

CBA Annual Business Meeting  
Wednesday, November 28, 2007  
8:30 AM - 9:00 AM  
Scottsdale, AZ

AGENDA

- |         |      |   |                    |
|---------|------|---|--------------------|
| 8:30 AM | I.   | Welcome   | Mike Downs         |
| 8:35 AM | II.  | Report of the Chairperson                                     | Barbara Boigegrain |
|         |      | A. Recognition of Outgoing Committee Members/Retiring Members |                    |
| 8:40 AM | III. | Report of the Secretary                                       | Sarah Hirsen       |
|         |      | A. Approval of the 2006 Annual Business Meeting Minutes       |                    |
|         |      | B. Membership Report  |                    |
| 8:45 AM | IV.  | Report of the Treasurer                                       | Frank Maloney      |
|         |      | A. Financial Report   |                    |
|         |      | B. 2008 Budget/Dues Approval                                  |                    |
| 8:50 AM | V.   | Report of the Audit Committee                                 | Louis Barbarin     |
| 8:55 AM | VII. | Report of the Nominating Committee/Elections                  | Barbara Boigegrain |
|         |      | A. Board of Directors   |                    |
|         |      | B. Planning Committee   |                    |
| 9:00 AM | IX.  | Adjournment   |                    |

**Church Benefits Association**  
**Annual Report**  
**Chair of the Board of Directors**

November 27-29, 2007

*Connection...*a word of great prominence within The United Methodist Church, which we use to underscore the importance of relationships in achieving God's mission.

The Church Benefits Association (CBA) is all about relationships—connections we make as faith-based pension and benefit organizations that are the essence of learning and understanding the needs of the roughly 250,000 active and retired ministers represented and served by our collective work. Together, these clergy and our organizations which serve them support a denominational membership exceeding 100 million.

As the CBA, we interact, communicate and educate those engaged in the business of managing church plans and investments. Our connections are significant—through the Topical Interest Groups that meet, exchange ideas and challenge their constituents to inform and elevate the benefits and services discussions; to the Planning Committee, our Board of Directors; Association Headquarters (AH); and finally, to the Church Plan Workshop.

*Planning Committee*

The Planning Committee met three times in person and conversed monthly by phone under the leadership of this year's chair, Mike Downs. This committee truly gave generously of their time—we all benefit from their dedication now, at our annual meeting, with quality speakers, meaningful worship and coordinated topical interest committee break-out sessions.

*Potential Topics and Locations for Future Meetings*

The Board met twice (January and October) to discuss issues of importance to all CBA participants and identify those that can be developed as future meeting topics or additional education. The issues include business continuity planning and disaster recovery, new financial standards for determining the value of alternative investments, and the increased control environments for not-for-profits. The Board also reviewed and approved a new policy for participation by non-members in our purchasing coalitions, as well as an amendment to the existing policy regarding vendor participation at the annual meeting. These policies are attached for your information.

*Relationship with Association Headquarters*

We continue to value and appreciate our relationship with our association management and meeting planning organization, AH. Its professional involvement ensures quality preparation and planning not only for the annual meeting but also for a host of topical interest committee meetings and, again in

2007, the Church Plan Workshop. We have worked closely to ensure AH's success and continue to learn from the challenges we've shared—the spirit of connection is critical to forming productive relationships among our 47 denominations and two corporations. We are grateful for the efforts of Executive Director Amy Williams, and Meeting Planner Shannon Fagan, as well as those who support them and all of us in the work we do together as the CBA.

The Board voted in October to sign a one-year contract with AH and, in order to carry out appropriate due diligence, seek bids and update our knowledge of the industry on behalf of our membership. This bid process is a stewardship responsibility of the Board to revisit the scope of the CBA and its organizational needs—after five years, it is a prudent exercise. On November 8, the Executive Committee met in Philadelphia to negotiate the new AH contract; Frank Maloney, our treasurer, will provide an update.

*In summary...*

We have a significant agenda this year, for which I express my deep appreciation to the members of the Board, the Planning Committee and our AH team—the connections that make it all work. In particular, I wish to lift up the time, efforts and energy of the Executive Committee, Rob Maggs, Sarah Hirsen and Frank Maloney. I owe a debt of gratitude to you all—it is a privilege to know and work closely with you in achieving the mission of the CBA on behalf of all the denominations we represent.

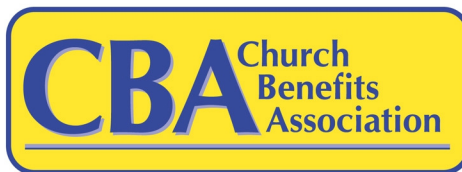
Our CBA connection is truly wide and deep, as we forge relationships that transcend the day-to-day work, calling each of us to our 'highest and best' service in support of all those we serve. As we begin this annual meeting, I hope you participate enthusiastically and openly share in our unique connection.

A handwritten signature in black ink, reading "Barbara A. Boigegrain". The signature is written in a cursive, flowing style with a large, prominent initial 'B'.

Barbara A. Boigegrain

*Chair*





**Annual Business Meeting  
November 29, 2006  
San Diego, CA**

**Minutes**

Don Walter called the meeting to order at approximately 8:30 AM. A quorum of the voting members of the Association was present. Mr. Walter began by welcoming everyone to the meeting.

**I. Chairperson's Report**

Mr. Walter reported on the successful year that CBA had. This year the IRS approved our 501(c) (3) tax exempt status. The purchasing coalitions continue to be strong and at this year's meeting our vendor partners are actively participating with tables in the registration area. The Church Plan Workshop had record attendance. In 2007 it will be held at the Scottsdale Plaza Resort, the location for the 2007 Annual Meeting.

**II. Recognitions**

Incoming Chair, Barbara Boigegrain, recognized Maggie Mellen (Presbyterian Church (U.S.A.)) and Bill Kuh (Presbyterian Church in America), who are retiring from their respective organizations. She also recognized and thanked Marlo Kauffman (Mennonite Church USA) and Bill Kuh for their service on the CBA Planning Committee. Planning Committee Chair Rob Maggs, Secretary Jean Hemphill and Chair Don Walter were presented with plaques in appreciation for their service to the Association.

**III. Secretary's Report**

Jean Hemphill began the Secretary's report by presenting the minutes of the 2005 Annual Business Meeting to the membership for their approval.

**Motion:** That the minutes of the November 30, 2005 Annual Business Meeting be approved  
***Moved and Seconded***  
**Approved Unanimously**

Ms. Hemphill reported that the IRS exemption determination allows gifts given to CBA to be deducted as charitable contributions. As a result of the determination, CBA will not have to file a Form 990.

**IV. Treasurer's Report**

Frank Maloney briefly reviewed the current finances of the Association (reported in full detail in his written report) and stated that as of October 31, 2006 CBA had total net assets of \$194,114. However, he noted that many of the meeting expenses had not yet been paid.

**Motion:** That the Treasurer's Report as of October 31, 2006 be accepted  
***Moved and Seconded***  
**Approved Unanimously**

Mr. Maloney reviewed the proposed budget for 2007 (as set forth in the Treasurer's Report) which is projected to have a modest surplus to build reserves. Mr. Maloney then presented the proposed dues allocation for 2007 (as set forth in the Treasurer's Report).

**Motion:** That the membership approve the 2007 budget and dues allocation schedule  
***Moved and Seconded***  
**Approved Unanimously**

**V. Audit Committee Report**

Louis Barbarin reported that, as he reported at last year's business meeting, the committee was not able to complete their review of the 2005 financial report before the 2005 Annual Meeting because of the accounting transition. Subsequently, the Audit Committee did complete its review noting that the Church Benefits Association received revenues in the amount of \$163,069.54 and incurred expenses of \$142,489.92 resulting in a surplus of \$20,579.62.

For 2006 and forward, the Church Benefits Association's financial records will be audited by Faktorow, Barnett, & Brunner. They are independent accountants whose practice is located in Marlton, NJ. Upon completion of their audit they will render their opinion to the Audit Committee which will be reviewed. The use of an independent accountant represents a departure from the prior practice of internal review.

**VI. Nominating Committee Report**

Mr. Walter, on behalf of the Nominating Committee, reported the following nominations:

**Board of Directors**

**Chair**

*Barbara Boigegrain (United Methodist Church)*

**Vice Chair**

*Robert W. Maggs (Presbyterian Church (USA))*

**Treasurer**

*Frank Maloney (Presbyterian Church (USA))*

**Secretary**

*Sarah Hirsen (United Methodist Church)*

**Elected Directors (2 positions w/ terms expiring at 2009 Annual Meeting)**

*Arthur Rhodes (Church of God (TN))*

*Del Johnson (Seventh-day Adventist Church)*

**Planning Committee**

**Chair 2007 Annual Meeting**

*Michael Downs (United Church of Christ)*

**Vice Chair**

*William Walz (Christian Brothers Services)*

**Committee Members (2 positions w/ terms expiring at 2009 Annual Meeting)**

*James Hamlett (Christian Church (Disciples of Christ))*

*Paul Middeke (Lutheran Church-Missouri Synod)*

Mr. Walter invited nominees from the floor. There were no nominations from the floor.

**Motion:** To elect the nominees to the positions listed

***Moved and seconded***

**Approved Unanimously**

**VII. New Business**

Walter asked for new business from the floor. No new business was raised.

**VIII. Adjournment**

There being no further business to discuss, the meeting was adjourned at 9:10 AM.

Respectfully submitted,



Amy Williams, CAE  
Executive Director

**Church Benefits Association**  
**Statement of Financial Position**  
**For the Ten Months Ended October 31, 2007**

**Assets**

Commerce Checking	\$2,162.82	
Commerce Money Market	126,415.04	
Health Benefits Fund	1,711.08	
Prepaid Expenses	30,538.04 a	
	-----	
Total Assets		160,826.98
		=====

**Liabilities and Net Assets**

Liabilities

Accounts Payable	1,328.57 b	
	-----	
Total Liabilities		1,328.57
		-----

Net Assets

Fund Balance 1/01/07	92,841.72	
Net Income	66,656.69	
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Total Net Assets		159,498.41
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Total Liabilities and Net Assets		160,826.98
		=====

**Church Benefits Association**  
**Statement of Activities**  
**For the Ten Months Ended October 31, 2007**

	October 2007 PTD Actual	October 2007 YTD Actual	October 2007 YTD Budget	Variance	2007 Ann Budget	October 2006 YTD Actual
<b>Income</b>						
Administration	\$518.52	\$149,504.20	\$148,837.00	\$667.20	\$148,875.00	\$213,437.26
Conference	10,955.00	13,955.00	30,200.00	(16,245.00)	45,500.00	26,920.00
Church Plan Workshop	160.00	24,110.00	25,000.00	(890.00)	25,000.00	24,200.00
	-----					
Total Income	11,633.52	187,569.20	204,037.00	(16,467.80)	219,375.00	264,557.26
<b>Expenses</b>						
Administration	14,837.72	55,748.12	54,839.00	(909.12)	62,048.00	122,751.86
Conference	6,815.13	46,603.31	65,757.00	19,153.69	116,034.00	41,653.69
Church Plan Workshop	0.38	18,561.08	22,000.00	3,438.92	22,000.00	22,520.35
	-----					
Total Expenses	21,653.23	120,912.51	142,596.00	21,683.49	200,082.00	186,925.90
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<b>Net Income (Loss)</b>	<b>(10,019.71)</b>	<b>66,656.69</b>	<b>61,441.00</b>	<b>5,215.69</b>	<b>19,293.00</b>	<b>77,631.36</b>
	=====					

**Church Benefits Association  
Administration  
For the Ten Months Ended October 31, 2007**

	October 2007 PTD Actual	October 2007 YTD Actual	October 2007 YTD Budget	Variance	2007 Ann Budget	October 2006 YTD Actual
<b>Income</b>						
Membership Dues	\$0.00	\$140,755.00	\$143,650.00	(\$2,895.00)	\$143,650.00	\$140,250.00
Additional Dues	0.00	0.00	0.00	0.00	0.00	0.00
Interest	518.52	3,749.20	187.00	3,562.20	225.00	278.18
Health Care Revenue	0.00	0.00	0.00	0.00	0.00	72,909.08
CA Reimbursement	0.00	5,000.00	5,000.00	0.00	5,000.00	0.00
<b>Total Income</b>	<b>518.52</b>	<b>149,504.20</b>	<b>148,837.00</b>	<b>667.20</b>	<b>148,875.00</b>	<b>213,437.26</b>
<b>Expenses</b>						
Bank/CC fees	23.00	115.00	84.00	(31.00)	100.00	101.55
Board & Committee Meeting	8,081.60	17,574.06	10,000.00	(7,574.06)	10,000.00	9,325.87
Computer	1,575.00	1,575.00	1,500.00	(75.00)	1,800.00	1,575.00
Copies	107.60	292.72	291.00	(1.72)	350.00	394.49
Insurance	212.57	2,100.91	833.00	(1,267.91)	1,000.00	1,222.84
Management Fee	2,483.17	24,831.70	24,831.00	(0.70)	29,798.00	23,876.70
Miscellaneous	0.00	411.03 c	300.00	(111.03)	500.00	141.80
Newsletter	0.00	975.90	4,000.00	3,024.10	4,000.00	3,396.47
Office Supplies	6.55	126.61	416.00	289.39	500.00	76.43
Postage	17.68	409.87	500.00	90.13	600.00	125.51
Professional Fees	0.00	2,300.00	4,000.00	1,700.00	5,000.00	4,010.58
Sign Development	0.00	0.00	2,500.00	2,500.00	2,500.00	0.00
Staff Travel	2,207.55	4,326.69	4,000.00	(326.69)	4,000.00	4,919.90
Telephone/Fax	66.25	141.13	334.00	192.87	400.00	193.72
Web Site Design & Hosting	56.75	567.50	1,250.00	682.50	1,500.00	629.00
Health Care Expenses	0.00	0.00	0.00	0.00	0.00	72,762.00
<b>Total Expenses</b>	<b>14,837.72</b>	<b>55,748.12</b>	<b>54,839.00</b>	<b>(909.12)</b>	<b>62,048.00</b>	<b>122,751.86</b>
<b>Net Income (Loss)</b>	<b>(14,319.20)</b>	<b>93,756.08</b>	<b>93,998.00</b>	<b>(241.92)</b>	<b>86,827.00</b>	<b>90,685.40</b>

**Church Benefits Association**  
**Annual Conference**  
**For the Ten Months Ended October 31, 2007**

	October 2007 PTD Actual	October 2007 YTD Actual	October 2007 YTD Budget	Variance	2007 Ann Budget	October 2006 YTD Actual
<b>Income</b>						
Registrations- Conference	\$10,280.00	\$10,280.00	\$25,200.00	(\$14,920.00)	\$38,000.00	\$20,620.00
Golf- Conference	675.00	675.00	500.00	175.00	1,500.00	1,300.00
Sponsorship- Conference	0.00	3,000.00	4,500.00	(1,500.00)	6,000.00	5,000.00
Other Income- Conference	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total Income</b>	<b>10,955.00</b>	<b>13,955.00</b>	<b>30,200.00</b>	<b>(16,245.00)</b>	<b>45,500.00</b>	<b>26,920.00</b>
<b>Expenses</b>						
Administrative Expenses						
Bank/CC fees- Conference	0.00	0.00	0.00	0.00	0.00	0.00
Event Insurance	0.00	575.83	1,050.00	474.17	1,050.00	(2,630.12)
Management Fee- Conf	3,875.75	38,757.50	38,757.00	(0.50)	46,509.00	37,266.70
Miscellaneous- Conf	0.00	0.00	500.00	500.00	1,000.00	788.14
Postage & Freight- Conf	562.03	562.03	1,500.00	937.97	1,500.00	37.91
Printing/Copies- Conference	911.22	1,097.82	2,500.00	1,402.18	2,500.00	518.49
Supplies- Conference	0.00	0.00	750.00	750.00	1,000.00	4.37
Telephone/Fax- Conference	20.37	189.33	750.00	560.67	900.00	406.29
<b>Total Administrative Expenses</b>	<b>5,369.37</b>	<b>41,182.51</b>	<b>45,807.00</b>	<b>4,624.49</b>	<b>54,459.00</b>	<b>36,391.78</b>
Direct Meeting Expenses						
Audio Visual- Conference	0.00	0.00	0.00	0.00	6,000.00	0.00
Badges- Conference	27.36	27.36	250.00	222.64	250.00	79.21
Design/Layout- Conference	0.00	1,122.50	1,000.00	(122.50)	1,000.00	915.00
Devotional -Ann Mtg	0.00	0.00	0.00	0.00	0.00	500.00
Food & Beverage- Conf	0.00	0.00	0.00	0.00	21,000.00	0.00
Golf	0.00	0.00	0.00	0.00	1,500.00	0.00
Reception/Event	0.00	0.00	0.00	0.00	13,125.00	0.00
Registration Expense- Conf	0.00	0.00	1,900.00	1,900.00	1,900.00	2,137.50
Signage- Conference	0.00	0.00	800.00	800.00	800.00	1,048.50
Speaker Expense	0.00	2,000.00	10,000.00	8,000.00	10,000.00	0.00
Staff Travel- Conf	1,418.40	2,270.94	4,000.00	1,729.06	4,000.00	581.70
Temporary Reg Staff	0.00	0.00	1,000.00	1,000.00	1,000.00	0.00
Transportation- Ann Mtg	0.00	0.00	1,000.00	1,000.00	1,000.00	0.00
<b>Total Direct Meeting Expenses</b>	<b>1,445.76</b>	<b>5,420.80</b>	<b>19,950.00</b>	<b>14,529.20</b>	<b>61,575.00</b>	<b>5,261.91</b>
<b>Total Expenses</b>	<b>6,815.13</b>	<b>46,603.31</b>	<b>65,757.00</b>	<b>19,153.69</b>	<b>116,034.00</b>	<b>41,653.69</b>
<b>Net Income (Loss)</b>	<b>4,139.87</b>	<b>(32,648.31)</b>	<b>(35,557.00)</b>	<b>2,908.69</b>	<b>(70,534.00)</b>	<b>(14,733.69)</b>

**Church Benefits Association**  
**Church Plan Workshop**  
**For the Ten Months Ended October 31, 2007**

	October 2007 PTD Actual	October 2007 YTD Actual	October 2007 YTD Budget	Variance	2007 Ann Budget	October 2006 YTD Actual
<b>Income</b>						
Member Registrations- Workshop	\$0.00	\$15,750.00	\$20,500.00	(\$4,750.00)	\$20,500.00	\$19,700.00
Non-Member Registrations-Wshop	0.00	6,000.00	4,500.00	1,500.00	4,500.00	4,500.00
Sponsorships- Workshop	0.00	0.00	0.00	0.00	0.00	0.00
Webinar	160.00	2,360.00	0.00	2,360.00	0.00	0.00
<b>Total Income</b>	<b>160.00</b>	<b>24,110.00</b>	<b>25,000.00</b>	<b>(890.00)</b>	<b>25,000.00</b>	<b>24,200.00</b>
<b>Expenses</b>						
Administrative Expenses						
Bank/CC fees- Workshop	0.00	0.00	0.00	0.00	0.00	0.00
Blast Emails- Workshop	0.00	0.00	100.00	100.00	100.00	0.00
Event Insurance	0.00	0.00	200.00	200.00	200.00	0.00
Fax- Workshop	0.00	0.00	100.00	100.00	100.00	48.00
Miscellaneous- Workshop	0.00	136.03	200.00	63.97	200.00	100.00
Office Supplies/Badge Stock	0.00	0.00	200.00	200.00	200.00	21.59
Postage & Freight- Workshop	0.00	606.52	200.00	(406.52)	200.00	685.16
Telephone- Workshop	0.38	225.10	200.00	(25.10)	200.00	40.95
<b>Total Administrative Expenses</b>	<b>0.38</b>	<b>967.65</b>	<b>1,200.00</b>	<b>232.35</b>	<b>1,200.00</b>	<b>895.70</b>
Direct Meeting Expenses						
Audio Visual- Workshop	0.00	1,973.05	1,500.00	(473.05)	1,500.00	1,380.39
CLE Application Fee	0.00	135.00	250.00	115.00	250.00	405.00
Food & Beverage- Workshop	0.00	14,010.59	11,900.00	(2,110.59)	11,900.00	12,048.02
On-Site Program Book	0.00	0.00	2,375.00	2,375.00	2,375.00	1,889.57
Reg Brochure copies	0.00	0.00	200.00	200.00	200.00	0.00
Reg Brochure postage	0.00	0.00	300.00	300.00	300.00	0.00
Registration Fees- Workshop	0.00	0.00	830.00	830.00	830.00	0.00
Signage- Workshop	0.00	0.00	200.00	200.00	200.00	0.00
Staff Travel- Workshop	0.00	1,474.79	3,245.00	1,770.21	3,245.00	5,901.67
Web Site Design & Hosting	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total Direct Meeting Expenses</b>	<b>0.00</b>	<b>17,593.43</b>	<b>20,800.00</b>	<b>3,206.57</b>	<b>20,800.00</b>	<b>21,624.65</b>
<b>Total Expenses</b>	<b>0.38</b>	<b>18,561.08</b>	<b>22,000.00</b>	<b>3,438.92</b>	<b>22,000.00</b>	<b>22,520.35</b>
<b>Net Income (Loss)</b>	<b>159.62</b>	<b>5,548.92</b>	<b>3,000.00</b>	<b>2,548.92</b>	<b>3,000.00</b>	<b>1,679.65</b>

#### Footnotes

- a. Includes Association Headquarters November management fee (\$6,358.88), general & professional liability insurance thru 1/08 & 3/08 respectively (\$698.16), The Heard Museum reception deposit (\$2,750.00) and The Scottsdale Plaza for Conference deposit (\$20,500.00).
- b. Consists of Association Headquarters October admins (\$343.09), Crabnet for October web hosting (\$50.00) and Perfect . Printing for registration brochures (\$882.17).
- c. Consists of 2007 press clipping services (\$85.00), CLWG application fees (\$150.00) and flowers for BR Williams (\$176.03).

**CBA Budget  
2008 DRAFT**

	2005 Budget	2005 Actual	2006 Budget	2006 Actual	2007 Budget	2007 YTD Actuals (Oct)	2008 Budget DRAFT
<b>REVENUE</b>							
Membership Dues	96,250.00	100,500.00	143,650.00	140,250.00	143,650.00	140,755.00	141,400.00
Conference Registration	34,200.00	36,675.00	35,000.00	42,325.00	38,000.00	10,280.00	42,000.00
Additional Dues/Other Income	42,000.00	24,800.00	-	-	-	-	-
Golf	2,040.00	901.00	2,050.00	2,300.00	1,500.00	675.00	2,300.00
Church Plan Workshop Income	22,000.00	-	22,000.00	24,200.00	25,000.00	24,110.00	-
Interest Income	-	193.54	100.00	331.03	225.00	3,749.20	2,000.00
Sponsorship	-	-	-	6,500.00	6,000.00	3,000.00	4,500.00
Church Alliance Meeting Expense Reimbursement	-	-	-	-	5,000.00	5,000.00	7,000.00
<b>Total Income</b>	<b>196,490.00</b>	<b>163,069.54</b>	<b>202,800.00</b>	<b>215,906.03</b>	<b>219,375.00</b>	<b>187,569.20</b>	<b>199,200.00</b>
<b>EXPENSES</b>							
<i>Admin Management</i>							
Bank Fees	-	24.00	-	122.05	100.00	115.00	125.00
Board/Committee Meeting Expense	-	5,201.73	5,000.00	13,190.90	10,000.00	17,574.06	14,000.00
Computer	1,800.00	1,800.00	1,800.00	2,265.00	1,800.00	1,575.00	1,800.00
Copies	350.00	448.36	350.00	490.04	350.00	292.72	450.00
Insurance	1,000.00	1,244.67	1,000.00	1,529.99	1,000.00	2,100.91	2,500.00
Leadership Support Management Fee	27,550.00	27,549.96	28,652.00	28,652.04	29,798.00	24,831.70	45,665.00
Miscellaneous	500.00	44.00	500.00	141.80	500.00	411.03	500.00
Newsletter	-	2,338.40	-	3,396.47	4,000.00	975.90	2,000.00
Office Supplies	500.00	1,162.65	500.00	88.43	500.00	126.61	250.00
Postage	300.00	413.54	600.00	185.33	600.00	409.87	600.00
Professional Fees	25,000.00	753.00	17,500.00	4,258.08	5,000.00	2,300.00	2,300.00
Staff Travel	1,900.00	3,734.23	1,900.00	5,212.28	4,000.00	4,326.69	4,500.00
Telephone/Fax	-	396.11	750.00	219.10	400.00	141.13	250.00
Web Site Design and Hosting	1,500.00	1,622.00	1,500.00	742.50	1,500.00	567.50	750.00
Sign. Developments	4,500.00	2,266.92	3,000.00	2,356.14	2,500.00	-	2,500.00
Church Plan Workshop Expense	20,754.00	312.36	20,754.00	22,573.00	22,000.00	18,561.08	-
<i>Conference (based on 200 people)</i>							
Supplies	1,000.00	1,000.00	1,000.00	4.37	1,000.00	-	500.00
Audio Visual	4,000.00	6,360.84	5,000.00	12,779.96	6,000.00	-	12,000.00
Badges	100.00	-	250.00	79.21	250.00	27.36	250.00
Golf- self supporting	2,040.00	1,383.48	2,050.00	2,309.78	1,500.00	-	2,300.00
Food & Beverage	19,980.00	15,223.58	20,000.00	17,881.27	21,000.00	-	20,000.00
Event Insurance	-	1,028.56	1,050.00	(2,630.12)	1,050.00	575.83	1,050.00
Meeting Mgmt.Fee	43,000.00	42,845.91	44,720.00	44,720.04	46,509.00	38,757.50	33,985.00
Miscellaneous	500.00	245.00	1,000.00	1,064.47	1,000.00	-	1,000.00
Reception/Event	6,500.00	9,565.44	12,500.00	14,109.21	13,125.00	-	15,000.00
Registration Expense	1,950.00	317.33	1,900.00	2,151.93	1,900.00	-	2,000.00
Signage	800.00	210.00	800.00	1,048.50	800.00	-	800.00
Speaker Fees/Expenses	10,000.00	6,025.45	10,000.00	3,251.51	10,000.00	2,000.00	10,000.00
Staff Travel	3,700.00	2,159.31	4,000.00	1,389.39	4,000.00	2,270.94	4,000.00
Layout & Design	-	-	1,000.00	915.00	1,000.00	1,122.50	1,000.00
Printing/Copies	2,500.00	3,505.39	2,500.00	5,642.23	2,500.00	1,097.82	3,000.00
Postage and Freight	1,500.00	1,515.60	1,500.00	1,320.58	1,500.00	562.03	1,500.00
Telephone & Fax	900.00	609.60	900.00	509.13	900.00	189.33	500.00
Temp Reg. Staff	1,000.00	-	1,000.00	-	1,000.00	-	-
Transportation	-	1,182.50	-	-	1,000.00	-	1,000.00
<b>Conference Expense (not inc. Mgmt fee) Subtotal</b>	<b>56,470.00</b>	<b>50,332.08</b>	<b>66,450.00</b>	<b>61,826.42</b>	<b>69,525.00</b>	<b>7,845.81</b>	<b>75,900.00</b>
<b>Total Expenses</b>	<b>185,124.00</b>	<b>142,489.92</b>	<b>194,976.00</b>	<b>191,969.61</b>	<b>200,082.00</b>	<b>120,912.51</b>	<b>188,075.00</b>
Surplus / (Deficit)	11,366.00	20,579.62	7,824.00	23,936.42	19,293.00	66,656.69	11,125.00

CBA Dues

Member Organization	Contact	2004 Pension Plan Reserve and Contingency Market Value	CBA 2004 Dues	Total 2005 Dues	2006 & 2007 Dues	2008 Dues
United Methodist Church	Barbara A. Boiegrain	13,000,000,000	6000	11,000.00	12,000.00	12,000.00
Southern Baptist Convention-Annuity Board	Dr. O. S. Hawkins	7,590,417,760	6000	9,000.00	9,000.00	9,000.00
Episcopal Church	Dennis Sullivan	6,886,431,000	6000	8,700.00	9,000.00	9,000.00
Presbyterian Church (U.S.A.)	Robert W. Maggs, Jr.	6,254,729,000	6000	8,650.00	9,000.00	9,000.00
Evangelical Lutheran Church in Amer.	John G. Kapanke	4,818,640,000	6000	8,025.00	9,000.00	9,000.00
YMCA	John Preis	3,618,691,000	6000	7,525.00	9,000.00	9,000.00
United Church of Christ	Michael A. Downs	3,290,480,101	4400	7,400.00	9,000.00	9,000.00
Lutheran Church-Missouri Synod	Paul Middeke	2,616,185,000	4400	5,500.00	6,000.00	6,000.00
Christian Church (Disciples of Christ)	James Hamlett	2,038,809,000	4400	5,250.00	6,000.00	6,000.00
American Baptist Churches	Rev. Sumner M. Grant	1,884,350,000	4400	5,200.00	6,000.00	6,000.00
<b>Subtotal - "Top Ten"</b>		<b>51,998,732,861</b>	<b>53,600</b>	<b>76,250.00</b>	<b>84,000.00</b>	<b>84,000.00</b>
General Conference of Seventh-Day Adventist Church	Del L. Johnson	1,268,115,000	4400	4,925.00	6,000.00	6,000.00
United Church of Canada	Michael Burke	945,087,000	2000	2,400.00	3,000.00	3,000.00
Christian Brothers Services	Br. William L. Waltz	703,751,000	2000	2,300.00	3,000.00	3,000.00
Jewish Reform Movement	Robert M. Koppel	675,000,000	2000	2,275.00	3,000.00	3,000.00
Anglican Church of Canada	Judy Robinson	491,918,000	1800	0.00	-	-
Assemblies of God	Randall K. Barton	467,247,000	1800	2,000.00	2,500.00	2,500.00
Joint Retirement Board for Conservative Judaism	Nina Rone	337,753,660	1500	1,950.00	2,500.00	2,500.00
Church of the Nazarene	Don L. Walter	333,435,000	1500	1,950.00	2,500.00	2,500.00
Church of the Brethren	Wilfred E. Nolen	247,036,000	1500	1,600.00	1,850.00	1,850.00
Presbyterian Church in America	William Kuh	213,693,000	1250	1,600.00	1,850.00	1,850.00
Mennonite Mutual Aid/Mennonite Retirement Trust	Marlo J. Kauffman	213,292,000	1250	1,600.00	1,850.00	1,850.00
Reformed Church in America <sup>1</sup>	Jack Dalenberg	0	1500	1,600.00	1,850.00	1,850.00
Church of God (Anderson, IN)	Jeffrey A. Jenness	200,141,000	1250	1,575.00	1,850.00	1,850.00
Church of God (Cleveland, TN)	Arthur D. Rhodes	182,422,000	1250	1,325.00	1,500.00	1,500.00
Evangelical Covenant Church	Rev. Mary C. Miller	113,762,000	1000	1,300.00	1,500.00	1,500.00
Christian Reformed Church in North America	Kenneth Horjus	112,007,000	1250	1,300.00	1,500.00	1,500.00
The Salvation Army	Sam Bennett	100,000,000	1000	1,050.00	1,500.00	1,500.00
UUA Compensation, Benefits & Pension Committee <sup>1</sup>	Ralph Mero	100,000,000	0	1,250.00	1,500.00	1,500.00
Baptist General Conference	Stephen Schultz	89,484,000	1000	1,050.00	1,200.00	1,200.00
Wisconsin Evangelical Lutheran Synod	Jon M. Flanagan	81,542,000	1000	1,050.00	1,200.00	1,200.00
Evangelical Free Church of America	Ross Morrison	80,000,000	1000	1,050.00	1,200.00	1,200.00
Wesleyan Pension Fund	Craig Dunn	79,600,000	1000	1,050.00	1,200.00	1,200.00
Free Methodist Church of North America	Willadean Duncan	77,947,000	1000	1,050.00	1,200.00	1,200.00
Archdiocese of Washington, D.C. <sup>1</sup>	Dorothy Moore	0	1000	1,050.00	1,200.00	1,200.00
Regional Conference Retirement Plan (Seventh day Adventists) <sup>1</sup>	Joseph McCoy	0	0	1,000.00	1,200.00	1,200.00
General Church of the New Jerusalem	William Alden	37,000,000	600	650.00	750.00	750.00
Unity School of Christianity	Bruce Shall	34,283,000	600	650.00	750.00	750.00
Associate Reformed Presbyterian Church	Ed Hogan	32,999,450	600	650.00	750.00	750.00
Free Will Baptists	William W. Evans	25,622,000	600	650.00	750.00	750.00
Evangelical Presbyterian Church	Dr. Jeff Jon Jeremiah	24,803,000	600	650.00	750.00	-
Community of Christ	David J. Brown	23,713,000	600	650.00	750.00	750.00
Moravian Church, Northern Province	Halfred Smith	19,659,844	600	650.00	750.00	750.00
Churches of God, General Conference	James P. Thomas	18,263,000	600	650.00	750.00	750.00
Association of Unity Churches	K. Young Bae	11,159,000	600	650.00	750.00	750.00
Evangelical Congregational Church	Rebecca Riegel	10,270,951	600	650.00	750.00	-
Christian Churches Pension Plan <sup>1</sup>	Ray D. Sites	0	600	650.00	750.00	750.00
Lutheran Church - Canada <sup>1</sup>	Inga Schroeder	0	600	650.00	750.00	750.00
North American Baptist Conference <sup>1</sup>	Dan Hamil	0	600	650.00	-	-
Cooperative Baptist Fellowship <sup>1</sup>	Gary Skeen	0	600	650.00	750.00	750.00
International Pentacostal Holiness Church <sup>1</sup>	Ed Wood	0	0	650.00	750.00	750.00
The Christian & Missionary Alliance <sup>1</sup>	Larry Keeports	0	0	600.00	750.00	750.00
<b>Subtotal - "Others"</b>		<b>7,351,005,905</b>	<b>42,650</b>	<b>49,650.00</b>	<b>58,900.00</b>	<b>57,400.00</b>
<b>TOTAL FROM CHURCH ALLIANCE/CBA MEMBERS</b>		<b>59,349,738,766</b>	<b>96,250</b>	<b>125,900.00</b>	<b>142,900.00</b>	<b>141,400.00</b>

<sup>1</sup> Did not provide Pension Net Assets or did not return survey

**CHURCH BENEFITS ASSOCIATION****2006 & 2007 DUES**

Assets in excess of:

\$10 Billion	\$ 12,000
\$3 Billion	\$ 9,000
\$1 Billion	\$ 6,000
\$500 Million	\$ 3,000
\$300 Million	\$ 2,500
\$200 Million	\$ 1,850
\$100 Million	\$ 1,500
\$50 Million	\$ 1,200
Minimum Dues	\$ 750

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
Church Benefits Association  
15000 Commerce Parkway – Suite C  
Mt. Laurel, NJ 08054

We have audited the accompanying statements of financial position of Church Benefits Association (a nonprofit association) as of December 31, 2006, and the related statements of activities, cash flows and functional expenses for the year then ended. These financial statements are the responsibility of the association's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Church Benefits Association as of December 31, 2006, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

FAKTOROW, BARNETT & BRUNNER, L.L.C.

*Faktorow, Barnett & Brunner, L.L.C.*

Certified Public Accountants  
February 7, 2007

CHURCH BENEFITS ASSOCIATION  
STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2006

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

**ASSETS**

**CURRENT ASSETS**

Cash	\$ 93,932
Accounts receivable	9,675
Prepaid expenses	<u>11,967</u>

**TOTAL ASSETS** \$ 115,574

**LIABILITIES AND NET ASSETS**

**CURRENT LIABILITIES**

Accounts payable	\$ 3,087
Accrued expenses	18,396
Deferred revenue	<u>1,250</u>

**TOTAL CURRENT LIABILITIES** 22,733

**NET ASSETS**

Unrestricted	<u>92,841</u>
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**TOTAL NET ASSETS** 92,841

**TOTAL LIABILITIES AND NET ASSETS** \$ 115,574

CHURCH BENEFITS ASSOCIATION  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2006

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

**REVENUES AND OTHER SUPPORT**

Conference	\$ 55,373
Workshop	24,200
Interest income	331
Miscellaneous	147
Membership dues	<u>140,250</u>

**TOTAL REVENUES AND OTHER SUPPORT** 220,301

**EXPENSES**

Program services	
Conferences	114,334
Workshop	22,573
Support services	<u>60,493</u>

**TOTAL EXPENSES** 197,400

**INCREASE IN NET ASSETS** 22,901

**NET ASSETS, beginning of year** 69,940

**NET ASSETS, end of year** \$ 92,841

CHURCH BENEFITS ASSOCIATION  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2006

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

**CASH FLOWS FROM OPERATING ACTIVITIES:**

Increase in net assets	\$ 22,901
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:	
Increase in operating assets:	
Accounts receivable	(3,267)
Prepaid expenses	(4,738)
Increase (decrease) in operating liabilities:	
Accounts payable	(26,378)
Accrued expenses	17,942
Deferred revenue	<u>1,250</u>
<b>Net cash provided by operating activities</b>	<u>7,710</u>
<b>Net increase in cash</b>	7,710
<b>Cash at beginning of year</b>	<u>86,222</u>
<b>Cash at end of year</b>	<u><u>\$ 93,932</u></u>

Supplemental disclosures of cash payments made:

Interest	\$ -
Income taxes	\$ -

CHURCH BENEFITS ASSOCIATION  
 STATEMENT OF FUNCTIONAL EXPENSES  
 FOR THE YEAR ENDED DECEMBER 31, 2006

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

	PROGRAM SERVICES		SUPPORT SERVICES	TOTAL
	Conferences	Workshop		
Audiovisual	\$ 12,780	\$ 1,380	\$ -	\$ 14,160
Board and committee	-	-	13,191	13,191
Credit card and bank fees	-	-	122	122
Duplicating	-	-	490	490
Event food & beverage	31,990	12,048	-	44,038
Insurance	1,618	-	1,530	3,148
Management fees	44,720	-	28,652	73,372
Miscellaneous	1,069	122	2,495	3,686
Newsletter	-	-	3,396	3,396
Other program expenses	7,209	2,294	-	9,503
Postage	1,321	738	185	2,244
Printing	4,663	-	-	4,663
Professional services	-	-	4,258	4,258
Registration	4,290	-	-	4,290
Speaker	2,752	-	-	2,752
Telephone	509	89	219	817
Travel	1,413	5,902	5,212	12,527
Website	-	-	743	743
	<u>\$ 114,334</u>	<u>\$ 22,573</u>	<u>\$ 60,493</u>	<u>\$ 197,400</u>

CHURCH BENEFITS ASSOCIATION  
NOTES TO FINANCIAL STATEMENTS

**NATURE OF ACTIVITIES AND CREDIT CONCENTRATION**

CHURCH BENEFITS ASSOCIATION is a nonprofit organization exempt from income tax under Sections 501(c)(3) and 509(a)(3) of the Internal Revenue Code. The Association receives membership dues and provides members with program services that serve as a forum for the dissemination, study, discussion and communication of information of interest and/or relating to church employee benefits programs and the administration of those programs.

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles 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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Advertising**

The Company follows the policy of charging the costs of advertising to expense as incurred.

**Membership Dues**

Amounts received for memberships are recognized over the periods to which they relate.

**Deferred Revenue**

Amounts received for memberships are deferred and recognized over the periods to which they relate.

**Contributed Services**

During the current period, the value of contributed services meeting the requirements for recognition in the financial statements was not material and has not been recorded.

**Functional Expenses**

The Association allocates its expenses on a functional basis among its various programs and supporting activities. Expenses that can be identified with a specific program or supporting activity are allocated directly according to their natural expenditure classification.

CHURCH BENEFITS ASSOCIATION  
NOTES TO FINANCIAL STATEMENTS

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Financial Statement Presentation**

The Association has adopted Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, the Association is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted and permanently restricted. In addition, the Association is required to present a statement of cash flows.

The three classes of net assets are defined as follows:

Unrestricted net assets are resources not subject to donor-imposed restrictions. These net assets are available to the Association for the purposes specified in its articles of incorporation or bylaws.

Temporarily restricted net assets are resources restricted by the donor for a specific purpose or time period. Fulfillment of a temporary restriction causes the net assets to be reclassified as unrestricted.

Permanently restricted net assets are resources donated with the stipulation that the assets be used for a specific purpose, be preserved and not sold, or be invested to provide a permanent source of income.

As of December 31, 2006 and 2005, the Association has no temporarily restricted net assets.

**Cash and Cash Equivalents**

For purposes of the Statement of Cash Flows, the Association considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

**CONCENTRATION OF CREDIT RISK ARISING FROM CASH DEPOSITS IN EXCESS OF INSURED LIMITS**

The Association maintains its checking and savings accounts in several financial institutions. Cash in these accounts at times exceeds \$100,000. These accounts are secured by the Federal Deposit Insurance Corporation (FDIC) up to \$100,000. At December 31, 2006 there is no uninsured balance.

CHURCH BENEFITS ASSOCIATION  
NOTES TO FINANCIAL STATEMENTS

**MANAGEMENT AGREEMENT**

The Association has entered into an agreement with Association Headquarters, Inc. (AH), under which AH will provide the Association with management services and headquarters ending December 2007. The annualized management fee under this agreement was \$73,372 for the year ended December 31, 2006. The agreed upon management fee for the year ended December 31, 2007 is \$76,307.

**COMMITMENTS AND CONTINGENCIES**

The Association has entered into an agreement with a facility for its annual meeting. It is anticipated that this event will be held as scheduled.

***Policy on Participation in Purchasing Coalition Activities by Non-Members.***

*Origin Date: October 2007*

The Denominational Benefits Committee (“Committee”) purchasing coalitions are open to any member of the Church Benefits Association (CBA) that sponsors employer group health and welfare programs.

In addition to CBA members, the Board of Directors believes that it is in the best interest of the CBA to expand the participation in the coalitions to other 501(c)(3) organizations that sponsor employer group health and welfare plans, subject to certain policies and procedures set forth herein.

Unless otherwise restricted or conditioned by the Board of Directors, the Committee, the purchasing coalition or a vendor, there are three types of organizations that may participate in one or more of the CBA purchasing coalitions without becoming a CBA member (“non-member participants”)<sup>1</sup>.

1. Non-Members Eligible to Participate in Purchasing Coalitions

**Type A. Organizations associated with the denomination of a CBA Member**

Type A participants are 501(c)(3) religious organizations affiliated or associated with the denomination of the CBA member and sponsor their own plans(s). They include organizations controlled, operated or governed by the denomination, or recognized as part of the same convention or denomination.

- Organizations controlled by the denomination.  
Examples: Publishing House, Foundation
- Organizations that are governing bodies of the denomination  
Examples: Archdioceses of the Roman Catholic Church (Christian Brothers Services is the CBA Member), YMCA health plan (YMCA pension plan is the CBA member)
- Organizations affiliated with the denomination.  
Examples: Universities, Hospitals, Nursing Homes

Type A organizations are eligible to sponsor or participate in church plans.

Many Type A organizations participate in the CBA member’s plans and do not sponsor their own plans. In the event they do, however, a CBA member may bring them into the purchasing coalitions for direct participation with the vendor.

**Type B. Organizations unrelated to the denomination of the CBA member making the introduction.**

Type B organizations are religious organizations that are non-denominational, ecumenical or affiliated with a denomination other than that of the CBA member introducing the organization to the CBA purchasing coalition, including a denomination represented by another CBA Member.

- A CBA member may introduce an organization related to another denomination but such CBA member should first notify any CBA member affiliated with the denomination of the proposed participant’s interest and confirm with the related CBA member who should be the contact person for the non-member participant.

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<sup>1</sup> For example, the vendor used for third party administration of medical claims currently requires church plan status to participate in the purchasing group, whereas other vendors, such as the prescription benefit managers, do not require church plan status for the employer group plan.

Type B organizations are eligible to sponsor or participate in a church plan.

**Type C. Non-profit tax exempt entities that are not religious organizations.**

Type C organizations are 501(c) (3) organizations that are not religious organizations and who sponsor employer group plans that are not affiliated with a denomination or another CBA member.

For example, the American Red Cross

Type C organizations are not eligible to sponsor a church plan and are subject to ERISA.

2. Process for Introducing a Non-Member Participant to a CBA Purchasing Coalition.

For an organization that is not a CBA member to participate in a CBA purchasing coalition, the organization must be introduced by a CBA member and a CBA member must be willing to serve as the primary contact organization with respect to the non-member participant's CBA activities.

When a CBA member introduces an organization for participation in a coalition, it is not endorsing the organization or its financial status. It is not accepting financial responsibility for the organization. The CBA member is responsible for

- assuring that, to the best of the organization's knowledge, the non-member participant organization is a 501(c)(3) organization in good standing and is participating in its capacity as a sponsor of an employer group health or welfare plan;
- identifying for the Committee and the CBA executive director the type of participant the organization is (A, B or C), its current address and contact information, and the CBA purchasing coalitions in which it will participate, and
- facilitating the resolution of any problems that arise with respect to the non-member's participation in the coalition.

No CBA member shall request, collect or receive a commission or other form of direct or indirect compensation from the non-member participant or a purchasing coalition vendor for introducing the participant to the coalition. Notwithstanding the foregoing, the CBA member may assess and receive direct or indirect reimbursement from a non-member participant in reimbursement of an appropriate share of the CBA member's expenses related to the coalition activities.

The CBA Board of Directors and Committee each reserve the right to impose restrictions on the types of non-member participants in a coalition whenever either deems it appropriate for any reason.

3. Costs of Participating in the Coalition

The CBA members participating in the purchasing coalition will determine how administrative and other costs associated with that coalition will be shared among CBA members and non-member participants.

As noted above, a CBA member may charge a non-member participant a share of any costs it has or will incur in selecting and arranging for the services of the coalition vendor.

4. Non-Member Participant Rights

Non-member participants may participate in vendor meetings but only CBA members may vote at Committee and/or coalition meetings.

A non-member participant may contract directly with the coalition vendor. The introducing CBA member and the non-member participant shall determine whether the non-member participant should contract with the vendor through the CBA member or directly.

Church Benefits Association

***Policy on Vendor Participation at the Annual Meeting***

*Origin Date: November 2003*

*Last Updated: January 2006*

*October 2007*

1. Non-member pension boards will continue to be invited to the annual meeting.
2. Invited guests of members, if with outside vendors, cannot set-up displays or solicit members
3. Outside vendors can be invited to make substantive presentations
4. Coalition service providers will be invited to participate in the annual meeting, by holding pre-conference meetings and/or setting up displays. The board affirms that inviting coalition service providers to participate in the annual meeting is not a violation of this policy
5. Every year the board will identify the coalition service providers and how much they will be charged to participate in the annual meeting.
6. A statement will be included in the program to the effect that the providers are at the meeting by CBA invitation, and that they have a relationship with members through a CBA purchasing coalition, and have made a financial contribution to be at the meeting.
7. The CBA Planning Committee will coordinate all activities surrounding the conference, including pre- and post-conference vendor meetings.