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CHURCH EXTENSION FINANCIAL & MISSIONAL RESOURCES, INC.

Inclusive of **Board of Church Extension
dba Disciples Church Extension Fund**
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and

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In 2018, Disciples Church Extension Fund (DCEF) and Hope Partnership for Missional Transformation (Hope Partnership), under the umbrella of Church Extension Financial & Missional Resources (CEFMR), partnered with Disciples in the United States, Canada and Puerto Rico and, in some cases, other Christian denominations throughout the U.S. and Canada to find new and innovative ways to transform communities through service-driven mission and ministry.

Congregational vitality and sustainability are, in part, the result of effective stewardship of capital and leadership resources. These are the missions of DCEF and Hope Partnership. Our ministries recognize that a church is much more than a building or a once-a-week service. At its best, it is a manifestation of the divine at work in the world, of people living the teachings of Jesus Christ and, through service and celebration, connecting both with God and neighbors. For this reason, our services and programs are focused on helping congregations look beyond themselves and their own immediate, internal concerns to the larger world and a future vision of the role they may play in transforming their communities.

In this way, the question most often asked by the local ministries with whom we partner evolves from “How do we survive?” to “Why do we exist?” Answering this different question, through collaboration with DCEF and Hope Partnership, has established new and enhanced existing mission and ministries wherever Disciples can be found.

Disciples Church Extension Fund

Disciples Church Extension Fund inspires and empowers congregations to create Holy Places where people connect with God, each other and their community.

Disciples Church Extension Fund is the primary Christian Church (Disciples of Christ) ministry that provides congregations with building planning and capital funding services. In part, this is done through loans for new construction, renovation, repair, accessibility improvements, “green” initiatives, special facility projects, relocation, and more. Our mission is to partner with congregations and ministries as they create, re-create, fund, and use/re-use their Holy Places (conventional or other, owned or not) as instruments for connecting with God; places to gather as Christians who are called to love and serve each other and their neighbors, inside and outside church walls.

Despite late year market volatility, 2018 was a year of generally positive financial trends for DCEF, including continued growth in the number of churches seeking loans for capital projects and purchases. This was the second consecutive year of such growth in loan demand and the second highest advance total in the last ten years. After deferring routine maintenance and delaying facility improvements for nearly a decade of recession in the U.S. economy, many congregations are now feeling more confident about the future. We anticipate this trend to continue. For this reason, DCEF will endeavor to significantly increase investor participation in 2019 so that we have the liquidity needed to fund the growing excitement of Disciples to reimagine and revitalize their Holy Places for mission and ministry.

DCEF offers investment opportunities to Disciples congregations and individuals at competitive interest rates through our demand and term Notes. Our investors *benefit their Church* by providing funds that allow us to make loans and provide capital services to Disciples ministries, *and benefit themselves* by earning good rates of return.

October of 2018 kicked off a year of commemoration for Disciples Church Extension Fund and its predecessor organizations as we began celebrating our 135th year of service. Back in 1883, at the 34th annual meeting of the American Christian Missionary Society, Convention Secretary Robert Moffett raised the issue of material aid to new churches. He said to those assembled there, “Your Board thinks it advisable to begin the creation of a fund, the principal of which shall be loaned on easy terms to such weak churches and mission stations as may stand in need of such aid.” Ultimately, the convention concurred and so began both the Church Extension Fund and its Board of Church Extension, now known as DCEF. In the intervening years, the fund has grown from \$2,605 to more than \$167 million; made more than 13,500 interest-free and interest-bearing loans; and, provided a total of more than \$926 million in funds used to benefit churches and church-affiliated organizations.

Even more amazing, at age 135, DCEF continues to evolve to better deliver its ministry. Glendale Mission and Ministry Center of Glendale, AZ serves as a case in point and pilot program of established and new DCEF services. A collaborative vision of the

former First Christian Church Glendale (FCCG), the Arizona Region, and Disciples Church Extension Fund, the center has worked creatively to help those in the Glendale community by enhancing established ministries and starting new ones. The congregation of FCCG voted to cease its worshipping ministry in the Fall of 2017, naming the Christian Church in Arizona as its successor and empowering its Chair of Trustees to negotiate its final desires, one of which was “to promote an outreach center at this location.”

DCEF is partnering with the Arizona Region to honor this request, helping to ensure that dedicated Disciples can continue to benefit their communities even if their congregations cannot. The building evaluation for the former First Christian Church Glendale was conducted in September 2017 by Disciples Church Extension Fund, which is now providing on-going property management for the facility.

Now, from its three-acre, five-building campus, Glendale Mission and Ministry Center serves more than 820 free lunches and distributes 110 emergency food bags and 60 hygiene kits, plus clothing, to the area’s poor and homeless each month. The center also supports various local non-profits with meeting and office space, houses a much-needed Head Start Program run by Catholic Charities, and provides a Holy Place of worship to three congregations who nest there including Iglesia Hispana de Glendale, and Iglesia de Cristo Sion which has used the space for 20 years. DCEF is very grateful to participate in this exceptional example of a mission-driven investment in a community for the good of its people.

Last year was also one of recovery for many Disciples congregations. In 2018, 15 congregations received immediate facilities assistance from a DCEF advisor through our Disaster Response Service after their buildings were damaged by natural disasters such as fire, flood, and hurricane. These congregations are located in eight states throughout the country including Florida, North & South Carolina, Pennsylvania, Iowa, Missouri, Illinois, and California.

Off-shore, recovery continues in Puerto Rico following the devastation of Hurricane Maria in 2017. Within weeks of that storm, DCEF President Rick Reisinger and Hope Partnership President Gilberto Collazo, a Puerto Rican native, flew into San Juan as participants in a meeting of the Joint Commission of US and Puerto Rican Disciples. Other Joint Commission members included General Minister and President Terri Hord Owens, Lori Tapia, Julia Brown-Karimu and Angel Rivera-Agusto. Representatives of other general ministries and Week of Compassion were also in attendance. All met with the leadership of Iglesia Cristiana (Discipulos de Cristo) en Puerto Rico, toured the island, and visited many of the church facilities as their damage was being assessed. This resulted in a \$1,000,000 unsecured line of credit from DCEF for emergency repairs and rebuilding projects. In the year since, a great deal of progress has been made but much is left to do. For this reason, DCEF has committed to providing on-going support and partnership, including an additional \$300,000 increase to the line of credit to cover more extensive damage than was originally assessed.

In addition to the preceding highlights, 2018 was a year of increased capital fundraising activity and increased loan participation among our ecumenical partners. Because the need to reimagine our Holy Places as evolving instruments of God's work is not unique to Disciples congregations, DCEF has established and continues to enhance relationships with our ecumenical and para church partners. We all bring unique gifts to finding solutions to the capital planning and funding challenges of creating Holy Places where connections to God, each other and community occur. The church extension funds of the Evangelical Lutheran Church in America (ELCA), The Episcopal Church, Presbyterian Church USA (PCUSA), and the United Church of Christ (UCC) represent some of the denominations that have come together with DCEF and Hope Partnership in 2018 to host and participate in ecumenical events. In these settings, congregational leaders explore creative ways to design and use our Holy Places for mission and transformational change.

Three DCEF services in particular are effective in helping congregations answer the question of how best to utilize their assets to empower mission and ministry:

- Building Evaluation – This service sends an expert DCEF advisor or contractor with a background in facility and construction management to assess the condition of a congregation's facility and to recommend a plan that addresses building condition, maintenance issues and requirements. By engaging church leadership throughout the evaluation process, this service teaches "Building Know How 101" so that each congregation will be able to internally recognize and address facility issues in the future.
- Building Planning – Effective planning is essential to ensure that mission is driving the design, use, management, expenses, location, and even ownership status of our Holy Places. This service helps to ensure that a congregation's overall facilities strategy is based primarily on building relationships and connecting with God, each other and community. The strategy often includes a ministry plan, developed in cooperation with Hope Partnership's Mission Pathways service, which puts mission priorities at the center of any project to create, re-create or situate a Holy Place.
- Capital Fundraising – With DCEF's counsel, a congregation generates funds for special projects or needs, using processes that involve identifying a purpose/vision that relates to a church's ministry; clearly defining and articulating the project/need and case for support; discerning the most effective fundraising methodology and sources of revenue for the need; developing themes, timelines and goals based on capacity; and, determining leadership responsibilities.

In addition, DCEF also offers services designed to help congregations with more specialized projects: Architectural Consultation is an advisory service provided by experienced church architects selected by DCEF, and Relocation Services assist congregations with relocating their ministry to a different venue.

This past year, our Advisors had more than 60 General Consultations with congregations; reached out to more than 350 local churches through the end of November; and, held 12 Shine Events to let our congregations know what services are available to them as part of DCEF's ministry.

Hope Partnership for Missional Transformation

Hope Partnership empowers courageous leaders to guide the Church into life-giving expressions of ministry for this era of God's mission.

Since its formation in 2012, **Hope Partnership** has been dedicated to achieving its goal of empowering and equipping clergy and lay leaders so that their congregations can be strengthened and the lives of people inside the church and out in the community can be transformed. Our services engage congregations in conversations of informed discernment that most often result in empowered churches offering community-transforming ministries. Whether by planting a new faith community or transforming an existing congregation, Disciples leaders are boldly guiding the Church to new possibilities for life-giving expressions of mission and ministry. Hope Partnership is called to walk alongside these courageous leaders by offering services and programming designed to train, nurture, and coach faith leaders. Hope Partnership is also the general ministry home to New Church Ministry and transformational leadership programming.

Over the past six years, Hope Partnership has served more than 1,300 congregations in the US and Canada. Utilizing feedback loops, data-monitoring and customer evaluation surveys, we are constantly improving our services so that congregations can more effectively make bold decisions and step out in faith to meet the needs of the evolving, real world.

For clergy and lay leaders in established church contexts, Hope Partnership's transformational services offer training and support through proven procedures and protocols that promote conversations about future mission and vision. Congregations within the Christian Church (Disciples of Christ) have transformed their ministries and connected with their communities in new and innovative ways after engaging with Hope Partnership through these services:

New Beginnings – For the congregation that knows it can't continue "as is" but doesn't yet know what to do. More than 1,000 congregations have engaged in the New Beginnings process, with 99% finding clarity and embracing a new vision for their future ministry. This six-to-eight month process helps churches clarify their context, explore ministry options, and make an informed decision about their future missional direction.

Mission Pathways – For the congregation that wants to move forward and needs a plan. The Mission Pathways process shows congregations how to use the capital, relational, and spiritual assets they currently have to be a transformative force in their

communities. During the approximately three-month, self-led process, church leaders identify current resources and create a road map for their future ministry plan.

Epiphany – For the congregation longing to become a transforming presence both inside and outside of their church walls. The Epiphany service is designed to help churches imagine, and then live into, a new vision for mission. During the one-plus year process, congregational leaders will shift the focus from “what” the church is doing to “why.” By finding clarity on *why* they exist, a congregation will discover innovative ways to do ministry to transform their community.

Because the need for leader development crosses denominational lines, as with DCEF, Hope Partnership has established and continues to enhance service relationships with a number of ecumenical partners, who now represent a growing portion of our services portfolio. In fact, 2018 has been a year of significant growth in this area and Hope now works with churches in the United Church of Christ, Presbyterian Church (USA), Presbyterian Church (Canada), Evangelical Lutheran Church in America, and the Episcopal Church.

One innovation that developed in 2018 is a new ecumenical partners service offering called Mid-Level Judicatory, or The Partnership Option. It is a way for our ecumenical partners to utilize proven Hope Partnership resources with clusters of congregations within a Region/Conference/Synod. We provide the mid-level judicatory with infrastructure, training and administrative support for the delivery of our services to their congregations. Individuals from the mid-level judicatory offices are trained to work directly with their congregations as facilitators and coaches.

Combining aspects of the New Beginnings and Epiphany services described above, The Partnership Option guides groups of congregations through discernment that results in intentional decisions concerning “how” each congregation would like to re-develop (the New Beginnings service). It is anticipated that several of these congregations will then continue to work through elements of the Epiphany process engaging in coaching and additional services that support their plan implementation.

There are multiple advantages to this new service offering for both the ecumenical partner and for Hope Partnership. Unlike with our traditional transformational services in which Hope Partnership facilitates directly with the congregation, congregations benefit from a proven process *provided by their own denomination’s representatives* with The Partnership Option. In this way, the Region/Conference/Synod has more engagement with congregational successes and congregations see their denominational leadership as providing the service. In addition, as of this writing, Hope Partnership President Gilberto Collazo reports that he is in serious conversation with two Disciples of Christ Regions for Mid-Level Judicatory consideration in 2019.

We continue to work closely with our sister ministry Disciples Church Extension Fund whose Board of Directors recently approved a \$100,000 contribution toward Hope Partnership’s operating costs in 2019. In addition, DCEF has allocated \$85,000 of its

2019 budget for grants to qualifying Disciples congregations to cover up to 50% of the cost of Hope services, thereby making these proven transformational programs more accessible to the churches who need them most.

It is an exciting time for **New Church Ministry** which continues to be integral to the work of Hope Partnership, because the stewardship of leaders and developing congregations are at the center of the Disciples' new church movement. Under the 2020 Vision, we have grown the Christian Church (Disciples of Christ) family by welcoming many new and affiliated faith communities into the fold. Our partners in these communities are eager to answer God's call to share the gospel in new ways and places. The 2018 Year Book & Directory reports an additional 14 new congregations 'in formation' through November, 2018.

A key tactic for growth is continued connection with our Regions/Areas. For this reason Terrell L. McTyer, the Minister for New Church Strategies, has visited 21 regions and participated in gatherings of the National Convocation, Obra Hispana and North American Pacific/Asian Disciples.

In addition, in 2018, Hope Partnership . . .

- hosted the Coaching Academy in Indianapolis, IN May 17-19. The event brought together clergy and lay leaders to train a team of coaches to walk alongside the leaders/pastors of both new church and transformational church projects. The three-day event featured coaching demonstrations, in-depth training on coaching procedures and best practices, and educational sessions with keynote speaker Robert E. Logan. Logan is the founder of Logan Leadership and co-author with Sherilyn Carlton of *Coaching 101: Discover the Power of Coaching*.
- conducted Leadership Academy in September which brought together 35 registered trailblazers from across the life of the church to share leadership experiences, wisdom, and training. Pastors, leaders and **new church planters** gathered to collaborate with colleagues in church development, including headliners like DOC General Minister and President Terri Hord Owens; Eric Law, Executive Director of the Kaleidoscope Institute; and Angela Whitenhill, Mental Health Initiative Manager of the National Benevolent Association.
- continued to engage in strategic conversations with Regions and Areas, National Convocation, Central Pastoral Office for Hispanic Ministries, and North American Pacific/Asian Disciples about how we can work together to collaborate with **new churches**, often through coaching, to improve our 60+% new church sustainability rate (at the five year mark).

Through the Pentecost Offering, which benefits both New Church Ministry and regional new church work, Hope Partnership continues to encourage the wider Christian Church (Disciples of Christ) to become more involved in supporting courageous new church planters, whose vision and energy are so vital to the future of God's Church.

Moving forward

Looking ahead, the offices of Disciples Church Extension Fund and Hope Partnership for Missional Transformation are preparing to say ‘good-bye’ in 2019 to some long-term and highly valued partners in ministry. Ellen Mitchell, COO and Corporate Secretary for DCEF and Hope Partnership, will retire in March after nearly 39 years of service. Mary Beight, DCEF and Hope Partnership Vice President, Treasurer and Assistant Secretary, will retire in June, 2019 after an amazing half century of service. And, Rick Morse, Vice President, will retire this coming August following 18 years of serving both DCEF and Hope Partnership. Though we plan to give each a celebratory send-off, their dedication to mission and service will be sorely missed.

Still, Disciples Church Extension Fund and Hope Partnership remain committed to delivering our ministries in close collaboration with each other and with our Disciples of Christ partners, supporters and friends for the benefit of congregations currently struggling with a variety of issues. In 2019, we will continue to dedicate our various resources, expertise, perspectives and experience to live in the teachings of Jesus Christ and live out God’s call to help Disciples in the real world, in real ways – enabling congregations to thrive and communities to transform.

And, because this need to redefine and reimagine ministry opportunities is not unique to Disciples congregations, DCEF and Hope Partnership have expanded our exciting collaboration with five building funds that serve four of our closest ecumenical partner denominations, including The Episcopal Church, the United Church of Christ, the Presbyterian Church (USA) and the Evangelical Lutheran Church in America (ELCA). Under this new collaboration, each church extension fund will contribute financial and operational support to train and coordinate the expanded ecumenical network of assessors and facilitators needed to deliver transformational services to member churches. Continuing to grow in 2019, our transformational and capital services will now be available to a wider ecumenical network of congregations than ever before.

Living into our foundational calling as Disciples to let Christian unity be our polar star, Hope Partnership and DCEF are committed to collaborate with our ecumenical partners in this exciting and evolving way. However, we remain resolute, first and foremost, in our devotion to the principle of ‘Disciples helping Disciples’ wherever and whenever needed, today and tomorrow.

Recommended Action

The General Board receives this report from Church Extension Financial and Missional Resources, Inc., and forwards it to the 2019 General Assembly for consideration and discussion.