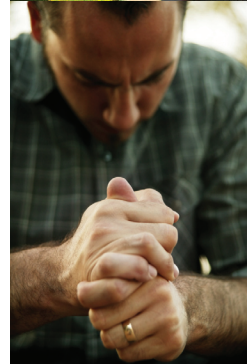


2006 Annual Report



Church Innovations



December 2006

Dear friends and colleagues:

Innovating missional church requires an innovation in the Christian imagination; it requires a new sense of time and space. Instead of imagining a church living within Christendom, a time and place where the pressures of the culture favored the making of disciples of Jesus, we must imagine a new missional era. (You might want to read my book: *We Are Here Now*, just out, for further reflection). In this new missional era, most, if not all, local churches will need to engage in a process of spiritual discernment of their characteristic and specific missional vocation.

This spiritual discernment takes a new imagination, a new set of attitudes and beliefs, skills, minimum knowledge base, and transferable habits. Instead of assuming that a local church's missional vocation remains the same over time, a missional era requires regular discernment of missional vocation for each local church and for the parts of the system that support them in innovating missional church.

Church Innovations seeks to innovate those capacities with all our partners.

- In this last year we have done such work with 25 seminaries, initiating with Allelon Foundation the Missional Schools Project. We will be guiding these 25 schools in forming a consortium to work on innovating missional church. The diversity of traditions is amazing, including Roman Catholic, mainline Protestant, Evangelical, Pentecostal, Mennonite, Quaker, non-denominational, and emergent schools. We hope to find the funding for a full 10-year engagement.
- We have initiated another four judicatories into the PMC spiritual journey.
- We were delighted that every congregation in the first generation of PMC southern Africa voted to continue for another three years.
- We helped several judicatory and local church staffs form covenants and systems for accountability within the missional church vision.
- We continued research on innovating missional church in congregations and judicatories.
- We are initiating PMC in the coming year in the United Kingdom, Germany, and likely in Norway, Denmark, and Australia.

"In this new missional era, local churches will need to engage in a process of spiritual discernment of their characteristic and specific missional vocation."

- We have continued our International Research Consortium.
- We have helped judicatories assess themselves for Robust Church Development.
- We have placed Church FutureFinder in two more seminaries and expanded its use to hundreds of congregations.

And these represent only the highlights of the year. Things look more intense for next year and, of course, our income from services and goods never pays for all our costs. So, we are always looking for prayers, volunteers, and financial support.

Peace,

Patrick Keifert

President and Director of Research

P.S. We say that we want to innovate capacities to be missional and we try. We tried and succeeded with Kris Stache so well she left us for a new job: Professor at Wartburg Seminary. While we delight in Kris' new job and in her success, we grieve her leaving and await the ways the Spirit will keep us in partnership.

We gratefully acknowledge Les Bankson's service to Church Innovations as our Finance Manager from 2002-2006. He has demonstrated dedication to our mission, steadfastness, and professionalism in handling our financial matters, and a willingness to ask important questions—all of which were gifts to us individually and as an organization. He aided our growth, and guided our progress, and we thank him for his service.

Board of Directors

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Professor Marie Failingler

Treasurer

Mr. Gordon R. Engstrom

Directors

The Reverend Dr. Callon W. Holloway Jr.

The Reverend Wesley Granberg-Michaelson

The Reverend John Strommen

Ms. Linda Bergquist

Ms. Sarah Stegemoeller

The Reverend Bruce Modahl

Overview of Strategic Planning

Church Innovations undertook the tremendously important work of long-term strategic planning in 2006. In the process, we considered our business processes along with our essential research model, and recognized the impact and importance of change in our past as a guide for our future. We must respond to dynamic changes in our environment while building on our solid foundation.

The strategic planning process began by building a common vocabulary around our value, mission, and vision statements. Once we agreed these statements reflected the essence of Church Innovations, we interviewed past and present clients, and even some people who did not choose us.

The research affirmed some of our work while identifying areas for improvement. We are recognized for effectively working with churches, particularly those in the missional conversation. We are viewed as trustworthy partners, grounded in theological/scriptural reflection, and effective in supporting judicatories and congregations to innovate capacities and discern meaningful long term change by providing tools for effective listening and leadership transition.

Yet we also heard that our work needs to be more accessible, more conceptual and analytical: we need to provide more practical printed materials, particularly for communicating Partnership for Missional Church. We need a more robust web site that conveys our objectives and existence. Our clients also need a better understanding of Church Innovations' entire team. In short, we are not effectively telling our story often and loud enough!

These findings helped us develop a "dreams" list and action plans for achieving our dreams.

Our dreams include:

- Further developing our internal resources including human resources processes, benefits, and training; involving more staff at consulting events to help each one understand our field work.
- Developing resource materials and a strategic approach to enlist donors in supporting Church Innovation's core objectives and specific initiatives.
- Consistently communicating who we are and what we do in new ways with clients and donors. Through our annual conference, newsletter and/or a more scholarly journal, we aim to facilitate a community within the missional church dialogue and showcase our work in new ways.
- Reviewing our consulting models and practices, insuring consistently effective training of our growing pool of consultants.
- Displaying pictures and images in our space to keep God's movement in our minds and imaginations. We want to create, and possibly someday relocate to, a more open, welcoming and teaching-friendly space, and provide help and hospitality to visiting scholars and colleagues.
- Expanding the technical capabilities of Church FutureFinder, revisiting existing products, and remaining open to new possibilities, particularly research initiatives.

Each dream was checked against our values, mission, and vision statements, and now has a timeline and plan that will be reviewed quarterly to insure we are responsive to our changing environment, and God's preferred and promised future for Church Innovations.



Church Innovations Services

As a result of our strategic planning efforts, Church Innovations has sharpened its focus in several service areas and developed plans for reaching more congregations, pastors, lay leaders, and judicatory officials to further our impact for God through our tools and services, including:



Partnership for Missional Church, a long-term, in-depth research, listening, and discernment process through which church bodies, congregations, and lay leaders collaborate in pursuit of God’s preferred future and a fresh missional vision.



Robust Church Development, a process that provides church bodies all the tools they need to support effective church development, whether it be new church plants or the revitalization of existing congregations.



Growing Healthier Congregations, which builds habits that equip congregations and church bodies to have healthy conversations on difficult issues. Through the process they come to see conflict as a catalyst for new missional opportunities that support growth and unity.



Church FutureFinder, a research tool that helps congregations and church bodies gain a better understanding of the communities surrounding their ministry areas, their constituents, and the issues that affect their congregations. Our congregation and judicatory partners can effectively reach new people for God because they’re equipped with a clear understanding of the mission field immediately surrounding them.



Congregational Discovery, interviewing and reflection that help lay leaders and congregations uncover the deep attitudes, beliefs, skills, knowledge base, and habits that are shaping the future of their congregations.



Staff Covenanting, a series of retreats that helps a church’s staff affirm and leverage its gifts while helping leaders decide how their staff’s gifts best align with and support the congregational vision. The resulting covenant fosters community among staff members, enabling them to grow and thrive, pass on their leadership skills to others, and relate to one another and congregation members as faithful and forgiven persons working effectively together to spread the gospel of Christ Jesus.

Church Innovations Institute		
Statement of Activities and Changes in Net Assets (Audited)		
Year Ended December 31, 2005 and 2004		
	2005	2004
Support		
Contributions	\$ 168,528	\$ 395,700
Revenue		
Consulting/presentation income	\$ 226,045	\$ 150,131
Publishing	6,800	-
Church FutureFinder	11,050	20,000
Research	153,881	118,148
GHC/conflict in mission	13,230	28,512
Small group	1,388	3,031
PMC	19,583	-
Interest income	1,909	1,396
Book sales	4,163	7,988
Other income	68,202	-
	\$ 674,779	\$ 724,906
Expenses		
Program services	\$ 479,545	\$ 326,759
Management and general	172,102	98,267
Fundraising	27,583	12,342
Total	\$ 679,230	\$ 437,368
Net Assets		
Beginning of period	\$ 32,798	\$(254,740)
End of period	\$ 28,347	\$ 32,798
Change in Net Assets	\$ (4,451)	\$ 287,538

Church Innovations, Inc.		
Statement of Financial Position (Audited)		
December 31, 2005 and 2004		
	2005	2004
Assets		
Current Assets		
Cash	\$ 60,882	\$ 149,532
Accounts receivable, net of allowance for doubtful accounts	101,749	35,088
Inventory	20,799	19,718
Prepaid expenses	3,535	3,404
	\$ 186,965	\$ 207,742
Property and Equipment		
Office furniture and equipment	\$ 249,906	\$ 144,134
Accumulated depreciation	(54,284)	(17,597)
	\$ 195,622	\$ 126,537
Non-current Assets		
Security deposit	\$ 2,710	\$ 2,710
Total Assets	\$ 385,297	\$ 336,989
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	\$ 41,107	\$ 14,984
Accrued salaries	3,500	-
Payroll taxes payable	4,413	3,463
Accrued expenses	27,186	-
Note payable - credit line	30,000	-
	\$ 106,206	\$ 18,447
Non-current Liabilities		
Salary payable	\$ 250,744	\$ 285,744
Total Liabilities	\$ 356,950	\$ 304,191
Net Assets		
Unrestricted	\$ (120,935)	\$(105,760)
Temporarily restricted	149,282	138,558
	\$ 28,347	\$ 32,798
Total Liabilities and Net Assets	\$ 385,297	\$ 336,989

Staff

Patrick Keifert

President and Director of Research

Barbara Miller

Chief Operating Officer

Pat Taylor Ellison

Managing Director of Research

John Mueller Nowell

Director of Consulting

Jannie Swart

Managing Director of Partnership for
Missional Church

Gary Pearce

Accounting Manager

Karen Stack

Director of Fund Development

Daniel Lautenbach

Director of Technology Services

Caroline Hvidsten

Office Manager

In addition to our talented staff, we are supported by a network of affiliated and Church Innovations-trained consultants.

I would like:

For additional information,
mail this card to:

Church Innovations

1563 Como Avenue, Suite 103
Saint Paul, Minnesota 55108

Or call:

651.644.3653

888.223.7631

Or visit our web site at:

www.churchinnovations.org



_____ Information on the Sustaining Missional Leadership conference,
April 26-28, 2007

_____ A Partnership for Missional Church Informational DVD

_____ More information on Church Innovations

_____ To make a contribution to Church Innovations. Enclosed is a check
for \$_____ to support your ongoing operations.

Name _____

Organization _____

Address _____

City, State, ZIP _____

E-mail Address _____



“Peace to this House” Luke 10:5



Church Innovations

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Saint Paul, Minnesota 55108