven investment results, what could be possible?

CTC provides:

- Individual and institutional investment management
- IRAs
- Endowment account management
- Donor Advised Funds
- Trustee services
- Charitable Gift Annuities
- Legacy planning services

Covenant Trust Company closed the year 2012 in a strong financial position, and continues the positive momentum in 2013:

- CTC holds approximately \$550 million in assets under management.
- In 2012, CTC opened 400 new accounts, and expects to realize about \$13 million for Covenant ministries over time through these accounts.
- In 2012, CTC brought in over \$60 million in new managed money, setting a new record for the second year in a row.
- In 2012, CTC distributed over \$7.2 million to Covenant ministries.
- Since 1978, CTC has distributed \$195 million to Covenant causes.

Also in 2012, we rolled out our expanded portfolio offerings, making our strong investment portfolios even stronger, and reworked the CTC Investment Philosophy Statement, the overarching document from which CTC Investment polices derive. We broadened the parameters of the Johnson Investment Council bond portfolios, the bond funds used in a significant number of CTC portfolios. We expanded the approved alternative investment opportunities available to our clients. We brought in experts to discuss pension fund investing and endowment investment management. We continue to focus on becoming the go-to resource for investment services in the ECC.

In 2012, CTC changed the way we do business. Instead of requiring clients to leave 25% of their estates to Covenant ministries and then not charging a fee to manage the account, CTC now has no charitable remainder requirement. Instead, CTC charges all new clients a reasonable management fee and provides incentives for giving to Covenant causes. This change was embraced by our constituency, as seen by the record amount of new business coming in the door. CTC continues its tradition of encouraging generosity through the offering of discounts and incentives at certain giving levels.

In a marketplace dominated by fear and greed, CTC is the faith-based alternative to turn to for asset management. CTC demonstrates that you don't have to buy into the greed of Wall Street to be a successful investor. As a trust company, CTC acts as a fiduciary for its clients, always putting the best interest of the client first, a rarity in the business today.

2013 Resolution on Stewardship and Generosity
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A. Introduction

This resolution invites us as followers of Christ to live out our identity as generous stewards of God's material and spiritual gifts. It seeks to remind us that the good (and sometimes hard) news of Scripture is that we are dependent on God to sustain us and shape our understanding of wealth and possessions. It calls the church to be a formational community that counter-culturally embraces biblical stewardship and generosity as foundational to our life, faith, and witness.

B. The Biblical Foundation: A God of Abundance

The biblical story reveals a God of abundance who graciously invites us to be stewards of creation and reflect God's generous nature.

1) Creation reveals a God of abundant giving. The book of Genesis teaches us that God's intrinsic abundance overflowed in the act of creation. God created all things and declared them good (Genesis 1:31a). Human beings are created in God's image. We are called to be stewards of God's abundance by taking the role of caretakers, maintaining right relationships within creation, and depending on God's daily provision (Matthew 6:30-33). Stories such as the widow's oil (2 Kings 4:1-7) remind us of God's generosity. Jesus's miracles of the feeding of the multitudes (Matthew 14:13-21; John 6:1-14), the abundant catch of fish for the disciples (John 21:1-14), and turning water into wine (John 2:1-11) are all profound signs of the abundance of our giving God.

2) Sin distorts our understanding of God's abundance and our relationship to God's gifts. This distortion rejects God as the giver and sustainer of life and fosters a false sense of self-sufficiency. The story of manna in the desert reveals both God's care for us, and the human tendency to let fear lead us to hoard (Exodus 16). The Bible, as well as human history, witnesses to the destruction caused when humans reject their role as stewards (Genesis 3:17-19; Hosea 9:1-2; Joel 1:1-12), and live lives shaped instead by greed, fear, and idolatry (Exodus 16:20; Romans 1:25). This fragments our relationships with God, each other, and the rest of creation and leads to the devaluation of human beings made in the image of God. Injustice and oppression become normal when our relationships with God and each other become secondary to our relationship with things (Isaiah 3:13-15).

3) God begins to restore humanity's dependence on God's abundance. God called ancient Israel to be a light to the nations, a community committed to trust God with every aspect of life. Their central practice was keeping the rhythm of Sabbath—a call to cease from work one day each week in order to worship God, engage in community, and rest (Hebrews 4; Exodus 20:8-11). Sabbath reminds God's people that the work of redemption depends on God. Sabbath calls God's people to set aside the illusion that our labor sustains our lives and recognize God as the giver of every good and perfect gift (James 1:17-18). Sabbath provides the means by which right

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relationships with God, each other, and the rest of creation can be maintained. God also challenged the people to practice a more comprehensive Sabbath in God's call to the Year of Jubilee. Jubilee was intended to be a cyclical celebration that enabled the land to stay fruitful, released people from debt and slavery, protected people from unjust acquisition of property, and ensured that each person had access to the basic necessities of life (Leviticus 25). Jesus used the language of Jubilee to describe his ministry (Luke 4:14-21). Sabbath and Jubilee challenge us to live lives of stewardship, generosity, and justice as followers of Jesus.

4) God's abundance is fully revealed in Jesus Christ. Jesus is God's abundance in the flesh, the very presence and fullness of God. Through the gift of Christ, the kingdom of God and its call to radical living powerfully break into our world. The Gospel accounts of the life and ministry of Jesus continually address our identity as stewards and challenge our assumptions about wealth and consumption: Lazarus and the rich man (Luke 16:19-31), the sower (Matthew 13:1-23), the good Samaritan (Luke 10:29-37), the great banquet (Matthew 22:1-14), the shrewd manager (Luke 16:1-9), the vineyard and the tenants (Matthew 21:33-46), the rich young ruler (Matthew 19:16-30), the widow in the temple (Luke 21:1-4), and his meeting with Zacchaeus (Luke 19:1-10), to name a few. Jesus's death and resurrection revealed the abundant life and power of God over sin, death, destruction, and false dependencies and freed humanity to live in right relationship with God, each other, and the rest of creation.

5) God calls the church to be a community of abundant generosity and stewardship. The church is Christ's body which reflects God's abundant grace and provision (Acts 1:8) and which looks forward to the final consummation of creation. The early church models an inclusive community of mutual dependence that crosses economic divides and provides care for those inside and outside the church: "All the believers were together and had everything in common. They sold property and possessions to give to anyone who had need" (Acts 2:44-45, TNIV). The New Testament church also demonstrated Christ's teaching in its consistent call to care for the poor (Galatians 2:10; James 1:27) as a mark of the in-breaking kingdom of God. Through the power of the Holy Spirit, the church is emboldened to live a life of liberated stewardship as we await the coming of God's final kingdom.

C. Consumerism Threatens Generous Stewardship

Modern North American culture promotes harmful messages about wealth and possessions that directly compete with the biblical story. It is hard to be generous stewards in a culture that believes more is always better, we are what we own, and that security is found in possessions.

When we succumb to these beliefs, we develop harmful habits that interfere with our call to be generous stewards. These habits have led many to take on substantial consumer debt by purchasing unnecessary products, often with little thought for who made them, under what conditions, and at what cost to creation. These habits also promote a sense of entitlement that ensnares both rich and poor alike, fostering selfishness, greed, and fear, while many in our world struggle to access basics like clean water and daily food. Consumerism runs so deep that

sometimes even humans are seen as commodities, evidenced by a pervasive human trafficking industry.

Christians are not immune from the influence of consumerism. We recognize many who would like to be financially generous are not able to because of the weight of debt. We may also be tempted to approach God for our own selfish gain, treat prayer like an ATM, or view church as a marketplace where we pick and choose religious services that meet our desires. When we in the church fail to reorient our lives from these disordered relationships with wealth and possessions, we decrease our capacity to live counter-culturally, be radically generous, and share the gospel of Jesus Christ in word and deed to a broken world.

D. Our Call: Stewardship and Generosity

God calls us to live as generous stewards in response to God's abundance and sustenance. Christ's life, death, and resurrection free us to see wealth and possessions differently, to seek first God's kingdom and righteousness (Matthew 6:33). The Holy Spirit reminds us that our identity is secure because of our relationship with God in Christ, not from what we own and control (Romans 8:16).

God calls the church to be the primary formational community that shapes disciples for lives of stewardship and generosity. Whether we have much or little, we are all called to put our hope and trust in God, be content and thankful, and to give abundantly and cheerfully (Luke 12:16-21; 16:10-13; Philippians 4:11-13; 2 Corinthians 9:7). Scripture also contains a specific and emphatic call to those who have much: "Command those who are rich in this present world not to be arrogant nor to put their hope in wealth, which is so uncertain, but to put their hope in God, who richly provides us with everything for our enjoyment. Command them to do good, to be rich in good deeds, and to be generous and willing to share. In this way they will lay up treasure for themselves as a firm foundation for the coming age, so that they may take hold of the life that is truly life" (1 Timothy 6:17-19, TNIV).

The church is also called to be the place where we continually retell and hear the good news of God's grace and abundance. The church provides the context to confess that we all fail to live out our call to be generous stewards. We are each invited to participate in the learning community of the church in order to re-form and reframe our lives. We are salt and light for a world that desperately needs a hope-filled alternative for how to view wealth and possessions.

E. Our Response

Living into our call to be stewards who depend on God's gracious giving and character is no doubt a lifelong journey. We commit ourselves to depend on God's abundant provisions to sustain us in our daily walk individually and together.

Therefore, be it RESOLVED that Covenant congregations and individuals endeavor to:

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- (1) Encourage more open conversations about possessions, personal finances, and stewardship in order to break the taboos surrounding these issues as we submit all of life to Christ's lordship.
- (2) Teach stewardship and generosity to adults, youth, and children by using discipleship materials that address money and consumption; useful resources could include the Covenant Stewardship Starter Kit, the Covenant Stewardship web page, money management and estate planning services with Covenant Trust Company, and also materials that speak specifically to personal finances.
- (3) Engage in the spiritual disciplines of prayer, solitude, fasting, and reflection on Scripture, allowing space for the Holy Spirit to reform us, remind us about our identity, and ground us in God's providing character.
- (4) Practice Sabbath-keeping, affirming that keeping the Sabbath is a God-given antidote to the belief that our efforts alone protect and sustain our lives.
- (5) Create a culture of generosity in our congregations through tithing and the giving of our time, talents, and service so that the church becomes a radical example of sacrifice and self-giving to the world.
- (6) Intentionally create discussion around how we obey God's command of Jubilee in our present-day context, acknowledging the challenge of interpreting the contemporary implications of leaving land fallow, remitting debts, freeing slaves, and returning property.
- (7) Practice stewardship from a global perspective by becoming informed about global implications of production and consumption.
- (8) Intentionally include creation care as part of our stewardship, and investigate practices that help us reduce consumption personally and corporately, such as recycling, composting, eating and cooking only what we need, and limiting the use of unnecessary packaging in our purchases.
- (9) Become responsible consumers by understanding the true costs of the products we buy and supporting fair trade, local growers, and local businesses.
- (10) Intentionally live into the great heritage of generosity and stewardship that is ours as members and friends of the Evangelical Covenant Church.
- (11) Support global development efforts that help provide for all, such as micro-finance, women's empowerment, community development, equal access to education, food security, and access to clean water.
- (12) Support organizations that promote economic justice through holistic and biblical methods, such as Covenant World Relief, Paul Carlson Partnership, Covenant World Mission, World Vision, Bread for the World, Habitat for Humanity, Christian Community Development Association, and Opportunity International.

**Resource Sheet
for the 2013 Resolution on Stewardship and Generosity**

from the Commission on Christian Action of the ECC

How we view God's resources and our role with them is complex and can be a difficult topic to engage well. The following resource sheet is meant to accompany the 2013 Resolution and equip the church with ways to further explore and engage this topic.

We invite you to consider how these various resources may be used for individual, small group, church leadership and family use in your context. Contemplating the reflection questions (in section A), may help start conversations on this complex topic and get at the assumptions that we each have underneath how we relate to resources. The aim of these questions is to see where we may benefit from more prayer, education, support, or accountability from others in this arena. The various resource lists (in section B) list some of the best books, websites, curriculum series, and children/family resources that may enable you to learn more and engage deeper. May this spark further growth and discipleship in our churches and in our lives.

A. Reflection Questions to Ponder on Stewardship and Generosity:

1. How would you define stewardship? How do you define generosity?
2. What does a generous person look like? Do you know people who are generous with each of these areas - time, talent, treasure, and touch?
3. What has shaped how you view possessions? Were you taught explicitly about finances in your family, community, church, or business setting? What were you taught?
4. Do you feel as though you have enough?
5. Do you know of someone who is wealthy and stewards resources well? Do you know someone who lives in poverty and stewards resources well?
6. Are you aware of how your consumption patterns affect others? Does this shape the way you relate to possessions?
7. How often do you think, "If I won the lottery, I would..." or "If only I had a little more money or things, I would..."? or "If I had a better income, I could give more?"
8. Do you find yourself asking, "What am I getting out of this church?" or thinking "This church is not serving my needs," more than questions like, "What am I offering this church?" or "How can I contribute to this ministry?"
9. How much of your time and energy is spent preparing for the future? How often do you worry about money?
10. Does your church teach about stewardship and generosity already? If so, how and to what ages? If not, what ages or stages in life might benefit from training and discipleship around issues of stewardship – how to be people who generously give out time, talent, treasure, and touch as ambassadors of Christ?

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B. Resource Lists:

Stewardship and Generosity Workshops and Curriculum

- Stewardship Starter Kit from Covenant Resource Center, “Stewardship & Generosity: Resources for Whole Life Stewardship”
- Covenant Stewardship Webpage, CovChurch.org/stewardship/
- Generosity Summit Training – For groups of churches
- Workshops from Covenant Office of Generosity and Stewardship
 - “Stewardship for Your People: Creating a Culture of Generosity in Your Church.”
 - “Generosity: God’s Gift to You”
- Covenant Trust Company estate planning consulting and events
- Good Sense Ministries Training, Willow Creek Association
- Crown Ministries Stewardship and Personal Finance Curriculum
- Three Simple Rules: A Practical Manual Guaranteed to Improve your Finances, www.threerules.org

Stewardship and Generosity Books

Personal Stewardship and Maintaining Healthy Personal Finances:

[Money and Faith](#), compiled by Michael Schut

Free and Clear: God’s Roadmap to Debt-Free Living, by Howard Dayton

Cents and Sensibility: How Couples Can Agree on Money, by Scott and Bethany Palmer

[The Generosity Factor](#), by Ken Blanchard and S. Truett Cathy

[Money, Possessions, and Eternity](#), by Randy Alcorn

[The Steward: A Biblical Symbol Come of Age](#), by Douglas John Hall

[Ask, Thank, Tell](#), by Charles R. Lane

[The Treasure Principle](#), by Randy Alcorn

[Generosity: Moving toward life that is truly life](#), by Gordon MacDonald

[Following Christ in a Consumer Society](#), by John F. Kavanaugh

[The Divine Commodity](#), by Skye Jethani

[A High Price for Abundant Living](#), by Henry Rempel

[Fields of Gold](#), by Andy Stanley

[Growing Givers’ Hearts](#), by Rebecca Burch Basinger and Thomas H. Jeavons

David Matzko McCarthy, *The Good Life: Genuine Christianity for the Middle Class* (Brazos: 2004).

-Sam Wells, *God’s Companions* (Blackwell: 2006).

-*What Are People For?* Wendall Berry

-*Enough*: Roger Thurow and Scott Kilman

-*Walking With the Poor*, Brent Myers

Stewardship of God's Creation

Keeping God's Earth: The Global Environment in Biblical Perspective, Edited by Noah J. Toly and Daniel I. Block

Green Mama: The Guilt-Free Guide to Helping You and Your Kids Save the Planet, by Tracey Bianchi

Awakening to God's Call to Earthkeeping, by Kim Winchell

Earth-wise: A Biblical Response to Environmental Issues, by Calvin B. DeWitt

For the Beauty of the Earth: A Christian Vision for Creation Care, by Steven Bouma-Prediger

Stewardship of Time

Redeeming Time: The Wisdom of Ancient Jewish and Christian Festal Calendars, by Bruce Chilton

The Rest of God: Restoring Your Soul by Restoring Sabbath, by [Mark Buchanan](#)

Financial Stewardship for Churches:

Giving and Stewardship in an Effective Church: A Guide for Every Member [Kennon L. Callahan](#)

[Our Stewardship: Managing Our Assets](#), by John L. Golv

[The Great Permission: An Asset-Based Field Guide for Congregations](#), by Bob Sitze for ELCA

[Giving and Stewardship in an Effective Church](#), by Kennon L. Callahan

[Revolutionizing Christian Stewardship](#), by Dan R. Dick

[Celebrating the Offering](#), by Melvin and James Amerson

[Passing the Plate](#), by Christian Smith and Michael Emerson

Church Resources for Children and Families:

[Let the Children Give: Time, Talents, Love and Money](#), by Delia Halverson

[Thinking Theologically about Money](#), by Sarah Arthur

[Thinking Theologically about Haves and Have Nots](#)

[The ABC's of Handling Money God's Way](#), by Howard and Bev Dayton

[Money Planner for Kids](#), by Larry Burkett

Stewardship and Generosity Articles and Websites

- Karl Clifton-Soderstrom, "The Humble Virtue Takes on Gluttony and Lust," *Covenant Companion* (December): 2009.

- Clean Air Council: cleanair.org/Waste/wasteFacts.html

- The Earthworks Group, *50 Simple Things Kids Can Do to Save the Earth* (Andrews and McMeel, 1990).

- L. Shannon Jung, *Hunger and Happiness: Feeding the Hungry, Nourishing Our Souls* (Augsburg Books: 2009).

DRAFT
2013: TOWARD A RESOLUTION ON IMMIGRATION—
A COVENANT CONVERSATION

Introduction

In remembrance of our denomination's history, at the 125th anniversary celebration of the Evangelical Covenant Church in 2010 we affirmed that we began as an immigrant church and celebrated that today we continue to be an immigrant church.¹ The early immigrants of the Covenant Church faced profound challenges as they entered as strangers and foreigners into a new land. These Covenant ancestors were strengthened in their journey through faith in Jesus Christ who was no stranger to the experiences of immigrants.

We want to consider how both our history as an immigrant church in an immigrant nation and our biblically rooted faith in Jesus Christ may prophetically speak to our present context. How does our history and our common faith inform how we understand the difficult and complex issues surrounding immigration? Far too often we in the church have failed to engage the immigration conversation distinctly *as Christians*. It can be easy to let political influences, fear, and stereotypes guide the discourse, which keeps us from thoughtful, informed dialogue.

This resolution is about changing the conversation about immigration, both within our churches and within our communities. It is about helping us address issues of immigration from a Christian perspective as biblically informed people. As the Covenant Resource Paper on Compassion, Mercy, and Justice reminds us, the church must pursue God's justice by asking, "How do we make things right in our broken world?"

Biblical Foundation

The Bible tells us that all people, regardless of national origin or citizenship status, are made in the image of God and must be treated with dignity and respect (Gen. 1:26-27).

In the Old Testament, God's relationship with humanity centers on a covenant with an immigrant, Abraham, and his descendants, the people of Israel, whose forced migration to Egypt led to their enslavement. When God liberated them they set out as immigrants in hope toward a land "flowing with milk and honey" (Exod. 3:7-10).

After Israel settled into the land of Canaan, God commanded that, "the foreigners residing among you must be treated as your native-born. Love them as yourself, for you were foreigners in Egypt" (Lev. 19:34-35). This command reflects God's character as the one who "loves the foreigner among you, giving them food and clothing" (Deut. 10:18). God's concern and care for the stranger and foreigner runs throughout the Law and the Prophets, guiding the people when they were settled in their homeland and when they were in exile, a minority population working to remain faithful in a strange land (Exod. 23:9; Deut. 24:21; 26:12; Lev. 19:18; Num. 15:14; Ps. 146:9; Jer. 7:6; Ezek. 22:7; Zech. 7:10; Mal. 3:5).

The book of Ruth shows these commands in action, telling the story of Ruth the Moabite, a widow who left her homeland, culture, and religion for the unknown land, people, and God of her Israelite mother-in-law, Naomi. Displaced, grieving, and vulnerable, Ruth survived on the kindness of her adopted people, eventually remarried, and became a full member of the community.

¹ "Now, as Then, We Are an Immigrant Church," see <http://CovChurch.tv/am2010-immigrant-church>

Agenda Item 33.b

Jesus, a descendant of Ruth (Matt. 1:5), began his life as a sojourner, journeying in the womb to Bethlehem by political decree, and then fleeing to Egypt with his parents after his birth to escape political violence (Luke 2:1-7; Matt. 2:13). His ministry was marked by care for the poor and marginalized, often crossing borders, stretching boundaries, and challenging unjust laws in the process (John 4; Luke 15:21-28; Matt. 12:1-14). Jesus also took the Old Testament commands a step further, saying, "I was a stranger and you invited me in" (Matt. 25:35). His death reconciled humanity with God and created a new family that included non-Israelites who had been "separate from Christ, excluded from citizenship in Israel and foreigners to the covenants of the promise" (Eph. 2:12).

As the church spread throughout the Roman Empire, it showed hospitality to strangers (Heb. 13:2) and shared the good news of Jesus with people of all nationalities and social classes. Early Christians wrestled with the challenges of being citizens of heaven and citizens of local cities, regions, and nations. On the one hand they were encouraged to "be subject to the governing authorities...who hold no terror for those who do right, but for those who do wrong" (Rom. 13:1-7; cf. 1 Pet. 2:13-17). On the other hand they knew the teaching of the prophets that legal structures are sometimes a source of injustice (Amos 5:12-15; Mic. 7:2-3) and that God calls his people to speak up for reform (Isa. 10:1-4; Jer. 7:1-7). Their experience also showed that there were times when civil disobedience was required for the sake of the gospel, times when "we must obey God rather than human beings" (Acts 5:29). Ultimately, they looked forward to the New Jerusalem, a city in which "the nations will walk by its light...and on no day will its gates be shut" (Rev. 21:24-25).

Immigration Reality

The United States has a conflicted history in regards to welcoming the stranger and foreigner. Many have been welcomed and given opportunity. "Give me your tired, your poor, your huddled masses yearning to breathe free," is a part of the famous poem on a plaque within the Statue of Liberty seen by generations of immigrants and refugees coming to America through Ellis Island. Yet not everyone has been welcomed, and issues of full citizenship have restricted the rights of many. U.S. history includes the displacement and elimination of Native Americans and the forced migration and enslavement of generations of Africans. Asian immigrants were prevented from becoming citizens with the passage of the Naturalization Act of 1870, which was followed by the Chinese Exclusion Act of 1882 that banned immigration from China. The United States has also had a history of recurrent and often virulent opposition to immigration especially in times of economic challenge, when immigration has been perceived more as a threat than as an opportunity.

U.S. immigration laws have been complex and have frequently changed. When the people who first formed the Evangelical Covenant Church came to the United States from Sweden, federal immigration law as we know it did not exist. Many who arrived were able to make their life in the United States without a visa. The Chinese Exclusion Act was the first significant prohibition of immigration. Over the next four decades, the United States passed laws preventing entry of the sick and illiterate. In 1921 and 1924 Congress passed quotas that made it extremely difficult to immigrate, particularly for those outside of northern and western European countries that were granted the vast majority of the limited number of visas. In 1965, President Lyndon B. Johnson overhauled the policy, making immigration possible based on family connections and employability. Subsequently U.S. laws have become a confusing

patchwork limiting both the needs of potential immigrants and the needs of the nation, while leaving millions in a legal limbo.

Today these immigration laws are in desperate need of reform. Many Evangelicals are concerned that current policies are superseding our biblical call. According to the Evangelical Immigration Table: “Our national immigration laws have created a moral, economic and political crisis in America. Initiatives to remedy this crisis have led to polarization and name calling in which opponents have misrepresented each other’s positions as open borders and amnesty versus deportations of millions. This false choice has led to an unacceptable political stalemate at the federal level at a tragic human cost.”²

Speaking to the Senate Judiciary Subcommittee on Immigration, Leith Anderson, president of the National Association of Evangelicals noted, “The current backlog in family reunification petitions, with waiting periods stretching into years and even decades, is shortsighted and immoral. It causes much suffering and tempts desperate people to work around our laws where our system offers no realistic possibilities for timely family reunion.”³

The Call

Christians are called to be salt and light to the national discourse on immigration by asking distinctly different questions than those within the divisive secular debates. Our dialogue on immigration should reflect that we are talking about human beings and families loved by God and for whom Christ died. This may lead to asking different questions, such as: How can we address these issues from a foundation of biblical hope rather than operating out of a context of fear and hostility? How can we welcome and care for immigrants regardless of legal status as people made in the image of God? How can we support intelligent and compassionate enforcement of immigration laws and secure borders that respect human dignity? How can we advocate for U.S. immigration and economic policies to take into account the stifling poverty and rampant violence in the Middle East, Latin America, Africa, and beyond, that lead to migration? How can we advocate for immigration laws that keep immigrant families together? How can we advocate for labor laws that protect undocumented immigrants from exploitative labor conditions and human trafficking? Asking these questions and expressing concern for those searching for a safer home and better life for their families does not betray our respect for the rule of law or legitimate concerns about a secure border. We affirm that immigrants are also called biblically to “seek the welfare” of their newfound home (Jer. 29:4-7) as they seek jobs, pay taxes, and contribute to their communities.

The church is invited to identify with and show compassion to the immigrant, the stranger, and the foreigner both within and outside the faith community. At its core, the immigration debate is about real people, many of whom are members of our Covenant family—mothers, fathers, children, grandmothers, and grandfathers each with their own walk of faith and story to share.

The Response

² The Evangelical Immigration Table, Evangelical Statement of Principles for Immigration Reform, <http://evangelicalimmigrationtable.com> (signed by nearly 200 evangelical leaders, including ECC President Gary Walter)

³ Senate Judiciary Subcommittee on Immigration, Border Security and Refugees, Hearing on Faith Based Community Perspectives on Comprehensive Immigration Reform (Oct. 8, 2009), <http://www.judiciary.senate.gov/pdf/10-08-09%20Anderson%20testimony.pdf>

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The church should challenge the dehumanization of any immigrant—documented or undocumented—whether in the media, in our churches, or around the water cooler. This includes examining how we speak of the issue, and the words we use to describe undocumented immigrants. As Nobel Peace laureate Elie Wiesel says, “No human being is illegal.” Calling people such is hurtful and offensive, and is a barrier to meaningful conversation. As followers of the Christ who was himself a “stranger with no place to lay his head,” we are invited to advocate for the vulnerable and marginalized among us as an act of discipleship.

Our hope is that Christians would lead the nation in changing the tenor and focus of the immigration conversation by reflecting Christ’s radical spirit of compassion and hospitality. We are reminded by the Covenant’s 2004 Resolution on Kingdom Values and Global Citizenship, that “being the by-product of immigrant movements we have, when at our best, extended compassion to the sojourner and the stranger.”

Therefore, be it resolved that the 128th Annual Meeting of the Evangelical Covenant Church calls Covenant churches and Covenanters to:

- (1)** Extend Christ’s generous hospitality, welcome, and compassion to immigrants, regardless of their legal status, treating them with dignity and respect as persons created in the image of God.
- (2)** Equip ourselves for healthy, Christian dialogue together in pursuit of educating ourselves and our congregations about the immigration issue. Engage in communal Bible study and other resources, to ground our response in a biblical perspective.
- (3)** Pray and advocate for our sisters and brothers who are caught in and suffer from the complexities of our current immigration system.
- (4)** Allow our worship and our biblical story to shape us as we pray for courage to stand in solidarity with our immigrant neighbors in this present hour.
- (5)** Enter into meaningful relationships with immigrant neighbors and immigrant churches creating a safe space to share and hear stories.
- (6)** Advocate for fair and humane immigration laws and policies that:
 - create a path toward legal immigration status or citizenship for qualifying undocumented immigrants upon satisfaction of specific criteria;
 - establish law enforcement initiatives that are consistent with humanitarian values and protect the unity of the immediate family;
 - reform the family-based immigration system to reduce waiting times for separated families to be reunited;
 - advocate for the end of profiling actions that diminish personhood and create a culture of fear for the immigrant;
 - foster respect for the rule of law and promote secure national borders; and
 - Expand legal avenues for workers to enter the United States and work in a safe and legal manner with their rights and due process fully protected.
- (7)** Support international development organizations, such as Covenant World Relief, Bread for the World, and others that address root causes of migration from a biblical perspective, including the economic disparities between sending and receiving nations.

RESOURCE SHEET

Books:

- *Welcoming the Stranger: Justice, Compassion & Truth in the Immigration Debate* (Matthew Soerens and Jenny Hwang)
- *Christians at the Border: Immigration, the Church and the Bible* (M. Daniel Carroll R.)
- *Trails of Hope and Terror: Testimonies on Immigration* (Miguel A. De La Torre)
- *Galilean Journey: The Mexican-American Promise* (Virgilio P. Elizondo)
- *The Future is Mestizo: Life Where Cultures Meet* (Virgilio P. Elizondo)
- *Who Is My Neighbor: Christian Faith and Social Action* (Justo Gonzalez and Virgilio Elizondo)

Online Resources:

- G92.org – a culture-shaping movement seeking to equip the next generation of Christian leaders for an effective, biblical response to immigration.
- The Evangelical Immigration Table: <http://evangelicalimmigrationtable.com/> - Evangelical statement of principles for immigration reform.

Curriculum for Group Study:

- *Welcoming the Stranger: Discovering and Living God's Heart for Immigrants* (National Association of Evangelicals and World Relief)
- *Go and Do Likewise*, (Study Guide, companion for *Who Is My Neighbor*)
- *Strangers in the Land* (Sojourners)

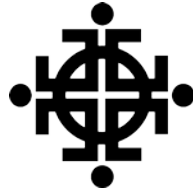
Videos:

- "Dying to Live: A Migrant's Journey "

Organizations to Learn More From:

Bread for the World Institute

Esperanza USA



**Arrangements for the 129th Annual Meeting of
the Evangelical Covenant Church
June 26 - 29, 2014
Chicago, IL**

We invite you to the 129th Annual Meeting of the Evangelical Covenant Church which will take place June 26-29, 2014, at the Hyatt Regency O’Hare in Rosemont, Illinois.

Located minutes from O’Hare International Airport, the Hyatt Regency offers cutting-edge designs throughout their recently renovated guestrooms and public spaces. Attendees will be welcomed into the stunning lobby and sunny atrium at the Hyatt as well as the bright, elegant guestrooms with contemporary décor. A good night’s sleep awaits all guests ensuring they will be well-rested and ready to tackle an energetic day of business. The Hyatt Regency O’Hare is located just a few blocks from the MB Financial Park at Rosemont, a new entertainment and retail complex where attendees can take advantage of many exciting opportunities, including a variety of restaurants, movies, and shopping. In addition to these opportunities there are countless cultural and entertaining attractions to take advantage of in the City of Chicago which is easily accessible by train or a short car ride. The possibilities for things to do are endless.

The Annual Meeting will officially begin on Thursday evening with a time of fellowship at the opening worship service. Business Sessions will take place during the day on Friday and Saturday. Our recommendation for your church is to plan a budget of around \$900 per delegate for hotel accommodations, meals, and delegate registration, plus the amount needed for transportation from your location.

We are making plans for the 129th Annual Meeting and invite your church to join us for this opportunity to take part in advancing the mission and ministry of the Evangelical Covenant Church. For more information, about the Annual Meeting or other Covenant events, visit the events section of the ECC’s website, CovChurch.org/events, or call 1-800-910-2442.