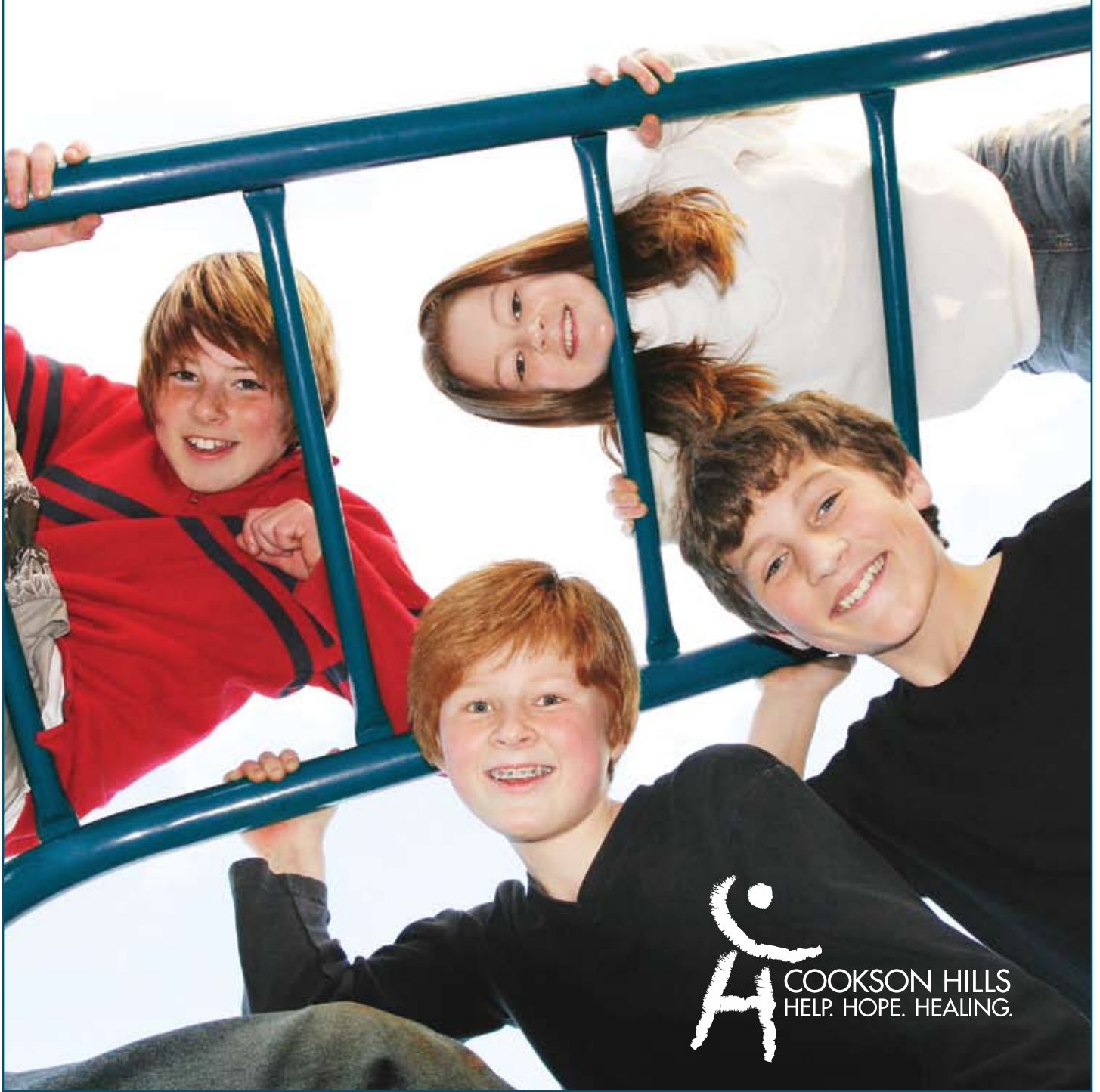


COOKSON HILLS CHRISTIAN MINISTRIES
ANNUAL REPORT 2009



COOKSON HILLS
HELP. HOPE. HEALING.

restoring the american family dream

**2008
2009
HIGHLIGHTS**

12 students graduated in 2009. Four enrolled in Christian Colleges, three enrolled in other colleges or universities, one enlisted in the military, and five are living independently or with family and working.

75 students were served in residential care during the year.

3 couples were hired to fill houseparent positions.

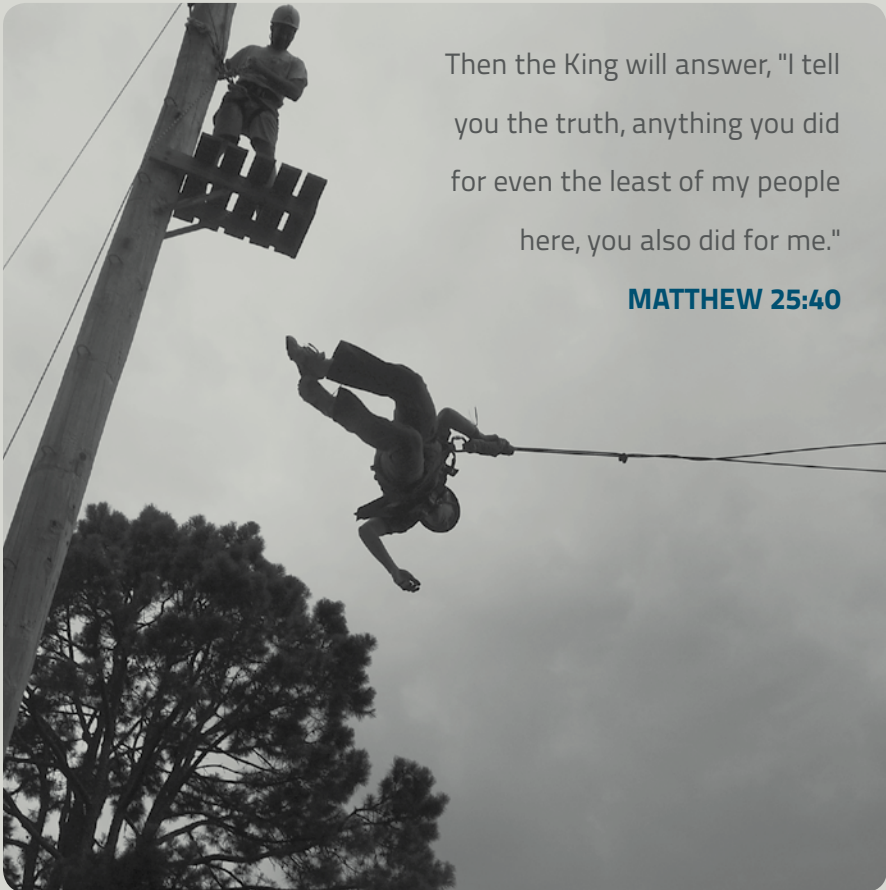
15 students accepted Christ and were baptized.

14% increase in contributions to the Bridge of Hope Annual Fund over the preceding year.

15 families participated monthly in our family training and counseling program.

138 new partners (regular monthly donors) have joined our H3 Partner group.

2,000+ sessions of counseling have been delivered to children in care.



Then the King will answer, "I tell you the truth, anything you did for even the least of my people here, you also did for me."

MATTHEW 25:40

OTHER NOTABLES:

- Secured a firm to assist with the development of a long range campus development plan
- Implemented a non-graded mastery based educational system to better address varied educational needs and create a more economically sustainable elementary program
- Enacted "right-sizing" efforts that resulted in the elimination of eight positions without reducing childcare capacity



a remarkable year... A BRIGHTER FUTURE

Rick Bayless | Executive Director

Lawrence Hallum, long time director of Cookson Hills and my personal mentor, passed on to be with Christ. I miss him tremendously, but am also thrilled that he is now a part of that "great cloud of witnesses" who applaud our continuing efforts from heaven. Given the events of the last year, I can't help but think that he is glad to see how young lives are continuing to be touched by the good news of God's love. He left a legacy of love and hard work —the bedrock upon which Cookson Hills continues to thrive.

LOVE CHANGES HEARTS

During the past year 15 students accepted Christ. While immature in their faith, with consistent exposure to God's word and to Godly examples of a living faith, they are being transformed to the likeness of Christ.

Eight students joined a new student leadership program called Teen Leaders Today. After spending the summer in challenging team and faith building activities, they will lead chapels, mentor incoming students, lead school pride events, promote campus activities, engage peers in faith deepening activities, and develop personal spiritual disciplines. It has been a personal joy to work with these young people as their leadership coach. God gifted them with extraordinary leadership ability, and it is unbelievably exciting to see them influence their peers for God's glory.

HARD WORK PAYS OFF

The declining national economic condition left us all uncertain as to how God would provide. Although very conservatively invested, interest income from restricted funds and the Hallum Strategic Action fund were significantly impacted. In spite of the economic downturn, God provided over 180 new regular donors who helped to fuel a 14% increase in donor income. But, income from wills and estates was almost non-existent leaving us with an approximate \$180,000 overall budget shortfall.

In response to the budget shortfall and general economic climate, we initiated efforts to "right-size" our staff without reducing our capacity to take more students. Consequently, we eliminated eight positions, cut management pay during the last quarter of the year, consolidated several positions, and improved facility utilization.

We found that "necessity is the mother of invention" during the "belt-tightening" efforts of this past year. As a result, our elementary school program was revamped to improve educational outcomes and lower costs. The new non-graded mastery based model is better equipped to deal with the varied needs of the children we serve and is more economically sustainable. Other educational changes replaced the Principal position with a Student Life Coach and updated behavior management program. As a result, student engagement and instructional time have increased improving our efforts to provide daily help, hope, and healing to the life situations that often interfere with a student's ability to successfully explore the limits of their potential.

WITH YOUR HELP, OUR FUTURE IS BRIGHT

Through the ministry of Cookson Hills, young lives are embarking on a journey with Christ. They are overcoming the terrible effects of childhood trauma. They are becoming influential Christians. That thrills me. That gives me hope. That drives me on. That means the future is brighter for all of us and for generations to come.

Since we are not the recipient of government funds but rely solely on the generosity of individuals, churches, corporations and private foundations, we continually strive to make the most of every dollar and to work hard to fulfill the mission to which we are called. As we have done since the beginning, we continue to manage our spending within the limits of God's provisions and chart our course in faithful anticipation of God's response through His people.

Our Bridge of Hope Annual Fund goal this year is \$2,300,000 by December 31, 2009. 89% of that is committed or already given. That leaves about \$251,000 yet to be committed or given.

We are counting on God to provide the financial resources needed to allow us to extend help, hope, and healing to additional children and families who find themselves caught in crisis. All I ask is that you prayerfully and cheerfully do what you can. No gift is too small or too large...it will be just the right amount when God leads.



INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Cookson Hills Christian School, Inc.

We have audited the accompanying statements of financial position of Cookson Hills Christian School, Inc. (a nonprofit organization), as of June 30, 2009 and 2008, and the related statements of activities, cash flows and functional expenses for the years then ended. These financial statements are the responsibility of Cookson Hills Christian School, Inc.'s management. Our responsibility is to express an opinion on these financial statements based on our audits. Tullius Taylor Sartain & Sartain LLP audited the financial statements of Cookson Hills Christian School, Inc. as of and for the year ended June 30, 2008, and merged with Hogan & Slovacek P.C. to form HoganTaylor LLP effective January 1, 2009.

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 of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide 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 Cookson Hills Christian School, Inc., as of June 30, 2009 and 2008, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Hogantaylor LLP

October 1, 2009

6120 S. Yale, Suite 1200, Tulsa, OK 74136-4242
P 918.496.1080 F 918.745.2399
www.hogantaylor.com

STATEMENTS OF ACTIVITIES

Years ended June 30, 2009 and 2008

Changes in Unrestricted Net Assets	2009	2008
Sources of support, revenues and gains:		
Contributions	\$2,168,342	\$1,883,773
Bequests	10,234	1,551,774
Investment losses	(163,838)	(110,622)
Other	199,727	247,612
Net assets released from restriction	46,693	10,200
Total support, revenues and gains	2,261,158	3,582,737
Expenses:		
Program services:		
Child care	1,326,498	1,511,402
Education	552,945	448,844
Total program services	1,879,443	1,960,246
Supporting services:		
General and administrative	320,235	175,186
Promotions	271,733	178,387
Total supporting services	591,968	353,573
Decrease in accrued in-kind benefit obligation	(271,800)	(1,267,000)
Total expenses	2,199,611	1,046,819
Change in unrestricted net assets	61,547	2,535,918
Changes in Temporarily Restricted Net Assets		
Contributions	675,874	20,100
Net assets released from restriction	(46,693)	(10,200)
Change in temporarily restricted net assets	629,181	9,900
Change in net assets	690,728	2,545,818
Net asset (deficiency), beginning of year	2,053,494	(492,324)
Net assets, end of year	\$2,744,222	\$2,053,494

The Statements of Activities and Functional Expenses have been derived from the 2008-2009 fiscal year audit. For a complete financial statement, please contact Mark Fritz at 918.597.2192 x323 or e-mail mfritz@cooksonhills.org.

This is what we are proud of, and I can say it with a clear conscience: In everything we have done in the world, and especially with you, we have had an honest and sincere heart from God.

2 CORINTHIANS 1:12

STATEMENT OF FUNCTIONAL EXPENSES

Year ended June 30, 2009

	PROGRAM SERVICES		SUPPORTING SERVICES		Total
	Child Care	Education	General/Admin	Promotions	
Wages and related costs	\$549,918	\$296,695	\$170,153	\$67,706	\$1,084,472
Activities and special events	32,168	32,525	306	7,598	72,597
Counseling and materials	5,278	1,287	—	—	6,565
Food, clothing and medical	140,398	45,968	9,280	14,891	210,537
Insurance	81,033	11,777	11,129	4,106	108,045
Licensing and taxes	40	—	952	—	992
Postage	637	92	86	16,989	17,804
Professional expenses	2,615	250	72,136	48,065	123,066
Repair and maintenance	57,696	20,343	10,493	8,179	96,711
Retiree expenses	78,774	11,449	10,818	3,991	105,032
Summer work program	18,878	—	—	—	18,878
Supplies and other expenses	13,722	27,175	4,091	65,226	110,214
Telephone and utilities	151,382	67,649	7,364	9,562	235,957
Information technology	12,331	12,268	1,688	5,008	31,295
Travel and meetings	2,917	116	848	12,343	16,224
Vehicle expense	41,251	5,374	2,013	1,104	49,742
Total expenses before depreciation	1,189,038	532,968	301,357	264,768	2,288,131
Depreciation	137,460	19,977	18,878	6,965	183,280
Total expenses	\$1,326,498	\$552,945	\$320,235	\$271,733	\$2,471,411

LEADERSHIP TEAM



EXECUTIVE DIRECTOR

Rick Bayless
BS Psychology
John Brown University, 1990
25 years non-profit management
9 years Human Resources
Executive



DIRECTOR OF CHILDREN & FAMILY SERVICES

Cathy Williams
MS Family & Child Development
University of Central Oklahoma, 2001
7 years agency social work
2 years Social Services
management



DIRECTOR OF THERAPEUTIC SERVICES L.P.C.

Greg Handleton
MA Counseling
Cincinnati Christian University, 1996
2 years residential treatment
10 years community agency private
practice



DIRECTOR OF BUSINESS & OPERATIONS

Mark Fritz
AA Business
Denver Community College, 1985
30 years business management
with P&L sales and customer
service

BOARD MEMBERS

CHAIRMAN

Ben Killion
Minister
First Christian Church
Owasso, OK
Member since 1961

VICE-CHAIRMAN

Clay W. Allen
Instructor of Photography
Broken Arrow, OK
Member since 1999

SECRETARY

Molly Hoffman
Homemaker
Broken Arrow, OK
Member since 2006

Keith Shrum
Self-Employed
Hutchinson, KS
Member since 1960

Jim Hall
Minister
Fletcher Christian Church
Fletcher, OK
Member since 1989

Larry Naumann
Farm Owner/Operator
Boynton, OK
Member since 1992

Dan Pummill, M.D.
General Practice Physician
Kansas, OK
Member since 1997

C. T. Clark
Farmer/Stockman
Amorita, OK
Member since 2004

David Cook
Minister
First Christian Church
Carthage, MO
Member since 2004

Mark Hostetler
Businessman
Henderson, NV
Member since 2008

Rochelle Franco
Homemaker
Siloam Springs, AR
Member since 2009

Elizabeth McCord
Nurse Practitioner
Siloam Springs, AR
Member since 2009

Rashonda Taylor
Self-Employed
Weatherford, TX
Member since 2009

VISION

To restore children and families in crisis to a life-changing relationship with Christ.



PLEDGE

Offering help, hope, and healing to children and families in crisis.



The name H3 Partners comes from the three words that best describe what Cookson Hills provides for the children and families we serve. Help. Hope. Healing.

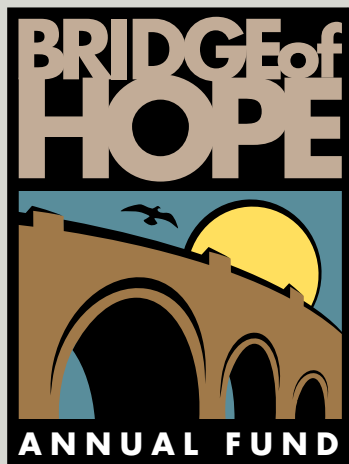
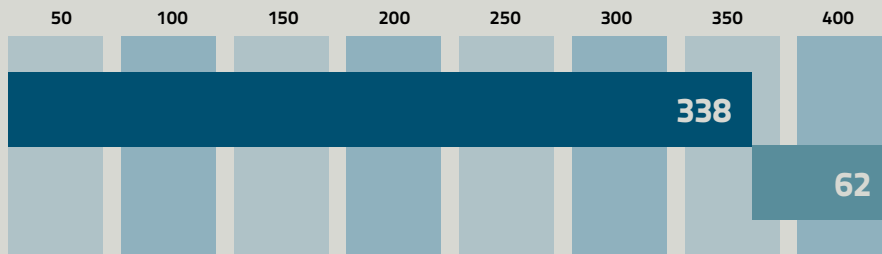
H3 Partners are a select group of ministry friends who provide this help, hope,

and healing by making monthly gifts to Cookson Hills. Regardless of size, their monthly giving will help supply the three major infrastructure needs to serve the children and families:

1. Staff
2. Facilities
3. Operating Cash

For more information please call 918.597.2192.

62 more H3 Partners are needed to help us reach our 2009 goal of 400 regular monthly donors.



Cookson Hills' annual "Bridge of Hope" campaign is designed to meet the needs of more children and families in crisis by fully funding the operational and special projects needs for our children, family, and educational services during 2009.

This year, our annual goal of \$2,300,000 reflects a 10% increase over last year. Historically, we receive around 60% of our gift income from churches and 34% of our gift income from individuals in

order to meet these program costs. The rest typically comes from sale of assets, grants, and fees from services rendered.

Cookson Hills continues to operate on a pay-as-we go basis. We have received or expect to receive \$2,049,000 before the end of the calendar year. That means, in order to reach our "Bridge of Hope" goals for this year, we still need \$251,000. Will you help to insure that we are able to provide help, hope, and healing to more children and families in crisis?



- Complete training for new childcare staff
- Increase the number of students in residential care by 25
- Increase placement referrals from supporting churches and organizations
- Hire a Development Director
- Grow the H3 Partner (regular monthly donor) group to include 100 new donors
- Enlist 10 new supporting churches or organizations
- Enlist five new grant or corporate funding sources
- Sustain staffing at 95% of capacity
- Recruit and train three new board members
- Complete a long range campus master plan
- Expand Will & Estate planning services



To insure our financial accountability to you, our donor, we are a member of the Evangelical Council for Financial Accountability. We fully support the purpose and goals of ECFA and display its seal proudly to reflect compliance with its membership standards.

ECFA STANDARDS

Accountability to God is vital, but people form their impressions of both people and organizations by looking at the outward appearances (1 Samuel

16:7). The basis for establishing ECFA and developing Seven Standards of Responsible Stewardship™ is stated clearly by the Apostle Paul in 2 Corinthians 8:21 (NIV): "For we are taking pains to do what is right, not only in the eyes of the Lord but also in the eyes of men." Or, as the New American Standard puts it in verses 20 and 21, "taking precaution that no one should discredit us in our administration of this generous gift, for we have regard for what is honorable, not only in the sight of the Lord, but also in the sight of men." The Standards, drawn from Scripture, are fundamental to operating with integrity.

The ECFA Standards are seldom changed, providing members a steady baseline for consistent application of the Standards. The brief statements included in the Standards have signifi-

cant implications; the Standards are simple but not simplistic. These are not Standards that allow for grading on the curve. Rather, they are pass-fail Standards. If a member fails even one of the Standards, it is disqualified from ECFA membership.

SEVEN STANDARDS OF RESPONSIBLE STEWARDSHIP™

- Standard 1 - Doctrinal Statement
- Standard 2 - Board of Directors and Financial Oversight
- Standard 3 - Financial Statements
- Standard 4 - Use of Resources
- Standard 5 - Financial Disclosure
- Standard 6 - Conflicts of Interest
- Standard 7 - Fund-Raising

To view the full commentaries on the Seven Standards please visit: www.ecfa.org or call 918.597.2192 to request a copy.



Cookson Hills Christian Ministries

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918.597.2192

918.597.2200 Fax

www.cooksonhills.org